



Data Dashboard

February 2022

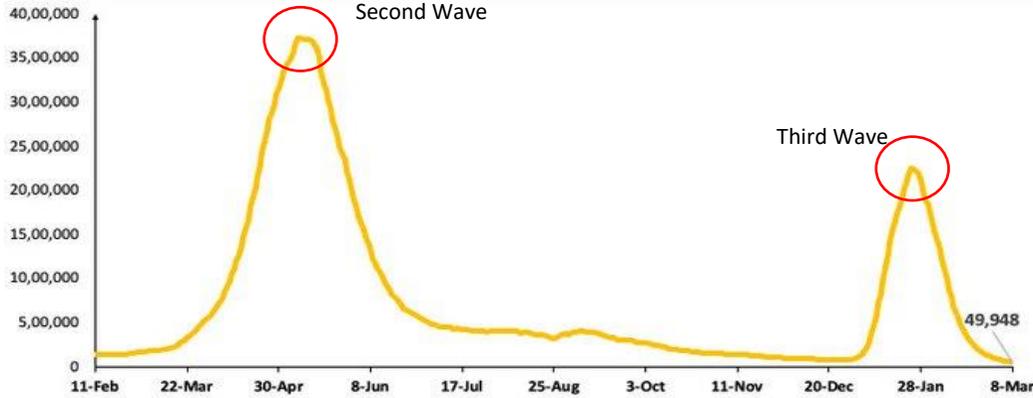
Economic Affairs & Research Division
Federation of Indian Chambers of Commerce & Industry

Highlights

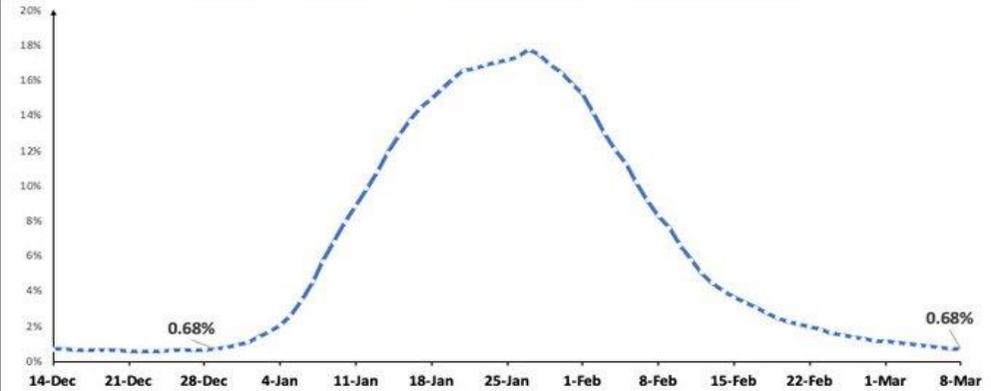
- The month of February witnessed a visible respite from the surging omicron cases noted in the previous month. There was a conspicuous decline in the case load during the month and with most restrictions lifted – a significant normalcy in daily activities became evident. On the economic front, even though an uptick was apparent (especially vis-à-vis the subdued performance of January), but the broad trend continued to give mixed signals.
- Some of the high frequency indicators – such as e-way bills, air and rail traffic movement, performance of contact-based services did note an improvement. However, the performance of indicators reflecting rural consumption remained subdued. These included two and three-wheeler sales, tractor sales, fertilizer consumption. Besides, the Goods and Service Tax collections for February 2022 also came in a tad lower than January numbers. Industrial recovery remains tentative and is yet to gain a firm ground.
- Inflation continues to remain a worry both globally and more so for India's economy. The latest print for Consumer Price Index came in at a seven month high of 6.01 per cent for January 2022 as compared to 5.7 percent in December 2021. This increase is primarily attributed to inflation in the sub-categories of 'food and beverages', 'clothing and footwear'. Nonetheless, even amid continuing inflationary pressures, the Reserve Bank of India maintained an accommodative stance in the monetary policy announced on February 10, 2022.
- Both the Central Bank and the Government continue to work in tandem giving due weightage to reviving and sustaining growth. The Union Budget 2022-23 announced on February 1 2022 had a clear focus on strengthening the key drivers for India's long term development. The Budget 2022-23 was a continuation of reform path laid out in the previous years. The much higher allocation for capital expenditure will have a multiplier effect on the economy and help in sustaining the higher pace of growth. Higher investments in the core sectors will lead to greater demand across industries, push up the capacity utilization rates and private investments. Going ahead, implementation of this capex spend will be critical.
- The revised estimate for fiscal deficit for the year 2021-22 was reported at 6.9% in the Union Budget 2022-23 - marking a marginal slippage from the budgeted figure of 6.8%. The fiscal deficit for the year 2022-23 has been budgeted at Rs 16, 61, 196 crore and pegged at 6.4% of GDP. The government has undertaken a realistic view of the fiscal consolidation which is in sync with the economic realities.
- The recurring waves of the pandemic, persisting supply side constraints, rising commodity prices/surging global inflation continue to undermine the return to a sustainable growth tangent. Moreover, the intensification of the geo-political stress in the last week of February has significantly escalated the downside risks. Russia Ukraine conflict can derail the global recovery which is still nascent and is expected to have an adverse consequence on trade. India, too, will have to bear the brunt. Even though our trade with Russian and Ukraine is limited, our import dependence on crude oil and edible oil (sunflower) from these countries can have repercussions. Besides, with several sanctions being imposed on Russia by the United States and countries across Europe, the uncertainty levels have gone up considerably.

Omicron led wave recedes in India

India's Active cases Trajectory



Case Positivity Trajectory (7 days moving average)



India's cumulative COVID-19 Vaccination coverage exceeds

179.13 CRORE

Cumulative Vaccine Dose Coverage

	Healthcare workers	Frontline workers	People Aged 15-18 years	People Aged 18-44 Years	People Aged ≥ 45 Years	People Aged ≥ 60 Years
1 st Dose	1,04,02,230	1,84,10,719	5,54,96,520	55,27,40,302	20,24,31,362	12,65,28,642
2 nd Dose	99,77,592	1,74,63,730	3,15,16,231	45,08,05,644	18,16,66,469	11,31,35,305
Precaution Dose	42,58,154	64,26,046	—	—	—	1,00,82,349

#Unite2FightCorona

As at 8 AM on 8th March, 2022

21.34 Lakh
doses administered
in last 24 hours

mohfw.gov.in
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As on March 8, 2022:

India's Cumulative COVID-19 Vaccination Coverage at 179.13 Cr

Recovery Rate at 98.68%

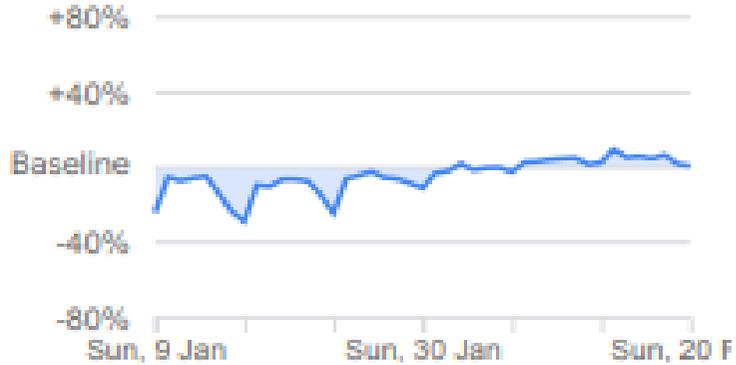
India's Active Caseload currently stands at 49,948

