



THE GREAT ECONOMIC REBOOT

September 2020

INDIA

CONTENTS

◆ INTRODUCTION	03
◆ GST & TAX REVENUE	04
◆ PMI	05
◆ AGRICULTURE	06
◆ SERVICES- RAILWAY FREIGHTS	07
◆ SERVICES- AIRPORTS	07
◆ ENERGY & FUEL- PETROL	08
◆ ENERGY & FUEL- COAL	08
◆ ENERGY & FUEL- POWER SUPPLY	08
◆ LOAN DISBURSEMENTS	09
◆ WPI	09
◆ CPI	09
◆ JOB CREATION & UNEMPLOYMENT	10
◆ DIGITAL TRANSATIONS	10
◆ SALES-VEHICLES	11
◆ SALES- RETAIL SECTOR	12
◆ CEMENT	12
◆ CONCLUSION	13

The economic impact of the virus on India has been rather disruptive with CRISIL announcing that India might face its worst recession since Independence.

And yet, **India** is resilient. It has borne calamity with fortitude. Often, over the ages. And it will come through, again. The data we present is just holding a mirror to the strength of our nation.

3.5%

growth of Agriculture Sector
in Q1 of FY20-21.

To expect a record

301 million metric tons

of food-grain output



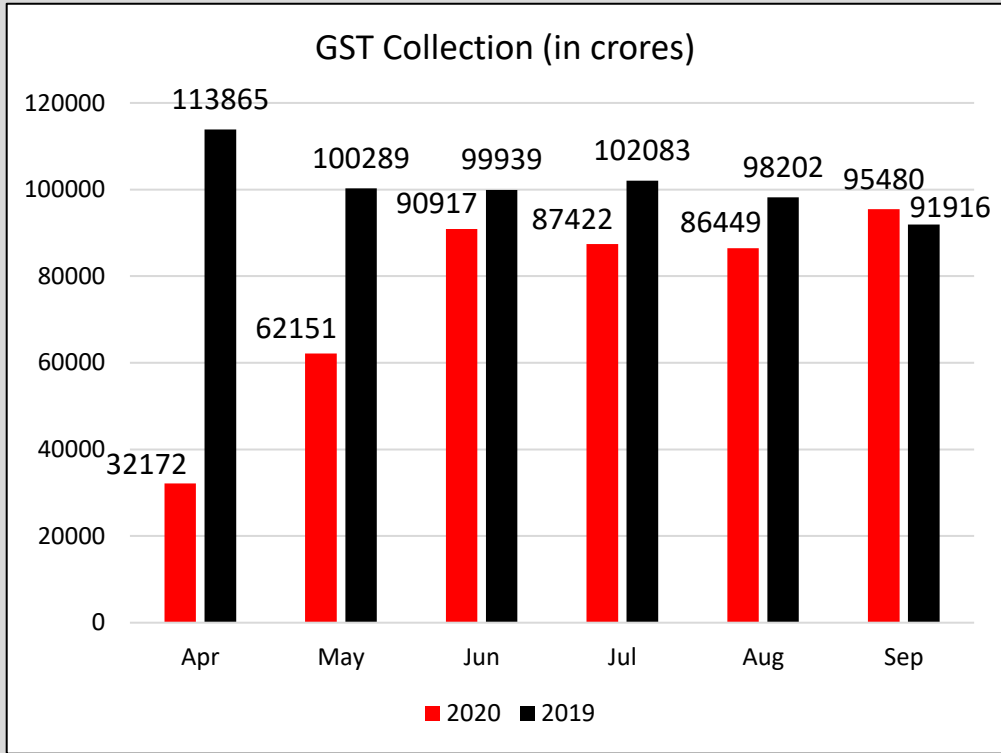
First, the oft-quoted bad news: In the first quarter of Fiscal year 2020-21, the manufacturing sector saw a contraction of 39.3%; Construction sector a whopping 50.3%, mining output declined by 23.3%. Electricity, gas, water supply and other such utility services saw a decline of 47%; Financial, real estate and professional services fell by 5.3%; Public administration, defense and other services fell by 10.3%

And then came the GREEN SHOOTS in AUTUMN!
Economic indicators for August and September indicate that the **recovery of the Indian Economy is underway.**
Is the recovery enough? Will it sustain? Where will we go from here?

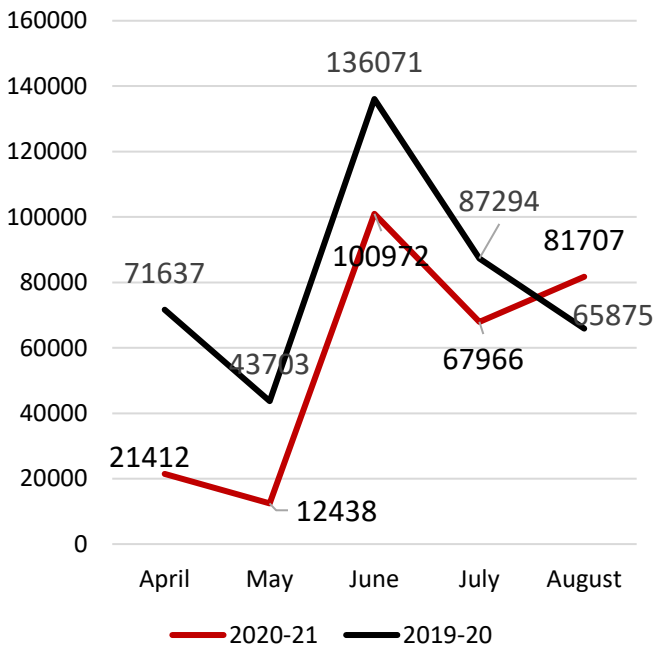
GST: September 2020 collection exceeds September 2019

For **September**, the collection, ₹95,480 crores, was **4% higher than last year same month** and 10.4% higher than August. September saw the **highest monthly collection** since the beginning of the lockdown.

