

Key Data Releases

Index of Industrial Production

- Industrial output, measured by the index of industrial production (IIP), rose by 1.7 per cent on a year-on-year basis in February 2022. The growth came after a 3.2 per cent fall suffered in the year-ago month. Output of mined products and electricity generation grew by 4.5 per cent each in February 2022. The manufacturing sector reported a 0.8 per cent growth in production.
- Among the use-based classification of IIP, output of primary goods rose by 4.6 per cent and that of intermediate goods rose by 4.3 per cent. Production of capital goods grew by 1.1 per cent and that of infrastructure/construction goods grew by 9.4 per cent. Among consumer goods, production of durables fell by 8.2 per cent and that of non-durables declined by 5.5 per cent.

Consumer Price Index

- Retail price inflation, measured by the Consumer Price Index (CPI), surged to 6.95 per cent in March 2021 from 6.07 per cent in February 2022. Inflation in urban India rose to 6.12 per cent from 5.75 per cent in February 2022 and that in rural India increased to 7.66 per cent from 6.38 per cent.
- At the all-India level, inflation in the food & beverages group rose to 7.47 per cent in March 2022 from 5.93 per cent in February 2022. Inflation in the fuel & light group eased to 7.52 per cent from 8.73 per cent in February 2022, but that in the clothing & footwear group increased to 9.40 per cent from 8.86 per cent. Inflation in miscellaneous items too increased to 7.02 per cent in March 2022 from 6.52 per cent from the preceding month.

Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 2.5 billion to USD 604.0 billion during the week ended 8 April 2022.

Key Sectoral Insights

Start-ups

PwC India: The startup ecosystem has created as many as 14 unicorns in the first three months of 2022, and for the third consecutive quarter, they have received over USD 10 billion across 334 funding deals. Creation of 14 more unicorns takes the overall tally of startups with over USD 1 billion valuation in the country to 84 now.

Information Technology

Gartner: Overall IT spending in India is predicted to reach USD 110.6 billion in 2022, up 6.3 per cent from 2021, as inflation, geopolitical instability, and skill shortages are not expected to slow down IT investments. Indian CIOs and business leaders will continue to increase their spending towards analytics, artificial intelligence, machine learning, customer experience and cloud in 2022.

Aviation

ICRA: India's domestic air passenger traffic is estimated to have grown by around 59 per cent year-on-year to 84 million in FY22, although it is still about 40 per cent lower as compared to the pre-pandemic level. It also expects elevated Aviation Turbine Fuel (ATF) prices, aggravated by geo-political issues, to remain a near-term challenge for the industry and will be a key determinant of profitability for the sector.

Real Estate

CBRE: Office leasing activity in India grew 97 per cent y-o-y to touch 11.4 million square feet, according to a report by CBRE South Asia, a real estate consulting firm. Bengaluru, Chennai and Delhi-NCR dominated leasing activity during the quarter, accounting for almost two-thirds of the transaction activity. Technology companies dominated leasing during the quarter with a share of 34 per cent, followed by BFSI firms (17 per cent), flexible space operators (13 per cent), engineering & manufacturing (12 per cent) and research, consulting & analytics (11 per cent) firms.

Upsides'

- Electric vehicle retail sales in the country witnessed over three-fold jump last fiscal with two-wheeler offtake leading the segment, according to data compiled by automobile dealers' body FADA. Total electric vehicle (EV) retails reached 4,29,217 units in 2021-22, a rise of three-fold from 1,34,821 units in the financial year 2020-21. Total EV sales had stood at 1,68,300 units in the 2019-20 fiscal, it noted.
- The length of road projects awarded by the National Highway Authority of India (NHAI) and the Ministry of Road Transport and Highways (MoRTH) together increased a little over two times to 5,113 kilometres (km) in March 2022 from the year ago. It was nearly six times higher than 735 km of the road length awarded in the previous month. With this, the total length of projects awarded in FY22 increased by 22% year-on-year to nearly 12,731 km.

