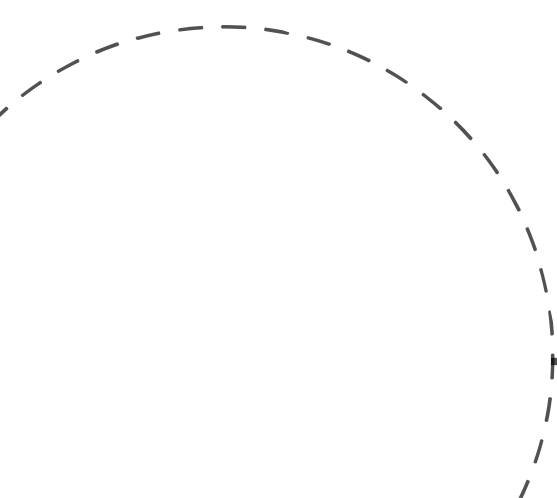




Data Dashboard

June 2022

Economic Affairs and Research Division



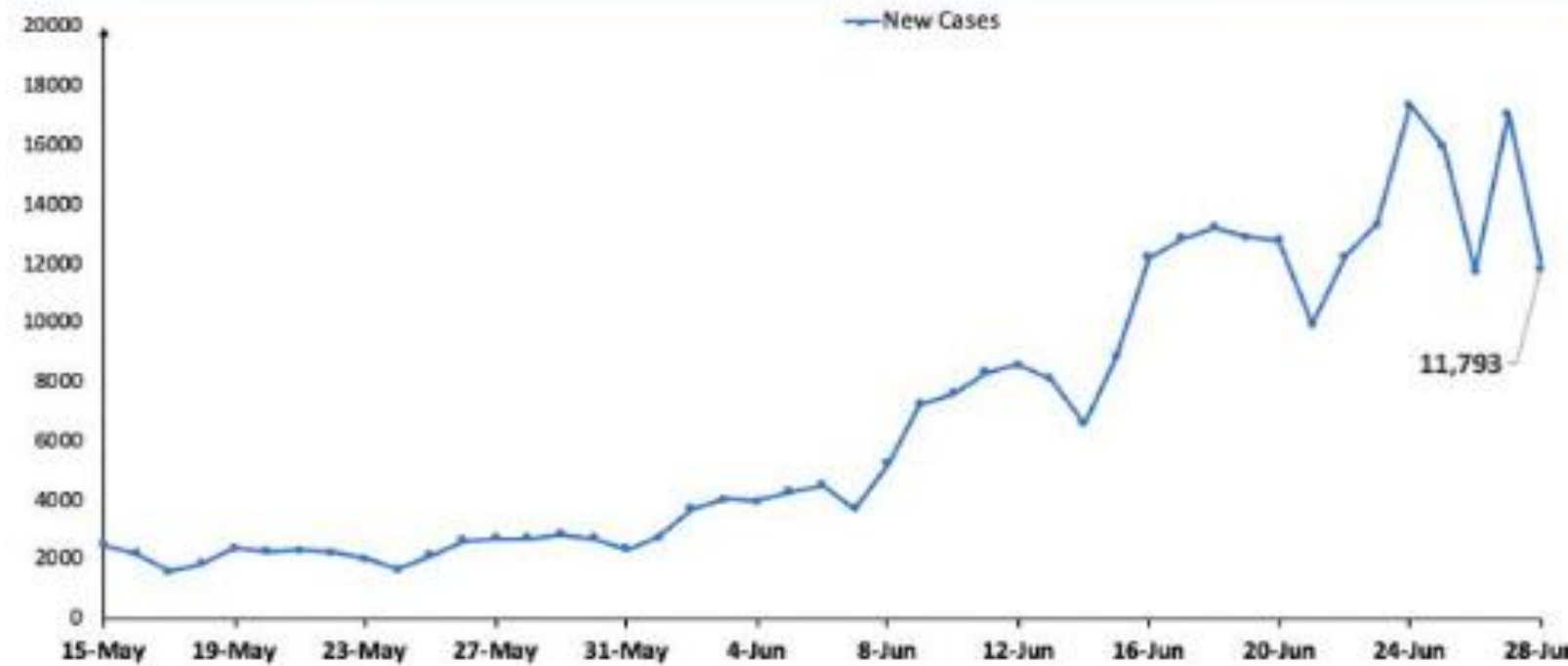
Highlights

- While the continuation of the Russia-Ukraine conflict is posing significant downside risks to global recovery, a resurgence is being observed in COVID-19 cases around the world. Major advanced nations, including the USA, UK, Germany, and France are witnessing another surge in the number of COVID-19 cases. India is also experiencing a sudden spike in new cases being recorded in the month of June 2022.
- The World Bank has re-assessed its projections for global growth amidst the prolonged conflict and worsening inflation. According to its latest assessment, the Bank now estimates global GDP growth to be 2.9 percent in 2022 as compared to its January forecast of 4.1 percent. India's economy is projected to grow by 7.5 percent in 2022, 1.2 percentage points lower than estimated in the January forecast.
- Stagflation concerns are also emerging as economic activity in the world is regaining momentum. The World Bank predicts that after an initial rebound from the pandemic-induced recession, global economy is anticipated to witness its greatest decline in over 80 years, on the back of the war in Europe, trade disruptions in the short term, levelling off of pent-up demand, and a gradual withdrawal of policy assistance.
- On a positive note, India has noted a slight moderation in its retail inflation in the month of May. The CPI-based inflation rate was registered at 7.0 percent in May 2022, falling somewhat after being on a continuous uptrend since September 2021. Softening of food and fuel prices is expected to bring some respite to the consumer. Industrial activity in the country is also gaining traction, with the IIP registering a y-o-y growth of 7.1 percent during April 2022, vis-à-vis 2.2 percent growth registered in March 2022, which is a significant improvement in the index since December 2021.
- Further, the Indian Meteorological Department (IMD) has also revised upward its monsoon forecast for the year from 99 percent in its first-stage forecast to 101 percent of long-period average (LPA) in its second-stage forecast. This comes as a welcome respite especially amid the backdrop of rising prices and possibility of a moderation in growth.
- There was a marginal y-o-y increase of USD 3.2 billion in India's forex reserves in the month of May 2022. However, persistent foreign fund outflows from the Indian financial markets, risk aversion in global equities, along with elevated crude prices are exerting pressure on the domestic currency. The Indian rupee is recording its all-time low against the US Dollar owing to reversal of risk assets, increasing interest rates in advanced nations, persistent foreign fund outflows, and weaker Asian currencies following a depreciation of the Japanese Yen.

COVID-19 Pandemic Spread: India

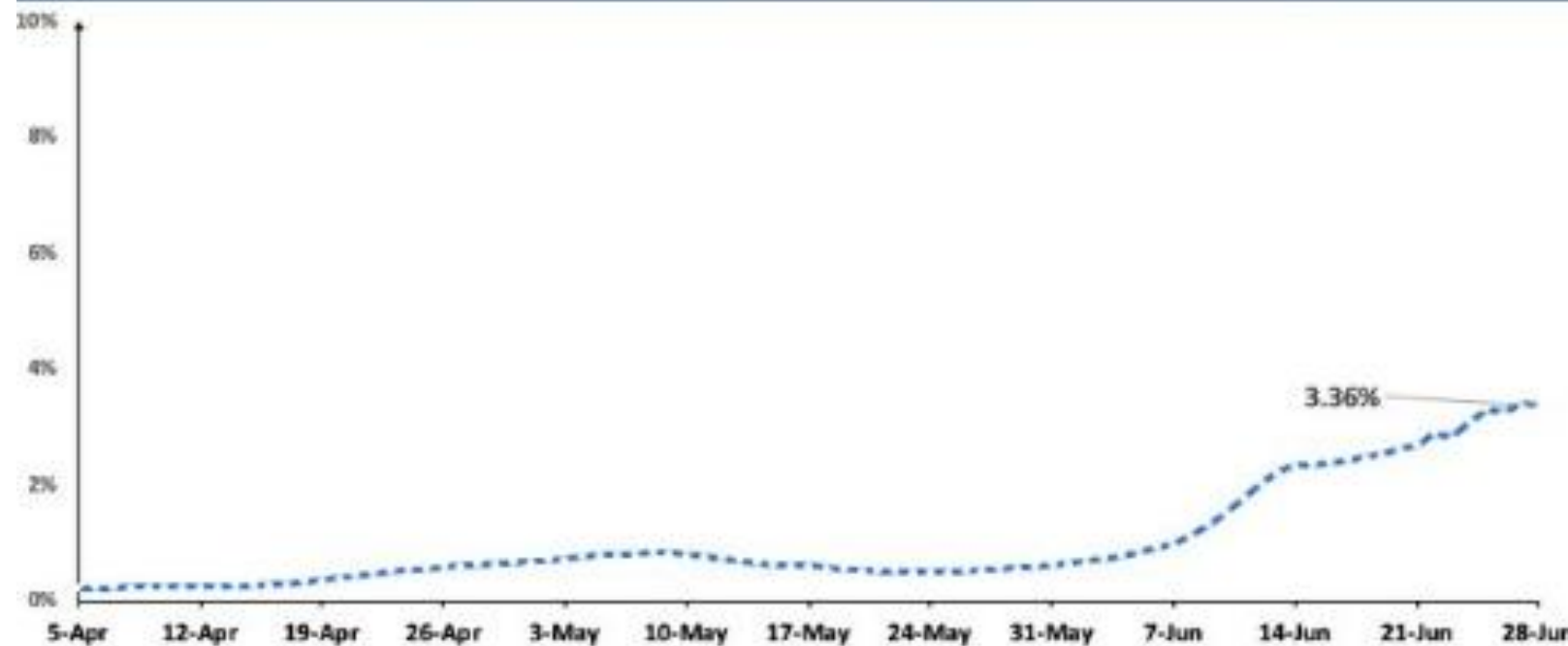
COVID-19 cases on a rise once again in India in June 2022

More than 1 LK New Cases reported in last 24 hrs




*As on June 28, 2022

Case Positivity Trajectory (7 days moving average)



Source: MoHFW

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www.pib.gov.in

COVID-19 UPDATE
28th June 2022

197.31 cr vaccine doses have been administered so far under Nationwide Vaccination Drive

India's Active caseload currently stands at 96,700

Active cases stand at 0.22%

Recovery Rate currently at 98.57%

9,486 recoveries in the last 24 hours increases Total Recoveries to 4,27,97,092

11,793 new cases recorded in the last 24 hours

Daily positivity rate (2.49%)

Weekly Positivity Rate (3.36%)

86.14 cr Total Tests conducted so far; 4,73,717 tests conducted in the last 24 hours

Source: PIB

Global Growth Outlook: World Bank

Real GDP Growth (in %)						
Country	Annual Estimates and Forecasts					
	2019	2020	2021*	2022**	2023**	2024**
World	2.6	-3.3	5.7	2.9	3.0	3.0
Advanced Economies	1.7	-4.6	5.1	2.6	2.2	1.9
United States	2.3	-3.4	5.7	2.5	2.4	2.0
Euro Area	1.6	-6.4	5.4	2.5	1.9	1.9
Japan	-0.2	-4.6	1.7	1.7	1.3	0.6
Emerging market and developing economies	3.8	-1.6	6.6	3.4	4.2	4.4
China	6.0	2.2	8.1	4.3	5.2	5.1
India	3.7	-6.6	8.7	7.5	7.1	6.5
Brazil	1.2	-3.9	4.6	1.5	0.8	2.0
South Africa	0.1	-6.4	4.9	2.1	1.5	1.8
Russian Federation	2.2	-2.7	4.7	-8.9	-2.0	2.2
Saudi Arabia	0.3	-4.1	3.2	7.0	3.8	3.0

