

Key Data Releases

PMI- Manufacturing

- The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) rose to 54.7 in April 2022 from 54 in March 2022. This was the tenth consecutive month of expansion
- New orders and production growth gathered pace as removal of Covid-19 restrictions continued to support demand pick-up in the domestic market. International sales too put up a robust growth in April 2022. Inflationary pressures increased in April 2022. While input prices increased at the fastest pace in the last five months, final product price inflation surged to a 12-month high

PMI - Services

- The seasonally adjusted S&P Global India Services PMI jumped to 57.9 in April 2022 from 53.6 in March 2022. This is the highest rate of expansion reported by the index in the last five months.
- The lifting of Covid-19 restrictions led to greater consumer footfall and a general improvement in demand. Sales grew at their fastest pace since November 2021. Inflationary pressures continued and service providers lifted their selling prices to pass on this burden to the end users

Consumer Price Index – Industrial Workers

- Retail inflation for industrial workers increased to 5.35 per cent in March from 5.04 per cent in February this year mainly due to accelerating prices of food items and intoxicants
- Food inflation stood at 6.27 per cent in March 2022 against 5.09 per cent in the previous month, while the category of pan, supari, tobacco & intoxicants registered a rise of 5.57 per cent in March 2022 as compared to 4.64 per cent in February of the same year

Foreign Trade

- According to the preliminary data released by the Ministry of Commerce, India's merchandise exports rose year-on-year by 24.2 per cent to USD 38.2 billion in April 2022. POL exports rose by 113.2 per cent to USD 7.7 billion, and non-POL exports rose by 12.3 per cent to USD 30.5 billion in April 2022
- At USD 58.3 billion in April 2022, India's merchandise imports were 26.5 per cent higher than the year-ago level. POL imports rose by 81.1 per cent to USD 19.6 billion and non-POL imports rose by 9.9 per cent to USD 38.7 billion in April 2022. Merchandise trade deficit widened to USD 20.1 billion in April 2022 from USD 15.3 billion in the year-ago month and USD 18.5 billion in the preceding month
- India's net earnings from trade in services rose year-on-year by 46 per cent to USD 11.6 billion in March 2022, as compared to a 12.2 per cent growth registered in the year-ago month. Receipts from service exports rose by 31.4 per cent to USD 26.9 billion, and payments for service exports rose by 22.3 per cent to USD 15.3 billion in March 2022

Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 2.7 billion to USD 597.7 billion during the week ended 29 April 2022.

Key Sectoral Insights

Renewable Energy

Mercom: Solar capacity installations in the country jumped by a record 210 per cent to 10 gigawatts during 2021. The green capacity installations reached a level of 3.2 gigawatts (GW) in 2020, according to the Mercom report 'Indian Solar Sector Market Leaders'. In CY 2021, India saw a record 10 GW of new solar capacity installed, a big jump of 210 per cent compared to 3.2 GW the year before. The newly installed solar capacity in 2021 reached a record high, making up 62 per cent of the total power capacity additions in 2021.

White Goods

Consumer Electronics and Appliances Manufacturers Association (CEAMA): Driven by the early arrival of summer and intense heat wave, residential air conditioner makers are looking forward to a record sales of around 90 lakh units this year. According to CEAMA, in April the industry has recorded the sale of around 17.5 lakh units, which is also an all-time high for the month. However, the availability of certain products could be an issue in the next couple of months as manufacturers may not be in a position to supply their entire range of models to meet market demand, especially the energy-efficient 5-star range, due to high demand and supply constraints of components such as controllers and compressors.

Automotive

JMK Research: The first month of FY23 saw electric vehicle registrations record an overall decline of six per cent on a sequential basis amid intensifying debate on EV safety and power sources for charging EVs. Year-on-year numbers, however, registered a significant growth. Total registered EV sales in April 2022 stood at 72,519 units as compared to 77,243 units in March 2022 and 14,179 units in April 2021, according to data on Vahan Dashboard. EV registrations in April 2022 were driven by electric two-wheelers and passenger-type electric three-wheelers which, together, accounted for about 93 per cent of total registrations. The shares of these categories were followed by electric cars (close to 4 per cent) and cargo-type electric three-wheelers (three per cent), among others.

Telecom

Nielsen: There has been a 45 per cent growth in active internet users in rural India since 2019, according to a study by Nielsen. The 'Bharat 2.0 Internet' report said that female active internet users grew by 61 per cent since 2019. Rural India has 352 million internet users--almost 20 per cent higher than urban. The study also revealed that almost 60 per cent of the rural population is still not actively using the internet, paving headroom for further growth. Urban India on the other hand has registered 294 million active internet users.

Upsides

▪The GST collection in April touched the highest-ever level of about Rs 1.68 lakh crore, up 20 per cent from the year-ago period, on improved compliance and recovery in business activity. An improvement in the compliance behaviour has been a result of various measures taken by the tax administration to nudge taxpayers to file returns timely, to making compliance easier and strict enforcement action was taken against errant taxpayers identified.

▪Unified Payments Interface (UPI) hit a record high in April with 558 crore transactions amounting to ₹9.83-lakh crore, the highest for the payment platform — both in terms of volume and value of transactions — since its inception.