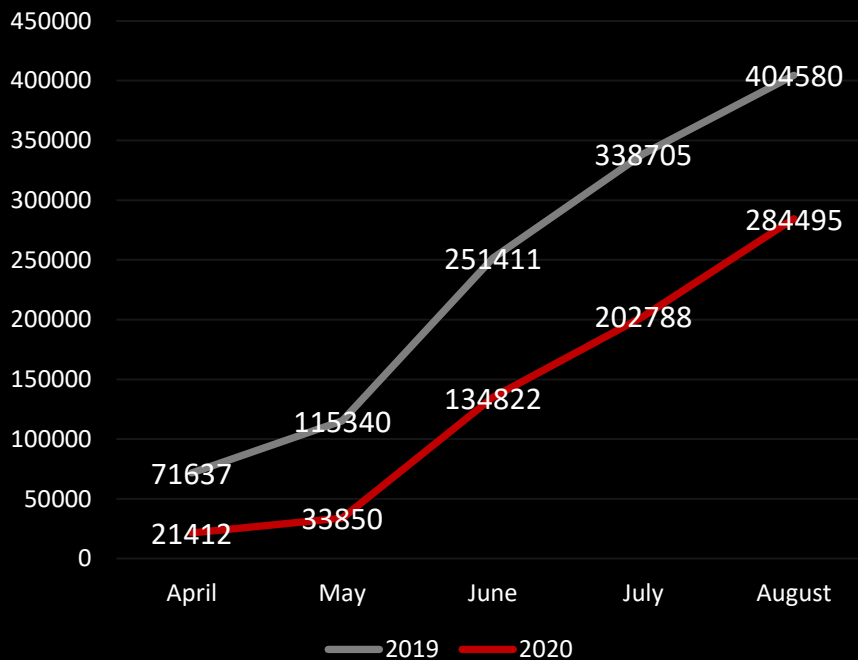
For the first half of the 2020-21 fiscal year the **GST collection fell by 25%** as compared to the last fiscal, primarily because of April when the lockdown was complete.



Monthly Tax Revenue (Net)



Total Tax Revenue (Net)(YTD)



Tax Revenue August 2020 see major growth

The **monthly tax revenue for August 2020** crossed the tax revenue of August 2019, the first time this has happened in 2020.

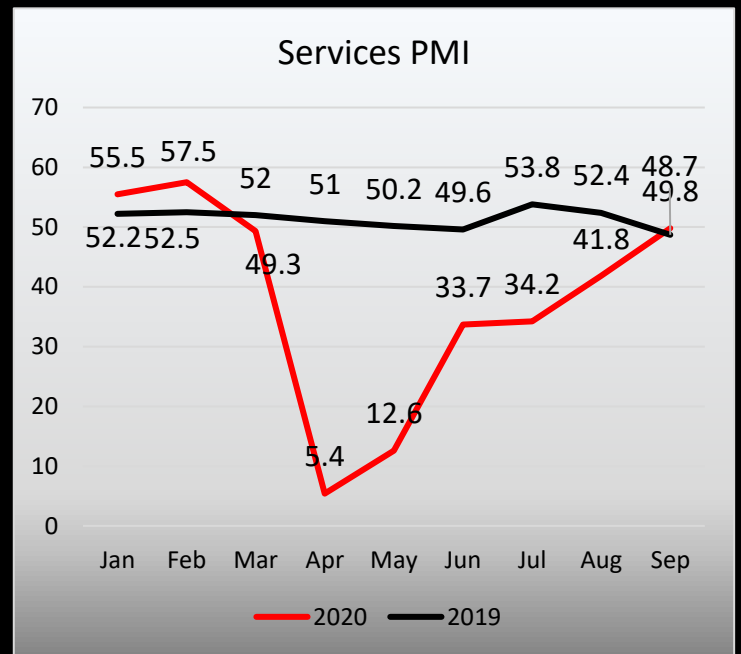
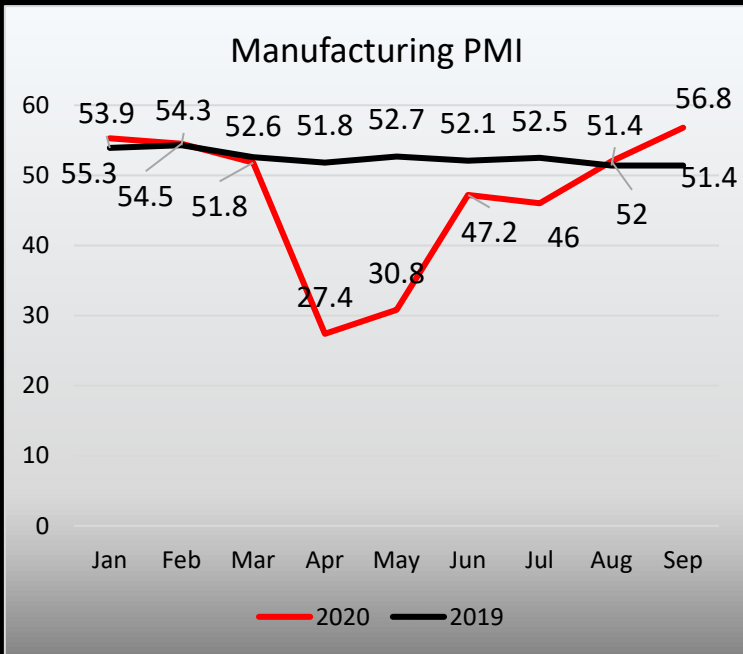
The total Tax Revenues of the Government have been steadily climbing from 30% in April and May to nearly 70% of YTD 2019 by August, touching **Rs. 2.84 lakh crores YTD** by August 2020.

Sources: <https://bit.ly/34V6gkh>

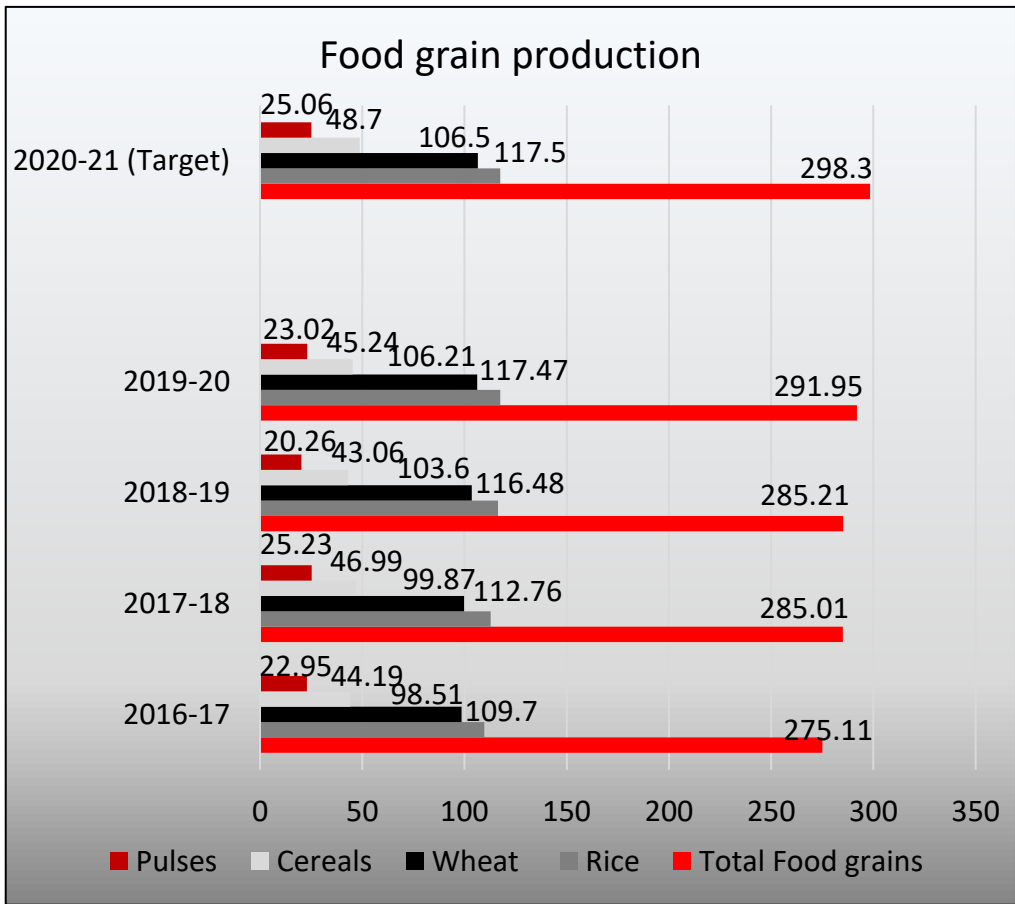
PMI: Manufacturing shows strongest expansion seen in 8 years

