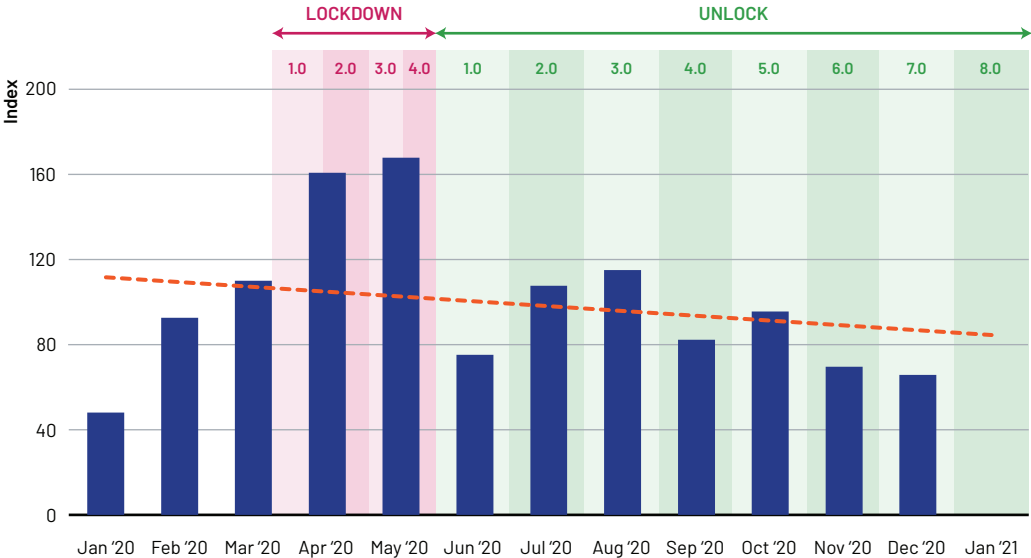


Chart 18: Policy uncertainty showed sign of recovery

Source: 'Measuring Economic Policy Uncertainty' by Scott Baker, Nicholas Bloom and Steven J. Davis at www.PolicyUncertainty.com, Acuity Knowledge Partners

* The Economic Policy Uncertainty index is constructed based on newspaper articles regarding policy uncertainty



- » Year-end economic policy uncertainty index* (65.6) is trimming back towards the lowest print of 2020 (January: 48.1)
- » The uncertainty index fell subsequently in the last quarter of 2020, following the unprecedented increase in March-May, which was driven by prolonged state and city-wise lockdowns, as India continues to rank second in terms of the total number of serious/critical C19 cases
- » Various national issues, such as upcoming state elections, coupled with international geopolitical tensions and C-19 crisis may bout the index with a mixed dose of optimism and pessimism