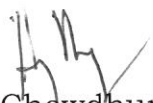


No. A-45011/3/2022-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 20th May, 2022

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of April, 2022.


(Arup Shyam Chowdhury)
Deputy Secretary to the Government of India
Tel No. 23095091

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dhoolpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Shri V. Anantha Nageswaran, Chief Economic Adviser, DEA.
12. Additional Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Shri .Manoj Sahay, JS&FA(Finance).
14. Shri A.M. Bajaj, Additional Secretary (FM), DEA
15. Shri Rajat Kumar Mishra, Additional Secretary (Budget), DEA.
16. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA
17. All Heads of Divisions in Department of Economic Affairs.

SrEconomicAdviser(C&C/FSLR/FS&CS)/JS(C&C and
OMI))/JS(Budget)/JS(IPP/JS(ISC)/JS(Inv)/All Advisers/CAAA

18. Shri Rajesh Malhotra, DG (M&C), M/o Finance, North Block, New
Delhi.
19. Guard File – 2022.

A-45011/3/2022-Admn. III
Ministry of Finance
Department of Economic Affairs

Subject: **Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of April, 2022**

I. Important policy decisions taken and major achievements during the month

1. Macroeconomic Overview:

A strong growth momentum pushed the real GDP in Q3 of 2021-22 to 106.2 per cent of the pre-pandemic Q3 output of 2019-20 and the combined output of first three quarters to 100 per cent of the pre-pandemic level. These estimates reaffirm India's prospects of a resilient and strong recovery and bear testimony to India's strong macroeconomic fundamentals.

GST collections during April 2022 (reflective of March transactions) stood at Rs 1.67 lakh crore registering a double-digit growth of 20 per cent compared to corresponding period last year and 46.7 per cent higher than the corresponding pre-pandemic level.

Global PMI composite index declined to 52.7 in March 2022 from 53.4 in February 2022 on account of intensifying inflationary pressures, supply chain issues and geopolitical tensions.

For 2021-2022, retail inflation averaged 5.5 per cent, as compared to 6.2 per cent obtained in 2020-21. WPI inflation stood at 12.9 per cent in 2021-2022. A part of the rise in wholesale inflation in 2021-22 is attributed to the low base in the previous year and partly driven by rebound in the world economy and resurgence of industrial demand in advanced economies on account of easing pandemic related restrictions. Supply side disruptions on account of Russia Ukraine conflict has also led to an uptick in commodity prices in recent months.

India's manufacturing activity as per PMI manufacturing recovered in April 2022 and stood at 54.7 after decelerating to 54 in March 2022, as new orders and production expanded at a stronger pace in conjunction with an increase in buying activity. Industrial activity is expected to recover in the forthcoming months with Government's thrust on capital expenditure.

Credit to industry witnessed YoY growth of 7.1 per cent in March 2022. Medium industries registered high double-digit YoY credit growth of 71.4 per cent in March, 2022 followed by 21.5 per cent growth witnessed by micro and small industries.

PMI Services improved to 53.6 in March 2022 from 51.8 in February 2022. Strengthening of services is attributed to expansion in new orders, better demand conditions and enhanced business confidence.

In March 2022, performance of merchandise exports continued to remain resilient growing YoY at 19.8 per cent. During FY 2021-22, merchandise exports have been USD 419.65 billion, 43.8 per cent higher than in 2020-21, in-part benefitting from a rebound in the world economy.

Capital goods index of IIP, an indicator of private investment, witnessed an YoY growth of 18.8 per cent in April-February 2021-22 as compared to the corresponding period last year.

High frequency indicators for the current quarter indicate sign of recovery in the economic activity as Omicron induced restrictions are eased with the decline in new cases. Union Government's endeavours to enhance capital expenditure will further boost the growth and employment through multiplier effect.