* estimate, ** forecast

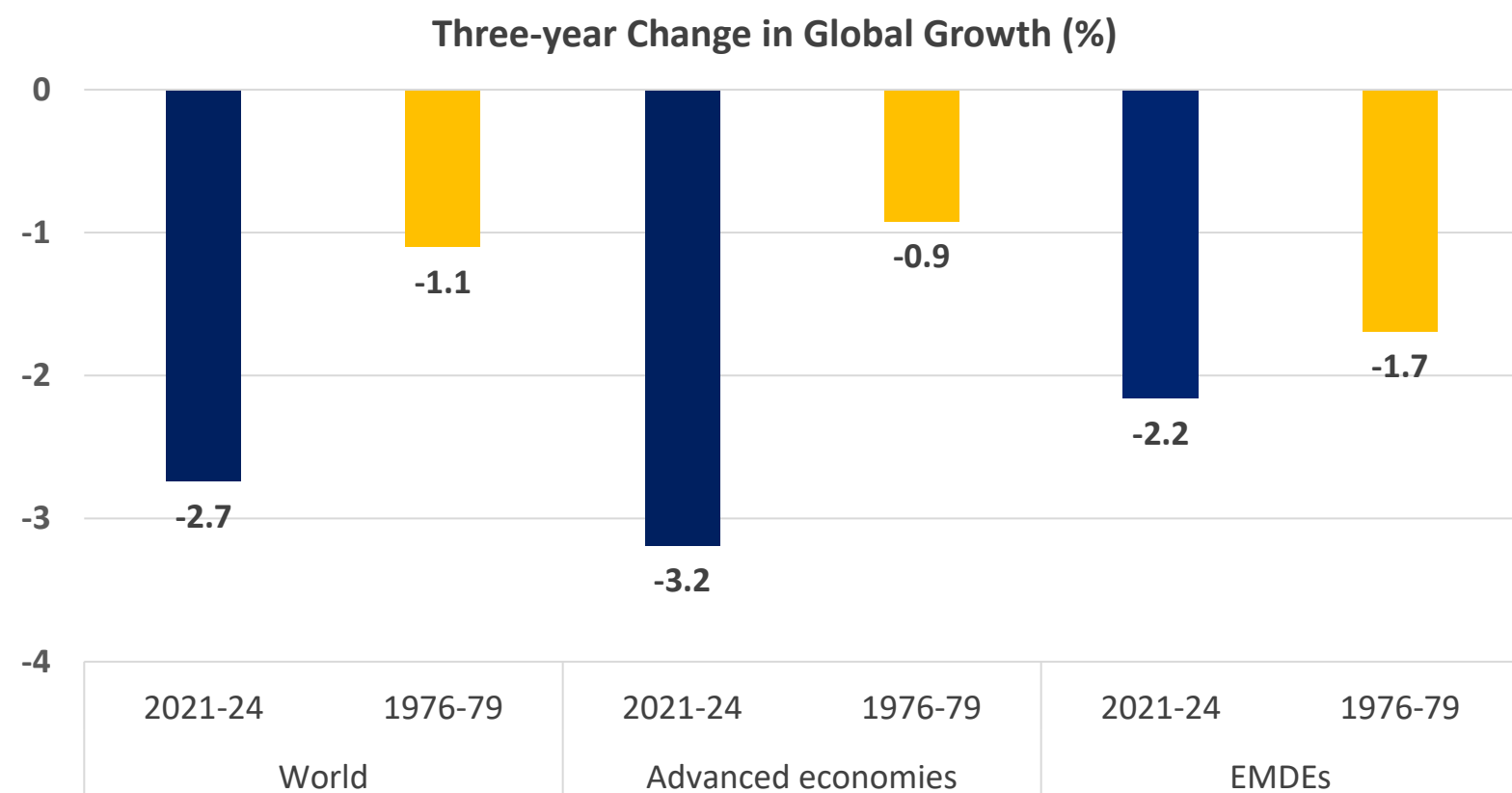
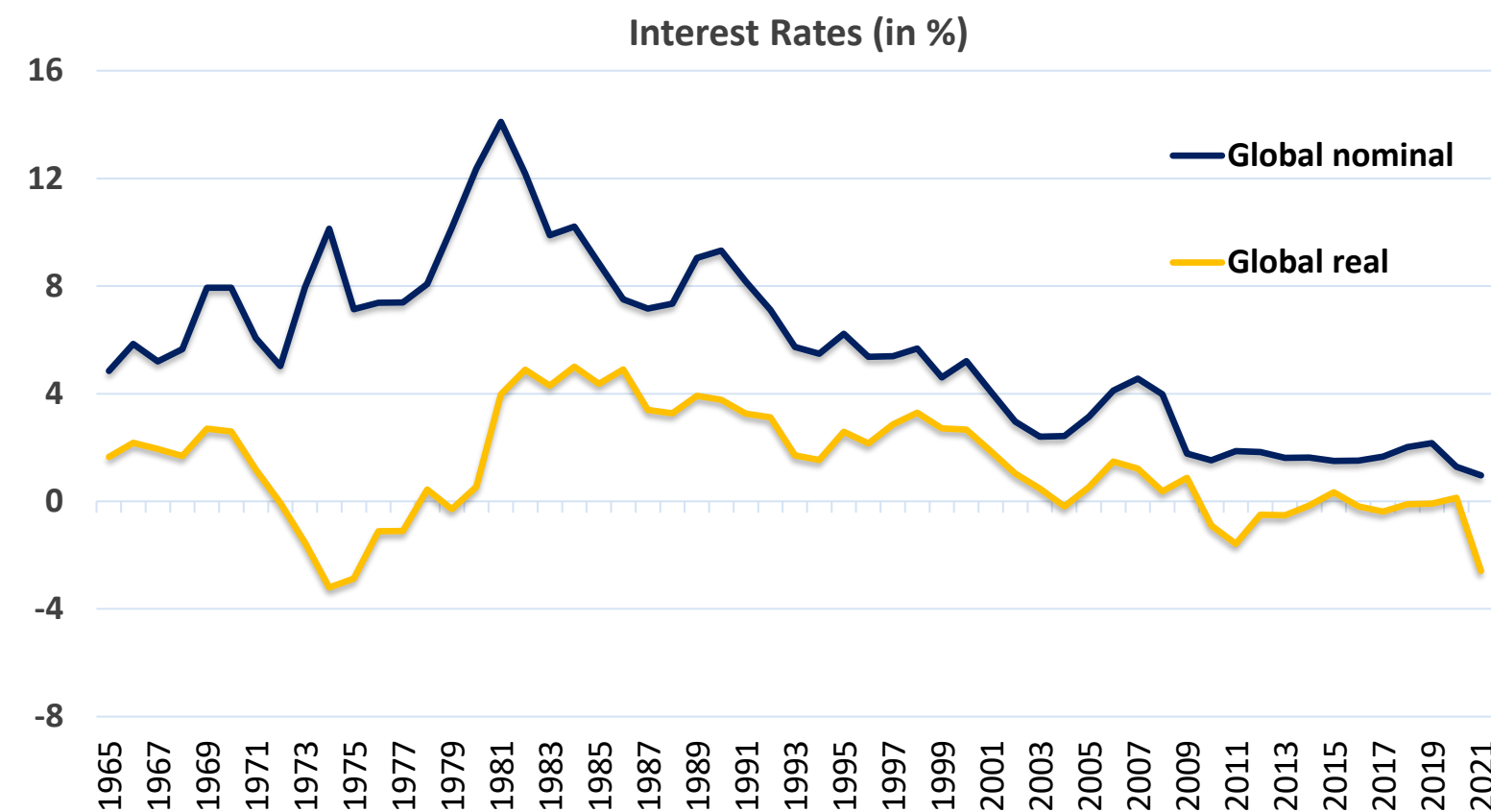
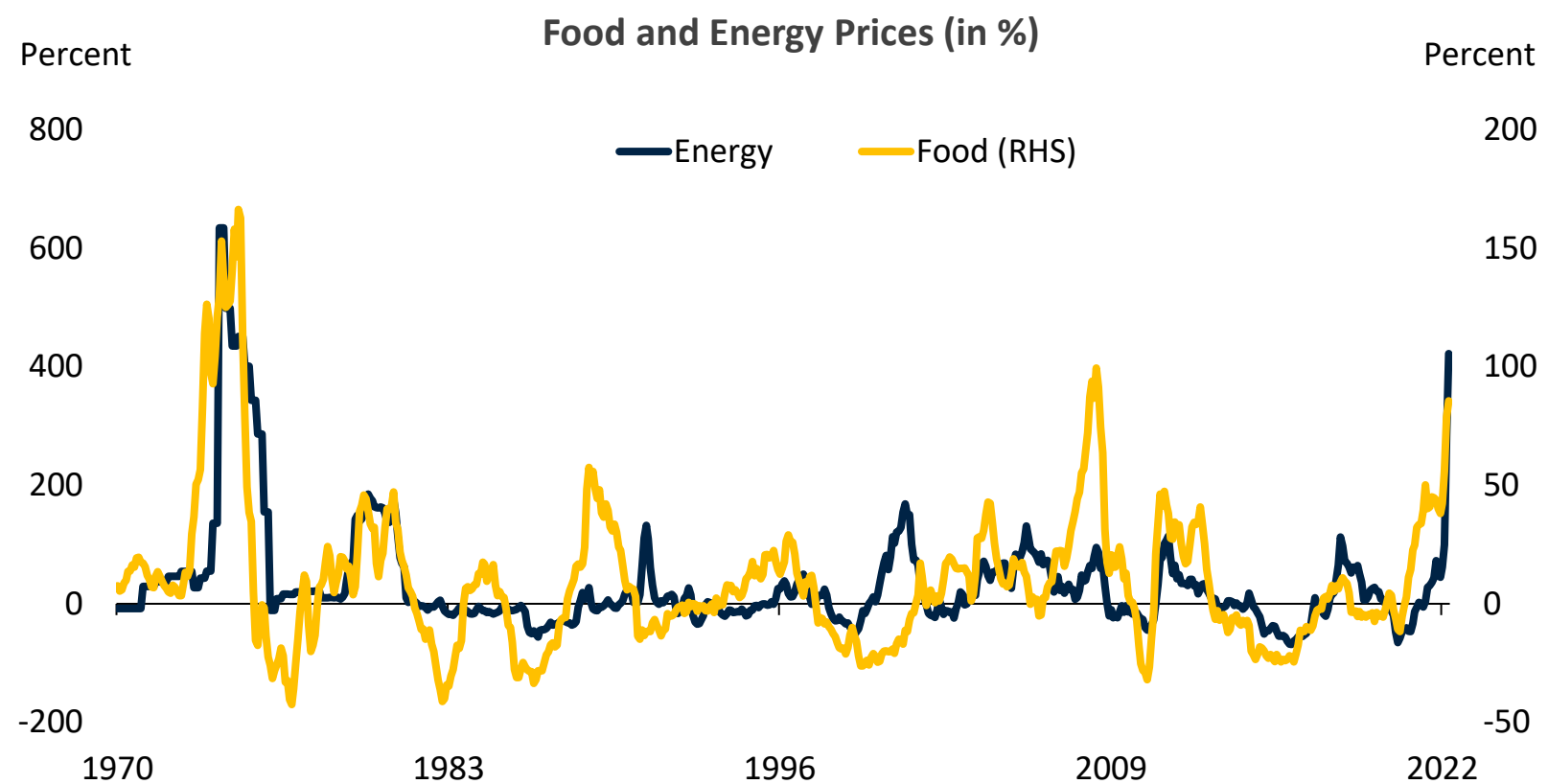
According to the World Bank, after an initial rebound from the pandemic-induced recession, the world economy is anticipated to witness its greatest decline in over 80 years, owing the war in Europe, trade disruptions in the short term, levelling off of pent-up demand, and a gradual withdrawal of policy assistance. Global GDP growth is expected to decline from 5.7 percent in 2021 to 2.9 percent in 2022 and average out to 3 percent in 2023 and 2024.

Key Focus Areas for Action

- ❑ Limiting the humanitarian cost of the Russia-Ukraine war and equitably share the burden of housing and relocating refugees, as well as arranging finance for the reconstruction of war-devastated areas.
- ❑ International co-operation and assistance to soften the impact from surging oil and food prices, particularly in poorer nations. For example, in case of energy commodities, drawing on strategic stockpiles, accelerating transition to low-carbon energy sources, and measures to reduce energy consumption may aid recovery.
- ❑ Net exporters of commodities, particularly food exporters, will need to safeguard the global commodity trade system by relaxing protectionist policies, including export restrictions, that could worsen the global commodity price rise.
- ❑ Bolstering global pandemic preparedness and rapidly expanding vaccination coverage should remain a priority, especially in low-income countries where the vaccination rate has remained dismal.
- ❑ Globally coordinated debt relief efforts will be required to aid Emerging Market Economies, where debt sustainability has sharply deteriorated amid weak growth, surging commodity prices, and tighter financing conditions. International financial institutions can play a critical role here by easing near-term debt service pressures.

Source: Global Economic Prospects, World Bank, June 2022

Risk of Stagflation: World Bank



The World Bank, in its Global Economic Prospects report for June 2022 has compared the present state of the world economy to that of prolonged stagflation experienced during the 1970s in the following ways:

Supply shocks have heightened global price volatility: Supply disruptions owing to the pandemic and the Russia-Ukraine conflict have elevated global energy and food prices resembling the oil shocks in 1973 and 1979-80. Price increases between April 2020 and March 2022 were the second and third highest for energy and food, respectively, since the early 1970s.