Weekly Positivity Rate is presently at 0.68%

Mobility indicators reflect normalcy in activity

Retail and recreation

+1%



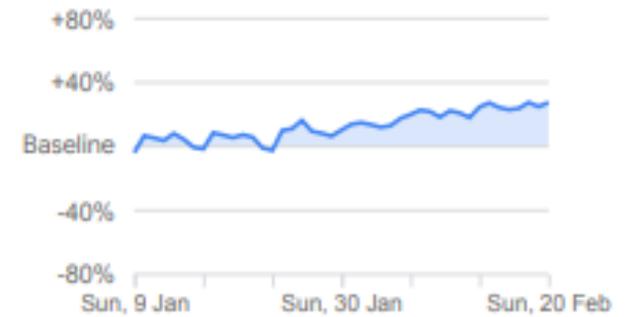
Supermarket and pharmacy

+40%



Parks

+28%



Public transport

+20%



Workplaces

+19%



Residential

+5%



Gross Domestic Product

Q3 2021-22 GDP growth data reports moderation across key sectors

	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
GDP	-23.8	-6.6	0.7	1.6	20.3	8.5	5.4
GVA	-21.4	-5.9	2.1	3.7	18.4	8.4	4.7
Agriculture, forestry and fishing	3.0	3.2	4.1	3.1	3.5	3.7	2.6
Industry	-33.7	0.6	6.3	7.9	46.6	7.0	0.2
Mining and quarrying	-17.8	-7.9	-5.3	-5.8	17.6	14.2	8.8
Manufacturing	-31.5	5.2	8.4	6.9	49.0	5.6	0.2
Electricity, gas, water supply and other utility services	-14.8	-3.2	1.5	9.1	13.8	8.5	3.7
Construction	-49.4	-6.6	6.6	14.5	71.4	8.2	-2.8
Services	-20.8	-10.9	-1.0	1.5	10.5	10.2	8.2
Trade, hotels, transport, communication and broadcasting services	-49.9	-18.9	-10.1	-2.3	34.3	9.5	6.1
Financial services, real estate and professional services	-1.1	-5.3	10.3	5.4	2.3	6.2	4.6
Public administration, defence and other services	-11.4	-10.2	-2.9	2.3	6.3	19.6	16.8

As per latest government release, GDP growth for 2021-22 revised down to 8.9% from 9.2% estimate put out in January 2022

Gross Domestic Product

Various Institutes: India's GDP Estimate for 2022-23

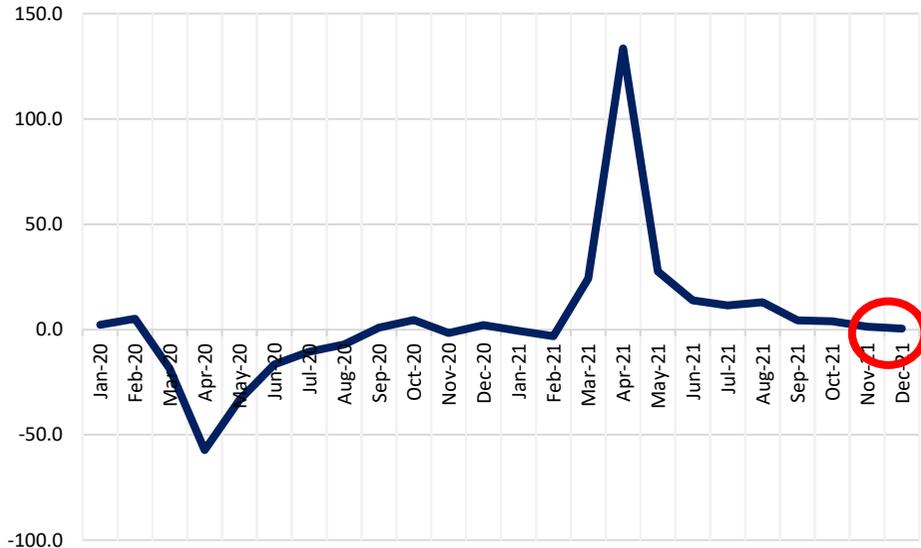
Institute	Month of Release	2022-23 Growth in %
Economic Survey	Jan-22	8-8.5
RBI	Feb-22	7.8
IMF	Jan-22	7.1
World Bank	Jan-22	8.7
Asian Development Bank	Dec-21	7.5
OECD	Dec-21	8.1
CRISIL	Feb-22	7.8
QuantEco Research	Jan-22	7.5
Citi group	Jan-22	8.3
FICCI	Jan-22	7.4

Economic Survey projected real GDP to grow by 8-8.5 per cent in 2022-23. This is higher than the RBI's projection. The Economic Survey was released by the ministry of finance on January 31, 2022

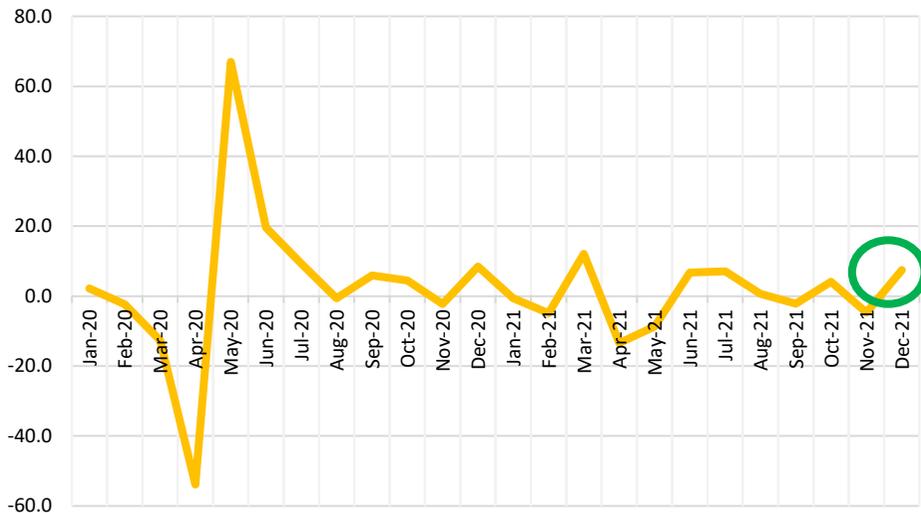
The GDP growth estimate for 2022-23 ranges between 7.4 percent and 8.7 percent indicating a broad view that recovery will gain ground in the next fiscal year

Latest IIP print for December 2021 reported moderation

Index of Industrial Production: Y-o-Y Growth in %



Index of Industrial Production: M-o-M Growth in %



	Weight	Dec-20	Oct-21	Nov-21	Dec-21	% change over Dec 2019
IIP	100	2.2	4.0	1.3	0.4	2.6
Economic Activity						
Mining & quarrying	14.37	-3.0	11.5	4.9	2.6	-0.5
Manufacturing	77.63	2.7	3.1	0.8	-0.1	2.5
Electricity	7.99	5.1	3.1	2.1	2.9	8.1
Use Based						
Primary goods	34.05	0.4	9.0	3.5	2.8	3.2
Capital goods	8.22	2.2	-1.5	-2.0	-4.6	-2.5
Intermediate goods	17.22	2.3	3.8	2.4	0.3	2.6
Infra/construction goods	12.34	3.1	7.0	3.1	1.7	4.8
Consumer goods	28.17	3.7	-1.1	-1.8	-1.4	2.2
Durables	12.84	6.5	-3.6	-5.4	-2.7	3.6
Non-durables	15.33	1.9	0.9	0.5	-0.6	1.3

Industrial production remained weak in December 2021. On a y-o-y basis, the IIP rose marginally by 0.4 per cent in December 2021 but was 2.6 per cent higher than the pre-Covid level of December 2019

However, on a m-o-m basis, the overall index noted a 7.5 percent increase in December 2021 vis-à-vis 4.7 percent contraction on a sequential basis in November.

Cumulative IIP during April-December 2021 rose by 15.2 per cent, as against a 13.3 per cent fall registered during the same period a year ago

High frequency data for January 2022 suggests that industrial performance is likely to remain subdued

High frequency indicators did lose momentum in January 2022

		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Industry	PMI Manufacturing	57.7	57.5	55.4	55.5	50.8	48.1	55.3	52.3	53.7	55.9	57.6	55.5	54.0
	PMI Services	52.8	55.3	54.6	54.0	46.4	41.2	45.4	56.7	55.2	58.4	58.1	55.5	51.5
	E-way Bills: In Million	62.9	63.8	71.2	58.8	40.0	54.7	64.2	65.9	67.9	73.5	61.2	71.6	68.8
	Fuel Consumption : Y-o-Y in %	-5.9	-7.9	16.9	77.1	-4.1	-1.4	6.5	6.4	5.0	0.2	-11.8	-0.4	-0.2
	GST (in Rs. Billion)	1198.5	1131.4	1239.0	1414.0	1027.1	928.5	1164.0	1120.2	1170.1	1301.3	1315.3	1297.8	1383.9
	Non Food Credit - Y-o-Y in %	5.9	6.6	5.5	6.0	5.8	6.1	6.2	6.7	6.8	7.0	7.1	10.5	-
Sector Performance	Passenger Car Sales: Y-o-Y in %	-0.1	-0.2	86.3	5927.8	138.2	112.9	31.4	-5.2	-46.4	-38.5	-25.0	-18.2	-14.7
	Steel Consumption : Y-o-Y in %	11.0	11.3	50.6	684.4	64.3	28.3	4.2	-2.2	-3.2	-3.8	-7.1	-9.5	-5.2
	Cement Production: Y-o-Y in %	-5.8	0.1	40.6	606.7	11.8	7.6	21.7	36.4	11.3	14.6	-3.6	12.9	-
Transport/Infrastructure	Air cargo handled: Y-o-Y in %	-11.0	-8.6	34.2	445.3	150.9	45.6	35.2	29.5	14.9	16.5	6.2	6.9	-
	Revenue Earning Freight Traffic of Major Commodities : Quantity: Y-o-Y in %	8.7	5.5	26.6	70.7	39.1	20.5	18.4	16.9	3.6	8.4	6.1	7.2	-
	Cargo Traffic at Major Ports: Y-o-Y in %	4.1	2.1	12.9	29.5	31.5	19.5	6.7	11.4	0.1	6.5	-0.2	-0.6	-