2. Important Developments:

- (i) The Annual Report for the year 2021-22 of Ministry of Finance was circulated amongst the Members of Lok Sabha/Rajya Sabha.
- (ii) Gazette notifications for the following have been issued:
 - (a) For issue of commemorative Coin on the occasion of "400th Birth Anniversary of Shri Guru Tegh Bahadur Ji".
 - (b) For issue of commemorative Coin on the occasion of "Centenary Year of University of Delhi".

- (c) For issue of Commemorative Coin on the occasion of "Birth Centenary of Shri Jawahar Lal Darda".
- (iii) The following agreements/loans were signed with multilateral and bilateral development agencies:
- (a) A loan No. 6046-IND: Nagaland Urban Infrastructure Development Project for an amount of USD 2.0 Million was signed with ADB.
 - (b) A loan for amount of USD 386 million towards Assam Electricity Distribution System Enhancement and loss Reduction Project was signed with AIIB.
- (iv) The following rules/regulations/schemes have been issued pertaining to International Financial Services Centres Authority (IFSCA) Act, 2019:
- (a) IFSCA, Fund Management Regulations, 2022
 - (b) IFSCA, Financial Product
- (v) The following capacity building training programmes/conclave in infrastructure sector were held:
- (a) Training Programme on 'Infrastructure Finance and PPP' in association with World Bank and All India Management Association.
 - (b) A conclave on investment, infrastructure and PPPs was hosted by State Government of Meghalaya as part of the Azadi ka Amrit Mahotsav with an objective of boost infrastructure development in the NE region.
- (vi) Hon'ble Finance Minister attended the following meetings during the month:
- (a) A Meeting with European Parliamentary Delegation led by Hon'ble Mr. Bernd Lange, MEP, Chair of the Committee of International Trade Affairs of the European Parliament to discuss the issues of mutual interests and early conclusion of Free trade agreement (FTA)/ Bilateral Investment Treaty (BIT) negotiations.
 - (b) A virtual meeting with Ms. Nadia Calvino, Vice President and Minister of Economy and Digitalization of Spain and International Monetary and Financial Committee (IMFC) Chair to discuss the consequences of

- (c) Ukraine-Russia conflict on global economic and financial stability and key priorities at IMFC.
- (d) A Bilateral Meeting with Managing Director, International Monetary Fund (IMF) in which Hon'ble Finance Minister expressed concern regarding global growth slowdown and rise in commodity prices and outlined the need for rapid IMF assistance in Sri Lanka that is facing a massive economic and energy crisis.
- (e) An IMF Breakfast meeting was held in which Hon'ble Finance Minister emphasized on the importance of vaccination and support to vulnerable countries with vaccines and medical equipment and highlighted that India had continued its agenda of wide-ranging structural reforms even during the pandemic.
- (f) A Plenary session of International Monetary and Financial committee (IMFC) was held in which Hon'ble Finance Minister emphasized that despite the challenges of successive waves of pandemic, India has continued to implement key structural reforms and India is the only large economy that has delivered in letter and spirit on the Paris Commitment and is committed to the path to net-zero.
- (g) 2nd G20 Finance Ministers and Central Bank Governors (FMCBG) meeting was held under the Indonesian G20 Presidency in Washington D.C. on the sidelines of World Bank-International Monetary Fund (WB-IMF) Spring Meetings.
- (h) First meeting of BRICS Finance Ministers and Central Bank Governors under the Chinese Presidency was held virtually.
- (i) 2022 Spring Meetings of the International Monetary Fund (IMF) and World Bank and other related meeting/events were held in Washington DC and San-Francisco, USA.

(vii) Other Meetings during the month:

- (a) The fourth and final meeting of the 8th replenishment negotiations of Global Environment Facility (GEF) was held wherein the contributing participant countries pledged an amount of USD equivalent of 4.54 billion. India announced contribution of USD 18.75 million.
- (b) The 127th meeting of the DEA Screening Committee for consideration of proposals seeking financing from Multilateral Development Banks/Bilateral was held.
- (c) Exceptional IDA-19 Meeting was held to discuss providing financial support to Ukraine and Moldova.