Delayed monetary policy response may hamper growth: After several months of above-target inflation in all economies, a steep hike in interest rates required to bring inflation to target is expected to slow investments, thereby adversely impacting growth. The slowdown in growth is likely to be especially pronounced for advanced economies.

India's GDP Growth Projections

Several Institutions have revised downward their earlier projections for India's GDP growth for 2022-23

Institution	Annual GDP Growth (in %)	
	Earlier Estimate	Revised Estimate
OECD	8.1	6.9
Moody's	9.1	8.8
Morgan Stanley	7.9	7.6
World Bank	8.7	7.5
IMF	9.0	8.2
Fitch Ratings	8.5	7.8
S&P	7.8	7.3

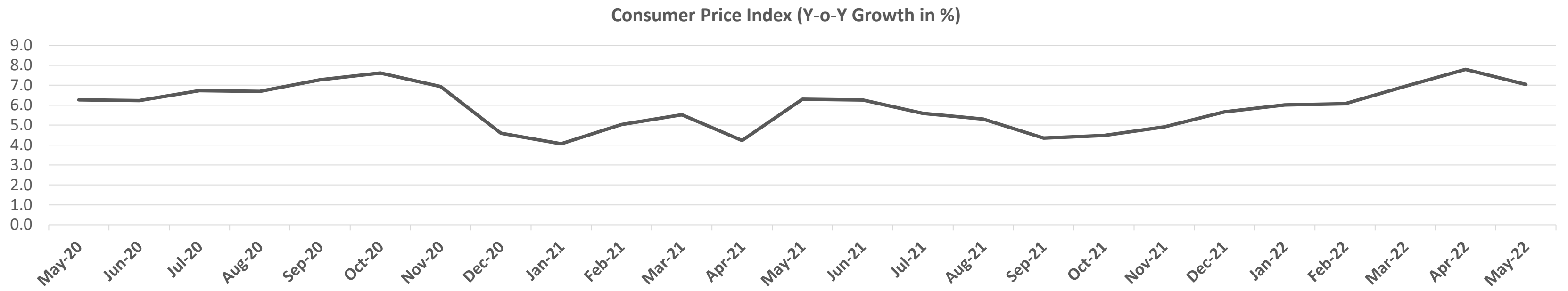
The Central Bank in its latest monetary policy announcement has retained its FY23 GDP growth forecast at 7.2 percent - with quarterly projections at 16.2 percent for Q1, 6.2 percent for Q2, 4.1 percent for Q3 and 4.0 percent for Q4

Reasons for the Downward Revisions

- According to OECD, the Indian economy is progressively losing momentum as inflationary expectations remain elevated due to rising global energy and food prices. Monetary policy is tightening, and global economic landscape is deteriorating. While the OECD expects inflation to ease gradually, the current account deficit is likely to widen owing to the surging import costs. Further, households maintain cautious views regarding short- and medium-term prospects, amid signs of labour market softening, deteriorating purchasing power and flattening real incomes which is impacting consumption levels.
- According to Moody's, India's near-term prospects are being hampered by the rise in prices of crude oil, food, and fertilisers, which are weighing on household finances and spending. Interest rate hikes are likely to further slow the household demand recovery in the country.
- According to the IMF, the Indian economy will be impacted by higher oil prices and lower net exports. Rising fuel costs are expected to dampen private consumption and investment.

Inflation: Consumer Price Index

CPI inflation moderates to 7.0% in May 2022



Consumer Price Index based inflation rate moderated to 7.0 percent in May 2022, vis-à-vis 7.8 percent inflation registered in April 2022. Though the inflation rate still breaches the RBI’s threshold range of 2.0-6.0 percent, it has shown a sign of moderation after continuously rising since January this year.

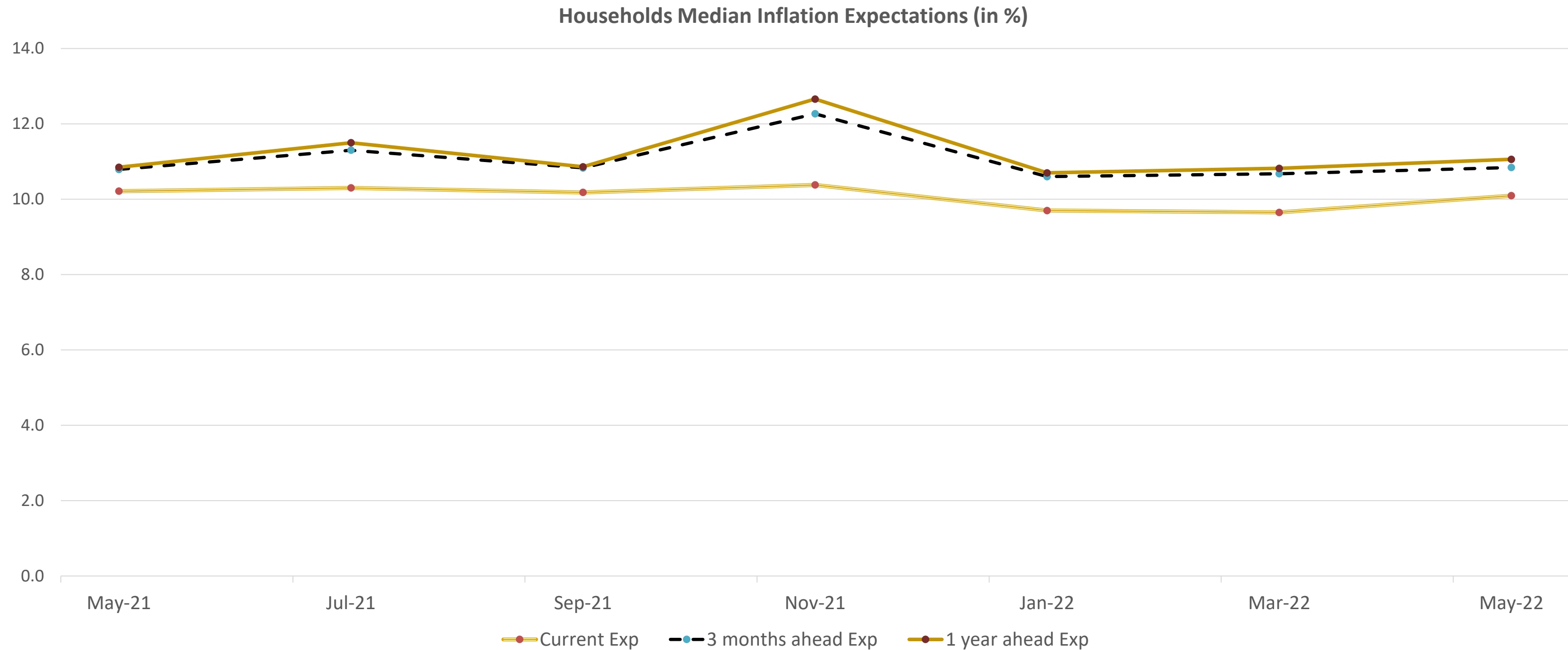
All the major constituents of the index reported a moderation in May 2022, with the exception of housing, that reported a slight increase. Inflation for the food and beverages segment declined to 7.8 percent in May 2022 as compared to 8.1 percent in April 2022. Inflation in the clothing and footwear segment declined to 8.9 percent in May 2022 as compared to 9.9 percent in April 2022 while inflation in the fuel and light segment declined to 9.5 percent in May 2022 vis-a-vis 10.7 percent noted in April 2022. The housing sub-segment registered a slight increase in inflation, reaching a y-o-y growth of 3.7 percent in May 2022, vis-à-vis 3.5 percent in April 2022.

CPI and Major Constituents (Y-o-Y growth in %)

Month	CPI	Food & beverages	Pan, Tobacco & Intoxicants	Clothing & footwear	Housing	Fuel & Light	Miscellaneous
Weight	100.0	45.9	2.4	6.5	10.1	6.8	28.3
May-21	6.3	5.2	10.0	5.3	3.9	11.9	7.3
Jan-22	6.0	5.6	2.5	8.8	3.5	9.3	6.6
Feb-22	6.1	5.9	2.4	8.9	3.6	8.7	6.6
Mar-22	7.0	7.5	3.0	9.4	3.4	7.5	7.0
Apr-22	7.8	8.1	2.7	9.9	3.5	10.7	8.0
May-22	7.0	7.8	1.2	8.9	3.7	9.5	6.8

Source: CMIE

Inflation: RBI Inflation Expectations Survey



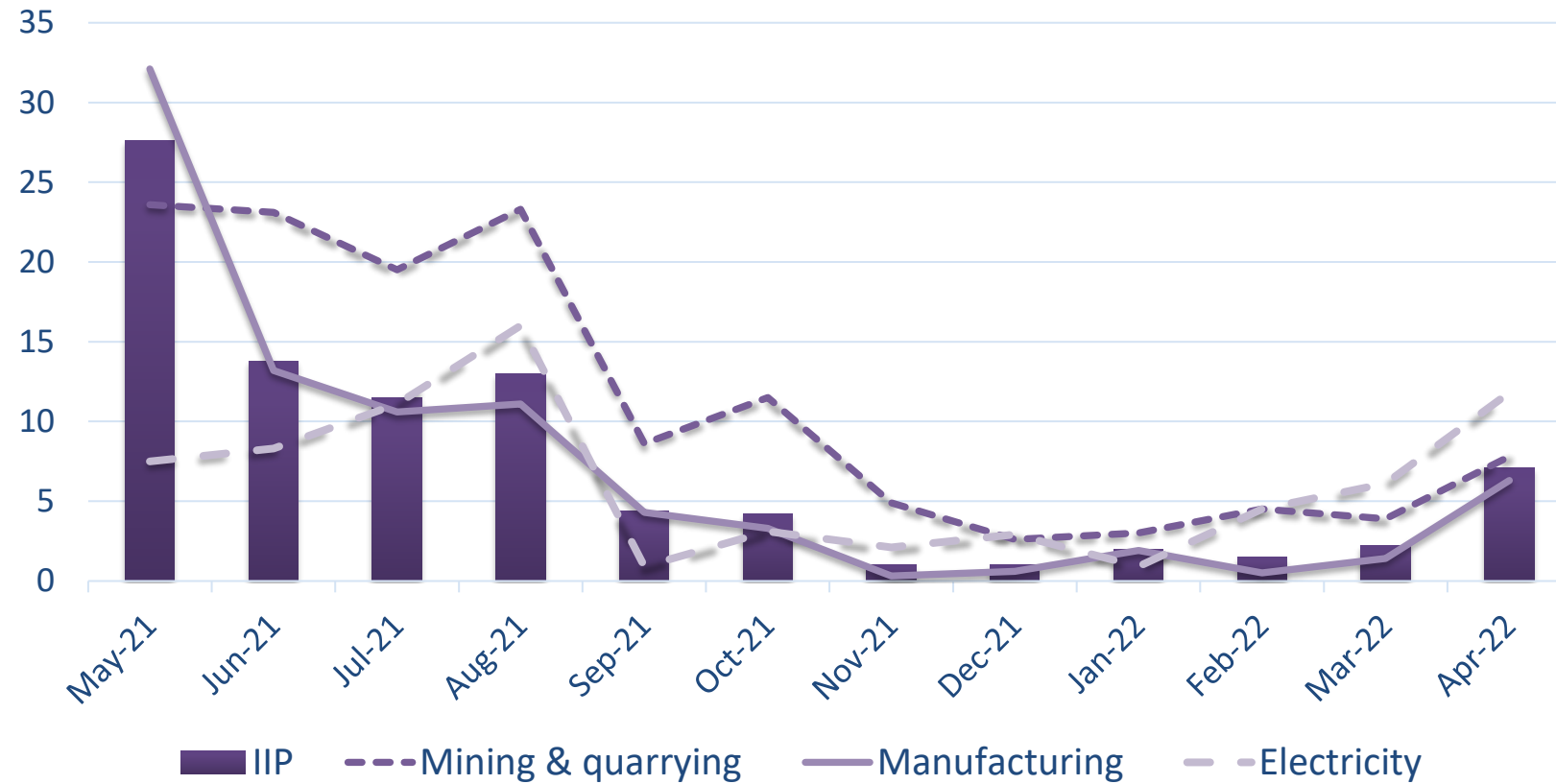
According to the latest round of RBI's Inflation Expectations Survey, inflation perception of households in May 2022 remained well over the 10 per cent level.

Current median inflation expectations of households increased by 40 bps compared to March 2022, to 10.1 percent in May 2022. The 3-months and 1-year ahead expectations increased by 10 bps and 30 bps each respectively in the current round, vis-à-vis the previous survey round.

