

**Slowdown in Indian Economy
– 2019**

- Compiled

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Slowdown in Indian Economy - 2019

In 2018, 1.1 crore people lost their jobs. Situation is grave and it is worsening.

Highlights

- Auto sector is facing worst crisis in about 20 years
- In real estate sector, number of unsold homes have increased
- Growth rate of GDP is 5.0 per cent for April-June Quarter of 2019-20 which is the slowest growth rate of GDP in six years since 2013-14
- When government needs more money, tax collection has grown by just 1.4%

Slowdown Blues in Indian Auto Sector continues in July 2019

S. No.	Company	July 19	July 18	Growth (%)
1	Maruti	98210	154150	-36.29
2	Hyundai	39010	43481	-10.28
3	Tata	10485	17079	-38.61
4	Mahindra	16831	19781	-14.91
5	Honda	10250	19970	-48.67
6	Toyota	10423	13677	-23.79
7	Volkswagen	2521	2466	2.23
8	Renault India	3660	6217	-41.13
9	Nissan	313	553	-43.40
10	Ford	6284	7816	-19.60
11	Skoda	1076	1260	-14.60
12	Datsun	991	2249	-55.94
13	Fiat	2	29	-93.10
14	TVS	208489	247382	-15.72
15	Royal Enfield	49182	67001	-26.60
16	Suzuki	62366	53321	16.96
17	Bajaj	170978	201433	-15.12
18	Eicher	4048	5964	-32.13
19	Ashok Leyland	10101	14205	-28.89

Source: BusinessToday.in

Present Position of Companies - August 2019

S. No.	Company/ Sector	Present Position of the Company
1	Hero Motor	Production stopped
2	Tata Steel	Production stopped
3	Maruti Suzuki	Production stopped. Sales decreased by 33.5% in July, 2019
4	Mahindra	Production stopped
5	Tata Motors	Production stopped
6	Automobile Sector	2.30 lakh jobs have been lost
7	200 Car showrooms closed	25,000 people unemployed
8	Railways	Forced retirement starts
9	BSNL	Employees on the verge of starvation
10	HAL	No salary to the Employees from back eleven months
11	Hindalco	20,000 Employees effected as company is closed
12	30 Steel companies	closed
13	6.8 lakh companies	Registration cancelled as Financial Statement for two years and Annual Return is not submitted
14	Real Estate	Unsold inventory currently stands at 42 months
15	Fast-Moving Consumer Goods (FMCG) Companies	
i)	Hindustan Lever	Volume growth of 5.5 per cent in April-June quarter compared to 12 per cent last year
ii)	Dabur	Growth of 6 per cent against 21 per cent last year
iii)	Britannia Industries	Growth of 6 per cent against 12 per cent last year
iv)	Asian Paints	Growth of 9 per cent in April-June quarter against 12 per cent last year
v)	Parle-G	Retrenchment of 10,000 employees as the sales of biscuit has gone down by 8%
16	Labour Force Survey	Released by the government in July, showed a record high unemployment rate of 6.1 per cent for 2017-18
17	Lending to Micro, Small and Medium Enterprises (MSME) by banks	Slipped to 0.6 per cent this June quarter of 2019 from 0.7 per cent in 2018

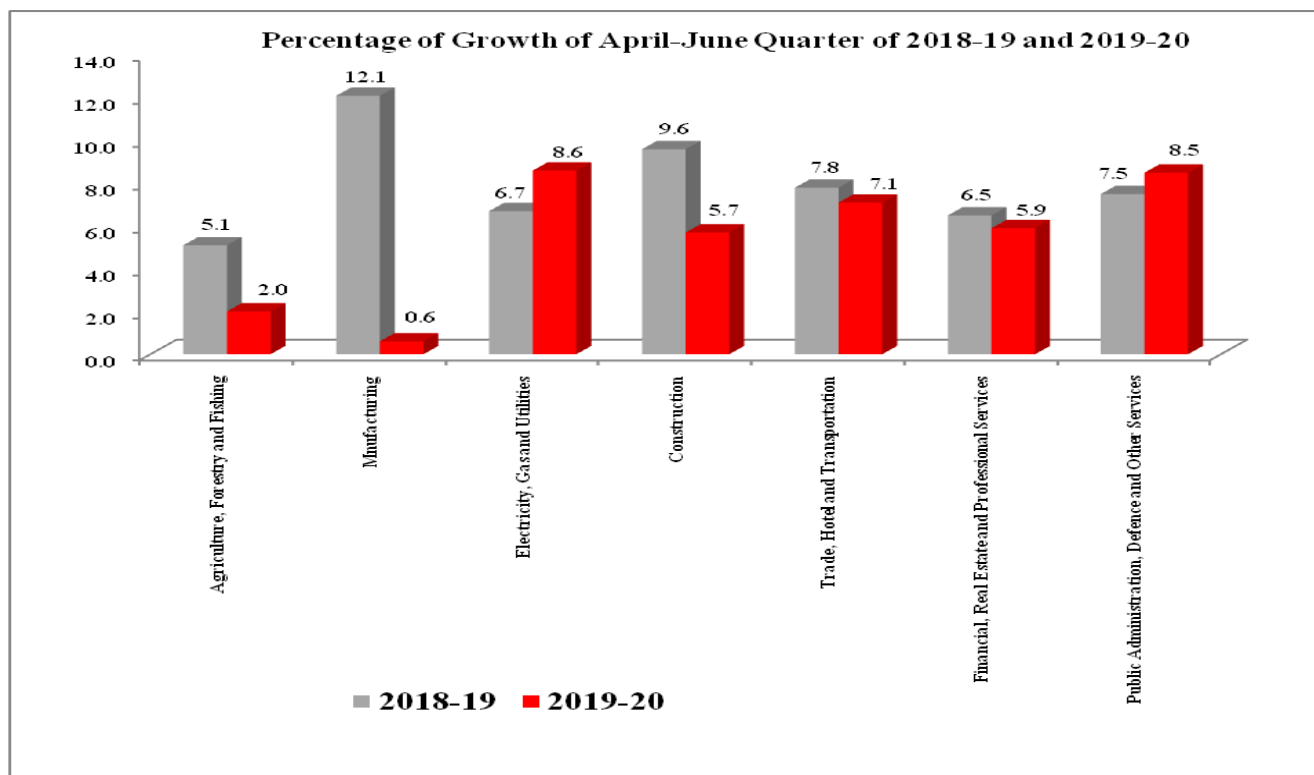
India's debt under Modi govt surges 50% to Rs 82 lakh crore

