Weekly Compendium of Economic and Business Developments

For the week ending 4th January 2020

PHD Research Bureau disseminated information to the members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as NITI Aayog released SDG India Index and Dashboard 2019, November 2019 core infra stood at (-)1.5%; November 2019 Fiscal Deficit stood at 114.8% of actuals to Bes; RBI released draft circular on Limits on Exposure to Single and Group Borrowers/Parties and Large Exposures and Revision in Priority Sector Lending Targets for UCBs; GST revenue collection for the month of December, 2019 stood at Rs 1,03,184 crore; RBI released norms of reporting of OTC Currency Derivative transactions to trade repository; RBI released report on Pilot Survey on Indian Startup Sector; India's CAD decreased to 0.9 % of GDP in Q2 2019-20 from 2% in Q1 2019-20, among others. The details of disseminated information during the week ending 4th January 2020 are appended.

India and World Economy

- **NITI Aayog Releases SDG India Index and Dashboard 2019-** NITI Aayog released the second edition of the Sustainable Development Goals (SDG) India Index, which comprehensively documents the progress made by India's States and Union Territories towards achieving the 2030 SDG targets. The SDG India Index—which has been developed in collaboration with the Ministry of Statistics and Programme Implementation (MoSPI), United Nations in India, and Global Green Growth Institute—was launched by NITI Aayog Vice Chairman Dr Rajiv Kumar; Members Dr Ramesh Chand and Dr V K Paul; CEO Amitabh Kant; UN Resident Coordinator Dr Renata Dessallien; MoSPI Secretary and Chief Statistician of India Mr Pravin Srivastava; and NITI Aayog SDG Adviser Sanyukta Samaddar.

- **November 2019 core infra stands at (-)1.5%; November 2019 Fiscal Deficit stands at 114.8% of actuals to Bes-** The core infrastructure stands at (-)1.5% in November 2019 as against -5.8% in October 2019. The combined Index of Eight Core Industries stood at 126.3 in November 2019, which declined by 1.5% as compared to the index of November, 2018. Its cumulative growth during April to November, 2019-20 was 0.0%. The gross fiscal deficit of the Central government stands at 114.8% of the actuals to budget estimates (BEs) at the end of November 2019 as compared to 114.8% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 1076.5% of the actuals to budget estimates at the end of November 2019 as compared to 759.9% of the actuals to budget estimates during corresponding period of the previous year.

- **2636 EV Charging Stations sanctioned under Phase-II of Fame India Scheme-** The Department of Heavy Industries has sanctioned 2636 charging stations in 62 cities across 24 States/UTs under FAME India (Faster Adoption and Manufacturing of Electric Vehicles (EV) in India) scheme phase II to give a further push to clean mobility in Road Transport Sector. It will also boost the confidence of users of Electric Vehicles (EV) and also encourage the OEMs (Original Equipment Manufacturers) to launch the new electric vehicle models due to the lack of charging infrastructure.

Finance

- **RBI releases Financial Stability Report, December 2019-** The Reserve Bank of India released the Report on Financial Stability (FSR). The FSR reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability and also the resilience of the financial system. The Report also highlights issues relating to development and regulation of the financial sector. The Overall assessment of systemic risks according to the report says that India's financial system remains stable notwithstanding weakening domestic growth; the resilience of the banking sector has improved following recapitalisation of Public Sector Banks (PSBs) by the Government. Risks arising out of global/domestic economic uncertainties and geopolitical developments, however persist.

- **RBI releases draft circular on Limits on Exposure to Single and Group Borrowers/Parties and Large Exposures and Revision in Priority Sector Lending Targets for UCBs-** The Reserve Bank of India released draft circular on limits on exposure to single and group borrowers/parties, large exposures and revision in priority sector lending targets for primary (urban) co-operative banks (UCBs) for feedback/suggestions. The circular stipulates that the prudential exposure limits for UCBs for a single borrower/party and a group of connected borrowers/parties shall be 10% and 25%, respectively, of their Tier I capital and that at least 50% of their loan portfolio shall comprise loans not more than 25 lakh per borrower/party.

