



PHDCCI Economy GPS Index for August 2022

Economic activity rejuvenated amidst the festive season

Economic activity has rejuvenated further in August 2022 in comparison to July 2022 due to the onset of the festive season despite the ongoing uncertainty due to geo-political developments. The PHDCCI Economy GPS Index for August 2022 has increased to 141 as compared to 136.1 in July 2022.

PHDCCI Economy GPS Index captures the momentum in supply side business activity through growth in GST collections, demand side consumer behaviour through volume growth in passenger vehicle sales and sensitivity of policy reforms and impact of domestic and international economic and business environment through the movement of SENSEX at the base year of 2018-19=100.

Passenger vehicles growth, which is a significant demand indicator in GPS index, has recorded a sequential growth of 7.9% increasing from 2,93,865 units in July 2022 to 3,17,000 units in August 2022. Though, the gross GST collections in August 2022 recorded a sequential growth of (-)3.6%, the same increased y-o-y by 28% to Rs. 1,43,612 crore in August 2022 as compared to Rs. 1,12,020 crore in August 2021. The sequential growth of SENSEX (average of daily close) has increased by 7.9% in August 2022 from 54685 points in July 2022 to 58990.5 points in August 2022.

Economic recovery so far (Sequential)

PHDCCI Economy GPS Index 2018-19=100	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022
	116.7	113.1	127.0	125.2	123.5	133.2	129.8	133.6	140.6	128.0	131.3	136.1	141.0

Source: PHD Research Bureau, PHDCCI Economy GPS Index.

The PHDCCI Economy GPS Index at 141 for August 2022 is higher by 24.2 points from the Economy GPS Index for August 2021 at 116.7.

Economic recovery so far (Y-o-Y)

PHDCCI Economy GPS Index 2018-19=100	August 2018	August 2019	August 2020	August 2021	August 2022
	101.2	91.03	90.5	116.7	141.0

Source: PHD Research Bureau, PHDCCI Economy GPS Index.

PHDCCI Economy GPS Index has been consistently increasing since the last 3 months.

Chart 1: GPS Index: Monthly Trend

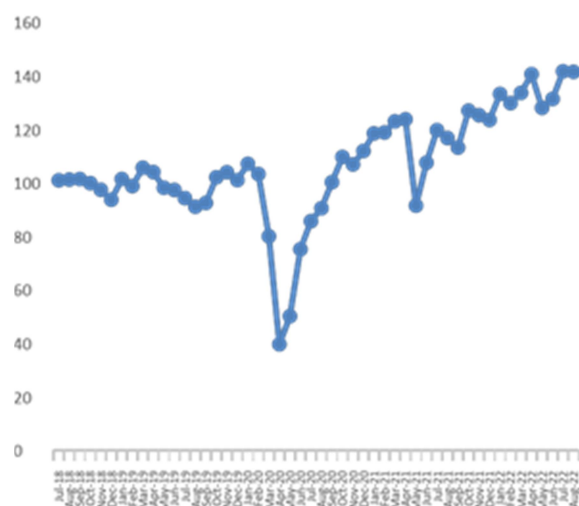
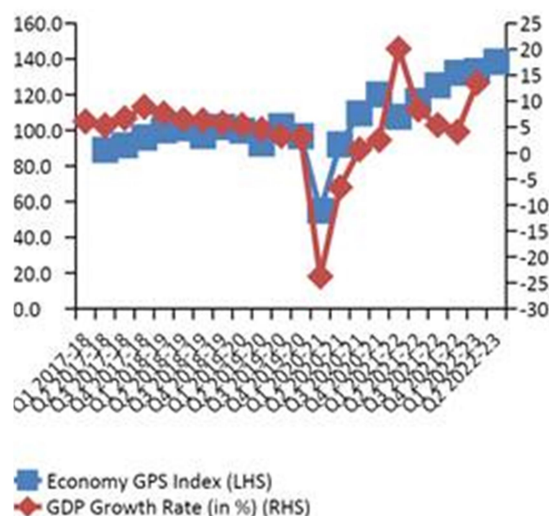


Chart 2: Movement of GDP and GPS over the quarters



Source: PHD Research Bureau, PHDCCI Economy GPS Index.

The pace of economic activity is gaining momentum on the back of onset of festive season supplemented by the various structural reforms undertaken by the Government during the last 2 years.

Besides, the GDP has recently registered an inspiring growth rate of 13.5% in Q1 FY 2022-23 on the back of improved consumer, business and investor sentiments, rejuvenated demand for contact intensive services, record level of GST collections and railway freight and continuous facilitative efforts and measures of the Government, despite the geo-political scenario over the quarter, thus implying that our fundamentals and macroeconomic indicators are resilient.

Going ahead, continued handholding by the Government is required to mitigate the impact of recent geo-political developments while maintaining a balance between inflation and economic growth.

PHD Chamber of Commerce and Industry (PHDCCI) Economy GPS Index is a composite index of 3 lead economic and business indicators with base year at 2018-19=100, which measures the broad economic and business activity. The PHDCCI Economy GPS Index, based on the monthly values of three high frequency indicators viz., GST collection (Rs. Crore), Passenger Vehicle Sales (units) and SENSEX (daily average), helps to find the direction of the economy. The three broad indicators represent not only demand and supply in the economy but also revenue growth of the government and movement of financial markets in the country. GST collections indicate the momentum of business activity, passenger vehicle sales is a broad indicator of demand activity in the economy and movement of SENSEX indicates the mood of both domestic and foreign investors.

Movement of Economy GPS over the Months

Month/ Year	Economy GPS Index					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
April		102.1	104	39.6	123.7	140.6
May		100.1	98.1	50.1	91.5	128.0
June		97.7	97.3	75.1	107.5	131.3
July	72.3	100.9	94.3	85.6	119.7	136.3
August	96.8	101.2	91.0	90.5	116.7	141.0
September	98.2	101.4	92.4	100.2	113.1	
October	94.9	99.8	102.0	109.6	127.0	
November	92.0	97.4	103.9	106.9	125.2	
December	88.0	93.7	101.0	111.9	123.5	
January	96.7	101.4	107.1	118.5	133.2	
February	93.6	98.8	103.2	118.8	129.8	

March	97.8	105.6	80.0	123.0	133.6	
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Source: PHD Research Bureau, PHDCCI GPS Index

Warm Regards,

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