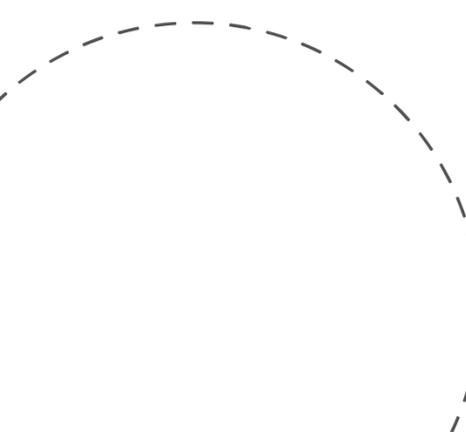
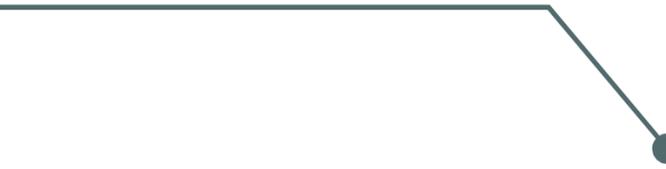




Data Dashboard

October 2022

Economic Affairs and Research Division



Highlights

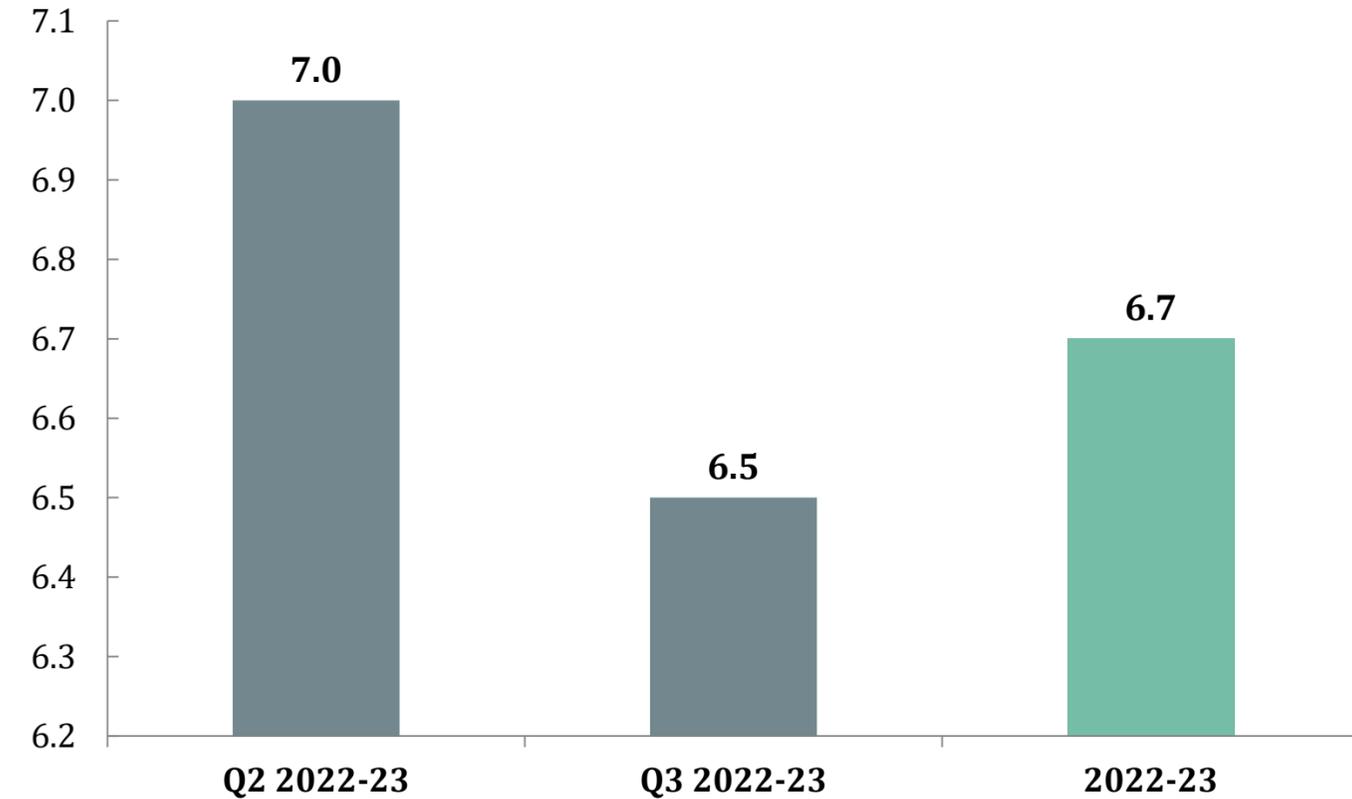
- The prolonged conflict between Russia and Ukraine continues to cause volatility in global commodity prices and financial markets impeding global economic prospects. According to the IMF's latest World Economic Outlook released in October 2022, global growth forecast for 2022 has been retained at 3.2 percent, while for 2023, it has been downgraded by 0.2 percentage points to 2.7 percent. However, India's growth forecast for FY23 has been downgraded by 0.6 percent, from 7.4 percent to 6.8 percent.
- FICCI completed the latest round of its Economic Outlook Survey this month which drew responses from leading economists representing industry, banking and financial services sectors. The Survey results retained India's median GDP growth forecast from the July round of the survey at 7.0 percent. The economists asserted that India's economy has remained relatively stable amid the pandemic and the escalation of Russia Ukraine conflict. Although India's quarterly GDP numbers reflected a double-digit growth due to a favorable base effect, nonetheless, factors such as growth in the core sectors, release of pent-up demand in real estate/retail & hospitality sectors, as well as enhanced personal mobility also aided GDP growth recovery. The participants emphasized that the measures undertaken by the Reserve Bank of India and Government of India has supported India's economic performance - which is seen to be better than most of its peers both in terms of robust growth numbers and a controlled rise in inflation levels. Inflation in India has been moderate vis-à-vis other economies. However, a slower-than-expected GDP growth in the first quarter of FY23 highlights the risks to economic recovery. An adverse balance of trade (owing to higher imports) and lower government consumption expenditure have impacted GDP numbers during the quarter. According to the participants, India's GDP growth continues to face downside risks primarily from global recessionary headwinds, persisting geopolitical concerns, elevated commodity price inflation, aggressive policy rate hikes by major Central Banks, and highly volatile global financial markets.
- Further, although global commodity prices indicate some softening, India witnessed a resurgence in price pressures. The CPI based retail inflation increased once again to 7.4 percent in September 2022, inching up by 0.4 percentage points from the August figure of 7.0 percent. Retail inflation rate remains over RBI's upper tolerance level. Uneven spatial distribution of rainfall during the monsoon season, heavy and unexpected rainfall in some parts leading to crop damage have kept food inflation at elevated levels.
- Furthermore, industrial production registered a contraction in the month of September 2022. IIP reported a contraction of 0.8 percent y-o-y in August 2022 as compared to y-o-y growth of 2.2 percent registered in July 2022. Industrial growth has been falling ever since it hit a one-year high of 19.6 percent in May 2022 due to waning of a favourable base effect. Likewise, on a m-o-m basis as well, IIP noted a contraction of 2.3 percent in August 2022, albeit marginally lower than the m-o-m contraction of 2.9 percent recorded in July 2022. Several industrial and sectoral indicators have also been exhibiting mixed performance.
- Moreover, concerns on the external sector continue to remain on fore. Indian Rupee has been consistently falling in value against the US Dollar and crossed the 83 mark against the USD on October 19, 2022. India's trade prospects also remain modest as a slowdown in advanced economies has significantly impacted India's exports to the USA and EU nations, as well as to the UAE and China.

Economic Outlook Survey: FICCI

Growth Forecast at 2011-12 prices (in %)

Growth (in %)	Annual 2022-23			Q2 FY23			Q3 FY23		
	Median	Min	Max	Median	Min	Max	Median	Min	Max
GDP@ market prices	7.0	6.5	7.3	6.5	6.1	7.0	5.0	4.0	5.1
GVA@ basic prices	6.7	6.3	7.3	6.5	5.9	6.8	4.9	3.9	5.0
Agriculture & Allied activities	3.3	2.0	4.0	3.5	2.0	4.0	2.9	2.0	4.0
Industry	5.8	4.9	6.0	5.9	5.0	6.0	4.5	1.6	5.5
Services	8.8	8.0	9.3	8.0	6.6	9.3	5.5	4.3	6.6

CPI Growth Forecast (in %)



India's Economic Recovery faces Downside Risks

- Headwinds from a widening trade deficit owing to a strengthening US Dollar and decelerating exports amid slowing global demand
- Persistently high inflation levels continue to be a major impediment to private consumption demand recovery
- Private investments likely to remain strained due to high input costs and aggressive monetary tightening by the Central Bank
- Impact of monetary tightening by the Central Bank is expected to manifest with a lag and hamper consumption impulses, private investments

Economists' Assessment of Inflation

- CPI based inflation has a median forecast of 6.7 percent for 2022-23, with a minimum and maximum range of 6.5 percent and 7.0 percent respectively
- Participating economists have retained their projection of CPI from the July 2022 round of the Survey
- Retail prices are projected at 6.5 percent in Q3 2022-23. This is in line with RBI's indicative trajectory put forth in the recent monetary policy announcement in September 2022