- **Finance Minister Smt Nirmala Sitharaman releases Report of the Task Force on National Infrastructure Pipeline for 2019-2025-** The Hon'ble Union Finance Minister Smt. Nirmala Sitharaman, released report of the Task Force on National Infrastructure Pipeline for 2019-2025 at a press conference. To achieve the GDP of $5 trillion by 2024-25, India needs to spend about $1.4 trillion (Rs. 100 lakh crore) over these years on infrastructure. To achieve this objective, a Task Force was constituted to draw up the National Infrastructure Pipeline (NIP) for each of the years from FY 2019-20 to FY 2024-25 with the approval of the Finance Minister.

- **GST revenue collection for the month of December, 2019 stands at Rs 1,03,184 crore-** The gross GST revenue collected in the month of December, 2019 is Rs 1,03,184 crore of which CGST is Rs 19,962 crore, SGST is Rs 26,792 crore, IGST is Rs 48,099 crore (including Rs 21,295 crore collected on imports) and Cess is Rs 8,331 crore (including Rs 847 crore collected on imports). The total number of GSTR 3B Returns filed for the month of October up to 31th December, 2019 is 81.2 lakh.

- **RBI releases norms of reporting of OTC Currency Derivative transactions to trade repository-** This is in reference to circular FMD.MSRG.No.94/02.05.002/2013-14 dated December 04, 2013 on Reporting Platform for Over-the-counter (OTC) Foreign Exchange and Interest Rate Derivatives, wherein a threshold of USD 1 million, and equivalent thereof in other currencies, was stipulated for reporting client transactions in currency derivatives (currency swaps and FCY FRA/IRS) to the Trade Repository (TR). RBI has decided that all client transactions in currency derivatives, including those with notional amount of below USD 1 million, shall now be reported to the TR, with effect from January 06, 2020.

- **Gross Bank Credit grows at 7% in November 2019-** Gross bank credit grows at around 7.3% in November 2019 as against 8% in October,2019 (year-on-year). The gross bank credit growth stands at 14% in November 2018. On a year-on-year (y-o-y) basis, non-food bank credit growth decelerated to 7.2% in November 2019 from 8.3 per cent in October 2019. Credit to agriculture & allied activities slowed down to 6.5% in November 2019 from 7.1% in October 2019.

- **RBI releases report on Pilot Survey on Indian Startup Sector**- In view of the emerging importance of the startup sector in the Indian economy, the Reserve Bank of India (RBI) conducted a pilot survey on Indian startup sector. Therefore, the Reserve Bank of India released the Report on Pilot Survey on Indian Startup Sector-Major Findings'. It presents the feedback received from the survey respondents on the startup sector.

- **CBDT proposes amendment of Income-tax Rules 1962 by inserting new rule 29BA and Form 15E-** Section 195 of the Act relates to levy of tax deduction at source (TDS) on any sum chargeable to tax and which is paid to a non-resident, not being a company, or to a foreign company. Prior to the amendment, sub-section (2) of the said section provided that where the person responsible for paying such sum chargeable under the Act to a non-resident considers that the whole of such sum would not be income chargeable in the case of the recipient, he may make an application to the Assessing Officer (AO) to determine, by general or special order, the appropriate of such sum so chargeable and upon such determination, tax shall be deducted only on that proportion of the sum which is so chargeable.

- **ECBs stands at about USD 2 billion during November 2019-** Indian firms have raised about USD 2 billion through external commercial borrowings (ECBs) by automatic and approval route in November 2019 as against USD 3.4 billion in October 2019. While, ECBs were at about USD 1.9 billion in November 2018.

Trade

- **India's CAD decreased to 0.9 % of GDP in Q2 2019-20 from 2% in Q1 2019-20-** India's Current Account Deficit (CAD) stands at US$ 6.3 billion (0.9 per cent of GDP) in Q2 of 2019-20 narrowed from US$ 19.0 billion (2.9 per cent of GDP) in Q2 of 2018-19 and US$ 14.2 billion (2.0 per cent of GDP) in the preceding quarter. The contraction in the CAD was primarily on account of a lower trade deficit at US$ 38.1 billion as compared with US$ 50.0 billion a year ago.