Industry Performance (IIP)

IIP growth improves to 7.1 % in April 2022, up from 2.2 % in March 2022

IIP & Major sub-segments (Y-o-Y Growth in %)



- IIP registered a growth of 7.1 percent during the month vis-à-vis 2.2 percent y-o-y growth registered in March 2022, a significant improvement in the index. However, the growth recorded in April 2022 was on a low base and possibly this will further support growth in the month of May 2022 as well. However, high prices is expected to be a dampener for consumption activity going ahead.
- The manufacturing sector registered a y-o-y growth of 6.3 percent in April 2022, over that of 1.4 percent in March 2022. Mining & quarrying sector growth increased to 7.8 percent in April 2022 vis-à-vis 3.9 percent in March 2022, while the electricity sector growth improved to 11.8 percent in April 2022 vis-à-vis 6.1 percent in March 2022.
- Output of primary goods rose by 10.1 percent and that of intermediate goods rose by 7.6 percent. Production of capital goods grew by 14.7 percent while that of infrastructure/construction goods grew by 3.8 per cent. Among consumer goods, production of durables rose by 8.5 percent and that of non-durables rose by 0.3 percent.

Month	Use-based Classification (% Y-o-Y)						
	Primary goods	Capital goods	Intermediate goods	Infrastructure/construction goods	Consumer goods	Consumer durables	Consumer non-durables
Weight	34.1	8.2	17.2	12.3	28.2	12.8	15.3
Apr-21	36.9	1028.6	213.0	609.4	192.9	1778.2	92.6
May-21	15.9	74.9	54.2	46.5	16.0	80.4	0.2
Jun-21	12.0	27.3	22.6	20.0	6.0	28.0	-3.9
Jul-21	12.4	30.3	14.6	12.3	5.5	19.4	-2.3
Aug-21	16.9	20.0	11.8	13.5	7.9	11.1	5.9
Sep-21	4.6	3.3	7.0	9.3	0.7	1.6	-0.1
Oct-21	9.0	-1.6	4.6	6.6	-1.0	-3.2	0.7
Nov-21	3.5	-2.6	2.1	3.1	-2.6	-5.7	-0.8
Dec-21	2.8	-3.0	1.0	2.0	-0.6	-1.9	0.3
Jan-22	1.6	1.8	2.5	5.9	0.0	-4.4	3.1
Feb-22	4.6	2.0	3.7	9.2	-7.0	-8.7	-5.8
Mar-22	5.7	2.0	1.8	6.7	-3.8	-2.6	-4.6
Apr-22	10.1	14.7	7.6	3.8	3.4	8.5	0.3

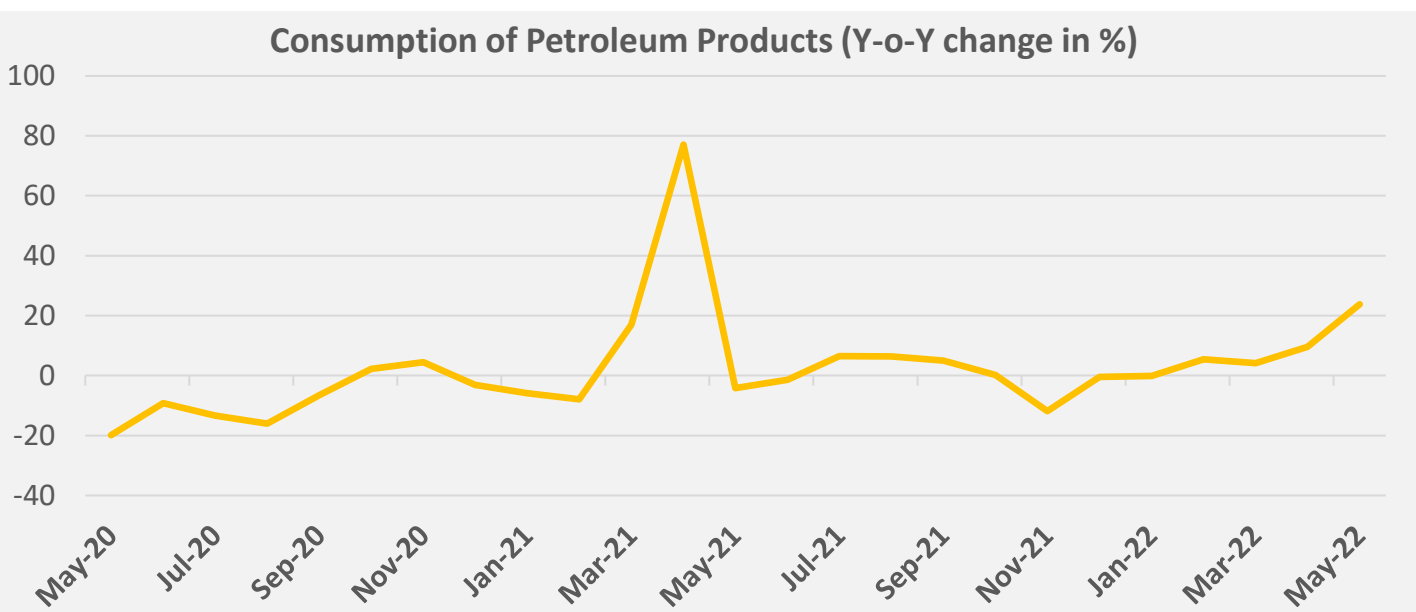
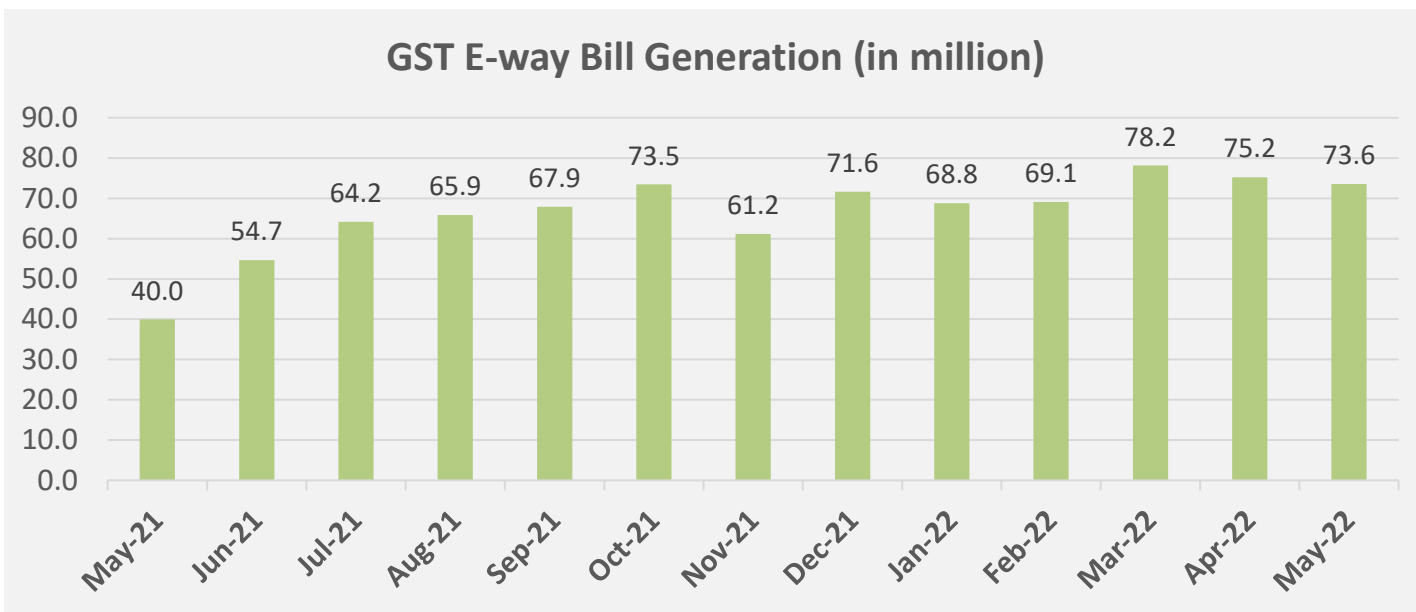
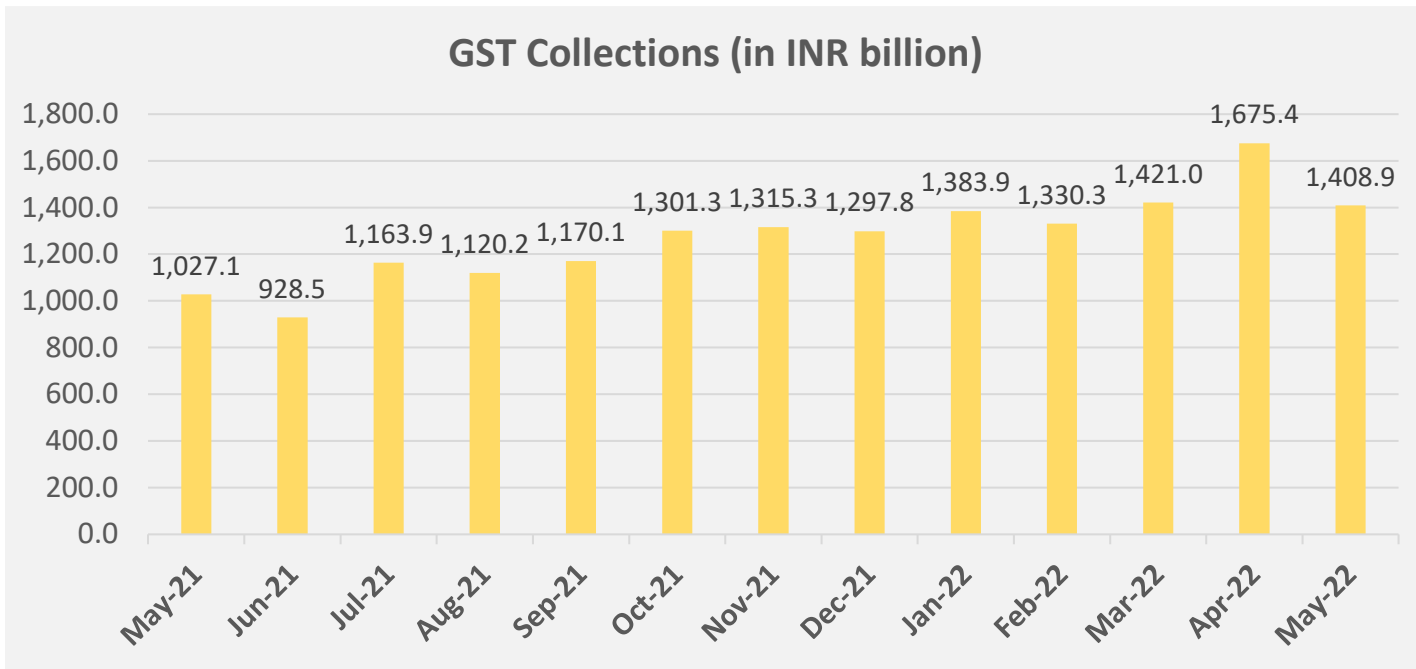
Non-food Credit Growth

Non-Food Credit Growth by Economic Activity (% Y-o-Y)												
Month	Non-Food Credit	Agriculture and allied activities	Industry				Services					
	Total	Total	Total	Micro & small	Medium	Large	Total	Shipping	Aviation	Trade	Commercial real estate	Tourism, hotels & restaurants
Apr-21	4.7	10.7	-0.4	8.7	44.8	-3.6	2.4	-7.0	14.0	11.1	3.4	8.3
May-21	5.9	10.3	0.8	5.0	45.8	-1.7	1.9	-0.1	4.7	12.4	2.6	8.2
Jun-21	5.9	11.4	-0.3	6.4	54.6	-3.4	2.9	32.0	7.4	11.1	1.3	7.3
Jul-21	6.2	12.4	1.0	7.9	71.6	-2.9	2.7	39.0	21.4	7.4	0.1	6.4
Aug-21	6.7	11.3	2.3	10.1	63.4	-1.7	3.5	41.1	9.6	7.1	-1.0	6.5
Sep-21	6.8	9.9	2.5	9.7	49.0	-1.0	0.8	45.3	7.2	4.5	-0.2	1.4
Oct-21	6.9	10.2	4.1	11.9	48.6	0.5	2.9	35.0	7.4	7.1	-0.5	0.6
Nov-21	7.1	10.4	3.8	12.7	48.7	-0.1	3.6	40.7	6.0	8.7	0.4	2.8
Dec-21	9.3	14.5	7.6	20.5	86.5	1.3	10.8	-2.7	-47.8	14.9	3.9	6.3
Jan-22	8.3	10.4	6.4	19.7	74.7	0.5	7.3	-4.9	-8.3	12.0	2.6	10.3
Feb-22	8.0	10.4	6.5	19.9	71.4	0.5	5.6	-11.1	-12.9	14.4	-0.2	12.5
Mar-22	9.7	9.9	7.5	23.1	54.5	1.9	8.7	4.5	-12.9	10.8	0.5	8.1
Apr-22	11.4	10.6	8.1	29.0	53.5	1.6	11.1	36.6	-18.4	13.4	1.5	8.5

