

Key Data Releases

Consumer Price Index (AL/RL)

- Rural India witnessed lower inflation in November 2022 compared to the preceding month. Retail price inflation for agricultural labourers, measured by the CPI-AL, fell to 6.9 per cent in November 2022 from 7.2 per cent in October 2022.
- The food group, which accounts for 69.15 per cent of the consumption basket of agricultural labourers, saw inflation fall to 6.2 per cent from 7.1 per cent.
- Inflation for rural labourers, measured by the CPI-RL, fell to seven per cent in November 2022 from 7.3 per cent in October 2022. Food inflation for rural labourers fell to six per cent in November 2022 from seven per cent.

Foreign Investments

- India witnessed net foreign investment inflows of USD 3.3 billion in October 2022, as against net outflows of USD 623 billion in the preceding month. Net inflows of foreign direct investment (FDI) rose to USD 2.8 billion from USD 941 million in September 2022. Net inflows of foreign portfolio investment (FPI) worth USD 545 million were seen in October 2022, after witnessing net outflows of USD 1.6 billion in September 2022.
- During April-October 2022, net foreign investment inflows amounted to USD 15.2 billion, with net FDI inflows of USD 23 billion and net FPI outflows of USD 7.8 billion.

Foreign Exchange Reserves

- India's foreign exchange reserves fell by USD 0.6 billion to USD 563.5 billion during the week ended 16 December 2022.

Key Sectoral Insights

Real Estate

Crisil: In spite of ebbing growth momentum, commercial leasing activity is likely to grow at a healthy 10-15 per cent this fiscal and the next, according to Crisil report. At this growth rate, commercial leasing space will touch 28-30 million sq ft (msf) this fiscal and grow further to 31-33 msf, riding on the improvement in demand as more and more employers are going back to working from office, It added that even at this rate of growth, demand will be below the pre-pandemic high of 42 msf in fiscal 2020, but within sniffing distance of fiscal 2019 level of 34 msf. This is attributable to growing global recessionary headwinds and slower hiring in technology companies, subduing demand growth.

Digitalization

International Data Corporation (IDC): The Indian public cloud service market will be worth USD 13 billion by 2026, growing at a CAGR of 23.1 per cent for 2021-26, according to IDC Worldwide Semi-annual Public Cloud Services Tracker, H12022 (January-June). Public cloud service (PCS) makes computing and storage applications available on demand to organisations and individuals over the public internet. A private cloud model's resources are available only to a single organisation. International Data Corporation (IDC) said that the revenue of Indian PCS market, including infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS) solutions, and software-as-a-service (SaaS), totalled \$2.8 billion for the first half of 2022. SaaS was the largest component of the Indian PCS market, followed by IaaS and PaaS during the first half of 2022.

Services

Team Lease: Almost 77 per cent employers in India's services sector are keen to make new hires in Q4 of this financial year (January-March), marking strong business sentiment in the country at a time of global recession fears. At least 73 per cent of employers had said the same in Q3, according to the Employment Outlook Report by staffing firm Team Lease. The report covered 573 small, medium and large companies in 14 service industries in 14 Indian cities. It included four hierarchical levels (entry, junior, mid and senior) in metro cities, tier- 1/ 2/3 cities and rural areas. In services and manufacturing, 68 per cent employers (65 per cent in Q3) expressed a positive hiring sentiment. Among major markets, the Indian service industry has the highest hiring intentions (68 per cent), followed by Asia-Pacific (48 per cent) and the Americas (45 per cent).

Retail

Retailers Association of India (RAI): Retailers posted a 15 per cent growth in sales in November over pre-pandemic levels. According to the Retail Business Survey by the Retailers' Association of India (RAI), this growth was led by segments such as footwear, sports goods and jewellery. The industry body, however, pointed out that the impact of inflationary challenges on the discretionary segment was visible. In terms of region-wise analysis, retailers in eastern and western regions garnered a growth of 17 per cent each compared to November 2019. In the Northern and Southern regions, sales were up 13 per cent each. While footwear segment witnessed a growth of 29 per cent in November this year over pre-pandemic levels (November 2019), sales of sports goods were up nearly 24 per cent. The industry body pointed out that sales of sporting goods and footwear got a boost due to consumers purchasing merchandise for the FIFA World Cup to support their favourite teams as well as the marathon season.

Upsides

▪The overall export of oilmeals increased to 23.92 lakh tonnes (lt) during April-November of 2022-23 against 15.96 lt in the corresponding period of the previous financial year, recording a growth of 50 per cent. Data available with the Solvent Extractors' Association (SEA) of India showed the export of oilmeals at 4.07 lt in November 2022, against 1.63 lt in November 2021, recording a growth of 150 per cent.

▪India's domestic air traffic rose over 11 per cent in November but remained lower than pre-Covid levels (10 per cent lower over November 2019), as per the data by the Directorate General of Civil Aviation. In November, 1.17 crore passengers flew on various domestic routes with traffic rising by nearly 3 per cent over October (when 1.14 crore travelled). November air traffic was 1.05 crore in 2021 and 1.30 crore in 2019 (pre-Covid), respectively. For the 11-month period of this year (January – November), air passenger traffic grew 52 per cent y-o-y to 11.05 crore; as against 7.26 crore passengers, in the same period last year.

▪Bilateral trade between India and the GCC grew by 40.5 per cent to USD 111.71 billion during April-October 2022 from USD 79.5 billion during the same period a year ago, as per the Ministry of Commerce & Industry. Bilateral trade between India and the GCC has grown by 10.6 per cent on a compounded annual growth rate basis during the period 2017-18 to 2021-22.

