



ASSOCHAM Economic Weekly
12th April, 2015



Contents

1. Macroeconomy

1.1 Amendments to “The Real Estate (Regulation and Development) Bill, 2013

1.2 Railways’ Revenue Earnings during 2014-15

2. Corporate Sector

2.1 Index of Industrial Production and Use-Based Index, February 2015

2.2 Foreign Tourist Arrivals (FTAs), March 2015

2.3 Basic Metals and Agriculture Commodities in Spot Market

3. Market Trends

4. Global Developments

4.1 UK Index of Production, February 2015

4.2 Euro Area second estimate of current account, Q4 2014

5. Data Appendix



1. Macroeconomy

1.1 Amendments to “The Real Estate (Regulation and Development) Bill, 2013

The salient features of the Bill are as under:

- a. **Applicability of the Bill:** The proposed initial Bill was applicable for residential real estate. It is now proposed to cover both residential and commercial real estate;
- b. **Establishment of Real Estate Regulatory Authority:**
 - Establishment of one or more ‘Real Estate Regulatory Authority’ in each State/ Union Territory (UT), or one Authority for two or more States/UT, by the Appropriate Government for oversight of real estate transactions,
 - To appoint one or more adjudicating officers to settle disputes and impose compensation and interest;
- c. **Registration of Real Estate Projects and Registration of Real Estate Agents:**

Mandatory registration of real estate projects and real estate agents who intend to sell any plot, apartment or building, with the Real Estate Regulatory Authority;
- d. **Mandatory Public Disclosure of all project details:**

Mandatory public disclosure norms for all registered projects such as details of promoters, project, layout plan, plan of development works, land status, status of statutory approvals and

disclosure of proforma agreements, names and addresses of real estate agents, contractors, architect, structural engineer etc.;

e. Functions and Duties of Promoter:

- Disclosure of all relevant information of project;
- Adherence to approved plans and project specifications;
- Obligations regarding veracity of the advertisement for sale or prospectus;
- Rectify structural defects;
- Refund money in cases of default;

f. Compulsory deposit of 50 percent:

To compulsorily deposit 50 percent (or such lesser percent as notified by the Appropriate Government) of the amounts realized for the real estate project from the allottees in a separate account in a scheduled bank within a period of fifteen days to cover the cost of construction to be used for that purpose;

g. Adherence to declared plans:

- To bar the promoter from altering plans, structural designs and specifications of the plot, apartment or building without the consent of two-third allottees after disclosure;
- However, minor additions or alterations permissible due to architectural and structural reasons;

h. Functions of Real Estate Agents:

- Real estate agents to sell properties registered with the Authority;
- Maintain books of accounts, records and documents;
- Not to involve in any unfair trade practices;

i. Rights and Duties of Allottees:

- Right to obtain stage-wise time schedule of project;

- Claim possession as per promoter declaration;
- Refund with interest and compensation for default by the promoter;
- Allottees to make payments and fulfill responsibilities as per agreement;

j. Functions of Real Estate Regulatory Authority:

The Authority to act as the nodal agency to co-ordinate efforts regarding development of the real estate sector and render necessary advice to the appropriate Government to ensure the growth and promotion of a transparent, efficient and competitive real estate sector;

k. Fast Track Dispute Settlement Mechanism:

- Fast track dispute resolution through adjudicating officers (District Judge);
- Appellate Tribunal to hear appeals;

l. Establishment of Central Advisory Council:

To advise the Central Government on implementation of the Act, recommend policy, protection of consumer interest and to foster growth and development of the real estate sector;

m. Establishment of Real Estate Appellate Tribunal:

Real Estate Appellate Tribunal to hear appeals from orders of the Authority and the adjudicating officer. The Appellate Tribunal is to be headed by a sitting or retired Judge of the High Court, with one judicial and one administrative/technical member;

n. Punitive Provisions: Punitive provisions including de-registration of the project and penalties in case of contravention of provisions of the Bill or the orders of the Authority or Tribunal;

o. Bar of Jurisdiction Courts: Provision for barring jurisdiction of court and any authority from entertaining complaints in respect of matters covered under the Bill;

p. Power to make Rules and Regulations:

- Appropriate Government to have powers to make rules over subjects specified in the Bill;
- Regulatory Authority to have powers to make regulations;

1.2 Railways' Revenue Earnings during 2014-15

The total approximate earnings of Indian Railways on originating basis during the financial year 2014-15 (1st April 2014 to 31st March 2015) were Rs. 157880.50 crore compared to Rs. 140761.27 crore during the same period last year, registering an increase of 12.16 per cent.