IMF Outlook, October 2022

IMF downgrades India's GDP growth forecast for FY23 to 6.8 percent from 7.4 percent

Global GDP Growth Projections (in %)

	2021	Projections		Difference from July 2022 WEO Update ¹	
		2022	2023	2022	2023
World Output	6.0	3.2	2.7	0.0	-0.2
Advanced Economies	5.2	2.4	1.1	-0.1	-0.3
United States	5.7	1.6	1.0	-0.7	0.0
Euro Area	5.2	3.1	0.5	0.5	-0.7
Germany	2.6	1.5	-0.3	0.3	-1.1
France	6.8	2.5	0.7	0.2	-0.3
Italy	6.6	3.2	-0.2	0.2	-0.9
Spain	5.1	4.3	1.2	0.3	-0.8
Japan	1.7	1.7	1.6	0.0	-0.1
United Kingdom ²	7.4	3.6	0.3	0.4	-0.2
Canada	4.5	3.3	1.5	-0.1	-0.3
Other Advanced Economies ³	5.3	2.8	2.3	-0.1	-0.4
Emerging Market and Developing Economies	6.6	3.7	3.7	0.1	-0.2
Emerging and Developing Asia	7.2	4.4	4.9	-0.2	-0.1
China	8.1	3.2	4.4	-0.1	-0.2
India⁴	8.7	6.8	6.1	-0.6	0.0
ASEAN-5 ⁵	3.4	5.3	4.9	0.0	-0.2
Emerging and Developing Europe	6.8	0.0	0.6	1.4	-0.3
Russia	4.7	-3.4	-2.3	2.6	1.2
Latin America and the Caribbean	6.9	3.5	1.7	0.5	-0.3
Brazil	4.6	2.8	1.0	1.1	-0.1
Mexico	4.8	2.1	1.2	-0.3	0.0
Middle East and Central Asia	4.5	5.0	3.6	0.2	0.1
Saudi Arabia	3.2	7.6	3.7	0.0	0.0
Sub-Saharan Africa	4.7	3.6	3.7	-0.2	-0.3
Nigeria	3.6	3.2	3.0	-0.2	-0.2
South Africa	4.9	2.1	1.1	-0.2	-0.3

Key Downside Risks to Growth Outlook

- **Under/ overtightening monetary policy:** Under tightening may cause inflation to become entrenched, necessitating aggressive tightening in future at a significant cost to output and employment. Overtightening may lead several economies into a prolonged recession
- **Divergence in monetary policies** across countries may continue to strengthen the US dollar, which could create cross-border tensions
- **Inflationary pressures could persist** in case of a prolonged war in Europe and extreme weather events causing further shocks to energy and food prices and leading to currency depreciation, additional monetary tightening, impeding growth and depressing disposable incomes
- **Debt distress in EMEs:** The pandemic and the Russia-Ukraine war are already leading to accelerating debt levels in EMEs and further monetary tightening in advanced economies may add to the pressure on borrowing costs for EMEs
- The evolution of **more aggressive and lethal coronavirus variants** also continue to be a risk for the global economy
- **Worsening of China's real estate crisis** remains a major downside risk to the IMF's growth projection given that the real estate sector makes up about one-fifth of China's GDP
- **Fragmentation of the world economy hampering international cooperation** growing tensions worldwide amid the Russia-Ukraine conflict could disrupt trade and erode the pillars of multilateral cooperation frameworks that took decades to build

Global Commodity Prices are Softening

Global Commodity Prices indicate softening on a sequential basis

	Sep-21	Aug-22	Sep-22	Y-o-Y Change (in %)	M-o-M Change (in %)
Energy	107.2	171.1	157.3	46.7	-8.1
Non-energy	112.3	116.9	114.8	2.2	-1.7
Agriculture	109.2	118.1	117.2	7.3	-0.8
Beverages	100.9	110.5	110.0	9.0	-0.5
Food	121.8	136.4	136.5	12.1	0.1
Oils & Meals	126.3	134.4	129.3	2.4	-3.8
Grains	118.3	138.4	148.0	25.1	6.9
Other Food	119.1	137.3	135.7	13.9	-1.2
Raw Materials	82.7	77.6	73.8	-10.8	-4.8
Timber	90.2	77.5	73.3	-18.8	-5.5
Other Raw Material	74.6	77.6	74.5	-0.2	-4.1
Fertilizers	129.5	209.9	222.5	71.8	6.0
Metals & minerals	116.8	103.8	97.9	-16.2	-5.7
Base Metals (excl. Iron)	124.1	110.6	104.7	-15.6	-5.3
Precious Metals	136.5	132.5	126.4	-7.4	-4.6

Note: Monthly values are indices based on nominal US dollars, where base is 2010=100

Source: The Pink Sheet, World Bank & FICCI Calculations

Domestic Prices Remain Elevated

CPI Inflation: Key Constituents (%YoY)

	Weight	Sep-21	Jun-22	Jul-22	Aug-22	Sep-22
General Index	100.0	4.4	7.0	6.7	7.0	7.4
Food and beverages	45.9	1.6	7.6	6.7	7.6	8.4
Pan, tobacco and intoxicants	2.4	4.2	1.8	1.8	1.7	2.0
Clothing & footwear	6.5	7.2	9.5	9.9	9.9	10.2
Housing	10.1	3.6	3.9	3.9	4.1	4.6
Fuel & light	6.8	13.6	10.1	11.8	10.8	10.4
Miscellaneous	28.3	6.4	6.3	5.9	6.0	6.1

- The CPI based retail inflation increased to 7.4 percent in September 2022, inching up by 0.4 percentage points from the previous month's figure of 7.0 percent
- The pressure on prices came from all the major sub-segments of CPI, except fuel & light
- Inflation in the food sub-segment was reported at 8.6 percent in September 2022, vis-à-vis 7.6 percent inflation registered in the previous month. Majority of the sub-segments of the food index viz cereals, eggs, fish & meat, milk & products, vegetables, pulses, and spices reported noticeable increase in price levels during September 2022. Uneven distribution of rainfall and the ensuing crop damage did have an impact on food prices; while milk production was affected due to increasing fodder prices and lumpy skin disease in cattle

CPI – Key Sub-segment of Food (% Y-o-Y 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	39.1	9.7	4.0	6.6	3.6	2.9	6.0	2.4	1.4	2.5
Sep-21	0.7	-0.6	7.9	3.1	34.2	3.6	-22.4	8.8	3.0	4.8
Jun-22	7.8	5.7	7.3	6.2	9.4	3.1	17.3	-1.0	4.2	11.0
Jul-22	6.7	6.9	2.4	5.8	7.5	6.3	10.9	0.2	4.8	12.9
Aug-22	7.6	9.6	0.5	6.4	4.6	7.4	13.3	2.6	4.5	14.9
Sep-22	8.6	11.5	2.2	7.1	0.4	5.7	18.1	3.1	1.6	16.9

Industry Performance

Industrial output contracts 0.8 % in August 2022

Industrial growth in the country measured through the Index of Industrial Production (IIP) has been falling ever since it hit a one year high of 19.6 percent in May 2022 due to waning of a favourable base effect. For the month of August 2022, the IIP reported a contraction of 0.8 percent y-o-y as compared to growth of 2.2 percent registered in July 2022, and growth of 13.0 percent registered in August last year. As per economic activity, mining quarrying sector noted a y-o-y decline of 3.9 percent in August 2022 compared with a 3.4 percentage decline in July 2022, while manufacturing output contracted by 0.7 percent y-o-y, vis à vis a growth of 3.0 percent y-o-y in the previous month. The electricity sector witnessed marginal growth of 1.4 percent y-o-y in August 2022 compared with 2.3 percent in the previous month.