Compared to the latest data available till September 2018 when the total debt of the Central government stood at Rs 82,03,253 crore, the corresponding amount till June 2014 was Rs 54,90,763 crore, the Finance Ministry's data on government borrowings shows.

(<https://www.indiatoday.in/business/story/india-debt-under-narendra-modi-government-surges-to-rs-82-lakh-crore-1434311-2019-01-19>)

Losing Steam - Percentage of Growth of April-June Quarter of 2018-19 and 2019-20

S. No.	Sector	2018-19	2019-20
1	Agriculture, Forestry and Fishing	5.1	2.0
2	Manufacturing	12.1	0.6
3	Electricity, Gas and Utilities	6.7	8.6
4	Construction	9.6	5.7
5	Trade, Hotel and Transportation	7.8	7.1
6	Financial, Real Estate and Professional Services	6.5	5.9
7	Public Administration, Defence and Other Services	7.5	8.5



Surat and Bhilwara Textile Industry is in bad shape:

- The textile industry in Surat is reeling from losses brought about by GST and with 60% production down, is fast losing its labour force.

(<https://www.gonews24x7.com/News-&-Politics/Video/GST-Cripples-Surat-Textile-Industry/26B9A5AA-F443-427B-9A47-E2040891E984/3/4/1>)

- Bhilwara textile industry is going through a crisis. Its production has fallen to a minuscule 25%

(<https://www.gonews24x7.com/News-&-Politics/Video/Bhilwara-Textile-Industry-In-Doldrums/DA2821BF-E3F1-4C7A-9A78-3EBAE5E0AD7F/3/4/1>)

Auto sector is facing worst crisis in about 20 years:

- Workers hit hard by Ashok Leyland's shutdown

(Auto, Reported by J Sam Daniel Stalin, Updated: September 11, 2019 12:44 IST)

Ashok Leyland's combined sale declined by 50 per cent in August with a total sale of 8,296 vehicles against 16,628 vehicles sold in August last year.

(https://www.ndtv.com/business/ashok-leylands-shutdown-hits-workers-hard-2099069?News_Trending)

GST Collection in August below Rs 1 lakh crore: Ministry of Finance

The Ministry of Finance said that the gross GST collection in the month of August has fallen below the expectation of Rs 1 lakh crore to Rs 98,202 crore. In the month of July, the gross revenue collections from the Goods and Services Tax (GST) stood at Rs 1.02 lakh crore. In June this year the GST collection too dipped to Rs 99,939 crore. Central GST collections stood at Rs 17,733 crore, State GST Rs 24,239 crore, and Integrated GST Rs 48,958 crore (including Rs 24,818 crore collected on imports) during August this year, a statement said.

(<https://www.msn.com/en-in/video/healthandfitness/gst-collection-in-august-below-rs-1-lakh-crore-ministry-of-finance/vi-AAGEfao>)

Slowdown very worrisome, businesses complaining aloud: Raghuram Rajan

Rajan advocated for a new set of reforms to get the private sector to invest

Rajan also said "a fresh set of reforms" are now needed to boost the economy and growth rate

(Press Trust of India, New Delhi, August 19, 2019 23:33 IST)

The results continue to be worrisome.

When market sulk under negative sentiments in the market, the government infuses money to bring back hope. But the central government's hands are tied.

Source:

<https://www.indiatoday.in/business/story/india-debt-under-narendra-modi-government-surges-to-rs-82-lakh-crore-1434311-2019-01-19>

<https://www.gonews24x7.com/News-&-Politics/Video/GST-Cripples-Surat-Textile-Industry/26B9A5AA-F443-427B-9A47-E2040891E984/3/4/1>

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https://www.ndtv.com/business/ashok-leylands-shutdown-hits-workers-hard-2099069?News_Trending

<https://www.indiatoday.in/news-analysis/story/why-this-economic-slowdown-is-serious-1580824-2019-08-14>

<https://www.businesstoday.in/sectors/auto/slowdown-blues-kiss-of-death-for-indian-auto-industry-as-sales-fall-up-to-40-per-cent-in-july/story/369853.html>

<https://timesofindia.indiatimes.com/business/india-business/at-5-gdp-growth-slumps-to-over-6-year-low-in-apr-june/articleshow/70918266.cms>