- **FDI inflows in India stands at USD 14 billion during Q2 2019-20-** The Total FDI inflows (Equity inflows + Re-invested earnings + Other capital) in India stands at USD 14 billion during Q2 - July to September 2019-20. During April to September 2019-20, total FDI inflows stands at about USD 35 billion.

Our Voice

Rebound in economy seen in 2020: PHD Chamber; Growth is expected to be at around 6.5% in the next financial year- The year 2019 was a year of great economic reforms where in the government announced string of reforms for each and every socio-economic segment of the country. The breakthrough in economic reforms was amazing as the government reduced the corporate tax significantly from more than 30% to an effective rate of 25.17% and 17.01% for the new manufacturing units. Going ahead, the year 2020 will be a year of economic rebound wherein the expectation is that the economy will regain its dynamic growth trajectory once again and take its position to become a US$5 trillion economy by 2024. Inflation conditions in 2020 will remain benign except few fluctuations because of weather disruptions. At this juncture, the focus of the government must be to refuel the consumption demand with a significant reduction in the direct taxes. Thus reforms in direct taxation are need of the hour with remarkable rationalization of tax rates in the forthcoming budget. No personal income tax applicable upto the income of Rs 5 lakhs for the individuals and income tax slabs should be rationalised to 10% for people earning upto Rs 10 lakhs per year, 20% for those with incomes of over Rs 10 lakhs and upto Rs 20 lakhs, 30% for income over Rs 20 lakhs and upto Rs 2 crore and 35% for individuals earning more than Rs 2 crore. The increase in the personal disposable income will propel savings and investments in the economy thereby refuelling demand in the coming times. Reduction in Tax on MSME firms working as Proprietorship/Partnerships is suggested as vast majority of MSMEs are either sole proprietorship or partnerships. Hence, a 5 percentage point cut in maximum tax rate of MSMEs is suggested, going forward. Further, the MSME exporters must be fully exempted from tax on their export earnings. This will enhance the exporters' motivation and strengthen their competitiveness in the global markets. On the GST front, there is a need to reduce the GST rates for the automobiles from the current rates of 18% for small and mid-sized cars and 28% for luxury cars to 12% and 18% respectively. The GST on electric vehicles should be further reduced to 5% from 12%. This would give a significant fillip to the automobiles sector which is much needed for this promising sector of the economy. The GST rate on cement should also be reduced from 28% to 18% to boost the cement industry and to kick-start the infrastructure and housing projects. All the Petroleum products should also come under the ambit of GST to reduce the cascading impact of indirect taxation. There is a need to stimulate the civil aviation sector, Aviation Turbine Fuel (ATF) needs to be brought under the ambit of GST at the earliest. The entire banking sector would be supportive of rejuvenating the economic growth and transmit the cut in the policy rates to the consumers. The easy availability of money with lower interest rates will enhance the sentiments of businesses in terms of expanded production possibility frontiers with creation of new employment opportunities for the growing young population. Above all, economic reforms undertaken by the government needs to create synchronisation and complementarities in the businesses and manufacturing processes. The reforms in labour market including the codification of fixed term employment are encouraging and must be supported with reforms in land acquisition and reduced cost of capital for the businesses. The speedy implementation and synchronization of various reforms will refuel our economic growth trajectory very soon.