Economic Activity-wise Classification				
	IIP	Mining & quarrying	Manufacturing	Electricity
Weight	100	14.37	77.63	7.99
Aug-21	13.0	23.3	11.1	16.0
Sep-21	4.4	8.6	4.3	0.9
Oct-21	4.2	11.5	3.3	3.1
Nov-21	1.0	4.9	0.3	2.1
Dec-21	1.0	2.6	0.6	2.9
Jan-22	2.0	3.0	1.9	0.9
Feb-22	1.2	4.6	0.2	4.5
Mar-22	2.2	3.9	1.4	6.1
Apr-22	6.7	8.4	5.6	11.8
May-22	19.7	11.2	20.7	23.5
Jun-22	12.7	7.8	13.0	16.4
Jul-22	2.2	-3.4	3.0	2.3
Aug-22	-0.8	-3.9	-0.7	1.4

Use-based Classification							
	Primary goods	Capital goods	Intermediate goods	Infrastructure/construction goods	Consumer goods (Total)	Consumer durables	Consumer non-durables
Weight	34.05	8.22	17.22	12.34	28.17	12.84	15.33
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	1.3	4.1	8.7	-8.0	-9.7	-6.8
Mar-22	5.7	2.4	1.8	6.7	-3.9	-3.1	-4.4
Apr-22	10.3	12.0	7.1	4.0	2.2	7.2	-0.8
May-22	17.8	53.3	17.5	18.4	19.1	59.1	1.4
Jun-22	13.8	29.1	10.5	9.3	11.2	25.1	3.0
Jul-22	2.5	5.7	3.78	3.8	-0.8	2.3	-2.8
Aug-22	1.7	5.1	0.6	1.7	-6.8	-2.5	-9.9

IIP-Manufacturing Growth

Manufacturing Major Sub-segments Growth (% YoY)

Month	Beverages	Paper and Paper Products	Coke and Refined Petroleum Products	Chemicals And Chemical Products	Other Non-metallic Mineral Products	Basic Metals	Computer, Electronic and Optical Products	Machinery and Equipment N.E.C.	Motor Vehicles, Trailers and Semi-trailers	Furniture
Weight	1.04	0.87	11.77	7.87	4.09	12.8	1.57	4.77	4.86	0.13
Aug-21	12.4	4.8	11.4	5.0	27.0	9.8	-4.7	17.6	10.0	-8.5
Apr-22	29.2	-1.9	10.6	4.4	7.0	6.9	6.3	5.4	6.5	59.3
May-22	130.3	9.7	18.1	24.3	22.1	16.5	28.7	38.8	87.3	73.7
Jun-22	45.6	7.5	17.4	14.7	19.4	7.2	44.1	19.6	31.2	34.5
Jul-22	13.0	0.0	7.2	7.8	-0.2	6.0	1.2	4.3	17.5	32.3
Aug-22	7.2	0.4	6.6	5.3	1.2	2.9	3.6	3.2	23.7	44.4

Manufacturing Sub-segments: Negative Growth (% YoY)

Month	Food Products	Tobacco Products	Textiles	Wearing Apparel	Leather and Related Products	Wood and Wood Products	Pharmaceuticals, Medicinal, Botanical Products	Rubber and Plastics Products	Fabricated Metal Products	Electrical Equipment
Weight	5.3	0.8	3.29	1.32	0.5	0.19	4.98	2.42	2.65	3.00
Aug-21	9.5	3.2	24.4	26.6	0.5	28.9	5.4	9.9	12.0	36.3
Apr-22	3.8	22.0	-0.4	55.2	5.0	4.1	-5.5	-1.5	-0.4	8.3
May-22	10.1	21.4	5.9	69.9	47.5	54.1	-13.4	8.7	29.2	59.6
Jun-22	4.1	52.8	-2.9	42.6	1.3	13.2	-3.9	5.8	15.7	11.8
Jul-22	-2.3	-8.8	-9.1	15.2	-12.5	8.4	-4.8	-2.2	-4.2	-15.5
Aug-22	0.0	-13.0	-12.2	-18.3	-15.0	-3.9	-19.0	-7.6	-7.3	-28.2

Lead Indicators: Industry

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
PMI Manufacturing (Index numbers)	53.7	55.9	57.6	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1
PMI Services (Index numbers)	55.2	58.4	58.1	55.5	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3
Aggregate New Orders (% Y-o-Y)	33.4	37.1	-66.6	6.9	-43.1	-63.2	18.6	27.7	510.0	35.8	-29.0	4.3	-76.2
Fuel Consumption (Y-o-Y in %)	5.0	0.2	-11.8	3.3	2.3	5.4	6.5	9.6	23.7	17.9	6.1	16.3	8.1
Non-food Credit Growth (% Y-o-Y)	6.8	7.0	7.1	9.6	7.3	8.2	8.7	10.3	11.9	12.8	13.9	14.8	-
GST Collections (in Rs. Billion)	1170.1	1301.3	1315.3	1297.8	1383.9	1330.3	1421.0	1675.4	1408.9	1446.2	1490.0	1436.1	1476.9
E-way Bills (Number in Million)	67.9	73.5	61.2	71.6	68.8	69.1	78.2	75.2	73.6	74.5	75.6	78.2	84.0

Lead Indicators: Sectoral

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Passenger car Sales (Y-o-Y in %)	-46.4	-38.5	-25.0	-18.2	-14.8	-6.3	-2.4	-14.2	164.5	8.5	8.6	16.4	74.4
Two-wheelers Sales (Y-o-Y in %)	-13.7	-21.0	-26.9	-8.3	-17.2	-21.1	-17.1	9.0	124.3	20.2	5.2	7.7	6.0
Steel production (Y-o-Y in %)	6.2	7.1	2.6	1.6	6.2	6.1	6.1	2.8	17.1	7.8	9.0	4.0	3.4
Tractor Sales (Y-o-Y in %)	-9.5	3.2	-16.7	-22.5	-27.8	-26.4	-11.6	38.1	47.7	-10.9	-12.3	-1.0	18.9
Fertilizer Sales (Y-o-Y in %)	1.1	-7.7	3.2	5.3	-5.6	-4.6	-1.2	32.6	4.9	-21.1	-14.3	-2.8	-12.7

Lead Indicators: Transport/ Infrastructure

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Air cargo handled (Y-o-Y in %)	14.9	16.5	6.2	6.9	0.5	-2.8	0.3	2.4	13.8	14.0	6.1	-1.2	-
Revenue Earning Freight Traffic of Major Commodities: Quantity (Y-o-Y in %)	3.6	8.4	6.1	7.2	7.7	6.6	6.7	9.4	14.6	11.3	8.3	7.9	9.1
Cargo Traffic at Major Ports (Y-o-Y in %)	0.1	6.5	-0.2	-0.6	-3.1	-0.1	0.6	5.5	10.2	12.2	15.1	8.6	-
Electricity Generation: Conventional: Utilities (Y-o-Y in %)	-1.8	3.1	1.8	2.2	-0.6	2.8	4.3	10.0	20.6	16.9	2.6	0.4	10.9

Source: CMIE

Core Sector Performance

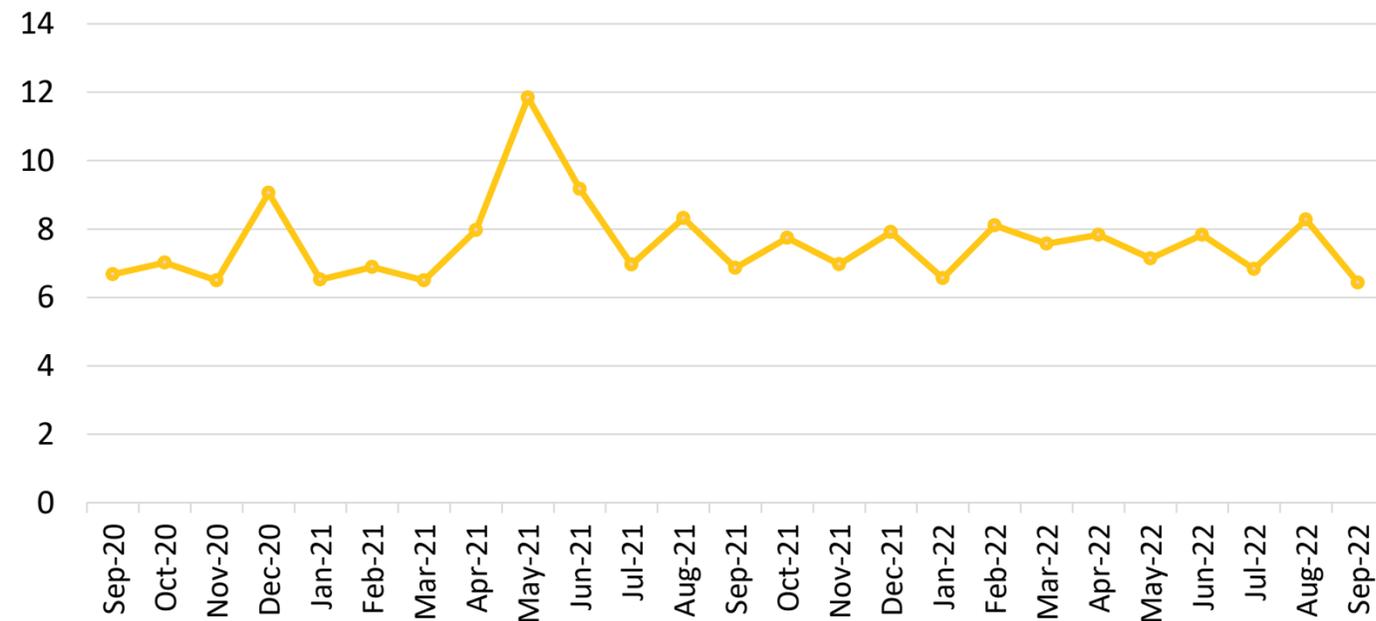
The overall core sector index for the month of September 2022 noted an improvement in y-o-y growth vis-à-vis the previous month. The index grew at 7.9 percent y-o-y in September 2022 as compared to 4.1 percent growth registered in August 2022. The sectors of coal, cement and electricity noted improvement in September 2022 as compared to the previous month. The coal sector grew at 12.0 percent, cement grew at 12.1 percent, and electricity sector grew at 11.0 percent y-o-y in September 2022. Corresponding figures in the month of August 2022 stood at 7.7 percent for coal, 12.1 percent for cement, and 1.4 percent for electricity. On the other hand, the sectors of crude oil and natural gas noted contraction in production during the month of September 2022

