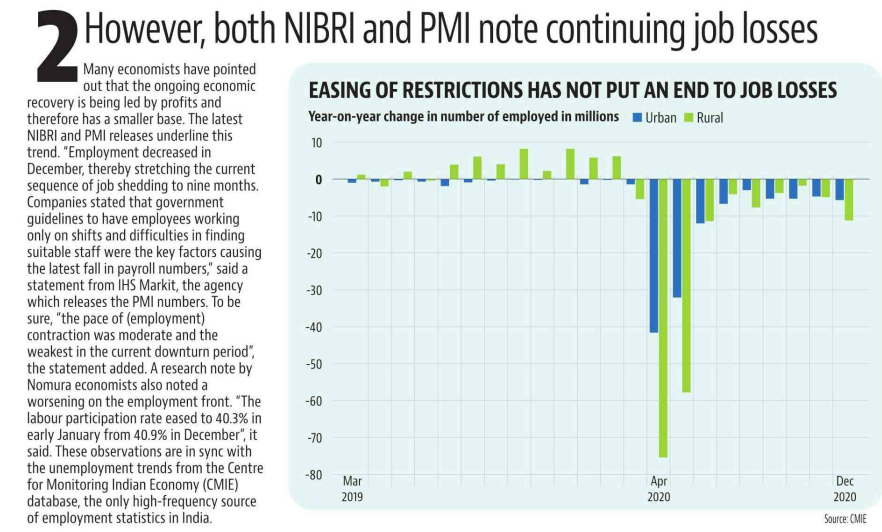
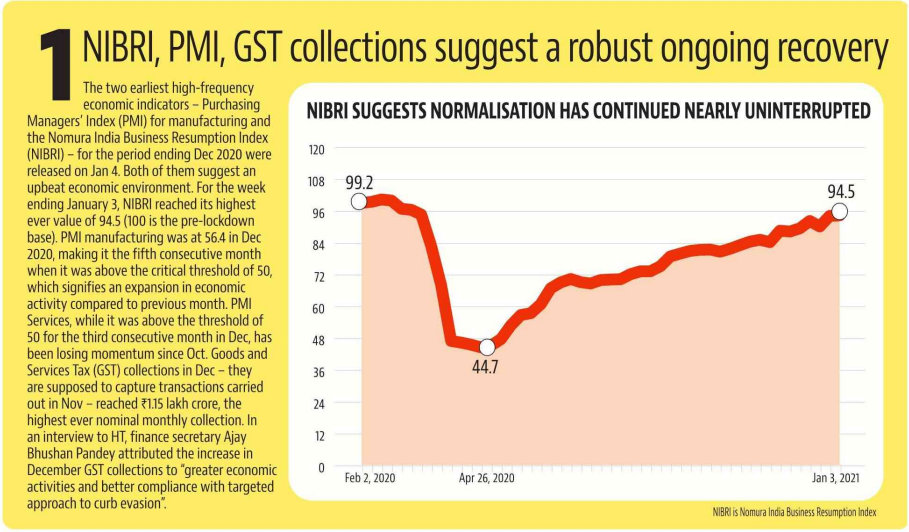


Decoding the nature of economic recovery

By Roshan Kishore

According to the first advanced estimate by National Statistical Office (NSO), the Indian economy is expected to contract by 7.7% in fiscal 2020-21 – 20 basis points more than the 7.5% contraction projected by the Monetary Policy Committee (MPC) of the Reserve Bank of India. High frequency indicators suggest greater optimism than the MPC's forecast of 0.1% growth in the December quarter. At the same time, there are other statistics that suggest a more sober approach. Here are four charts put these mutually conflicting trends in context.



"Employment has been falling month-after-month since September 2020 when it was estimated at 397.6 million. As a result, employment has not only remained consistently below year-ago levels, it has also fallen far short of the two-years ago levels. Employment in November and December 2020 was lower than it was in November and December 2019 and was also lower than it was in November and December 2018, respectively" Mahesh Vyas, CMIE's managing director and chief executive officer, said in a note published on its website.