The total approximate earnings from goods during fiscal 2014-15 were Rs. 107074.79 crore compared to Rs. 94955.89 crore during the same period last year, registering an increase of 12.76 per cent.

The total approximate revenue earnings from passengers during the financial year 2014-15 were Rs. 42866.33 crore compared to Rs. 37478.34 crore during the same period last year, registering an increase of 14.38 percent.

The total approximate revenue earnings from other coaching amounted to Rs.4035.56 crore during fiscal 2014-15 compared to Rs. 3818.03 crore during the same period last year, registering an increase of 5.70 per cent.

The total approximate numbers of passengers booked during the financial year 2014-15 were 8227.99 million compared to 8425.09 million during the same period last year, showing a decrease of 2.34 per cent. In the suburban and non-suburban sectors, the numbers of passengers booked during fiscal 2014-15 were 4503.97 million and 3724.02 million compared to 4549.62 million and 3875.47 million registering a decrease of 1.00 per cent and 3.91 per cent respectively during the same period last year.



2. Corporate Sector

2.1 Index of Industrial Production and Use-Based Index, February 2015

The General Index for the month of February 2015 stands at 181.3, which is 5.0% higher as compared to the level in the month of February 2014. The cumulative growth for the period April-February 2014-15 over the corresponding period of the previous year stands at 2.8%.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of February 2015 stand at 130.7, 192.9 and 166.0 respectively, with the corresponding growth rates of 2.5%, 5.2% and 5.9% as compared to February 2014. The cumulative growth in the three sectors during April-February 2014-15 over the corresponding period of 2013-14 has been 1.5%, 2.2% and 9.1% respectively.

Table 1
Index of Industrial Production - Sectoral

(Base: 2004-05=100)

Month	Mining		Manufacturing		Electricity		General	
	(141.57)		(755.27)		(103.16)		(1000.00)	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Apr	120.5	122.6	176.1	181.4	159.1	178.1	166.5	172.7
May	122.3	125.3	173.3	183.5	172.4	183.9	166.0	175.3
Jun	116.5	122.1	175.0	180.1	157.0	181.6	164.9	172.0
Jul	116.1	116.2	182.7	182.2	164.5	183.8	171.4	173.0
Aug	113.6	115.0	175.4	173.4	163.1	184.1	165.4	166.2
Sep	115.2	115.3	177.1	181.9	169.0	175.6	167.5	171.8
Oct	118.8	124.2	180.1	170.0	162.6	184.9	169.6	165.1
Nov	123.7	128.6	171.8	179.9	158.5	174.3	163.6	172.1
Dec	135.9	133.0	189.0	196.2	169.4	177.6	179.5	185.3
Jan	139.2	136.4	194.1	200.7	171.1	176.7	184.0	189.1

Feb*	127.5	130.7	183.3	192.9	156.7	166.0	172.7	181.3
Mar	147.2		204.7		173.0		193.3	
Average								
Apr-Feb	122.7	124.5	179.8	183.8	163.9	178.8	170.1	174.9
Growth over the corresponding period of previous year (in %)								
Feb	2.3	2.5	-3.9	5.2	11.5	5.9	-2.0	5.0
Apr-Feb	-0.7	1.5	-0.7	2.2	6.2	9.1	-0.1	2.8

Source: MOSPI, Govt. of India

NOTE: Indices for the months of Nov'14 and Jan'15 incorporate updated production data.

* Indices for Feb 2015 are Quick Estimates.

As per Use-based classification, the growth rates in February 2015 over February 2014 are 5.0% in Basic goods, 8.8% in Capital goods and 1.1% in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of (-) 3.4% and 10.7% respectively, with the overall growth in Consumer goods being 5.2%.

