



Macro-Economic Factors for the month of March 2022

With an expected growth rate of 8.9% in 2021-22, India's GDP is likely to be 1.8% more than what it was in 2019-20. If regaining pre-pandemic levels was the biggest challenge for the Indian economy in 2021-22, its biggest challenge in 2022-23 is going to be to return to a high growth trajectory. Protracted geopolitical tensions, renewed lockdowns in parts of China and high commodity prices pose downside risks to the growth outlook. Hikes in oil prices, primarily driven by uncertainties around the Russia- Ukraine war, have already taken a toll on consumer spending, the biggest contributor to the GDP growth.

The macro-economic indicators for the month of March 2022 suggested a continuous strong recovery and is heading towards a strong growth trajectory. The GST revenue for the month of March 2022 stood at all time high since its inception due to various rate rationalization measures undertaken by the Council to correct inverted duty structure, coupled with strong economic recovery, anti-evasion activities, etc. India's foreign trade numbers surpassed its ambitious record of USD 400 billion target. The export target was achieved within 10 days to spare- hitting a record high of \$417.8 billion, registering a 37% increase Y-o-Y. The Manufacturing PMI was flat on a negative note but remained above the 50-level mark for straight nine months. Rising cost pressures remained one of the main concerns as companies faced a faster increase in input prices. The unemployment rate fell to 7.6% with urban unemployment rate at 8.5% and rural at 7.1% in the month of March 2022 indicating the economy slowly returning to normal. Below are few of the macro-economic indicators for the month of March 2022:

Macro- Economic Indicators for March 2022:-

1. Monthly Goods & Service Tax (GST) Collection:

Monthly GST Collection				
Particulars (INR in crs.)	March 2022	February 2022	March 2021	March 2019
GST Revenue	1,42,095	1,33,025	1,02,709	1,06,577

Source: gstcouncil.gov.in

- Month-on-Month (M-o-M) GST collection increased by 7% in March 2022 as compared to February 2022
- Year-on-Year (Y-o-Y) GST collection was up by 15% in March 2022 as compared to March 2021
- GST collection increased by 36% in March 2022 as compared to pre-Covid levels of March 2019
- The GST collections for the month of March 2022 stayed above Rs. 1.30 lakh crore mark for the 6th month in the row. Average monthly GST collection amounted to Rs. 1.38 lakh crores as compared to 1st, 2nd and 3rd quarter when the average collection stood above Rs. 1.10 lakh crore, Rs. 1.15 lakh crore and Rs. 1.30 lakh crore, respectively

2. Foreign Trade Numbers:

Foreign Trade Numbers								
Particulars (USD in bln)	March 2022		February 2022		March 2021		March 2019	
	Export	Import	Export	Import	Export	Import	Export	Import
Merchandise	40.38	59.07	33.81	55.01	34.45	48.38	26.07	41.40

Source: commerce.gov.in

- India's March 2022 merchandise exports surged by 17% Y-o-Y basis, 19% M-o-M basis and 55% when compared to pre-covid levels. The country's exports for the first time crossed the USD 400 billion mark in a fiscal on healthy performance by sectors such as petroleum products, engineering, gems and



jewellery, and chemicals, according to the commerce ministry's data released on Wednesday. On average, goods worth about USD 33 billion were shipped every month and about USD 1 billion every day. The top five export destinations are the US, the UAE, China, Bangladesh, and the Netherlands.

- Merchandise Imports in March 2022 stood up by 7% M-o-M, 22% on Y-o-Y basis and 43% when compared to pre-covid levels of March 2019. The non-petroleum imports rose by 5.26% for the month.

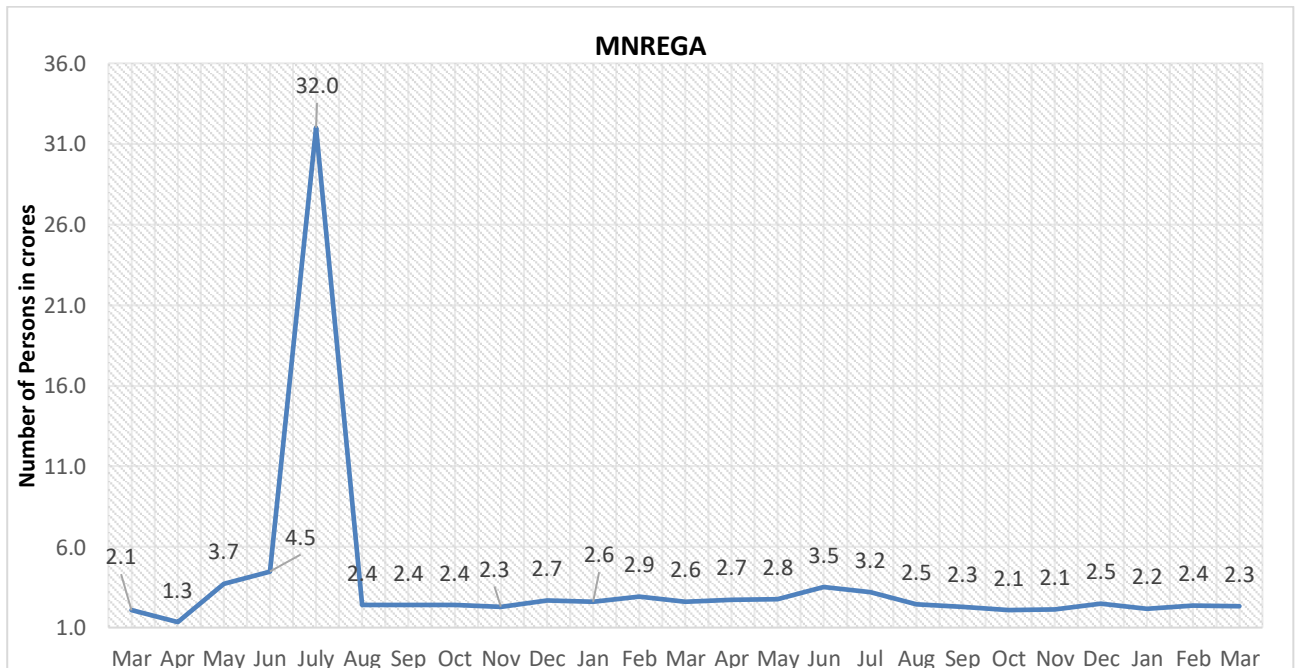
3. Manufacturing Purchasing Manager's Index (PMI):

