

Uptrend in Biz Activity Continues in 2021

NIBRI up to 93.4 for week ended Jan 17; 12 of 15 high frequency indicators showed improvement in Dec: ICRA

Our Bureau

New Delhi: The uptrend in economic and business activities in the country is continuing in the new year after a broad-based rebound in December, latest reports from Japanese brokerage Nomura and rating agency Icria show.

Nomura India Business Resumption Index (NIBRI) inched up to 93.4 for the week ended January 17 from 93.2 the previous week.

"Positive pandemic-related developments – both, on cases and vaccination – are helping clear the decks for a faster pace of economic normalisation," Nomura economists Sonal Varma and Aurodeep Nandi said in a note on Monday.

Despite the pandemic resurgence globally, trade data for January 1-14 suggested a sharp 10.9% year-on-year pickup in exports against 0.1% in December; they said. Core imports jumped 13.1% on year in the first two weeks of the new year against 8.1% last month, they said.

A report by Icria said economic activity rebounded in December with 12 of the 15 high frequency indicators the rating agency tracks – including electricity generation, output of passenger vehicles and motorcycles, vehicle registrations, and fuel consumption – showing improvement.

"Economic activity rebounded solidly in December 2020 relative to the previous month, reflecting a pick-up in demand after the temporary post-festive slack and year-end discounts," Aditi Nayar, principal economist at Icria, said. "The pick-up in the generation of GST e-way bills and the considerable expansion in rail freight traffic offer encouraging signals of the pace of revival in economic activity."

The annual growth in GST e-way bill generation almost doubled in December to 15.9% against 8.1% in the previous month, indicating that GST collections will remain healthy in January, Icria said. GST collections for December came in at a record high Rs 1.15 lakh crore.

In terms of mobility indicators tracked by the NIBRI, Google's workplace and retail and recreation mobility indices showed strong improvements in the week ended Saturday, even as Apple's driving index fell.

Power demand picked up by 1.7% after posting a decline by the same amount during the previous week, while labour participation rate fell to 39.4% from 40.8% a week earlier, Nomura said.

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Revival Persists

NIBRI at 93.4 for week ended Jan 17, up from 93.2 in the previous week

Exports up 10.9% y-o-y in first two weeks, core imports rise 13.1%

Faster recovery due to reduced daily cases and vaccination drive

SOLID AND BROAD-BASED REBOUND IN DEC: ICRA

12 of 15 high frequency indicators improved

Reflects demand pickup after post-festive slack

Indicates GST collection growth will remain healthy in Jan