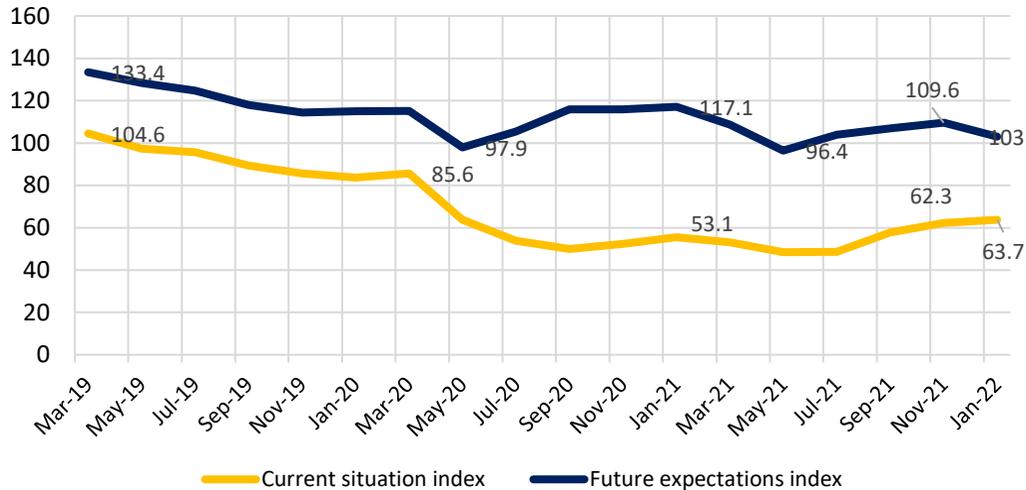
The loss in momentum in economic activity in January - at the peak of the Omicron led wave – did happen but was limited vis-à-vis the previous waves

High frequency indicators gain some momentum in February 2022

- The Nomura India Business Resumption Index (NIBRI) increased from 119.5 in the week ended 13 February 2022 to touch a record high of 122.8 in the week ended 20 February 2022. The index stood 23 percentage points above its pre-pandemic level. During the week ended 20 February 2022, the Google workplace, the retail & recreation mobility and the Apple driving index rose by 1.4 percentage points, 6 percentage points and 11.3 percentage points, respectively, compared to the preceding week
- The first half of February 2022 saw the number of e-way bills being generated for inter-state trade in goods under the Goods & Services Tax (GST) system at 2359,000 a day. This is 14 per cent higher than the e-way bill generation in the first 16 days of January 2022, reflecting a pick-up in activity post subsiding in the spread of Omicron variant of coronavirus (Covid-19)
- As per CMIE estimates, the unemployment rate slipped to 7.4 percent for the week ending February 20, 2022, vis-à-vis a rate of 10.1 percent reported at the end of first week of February 2022. The fall in the unemployment level is backed by an improvement in numbers for rural area. The unemployment rate for the rural sector declined to 7.3 percent for the week ending February 20, 2022, from 11.1 percent in the week ending February 6, 2022. The unemployment rate for the urban sector, on the other hand, noted an increase
- As on February 04, 2022, the overall acreage under rabi crops touched a new record of 700.8 lakh hectares, which is 1.5 per cent above the previous year's acreage and 8.2 per cent above the normal (5-year average) acreage
- Encouraged by a steady recovery seen in the first two weeks of February, hospitality firms expect the business hotels in metro cities to catch up in the coming months in terms of revenue per available room (RevPar). Huge pent-up demand for MICE (meetings, incentives, conference and exhibitions) as companies slowly return to hosting physical events coupled with easing of the recently announced restrictions on international travel, is helping the sector return to pre-Covid levels. The Omicron wave that peaked in January had derailed the month-on-month recovery which was being by the hotels since August last year

Consumer Sentiment: Underlying note of Caution remains

Consumer Confidence Indices

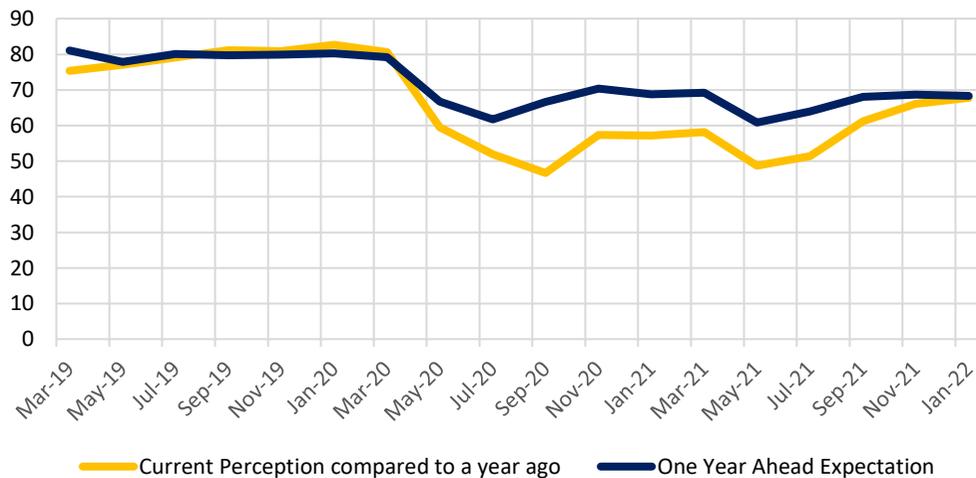


Consumer confidence recorded gradual improvement for third successive round of the survey. Nonetheless, it continued to be in the pessimistic zone. The current situation index increased marginally on back of better sentiments on general economic situation, household income and spending

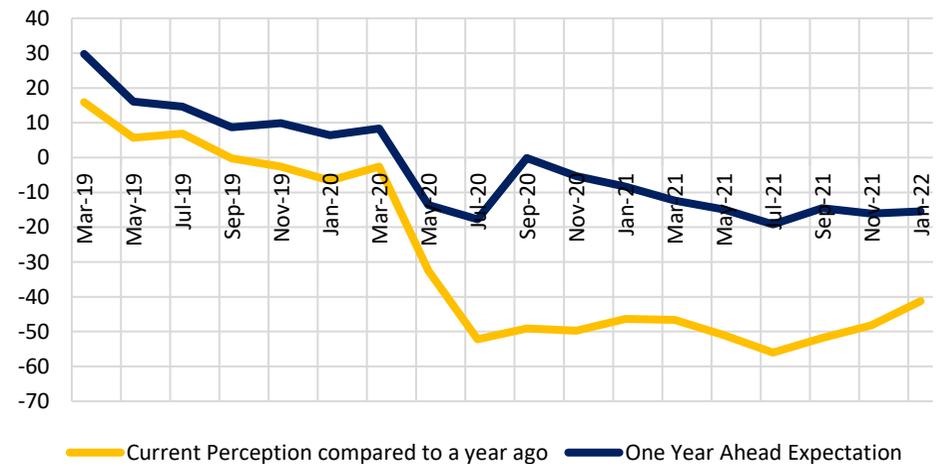
One year ahead outlook, as reflected by the future expectations index (FEI), remained in optimism zone. The index, however, moderated as the latest survey period coincided with the surge in COVID-19 infection cases in January 2022

Households reported increase in overall expenditure driven by higher essential spending; the sentiments on non-essential outlay, however, remained subdued