PHD Chamber appreciates the Government's move to review FTAs- PHD Chamber of Commerce and Industry appreciates the government's decision to review all existing Foreign Trade Agreements with its various FTA partner countries and groups, as a step towards protection of domestic industries and traders, and enhancing the export growth in the economy. It is an important development for India as there has been a growing concern in different quarters including the industry that the benefits for India have been very limited from the Free Trade Agreements (FTAs) that the country has signed and implemented so far. In order to derive greater benefits from the already signed FTAs, the government's decision to review all existing FTAs is a laudable move. FTAs have to be signed keeping two things in mind, mutually reciprocal terms and focusing on products and services with maximum export potential. India is a fairly open economy with overall trade (exports plus imports) as a percentage of GDP at around 43% in 2018. Indian exports have gradually found their way into new markets and the export sector has moved up the value chain. It is imperative to note that India has viewed FTAs as an important tool to enhance its trade and investment, and signed a number of trade agreements with various countries or groups. Although FTAs are instrumental in creating seamless trade blocs that can aid trade and economic growth, there exist genuine concerns of trade asymmetry as India's exports to FTA countries have not outperformed overall export growth or exports to rest of the world. At this time, when the Indian government has decided to review the existing FTAs with the different countries or groups and has also decided to not be a part of the Regional Comprehensive Economic Partnership (RCEP) it is pertinent to examine the progress of trade between India and its key FTA partner countries and groups.

The major FTAs that India has signed and implemented so far include South Asia Free Trade Agreement (SAFTA), India – ASEAN Comprehensive Economic Cooperation Agreement (CECA), India – Korea Comprehensive Economic Partnership Agreement (CEPA) and India – Japan Comprehensive Economic Partnership Agreement (CEPA). FTAs have led to increased imports and exports, although this has widened the trade deficit. For example India's combined trade deficit with ASEAN (Association of Southeast Asian Nations), Korea and Japan has almost doubled to USD 42 billion in FY 2019 from USD 24 billion in FY2017 and USD 15 billion in FY2011 (with the signing of the respective FTAs).To harness the export potential of the country it is suggested that the scope of FTAs need to be widened with the inclusion of services sector. Also, more items and products which hold greater export potential from India's domestic manufacturers could be added in the ambit to diversify our basket of export offerings. Market access of Indian products in the FTA partner countries and groups need to be negotiated well as the country faces lot of hurdles to reach their markets and supply products to our various FTA partner nations and groups. The Government should review its existing FTAs in terms of benefits to various stakeholders like industry and consumers, trade complementarities and changing trade patterns in the past decade. A well-balanced Free Trade Agreement deals addressing the concerns of all the stakeholders is the need of the hour.

Economy so far

- **India may surpass Germany to become fourth-largest economy in 2026: Report-** India is expected to overtake Germany to become 4th largest economy in 2026 and Japan to become third largest in 2034 according to a report. India is also set to reach a GDP of USD 5 trillion by 2026, 2 years later than the government's target. India has decisively overtaken both France and the UK to become the world's fifth largest economy in 2019. Japan, Germany and India will battle for third position over the next 15 years.

- **Group of ministers set up to review crop insurance scheme-** Concerned over exit of a few states, dropping out of insurance companies and growing dissent among farmers on the government's flagship crop insurance scheme, the centre has set up a seven member group of ministers (GoM) headed by hon'ble Minister Of Defence Shri Rajnath Singh to review the scheme and recommend changes to make it more farmer friendly. The GoM includes hon'ble Minister of Home Affairs Shri Amit Shah and hon'ble Minister of Agriculture Shri Narendra Singh Tomar as members and other members include the ministers of state for agriculture, finance, tribal affairs and animal husbandry. There have been demands for making crop insurance voluntary to all farmers, removal of high premium crops and giving flexibility to states to provide customised add-on products. States like Bihar, West Bengal and Andhra Pradesh have exited from the central scheme and have launched their own crop insurance scheme.

- **MOSPI constitutes Standing Committee on Economic Statistics headed by Pronab Sen-** The statistics ministry has constituted a 28 member Standing Committee on Statistics (SCES) chaired by former Chief Statistician Pronab Sen to improve quality of data amid criticism of the government over political interference. The economist had said that for decades, India's statistical machinery enjoyed a high-level of reputation for the integrity of the data it produced on a range of economic and social parameters.

- **FPIs remain net buyers in December; invest over Rs2,600 cr-** Foreign investors remained net buyers in December by investing Rs2,613 crore in the domestic markets, mainly due to expectation of a revival in corporate earning, quantitative easing by the US Fed and infusion of funds by central banks globally. According to the depositories data, a net amount of Rs6,301.96 crore was invested by foreign portfolio investors (FPI) into equities, while Rs 3,688.94 was pulled out of the debt segment.

