

# Weekly Compendium of Research

For the week ending 2<sup>nd</sup> February 2019

PHD Research Bureau disseminated information to members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as Union Budget 2019-20, December 2018 core infra, first revised estimates of National Income 2017-18, FDI equity inflows during April to September 2018-19, World Economic Forum annual meeting 2019, foundation stone by Hon'ble PM for AIIMS medical college in Madurai, ECBs during December 2018, among others. The details of disseminated information during the week ending 2<sup>nd</sup> February 2019 are appended.

## India and World Economy

- **Perfect Budget: PHD Chamber Budget for poor, farmers, middle class and youth; Overall the Budget deserves 9.5 out of 10-** Interim Budget is the budget for all the citizens of India as it has focused on the livelihood of the poor, addressing the distress of the farmers, increasing the income level of the middle class, reforms in the promising housing and construction sector and creating employment for the youth. This budget deserves 9.5 points out of 10 on creating a dynamic, promising and confidence-building environment in India.
- **December 2018 core infra stands at 2.6 %-** The core infrastructure stands at 2.6% in December 2018 as against 3.4% in November 2018. The combined Index of Eight Core Industries stood at 132.1 in December, 2018, which was 2.6% higher as compared to the index of December, 2017. Its cumulative growth during April to December, 2018-19 was 4.8%.
- **GDP grew at 7.2% during 2017-18: First Revised Estimates of National Income 2017-18-** Real GDP or GDP at constant (2011-12) prices recorded growth of 7.2% during 2017-18 and 8.2% during 2016-17 and stand at Rs. 131.80 lakh crore and Rs. 122.98 lakh crore, in 2017-18 and 2016-17 respectively. GVA at constant (2011-12) basic prices, has recorded a growth of 6.9% in 2017-18, as against growth of 7.9% in 2016-17.
- **The World Economic Forum Annual Meeting 2019 at Davos, Switzerland-** The World Economic Forum Annual Meeting 2019 held on 22-25 January 2019 at Davos-Klosters, Switzerland. The 49th World Economic Forum Annual Meeting closed with an exciting agenda of global initiatives and commitments to better the state of our world.
- **Hon'ble PM lays foundation stone for AIIMS Medical College and Hospital at Madurai-** The Hon'ble Prime Minister Narendra Modi laid foundation stone for AIIMS Madurai and inaugurated several projects. The new AIIMS will come up at Thoppur in Madurai. It will provide leadership in advanced healthcare, medical education and research in the region. This location will primarily benefit people residing in the Southern backward districts of Tamil Nadu.
- **Final Estimates 2017-18 and 1st Advance Estimates 2018-19 of Area and Production of Horticulture Crops-** The Department of Agriculture, Cooperation and Farmers Welfare has released the 2017-18 (Final) and 2018-19(1st Advance Est.) of Area and Production of Horticulture Crops. These estimates are based on the information received from different State/UTs in the country.

## Finance

- **Gross Bank Credit grows at around 13% in December 2018**- Gross bank credit grows at around 13% in December 2018 as against 14% in November 2018. The gross bank credit growth stands at 9% in December 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 13% in December 2018 as against 14% in November 2018. Credit to agriculture and allied activities increased by around 8% in December 2018 and November 2018 each.
- **ECBs stand at around USD 4 billion during December 2018**- Indian firms have raised about USD 4 billion through external commercial borrowings (ECBs) by automatic and approval route in December 2018 as against about USD 2 billion in November 2018. India has received gross ECBs worth around USD 363 billion between FY2001 and FY2019 (till December 2018).

## Trade

- **FDI equity inflows in India declined by 11% during April to September 2018-19**- During April to September 2018-19, FDI equity inflows stands at about USD 23 billion as against USD 25 billion during the same corresponding period of last year, registering a growth rate of (-)11% year on year. Total Foreign Direct Investment (FDI) flows in India (Equity inflows + Re-invested earnings + Other capital) stands at USD 31 billion during April to September 2018-19.

## Our Voice

Interim Budget is the budget for all the citizens of India as it has focused on the livelihood of the poor, addressing the distress of the farmers, increasing the income level of the middle class, reforms in the promising housing and construction sector and creating employment for the youth. This budget deserves 9.5 points out of 10 on creating a dynamic, promising and confidence-building environment in India.

## Economy so far

- **India inks protocol to revive tobacco leaves export to China** - In a bid to reduce its burgeoning trade deficit with China, India has signed a protocol to revive the export of tobacco leaves to Beijing. The first such agreement was signed in 2008. "The revival of the phytosanitary protocol with China will pave the way for revival of Indian tobacco exports to China and prove economically beneficial to Indian farmers," the Department of Commerce, Government of India, has said.
- **SEBI provides clarity on lock-in period for warrants** – Markets regulator SEBI has provided clarity on the lock-in period required for unlisted warrants. The clarification has been given as part of an informal guidance sought by Jindal Steel & Power (JSPL) regarding the applicability of ICDR (Issue of Capital and Disclosure Requirements) with respect to such warrants.
- **Gems & jewellery sector seeks cut in gold import duty to 4%** - The gems and jewellery has sought reduction of gold import duty to 4 per cent, cut and polished diamonds and cut and polished gem stones to its 2.5 per cent and relaxation of credit norms for working capital requirements in the forthcoming budget.
- **Government sanctions Rs 7,214 cr to 6 states, 1 UT as relief for calamity damage** - The Centre Tuesday approved the release of Rs 7,214 crore to six states and a Union Territory, including Rs 4,714 crore to Maharashtra, for floods, draught and cyclone damage. Among the sanctioned amount, Rs 4,714.28 crore will be given to Maharashtra (drought), Rs 949.49 crore to Karnataka (drought), Rs 900.4 crore to Andhra Pradesh (drought), Rs 317.44 crore to Himachal Pradesh (flood and landslides), Rs 191.73 crore to Uttar Pradesh (flood), Rs 127.60 crore to Gujarat (drought) and Rs 13.09 crore to UT of Puducherry (cyclone).
- **Production of horticulture crops seen at record 314.67 million tonnes in 2018-19**- India's

horticulture production is estimated to rise by 1 per cent to record 314.67 million tonnes in 2018-19 on higher area, the government has said. The agriculture ministry has released the final estimates for 2017-18 and the first estimates for 2018-19 of area and production of horticulture crops. As per the final estimates of 2017-18, horticulture production stood at record 311.7 MT, which is 3.7 per cent higher than the previous year and 10 per cent higher than the past five years' average production.