Essential Items: Perception & Expectation: Net Response



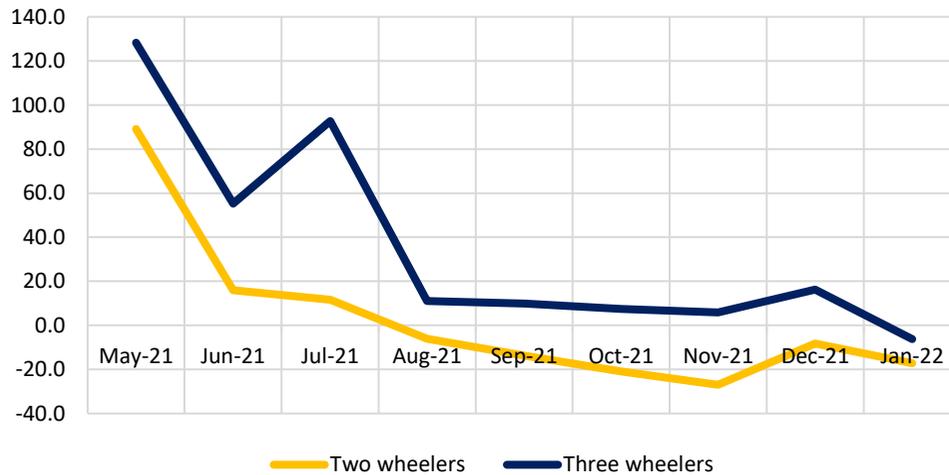
Non Essential Items: Perception & Expectation: Net Response



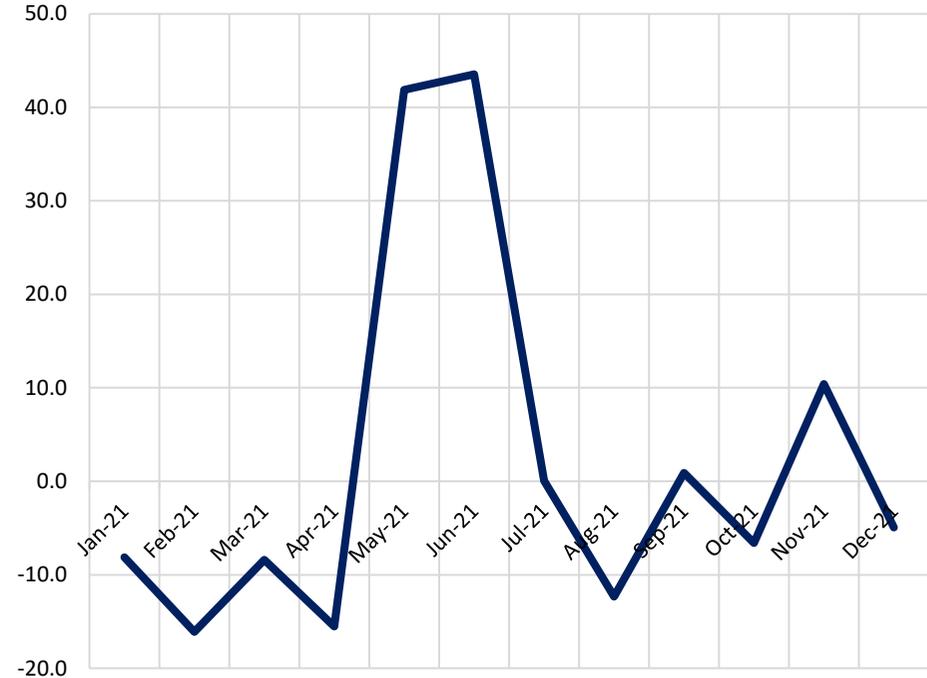
Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism

Rural demand seen moderating

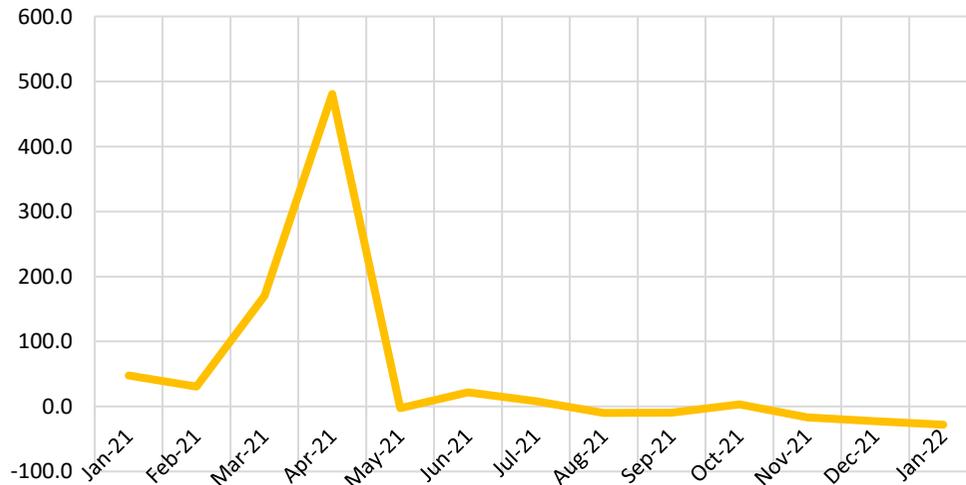
Two wheeler/Three wheeler Sales: Y-o-Y Growth in %



Fertilizer Sales: M-o-M Growth in %



Tractor Sales: Growth Y-o-Y in %

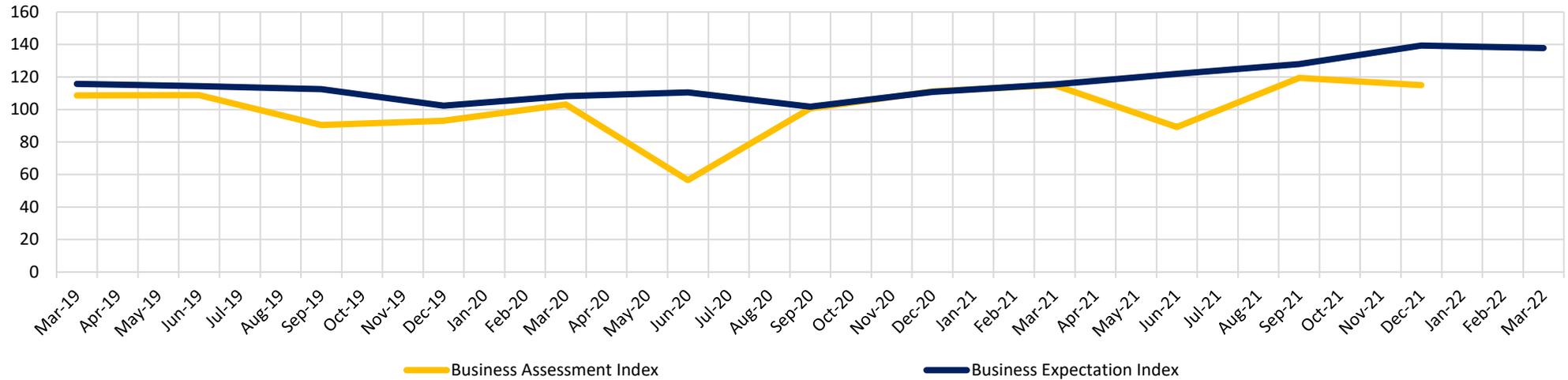


Rural demand has been witnessing signs of moderation. Domestic sales of tractors noted a contraction by 27.8 per cent on a y-o-y basis in January 2022 partially on back of an unfavorable base effect. The decline in tractor demand is reported to be attributed to delayed harvest of Kharif crop due to delay in monsoons

Sales of two wheelers and three wheelers also declined on both y-o-y and over pre-pandemic levels, owing to rising fuel prices and muted rural demand

Business Confidence moderates

RBI Industry Outlook Survey: Business Confidence Index



According to RBI's Survey, business sentiments of manufacturers remained well in the expansion terrain though it waned marginally, as reflected in the business assessment index (BAI) which stood at 115.0 in Q3:2021-223 as compared to 119.4 in the previous quarter

Respondents expressed optimism in Q4:2021-22 on demand parameters such as production volumes, new orders and job landscape. Capacity utilization and overall financial situation are expected to improve further in Q4:2021-22, though the optimism moderated from the previous quarter