Table 2
Index of Industrial Production - Use-Based

(Base: 2004-05=100)

	Basic goods		Capital goods		Intermediate goods		Consumer goods		Consumer durables		Consumer non-durables	
	(456.82)		(88.25)		(156.86)		(298.08)		(84.60)		(213.47)	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Apr	150.1	163.0	207.3	235.0	145.3	149.7	190.6	181.5	276.8	255.4	156.4	152.2
May	155.5	167.1	218.8	228.0	150.2	155.5	174.7	182.7	253.5	262.7	143.5	151.0
Jun	148.4	163.5	219.6	270.7	147.3	151.2	183.1	166.9	276.1	211.9	146.2	149.0
Jul	152.1	162.8	271.3	263.2	151.0	155.4	182.1	171.3	277.6	220.9	144.2	151.7
Aug	150.4	164.0	245.0	220.6	152.0	151.9	171.7	161.1	257.4	218.8	137.8	138.3
Sep	153.6	161.3	232.4	260.9	148.3	151.3	179.6	172.4	271.6	241.5	143.1	145.0
Oct	153.1	167.9	247.2	239.2	150.6	145.5	182.1	149.0	295.8	191.8	137.0	132.0
Nov	153.6	168.2	235.6	252.1	144.6	151.4	167.8	165.1	235.8	201.6	140.8	150.6
Dec	164.9	174.3	254.3	267.9	157.2	158.7	191.3	191.9	229.1	208.6	176.3	185.3
Jan	167.3	175.2	240.7	270.9	158.2	158.1	206.2	202.4	261.6	247.2	184.2	184.7
Feb*	156.9	164.8	235.3	255.9	150.0	151.7	190.2	200.1	261.2	252.3	162.1	179.4
Mar	176.3		303.8		160.3		203.9		274.4		175.9	
Average												
Apr-Feb	155.1	166.6	237.0	251.3	150.4	152.8	183.6	176.8	263.3	228.4	152.0	156.3
Growth over the corresponding period of previous year (in %)												

Feb	4.5	5.0	-17.6	8.8	4.0	1.1	-5.2	5.2	-9.8	-3.4	-2.0	10.7
Apr- Feb	1.8	7.4	-2.6	6.0	3.3	1.6	-2.9	-3.7	-12.3	-13.3	4.8	2.8

Source: MOSPI, Govt. of India

NOTE: Indices for the months of Nov'14 and Jan'15 incorporate updated production data.

* Indices for Feb 2015 are Quick Estimates

2.2 Foreign Tourist Arrivals (FTAs), March 2015

Foreign Tourist Arrivals (FTAs):

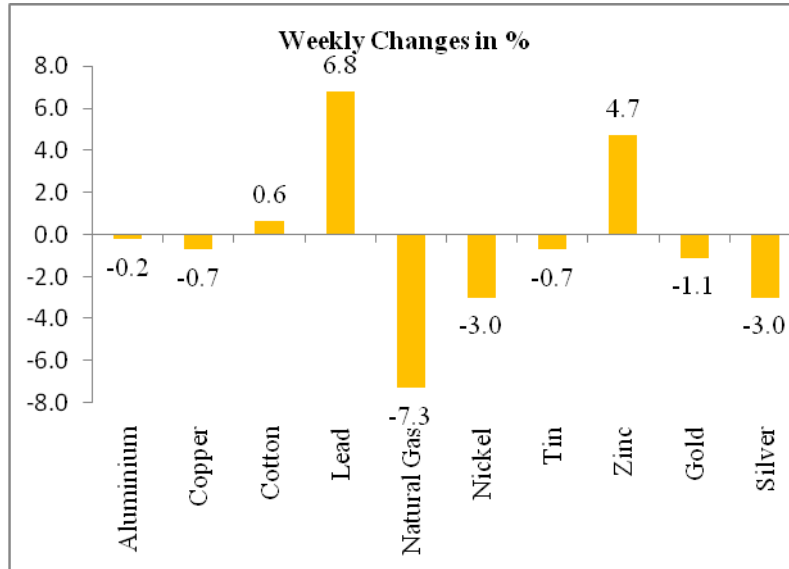
- FTAs during the Month of March 2015 were 7.30 lakh as compared to FTAs of 6.93 lakh during the month of March 2014 and 6.40 lakh in March 2013. There has been a growth of 5.3% in March 2015 over March 2014.
- FTAs during the period January- March 2015 were 22.81 lakh with a growth of 3.2%, as compared to the FTAs of 22.10 lakh with a growth of 7.9% in January- March 2014 over January- March 2013.
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during March 2015 among the top 15 source countries was highest from UK (12.52%) followed by USA (12.35%), Bangladesh (12.28%), Sri Lanka (4.40%), Germany (4.28%), Canada (3.39%), Malaysia (3.26%), France (3.24%), Japan (2.71%), Australia (2.67%), Thailand (2.67%), China (2.55%), Russian Fed. (2.31%), Singapore (1.70%) and Afghanistan (1.58%). These top 15 countries accounts for 71.91% of total FTAs during March 2015.
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during March 2015 among the top 15 ports was highest at Delhi Airport (32.4%) followed by Mumbai Airport (16.7%), Chennai Airport (7.8%), Haridaspur Land check post (6.7%), Bengaluru Airport (5.6%), Cochin Airport (4.0%), Kolkata Airport (3.8%),Goa Airport (3.3%), Sonauli Land Check post (3.2%),Hyderabad Airport (2.6%), Amritsar Airport (1.7%), Trivandrum Airport (1.5%),Ahmedabad Airport (1.4%),Gede Rail (1.4%) and Tiruchirapalli Airport (1.2%). These top 15 ports accounts for 93.3% of total FTAs during March 2015.