According to IHS Markit India Manufacturing Purchasing Managers' Index (PMI), Manufacturing activity finally broke away from a 4-month long contraction in **August with a reading of 52**. A reading of above 50 shows growth while below shows contraction. The PMI in January, 55.3, pointed to **the strongest pace of expansion in 8 years**, which was actually beaten by this **September's Index of 56.8** due to increased orders and production.

Services PMI is almost at **50 this September**, as compared to **last September's 48.7**, up dramatically from a cataclysmic **5.4** in April 2020.



Sources:
<https://bit.ly/3jSQm01>
<https://bit.ly/3jUAY3c>



Agriculture

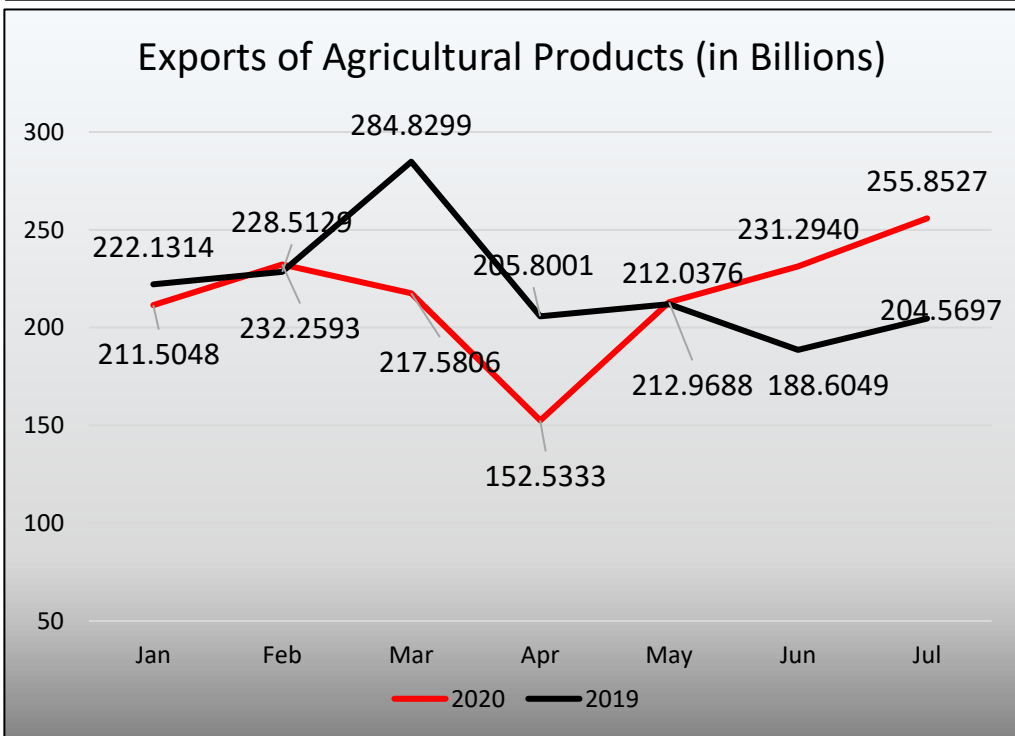
production **grows**, unaffected by the lockdown

The **agricultural sector** grew in the first quarter of this financial year at **3.4% GVA**.

Resilience is shown by the food grain production as the target for 2020-21 is set **6.35 million tonnes higher** than the previous year's Total food production.

Paddy production has expanded **7%** over the last 4 years, while **Wheat** has increased **8%**.

Agricultural exports have also shown improvement. India Exports **8.23 Lakh tonnes** of fruits worth Rs. 5,638 crores and 31.92 lakh tonnes of vegetables worth Rs. **5,679 crores**.



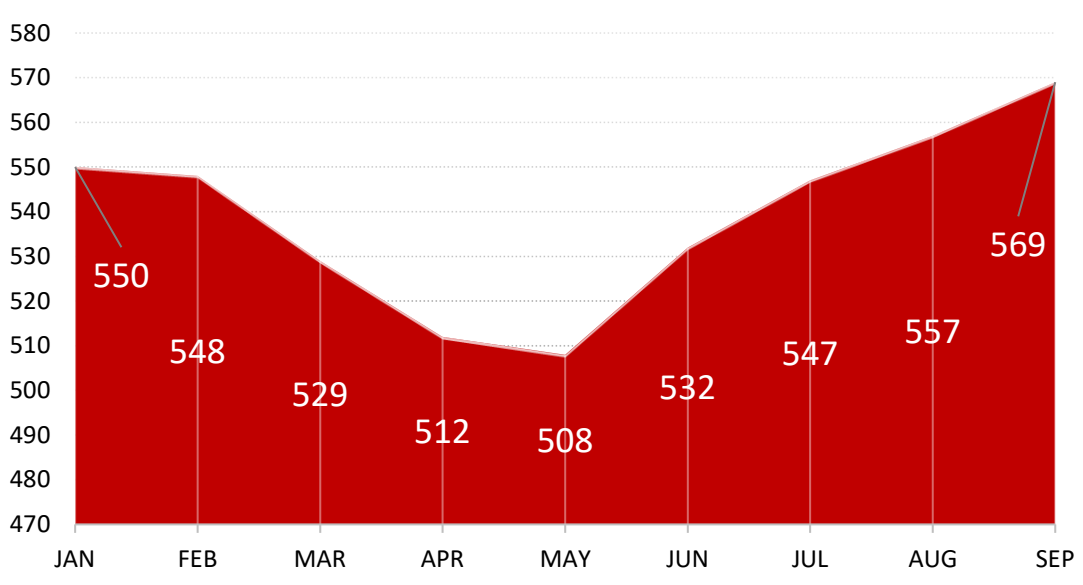
Sources:
<https://bit.ly/34Pm2Nr>
<https://bit.ly/3715pkK>
<https://bit.ly/33TPNgK>



Railways: Freight traffic increases by 15% Y-o-Y

The Indian Railways is also showing signs of revival. For the month of September there was an increase of 15% in freight traffic as compared to last year. Compared to H1 last year, cumulative freight has fallen by 9%, lower than what had been estimated at the end of April 2020. Coal and Coke are the largest commodity by freight value at Rs. 21,901 crores YTD. The food grains, flour and pulses category has shown the highest growth at 59.92% YTD.