▪India's iron ore exports witnessed a month-on-month uptrend in December with 0.6 million tonnes (of fines and lumps) being booked for the first two weeks of December. This is almost double of what was booked in November; and nearly 60 per cent higher than that of the full month last year. Shipments for November was 0.29 million tonnes (mt) – a 131 per cent month-on-month increase, according to trade and vessel line-up data tracked by Steelmint.

▪Smartphone shipments from India crossed the Rs 50,000-crore mark during April-November 2022, up 110% compared to the same period last year. This is also 10% higher from Rs 45,000 crore registered during the entire FY22. Nearly 40% of the Rs 50,000 crore worth of smartphones exported from India are iPhones, which Apple exports to Europe, West Asia and Asian countries, except China. Samsung and a range of small exporters, most of which are Indian device makers, contributed the remaining 60%. Apple's vendors and Samsung are participants in the smartphone PLI scheme announced by the government in April 2020.

▪The ecommerce industry has witnessed a 37 per cent increase in order volumes in 2022 over 2021 in spite of higher footfalls at retail stores, according to Unicommerce, an ecommerce enabler company. Tier I cities witnessed a 10.1 per cent growth in volumes, tier II cities like, Bhopal, Amritsar and Bhubaneswar, witnessed a 50.9 per cent growth and tier III cities like, Udaipur, Roorkee and Rohtak, witnessed the highest 64.7 per cent growth. Tier II and III cities accounted for around 63 per cent of total orders placed.

▪Microfinance loans in the country grew by nearly 11 per cent to Rs 71,916 crore during the second quarter of the current fiscal. Microfinance loans worth Rs 64,899 crore were disbursed during the same period a year ago. In terms of volume, a total of 1.81 crore loans were disbursed during Q2 FY2022-23, as against 1.85 crore loans in Q2 FY2021-22, according to Microfinance Institutions Network (MFIN).

Downsides

▪Formal jobs created under the Employees' Provident Fund Organisation fell month-on-month by 30.2% to 1.29 million in October 2022 compared to 1.68 million net new subscribers added in September, according to provisional payroll data of EPFO. This is the third lowest addition in the current fiscal with least addition of 1.21 million in May and 1.29 million in April. This is despite October being the festive month. Net new subscribers added to EPFO were 1.42 million in June, 1.55 million in July and 1.53 million in August. A year-on-year comparison of payroll data shows net new additions of 1.29 million in October this year was a marginal growth compared to 1.27 million added in October 2021.

▪The Ministry of Statistics & Programme Implementation (MOSPI) monitors infrastructure projects worth Rs. 1.5 billion and above. Of the 1,476 such projects, 364 reported cost overrun of over Rs.4.5 trillion till November 2022. Besides, 756 projects reported time overrun. The report attributes the time overrun to a host of issues including delay in land acquisition, forest clearance, supply of equipment, lack of infrastructure support and linkages, fund constraints, change in scope, tendering, ordering and equipment supply and law and order situation. Expenditure incurred on the 1,476 projects till November 2022 is Rs.13.7 trillion which is 53.9 per cent of the anticipated cost of the projects.

▪India's engineering goods exports dropped for the fifth straight month in November 2022, registering a decline of 0.3 per cent to USD 8.07 billion from USD 8.10 billion in the same month a year ago. The Engineering Export Promotion Council (EEPC) India has attributed this fall in exports to the Covid surge in China and subdued global demand especially from Europe. Cumulative engineering exports during April-November 2022 fell by 1.8 per cent year-on-year to USD 70.72 billion. Exports of engineering goods declined in 10 of the 25 key destinations in November 2022.

Key Policy Announcements/ Notifications

Regulatory Framework for Distribution of Capital Market Products & Services

<https://pib.gov.in/PressReleasePage.aspx?PRID=1885512>

Shri Nitin Gadkari launches first-ever 'Surety Bond Insurance' for infrastructure projects

<https://pib.gov.in/PressReleasePage.aspx?PRID=1884946>

IFSCA and CEEW sign MoU to cooperate on sustainable finance

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1885510>

Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors

https://www.sebi.gov.in/legal/master-circulars/dec-2022/master-circular-for-foreign-portfolio-investors-designated-depository-participants-and-eligible-foreign-investors_66356.html

Reports

Social Progress Index: States and Districts of India, EAC-PM & Institute for Competitiveness

The index assesses states and districts based on 12 components across three critical dimensions of social progress - Basic Human Needs, Foundations of Wellbeing, and Opportunity. The index uses an extensive framework comprising 89 indicators at the state level and 49 at the district level. Based on the SPI scores, states and districts are ranked under six tiers of social progress which are Very High Social Progress, High Social Progress, Upper Middle Social Progress, Lower Middle Social Progress, Low Social Progress and Very Low Social Progress. Puducherry, Lakshadweep, and Goa have emerged as best-performing states. Aizawl in Mizoram, Solan and Shimla in Himachal Pradesh have emerged as the top three best-performing districts.

https://eacpm.gov.in/wp-content/uploads/2022/12/Social_Progress_Index_States_and_Districts_of_India.pdf

Forthcoming Data Releases

CPI (IW), Labour Bureau, December 30, 2022

Eight Core Index, Ministry of Commerce & Industry, December 30, 2022

Public Finance, CGA, December 30, 2022

External Debt, Reserve Bank of India, December 30, 2022

Forex Reserves, Reserve Bank of India, December 30, 2022

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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