Foreign Exchange Earnings (FEEs) from Tourism in India in rupee terms and in US\$ terms

- FEEs during the month of March 2015 were Rs.10,451 crore as compared to Rs.10,152 crore in March 2014 and Rs. 9,545 crore in March 2013.
- The growth rate in FEEs in rupee terms during March 2015 over March 2014 was 2.9%.
- FEEs from tourism in rupee terms in January- March 2015 were Rs. 33,036 crore with a growth of 1.7% as compared to the FEE of Rs. 32,473 during January- March 2014.
- FEEs in US\$ terms during the month of March 2015 were US\$ 1.674 billion as compared to FEEs of US\$ 1.662 billion during the month of March 2014.
- The growth rate in FEEs in US\$ terms in March 2015 over March 2014 was 0.7% compared to a decline of 5.3% in March 2014 over March 2013.
- FEEs from tourism in US\$ terms during January- March 2015 were US\$ 5.310 billion with a growth of 1.1% as compared to the US\$ 5.253 billion with a decline of 6.9% during January- March 2014 over January- March 2013.

2.3 Basic Metals and Agriculture Commodities in Spot Market

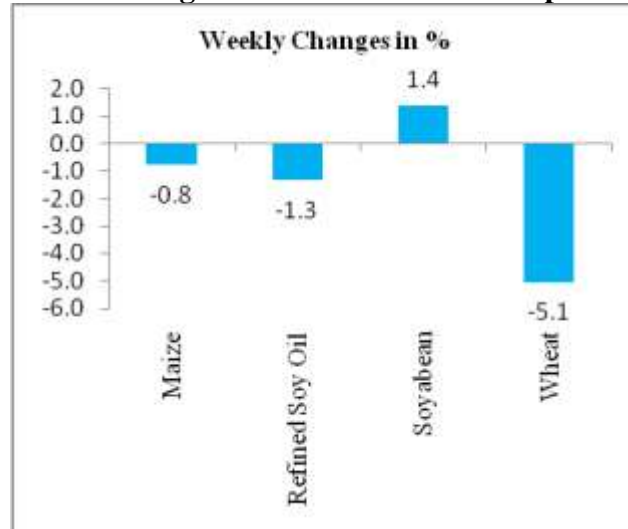
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix

Performance Agri Commodities Market Spot Prices



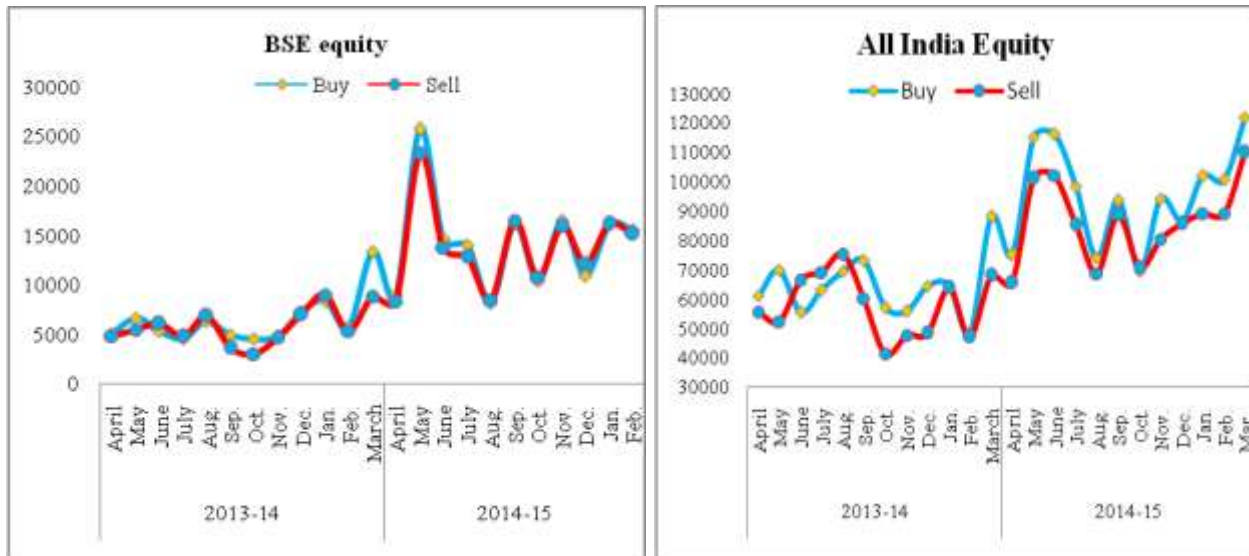
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix

3. Market Trends

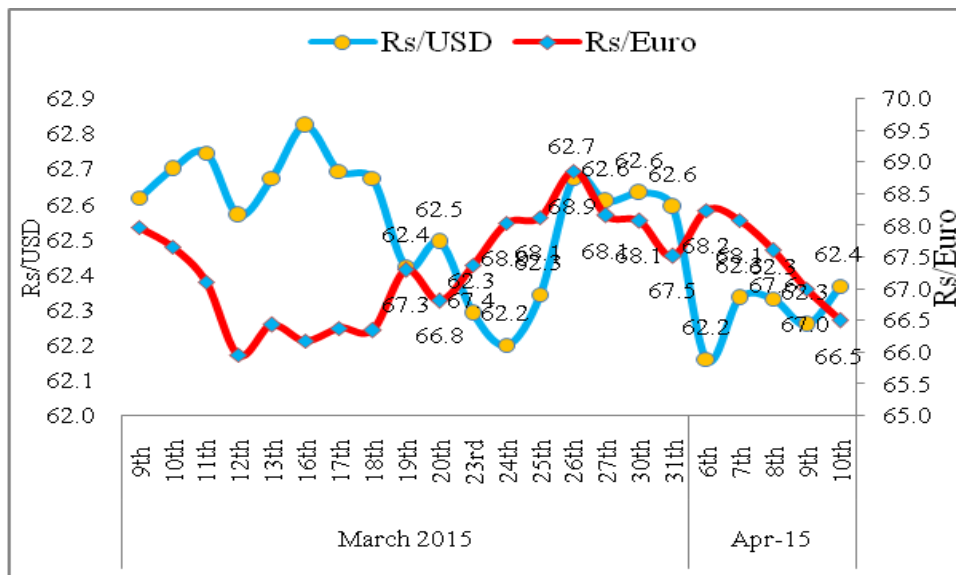


FII Equity Flows Equity (Rs. Crore)

