



PHD Research Bureau
PHD Chamber of Commerce and Industry



PHDCCI Quick Economic Trends

Economy needs continued handholding to mitigate the uncertainty caused by omicron variant: PHD Chamber

There is a need for continuous handholding of the economy as the uncertainty caused by looming impact of new coronavirus variant has impacted the performance of some of the lead economic and business indicators in the month of November 2021. Although the resilience of Indian Economy is very strong and we expect a double digit GDP growth in 2021-22 on the back of effective policy measures undertaken by the government, still we have to mitigate the uncertainty caused by the looming impact of omicron variant.

Out of the 9 lead economic and business indicators (November 2021 data for railway freight is not available yet) of QET (Quick Economic Trends), tracked by the industry body PHDCCI, 6 have shown uptick for the month of November 2021 as compared with 7 out of 10 indicators showing the uptrend in October 2021. Unemployment, Exchange rate, Manufacturing PMI, GST Collections, Exports and E-way Bill registered a positive growth in November 2021.

Exports registered a positive growth of 27% in November 2021, increasing from US\$ 23.6 billion in November 2020 to US\$ 30 billion. GST collections registered the y-o-y growth of 25% from Rs 1,04,963 crore in November 2020 to Rs 1,31,526 crore in November 2021. E-way Bills have shown y-o-y growth 5.9%, in November 2021, increasing from 57.7 million in November 2020 to 61.1 million in November 2021.

Unemployment declined sequentially by 9.7% in November 2021 from 7.8% in October 2021 to 7% in November 2021. Exchange rate appreciated by 0.6% from average of 74.9 INR/USD in October 2021 to 74.45 INR/USD in November 2021. The sequential growth of Manufacturing PMI increased by 3.0% in November 2021, from 55.9 points in October 2021 to 57.6 points in November 2021.

However, forex reserves registered the decline of (-)1%, decreasing from US\$ 642 billion in October 2021 to US\$ 638 billion in November 2021. The SENSEX (monthly average) declined by (-)2% in November 2021 from 60422 in October 2021 to 59416 in November 2021. Passenger vehicle sales registered decline of (-)19% in November 2021 from 2,64,898 units in November 2020 to 2,15,626 in November 2021.

Supply side issues such as high input prices, shortages of raw materials, among others are

impacting the production possibilities and reducing the price cost margins of the producer.

Chart 1: Economy out of 10 based on PHDCCI Quick Economic Trends

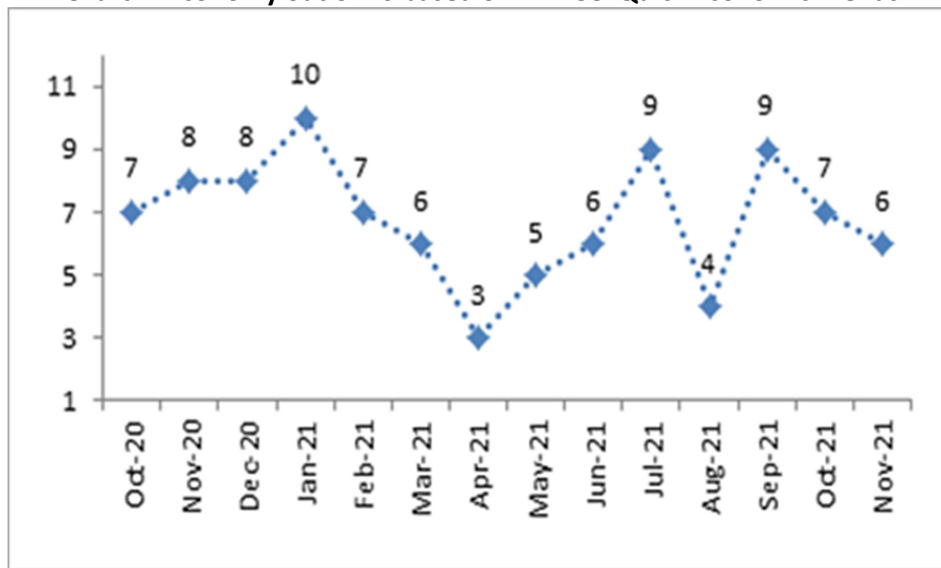
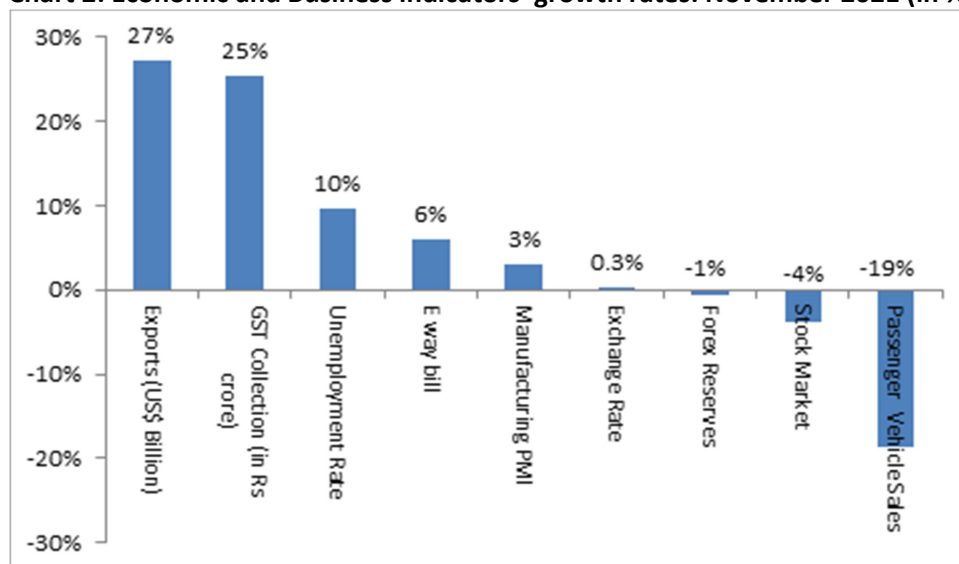