Performance of Eight Core Industries : Base Year 2011-12 (Y-o-Y change in %)

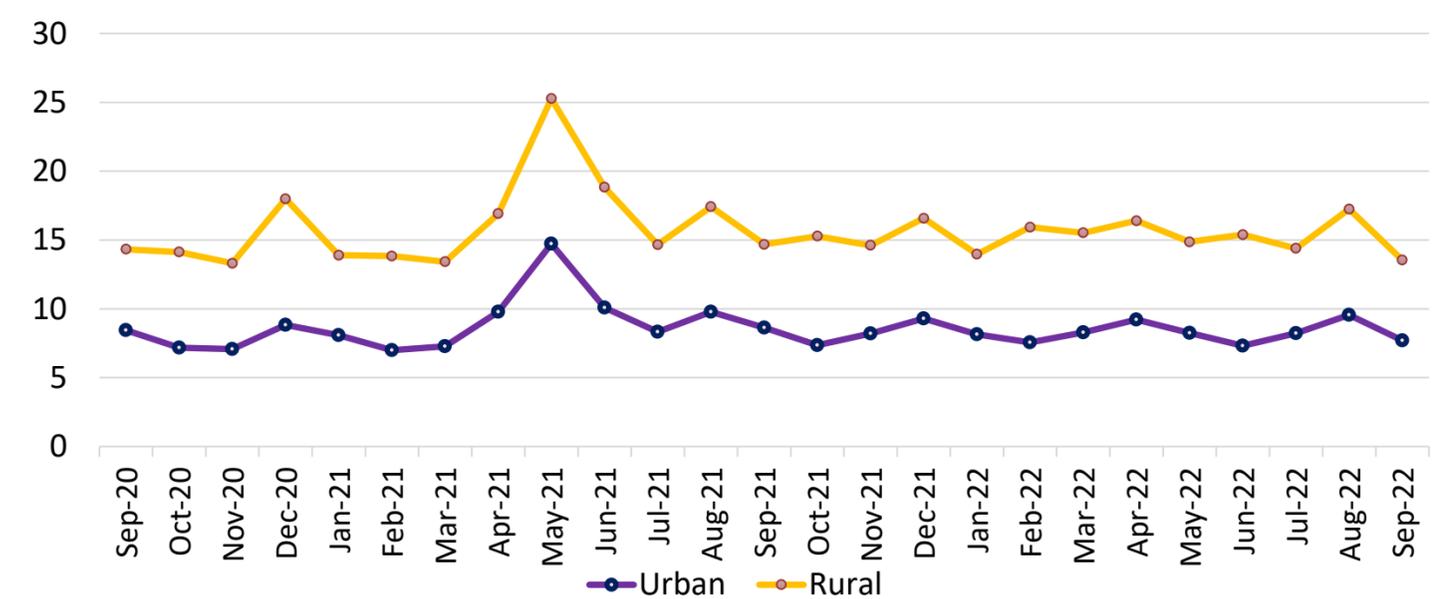
Month	Overall index	Coal	Crude oil	Natural gas	Refinery products	Fertilizers	Steel	Cement	Electricity
Weight	100.0	10.3	9.0	6.9	28.0	2.6	17.9	5.4	19.9
Sep-21	5.4	7.8	-1.7	27.5	6.0	0.1	7.1	11.3	0.9
Oct-21	8.8	14.7	-2.1	25.9	14.4	0.1	5.8	14.6	3.1
Nov-21	3.2	8.2	-2.2	23.6	4.3	2.5	0.9	-3.6	2.1
Dec-21	4.1	5.2	-1.7	19.6	5.9	3.5	-0.6	14.2	2.9
Jan-22	4.0	8.2	-2.5	11.6	3.7	-2.0	3.8	14.1	0.9
Feb-22	5.8	6.6	-2.2	12.5	8.8	-1.4	5.6	4.2	4.5
Mar-22	4.8	0.2	-3.4	7.6	6.0	15.3	4.1	8.9	6.1
Apr-22	9.6	30.1	-0.9	6.3	9.2	8.8	2.5	7.5	11.8
May-22	19.3	33.5	4.6	7.0	16.7	22.9	15.1	26.2	23.5
Jun-22	13.1	32.0	-1.7	1.3	15.1	8.1	3.3	19.7	16.4
Jul-22	4.5	11.3	-3.7	-0.3	6.2	6.2	6.1	0.5	2.3
Aug-22	4.1	7.7	-3.4	-1.0	7.0	11.9	5.3	1.8	1.4
Sep-22	7.9	12.0	-2.3	-1.6	6.7	11.8	6.7	12.1	11.0

Unemployment

CMIE Unemployment Rate (in %)

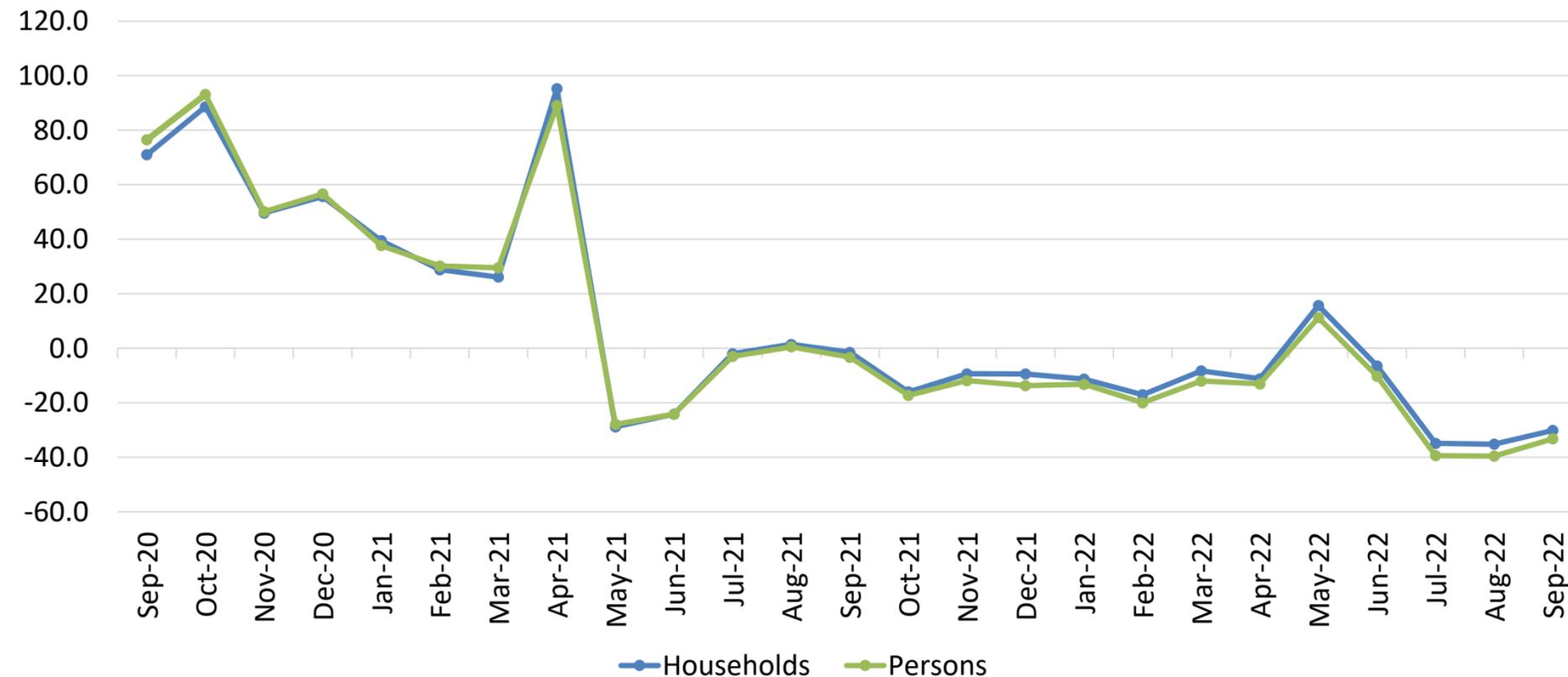


CMIE Unemployment Rate (in %)



Employment Progress under MGNREGA

Employment Demanded (% YoY change)



There was a considerable improvement in labour market conditions in India in September 2022. The CMIE unemployment rate fell from 8.3 per cent in August 2022 to 6.4 per cent in September 2022. This is the lowest unemployment rate recorded by India in the last four years (i.e., since August 2018).

Demand for work under MGNREGA has also been falling reflecting an improvement in rural prospects. Employment demanded under MGNREGA has been considerably lower in 2022 compared to the past two years, when it had shot up due to COVID-19 lockdowns.