Downsides

- Electricity shortage in India rose to 80 million units on 7 April 2022, much higher compared to a daily average of just 19.7 MU in March 2022. The increase in power deficit is due to soaring temperatures, a pick-up in industrial activity, and depleting coal stocks at thermal stations. Andhra Pradesh, Madhya Pradesh, Bihar, Jharkhand, Punjab, Haryana, Rajasthan, Telangana and Uttar Pradesh are some of the states that have already witnessed power outages. While Maharashtra, Gujarat and Tamil Nadu, the most industrialized states in the country, are trying to hard to avoid load shedding by letting the state-run utilities buy expensive power under short-term arrangements and from the spot market.

Upsides	Downsides
<ul style="list-style-type: none"> ▪ India Inc's direct overseas investment increased 8.5 per cent year-on-year to USD 3.34 billion in March 2022, according to data from the Reserve Bank of India (RBI). The Indian companies had invested USD 3.1 billion in their overseas fully-owned subsidiaries (WOSs) and joint-ventures (JVs) in the same month a year ago. In the preceding month (February 2022), the outward foreign direct investment was USD 940.62 million. ▪ The number of patent filings increased from 42,763 in 2014-15 to 66,440 in 2021-22 due to steps taken by the government to strengthen intellectual property rights (IPR) regime of the country, the commerce and industry ministry has said. It also said India granted 30,074 patents in 2021-22 as compared to 5,978 in 2014-15. ▪ India's net earnings from trade in services rose year-on-year by 18.3 per cent to USD 9.4 billion in March 2022, as compared to a 12.2 per cent growth registered in the year-ago month. Receipts from services exports rose year-on-year by 10.1 per cent to USD 22.5 billion, and payments for service imports rose by five per cent to USD 13.2 billion in March 2022. ▪ Sales volumes of passenger vehicles rose by 9,649 numbers from 331,122 numbers in March 2021 to 340,771 numbers in March 2022. This represented a 2.9 per cent growth in sales volumes. During April-March 2022, a total of 3,647,374 numbers of passenger vehicles were sold. This is 17.1 per cent higher compared to 3,115,854 numbers of passenger vehicles sold during April-March 2021. ▪ The India Meteorological Department (IMD) has predicted that monsoon rainfall in India this year is likely to be normal for the fourth consecutive year. The June-September rainy season is likely to receive 99 per cent of long-period average (LPA) rainfall. The forecast comes as a relief for policymakers struggling with increasing inflation and slowing growth. 	<ul style="list-style-type: none"> ▪ OPEC has revised oil demand downwards by 480,000 barrels per day to 3.67 mbpd for 2022. It has cited the impact of Russia's invasion of Ukraine, rising inflation due to higher crude prices and resurgence of omicron in China as factors. ▪ The World Trade Organization (WTO) has forecasted a merchandise trade volume growth of 3.0% in 2022 — down from its previous forecast of 4.7% — and 3.4% in 2023, but these estimates are less certain than usual due to the fluid nature of the conflict. The most immediate economic impact of the crisis has been a sharp rise in commodity prices. Despite their small shares in world trade and output, Russia and Ukraine are key suppliers of essential goods including food, energy, and fertilizers, supplies of which are now threatened by the war.

Key Policy Announcements/ Notifications

- Sebi comes out with comprehensive risk management framework for electronic gold receipts**
https://www.sebi.gov.in/legal/circulars/apr-2022/comprehensive-risk-management-framework-for-electronic-gold-receipts-egr-segment_57925.html
- Reserve Bank introduces principles for mid, large NBFCs**
<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12290&Mode=0>
- CCEA approves continuation of Rashtriya Gram Swaraj Abhiyan till 2025-26**
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1816362>

Reports

Women, Business and the law, World Bank
 India's rank in gender equality in legal terms has come down to 124th among 190 countries in 2022 against 123rd in 2021 and 117th in 2020, according to an index compiled by a World Bank study 'Women, Business and the Law'. This means other countries reformed faster than India did in bridging the gender gap. The ranking is given on the basis of legal reforms on eight factors, including mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets and pension.
<https://wbl.worldbank.org/en/wbl>

Forthcoming Data Releases

Forex Reserves, Reserve Bank of India, April 22, 2022, 05:00 pm
Consumer Price Index – Agriculture/Rural Workers, MoSPI, April 20, 2022*

*Expected

Sources:

Various Press Articles, CMIE, MOSPI, RBI, SEBI, PIB

For previous editions / other data products and fact sheets please write to

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