- **India not to extend anti-dumping duty on Chinese paracetamol-** The government will not extend anti-dumping duty on imports of Chinese paracetamol, used in medicines, as the domestic industry has failed to provide evidence that the expiry of the levy would result in dumping. "The authority holds that domestic industry failed to provide any satisfactory evidence that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry," the directorate general of trade remedies (DGTR) has said in a notification.
- **OPEC oil output drops in January on Saudi cut, outages and sanctions –** OPEC oil supply has fallen in January by the largest amount in two years, a Reuters survey found, as top exporter Saudi Arabia over-delivered on the group's supply pact while Iran, Libya and Venezuela registered involuntary declines. The 14-member Organization of the Petroleum Exporting Countries has pumped 30.98 million barrels per day (bpd) this month, the survey has showed, down 890,000 bpd from December and the largest month-on-month drop since January 2017.
- **CPI inflation for industrial workers rises to 5.24% in December -** Retail inflation for industrial workers increased to 5.24 per cent in December 2018 as compared to 4 per cent in the year-ago period. According to the statement, the food inflation in December stood at (-) 0.96 per cent against (-) 1.57 per cent in November and 4.32 per cent in the year-ago month.
- **Interim Budget 2019-20-** The Hon'ble Interim Finance Minister Shri Piyush Goyal announced the Interim Finance Budget 2019-20 which made major announcements for the poor, farmers, middle class and youth. Some of the major announcements include exemption from income tax to those with income upto Rs 5 lakh, standard Deduction to be raised to Rs. 50,000 from Rs. 40,000, tax exempted on notional rent on a second self-occupied house, 12 crore small and marginal farmers to be provided with assured yearly income of Rs. 6000 per annum under PM-KISAN and fixed monthly pension to 10 crore unorganized sector workers, among others.
- **GST collection tops Rs 1 lakh crore in January 2019-** According to the Ministry of Finance, GST collection in January 2019 crossed Rs 1 lakh crore up from Rs 94,725 crore mopped up in December 2018. The final data shall be released shortly by the Ministry. The collection was Rs 89,825 crore during the same month last year.
- **Manufacturing PMI rises to 53.9 in January-** The Nikkei India Manufacturing Purchasing Managers' Index (PMI) increased to 53.9 in January 2019 from 53.2 in December 2018, indicating stronger improvement in the health of the goods producing sector. According to the survey, the increase in factory orders was the strongest seen in 13 months. This can be attributed to the favourable economic conditions, strengthening demand and sales growth also picked up in January.

### Markets so far

Indicators	Yearly			Monthly			Daily		
	2016	2017	2018	Nov 18	Dec 18	Jan 19	(30-1-2019)	(31-1-2019)	(1-2-2019)
BSE SENSEX	26626	34057	36068	36194	36068	36257*	35591	36257	36469

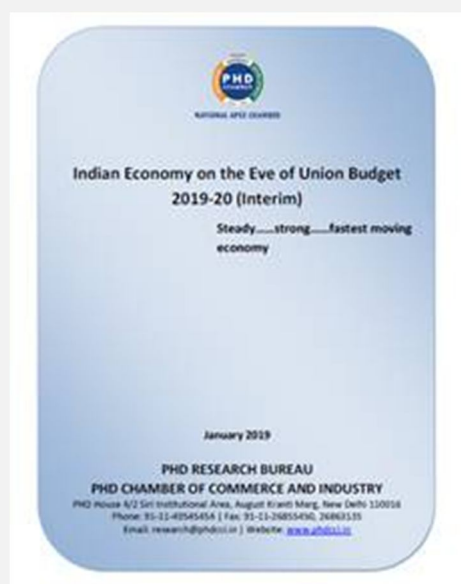
GOLD (10 GRMS)	29420	28966	30600	30240	31566	32213	33000	33209	33262
CRUDE OIL (1 BBL)	2925	3317	4437	3597	3701	3608	3790	3864	3821
EXCHANGE RATE (INR/USD)	67	65	68	70	70	71	71	71	71

Source: PHD Research Bureau, compiled from BSE, MCX and Bloomberg, RBI (\* denotes value as on 31<sup>st</sup> Jan 2019)

## Reports and Newsletters

PHD Research Bureau has released a report on the Indian economy on the eve of Union Budget 2019-20, a newsletter pertaining to a broad view of developments in Indian states, and a newsletter pertaining to a broad view of developments in the Indian economy.

### [Report on Indian Economy on the eve of Union Budget](#)



### [STATE DEVELOPMENT MONITOR FOR THE MONTH OF JANUARY 2019](#)



### [EAC Newsletter for the month of January 2019](#)



## PHD Research Bureau Subscription Opportunities

- [PHD Research Bureau Subscription Opportunities](#): PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the Government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments. Subscribers of PHD Research Bureau would receive daily updates on various international, national and sub-national business and economic developments, monthly newsletters related to international, national and sub-national economy, forex markets and trade and investments, analytical information on various developments, etc.

Warm Regards,

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