

## Key Data Releases

### Index of Industrial Production

- Industrial output, measured by the index of industrial production (IIP), rose by 7.1 per cent on a year-on-year basis in April 2022. The growth was higher than the 2.2 per cent growth registered in the preceding month. It was the highest recorded in the last seven months. Output of mined products grew by 7.8 per cent, while electricity generation increased by 11.8 per cent. The manufacturing sector reported a 6.3 per cent growth in production in April 2022.
- Among the use-based classification of IIP, output of primary goods rose by 10.1 per cent and that of intermediate goods rose by 7.6 per cent. Production of capital goods grew by 14.7 per cent and that of infrastructure/construction goods grew by 3.8 per cent. Among consumer goods, production of durables rose by 8.5 per cent and non-durables grew by 0.3 per cent.

### Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 306 million to USD 601.1 billion during the week ended 03 June 2022.

## Key Sectoral Insights

### Renewable Energy

**Mercom:** The solar open access installations in India grew by 22 per cent at 513 megawatt (MW) in January-March 2022, according to a report by Mercom India. As of March 2022, cumulative installed solar open access capacity in the open access market was over 5.7 GW, the research firm said in its latest report. Solar power through 'open access' is an arrangement where a power producer establishes a solar power plant and signs a medium/long term power purchase agreement with a consumer.

### Telecom/Information Technology

**Crisil:** Data center capacity is set to double by FY25 to 1,700-1,800 mw from 870 mw with an investment of a whopping Rs 40,000 crore on the back of rising data uptake, digitalization and localization, coupled with the launch of 5G services by the end of this fiscal. The current data centre capacity is around 870 mw which is expected to double to 1,700-1,800 mw by fiscal 2025, according to the report which says this massive growth is being powered by the troika of data boom, digital adoption and local data storage mandates. This massive capacity addition will require investments of over Rs 40,000 crore. Wireless mobile data traffic grew 31 per cent to 253 exabytes (1 exabytes is 1 billion gigabytes) in 2021 as work-from-home became the new normal after the COVID-19 pandemic shut offices, creating huge demand for data centres. The report expects the launch of 5G services, likely by the end of this fiscal, will further boost demand for data and storage capacities.

### Finance

**ICRA:** The collection efficiency of non-banking finance companies and housing finance companies was in the healthy range of 97-101 per cent in April. The collections had seen a modest decline of about 3 per cent following the third wave of infections in January 2022, but the recovery was prompt, given the lower severity of the COVID variant and limited restrictions on movements during this period.

### Energy

**Fitch Ratings:** Higher than usual imports of Russian oil at significant discounts to market prices may limit near-term working capital needs of fuel retailers IOC, BPCL and HPCL, according to a report by Fitch Ratings. State-owned Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) haven't changed the retail selling price of petrol, diesel and cooking gas LPG in line with cost over the past few months. They incur losses on fuel marketing, which are being offset by gains from other areas such as higher refinery margins from processing cheaper Russian crude.

### Upsides

- The country's exports increased 24.18 per cent to USD 9.39 billion during June 1-7 on account of healthy growth in sectors like engineering, gems and jewellery and petroleum products. The exports during June 1-7, 2021, stood at USD 7.56 billion, the commerce ministry official said. Imports during the first week of this month too rose by about 77 per cent to USD 16 billion. Gems and jewellery, engineering, petroleum products, and electronic goods' exports increased by 84.3 per cent, 25.7 per cent, 20.4 per cent and 73.5 per cent, respectively.

### Downsides

- Households' median inflation perception rose to 10.1 per cent in May 2022 from 9.7 per cent in March 2022, as per the Reserve Bank of India's (RBI) Inflation Expectations Survey of Households. The survey conducted during 2-11 May 2022 on 6,033 urban households spread across 19 major cities. Inflation expectations for three months ahead rose by 10 basis points each to 10.8 per cent and that for one year ahead rose by 30 basis points to 11.1 per cent in May 2022 as compared to March 2022.