Manufacturing PMI Monthly Data				
Particulars	March 2022	February 2022	March 2021	March 2019
Manufacturing PMI	54.00	54.90	55.40	52.60

Source: www.bloomberquint.com

- M-o-M Manufacturing PMI declined in March 2022 to 54.00 as compared to February 2022 at 54.90
- Y-o-Y Manufacturing PMI decreased in March 2022 to 54.00 as compared to 55.40 in March 2021
- Pre-Covid level manufacturing PMI increased in March 2022 when compared to pre-covid levels of March 2019
- The manufacturing activity in India expanded at a slowest pace in March as rising prices meant new orders and output grew at their weakest rate since September.

4. Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA):

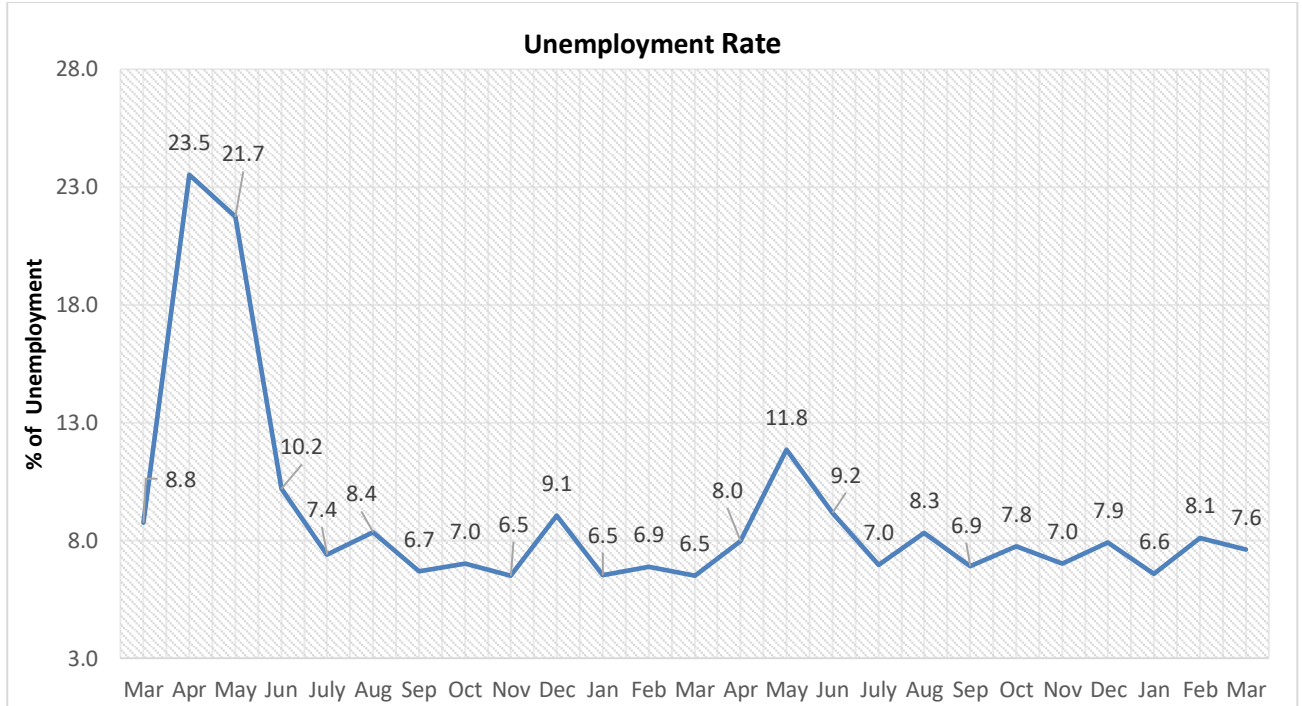


Source: MNREGA website

Demand for household work under the government's flagship employment guarantee scheme dropped when compared to March 2022 but are still higher when compared to Pre-Covid levels, showing the increasing dependence of the employment guarantee scheme for livelihood and ongoing stress in the labour market.



5. Unemployment Rate:



Source: CMIE

- M-o-M unemployment rate in March 2022 decreased by 50 bps as compared to February 2022
- Y-o-Y unemployment rate increased by 110 bps in March 2022 as compared to March 2021
- Pre-Covid level unemployment rate increased by 95 bps in March 2022 as compared to March 2019
- The unemployment rate reduced as the economy is returning back to normal, however the pace was slow.

Going forward while the Growth impulses are still nascent and consumer confidence still at been subdued levels and is yet to get back to pre-pandemic levels an early kick-off of the government's budgeted capex programme remains crucial to boost investment activity in the country. Also a status quo by the central bank in April on interest rates would further support the economy to recover faster.