Input cost pressures are likely to remain elevated in Q4:2021-22; the pace of rise in selling prices is expected to witness some softening

Overall business expectations index (BEI) moderated to 137.8 in Q4:2021-22 from 139.3 in the previous quarter

Corporate Financials

Income & Expenditure : Y-o-Y Growth in %

	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22
Total income	-37.3	-11.0	-0.5	17.5	56.1	36.2	29.6
Net sales	-38.8	-10.3	-0.5	18.8	59.4	36.7	30.9
Total expenses	-34.4	-17.7	-1.6	6.2	48.8	36.0	28.5
Operating expenses	-41.1	-15.3	-1.9	10.5	63.7	41.9	33.6
Raw materials, etc & purch of fin gds	-51.6	-19.5	-3.4	16.0	87.9	54.1	41.9
Raw materials, stores & spares	-52.3	-21.1	-6.7	17.0	110.5	51.0	47.0
Purchase of finished goods	-49.7	-15.7	4.2	13.9	48.9	60.3	32.3
Salaries and wages	-3.5	-1.6	3.3	5.8	15.2	13.2	13.3
Total other expenses	-27.9	-10.4	-0.1	-0.4	43.1	25.9	20.9
Power & fuel	-44.6	-26.4	-9.6	9.1	78.7	48.6	55.6
Royalties, technical know- how fees, etc	-48.0	-26.9	-21.5	27.8	120.4	90.0	90.0
Advertising expenses	-46.3	-6.9	7.0	16.5	58.4	13.6	1.8
Marketing expenses	-32.1	-15.4	-16.0	-1.5	18.4	11.9	20.0
Outward freight/other distribution expenses	-35.7	5.8	11.2	22.9	62.0	21.0	2.1
Travel expenses	-81.1	-71.7	-75.2	-71.4	15.2	11.9	62.6
Network cost	13.2	10.6	15.3	12.2	7.1	12.0	10.7

Sector wise Net Sales: Y-o-Y Growth in %

	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22
Food & agro-based products	-15.2	5.2	3.7	16.3	25.3	14.9	21.1
Textiles	-62.9	-19.7	3.6	27.8	149.5	57.5	39.2
Chemicals & chemical products	-41.9	-19.2	-10.6	10.9	72.0	50.5	50.7
Consumer goods	-50.5	-25.4	-10.0	5.5	46.0	30.3	14.6
Construction materials	-37.8	2.8	14.5	32.8	62.5	19.0	11.5
Metals & metal products	-38.3	11.5	22.0	47.9	122.1	54.9	38.9
Machinery	-48.0	-10.2	5.1	34.3	78.2	32.6	22.4
Transport equipment	-67.3	-0.7	14.9	47.0	156.1	23.3	5.8
Mining	-49.5	-27.5	-19.1	15.8	98.3	61.4	60.2
Electricity	-5.1	-0.8	1.6	-3.1	-22.1	27.9	13.2
Services (other than financial)	-23.8	-9.1	-0.5	10.4	32.4	25.9	25.3
Hotels & tourism	-82.9	-72.9	-53.7	-29.3	107.0	127.6	72.0
Hotels & restaurants	-79.3	-68.8	-52.4	-28.8	108.1	128.5	71.8
Tourism	-98.2	-95.2	-80.7	-59.3	32.9	66.2	98.4
Wholesale & retail trading	-50.0	-21.4	-5.2	21.1	70.4	35.4	34.8
Transport services	-64.0	-41.9	-30.4	-12.9	69.5	45.7	42.1
Information technology	2.9	4.0	5.1	6.8	17.5	18.9	20.6
Construction & real estate	-44.2	-14.6	-0.4	18.4	61.4	22.6	5.8

New Investments

New Investments by Ownership (Quarterly): Rs billion

	Total	Government	Private Sector	Indian Private Sector	Foreign Private Sector
Jun-19	1842.6	1118.7	723.8	675.6	48.2
Sep-19	3505.8	2460.0	1045.8	880.6	165.2
Dec-19	7515.4	3215.6	4299.8	4252.2	47.6
Mar-20	4885.3	2552.1	2333.2	1981.7	351.6
Jun-20	1720.1	1165.7	554.4	518.7	35.7
Sep-20	2687.7	1260.5	1427.2	1022.1	405.1
Dec-20	1498.3	329.9	1168.4	1096.0	72.4
Mar-21	2411.4	800.5	1610.8	1084.4	526.5
Jun-21	2742.2	571.4	2170.8	2030.4	140.4
Sep-21	2590.5	402.4	2188.1	1907.2	280.9
Dec-21	2715.6	691.9	2023.6	1951.3	72.4

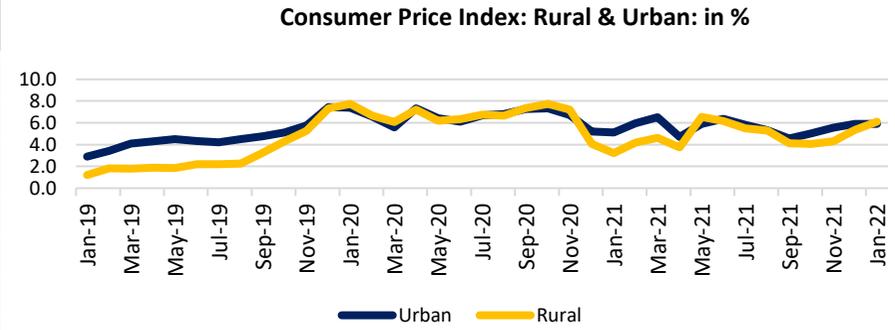
New Investments by Sectors (Quarterly): Rs billion

	Food & agro-based products	Textiles	Chemicals & chemical products	Consumer goods	Construction materials	Metals & metal products	Machinery	Transport equipment	Hotels & tourism	Wholesale & retail trading	Transport services	Information technology
Jun-19	36.6	9.1	82.8	2.9	49.8	78.1	9.0	48.6	20.0	0.1	561.4	84.4
Sep-19	28.6	22.0	84.9	44.6	68.3	93.0	13.2	8.0	8.6	14.4	374.8	65.9
Dec-19	17.3	3.6	913.8	11.8	44.2	232.4	77.0	18.4	10.4	2.6	4085.1	13.0
Mar-20	20.8	26.5	487.3	2.8	13.2	315.0	69.5	197.6	62.0	0.5	506.7	245.2
Jun-20	6.2	0.5	113.3	23.6	17.9	11.3	32.4	48.4	0.4	0.0	216.5	99.0
Sep-20	16.1	8.2	266.2	56.8	5.8	636.3	80.8	57.7	51.7	15.0	163.9	171.3
Dec-20	40.8	22.1	142.7	62.4	13.3	218.4	61.7	113.6	13.9	6.6	240.8	55.7
Mar-21	71.2	19.1	203.5	5.3	60.3	728.1	23.3	56.1	8.4	1.5	242.7	166.0
Jun-21	27.8	2.6	424.9	27.7	12.9	780.7	716.5	18.0	11.3	0.4	107.9	22.9
Sep-21	71.7	56.3	289.0	62.6	103.1	99.5	82.2	16.3	13.3	27.5	869.0	268.2
Dec-21	82.5	105.7	553.8	9.8	48.8	367.1	239.0	71.3	16.8	30.7	132.2	62.1

Inflation remains a concern

Consumer Price Index based inflation rate at a six-month high of 6.01% in January 2022

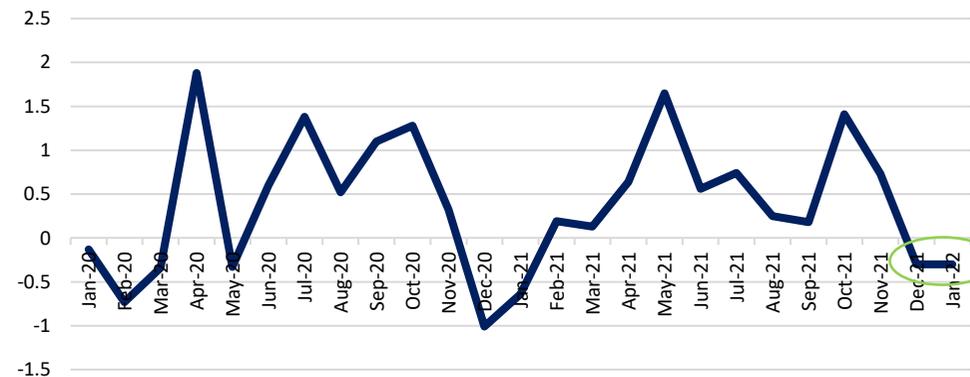
Month	Weight	Jan-21	Nov-21	Dec-21	Jan-22	April-Jan 2020-21	April-Jan 2021-22
General Index	100	4.1	4.9	5.6	6.0	6.4	5.3
Food & beverages	45.86	2.7	2.6	4.5	5.6	7.8	3.8
Pan, tobacco & intoxicants	2.38	10.9	4.1	3.2	2.5	9.9	4.9
Clothing & footwear	6.53	3.8	7.9	8.3	8.8	3.2	6.8
Housing	10.07	3.3	3.7	3.6	3.5	3.6	3.5
Fuel & light	6.84	3.9	13.4	11.0	9.3	11.0	9.3
Miscellaneous	28.32	6.5	6.8	6.7	6.6	6.7	6.6