- **Labour Ministry mulls 'Santusht' portal in Jan for speedy resolution of grievances-** The labour ministry has chalked out a plan to launch a new portal 'Santusht' next month for the speedy redressal of worker as well as employer grievances and ensuring effective implementation of labour laws at the grassroot level. Initially, Santusht would monitor all services provided by retirement fund body EPFO and health insurance and services provider ESIC to formal sector workers. Later, the portal would cover other wings of the ministry as well. It would also have data on real time basis to assess the performance of each and every official. Workers and employers can lodge their complaints on the portal, which would be managed by an internal monitoring cell comprising five to six officers. The portal would have all data related to business transacted by the EPFO and ESIC. Santusht is envisaged to ensure transparency, accountability and effective implementation of labour laws.

- **India's coal imports rise 4% to 161 MT in April-November-** India had imported 154.56 MT of coal in April-November 2018, according to a report. The country's coal imports registered an increase of 4.4% to 161.43 million tonnes (MT) in the April-November period of the ongoing fiscal. This comes amid the Centre exuding hope that imports of the fossil fuel would be contained to 235 MT this financial year. Coal imports in November declined by marginal 0.8 per cent to 17.80 MT, against 17.95 MT in the same month last fiscal. The weak demand from the thermal power sector and an increase in seaborne prices, especially for the South African material, led to a slight drop in volumes during the month. With domestic production set to rise in the fourth quarter (January-March), import demand is expected to be subdued in coming months.

- **eBkray: Ho'ble Minister of Finance, Smt Nirmala Sitharaman launches e-platform for sale of assets attached by PSU banks-** Hon'ble Minister of Finance, Smt Nirmala Sitharaman launched a common online platform named eBkray to auction assets attached by various state-run banks, seeking to bring in transparency in the sale of 35,000 properties currently available and many more in future.

The minister also announced that the revenue department will notify RuPay and UPI as the prescribed mode of payment for undertaking digital transactions without any MDR charges from January 1, 2020. Accordingly, all companies with a turnover of Rs 50 crore and above will be required to offer payment facility through RuPay debit card and UPI QR code to their customers, in sync with a Budget proposal. The e-platform to sell assets provides a single-window access to information on all the properties up for e-auction, as well as a facility for the comparison of similar properties. It is equipped with property search features and navigational links to all the e-auction sites of the state-run banks, and also contains photographs and videos of uploaded properties.

- **FDI rises 15% during Apr-Sept to $26 billion-** Foreign direct investment into India grew 15% to $26 billion during the first half of the current financial year, according to government data. Inflow of foreign direct investment (FDI) during April-September of 2018-19 stood at $22.66 billion. Sectors, which attracted maximum foreign inflows during April-September 2019-20, include services ($4.45 billion), computer software and hardware ($4 billion), telecommunications ($4.28 billion), automobile ($2.13 billion) and trading ($2.14 billion), the commerce and industry ministry data showed. Singapore continued to be the largest source of FDI in India during the first half of the financial year with $8 billion investments. It was followed by Mauritius ($6.36 billion), the US ($2.15 billion), the Netherlands ($2.32 billion), and Japan ($1.78 billion).

- **India's Q2 CAD narrows sharply to 0.9% of GDP on lower trade deficit-** India's current account deficit (CAD) narrowed sharply to 0.9% of GDP in the July-September (Q2) of FY2019-20 from 2.9% in the year ago period and 2% in the preceding quarter. This contraction in CAD was primarily on account of lower trade deficit. CAD occurs when the value of goods and services a country imports exceeds the value of exports. A large CAD can cause the domestic currency to depreciate. In absolute terms, the CAD in the second quarter came down to $6.3 billion from $19 billion in the year ago quarter and $14.2 billion in the preceding (April-June 2019) quarter. Trade deficit in the quarter was lower too at $38.1 billion as compared with $50 billion a year ago. Net services receipts increased by 0.9% on a year-on-year (YoY) basis, on the back of a rise in net earnings from computer, travel and financial services. Private transfer receipts, mainly representing remittances by Indians employed overseas, rose to $21.9 billion, increasing by 5.2% from their level a year ago. In the financial account, net foreign direct investment was $7.4 billion, almost same level as in corresponding Q2 of 2018-19. Foreign portfolio investment recorded net inflow of $2.5 billion – as against an outflow of $1.6 billion in Q2 of 2018-19 – on account of net purchases in the debt market.