Chart 2: Economic and Business indicators' growth rates: November 2021 (in %)



Source: PHD Research Bureau, PHDCCI

Note: *Growth calculations of indicators such as exchange rate and trade deficit are adjusted such that the decrease in the said indicators depicts improvement and vice-versa; figures are rounded off; growth for GST Collections, E way bill, Railway Freight, Passenger Vehicle Sales and Exports is calculated on year on year (y-o-y) basis; growth for Unemployment Rate, Forex Reserves, Exchange Rate, Stock Market Manufacturing PMI (points) is calculated on sequential basis; Score for the month of November 2021 is out of 9, as data for railway freight is not available.

At this juncture, there is a need to address the high commodity prices and shortages of raw material to support the consumption and private investments in the country. The drivers of household consumption need to be further strengthened to enhance the aggregate demand as it will have an accelerated effect on expansion of capital investments. More and more

direct benefit transfers needs to be enhanced for the urban and rural poor under the various welfare schemes of the Government to strengthen and sustain the recovery in the economic growth.

10 economic and business indicators of QET include demand and supply indicators along with external and financial sectors indicators.

PHDCCI Quick Economic Trends: Growth Performance of Economic & Business activity so far

S. N o.	Economic and Business Indicators	Sep-21	Growth		Oct-21	Growth		Nov-21	Growth	
Indicators with Y-o-Y Growth										
1	GST Collections (in Rs crore)	117010	22.5%	↑	130127	24%	↑	131526	25%	↑
2	E way bill (in Millions)	67.9	18.3%	↑	73.5	14.7%	↑	61.1	5.9%	↑
3	Railway Freight (MT)	106	3.9%	↑	117.34	10.7%	↑	-	-	-
4	Passenger Vehicle Sales (units)	160070	-41.2%	↓	226353	-27%	↓	215626	-19%	↓
5	Exports (US\$ Billion)	33.79	22.6%	↑	36	43%	↑	30.04	27%	↑
Indicators with Sequential growth (M-o-M)										
6	Unemployment Rate (in %) (Sign Changed)*	6.9	16.9%	↑	7.75	-12.3%	↓	7	9.7%	↑
7	Forex Reserves (in US\$ Billion)	637	0.5%	↑	642	1%	↑	637.7	-1%	↓
8	Exchange Rate (INR/USD) (Sign changed)*	73.58	0.8%	↑	74.9	-2%	↓	75.1	0.3%	↑
9	Stock Market (SENSEX monthly average)	58781	6.4%	↑	60422	3%	↑	59416	-2%	↓
10	Manufacturing PMI (points)	53.7	2.7%	↑	55.9	4.1%	↑	57.6	3.0%	↑
Overall Score		9/10			7/10			6/9		

Source: PHD Research Bureau, PHDCCI

Note: Growth calculations of indicators such as exchange rate and trade deficit are adjusted such that the decrease in the said indicators depicts improvement and vice-versa; figures are rounded off; growth for GST Collections, E way bill, Railway Freight, Passenger Vehicle Sales and Exports is calculated on year on year (y-o-y) basis; growth for Unemployment Rate, Forex Reserves, Exchange Rate, Stock Market Manufacturing PMI (points) is calculated on sequential basis; Score for the month of November 2021 is out of 9, as data for railway freight is not available.

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Warm Regards,

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