

Inflation may have peaked, robust GST, PMI numbers signal recovery

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NEW DELHI: Two key high-frequency economic indicators released on August 1 — monthly Goods and Services Tax (GST) collections and Purchasing Managers' Index (PMI) Manufacturing — suggest that the Indian economy is showing resilience despite a tepid global environment and inflation pressures.

GST collections for the month of July stood at ₹1.49 lakh crore,

the Union ministry of finance said in a release. The July GST collection is 28% higher than the July 2021 collection of ₹1.16 lakh crore. The latest number is the second highest monthly GST collection; the highest was ₹1.68 lakh crore for the month of April. July is the fifth consecutive month when GST collections have been higher than ₹1.4 lakh crore. "The growth in GST revenue till July 2022 over the same period last year is 35% and displays a very high buoyancy.

This is a clear impact of various measures taken by the Council... to ensure better compliance," the release said.

Purchasing Managers' Index (PMI) for manufacturing in the month of July stood at 56.4, making this is the fastest pace of expansion since November 2021. The latest PMI numbers show input cost inflation slipped to an 11-month low, yet another indication that core inflation pressures in the economy could have peaked.