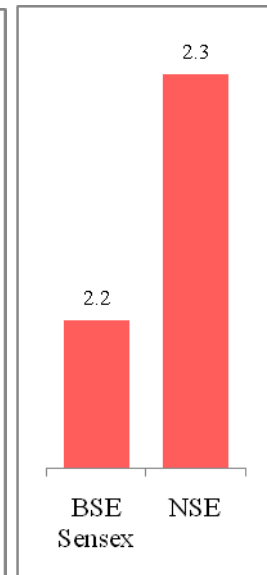


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



Source: RBI, BSE, NSE and ASSOCHAM Economic Research Bureau



4. Global Developments

4.1 UK Index of Production, February 2015

- Total production output is estimated to have increased by 0.1% in February 2015 compared with February 2014. There were increases in 2 of the 4 main sectors, with manufacturing output being the largest contributor, increasing by 1.1%.
- There were increases in 9 of the 13 manufacturing sub-sectors compared with a year ago and the largest contributor was the manufacture of transport equipment, increasing by 6.1%.
- Total production output increased by 0.1% in February 2015 compared with January 2015. There were increases in 3 of the 4 main sectors, with manufacturing being the largest contributor, increasing by 0.4%.
- The main components contributing to the month-on-month increase in manufacturing were the manufacture of transport equipment, the manufacture of machinery & equipment not elsewhere classified and the manufacture of basic metals & metal products.
- In the 3 months to February 2015, production and manufacturing were 10.4% and 4.9% respectively below their figures reached in the pre-downturn GDP peak in Quarter 1, Jan to Mar 2008.

**Table 3
Index of Production Main Figures, February 2015**

		Production	Manufacturing
Index number	2011=100	98.5	101.5
Most recent month on a year earlier		0.1	1.1
Most recent 3 months on a year earlier		0.7	1.8
Most recent month on previous month		0.1	0.4
Most recent 3 months on previous 3 months		-0.2	0.1

Source: UK Office for National Statistics

4.2 Euro Area second estimate of current account, Q4 2014

According to the statistical office of the European Union, EU28 seasonally adjusted external current account recorded a surplus of €38.7 billion (1.1% of GDP) in the fourth quarter of 2014, up from a surplus of €29.9 bn (0.9% of GDP) in the third quarter of 2014 and down from a surplus of €43.0 bn (1.3% of GDP) in the fourth quarter of 2013.

In the fourth quarter of 2014 compared with the third quarter of 2014, based on seasonally adjusted data, the surpluses of the goods account (from +€10.9 bn to +€25.1 bn) and services account (from +€35.7 bn to +€37.0 bn) both increased. The surplus of the primary income account moved into deficit (from +€1.3 bn to -€4.1 bn) and the deficit of the secondary income account increased (from -€18.0 bn to -€19.3 bn).

Table 4
Balance of payments euro-indicators for the EU28 and the euro area (EA19), seasonally adjusted

(in bn euro)

	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
EU28					
Current account balance	43	27.2	28.5	29.9	38.7
Balance of trade in goods	13.2	5.2	3.5	10.9	25.1
Balance of trade in services	39.7	39.6	39.3	35.7	37
Current account balance as % of GDP	1.30%	0.80%	0.80%	0.90%	1.10%
EA19					
Current account balance	53	48.3	42.7	58.1	69.4
Balance of trade in goods	54.7	54.1	56	61.7	75.4
Balance of trade in services	17.7	18.9	17.3	16.8	12
Current account balance as % of GDP	2.10%	1.90%	1.70%	2.30%	2.70%

Source: The statistical office of the European Union

5. Data Appendix

Table 5
Latest Available Financial Information

Item	Mar. 27, 2015	April. 03, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,573.56	3,681.98	3.03
Foreign Currency Assets of RBI (Rs. Billion)	20,018.69	20,164.85	0.73
Advances of RBI to the Central Government (Rs. Billion)			
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	1,403.93	2,198.45	56.59
Foreign Exchange Reserves (US\$ Billion)	341.4	343.0	0.48

Source: RBI, Govt. of India

Table 6
BSE Sensex and NSE Nifty Index

Index	April. 06, 2015	April.10, 2015	Percentage Change
BSE SENSEX	28,351.9	28,879.4	1.9
S & P CNX NIFTY	8,615.8	8,780.4	1.9

Source: BSE India and NSE India

Table 7
Metals Market Spot Prices Index (Rs.)