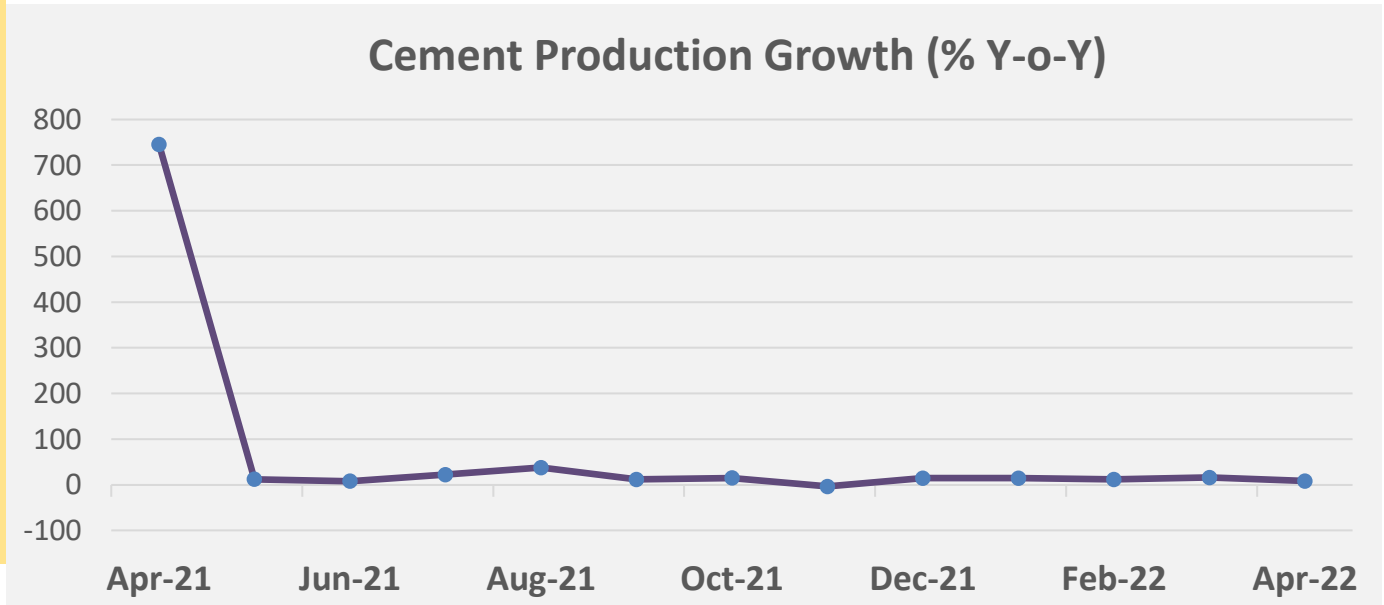
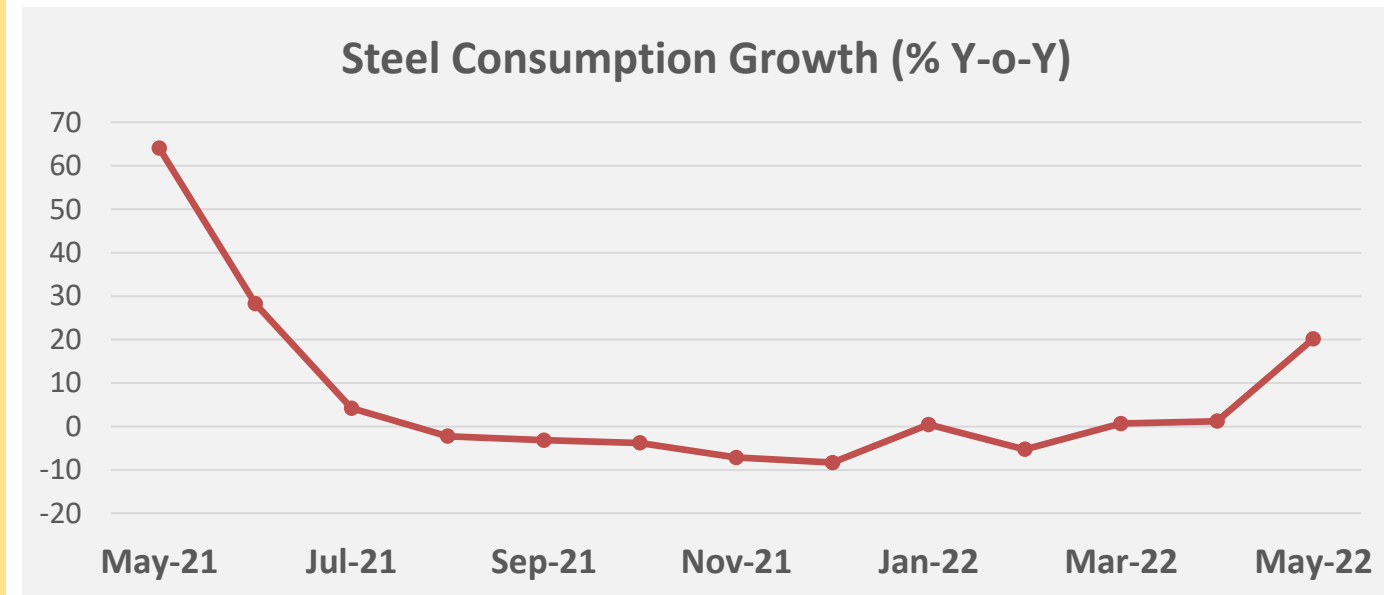
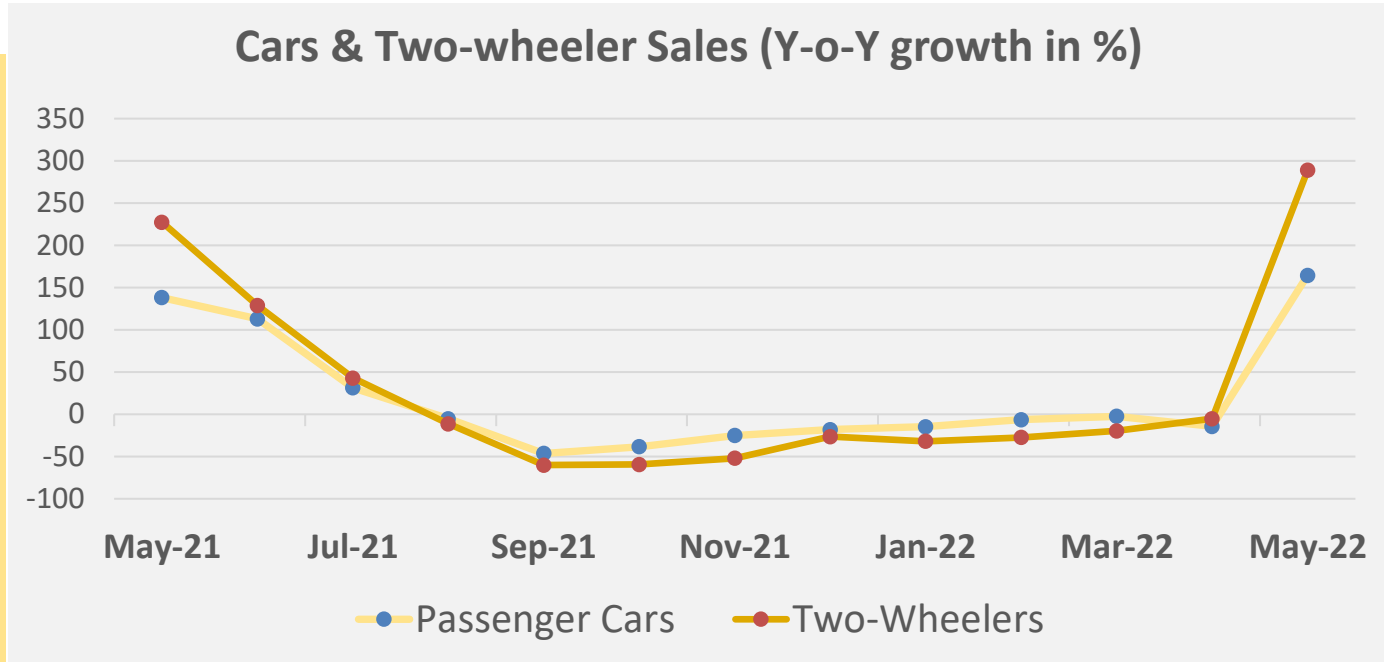
Source: CMIE

The improvement in credit growth maintained momentum and has been getting broad based
 The year-on-year growth in outstanding credit to the industry accelerated from 2.5 per cent in September 2021 to 8.1 per cent by April 2022 – driven by the MSME sector

Lead Indicators

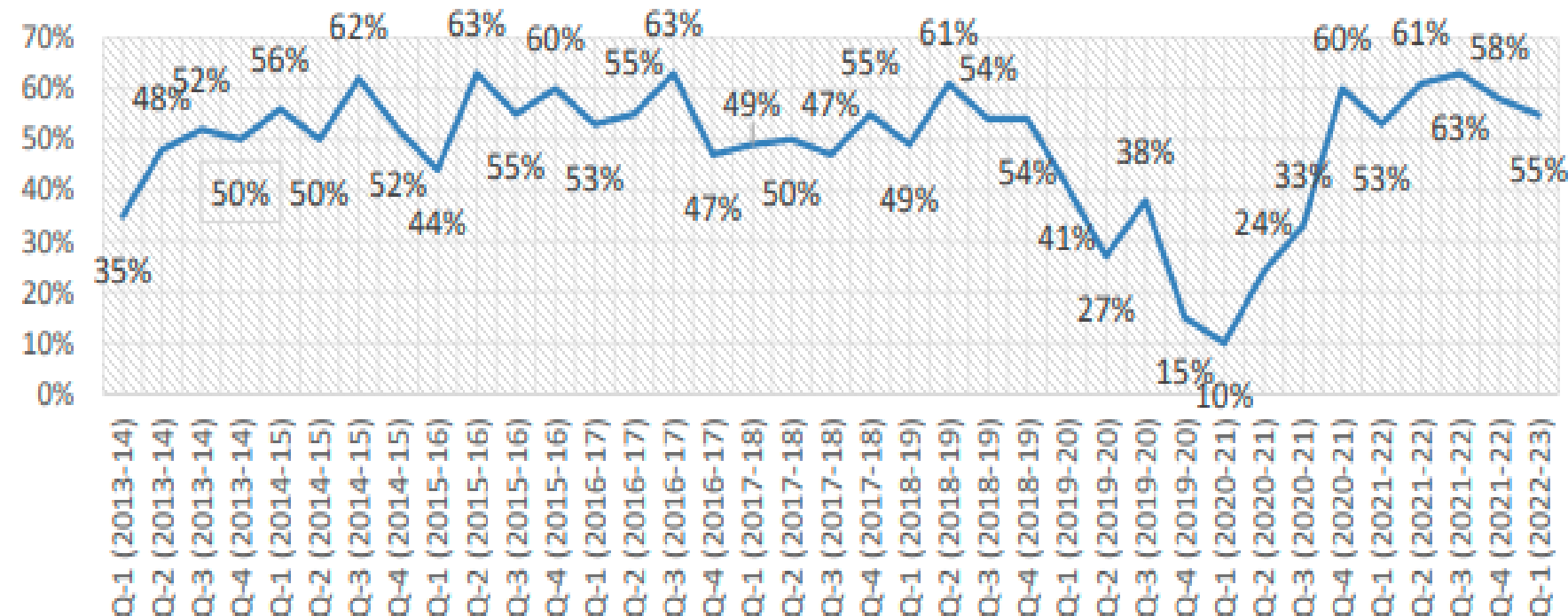


- Steel consumption growth in May 2022 improved to 20.2 percent y-o-y as compared to 1.2 percent growth in April 2022. This substantial growth was however, on a low base.
- Growth in cement production in the month of April 2022 moderated to 8.2 percent y-o-y, vis-à-vis 15.9 percent noted in the previous month. However, as compared to April 2021, the growth numbers are quite conservative.
- Sales of passenger cars and two-wheelers, on the other hand, witnessed quite an improvement in y-o-y growth in May 2022, which was also broad-based. Sales of two-wheelers grew at 124.3 percent y-o-y, while those of cars registered a y-o-y growth of 164.5 percent.
- GST collections fell to Rs. 1.41 trillion in May 2022, after reaching a record high of Rs. 1.68 trillion in April this year. However, the collections in May 2022 reported a y-o-y increase of 44.0 percent vis-à-vis May 2021.