- (d) A Plenary meeting was organized by the Financial Stability Board to discuss the financial stability outlook, EME vulnerabilities and climate-related financial risks.
- (e) Board Meeting of National Investment and Infrastructure Fund Trustee Limited were held.
- (f) Investor meeting of National Investment and Infrastructure Fund Limited was held.
- (g) A round of discussion between India and European Union (EU) on Bilateral Investment Treaty (BIT) in Brussels, Belgium.
- (h) 9th round of negotiations between India and UAE on Bilateral Investment Treaty (BIT) was held.
- (i) Third round of negotiation between India and UK on Bilateral Investment Treaty (BIT)/Investment Chapter was held in New Delhi.
- (j) AIIB Board of Directors meeting to consider Comprehensive Review of the Accountability Framework and investment operations.
- (k) Executive Board of IFAD and Retreat was held at Rome, Italy.

3. Minimum Government, Maximum Governance

The use of ICT in submission of information is being encouraged.

4. Non-Compliance of ACC directions/orders

Nil

5. Details of FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:

Number of proposals cleared	:	02
Awaiting Approval in the Department	:	08

Table 1 : INFLATION- CPI-C, WPI (in percent)			
	March 2021	February 2022	March
CPI-C	5.52	6.07	6.95
WPI	7.89	13.11	14.55

Source: NSO for CPI-C and OEA, DPIIT for WPI

Note: WPI inflation for last two months and CPI-C inflation for last one month is provisional.

Table 2 : MONETARY DEVELOPMENT	
Item	15.4.2022
Policy Repo Rate	4.0
10-Year G-Sec Par Yield (FBIL)	7.22
Bank Credit Year-on-Year growth #	11.2

Note : # As on 8.4.2022.

Table 3 : Merchandise Trade Performance (Customs Basis) (in US\$ billion)			
	Exports	Imports	Trade Balance
March 2021	35.3	48.9	(-) 13.6
March 2022	42.2	60.7	(-) 18.5

Table 4: Services Trade Performance (in US\$ billion)*			
March 2022	22.5	13.2	19.4

Source: Provisional data as per the Press Release dated 13.4.2022 of the Department of Commerce, Ministry of Commerce and Industry. * : Estimated.

Table 5: Balance of Payments		
Items	2020-21	2021-22
	(April-	(April-December)
Current Account Balance (in US\$	32.1	(-) 26.5
Current Account Balance / GDP (Per	1.7	(-) 1.2

Source: Reserve Bank of India.

Table 6 : Foreign Exchange Reserves (in US\$ billion)		
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End-March, 2022	607.3
15.4.2022	603.7
Source: Reserve Bank of India	

Table 7: Exchange Rate of the Indian Rupee (Rupee per unit of foreign currency)

	US Dollar	Pound Sterling	Euro	100 Japanese yen
27.4.2022	76.6414	96.4767	81.4509	59.8900

Source: Reserve Bank of India

Table 8 : External Debt (US\$ Billion)

	as at end of December 2020 PR	as at end of December 2021 P	Percentage variation [(2/1)-1]*100
Total External debt	568.3	614.9	8.2

Source: Quarterly Report on External Debt as at end December 2021, DEA.

Table 9 : Industrial Production Highlights

Monthly Growth (YoY) in per cent

Index of Industrial	December 2020	January 2021	February 2021
	2.2	(-) 0.6	(-) 3.2
	December 2021	January 2022	February 2022
	0.7	1.5	1.7

Table 10 : Eight Core Industries

Monthly Growth (YoY) in per cent

	January 2021	February 2021	March 2021
Eight Core Industries (ICI)	1.3	(-) 3.3	12.6
	January 2022	February 2022	March 2022
	4.0	6.0	4.3