Freight Traffic 2020 : Average Lead (in km)



Freight Traffic: Average Lead

Average Lead data was reported at 569 km in September 2020. This is a record high and comes after a steady increase from the year's lowest at 508 km in May 2020.

Sources: <https://bit.ly/2GX38Mf>

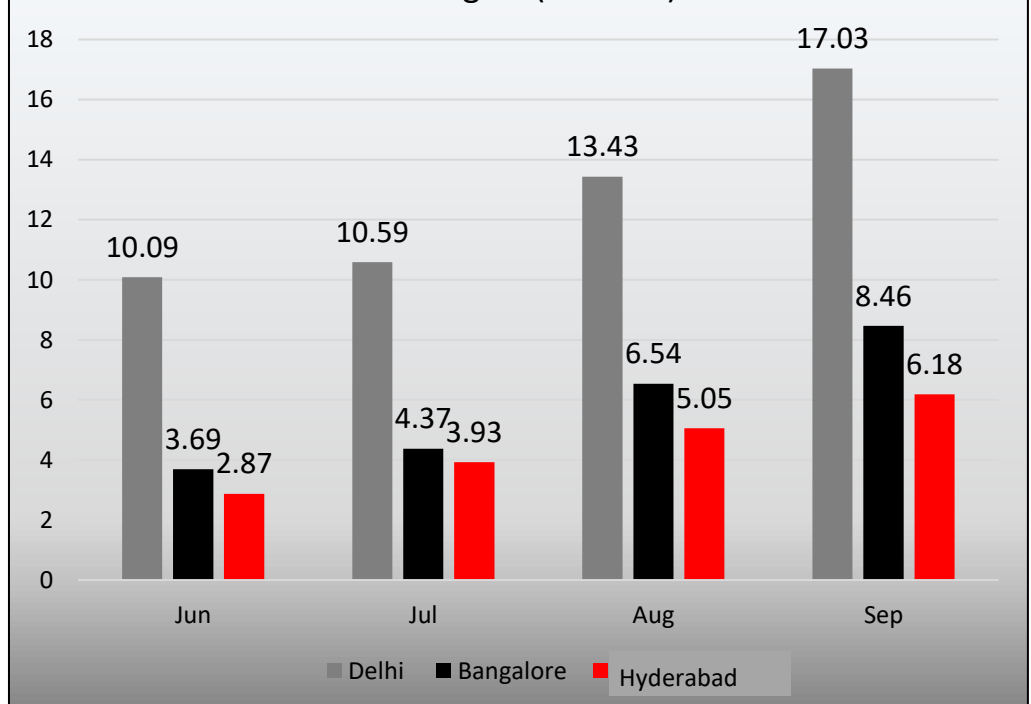
Airports see 20% growth M-o-M

Delhi, with 17.03 lakh passengers (13,200 flights) in September, saw a 27% rise from 13.4 lakh passengers in August.

Bengaluru Airport had ~8.5 lakh passengers from 9,790 flights, up ~30% from the previous month.

With 6,550 flights and 6.2 lakh pax, Hyderabad Airport was up >20%+

Passengers (in Lakhs)



Sources: Laqshya Media Group- Airports

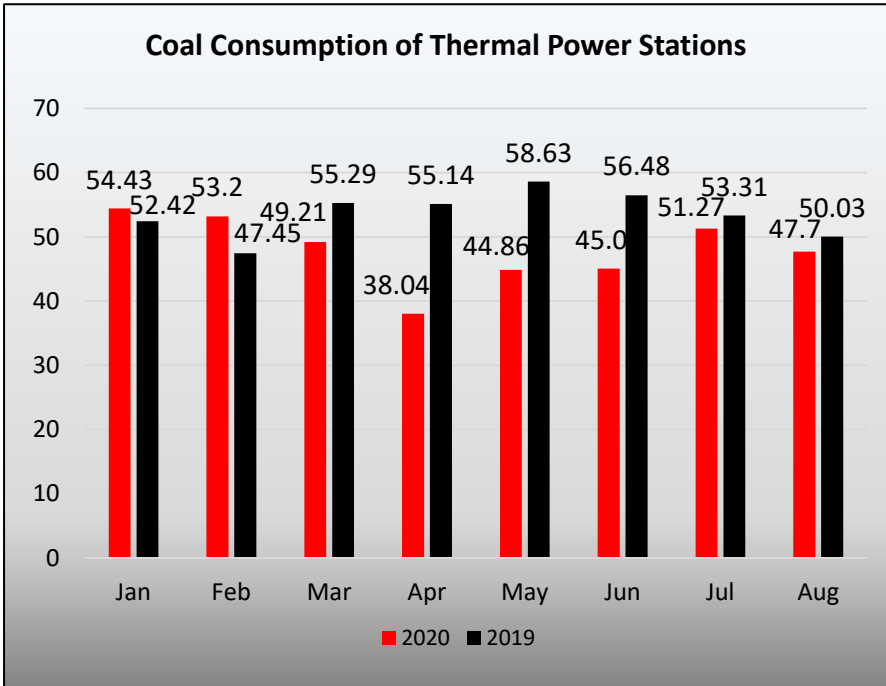
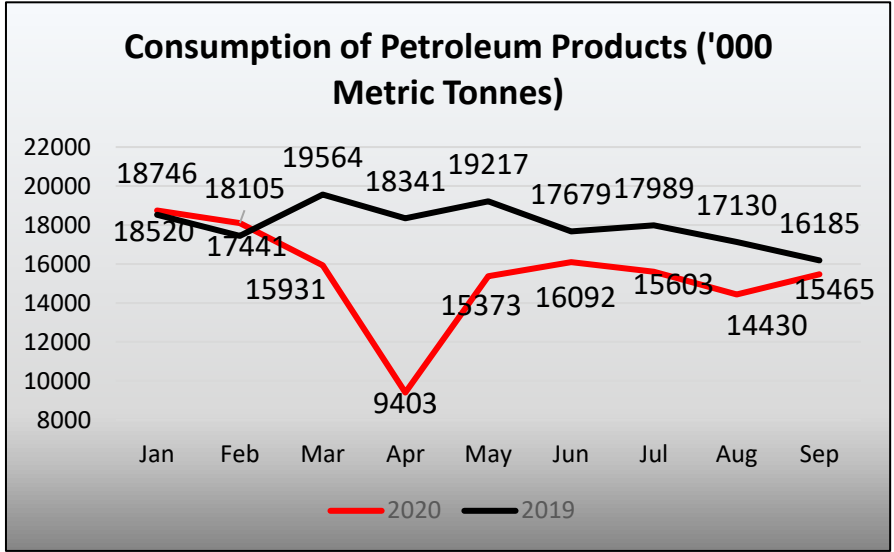
ENERGY & FUEL