FICCI Manufacturing Survey

Percentage of Respondents Expecting Higher Production in the Quarter vis-à-vis Respective Last Year's Quarter



Current Average Capacity Utilization Levels (in %)

Sector	Average Capacity Utilization in Q-4 2021-22
Automotive	80
Capital Goods	75
Cement	80
Chemicals, Fertilizers & Pharmaceuticals	70
Metals & Metal Products	75
Paper Products	95
Textiles	82

Growth expectations for Q-1 2022-23 compared with Q-1 2021-22

Sector	Growth Expectation
Automotive	Moderate
Capital Goods	Strong
Cement	Strong
Chemicals, Fertilizers & Pharmaceuticals	Moderate
Footwear	Low
Machine Tools	Strong
Metals & Metal Products	Moderate
Miscellaneous	Moderate
Paper Products	Moderate
Textiles	Strong
Toys	Moderate
Tyre	Strong

Corporate Sector Performance

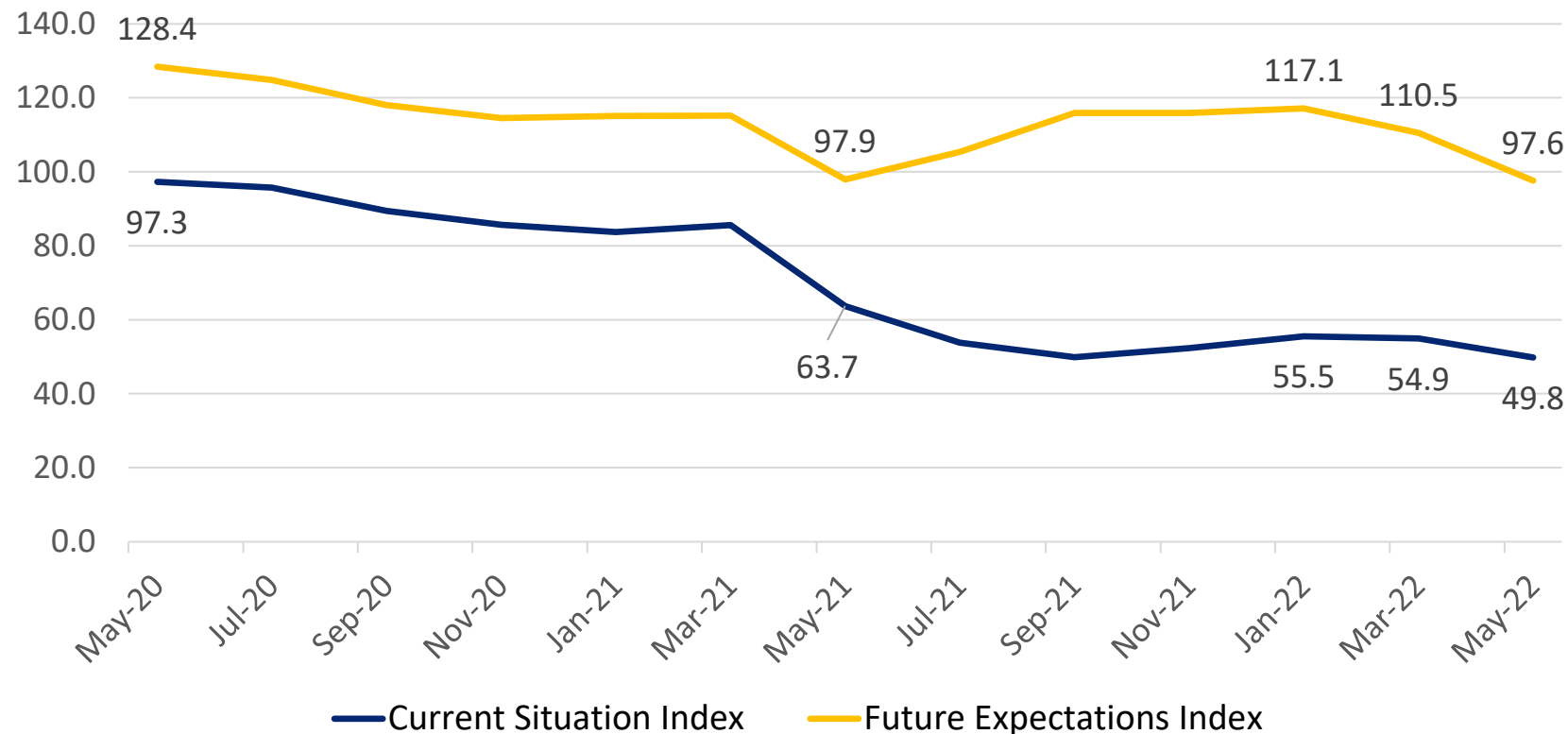
Indicator	Q4:2020-21		Q3:2021-22		Q4:2021-22	
	Amount in Rs. Crore	Y-o-Y Growth in Per cent	Amount in Rs. Crore	Y-o-Y Growth in Per cent	Amount in Rs. Crore	Y-o-Y Growth in Per cent
No. of Companies	2,608		2,744		2,758	
Sales	1,068,893	22.8	1,240,699	25.3	1,369,495	22.3
Value of Production	1,085,342	22.3	1,257,480	25.8	1,388,878	22.2
Expenditure, of which	892,246	15.8	1,050,794	29.3	1,173,010	25.9
Raw Material	427,870	29.7	523,052	36.6	589,274	31.2
Staff Cost	109,911	4.2	126,322	14.6	130,671	16.2
Power & fuel	26,786	3.9	36,262	55.7	42,104	39.3
Operating Profits	193,096	65.0	206,685	10.8	215,869	5.4
Other Income	27,521	-23.2	33,367	-5.6	44,784	51.6
EBITDA	220,617	44.3	240,053	8.2	260,653	11.3
Depreciation	48,557	-0.8	51,056	4.8	52,797	4.2
Gross Profits (EBIT)	172,060	65.6	188,997	9.1	207,856	13.2
Interest	35,641	-9.3	36,086	-3.7	35,353	-1.2
EBT (before NOP)	136,419	111.1	152,911	12.7	172,503	16.7
Net Profits	96,882	-	114,375	23.8	133,249	20.9

According to the data collated by the Reserve Bank of India for 2,758 listed private non-financial companies sales recorded a growth of 22.3 per cent (y-o-y) in Q4:2021-22, compared to 25.3 per cent growth in the previous quarter and 22.8 per cent in Q4 of previous year. Aggregate sales of listed private manufacturing companies registered a steady growth (y-o-y) of 24.6 per cent in Q4:2021-22, driven by sales growth in sectors including petroleum, nonferrous metals, iron and steel, chemicals and textiles industries.

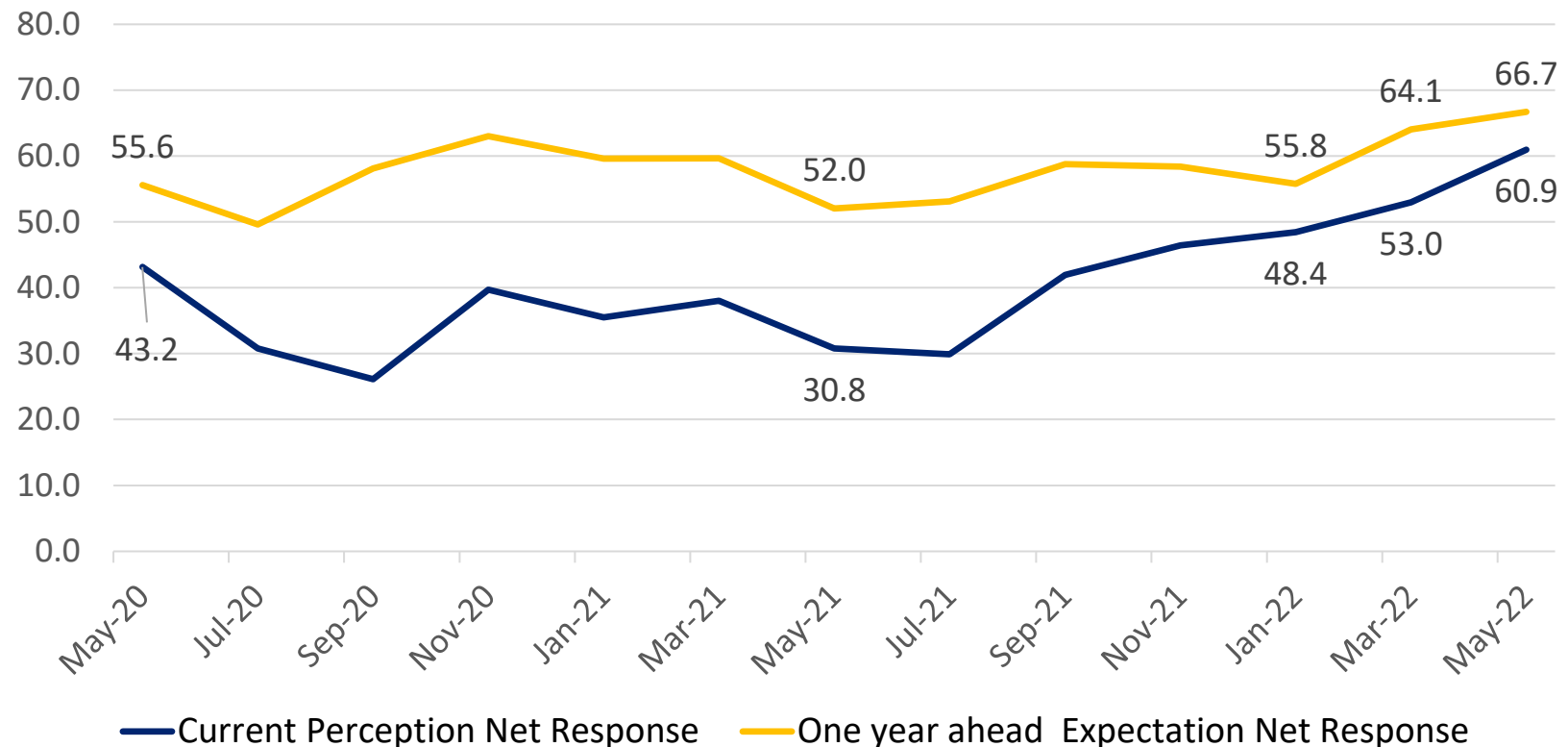
Manufacturing companies' expenditure on raw material increased by 32.8 per cent (y-o-y). Staff cost in manufacturing companies, on the other hand, recorded moderate growth of 7.2 per cent (y-o-y), whereas it was higher for IT and non-IT services companies at 24.6 per cent and 17.2 per cent, respectively, during Q4:2021-22.