- **Gujarat received Rs 24,012 crore FDI in first half of FY20-** Gujarat has received Rs 24,012 crore in Foreign Direct Investment (FDI) in various sectors during the first half of the financial year 2019-20, which is almost double compared with the FDI received in the entire FY 2018-19. The state had received Rs 12,612 crore FDI during the last fiscal. As per the report of the Department for Promotion of Industry and Internal Trade (DPIIT) under the Union Ministry of Commerce and Industry, Gujarat attracted FDI of Rs 24,012 crore between April and September of the current fiscal, which is double than the entire investment received last year. This shows that Gujarat has emerged as the best destination for investment in the country.

- **India-Mauritius FTA nears finalisation as both countries conclude negotiations-** The proposed free trade agreement between India and Mauritius is nearing finalisation as both the sides have concluded the negotiations for the pact. The proposed India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) seeks to mutually benefit both the countries in the area of trade in goods and services. Negotiations were held across several sectors including goods, services, rules of origin, technical barriers to trade and sanitary and phyto-sanitary measures, trade remedies and dispute settlement.

- **GST collection tops Rs 1 lakh crore again-** GST revenue collection remained above Rs 1 lakh crore mark for the second month in a row with December mop-up rising to Rs 1.03 lakh crore as compared to the year-ago period. In December 2018, the GST collection was Rs 97,276 crore. The GST collection in November 2019 stood at Rs 1,03,492 crore. Of the gross Rs 1,03,184 crore last month, CGST is Rs 19,962 crore, SGST is Rs 26,792 crore, IGST is Rs 48,099 crore (including Rs 21,295 crore collected on imports) and Cess is Rs 8,331 crore (including Rs 847 crore collected on imports). During the month, the GST revenue from domestic transactions witnessed a growth of 16% as compared to the year-ago period.

- **States' GST mop-up up 16% in December ; UP, Telangana remain laggards-** GST collections from domestic transactions rose 16% YoY to Rs 80,849 crore in December 2019. Among the top 10 states in terms of GST collections on this count, only Uttar Pradesh and Telangana witnessed a growth rate of less than 14%.

- **India will struggle to achieve 5% GDP growth in 2020: American economist Steve Hanke**- India will struggle to achieve 5% GDP growth in 2020 as the significant deceleration in past few quarters was largely owing to credit squeeze which is a cyclical problem according to the American economist Steve hanke. Hanke served on former US President Ronald Reagan's Council of Economic Advisers further said that Modi government has failed to make any big economic reforms.

- **Bank credit grows 7.1% and deposits increase 10%: RBI-** According to RBI, the pace of year on year growth in commercial bank credit more than halved to 7.1% at end fortnight (December 20, 2019) from 15.1% a year ago. Between December 6 and December 20, lenders disbursed Rs 12,519 crore, taking outstanding of scheduled commercial Rs 99.47 trillion. On the other hand, the deposits in the same period increased 9.1% to Rs 130.1 trillion by the end of December 20. However, in the fortnight between December 6 and December 20, the deposits decline 0.7%.

- **Seeking turnaround, Hon'ble Prime Minister likely to review ministerial work-** Over the coming few weeks, Hon'ble Prime Minister Shri Narendra Modi is likely to review each department and ministry's work to evaluate their performance. The review could culminate in seeking inputs from them to turn around the economy, after the country witnessed its worst slowdown in 26 quarters in the second quarter of 2019-20.