CPI – Key Sub-segment of Food (% YoY Growth)

Month	Food	Cereals and products	Egg, fish and meat	Milk and products	Oils and fats	Fruits	Vegetables	Pulses and products	Sugar and condiments	Spices
Weight	39.06	9.67	4.04	6.61	3.56	2.89	6.04	2.38	1.36	2.50
Jan-21	2.0	0.1	12.6	2.7	19.8	5.0	-15.8	13.3	-0.3	9.0
Sept-21	0.7	-0.6	7.9	3.1	34.2	3.6	-22.4	8.8	3.0	4.8
Oct-21	0.9	0.4	6.3	3.2	33.6	4.9	-19.4	5.4	5.4	4.6
Nov-21	1.9	1.5	4.9	3.4	29.7	6.0	-13.6	3.2	6.2	4.1
Dec-21	4.1	2.6	4.3	3.8	24.3	3.5	-3.0	2.5	5.6	4.0
Jan-22	5.4	3.4	5.1	4.1	18.7	2.3	5.2	3.0	5.4	4.7

Consumer Price Index: M-o-M: in %



After a period of six months, CPI has marginally crossed the RBI MPC's tolerance band of 4 +/- 2 per cent and has come in at 6.01 per cent for January 2022 as compared to 5.7 per cent in December 2021. This increase is primarily attributed to inflation in the sub-categories of 'food and beverages', 'clothing and footwear', as well as an unfavorable base effect. However, the average CPI inflation for the period April 2021 – January 2022 remains within the tolerance band at 5.30 per cent

Consumer Price Index has moderated sequentially over the last two months, indicating a slowing momentum

Going forward, easing vegetable prices on account of fresh winter crop, and better prospects for food grain production are contributing to an optimistic view on inflation. However, it will be important to monitor the multi-round effects of such imported inflation given that edible oils and crude oil continue to remain elevated

RBI Inflationary Expectations Survey

Households' Inflation Expectations Survey of RBI: Household Inflation Expectations (in%)

Month	Current perception of inflation rate		Inflation expectations three months ahead		Inflation expectations one year ahead	
	Mean	Median	Mean	Median	Mean	Median
Jan-21	9.1	8.2	10	9.3	9.7	10.1
Mar-21	9.4	8.7	10.4	10.1	10	10.2
May-21	10.4	10.2	11.4	10.8	10.7	10.9
Jul-21	10.5	10.3	11.7	11.3	11	11.5
Sep-21	10.4	10.2	11.4	10.8	10.8	10.9
Nov-21	10.7	10.4	11.9	12.3	11.5	12.6
Jan-22	9.9	9.7	11.1	10.6	10.7	10.7

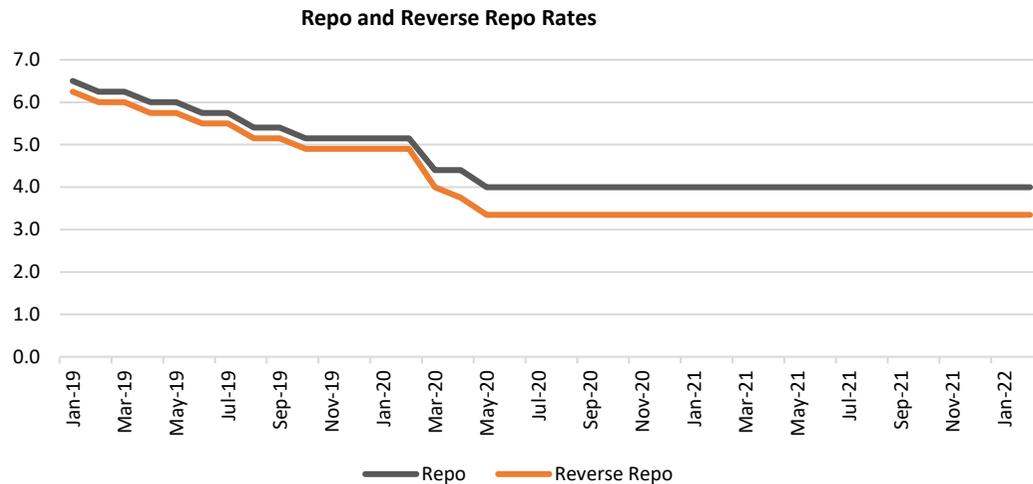
As per latest RBI's Inflation Expectations Survey, the 3- months ahead and 1-year ahead median inflation expectations decreased by 170 and 190 basis points respectively, from November 2021 round of the survey. According to the Reserve Bank, the reduced gap between households' current inflation perceptions and future inflation perceptions indicates that they expect inflation to be more range-bound around the current levels

% of respondents

Month	Respondents expecting prices in the three-month ahead period to					Respondents expecting prices in the one-year ahead period to				
	Increase	Increase	Increase	Not change	Decline	Increase	Increase	Increase	Not change	Decline
	More than current rate	Similar to current rate	Less than current rate			More than current rate	Similar to current rate	Less than current rate		
Jan-21	56.0	22.4	5.3	14.3	1.9	62.9	21.2	3.9	9.6	2.4
Mar-21	58.4	24.1	4.1	11.1	2.3	63.4	21.4	3.8	8.5	2.8
May-21	58.5	21.2	4.0	14.0	2.3	62.4	20.3	4.2	10.4	2.7
Jul-21	63.0	19.6	3.3	11.3	2.8	65.6	18.3	2.9	10.1	3.1
Sep-21	61.5	19.9	3.5	12.9	2.2	66.5	18.0	3.3	9.3	2.9
Nov-21	67.0	19.1	3.3	8.2	2.5	70.6	16.6	3.3	6.4	3.1
Jan-22	61.5	20.4	3.7	12.0	2.4	68.4	18.0	3.3	7.8	2.6

RBI Monetary Policy February 2022

RBI maintains status quo on repo rate, maintains accommodative stance



- ❖ Policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent
- ❖ Reverse repo rate under the liquidity adjustment facility (LAF) unchanged at 3.35 per cent
- ❖ Marginal Standing Facility (MSF) rate and the Bank Rate unchanged at 4.25 per cent
- ❖ The Monetary Policy Committee decided to continue with an accommodative stance for as long as necessary to revive and sustain growth on a durable basis, while ensuring that inflation remains within the target going forward

RBI's decision to keep policy rates unchanged is in contrast to the actions of central banks of major economies. The US Federal Reserve has clearly indicated its intent to hike rates in March. On 3 February 2022, the Bank of England raised interest rates from 0.25 per cent to 0.5 per cent. The inflation in the country is at the highest rate in more than 30 years. The European Central Bank (ECB) which had planned to raise rates in 2023 is now considering raising interest rates in 2022 amidst persistent inflation

Other Important Regulatory Announcements

- Extension of Term Liquidity Facility of ₹50,000 crore to Emergency Health Services up to June 30, 2022, from March 31, 2022 as announced earlier
- Extension of On-tap Liquidity Window for Contact-intensive Sectors to June 30, 2022
- Enabling Better Infrastructure for MSME Receivables Financing – Increasing NACH Mandate Limit for TReDS Settlements from ₹1 crore at present to ₹3 crore
- Enhancement of the Cap under e-RUPI (Prepaid digital Vouchers using UPI) from ₹10,000 to ₹1,00,000 per voucher