Consumer Confidence Survey: RBI

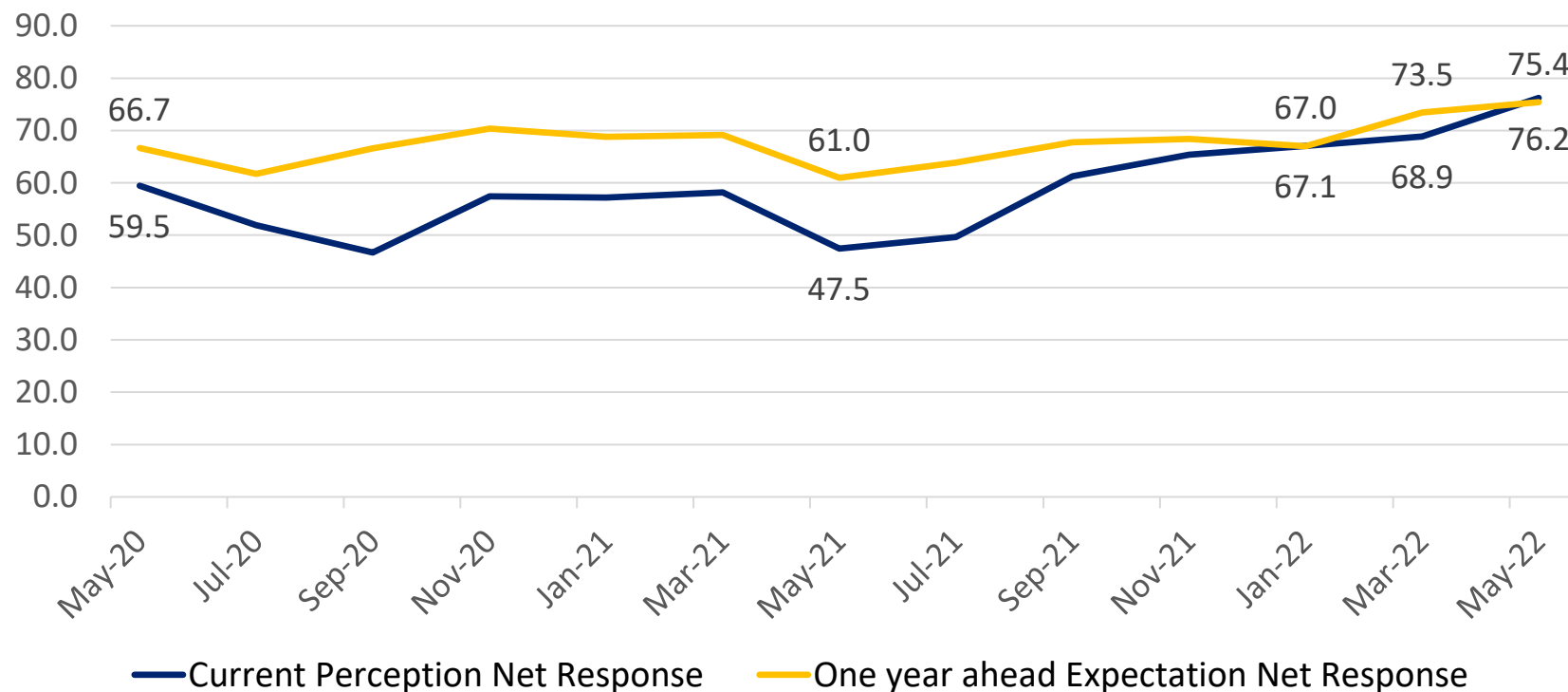
Consumer Confidence Indices



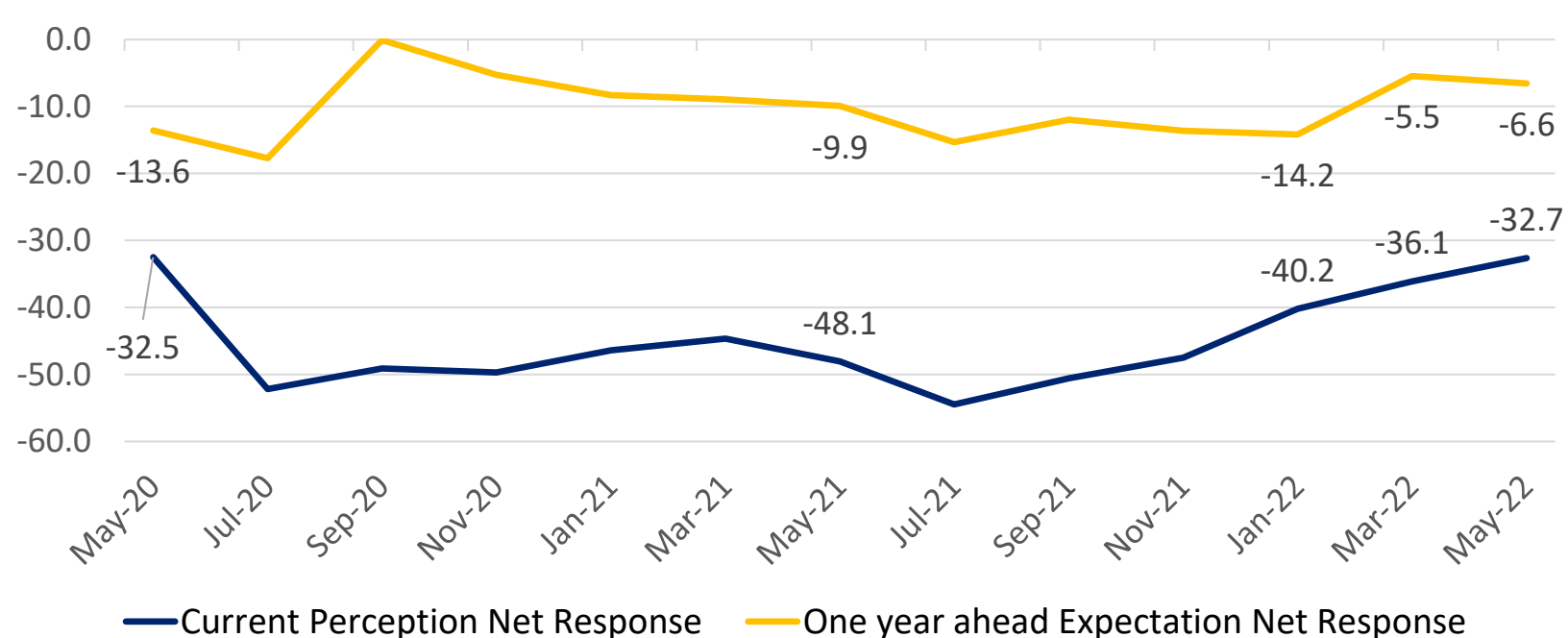
Perceptions and Expectations on Spending (% of respondents)



Perceptions and Expectations on Non-Discretionary Spending (% of respondents)

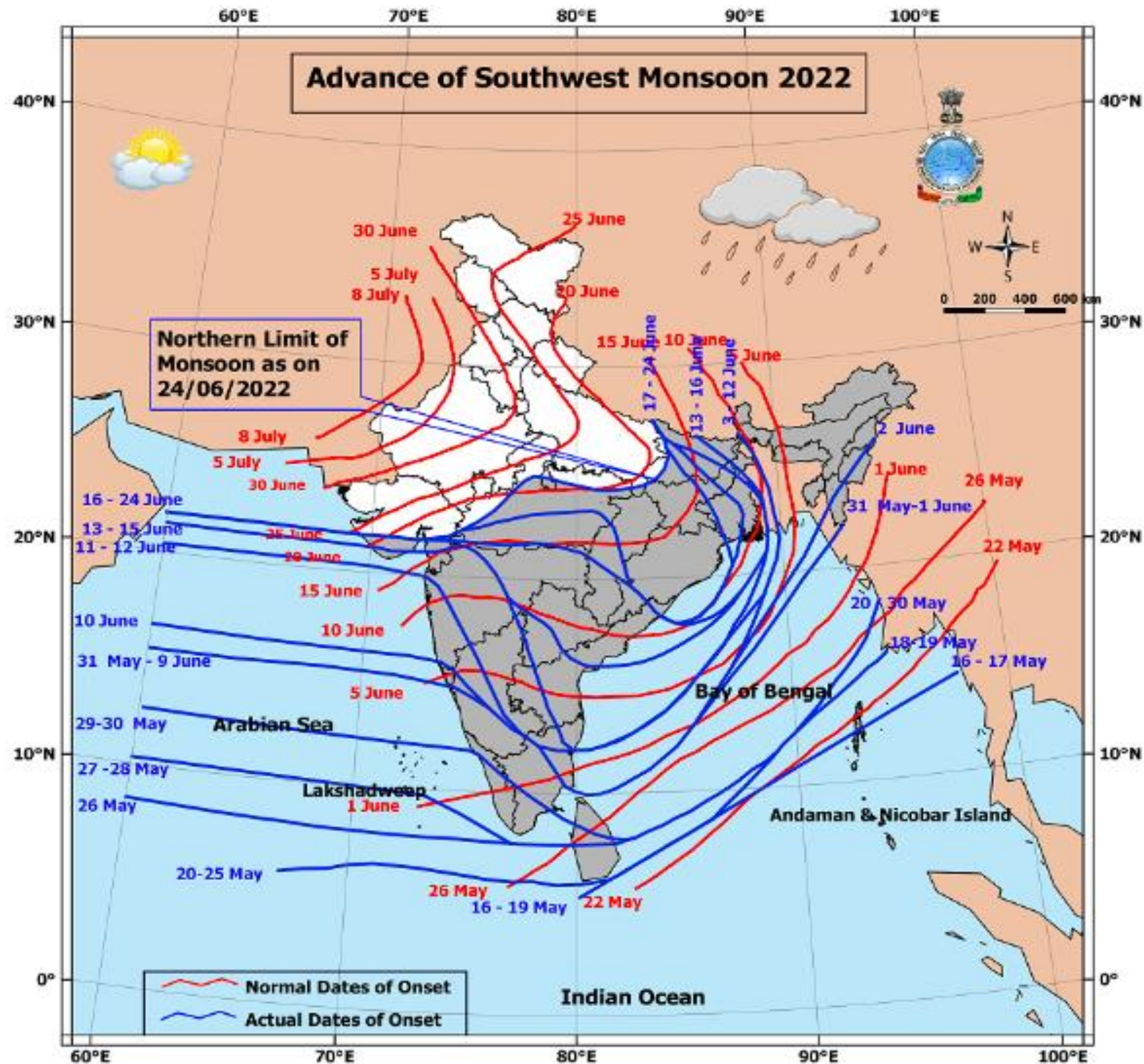


Perceptions and Expectations on Discretionary Spending (% of respondents)



Source: Consumer Confidence Survey, Reserve bank of India, June 2022
 Net response is the difference between positive and negative perceptions

India Meteorological Department (IMD) forecasts normal monsoon



IMD's Long-range Forecast of Rainfall : Southwest Monsoon (June-September)

The India Meteorological Department (IMD) has predicted rainfall in India during the south-west monsoon season for 2022 to be normal. The monsoon forecast for this year stands at 99 percent of long-period average (LPA).

It has also predicted normal to above normal seasonal rainfall over the northern peninsula and central India, along foothills of the Himalayas, and certain parts of northwest India. Below normal rainfall is expected over many parts of Northeast India, some parts of northwest India, and southern parts of the South Peninsula. La Niña conditions are likely to continue during the monsoon season.

2022 is expected to be the fourth consecutive year of normal rainfall, and the seasonal rainfall is likely to be well distributed spatially. The country is expected to receive normal to above normal rainfall during the present season.

The forecast of a normal monsoon comes as a welcome respite and is crucial for the summer crop. The possibility of a normal monsoon indicates good earning prospects and is anticipated to boost area under kharif 2022-23 crops.

Source: IMD

Source: IMD

Kharif Crop Season

Weekly Area Coverage Under Kharif Crops As On 25-Jun-2022				
Crops	Area Sown (Lakh Ha)		Difference in Area Coverage Over 2021	% change over 2021
	2022	2021		
Rice	19.6	36.0	-16.4	-45.6
Total Pulses	8.7	13.6	-4.9	-36.1
Arhar	2.4	5.2	-2.9	-54.9
Kulthi	0.0	0.0	0.0	-0.1
Urad	0.9	1.9	-1.0	-52.0
Moong	3.4	5.1	-1.8	-34.1
Total Coarse Cereals	11.1	18.1	-7.0	-38.7
Jowar	0.6	1.0	-0.4	-40.8
Bajra	1.3	4.0	-2.7	-68.1
Ragi	0.0	0.1	0.0	-53.9
Maize	8.1	12.0	-3.9	-32.2
Small Millets	1.1	1.0	0.0	4.0
Total Oilseeds	11.8	22.4	-10.6	-47.5
Groundnut	7.6	8.7	-1.1	-12.6
Sunflower	0.8	0.5	0.3	61.1
Sesamum	0.6	0.7	-0.1	-12.3
Niger	0.0	0.0	0.0	-91.1
Castor	0.0	0.0	0.0	-33.4
Soyabean	2.8	12.5	-9.7	-77.7
Sugarcane	50.7	50.2	0.6	1.2
Total Jute and Mesta	6.8	6.8	0.0	-0.3
Cotton	31.8	37.3	-5.5	-14.8
Grand Total	141.0	184.4	-43.9	-23.8

Source: nfsm.gov.in

Minimum Support prices for Kharif Crops						
Commodity	Variety	2019-20	2020-21	2021-22	2022-23	Increase in 2022-23 over 2021-22
Paddy	Common	1815	1868	1940	2040	5.2
	Grade 'A'	1835	1888	1960	2060	5.1
Jowar	Hybrid	2550	2620	2738	2970	8.5
	Maldandi	2570	2640	2758	2990	8.4
Bajra		2000	2150	2250	2350	4.4
Maize		1760	1850	1870	1962	4.9
Ragi		3150	3295	3377	3578	6.0
Tur (Arhar)		5800	6000	6300	6600	4.8
Moong		7050	7196	7275	7755	6.6
Urad		5700	6000	6300	6600	4.8
Cotton	Medium Staple	5255	5515	5726	6080	6.2
	Long Staple	5550	5825	6025	6380	5.9
Groundnut		5090	5275	5550	5850	5.4
Sunflower seed		5650	5885	6015	6400	6.4
Soyabean	Yellow	3710	3880	3950	4300	8.9
Sesamum		6485	6855	7307	7830	7.2
Nigerseed		5940	6695	6930	7287	5.2

Source: Ministry of Agriculture & Farmers Welfare

External Sector: Trade

India's Merchandise Trade (USD billion)							
Month	Trade Balance	Exports			Imports		
		Total	Petroleum products	Non-petroleum products	Total	Crude oil and petroleum products	Non-crude oil and petroleum products
May-21	-6.5	32.3	5.3	27.0	38.8	9.5	29.4
Jan-22	-17.3	35.2	4.6	30.6	52.5	12.4	40.1
Feb-22	-18.7	37.1	6.9	30.3	55.8	15.8	40.1
Mar-22	-18.5	44.5	9.8	34.7	63.0	21.1	41.8
Apr-22	-20.4	39.8	7.9	31.9	60.2	20.1	40.1
May-22	-24.3	38.9	8.5	30.4	63.2	19.2	44.0

Source: CMIE

India's overall exports in May 2022 were recorded at USD 38.9 billion, exhibiting a y-o-y growth of 20.6 percent over May 2021. Petroleum products noted a y-o-y growth of 60.9 percent, while non-petroleum products noted a y-o-y increase of 12.6 percent.

