

Key Data Releases

Foreign Trade

- India's merchandise exports reached a new high of USD 40.2 billion in April 2022. Total merchandise exports grew by 30.7 percent y-o-y to USD 40.2 billion in April 2022, up from USD 30.7 billion in April 2021. Exports of petroleum products grew by 127.7 percent y-o-y to USD 8.3 billion in April 2022 from USD 3.6 billion in April 2021. Non-petroleum exports registered a growth of 17.8 percent, to USD 31.9 billion in April 2022 from USD 27.1 billion in the previous year.
- Total merchandise imports for the month of April 2022 amounted to USD 60.3 billion, almost 31 percent higher y-o-y from USD 46.0 billion in April 2021. Crude oil imports witnessed a y-o-y growth of 87.6 percent, whereas non-crude imports grew by 13.7 percent in April 2022.
- Trade deficit for the month of April 2022 amounted to USD 20.1 billion, up from USD 18.3 billion in March 2022.
- Services exports have witnessed a y-o-y growth of 31.5 percent, while imports have increased by 22.3 percent in March 2022, vis-à-vis March 2021.

Consumer Price Index – Agricultural/Rural Workers

- Rural India witnessed higher inflation in April 2022 compared to the preceding month. Retail price inflation for agricultural labourers rose to 6.4 per cent in April 2022 from 6.1 per cent in March 2022. Inflation for rural labourers rose to 6.7 per cent in April 2022 from 6.3 per cent in March 2022.

Wholesale Price Index

- WPI for the month of April 2022 has reached a y-o-y growth rate of 15.1 percent, from 14.6 percent observed in March 2022. This is the highest-ever growth in WPI observed, and it has been in double digits since April 2021.
- The index was driven mainly by the sub-segments of fuel & power, manufactured products, and food group. Inflation in the power & fuel sub-group rose to 38.7 per cent in April 2022 from 34.5 per cent in March 2022.
- Inflation in the food group rose to 8.9 per cent in April 2022 from 8.7 per cent in March 2022 and that in the manufactured products group rose to 10.9 per cent in April 2022 from 10.7 per cent in March 2022.

Foreign Investments

- India witnessed net foreign investment outflows of USD 2.5 billion in March 2022, as compared to net outflows of USD 1.3 billion in February 2022. Net FDI inflows declined to USD 2.7 billion in March 2022, from USD 4.2 billion in February 2022. Net FPI outflows moderated a bit to USD 5.3 billion in March 2022 from USD 5.5 billion in February 2022.

Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 2.7 billion to USD 593.3 billion during the week ended 13 May 2022.

Key Sectoral Insights

Telecom

Telecom Sector Skill Council (TSSC): According to the report 'Overview: Indian Telecom Market 2022-23' by TSSC, in the past year, there was a combined demand for over 150,000 in roles in 5G, Cloud Computing, AI & Big Data Analytics, IoT, Mobile App-Development and Robotic Process Automation - the demand supply gap is almost 28%. The talent demand supply gap will continue to widen with the advent of 5G and allied technologies rollout. In response, TSSC has firmed up its plans to boost skill infra and workforce along with its partners and stakeholders. It plans to train 100,000 people in the next 3 years and open 10 new Centres of Excellence across the country.

Banking

Sa-Dhan: The country's microfinance sector showed signs of recovery during the fourth quarter of the financial year 2021-22 after the pandemic with over 13 per cent portfolio growth among lenders from the previous quarter and around 5 per cent year-on-year (YoY) growth, indicating field activities coming back to near normalcy, according to a report by self-regulatory organisation (SRO) for microfinance institutions, Sa-Dhan. NBFC-MFIs had registered growth of 19 per cent to Rs 94,096 crore in their portfolio while not-for-profit MFIs showed 30 per cent growth to Rs 2,745 crore during Q4 from the year-ago quarter. However, banks' portfolio had dipped 7 per cent to Rs 1.02 lakh crore. YoY disbursements were also up for all lenders during Q4 except banks which saw a decline to Rs 35,773 crore in Q4 FY22 from Rs 46,911 crore in Q4 FY21.

Automotive

Crisil: Cars priced above Rs 10 lakh (the premium segment) sold five times faster than those with lower prices in the last fiscal year and notched up approximately 38% y-o-y growth compared with approximately 7% y-o-y growth for the latter. Consequently, the market share of premium cars rose 500 basis points to more than 30%, said a report by Crisil. While supply-chain issues have affected a raft of vehicle manufacturers, counterintuitively, models priced higher than the entry level have continued to find buyers. A stark difference in income sentiment of the respective target consumers, a sharper rise in the prices of lower-end cars, fewer options, and a slew of new launches have increased the preference for higher-priced cars.

IT Hardware

Cybermedia Research (CMR): The tablet market in India grew 68 per cent year-on-year in the first quarter ended March 2022, with Lenovo leading the chart, according to a report by Cybermedia Research. Tablet shipments are likely to register a healthy 10-12 per cent growth in 2022. The 4G tablets recorded 74 per cent year-on-year growth during the reported quarter. Driven by the pandemic and the continuous rise and ebb of the COVID-19 cases, many of the sectors are persisting with hybrid or remote work. This is continuing to fuel the adoption of tablets for work, e-learning and content consumption use cases.

