

### Key Data Releases

#### Core Index

- The index of eight core industries rose by 4.3 per cent on a year-on-year basis in March 2022. The growth was lower than the six per cent growth registered in the preceding month. Six of the eight core industries reported rise in production, while two reported fall.
- The eight core industries reported a 10.4 per cent growth in their output during fiscal year 2021-22. The growth came after a 6.4 per cent contraction in output suffered in 2020-21.

#### Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 3.3 billion to USD 600.4 billion during the week ended 15 April 2022.

### Key Sectoral Insights

#### Retail

**BCG and Retailers Association of India (RAI):** India's retail industry is likely to witness 10 per cent annual growth to reach approximately USD 2 trillion by 2032, according to a report jointly developed by BCG and Retailers Association of India (RAI). As per the report, while certain industry segments like food and grocery, restaurants & quick service restaurant (QSR) and consumer durables have recovered to pre-Covid levels, others like jewellery and accessory, apparel and footwear remain on track to a full recovery. It further stated that India's consumption, which was growing at approximately 12 per cent pre-pandemic, slipped into negative territory during the pandemic. However, consumption has now recovered to surpass pre-pandemic growth levels at 17 per cent. BCG-RAI have estimated e-commerce in the country to reach USD 130 billion by 2026 as compared to USD 45 billion in 2021.

#### Real Estate

**CIRIL:** Consultancy firm CIRIL said in a report that the Indian real estate (RE) market is poised to touch Rs 65,000 crore by 2024 and by 2025, this sector is expected to contribute to 13 per cent of the country's GDP. In 2019, the size of the RE market was Rs 12,000 crore, according to the report. Despite fears related to the Omicron crisis, the market in 2022 looked bullish while demand is accelerating across all categories. Regarding commercial RE, the report said offices with enhanced technology driven ecosystem in workplace will be in demand and developers are investing in technology and digital channels to reach out to the consumers. Co-working space has emerged as a sustainable business model for corporates who want to remain flexible on cost components on the face of a possible resurgence of COVID caseloads.

**Anarock:** New trends are constantly shaping up the real estate sector as demand continues to grow across segments and locations. Various factors such as reverse migration, flexible work options, learning from home, and the desire for ample open and green spaces have turned the tide in favor of Tier 2 & 3 cities. A large chunk of the young workforce or millennials is now investing in real estate in Tier 2 & 3 cities for opulent living, work-life balance, well-being, and future security. Additionally, a wish to stay close to family, connectivity upgrades, and vibrant social infrastructure have also made Tier 2 & 3 locations a favorite investment spot for millennials. A survey done by ANAROCK revealed that out of all participants who prefer to buy in Tier 2 cities, 61% are end-users while the remaining are buying for investment purposes

#### Upsides

- Summer crops sowing is up seven per cent till April 2022 compared to the same period last year. The acreage under summer crops has increased to 6.4 million hectares till April 2022 as against six million hectares during the same period last year. This is mainly because an early start has helped farmers to sow more as compared to the last year. As per the data released by Union Agriculture Ministry, the area under pulses has increased by 53 per cent till April 2022. Also, the area under oilseeds increased 1.6 million hectares till April 2022 compared to the corresponding period in 2021. Contrary to this, the area under rice plantation is down by 5.7 per cent recorded at 2.88 million hectares till April 2022 compared to 3.06 million hectares to the same period last year.

#### Downsides

- In its latest policy, Indonesia has announced that it will be expanding its ban on export of palm oil to crude palm oil. The export ban on palm oil will include crude palm oil, RBD palm oil and used cooking oil. As per the Solvent Extractors' Association of India (SEA), the prices of edible oil are expected to go up drastically because of Indonesia's decision. The association also believes that India will have to live with high edible oil prices which will create difficulties for the government. For this purpose, the Indian government has implemented various measures to reduce imports, impressing producers to cut down their margins.

