

**भारतीय रिज़र्व बैंक**  
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**RBI Bulletin – March 2024**

Today, the Reserve Bank released the [March 2024](#) issue of its monthly Bulletin. The Bulletin includes four speeches, three articles, and current statistics.

The three articles are: I. [State of the Economy](#); II. [Pandemic-induced Policy Stimulus and Inflation: A Cross-Country Perspective](#); and III. [Seasonality in India's Key Economic Indicators](#).

**I. State of the Economy**

The global economy is losing steam, with growth slowing in some of the most resilient economies and high frequency indicators pointing to further levelling in the period ahead. In India, real GDP growth was at a six-quarter high in Q3:2023-24, powered by strong momentum, robust indirect taxes, and lower subsidies. The high visibility of structural demand and healthier corporate and bank balance sheets will likely be the galvanising forces for growth going forward. Even as inflation is on the ebb with broad-based softening of core inflation, the repetitive incidence of short amplitude food price pressures deters a swifter fall in headline inflation towards the target of 4 per cent.

**II. Pandemic-induced Policy Stimulus and Inflation: A Cross-Country Perspective**

*By Nishant Singh and Binod B. Bhoi*

Global inflation, which softened initially on economic contraction in 2020 after the onset of the COVID pandemic, started rising in 2021 with the easing of COVID-time restrictions and reached multi-year highs in 2022 following the Russia-Ukraine conflict. Notwithstanding common global shocks, inflation surges varied across economies, both in terms of level and persistence. Using a panel-data Phillips Curve framework, this study investigates the impact of pandemic-induced fiscal expansions on inflation in select advanced and emerging market economies, controlling for supply-side factors.

**Highlights:**

- The empirical results suggest that higher inflation outcomes in the post-pandemic period were seen in economies with larger fiscal expansion. This is corroborated by the signs and significance of the coefficients extracted from the panel regression results.
- Countries with moderate fiscal support have generally experienced relatively moderate inflation outcomes.
- In the case of India, statistically insignificant coefficient suggests that the post-pandemic fiscal support was not associated with higher inflation. Fiscal policy measures in India were targeted at vulnerable segments with primary focus on social

protection and healthcare during the early stages of the pandemic, aided by additional public investment and support schemes targeting specific sectors later.

### III. Seasonality in India's Key Economic Indicators

*By Shivangee Misra, Rajendra Raghumanda and Sanjay Singh*

The COVID-led economic disruptions added extremely high volatility in macro financial data, necessitating revisiting of the seasonal adjustment approach. Against this backdrop, this article explores different approaches to address this volatility and the best-suited approach for seasonal adjustment was adopted for the seasonal adjustment of 79 macroeconomic variables covering six broad sectors (*viz.*, money and banking, price, industrial production, merchandise trade, services and payment system indicators).

#### Highlights:

- Most items in the indicators of industrial production, monetary/banking, payment system indicators and merchandise trade and services record a seasonal peak around March, whereas the production of consumer durables, passenger vehicle sales and card payments peak in October reflecting festival demand.
- CPI witnesses price pressure during the monsoon season, driven by vegetable prices. Fruit prices peak during the summer months.
- Compared to the pre-COVID period, seasonal variation has increased for cash in hand and balances with RBI, production of primary goods, consumer goods, textiles, petroleum products, electricity production, passenger vehicle sales and merchandise exports.

The views expressed in the Bulletin articles are of the authors and do not represent the views of the Reserve Bank of India.

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