Petroleum Products

64% growth since April

According to the Petroleum Planning and Analysis Cell, recovery is visible after its major fall in April with 15465000 Metric Tonnes produced in Sept

Sources: https://www.ppac.gov.in/content/147_1_ConsumptionPetroleum.aspx



Coal highest post-lockdown in July

According to the Central Electricity Authority, Coal consumption in August almost achieved last year's numbers from a drop of 17 million tonnes in April.

Peak summer consumption gap was ~14 million tonnes in May 2020, but the gap has narrowed to <3 million tonnes in August.

Sources: <https://www.cea.nic.in/monthlyarchive.html>

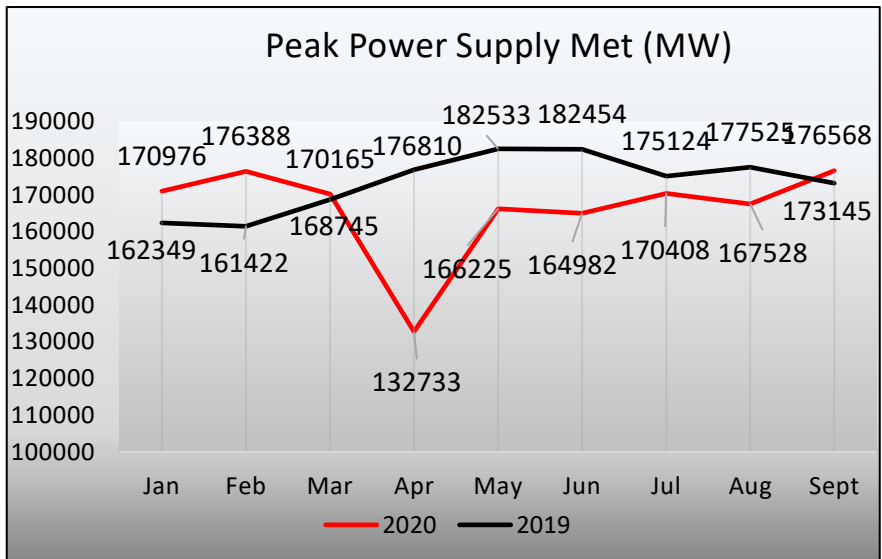
Power Supply

surpasses last year's Sept

The CEA reported that Peak Electricity Power Supply also achieved near-normal levels in September: 1.76 lakh megawatts.

September 2020 peak power supply exceeded PPS of September 2019

Sources: <https://www.cea.nic.in/monthlyarchive.html>



Loan Disbursement:

a critical target for the government

According to data given by the Controller General of Accounts, Ministry of Finance, for the FY 2020-21 the **budget for loan disbursements was ₹31,763 crore**. The loan disbursements have reached a cumulative value of **₹ 15,178 crores**.

Emergency Credit Line Guarantee Scheme

As on September 3, 2020, **12 public sector banks** have **cumulatively disbursed Rs 62,025.79 crore into 21,28,010 MSME** accounts, as per the data tweeted by the Finance Minister’ s office.

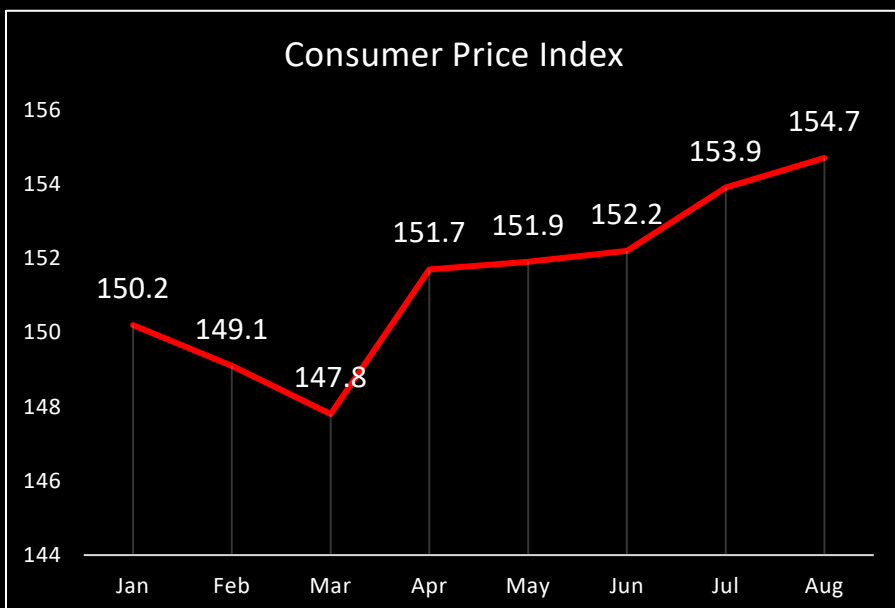
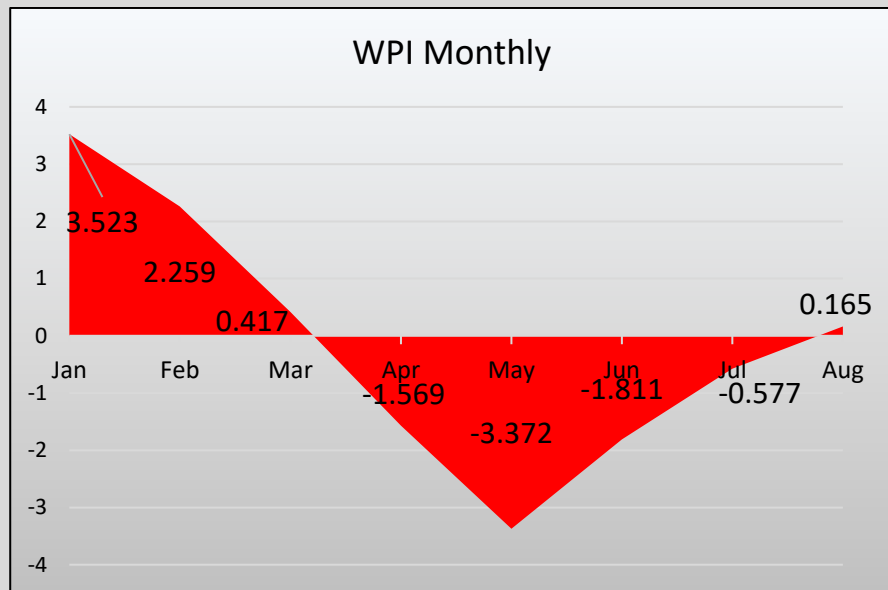
The **overall credit disbursement** including 24 private banks and 31 non-banking financial companies (NBFC) was **Rs 1,13,713.15 crore into 24,70,312 MSME accounts**.

