



ASSOCHAM Economic Weekly
5th April, 2015



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1. Macroeconomy



1.1 India's External Debt as at End-December 2014

(i) At end-December 2014, India's external debt stock stood at US\$ 461.9 billion, showing an increase of US\$ 15.5 billion (3.5 per cent) over the level at end-March 2014. India's external debt to GDP ratio stood at 23.2 per cent at end-December 2014 vis-à-vis 23.7 per cent at end-March 2014.

(ii) The rise in external debt during the period was due to long-term debt such as commercial borrowings and NRI deposits. Short-term external debt, however witnessed a decline during the period.

(iii) Long-term debt at end-December 2014 was placed at US\$ 376.4 billion, reflecting an increase of 6.1 per cent over the level at end-March 2014. Long-term debt accounted for 81.5 per cent of total external debt at end-December 2014 vis-à-vis 79.5 per cent at end-March 2014.

(iv) Short-term external debt was US\$ 85.6 billion at end-December 2014, showing a decline of 6.7 per cent over the level at end-March 2014. Short-term debt accounted for 18.5 per cent of total external debt at end-December 2014 as against 20.5 per cent at end-March 2014.

(v) Valuation gain (appreciation of US dollar against the Indian rupee and other major currencies) was US\$ 14.4 billion and as such accounted for the decline in the debt stock at end-December 2014 of equivalent amount. This implies that the increase in debt would have been US\$ 29.9 billion at end-December 2014 had there been no valuation gain.

(vi) The shares of Government (Sovereign) and non-Government debt in the total external debt were 19.5 per cent and 80.5 per cent respectively, at end-December 2014.

(vii) The share of US Dollar denominated debt was the highest in the external debt stock and stood at 58.7 per cent at end-December 2014, followed by debt denominated in Indian rupee (26.4 per cent), SDR (6.3 per cent), Japanese yen (4.1 per cent) and euro (2.9 per cent).

(viii) The ratio of short-term external debt (original maturity) to foreign exchange reserves stood at 26.7 per cent at end-December 2014 (30.1 per cent at end-March 2014).

(ix) The ratio of concessional debt to total external debt declined to 9.2 per cent at end December 2014 from 10.4 per cent at end-March 2014.

Table 1
Composition of India's External Debt

	External Debt Outstanding at end of (US\$ million)				Absolute Variation (US\$ million)		Percentage Variation	
	March 2014 PR	June 2014 PR	Sept. 2014 PR	Dec. 2014 QE	Dec. 2014 over to March 2014	Dec. 2014 over to Sept. 2014	Dec. 2014 over to March 2014	Dec. 2014 over to Sept. 2014
1 Multilateral	53,348 (12)	53,603 (11.8)	53,204 (11.6)	52,943 (11.5)	-405	-261	-0.8	-0.5
2 Bilateral	24,688 (5.5)	24,584 (5.4)	23,229 (5.1)	21,821 (4.7)	-2,867	-1,408	-11.6	-6.1
3 IMF	6,149 (1.4)	6,150 (1.4)	5,898 (1.3)	5,764 (1.2)	-385	-134	-6.3	-2.3
4 Export Credit	15,534 (3.5)	15,046 (3.3)	14,326 (3.1)	13,552 (2.9)	-1,982	-774	-12.8	5.4
5 Commercial Borrowings	149,774 (33.5)	156,218 (34.5)	163,783 (35.8)	170,801 (37)	21,027	7,018	14	4.3
6 NRI Deposits	103,845 (23.3)	106,251 (23.4)	108,724 (23.8)	110,070 (23.8)	6,225	1,346	6	1.2
7 Rupee Debt	1,468 (0.3)	1,496 (0.3)	1,452 (0.3)	1,418 (0.3)	-50	-34	-3.4	-2.3
8 Long-term Debt (1to7)	354,806 (79.5)	363,348 (80.1)	370,616 (81)	376,369 (81.5)	21,563	5,753	6.1	1.6

9 Short-term Debt	91,678 (20.5)	90,074 (19.9)	86,993 (19)	85,574 (18.5)	-6,104	-1,419	-6.7	-1.6
10 Total External Debt (8+9)	446,484	453,422	457,609	461,943	15,459	4,334	3.5	0.9

Source: Ministry of Finance, Govt. of India

Table 2
Government and Non-Government External Debt

(US\$ million)

	at end-March			End June 2014 PR	End Sep. 2014 PR	End Dec. 2014QE
	2012	2013	2014			
Government Debt (I+II)	81,896	81,655	83,695	87,320	90,556	90,051
As per cent of GDP	4.7	4.4	4.4	4.2	4.4	4.5
As per cent of total external debt	22.7	19.9	18.7	19.3	19.8	19.5
I. External Debt on Govt. Account under External Assistance	63,374	61,336	62,204	62,394	60,722	59,184
II. Other Govt. External Debt	18,522	20,319	21,491	24,926	29,834	30,867
B. Non-Government Debt	278,870	327,809	362,789	366,102	367,053	371,892
As per cent of GDP	16.2	17.9	19.3	17.3	17.9	18.7
As per cent of total external debt	77.3	80.1	81.3	80.7	80.2	80.5
C. Total External Debt (A+B)	360,766	409,464	446,484	453,422	457,609	461,943
As per cent of GDP	20.9	22.3	23.7	21.5	22.3	23.2

