Macroeconomic indicators show an uptick

As India begins to unlock gradually

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India’s macroeconomic indicators such as manufacturing and service, fuel and electricity consumption, freight loading fertilizer sales, mobility, retail financial transactions, and agriculture have started looking up as the country begins to unlock gradually, official data showed.

While fertilizer sales surged by almost 98% to over 40 lakh tonnes year-on-year in May reflecting robustness in the farm sector, manufacturing as depicted by the purchasing manager’s index showed a lower contraction in May at 30.8 from April’s 27.4.

Electricity consumption too saw lower contraction at (-) 12.5% in June so far from over (-) 15% in May and (-) 24% in April.

The total assessable value of E-Way bills picked up by a massive 130% in May to Rs 8.98 lakh crore compared to Rs. 3.9 lakh crore in April. The value of E-Way bills generated in three weeks of June stood at Rs 7.7 lakh crore, with 11 days left for the month to complete.

Consumption of petroleum products, a major indicator reflecting the consumption pattern and manufacturing activity in the country increased by 47% from 99,37,000 metric tonnes in April to 1,46,46,000 metric tonnes in May. Consequently, year-on-year contraction in consumption growth of petroleum products was much smaller at (-)23.2% in May against (-)45.7% in April.

In June, growth in consumption of petroleum products is expected to be still higher after one month of Unlock 1.0, the finance ministry said.

Average assets under management (AUM) of mutual funds increased by 3.2% to Rs 24.2 lakh crore in May from Rs 23.5 lakh crore in April 2020. India’s forex reserves rose to $507.6 billion as on June 12, which can continue to provide a crucial cushion to external shocks. Crude oil prices were extremely range-bound and traded below $40 per barrel in June.

Monetary indicators, such as forex reserves, average assets under management of mutual funds, and private placement of corporate bonds are expected to rise further, the government said.

Railway freight traffic improved by 26% May to 8.26 crore tonnes over April’s 6.54 crore tonnes, though still lower than previous year levels. Average daily electronic toll collections increased from Rs 8.25 crore in April to Rs 36.84 crore in May, rising more than four times. In the first three weeks of June, it has improved further to Rs. 49.8 crore, the data showed.