External Sector: Trade

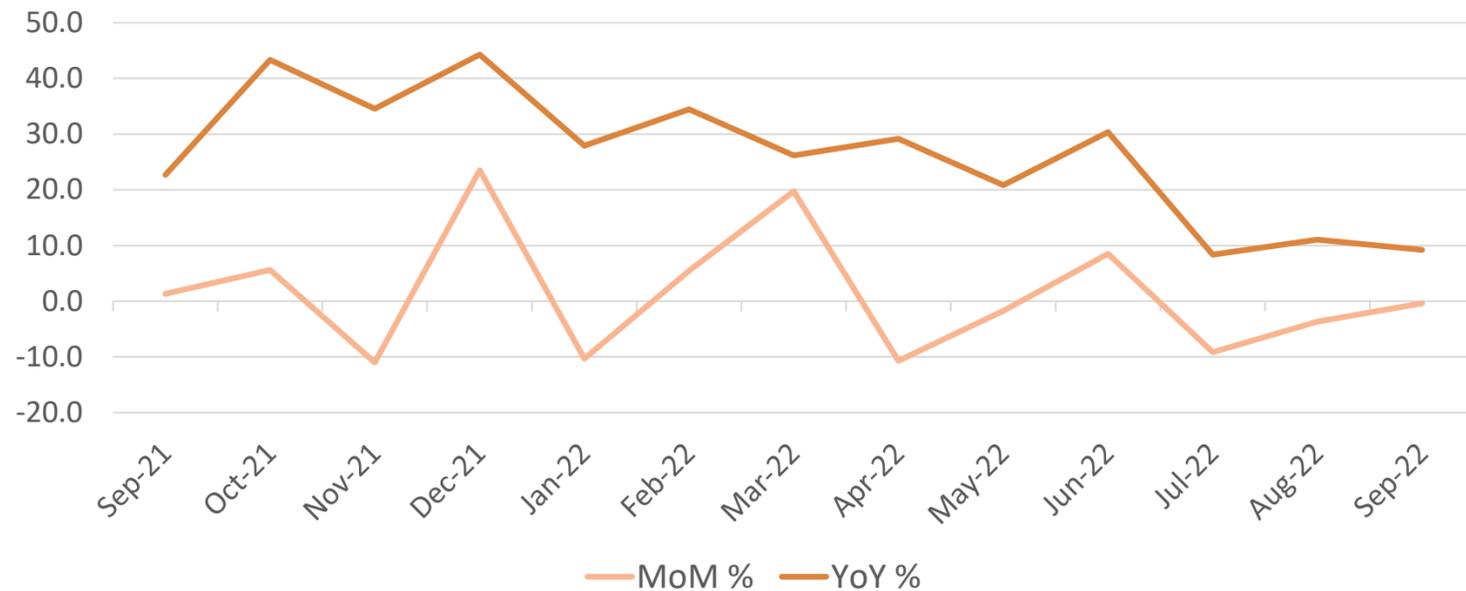
India's Export / Import (USD billion)							
Month	Trade Balance	Exports			Imports		
		Total	Petroleum products	Non-petroleum products	Total	Crude oil and petroleum products	Non-crude oil and petroleum products
Sep-21	-22.5	33.8	5.2	28.6	56.3	16.8	39.5
Oct-21	-17.9	35.7	5.4	30.4	53.6	12.3	41.3
Nov-21	-21.2	31.8	5.5	26.3	53.0	14.2	38.7
Dec-21	-21.0	39.3	6.8	32.5	60.3	16.5	43.8
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	-19.2	39.7	7.9	31.9	58.9	18.4	40.5
May-22	-24.7	39.0	8.5	30.5	63.7	19.2	44.5
Jun-22	-24.4	42.4	10.7	31.7	66.7	21.3	45.4
Jul-22	-27.7	38.5	8.3	30.2	66.2	21.1	45.1
Aug-22	-26.5	37.1	8.5	28.5	63.6	19.3	44.3
Sep-22	-27.1	36.9	8.8	28.2	64.0	18.8	45.2
Apr-Sep 2021-22	-76.3	198.3	28.6	169.7	274.6	69.5	205.0
Apr-Sep 2022-23	-146.8	233.3	52.6	180.8	380.2	115.2	265.0

India's overall exports and imports in the month of September 2022 were recorded at USD 36.9 billion and 64.0 billion, respectively. Exports exhibited a y-o-y growth of 9.2 percent over September 2021, whereas imports grew at 13.7 percent y-o-y vis-à-vis September last year. Both export and import growth for the month of September 2022 has been substantially lower than the preceding months owing to a volatile macro environment as well as certain government restrictions. Trade deficit for the month of September 2022 amounted to USD 27.1 billion, slightly higher than USD 26.5 billion recorded in August 2022

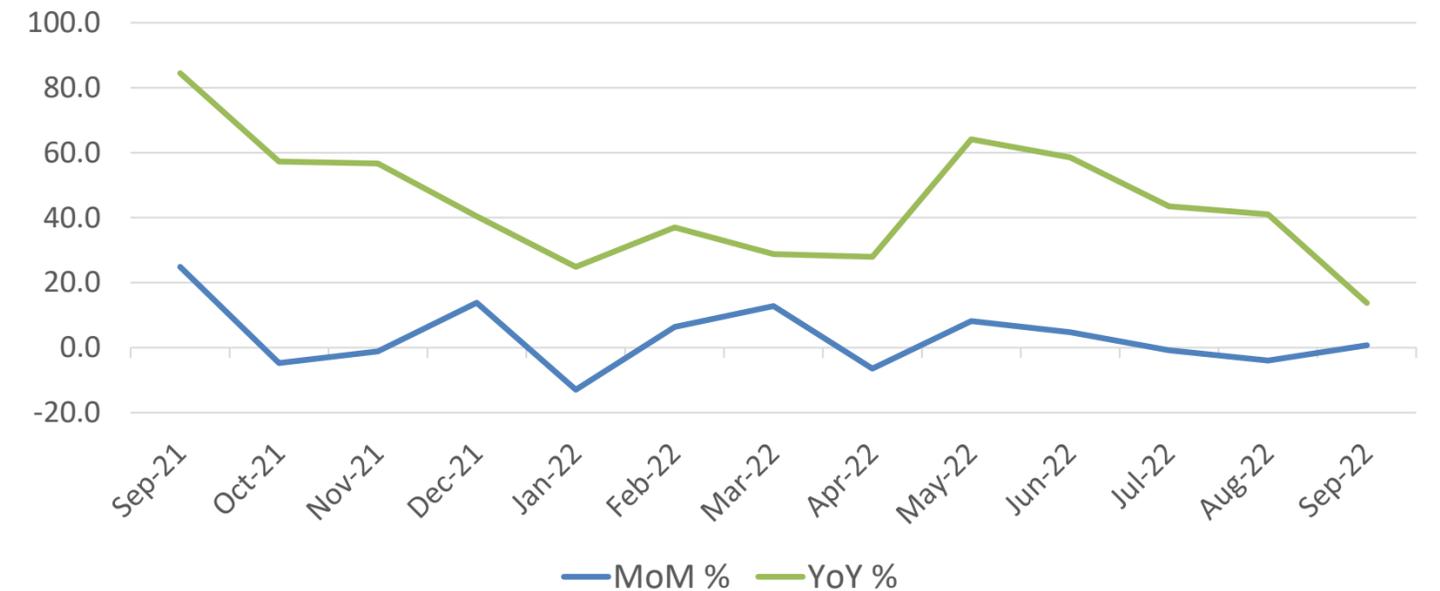
External Sector: Trade

Trend in India's Merchandise Trade

Trend in Merchandise Exports (% change)