- **Spice production has jumped in India, says Hon'ble Prime Minister-** Hon'ble Prime Minister Shri Narendra Modi recently said that due to the efforts of the government, both the production and export of spices from India has increased considerably. Spice production in India has increased by more than 2.5 million tons, so the export has also increased from about Rs 15,000 crore to about Rs 19,000 crore. Hon'ble Prime Minister further said that agriculture has a key role to play in helping the country achieve its goal of becoming five trillion dollar economy and the government was focusing on formulating a cash crop and export-centric farming system. He also mentioned that the government has disbursed Rs 12,000 crore to six crore beneficiaries under PM Kisan Samman Yojana scheme in one-go.

- **PSU banks may adopt new corp lending practice-** After decades India's government-owned banks are likely to change the way they lend. The outdated practice may soon change, with the country's largest lender, State Bank of India, proposing a transition from an 'asset-based lending' model to 'cashflow-based lending' — a mechanism that, among other things, may reduce misuse of funds by borrowers and enable banks to figure out ability of borrowers to service loans on time. The shift will require borrowing entities to share their cashflow statements more frequently with banks.

- **RBI releases report on Pilot Survey on Indian Startup Sector**- In view of the emerging importance of the startup sector in the Indian economy, the Reserve Bank of India (RBI) conducted a pilot survey on Indian startup sector. Respondents cited market/industry demand and team experience as the major enabling factors for setting up the startups. Both domestic markets (mainly semi-urban, urban and metropolitan areas in India) and foreign countries were the target destination of the startups. Almost half of the respondents informed that they were in an early stage of revenue generation while 31% were in a growing stage. Of the remaining startups which were yet to generate any revenue, as high as 86% were aged below three years.

- **Factory activity strengthens in December, 2019; PMI rises to 52.7-** India's manufacturing industry expanded at its fastest rate in ten months in December with a solid rise in factory orders boosting production growth at the end of 2019. The IHS Markit India Manufacturing PMI rose to 52.7 in December from 51.2 in November, remaining above the 50-mark threshold that separates contraction from expansion. At the sub-sector level, growth was led by consumer goods, though intermediate goods also made a stronger contribution to the headline figure. Meanwhile, capital goods remained in contraction.

Markets So Far

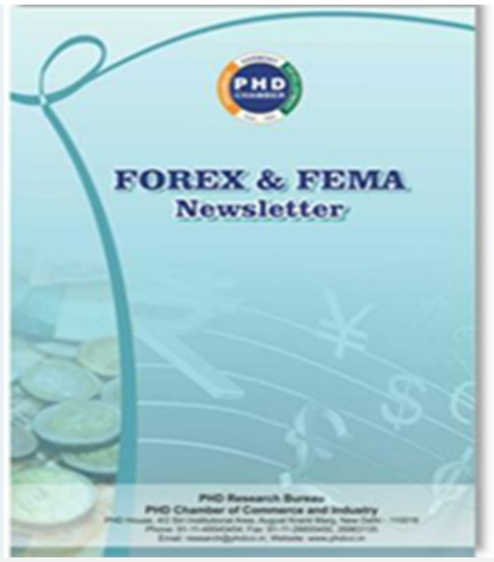
Indicators	Yearly			Monthly			Daily		
	2016	2017	2018	Oct 19	Nov 19	Dec 19	(01-01-2020)	(02-01-2020)	(03-01-2020)
BSE SENSEX	26626	34057	36068	40129	40,793	41253*	41306	41626	41464
GOLD (10 GRMS)	29420	28966	30600	38246	38125	38084	38995	39068	39948
CRUDE OIL (1 BBL)	2925	3317	4437	3850.2	4074	4241	4352	4352	4365
EXCHANGE RATE (INR/USD)	67	65	68	71.05	71.45	71.3	71.2	71.37	71.8

Source: PHD Research Bureau, PHDCCI, complied from BSE, MCX and Bloomberg, RBI (*denotes value as on 31st December 2019)

Newsletters

PHD Research Bureau has released a newsletter on FOREX & FEMA that provides a broad view of developments related to forex affairs of economy such as rupee movement, forex reserves, regulatory developments, stock markets behavior, interest rate scenario, commodities overview and key macroeconomic indicators, etc.

FOREX & FEMA NEWSLETTER FOR MONTH OF DECEMBER 2019



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NATIONAL APEX CHAMBER

Warm Regards,

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