GST revenue trends

What is the news about?

The recent trends in GST revenue indicates that the recovery is neither smooth nor fast

What is the progress of GST revenue collection?

- With gross revenues of Rs. 1.12-lakh crore in August, the GST has now yielded over Rs. 1-lakh crore a month for almost a full year
- The August collections are 30% higher and also 14% above the pre-pandemic levels of 2019-20
- It pertains largely to economic activity in July and the ease in mobility restrictions in most States
- While revenues from domestic transactions were up 27%, key industrial States saw faster growth, including Karnataka, Tamil Nadu and Maharashtra.



Is this an indicator of faster economic growth?

- GST revenues in August are almost 4% lower than the Rs. 1.16-lakh crore collected in July
- Government stopped disclosing the number of those who are filing returns each month from February 2021
- Even State-wise revenues have been selectively shared recently
- It is unclear if the economy is recovering 'fast' in tandem with the easing out of COVID-related restrictions
- Reserve Bank of India Governor has highlighted that the economy is still delicately poised-manufacturing recovery has stumbled in August and services remain stressed.

Source: The Hindu



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