Upsides

▪ Bank credit grew by 10.82 per cent to Rs 120.46 lakh crore and deposits by 9.71 per cent to Rs 166.95 lakh crore in the fortnight ended May 6, 2022, RBI data showed. In the fortnight ended May 7, 2021, bank advances stood at Rs 108.70 lakh crore and deposits at Rs 152.16 lakh crore. Bank advances rose by 10.07 per cent to Rs 119.54 lakh crore and deposits by 9.84 per cent to Rs 166.24 lakh crore in the previous fortnight ended April 22, 2022.

▪ The India traditional PC market, inclusive of desktops, notebooks, and workstations, delivered another strong quarter (Jan-Mar 2022) shipping over 4.3 million units with a y-o-y growth of 37.7%, according to data from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker. While the notebook category continued to be the volume driver with 3.1 million units, the desktop category saw more than a million units for the first time since Q3 2014.

▪ Sugar exports have risen by 64 per cent to 71 lakh tonnes during October 2021-April 2022 period on better demand for the Indian sweetener in global markets, according to industry body ISMA. In a statement, Indian Sugar Mills Association (ISMA) said that 43.19 lakh tonnes of sugar was exported during the corresponding period of the last year.

▪ Gross FDI inflows were at \$83.6 billion in FY22, surpassing \$82 billion a year earlier. It stood at \$74.4 billion in FY20. Services and manufacturing sectors accounted for a major share of FDI in FY22, RBI said. However, net FDI moderated to \$39.3 billion in FY22 from \$44 billion a year ago, due to higher outward investment by Indian entrepreneurs and repatriation by foreign investors.

▪ Oilmeals export increased by 10 per cent in April to nearly 3.34 lakh tonnes on higher shipments of rapeseed meal, according to industry data. Rapeseed meal exports increased to 2,29,207 tonnes during April from 93,984 tonnes in March 2022. The exports of oilmeals fell to 23.8 lakh tonnes last fiscal year from 36.8 lakh tonnes in previous year. In term of value, exports declined to Rs 5,600 crore from Rs 8,900 crore in 2020-21.

▪ The government has completed transactions worth Rs 1 lakh crore under the National Monetisation Pipeline (NMP) in 2021-22, surpassing the ambitious programme's first-year target of Rs 88,000 crore.

▪ Tractor sales in India picked up to a record in April, as higher cash flow from healthy rabi crops made it easier for farmers to purchase farm equipment. Sales in April grew by 41% from a year ago after posting a decline for five months in a row. Tractor manufacturers expect this momentum to sustain and are ramping up their monthly production schedules by 25-30% for the next two months to meet this demand.

Downsides

▪ Indian steel mills have been witnessing a slow down in exports to Europe – on account of a fall in prices and having exhausted their quota. The mills have also exhausted their quota, for exports, in the April to June period, for downstream products – cold rolled coils, galvanized, color coated; while in categories like hot rolled oils (HRCs) and rebars, it is nearing exhaustion. During the period, the quotas were revised for India to around 273,200 tonne (up around 39 per cent over January-March 2022) for HRCs, while those of cold rolled coils stand at around 86,600 tonne (1 per cent up). For Q1 CY22, the quota allocation for HRCs stood around 166,000 tonnes, cold rolled coils around 147,656 tonne and quarto plates at 49,127 tonne.

▪ The country's wheat output is estimated to drop by about 3 per cent to 106.41 million tonnes in the 2021-22 crop year (July-June) from the previous year, agriculture ministry said in its latest estimate. The production is, however, lower by 4.61 per cent from the earlier estimate of 111.32 million tonnes projected for the 2021-22 crop year, the data showed.

▪ Jet fuel prices were hiked by a steep 5.3 per cent - the tenth straight increase this year -- to an all-time high, in line with a surge in global energy prices. The price of aviation turbine fuel (ATF) was hiked by Rs 6,188.25 per kilolitre, or 5.29 per cent, to Rs 1,23,039.71 per kl (Rs 123 per litre) in the national capital.

Key Policy Announcements/ Notifications

Cabinet approves Amendments to the National Policy on Biofuels -2018

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1826266>

Sebi streamlines process of trading in Right Entitlements on exchange platform

https://www.sebi.gov.in/legal/circulars/may-2022/streamlining-the-process-of-rights-issue_59023.html

RBI notifies option of interoperable card-less cash withdrawal at ATMs

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12321&Mode=0>

Higher TDS to be deducted by CBDT for non income tax filers

<https://www.incometaxindia.gov.in/communications/circular/circular-04-2022.pdf>

Reports

The State of Inequality in India- May 2022- Institute of Competitiveness

The report presents a holistic analysis of the nature and depth of inequality in India. It compiles information on inequities across various sectors of health, education, household characteristics and the labour market. The report highlights that inequalities in these sectors make the Indian population more vulnerable and triggers a descent into multidimensional poverty.

<https://competitiveness.in/the-state-of-inequality-in-india-report-released/>

Fostering Effective Energy Transition 2022- May 2022- World Economic Forum

This report builds on the trends from the Energy Transition Index to provide perspective on the current challenges and recommendations on how to navigate the global energy transition through a turbulent macroeconomic and geopolitical environment.

<https://www.weforum.org/reports/fostering-effective-energy-transition-2022>

Forthcoming Data Releases

Foreign Exchange Reserves, RBI, May 27, 2022

Major Ports – cargo Traffic, Indian Ports Association, May 23, 2022*

*Expected

Sources:

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

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

Anshuman Khanna – anshuman.khanna@ficci.com / Sakshi Arora – sakshi.arora@ficci.com