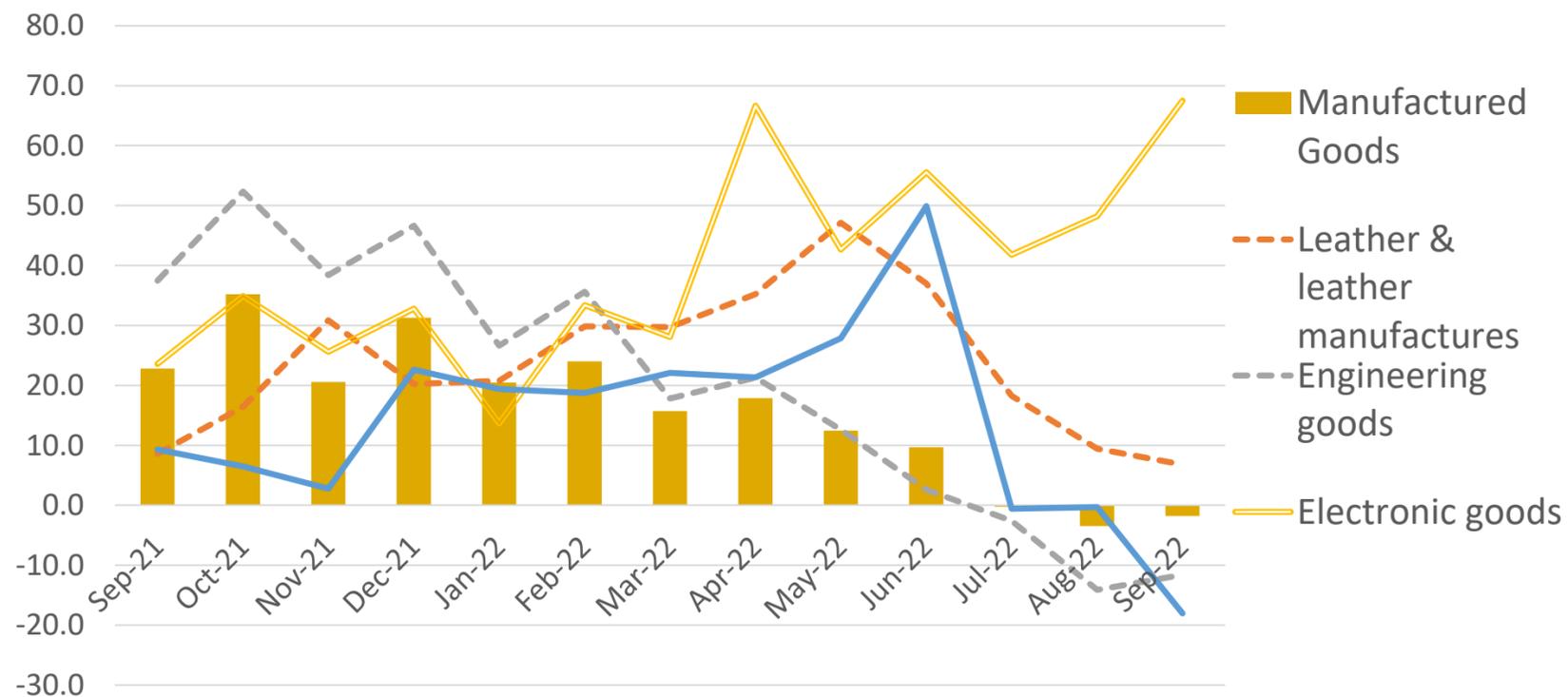


Trend in Merchandise Imports (% change)



Trend in Manufactured Goods

Trade in Manufactured Goods (YoY in %)



- India's engineering goods exports fell due to a demand slowdown in China and Hong Kong owing to COVID-19 restrictions as well as the imposition of export duty on Indian steel exports. Engineering goods exports to CIS countries were impacted by the Russia-Ukraine war and Armenia-Azerbaijan tensions
- India's apparel and textile exports to the USA, EU, UAE, and Saudi Arabia also witnessed a slowdown in September 2022 as a result of high inventory in these countries, as well as the prevailing recessionary conditions, higher interest rates, and rising inflation levels. Further, a shortage of cotton yarn in the country also impacted textile and garment exports

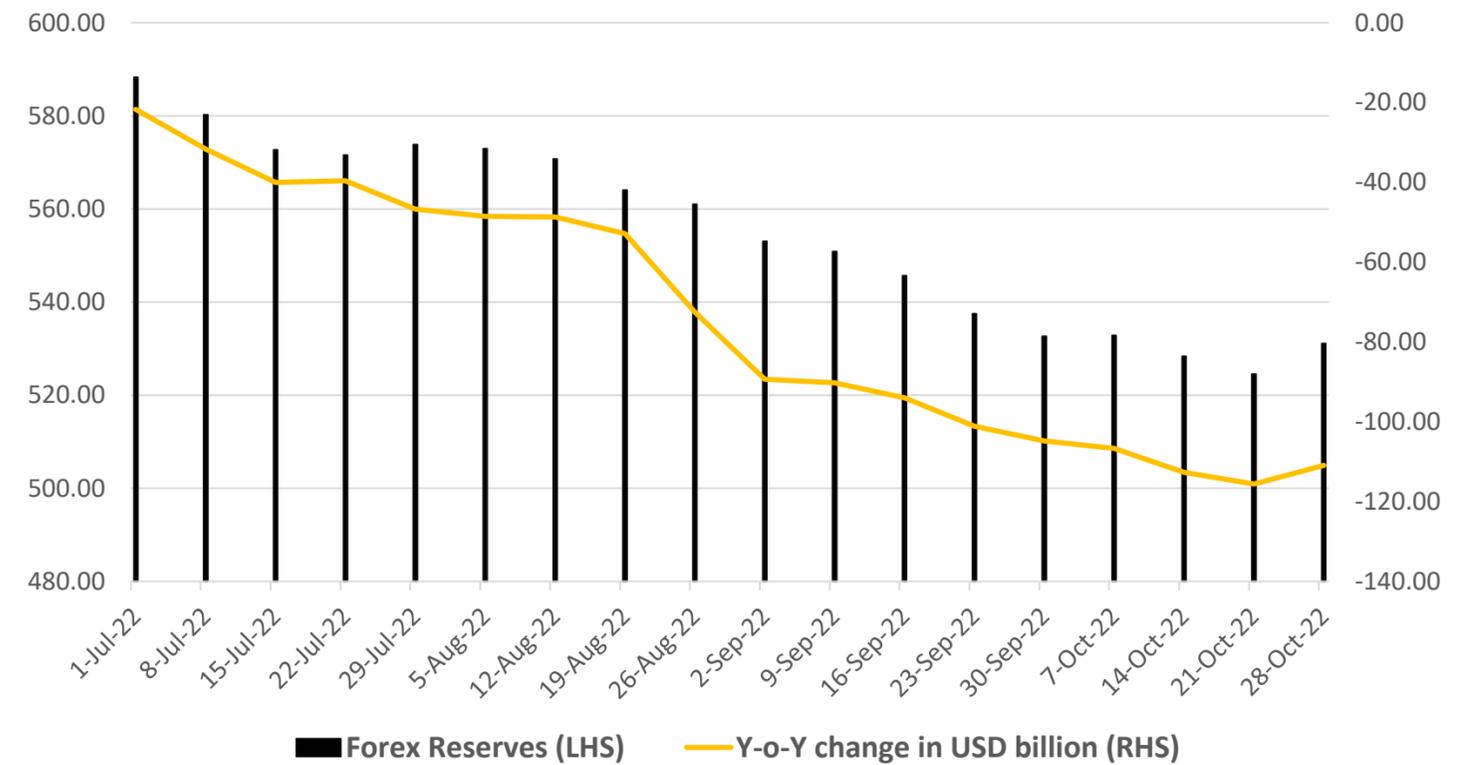
External Sector: Forex & Investments

USD/INR Daily Movement



Source: Exchange Rates UK

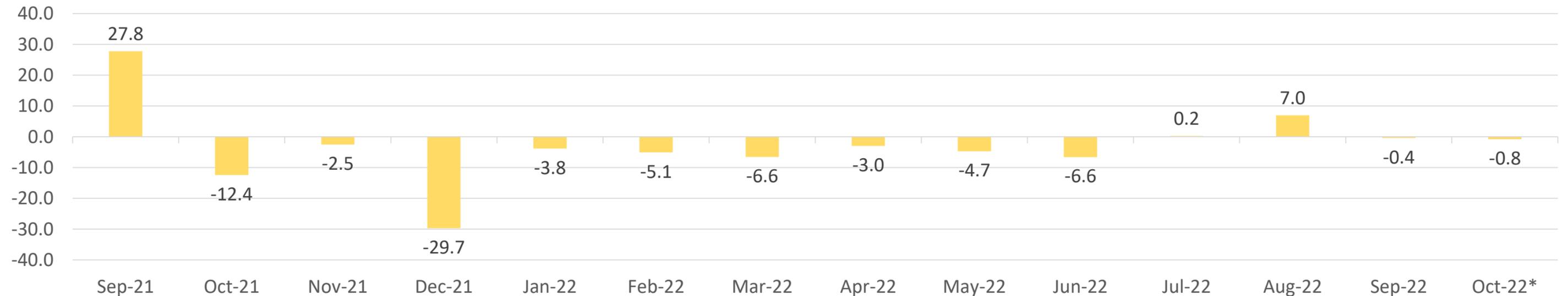
Forex Reserves (in USD billion)- Weekly



Source: CMIE

The Indian Rupee has been consistently falling against the US Dollar owing to a volatile macroeconomic environment and crossed a new low of 83 vis-à-vis the USD on October 19, 2022. Consequent, forex intervention on part of RBI is lowering the country's forex reserves.