▪Purchase of defence-related goods and services by the Defence Ministry from micro, small and medium enterprises (MSMEs) and others on the government's business-to-government (B2G) portal Government eMarketplace (GEM) jumped over 250 per cent in the financial year 2021-22 from the previous year. Procurement orders through GeM reached an all-time high of Rs 15,047.98 crore during FY22.

▪Toll collection through the FASTag network reported a 3.02 per cent rise to Rs 4218.89 crores during April 2022 compared with March 2022. The increase is despite the number of transactions declining from 270.41 million in March 2022 to 265.98 million in April 2022. According to analysts, the rise in collections is on the back of toll rates being hiked from April 1, 2022.

▪Automobile retail sales in India increased by 37 per cent in April on a low base of COVID-hit April last year, according to automobile dealers' body FADA. Total sales across categories rose to 16,27,975 units in April, as compared to 11,87,771 units in the year-ago period. On a year-on-year basis, all vehicle categories including passenger vehicles and two-wheelers were up as compared with April last year. Passenger vehicles registrations stood at 2,64,342 units last month, up 25 per cent from 2,10,682 units in April last year.

▪The Ministry of Road Transport and Highways (MoRTH) aims to construct a record 18,000 km of highways in 2022-23 at a pace of 50 km per day. The target for the current fiscal is 33 per cent higher than the previous fiscal. In 2021-22, the ministry had initially set the pace of highway construction at 40 km per day. However, it was later revised to 32 km per day at 12,000 km for the full fiscal. The government, through its implementing agencies, reportedly constructed 10,457 km of national highways (NHs) in 2021-22, which was a 24 per cent decrease from 2020-21

Downsides

▪India's unemployment rate rose to 7.83% in April from 7.60% in March, according to CMIE data. The urban unemployment rate rose to 9.22% in April from 8.28% the previous month, while the rural unemployment rate slipped to 7.18% from 7.29%, the data showed. The highest unemployment rate of 34.5% was recorded in the northern state of Haryana, followed by 28.8% in Rajasthan.

▪Fundraising through emerging investment instruments — REITs and InvITs — plunged 59 per cent to Rs 22,145 crore in 2021-22 primarily on account of uncertainty around the world and volatility in the stock market. In comparison, Rs 54,731 crore was raised in 2020-21.

▪Jet fuel prices were hiked by 3.22 per cent, the ninth straight increase this year, to an all-time high, reflecting a surge in global energy prices. The price of aviation turbine fuel (ATF) was hiked by Rs 3,649.13 per kilolitre, or 3.22 per cent, to Rs 1,16,851.46 per kl (Rs 116.8 per litre) in the national capital.

▪The Ministry of Ports, Shipping and Waterways has been able to monetize three projects worth approximately Rs 1000 crore, falling significantly short of the target of Rs 6924 crore from 13 projects for this fiscal year, having been able to award projects worth only 14 per cent of the target amount in 2021-22.

▪India fell short of domestic coal supply targets to utilities by 7.6% in April, as output from mines owned by companies for self-use were 33% lower than required and a shortage of trains for delivery further exacerbated a crippling power crisis. India's supply to the power sector in April was 61.72 million tonnes, 7.6% lower than the target of 66.8 million tonnes.

▪A year after the government identified total companies with a turnover of more than Rs 500 crore to onboard the trade receivables financing platform TReDS, the registration count is far from 100 per cent. According to the information available from the MSME Ministry, 4,714 such companies were identified by the Ministry of Corporate Affairs in April 2021. After filtering out companies registered on TReDS and which were central government enterprises, 1,661 companies (35.2 per cent) had registered themselves as of April 1, 2022, on the TReDS platform.

▪The pile-up of cargo ships at Shanghai port has impacted consumer durables companies in India, which rely largely on Chinese components. Employees at the Chinese port are apparently unable to report to work because of a Covid-induced lockdown. Demand for summer goods, such as refrigerators and air conditioners, has been rising in recent months. However, supply restrictions and rising inflation pushed input costs to all-time highs

Key Policy Announcements/ Notifications

India-UAE Comprehensive Economic Partnership Agreement (CEPA) enters into force

<https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1821785>

RBI Monetary Policy

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53652

CBDT asks faceless assessment units to complete 30 per cent of faceless assessments by end of June 2022

https://www.business-standard.com/article/economy-policy/cbd-t-to-taxmen-complete-30-faceless-assessments-by-end-june-122050400030_1.html

Implementation of PLI Scheme for Speciality Steel- extension of the last date of application

https://steel.gov.in/sites/default/files/PLI_Extension.pdf

Reports

Commodity Markets Outlook – April 2022- World Bank

The report examines the impact of the Russia-Ukraine conflict on global commodity markets, including on prices, production, and supply. The report also reviews various policy responses to the war from governments world over.

<https://www.worldbank.org/en/news/press-release/2022/04/26/food-and-energy-price-shocks-from-ukraine-war>

Forthcoming Data Releases

FDI, FII, Ministry of Commerce and Industry, May 10, 2022*

Consumer Price Index, MOSPI, May 12, 2022

Index of Industrial Production, MOSPI, May 12, 2022

Foreign Trade, Ministry of Commerce and Industry, May 13, 2022*

Wholesale Price Index, MOSPI, May 14, 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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