The share of **private banks and NBFCs** was **Rs 51,687.36 crore** disbursed into **3,42,302 MSMEs**.

WPI: back in the +ive zone

The Wholesale Price Index (WPI) finally **turned positive in August by 0.16%** for the first time since March as compared to the previous year, same time. A recovery in producer’s pricing power is visible.

Sources:
<https://bit.ly/3dnZQ0L>



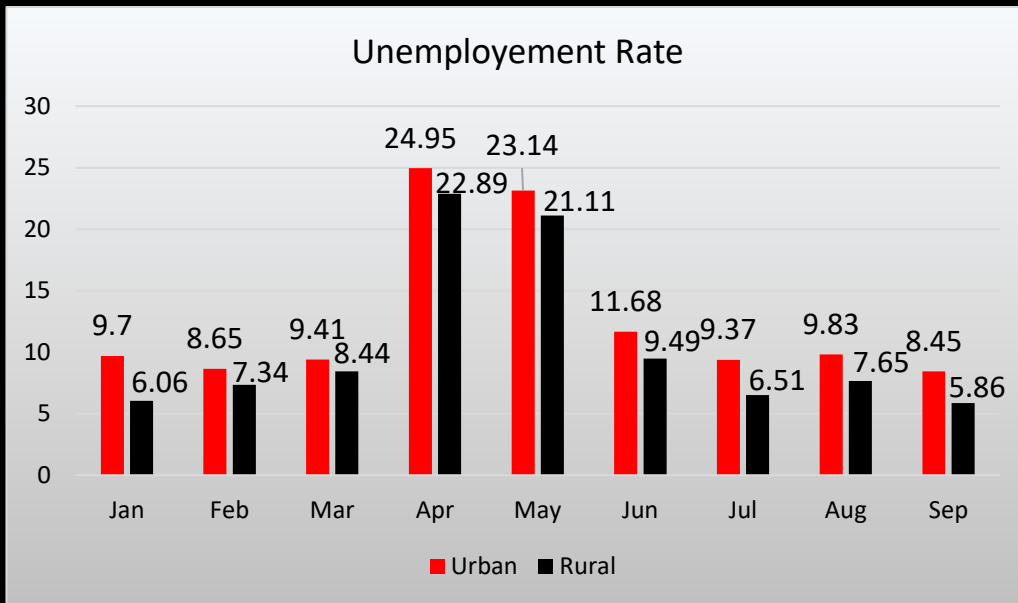
CPI exceeds pre-lockdown figures

A rise in CPI since April shows significant growth. The lowest it was this year was in March at 147.8 and the highest so far being August at 154.7.

Sources:
<https://tradingeconomics.com/india/consumer-price-index-cpi>

Unemployment Index: September beats pre-lockdown figures

The report by Betterplace says that the demands for Blue Collar workers which was at its lowest during May is almost back to normal. While Tier 2 & 3 cities like Gurgaon, Noida, Hyderabad and Pune are out of stress, cities like Bangalore, Chennai, Kolkata, Delhi, and Mumbai are still under stress with 70-80% back to normal work force demands.



According to Centre for Monitoring Indian Economy (CMIE), unemployment rates in September were the lowest in 2020, even lower than January and just about 1/3rd of the peak in April.

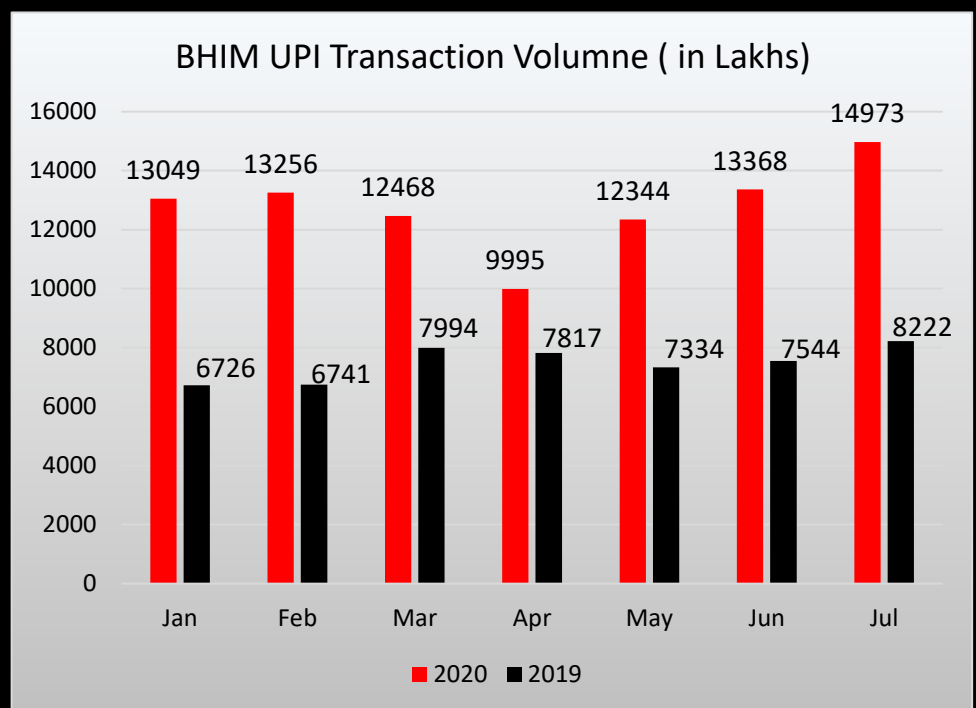
Sources: <https://unemploymentinindia.cmie.com/>

Digital Transaction highest ever... and continue to rise.

As per Ministry of Electronics and Information Technology BHIM UPI Transactions recorded the highest number of transactions for the year in July, with an upward trend expected to continue.

Because of the change in consumer habits due to the pandemic the growth rate of digital payments volume is predicted to be up 37% by 2022. The growth rate was initially expected to be 31%.