		April 2015					Weekly Changes in %
		6 th	7 th	8 th	9 th	10 th	
Aluminium	1 KGS	110.8	111.3	110.6	110.4	110.6	-0.2
Copper	1 KGS	377.3	372.4	379.7	375.4	374.6	-0.7
Cotton	1 BALES	16010.0	16160.0	16140.0	16120.0	16110.0	0.6
Lead	1 KGS	116.7	117.6	119.4	121.1	124.6	6.8
Natural Gas	1 mmBtu	169.8	164.7	167.1	163.2	157.4	-7.3
Nickel	1 KGS	809.1	783.0	793.0	780.8	784.9	-3.0
Tin	1 KGS	1036.8	1044.8	1042.0	1035.8	1029.3	-0.7
Zinc	1 KGS	131.0	132.6	133.9	134.8	137.2	4.7
Gold	10 GRMS	26851.0	26714.0	26697.0	26424.0	26550.0	-1.1
Silver	1 KGS	37945.0	37437.0	37506.0	36289.0	36803.0	-3.0

Source: MCX

Table 8
Agri. Commodities Market Spot Prices (Rs.)

		April 2015					Weekly Changes in %
		6 th	7 th	8 th	9 th	10 th	
Maize	100 KGS	1275.0	1307.5	1290.0	1280.0	1265.0	-0.8
Refined Soy Oil	10 KGS	644.2	645.8	645.8	641.2	635.6	-1.3
Soyabean	100 KGS	3560.0	3475.0	3590.0	3593.5	3608.5	1.4
Wheat	100 KGS	1580.0	1581.7	1565.0	1535.0	1500.0	-5.1

Source: MCX

ASSOCHAM Economic Research Bureau

ASSOCHAM Economic Research Bureau (AERB) is the research division of the Associated Chambers of Commerce and Industry of India. The Research Bureau undertakes studies on various economic issues, policy matters, financial markets, international trade, social development, sector wise performance and monitoring global economy dynamics.

The main banners of the Bureau are:

ASSOCHAM Eco Pulse (AEP) studies are based on the data provided by various institutions like Reserve Bank of India, World Bank, IMF, WTO, CSO, Finance Ministry, Commerce Ministry, CMIE etc.

ASSOCHAM Business Barometer (ABB) are based on the surveys conducted by the Research Team to take note of the opinion of leading CEOs, MDs, CFOs, economists and experts in various fields.

ASSOCHAM Investment Meter (AIM) keeps the track of the investment announcements by the private sector in different sectors and across the various states and cities.

ASSOCHAM Placement Pattern (APP) is based on the sample data that is tracked on a daily basis for the vacancies posted by companies via job portals and advertisements in the national and regional dailies, journals and newspaper. Data is tracked for 60 cities and 30 sectors that are offering job opportunities in India.

ASSOCHAM Financial Pulse (AFP) as an analytical tool tracks quarterly financial performance of India Inc; forming strong inter-linkages with the real economy and presents sectoral insights and outlook based on financial indicators, demand signals and corporate dividend activity.

Email: research@assocham.com

THE KNOWLEDGE CHAMBER

Evolution of Value Creator ASSOCHAM initiated its endeavor of value creation for Indian industry in 1920. It has witnessed upswings as well as upheaval of Indian Economy and contributed significantly by playing a catalytic role in shaping up the Trade, Commerce and Industrial environment of the country.

ASSOCHAM derives its strength from the following Promoter Chambers: Bombay Chamber of Commerce and Industry, Mumbai; Cochin Chamber of Commerce and Industry, Cochin; Indian Merchant's Chamber, Mumbai; The Madras Chamber of Commerce and Industry, Chennai; PHD Chamber of Commerce and Industry, New Delhi.

VISION

Empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in the barrier less technology driven global market and help them upscale, align and emerge as formidable player in respective business segment

MISSION

As representative organ of Corporate India, ASSOCHAM articulates the genuine, legitimate needs and interests of its members. Its mission is to impact the policy and legislative environment so as to foster balanced economic industrial and social development. We believe education, health, agriculture and environment to be the critical success factors.

GOALS

To ensure that the voice and concerns of ASSOCHAM are taken note of by policy makers and legislators. To be proactive on policy initiatives those are in consonance with our mission. To strengthen the network of relationships of national and international levels/forums. To develop learning organization, sensitive to the development needs and concerns of its members. To broad-base membership. Knowledge sets the pace for growth by exceeding the expectation, and blends the wisdom of the old with the needs of the present.