Overall imports in May 2022 were recorded at USD 63.2 billion, registering a y-o-y growth of 62.8 percent. The substantial increase in imports also widened the trade deficit for the month of May 2022, which amounted to USD 24.3 billion, up from USD 20.4 billion recorded in April 2022. This is also significantly higher as compared to the deficit of USD 6.5 billion in May 2021.

Major Export Items				Major Import Items			
Commodities	May 2021 (in USD Million)	May 2022 (in USD Million)	Y-o-Y % change	Commodities	May 2021 (in USD Million)	May 2022 (in USD Million)	Y-o-Y % change
Petroleum Products	5313.3	8547.6	60.9	Silver	15.4	446.3	2800.1
Coffee	72.8	111.1	52.7	Gold	677.7	6025.8	789.2
Leather & leather products	271.1	402.6	48.5	Coal, Coke & Briquettes, etc.	1992.3	5420.9	172.1
Electronic Goods	946.7	1395.1	47.4	Petroleum, Crude & products	9469.0	19195.8	102.7
Oil Meals	68.0	98.6	45.1	Cotton Raw & Waste	53.5	96.3	80.1

Source: PIB

Balance of Payments

Balance of Payments: Snapshot (Net Inflows in USD billion)		
	2020-21	2021-22
CAD/GDP (%)	0.9	-1.2
Current account	24.0	-38.7
Goods & services	-13.6	-81.9
Goods	-102.2	-189.5
Services	88.6	107.5
Primary account	-36.0	-37.3
Secondary account	73.6	80.5
Capital account	-1.1	-0.2
Financial accounts	-22.6	38.4
Direct investments	44.0	38.6
Portfolio investments	36.1	-16.8
Financial derivatives	-4.8	-6.4
Other investments	-10.6	70.5
Reserve assets	-87.3	-47.5
Net errors & omissions	-0.3	0.5

CAD to GDP Ratio (in %)	
Quarter	Current Account, Net (as % of GDP)
Q4 2019-20	0.1
Q1 2020-21	3.7
Q2 2020-21	2.4
Q3 2020-21	-0.3
Q4 2020-21	-1.0
Q1 2021-22	1.0
Q2 2021-22	-1.3
Q3 2021-22	-2.6
Q4 2021-22	-1.5

- India's current account balance recorded a deficit of 1.2 percent of GDP in 2021-22 as against a surplus of 0.9 percent in 2020-21 due to widening of the trade deficit to USD 189.5 billion from USD 102.2 billion in 2020-21.
- However, on quarterly basis, India's current account deficit narrowed to US\$13.4 billion in Q4 FY2022 (-1.5% of GDP) from a 36-quarter high of US\$22.2 billion in Q3 FY2022(-2.6% of GDP)
- Net FDI inflows at USD 38.6 billion in 2021-22 were lower than USD 44.0 billion in 2020-21.
- Net FPI recorded an outflow of USD 16.8 billion in 2021-22 as against an inflow of USD 36.1 billion a year ago.

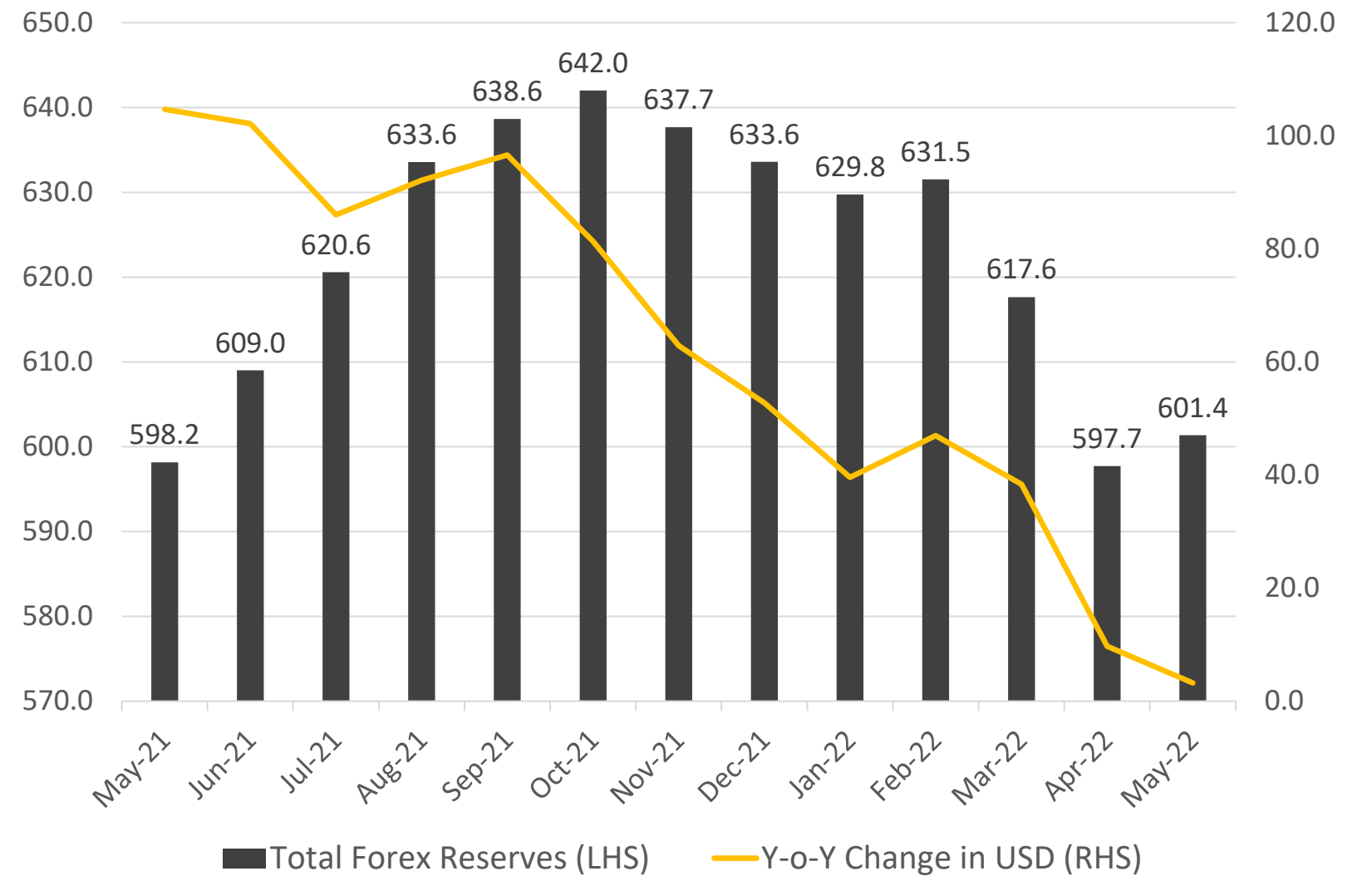
Rupee Movement & Forex Reserves

INR movement against USD



Source: Exchange Rates UK

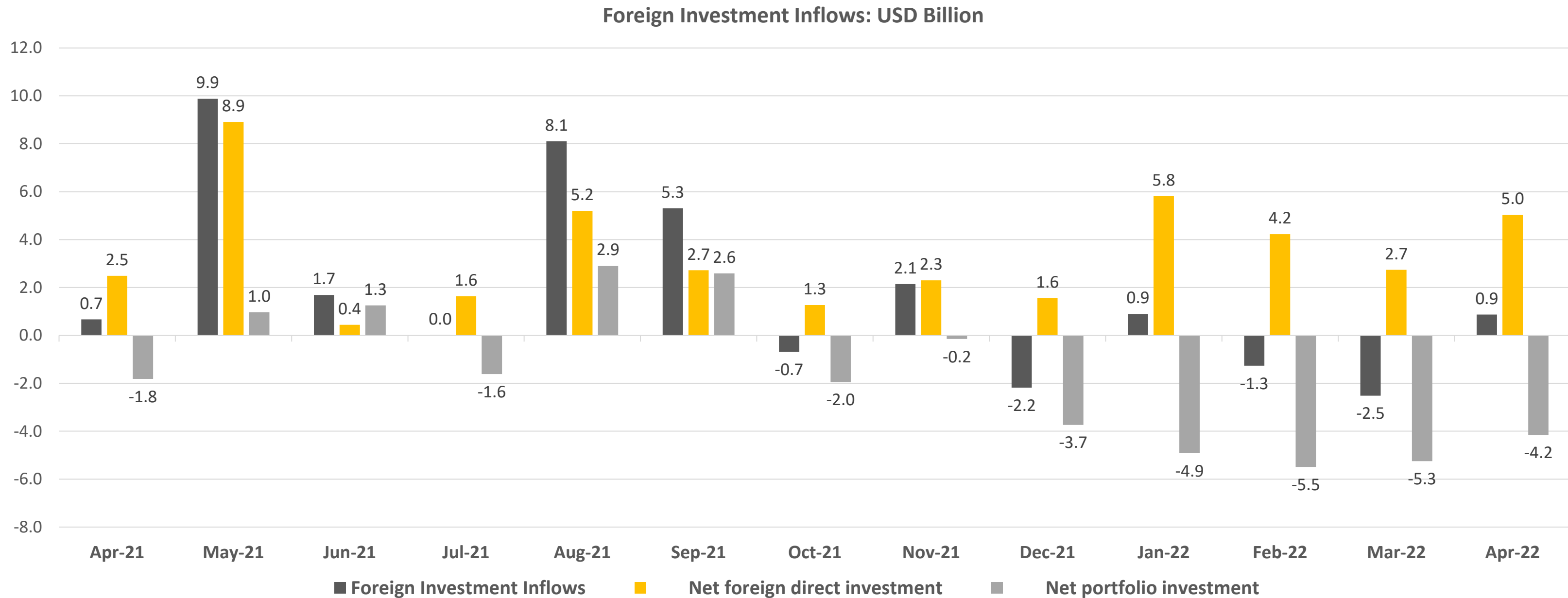
Forex Reserves (in USD billion)



Source: CMIE

India's foreign exchange reserves stood at USD 601.4 billion at the end of May 2022, increasing from April 2022 figure of USD 597.7 billion. The country's forex reserves increased for the first time in the month of May 2022 after witnessing continuous decline since October 2021. There was a marginal y-o-y increase in reserves at USD 3.2 billion in the month of May 2022. An improvement was noted in case of foreign currency assets and SDRs, that increased by USD 4.1 billion and USD 0.1 billion, respectively, while gold reserves fell by approximately USD 0.7 billion in May 2022. Foreign Exchange Reserves as on June 17, 2022, were reported at USD 590.6 billion. However, persistent foreign fund outflows from the Indian financial markets, risk aversion in global equities, along with elevated crude prices are exerting pressure on the domestic currency. The Indian Rupee reached a record low of 78.3 against the US Dollar on June 25, 2022.

External Sector: Foreign Inflows



India's net foreign direct investment inflows increased to USD 5.0 billion in the month of April 2022, from USD 2.7 billion recorded at the end of March 2022.

Net outflows on account of portfolio investments also showed an improvement in April 2022 as compared to the previous month, where these declined from USD 5.3 billion in March 2022 to USD 4.2 billion in April 2022.

Total foreign investments noted a net inflow of USD 0.9 billion in April 2022, vis-à-vis an outflow of USD 2.5 billion registered in the month of March 2022.



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