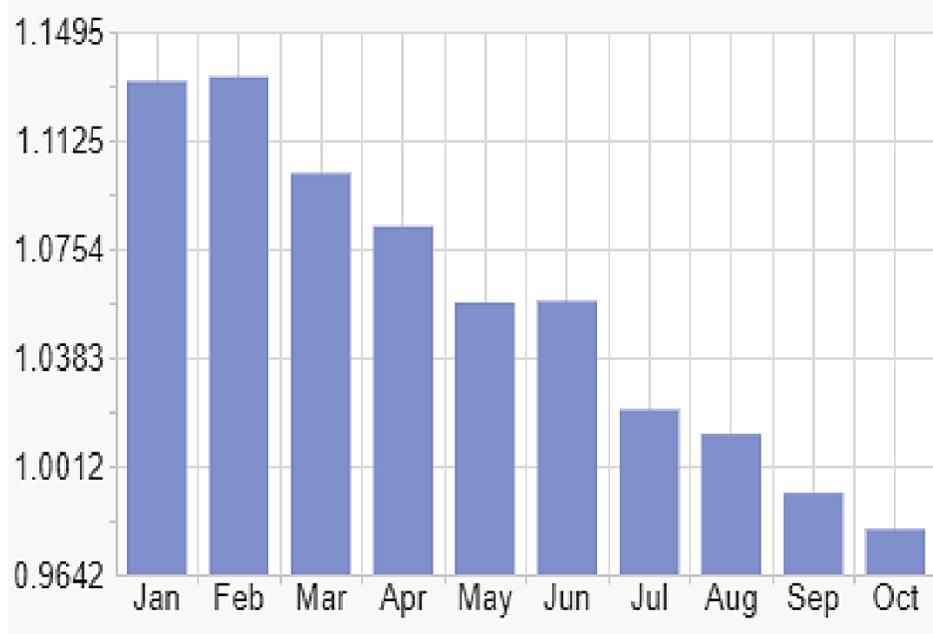
Net FPI Inflows: USD Billion



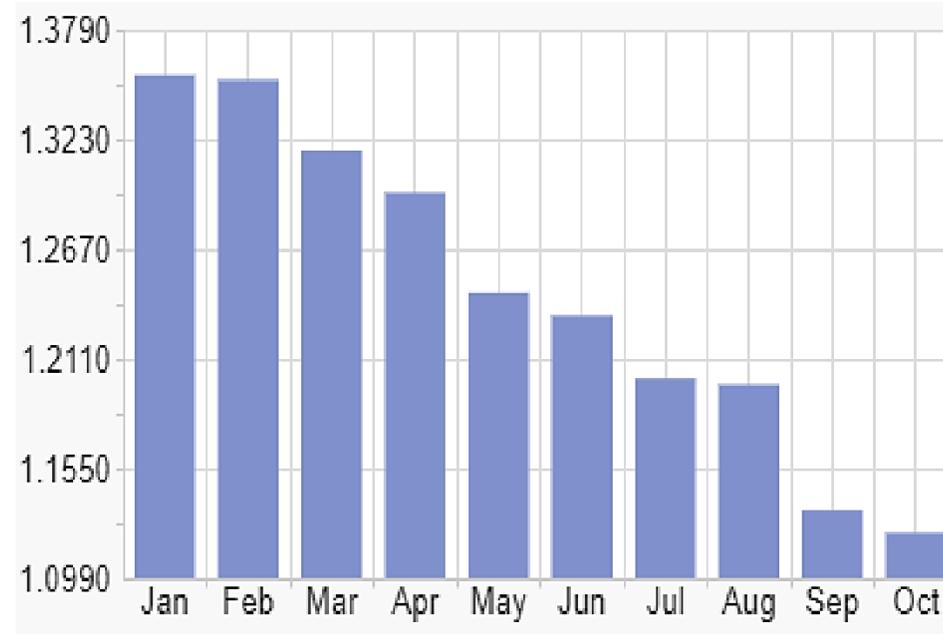
Source: NSDL

Trend in Global Exchange Rates

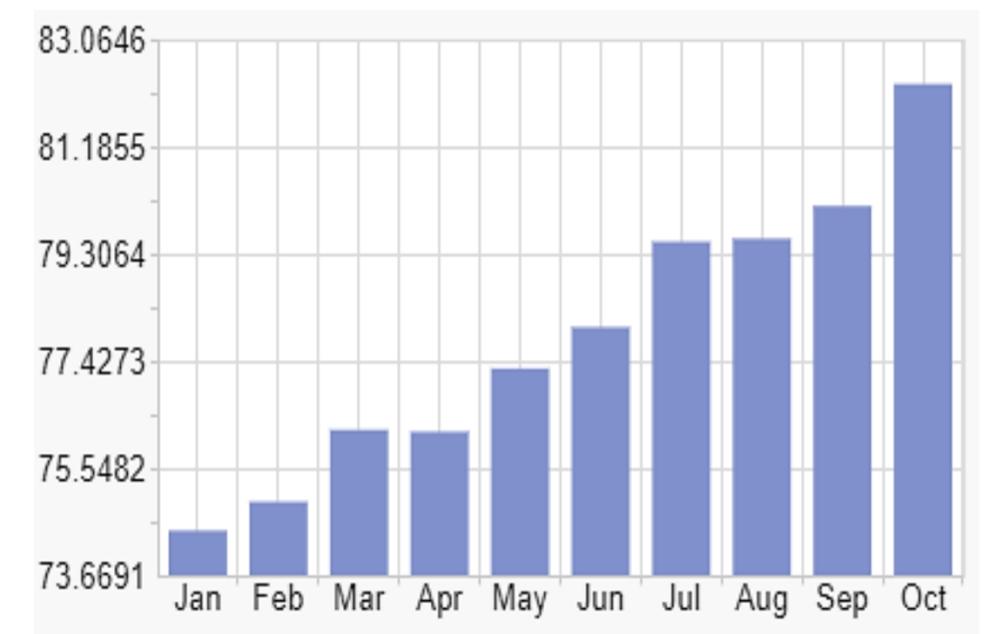
EUR/USD-Monthly Average



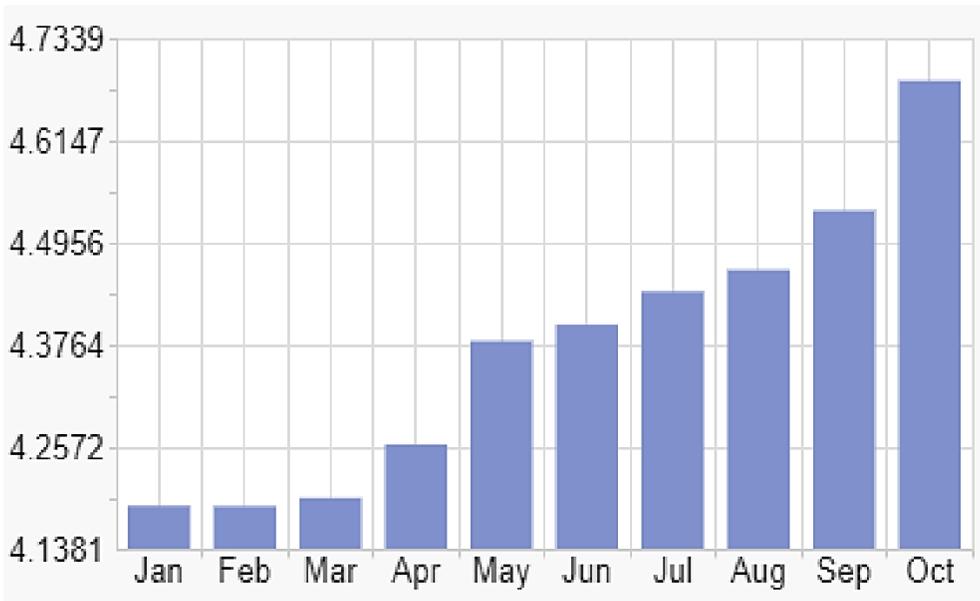
GBP/USD-Monthly Average



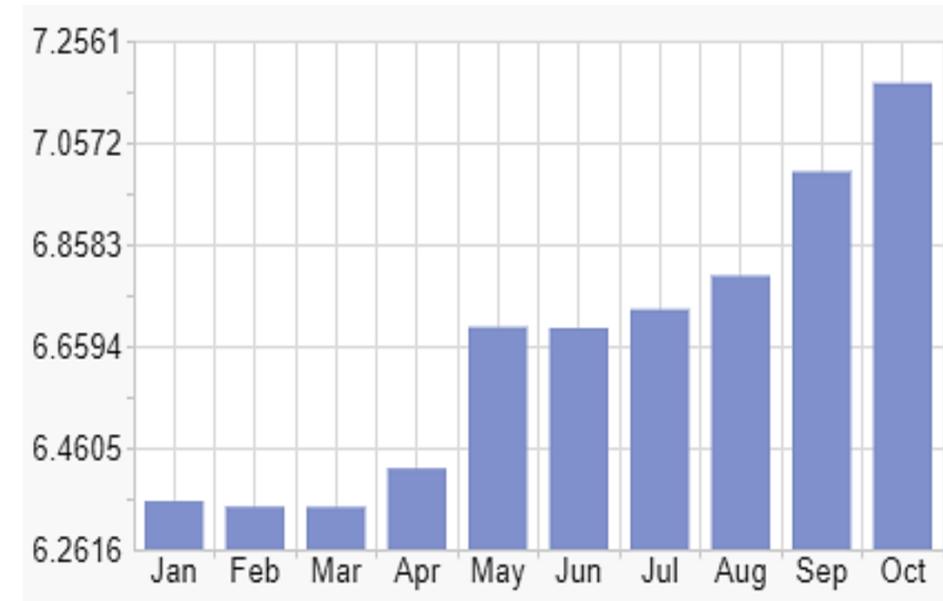
USD/INR-Monthly Average



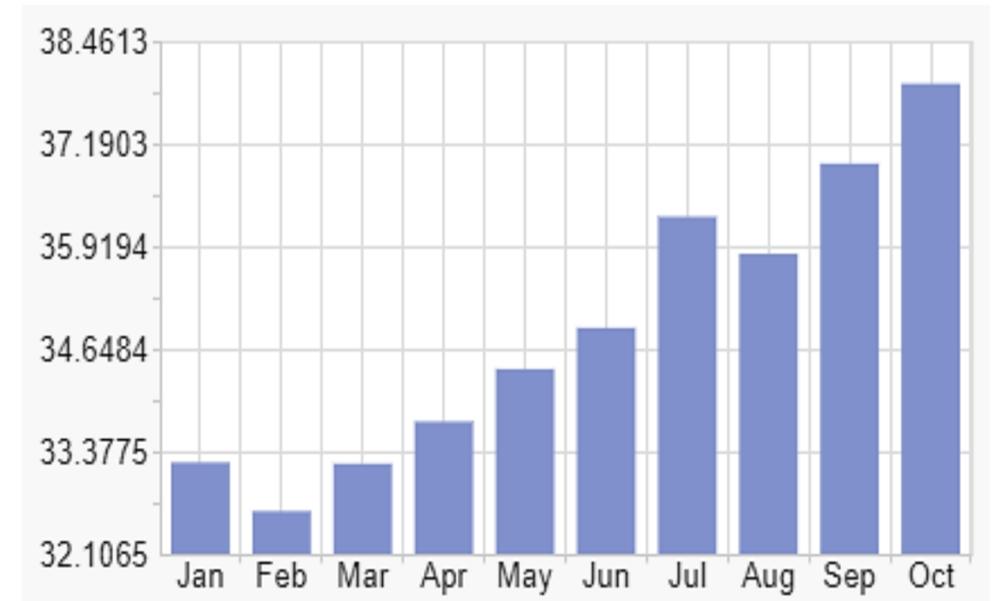
USD/MYR-Monthly Average



USD/CNY-Monthly Average

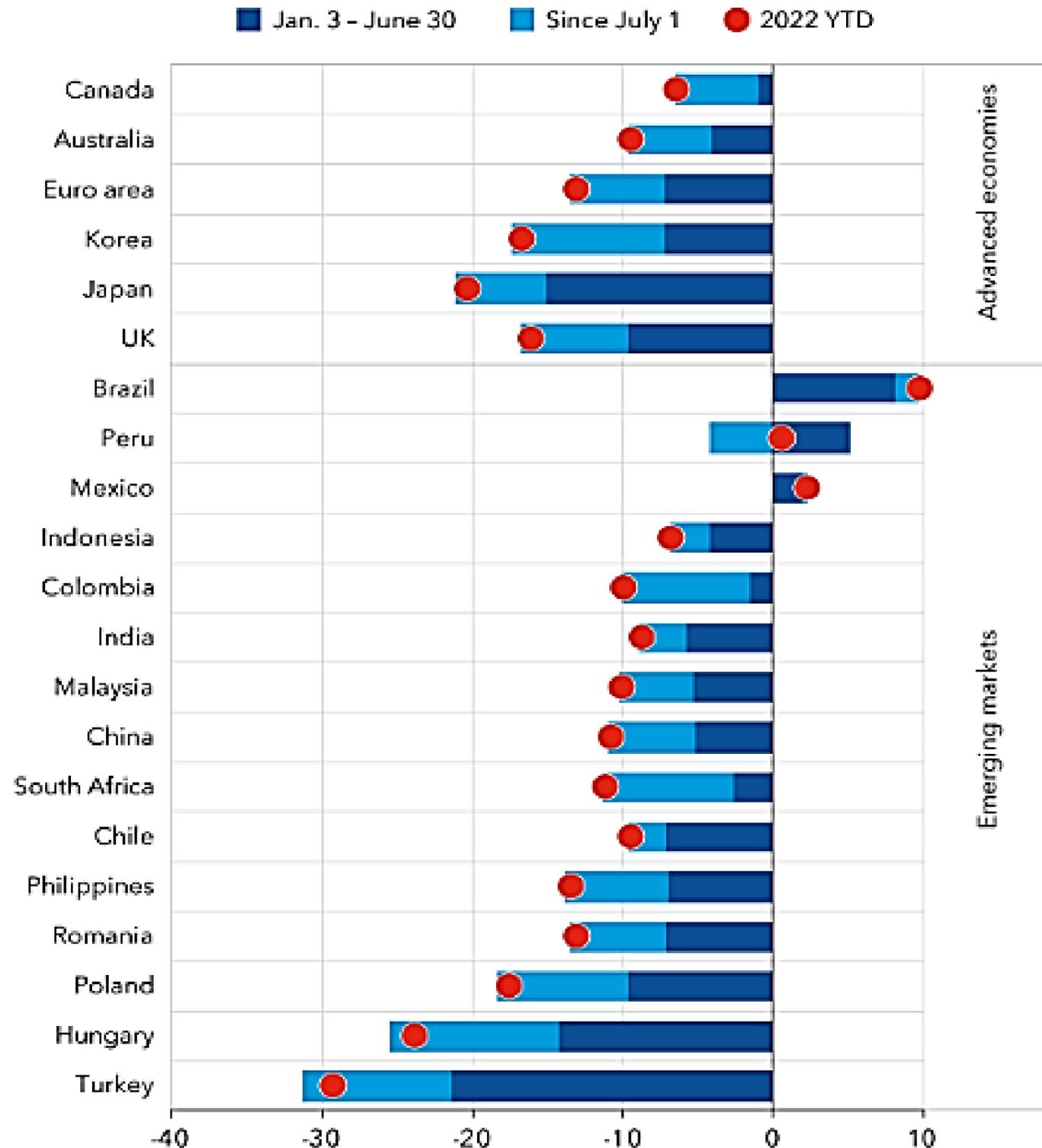


USD/THB-Monthly Average



Managing Exchange Rate Volatility: IMF

Exchange Rates vis-à-vis USD (% change)



Source: IMF, As of Oct 4, 2022

<https://www.imf.org/en/Blogs/Articles/2022/10/14/how-countries-should-respond-to-the-strong-dollar>

- As per IMF estimates, the US Dollar is at its highest level since the year 2000. Since the beginning of 2022, the USD has appreciated 22 percent against the Japanese Yen, 13 percent against the Euro, and 6 percent against emerging market currencies
- Further, according to the IMF, the estimated pass-through of a 10 percent dollar appreciation into inflation on an average is 1 percent. Due to higher import dependence and a larger share of dollar-invoiced imports, such inflationary pressures are especially severe in emerging markets compared to advanced economies
- Moreover, approximately half of all cross-border loans and international debt securities are denominated in US dollars. In emerging markets especially, the private corporate sector possesses high levels of dollar-denominated debt. Thus, strengthening of the US Dollar has increased the risk of debt distress in these economies

Suggested Policy Response: IMF

- ✓ Allowing the exchange rate to adjust while ensuring that inflation remains close to target through appropriate monetary policy
- ✓ Forex buffers should be used prudently, especially in emerging market economies. Direct forex intervention, if employed, should only be a temporary measure in cases where monetary policy by itself is unable to restore price stability. Re-establishing swap lines with advanced-economy central banks may prove beneficial