External Sector

India's Export and Import

	Nov 21	Dec 21	Jan 22	Apr-Jan 2021	Apr-Jan 2022
	USD billion				
Trade balance	-21.1	-20.6	-17.4	-75.5	-160.1
Exports	31.8	39.2	34.5	228.4	335.9
Imports	52.9	59.8	51.9	303.9	496.0
	Y-o-Y % change				
Total exports	34.7	44.2	25.3	-13.5	47.1
POL	256.0	192.2	95.2	-44.3	144.1
Non-POL	19.1	30.3	19.4	-8.8	37.9
Total imports	56.5	39.3	23.5	-25.0	63.2
POL	132.4	71.3	26.9	-42.4	106.1
Non-POL	39.0	30.1	22.6	-18.5	52.0
Gold & silver	47.4	11.1	-25.5	-20.8	101.1
Non-POL, non-gold & silver	38.0	33.1	29.4	-18.3	47.1

In January 2022, export earnings declined to USD 34.5 billion, after peaking at USD 39.2 billion in December 2021. Import bill too shrank to USD 51.9 billion in January 2022 from a record high of USD 59.8 billion in December 2021. The fall in exports and imports in January 2022 was dominated by petroleum, oil & lubricants (POL). POL exports slumped by 38.9 per cent to USD 4.2 billion in January 2022 vis-à-vis December 2021, while POL imports declined by 27.5 per cent (m-o-m basis) to USD 12 billion

Non-POL exports too declined by 6.4 per cent to USD 30.3 billion in January 2022 vis-à-vis December 2021. Non-POL imports declined by 7.8 per cent to a little below USD 40 billion on a m-o-m basis

The moderation in exports and imports led to narrowing of trade deficit. The deficit slimmed to a five-month low of USD 17.4 billion in January 2022

India recorded its highest yearly merchandise exports in the first ten months of FY 2021-22 crossing USD 335 billion. This marks an increase of 46.7 and 27.2 per cent over corresponding periods of 2020-21 and 2019-20 respectively. India's merchandise imports in 2021-22 (April-January) stood at about USD 496 billion, an increase of 62.7 per cent and 22.3 per cent over corresponding periods of 2020-21 and 2019-20 respectively

As per preliminary data of the Ministry of Commerce and Industry, the country's merchandise exports rose by 26.4 per cent to USD 25.33 billion till February 21 2022 on account of healthy performance by sectors including gems and jewellery, engineering, textiles and chemicals, according to the commerce ministry data. The exports during February 1-21 last year stood at USD 20.04 billion

External Sector

India UAE sign CEPA: Some Key Areas of Cooperation Identified

India and United Arab Emirates (UAE) signed a Comprehensive Economic Partnership Agreement (CEPA). CEPA is expected to lead to an increase in bilateral trade from the current US\$ 60 billion to US\$ 100 billion in the next five years

Several sectors, such as gems and jewellery, leather, plastic products, agriculture products, medical devices, pharmaceutical products, and automobiles will benefit from the agreement. UAE is currently India's third-largest trading partner and the second-largest export destination, after the US

Energy

UAE is one of India's key energy providers and remains committed to meeting India's growing energy demand and is proud to have been the first international partner to invest by way of crude oil in India's Strategic Petroleum Reserves Program. Indian companies have steadily increased their participation across the entire UAE's energy sector and represent some of Abu Dhabi's key concession and exploration partners. Further work will be undertaken to identify new collaboration opportunities to support India's energy requirements, including new energies, and ensure the provision of affordable and secure energy supplies to India's growing economy

Climate action and renewables

Recognizing that climate action will bring significant opportunities, for societies, for economic growth, and for businesses, the leaders have agreed to support each other's clean energy missions. In this context, the leaders agreed to establish a joint Hydrogen Task Force to help scale up technologies, with a special focus on production of Green Hydrogen. The leaders acknowledged ongoing UAE investments in India's clean technology programs and initiatives and called for reinforcement of B- B and public-private partnerships

Emerging technologies

Recognizing that the rapidly digitalizing world offers immense opportunities to accelerate economic growth and human development as well as to create new opportunities for investment, The leaders agreed that the UAE and India expand cooperation and collaborate on critical technologies and mutually promote e- businesses and e-payment solutions. Acknowledging the rapid success of start-ups in India and the UAE in recent years, the leaders agreed to collaborate to promote start-ups from both countries. The start-ups could focus on, interalia, fintech, edutech, health care, logistics and supply chain, agritech, chip design and green energy

Skills cooperation

Both India and the UAE recognize the value of upskilling on enhancing workforce productivity, and value the contribution of the skilled workforce from India in various economic sectors in the UAE. The two parties agreed to enhance their cooperation in order to develop a mutually agreed professional standards and skills framework. The two parties agreed to closely work together to ensure that the UAE labor market skill needs from India are met by ensuring workforce access to training programs that are in alignment with the market needs and address the changing needs for the future of work

Food security

Acknowledging India's and the United Arab Emirates' historic strategic partnership in the field of food security and the need to enhance the resilience and reliability of food supply chains, as demonstrated during the Covid-19 pandemic, the leaders agreed to expand cooperation through enhanced bilateral Food and Agriculture trade and Responsible Foreign Investments in Agriculture and Food Systems

Health cooperation

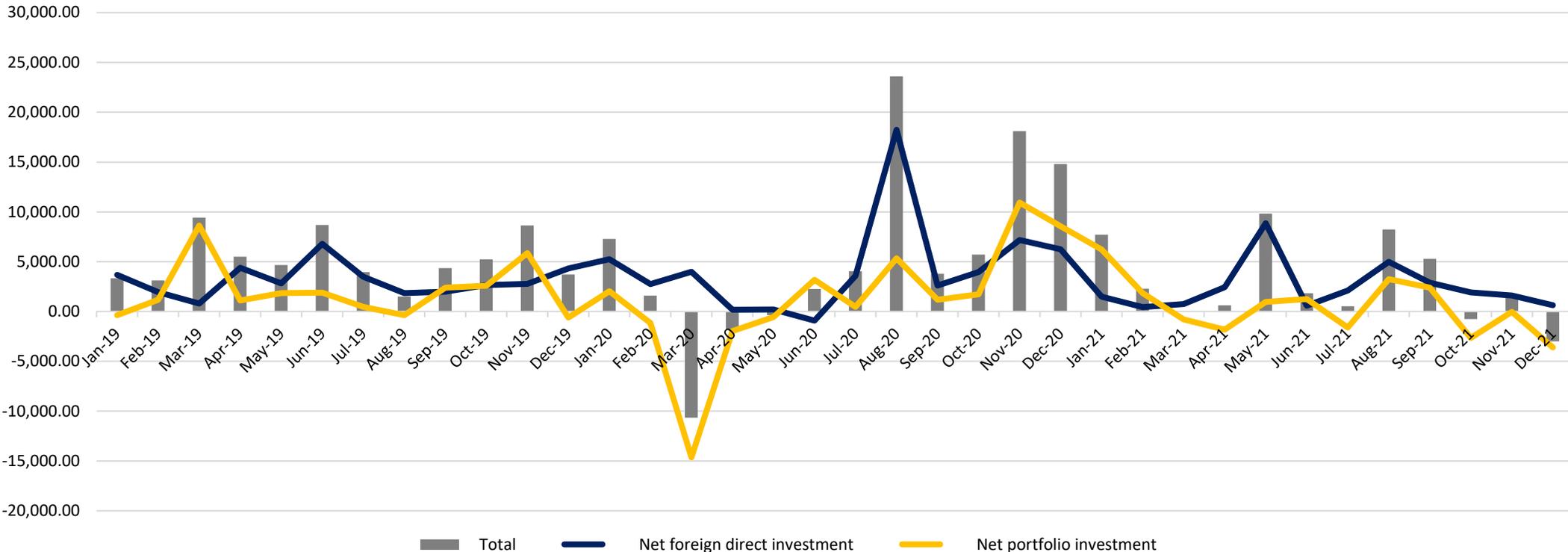
Emphasizing the need for close collaboration among countries to deal with Covid-19 pandemic and to promote overall public health, the leaders recognized the role played by India, and the UAE, in providing vaccines to the world. The leaders agreed to collaborate in research, production and development of reliable supply chains for vaccines and to enhance investments by UAE entities in the rapidly growing health infrastructure in India. The leaders also agreed to collaborate in providing health care in underprivileged countries

Defence and Security

The leaders agreed to enhance maritime cooperation contributing to maintenance of peace and security in the region. The leaders agreed to continue defence exchanges, sharing of experiences, training and capacity building