Sources: <https://digipay.gov.in/dashboard/Default.aspx>



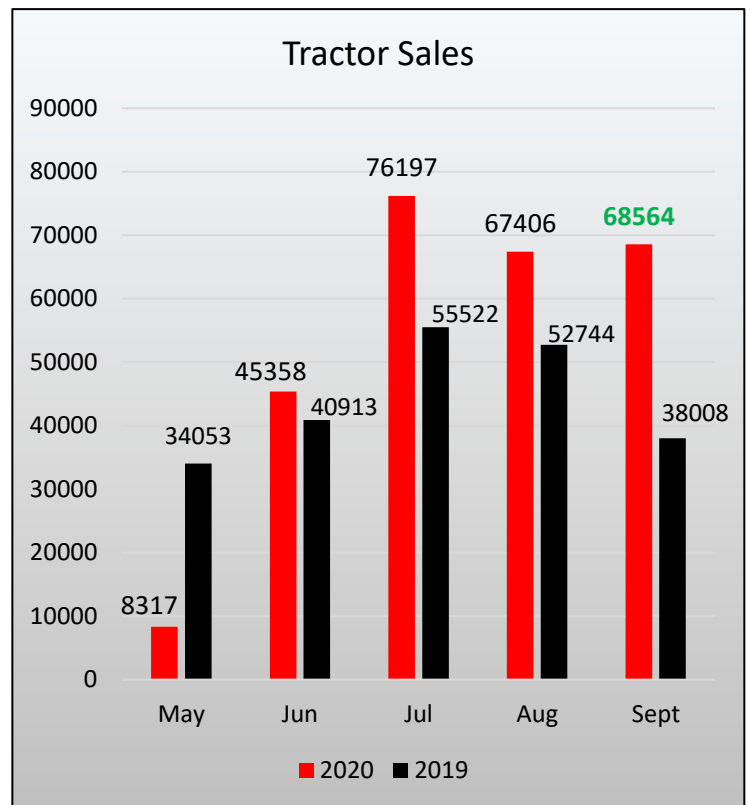
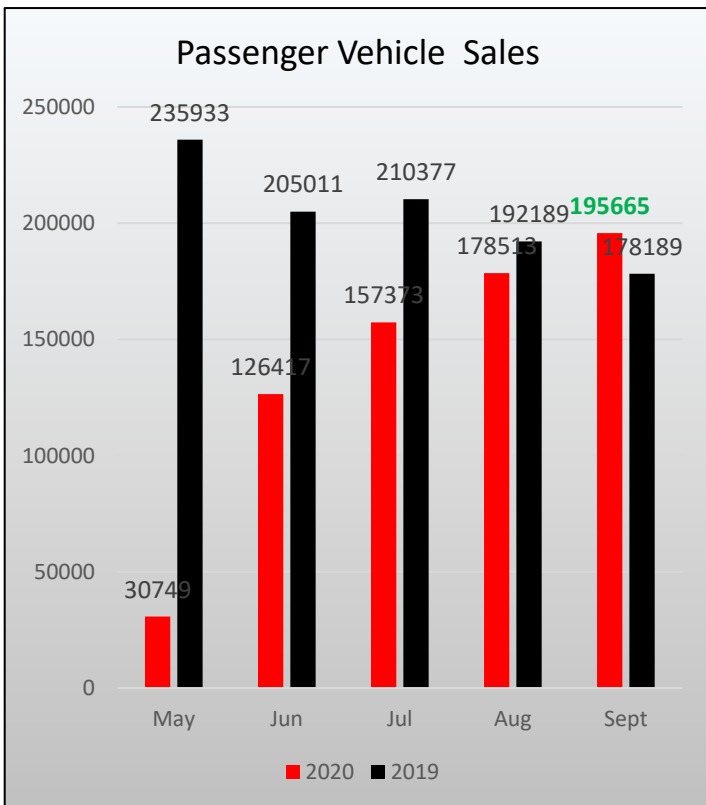
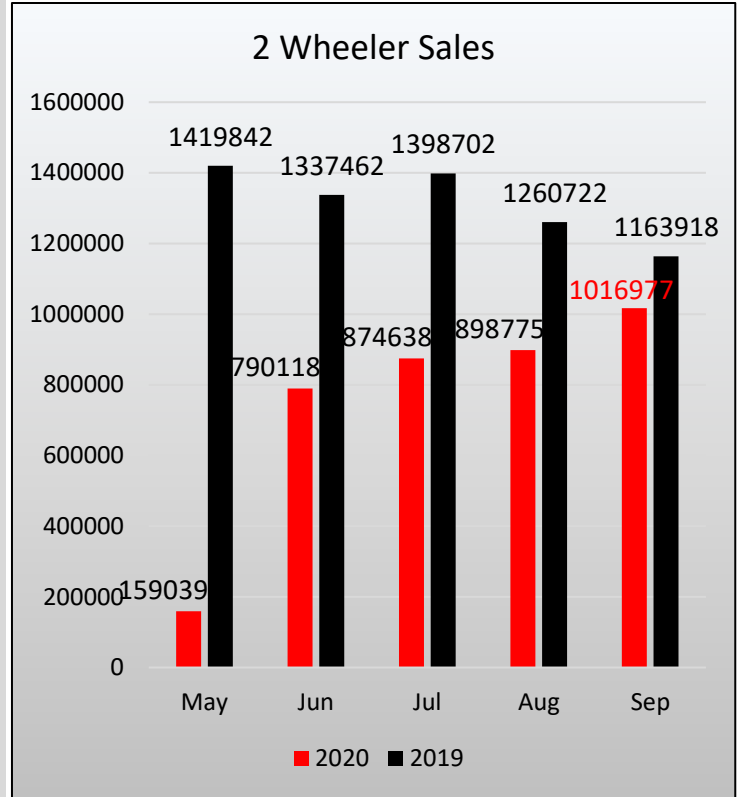
Automobile Sales 13% more dispatched in Sept Y-o-y

2Wheelers sales continue to be a little muted, but still cross the 10-lakh mark, just 13% below the September 2019 sales.

The sales of **passenger vehicles** have improved by ~10% since last year (M-o-M) and grew ~10% over August 2020.

Tractors continue their magnificent upwards trend selling 68,564 units, compared to 38,008 units in September 2019.

Dealers have dispatched **13% more vehicles in September** as compared to the same time last year.

