



PHD Research Bureau
PHD Chamber of Commerce and Industry



PHDCCI Quick Economic Trends

3rd wave of Coronavirus impacts the performance of key economic indicators: PHD Chamber

The performance of key indicators will rebound sharply with expected peak of third wave in the coming days, says industry body PHD Chamber

The rapid rise in the cases amid the 3rd wave of Coronavirus has increased the uncertainty in economic environment and has impacted the performance of some of the lead economic and business indicators in the month of December 2021.

Out of the 10 lead economic and business indicators of QET (Quick Economic Trends), tracked by the industry body PHDCCI, only 4 have shown uptick for the month of December 2021 as compared with 7 out of 10 indicators showing the uptrend in November 2021. GST Collections, E-way Bill, Railway Freight and Exports have registered a positive growth in December 2021.

Exports registered the highest positive growth of around 39% in December 2021, increasing from US\$ 27.2 billion in December 2020 to US\$ 37.8 billion. GST collections registered the y-o-y growth of 13% from Rs 1,15,174 crore in December 2020 to Rs 1,29,780 crore in December 2021. E-way Bills have shown y-o-y growth of 11.7%, in December 2021, increasing from 64.2 million in December 2020 to 71.6 million in December 2021. Railway freight registered the y-o-y growth of 15% from 111.6 Million Tonnes in December 2020 to 128.3 Million Tonnes in December 2021.

Unemployment rose sequentially by 13% in December 2021 from 7.0% in November 2021 to 7.9% in December 2021. Exchange rate depreciated by 1.2% from average of 74.45 INR/USD in November 2021 to 75.28 INR/USD in December 2021. The Manufacturing PMI decreased sequentially by (-)3.6% in December 2021, from 57.6 points in November 2021 to 55.5 points in December 2021.

Forex reserves registered the decline of (-)0.6%, decreasing from US\$ 638 billion in November 2021 to US\$ 634 billion in December 2021. The SENSEX (monthly average) declined by (-)3% in December 2021 from 59416 in November 2021 to 57663 in December 2021. Passenger vehicle sales registered decline of (-)21.1% in December 2021 from

2,78,000 units in December 2020 to 2,19,241 in December 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 producers.