- ✓ Support the most vulnerable through appropriate fiscal policy without endangering inflation targets
- ✓ Countries having high external debt should reduce forex mismatches through capital-flow management or macroprudential policies

Public Finance

Trend in Revenue and Expenditure				
	Budget Estimates 2022-23	Actuals for September 2022	% of Actuals to Budget Estimates	
	Rs. Crore	Rs. Crore	Current	Corresponding period previous year
Revenue Receipts	22,04,422	11,69,561	53.1%	60.4%
Tax Revenue (Net)	19,34,771	10,11,961	52.3%	59.6%
Non-Tax Revenue	2,69,651	1,57,600	58.4%	66.0%
Total Receipts	22,83,713	12,03,748	52.7%	55.6%
Revenue Expenditure	31,95,257	14,80,708	46.3%	47.7%
Capital Expenditure	7,49,652	3,42,889	45.7%	41.4%
Total Expenditure	39,44,909	18,23,597	46.2%	46.7%
Fiscal Deficit	16,61,196	6,19,849	37.3%	35.0%

Source: Controller General of Accounts

Growth in Central Tax Collections (% Y-o-Y)					
Month	Total	Income Tax	Corporate Tax	Customs Duty	Excise Duty
Sep-21	49.6	53.4	64.0	104.2	21.5
Jul-22	33.3	79.4	60.9	-12.4	-26.4
Aug-22	-7.7	-37.6	-49.7	-21.6	-21.8
Sep-22	14.5	5.6	19.3	27.5	-24.8
Apr-Sep FY22	64.2	64.7	105.1	129.6	33.3
Apr-Sep FY23	17.6	25.7	21.6	-6.9	-18.5

Source: CMIE

Central Government's gross fiscal deficit was at 37.3 percent of its annual budgeted target in the first half of the fiscal year 2022-23

Net tax revenue in the first half of the fiscal year 2022-23 was Rs 10.12 lakh crore (52.3% of BE), as compared to Rs 9.21 lakh crore (59.6% of BE) during H1, FY 2021-22

On the expenditure front, the Total Expenditure in H1 FY 2022-23 at about Rs 18.24 lakh crore was 46.2% of the budget estimate. Revenue expenditure was about Rs 14.81 lakh crore, and Capital Expenditure was about Rs 3.43 lakh crore in H1 FY 2022-23. Capital Expenditure was about 49.5% higher than Rs 2.29 lakh crore in H1 FY 2021-22 - this is in sync with the Government's broad capex plan



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