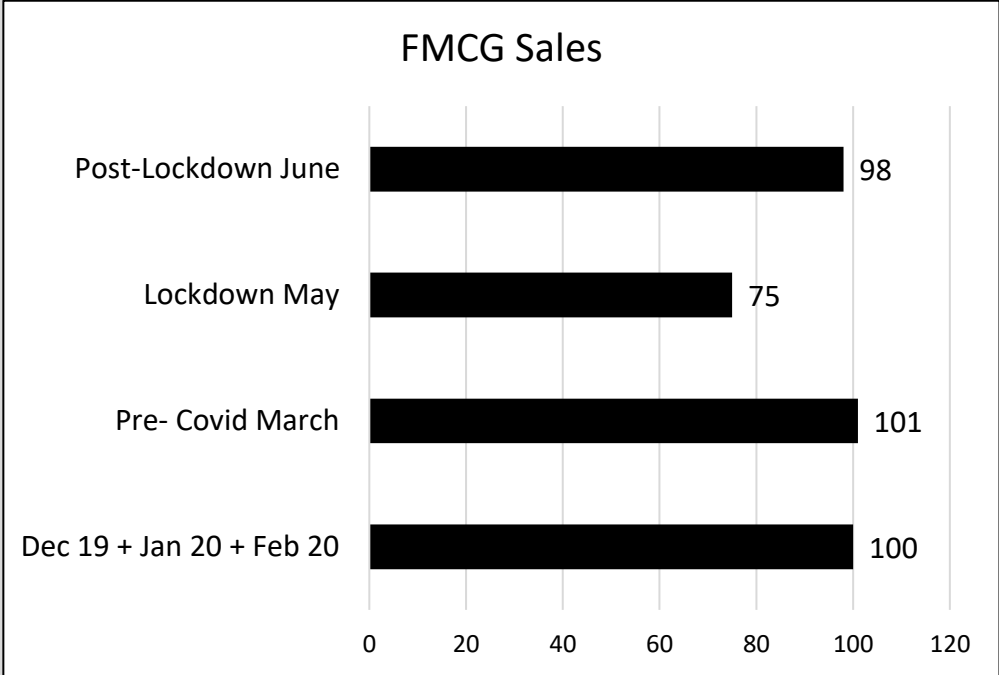


Source: FADA.org, September 2020

Retail Sector: Rural market gives major boost in FMCG sales

The sector, which comprises mostly of MSMEs, continues to recover. According to the Retailers Association of India’s last business survey report, the retail market has been improving at a steady pace compared to the same time last year. Consumer durables has shown most improvements for large size retailers while food and grocery has led for the small to mid-sized retailers.

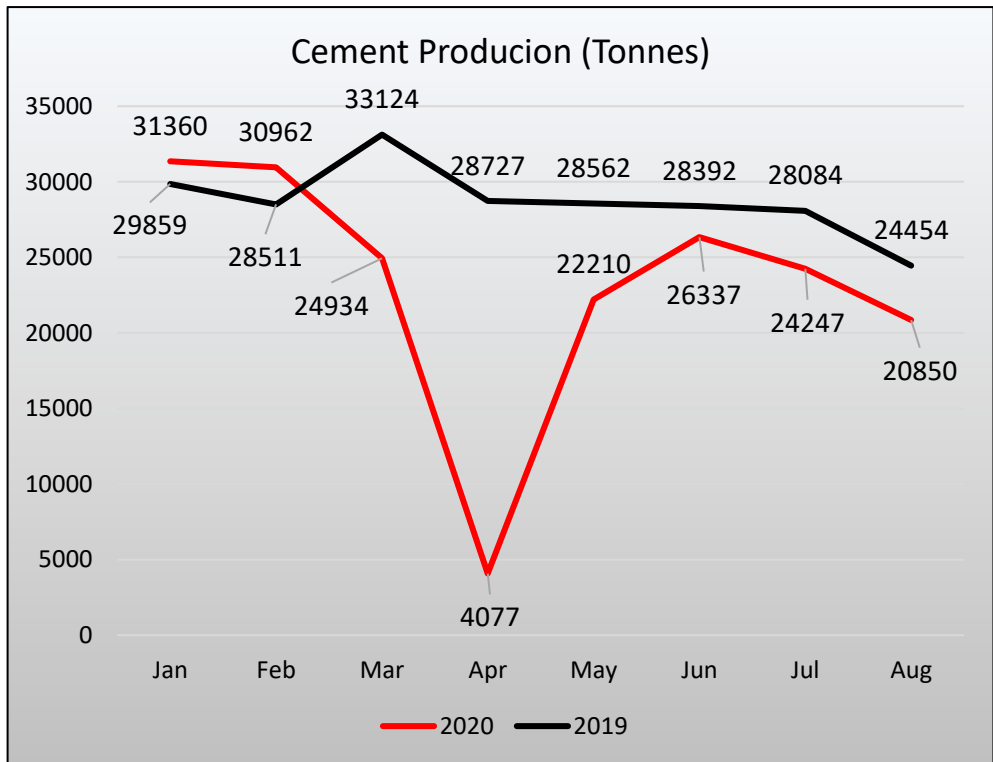
A Nielsen India report states that FMCG sales are returning to normal post lockdown because of the rural markets. It considered December 2019, and January and February 2020 as the baseline (100) and compared that sales to the rest of the month’s sale. Post lockdown in June the sales have reached to 98.



Sources:
<https://bit.ly/3jUYeOi>
<https://bit.ly/33UKI85>

Cement: 5times growth since April

The change between 2020 and 2019 for the month of August was only 17.28%. After its figures in April 2020 the production has been at an upwards trend and is closing the gap between the two years.



Sources:
<https://tradingeconomics.com/india/cement-production>

Conclusion

India is a resilient economy. It has withstood shocks earlier and will bounce back from this mother-of-all-shocks as well. All indications across the board suggest that it will be an arduous but eminently doable task of taking the economy forward.

The Rain Gods have been kind, after nearly 8 years, and will keep 44% of the population well looked after. The agricultural output is up by 3.4%.

The Great Economic Reboot

India
2020



Manufacturing is up and running. The consumption of electricity is up, the consumption of coal is up. Cement production is up. Freight trains are running with full loads. Electricity consumption is at its old levels. More cars, more tractors and nearly the same number of motorcycles have been selling over the last couple of months. FMCG is at 98%.

In the financial sector, GST collections have exceeded last year/same month number. Total Tax revenues are 70% of last year/same month, from a low of 30%.

The pandemic is behind us.

We are witnessing the Great Indian Economy Reboot, 2020

- Founded in 1997, **Laqshya Media Group** is the largest comprehensive marketing communications group in India
- Laqshya Media Group leads the development of cutting-edge technological solutions to contemporize the landscape of advertising services in India
- Functioning primarily in the Outdoor, Events and Digital verticals.
- It currently employs over 400 professionals across 22 offices.



Laqshya Media Insights Group

- This report has been created by the Laqshya Media Insights Group, the division also responsible for developing the software platform called Strategic Hyperlocal AI-aided Reach Planner (SHARP), one of the world's most advanced, data-rich OOH planning platforms.
 - SHARP uses a complex algorithm that combines Census data, data from a commissioned market research study, data from a telecom partner and 2 billion app aggregator records a day to generate dynamic traffic patterns for its users.
- LMIG also compiles OOH, Experiential and Digital Intelligence to make data-driven plans for clients across the group
- The team at LMIG is a combination of strategists, engineers, data analysts and researchers across 3 cities.
- The team holds 8 engineering patents and has published several papers (www.Laqshyagroup.com/report.html)