Upsides	Downsides
<ul style="list-style-type: none"> <li>▪ The country’s coal production registered a rise of 33.88 per cent to 71.30 million tonnes (MT) in the month of May. Coal output in the corresponding month of the previous fiscal was 53.25 MT, as per provisional data of the Ministry of Coal. Of the top 37 coal producing mines, 23 produced more than 100 per cent, while the performance of 10 mines stood between 80 and 100 per cent, the ministry said. The thermal power generation went up by 26.18 per cent in May over the corresponding month of the previous fiscal.</li> <li>▪ Sugar exports from India, touched a record 8.6 million tonne till May of the ongoing 2021-22 marketing year ending September, said the latest data released by industry body ISMA. The country had exported total 7 million tonne of sugar in the 2020-21 marketing year, while domestic production stood at 31.19 million tonne in the same period.</li> <li>▪ The number of employed in India jumped by one million in May taking the total number of employed in the country to 404 million and resulted in a drop in unemployment rates from 7.83% in April to 7.12% in May, as per Centre for Monitoring Indian Economy data. This is the second consecutive month of an increase in employment after an addition of seven million in April 2022, pushing up the employment rate marginally from 37.05% in April to 37.07% in May 2022.</li> <li>▪ Bank loans sanctioned to micro, small and medium enterprises (MSMEs) under SIDBI’s 59-minute loan approval scheme as of June 1, 2022, stood at 2,40,852 involving Rs 81,690 crores, according to MSME Ministry’s monthly data on PSB-Loans-in-59-minutes programme. Out of total loans sanctioned, 2,23,507 loans involving Rs 66,256 crores were disbursed so far. Moreover, during the first two months (April-May) of the financial year 2022-23, around 1,101 loans were sanctioned while 818 were disbursed.</li> <li>▪ Recording one of the highest growths across sectors, tyre exports jumped 50 per cent to hit a record high of ₹21,178 crore in FY 2021-22. Data released by the Ministry of Commerce shows that tyre exports stood at just over ₹14,000 crore in the previous year. In the last two financial years, since international trade has been disrupted due to Covid, tyre exports from India have gone up by 70 per cent.</li> <li>▪ Retail sales of automobiles trebled last month, in line with wholesale dispatches, albeit on a low base as operations stood disrupted due to the outbreak of the second wave of the pandemic in May 2021. According to Federation of Automobile Dealers Association (FADA) as many as 1,646,773 vehicles were retailed last month, compared to 536,795 units in the same period last year. Sales, however, were lower by around 10% when compared with the pre-covid month of May 2019.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Area sown under kharif crops (excluding cotton) was reported at 6.7 million hectares as of 10 June 2022, according to data released by the Department of Agriculture &amp; Farmers' Welfare. This is 3.3 per cent lower than the area covered during the corresponding period last year. Acreage under rice fell by 2.3 per cent to 0.6 million hectares and that under coarse cereals also decreased by a steeper 30.3 per cent to 0.3 million hectares. Area sown under pulses was lower y-o-y by 25.9 per cent at 0.2 million hectares. Oilseeds were sown on 0.1 million hectares, lower y-o-y by 32.4 per cent.</li> <li>▪ Iron ore prices across auctions in Odisha have fallen by 20 per cent. Sluggish demand, a reduction in prices by Indian mills, increase in stock due to steep export duty imposition have together contributed to the fall in iron ore prices. Reportedly, the fall in domestic prices took place even as global iron ore prices rose by six per cent to USD 143 per tonne on strong global cues, especially with the withdrawal of covid-induced restrictions in Shanghai.</li> <li>▪ Continuing its heavy selling spree for the eighth consecutive month, foreign investors pulled out nearly Rs 40,000 crore from the Indian equity market in May on fears of an aggressive rate hike by US Federal Reserve that dented investor sentiments. With this, net outflow by foreign portfolio investors (FPIs) from equities reached at Rs 1.69 lakh crore so far in 2022, data with depositories showed.</li> <li>▪ The total electric vehicle registrations in the country reported a nine per cent decline in May 2022 on a sequential basis. This is the second month in a row that sales of electric two-wheelers, a key driver of overall EV volume growth, have reported a month-on-month decline. Total EV registrations (all segments included) in May 2022 stood at 65,813 units, as compared to 72,519 units in April 2022 and 77,245 units in March 2022.</li> </ul>

**Key Policy Announcements/ Notifications**

**RBI Monetary Policy, June 2022**  
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53832](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53832)  
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53831](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53831)

**Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer**  
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12329&Mode=0>

## Key Policy Announcements/ Notifications

**Government enhances funding under DRDO's TDF scheme to Rs 50 crore for MSMEs, startups**

<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1832042>

**Union Finance Minister launches Single Nodal Agency (SNA) Dashboard**

<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1831876>

**Government notifies Green Open Access Rules 2022**

<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1831832>

## Reports

**World Bank: Global Economic Prospects- June 2022**

The report analyses Russia's invasion of Ukraine and its effects on commodity markets, supply chains, inflation, and financial conditions, which has steepened the slowdown in global growth. It points out that accelerating inflation along with sluggish growth may necessitate a significant tightening of monetary policy in advanced economies, causing financial stress in several emerging market and developing nations. To enhance growth, strengthen macroeconomic frameworks, minimize financial vulnerabilities, and assist disadvantaged individuals, a vigorous and broad-based policy response is therefore required.

<https://www.worldbank.org/en/publication/global-economic-prospects>

**The Price of War, OECD Economic Outlook, June 2022**

The Organization for Economic Co-operation and Development (OECD) has revised India's GDP growth forecast for 2022-23 downwards to 6.9 per cent from 8.1 per cent estimated in December 2021. As per OECD, the Indian economy is progressively losing momentum as inflationary expectations remain elevated due to rising global energy and food prices, monetary policy normalises and global conditions deteriorate. For 2023-24, the OECD has projected GDP growth at 6.4 per cent. The institution further stated that the headline inflation is projected to ease gradually, though remaining above the central bank's upper tolerance limit of six per cent throughout 2022 and 2023.

<https://www.oecd.org/economic-outlook>

**UNCTAD: World Investment Report 2022: International tax reforms and sustainable investment**

The Report focuses on trends in foreign direct investment (FDI) worldwide, at the regional and country levels and emerging measures to improve its contribution to development. It also provides analysis on global value chains and the operations of multinational enterprises, with special attention to their development implications. The report provides analysis of the trends in FDI during the previous year, with especial emphasis on the development implications, ranking of the largest transnational corporations in the world, as well as policy analysis and recommendations.

<https://unctad.org/webflyer/world-investment-report-2022>

## Forthcoming Data Releases

Consumer Price Index, MoSPI, June 13, 2022

Wholesale Price Index, Ministry of Commerce & Industry, June 14, 2022

Foreign Trade, Ministry of Commerce & Industry, June 15, 2022\*

Forex Reserves, Reserve Bank of India, June 17, 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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