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

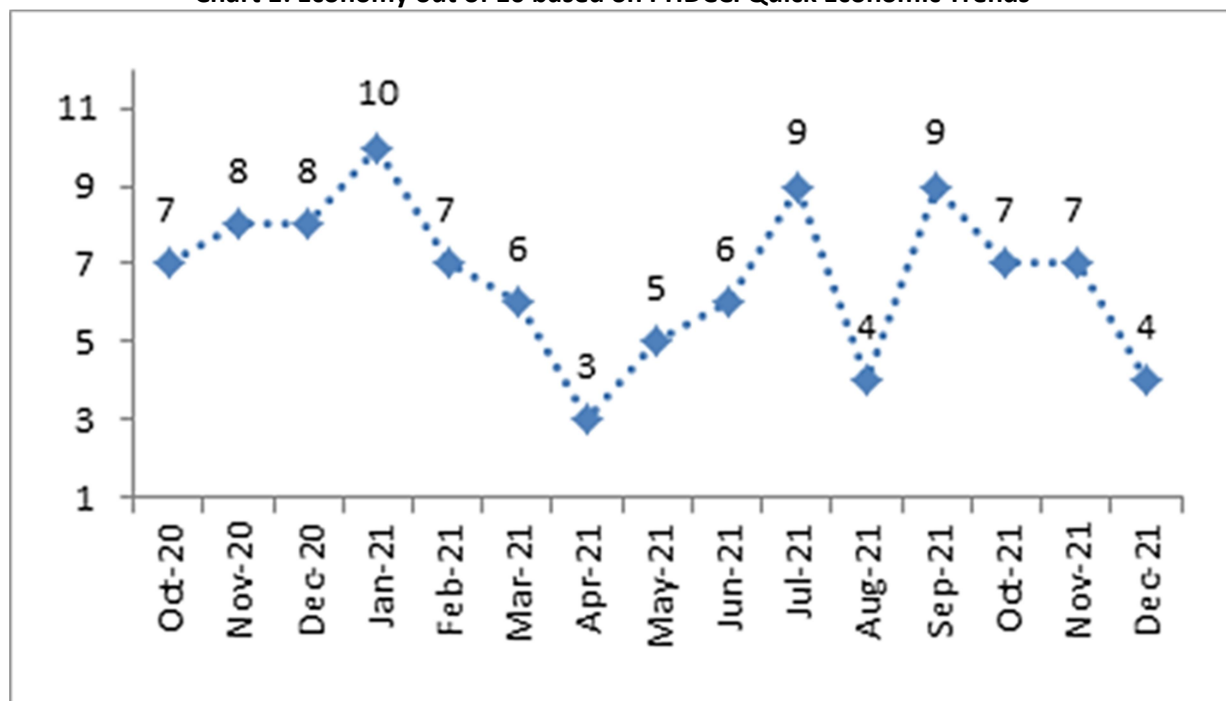
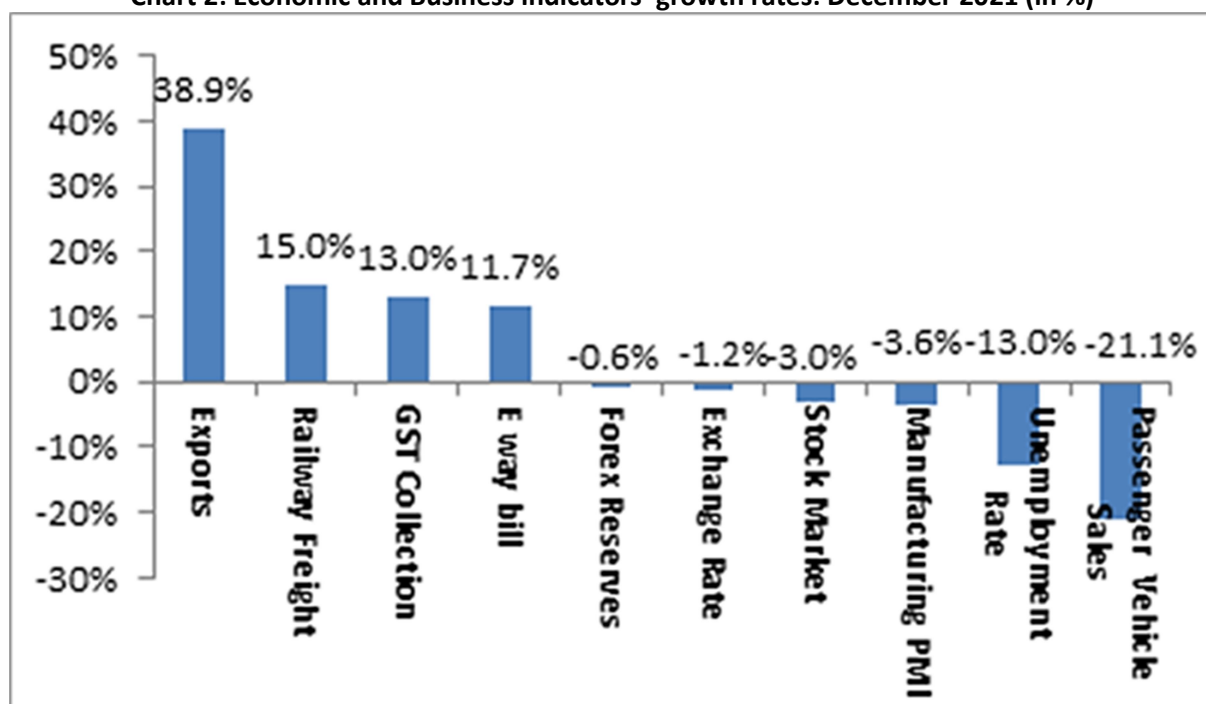


Chart 2: Economic and Business indicators' growth rates: December 2021 (in %)



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.

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. Mitigation of the pandemic impact with continuous handholding by the Government along with the effective adoption of COVID appropriate behaviour and protocols are needs of the hour.

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. No.	Economic and Business Indicators	Oct-21	Growth		Nov-21	Growth	
Indicators with Y-o-Y Growth							
1	GST Collection (in Rs crore)	130127	24%	↑	131526	25%	↑
2	E way bill (in Millions)	73.5	14.7%	↑	61.1	5.9%	↑
3	Railway Freight (MT)	117.3	10.7%	↑	116.7	6.2%	↑
4	Passenger Vehicle Sales (units)	226353	-27%	↓	215626	-19%	↓
5	Exports (US\$ Billion)	36	43%	↑	30.0	27%	↑
Indicators with Sequential growth (M-o-M)							
6	Unemployment Rate (in %) (Sign Changed)*	7.75	-12.3%	↓	7	9.7%	↑
7	Forex Reserves (in US\$ Billion)	642	1%	↑	637.7	-1%	↓
8	Exchange Rate (INR/USD) (Sign changed)*	74.9	-2%	↓	74.45	0.6%	↑
9	Stock Market (SENSEX monthly average)	60422	3%	↑	59416	-2%	↓
10	Manufacturing PMI (points)	55.9	4.1%	↑	57.6	3.0%	↑
Overall Score		7/10			7/10		

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

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Warm Regards,

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