Foreign Investment Inflows

Foreign Investment Inflows:USD million



The latest aggregate data on FDI is available till December 2021. Net FDI recorded a lower inflow of US\$ 26.02 billion over the cumulative period April-December 2021 – which was 37 percent lower than the same period last year

FPI flows remained volatile due to persistent global uncertainty on back of US monetary policy normalization, rising global energy prices, fear of new variants of COVID-19 virus and strong inflationary pressures. Net portfolio investors were net sellers over the cumulative period. The net portfolio investments stood at USD (-)1.9 billion, vis-à-vis USD 28.9 billion worth of inflows over the same period last year

Union Budget 2022-23: Key Budget Announcements

Taking Digital Banking to every citizen

75 digital banking units in 75 districts to be launched

Emergency Credit Line Guarantee Scheme (ECLGS) extended up to March 2023 and its guarantee cover will be expanded by **Rs 50,000 crore**

Digital University to be established with world class quality universal education

Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) to be launched to promote online training

PM GatiShakti

▪ Driven by seven engines:

Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure

- National Master Plan aimed at world class modern infrastructure and logistics synergy

▪ Formulation of **Master Plan for expressways**

Completing 25000 km national highways in 2022-23

National Digital Health Ecosystem to be rolled out

National Tele Mental Health Programme to be launched for quality counselling

Promoting **chemical free natural farming** starting with farmers' lands close to river Ganga

Delivery of Digital and Hi-Tech services to farmers in PPP mode

Use of **Kisan Drones** to aid farmers

Ease of Doing Business 2.0

- **Trust based governance**
- Integration of central and state level systems through IT bridges
- Unique Land Parcel Identification Number for IT based management of land records
- Support to 5G under PLI scheme
- **Opening up defence R&D** for industry, startups and academia

Union Budget 2022-23: Key Budget Announcements

Allowing taxpayers to **file Updated Return within 2 years for correcting errors**

- **Tax relief to persons with disability**
- **Reduction in Alternate Minimum Tax Rate** and Surcharge for Cooperatives

Increasing tax deduction limit on employer's contribution to NPS
account of state government employees

Income from transfer of **virtual assets to be taxed at 30%**

Surcharge on Long Term Capital Gains (LTCG)

Currently, the surcharge on LTCG on listed equities and equity mutual funds is capped at 15%. The surcharge on other LTCG is 25% if total income is between Rs 2 crore and Rs 5 crore, and 37% if it is above Rs 5 crore. **The budget proposes to cap these at 15%**

Customs duties on over 500 items changed

Many customs exemptions are also being phased out

Better litigation management to avoid repetitive appeals

New companies and start-ups

New domestic companies engaged in manufacturing have an option to pay tax at 15% (without claiming any deductions) if they start manufacturing by March 31, 2023. Certain types of start-ups have an option for tax holiday for three out of the first ten years if they incorporate by April 1, 2022

Both these deadlines extended by one year

Union Budget 2022-23: Key asks from FICCI which were met in the Union Budget 2022 -23

- Extension of the concessional tax rate period for new manufacturing units by one more year i.e. from 31st March 2023 to 31st March 2024
- Introduction of surety bonds in place of bank guarantees
- Setting up of digital banks & Introduction of a central bank digital currency
- Promoting indigenization of India's defense imports
- Extension of Emergency Credit Line Guarantee Scheme & Revamp of Credit Guarantee Trust for Micro and Small Enterprises Scheme
- Ease of Doing Business 2.0

Union Budget 2022-23: Fiscal Performance

Fiscal Performance

	Actual	Budget	Revised	Budget
	2020-21	2021-22	2021-22	2022-23
Fiscal Deficit	9.2	6.8	6.9	6.4
Revenue Deficit	7.3	5.1	4.7	3.8
Primary Deficit	5.8	3.1	3.3	2.8

Receipts

	Actual	Budget	Revised	Budget	2021-22 BE over 2020-21 RE (%)	2021-22 RE over 2020-21 RE (%)	2022-23 BE over 2021-22 RE (%)
	2020-21	2021-22	2021-22	2022-23			
Revenue Receipts	1633920	1788424	2078936	2204422	15.0	33.7	6.0
Tax Revenue (Net)	1426287	1545397	1765145	1934771	14.9	31.3	9.6
Gross Tax Revenue	2027104	2217059	2516059	2757820	16.7	32.4	9.6
CorporationTax	457719	547000	635000	720000	22.6	42.4	13.4
Tax on Income	487144	561000	615000	700000	22.2	34.0	13.8
Customs	134750	136000	189000	213000	21.4	68.8	12.7
Union Excise Duty	391749	335000	394000	335000	-7.2	9.1	-15.0
Goods & Services Tax	548778	630000	675000	780000	22.3	31.0	15.6
Non -Tax Revenue	207633	243028	313791	269651	15.4	49.0	-14.1
Capital Receipts	1883105	1623428	1516877	1739735	-15.1	-20.7	14.7
Debt*	1825479	1435428	1416902	1660444	-23.1	-24.1	17.2
Non -debt	57626	188000	99975	79291	304.3	115.0	-20.7
Recoveries of loans and advances	19729	13000	21975	14291	-10.3	51.6	-35.0
Disinvestment Receipts	37897	175000	78000	65000	446.9	143.8	-16.7
Total Receipts	3517025	3411853	3595813	3944157	-1.6	3.7	9.7

Expenditure

	Actual	Budget	Revised	Budget	2021-22 BE over 2020-21 RE (%)	2021-22 RE over 2020-21 RE (%)	2022-23 BE over 2021-22 RE (%)
	2020-21	2021-22	2021-22	2022-23			
Total Expenditure	3509836	3483236	3770000	3944909	1.0	9.3	4.6
On Revenue Account	3083519	2929000	3167289	3194663	-2.7	5.2	0.9
Interest Payments	679869	809701	813791	940651	16.9	17.4	15.6
Grants in Aid for creation of capital assets	230865	219112	237685	317643	-4.9	3.2	33.6
On Capital Account	426317	554236	602711	750246	26.2	37.2	24.5

Union Budget 2022-23

Expenditure : Select Major Schemes

Budgetary outlay on select major schemes (Rs crore)	FY20	FY21	FY22RE	FY23BE
Food Subsidy to FCI	75,000	462,789	210,929	145,920
Investment in NHAI	31,691	46,062	65,060	134,015
MGNREGA	71,687	111,170	98,000	73,000
PM Kisan	48714	60990	67500	68,000
Food Subsidy for Decentralized Procurement of Foodgrains	33,508	78,338	75,290	60,561
Jal Jeevan Mission / National Rural Drinking Water Mission	10,030	10,998	45,011	60,000
Pradhan Mantri Awas Yojna (PMAY)	24,964	40,260	47,390	48,000
National Education Mission	33,654	28,088	30,796	39,553
National Health Mission	35,155	37,478	34,947	37,800
Pradhan Mantri Gram Sadak Yojna (PMGSY)	14,017	13,688	14,000	19,000

Expenditure : Select Ministries

	Actuals 2020-21	Budgeted 2021-22	Revised 2021-22	Budgeted 2022-23	% change (RE 2021-22 to BE 2022-23)
Defence	4,85,681	4,78,196	5,02,884	5,25,166	4.4%
Consumer Affairs, Food and Public Distribution	5,66,797	2,56,948	3,04,454	2,17,684	-28.5%
Road Transport and Highways	99,159	1,18,101	1,31,149	1,99,108	51.8%
Home Affairs	1,44,258	1,66,547	1,73,083	1,85,776	7.3%
Railways	1,12,159	1,10,055	1,20,056	1,40,367	16.9%
Rural Development	1,97,593	1,33,690	1,55,043	1,38,204	-10.9%
Agriculture and Farmers' Welfare	1,15,827	1,31,531	1,26,808	1,32,514	4.5%
Chemicals and Fertilisers	1,29,510	80,715	1,41,735	1,07,715	-24.0%
Communications	60,903	75,265	54,517	1,05,407	93.3%
Education	84,219	93,224	88,002	1,04,278	18.5%
Health and Family Welfare	80,694	73,932	86,001	86,201	0.2%
Jal Shakti	23,199	69,053	69,046	86,189	24.8%
Housing and Urban Affairs	46,701	54,581	73,850	76,549	3.7%
Other Ministries	13,63,136	16,41,398	17,43,372	18,39,751	5.5%



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