Upsides	Downsides
<ul style="list-style-type: none"> <li>▪ Total air passenger traffic rose by 44.2 per cent to 24.4 million passengers in March 2022. Domestic passenger traffic rose by 37.7 per cent y-o-y to 21.1 million passengers. It accounted for 86.4 per cent of the total passenger traffic carried during the month. International passenger traffic increased by 105.7 per cent y-o-y to 3.3 million passengers in March 2022. Passenger traffic by air went up by 63.7 per cent y-o-y to 188.8 million passengers during April 2021-March 2022. Domestic passenger traffic surged by 58.5 per cent y-o-y to 166.8 million passengers. International passenger traffic rose by 118.1 per cent to 22.1 million passengers.</li> <li>▪ India accounted for the largest number of real-time transactions at 48.6 billion in 2021, as per a report by ACI Worldwide, in partnership with GlobalData and the Centre for Economics and Business Research (Cebr). This helped in generating an additional USD 16.4 billion of economic output, equivalent to 0.56 per cent of the country's GDP. The report further stated that with consumers increasingly shifting from cash to mobile-based real-time payments, skipping payment cards, the real-time payments' share of the total payments volume is likely to rise to over 70 per cent in 2026. This will result in net savings for businesses and consumers rising to USD 92.4 billion, helping to generate an additional USD 45.9 billion of economic output, equivalent to 1.12 per cent of the country's projected GDP in 2026.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sales volumes of fertilisers fell by 1.2 per cent in March 2022. A total of 4.1 million tonnes of fertilisers was sold during the reporting month compared to 4.2 million tonnes sold in March 2021. A total of 59.2 million tonnes of fertilisers was sold during April 2021-March 2022, 10.6 per cent lower compared to a year ago. During April 2020-March 2021, 66.1 million tonnes of fertilisers was sold.</li> <li>▪ Formal job creation continued to be uneven for a second month in a row with the Employees Provident Fund Organisation registering a marginal increase in net new subscribers in February while the net addition of subscribers under the Employees State Insurance Corporation and the National Pension Scheme fell month-on-month. The provisional payroll data by the ministry of statistics and programme implementation, shows net new subscriber addition under the EPFO grew 2.9% month-on-month to 1.41 million in February compared to 1.37 million added in January 2022.</li> <li>▪ Non-pithead thermal power plants had coal stocks equivalent to only a fourth of the normative stock required. According to the latest data of the Central Electricity Authority (CEA), coal inventory with a total of 155 non-pithead power plants was about 26 per cent of the normative levels from 18 April 2022 to 21 April 2022. As against the normative level of 57,033 thousand tonnes, power plants held 14,610 thousand tonnes of coal. This indicates a shortage of dry fuel amid rising electricity demand due to scorching heat.</li> <li>▪ The Centre's welfare and subsidy expenditure are expected to overshoot targets in 2022-23. The Centre's fertiliser subsidy outlay for 2022-23 is expected to increase to Rs.2.1-2.3 trillion as compared to budgeted Rs.1.1 trillion on the back of sustained high commodity and oil prices due to the war in Europe. In addition, the government's decision to extend the Prime Minister Garib Kalyan Anna Yojana (PMGKAY) till September 2022 will increase the food subsidy outlay for 2022-23 to Rs.2.9 trillion from the budget estimate (BE) of Rs.2.1 trillion. However, this would take fiscal deficit for 2022-23 to 7.13 per cent of GDP from BE of 6.4 per cent of GDP.</li> </ul>

**Key Policy Announcements/ Notifications**

- PM SVANidhi gets extension till December 2024**  
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1820509>
- MSME Ministry revamps Zero Defect, Zero Effect scheme for MSMEs; trims number of parameters for certification**  
<https://pib.gov.in/PressReleasePage.aspx?PRID=1821003>
- Sebi reduces listing time for REITs, InvITs to 6 days from 12 days**  
<https://www.sebi.gov.in/legal/circulars/apr-2022/reduction-of-timelines-for-listing-of-units-of-infrastructure-investment-trust-invit-58517.html>  
<https://www.sebi.gov.in/legal/circulars/apr-2022/reduction-of-timelines-for-listing-of-units-of-real-estate-investment-trust-reit-58515.html>

**Forthcoming Data Releases**

Forex Reserves, Reserve Bank of India, May 6, 2022, 05:00 pm  
Consumer Price Index – Industrial Workers, Labor Bureau, May 2, 2022\*  
PMI Manufacturing/Services, May 3, 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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