Source: Ministry of Finance, Govt. of India

1.2 Sectoral Deployment of Bank Credit, February 2015

- On a year-on-year (y-o-y) basis, non-food bank credit increased by 9.4 per cent in February 2015 as compared with an increase of 14.7 per cent in February 2014.
- Credit to agriculture and allied activities increased by 16.5 per cent in February 2015, as compared with 13.1 per cent increase in February 2014.
- Credit to industry increased by 6.0 per cent in February 2015, down from an increase of 13.2 per cent in February 2014. Deceleration in credit growth to industry was observed in all major sub-sectors, barring beverages & tobacco and construction.
- Credit to the services sector increased by 7.0 per cent in February 2015, lower than the increase of 17.1 per cent in February 2014, with deceleration observed in all major sub-sectors.
- Credit to NBFCs increased by 7.1 per cent in February 2015 as compared with an increase of 14.7 per cent in February 2014.

- Personal loans increased by 16.0 per cent in February 2015 as compared with an increase of 16.5 per cent in February 2014.

Table 3
Sectoral Deployment of Bank Credit

Sector	Feb.21, 2014	Feb.20, 2015	Feb.21, 2014 / Feb.22, 2013	Feb.20, 2015/ Feb.21, 2014
	Rs. Billion		Growth (Y-o-Y)	
Gross Bank Credit (II + III)	55192.6	60327.2	14.4	9.3
Food Credit	989.8	1040.7	1.5	5.1
Non-food Credit (1 to 4)	54202.8	59286.5	14.7	9.4
Agriculture & Allied Activities	6510.4	7585.1	13.1	16.5
Industry (Micro & Small, Medium and Large)	24648.5	26128.2	13.2	6.0
Micro & Small	3404.4	3728.3	25.1	9.5
Medium	1274.6	1300.0	1.5	2.0
Large	19969.5	21100.0	12.2	5.7
Services	12884.6	13787.7	17.1	7.0
Commercial Real Estate	1469.9	1680.8	17.6	14.3
Non-Banking Financial Companies (NBFCs)	2819.0	3020.1	14.7	7.1
Personal Loans	10159.3	11785.6	16.5	16.0
Priority Sector	17941.6	19841.8	19.1	10.6

Source: RBI

1.3 Highlights of the Foreign Trade Policy 2015-2020

A. Simplification & Merger of Reward Schemes

- Merchandise Exports from India Scheme (MEIS)
- Service Exports from India Scheme (SEIS)
- Chapter -3 Incentives (MEIS & SEIS) to be available for SEZs
- Duty credit scrips to be freely transferable and usable for payment of custom duty, excise duty and service tax.
- Status Holders

B. Boost TO "MAKE IN INDIA "

- Reduced Export Obligation (EO) for domestic procurement under EPCG scheme:

- Higher level of rewards under MEIS for export items with high domestic content and value addition.

C. Trade Facilitation & Ease of Doing Business

- Online filing of documents/ applications and Paperless trade in 24x7 environment
- Online inter-ministerial consultations
- Simplification of procedures/processes, digitisation and e-governance
- Forthcoming e-Governance Initiatives

D. Other New Initiatives

- New initiatives for EOUs, EHTPs and STPs
- Facilitating & Encouraging Export of dual use items (SCOMET)
- Facilitating & Encouraging Export of Defence Exports
- e-Commerce Exports
- Duty Exemption
- Additional Ports allowed for Export and import
- Duty Free Tariff Preference (DFTP) Scheme
- Quality complaints and Trade Disputes
- Vishakhapatnam and Bhimavaram added as Towns of Export Excellence



2. Corporate Sector

2.1 Mineral Production during January 2015

The index of mineral production of mining and quarrying sector for the month of January (new Series 2004-05=100) 2015 at 135.3, was 2.8% lower as compared to January 2014. The cumulative growth for the period April-January 2014-15 over the corresponding period of previous year stands at (+) 1.3%.

The total value of mineral production (excluding atomic & minor minerals) in the country during January 2015 was Rs. 20524 crore. The contribution of: coal was the highest at Rs. 7938 crore (39%). Next in the order of importance were: petroleum (crude) Rs. 5794 crore, iron ore Rs. 2500 crore, natural gas (utilized) Rs. 2302 crore, lignite Rs. 542 crore and limestone Rs. 452 crore. These six minerals together contributed about 95% of the total value of mineral production in January 2015.

Production level of important minerals in January 2015 were: coal 581 lakh tonnes, lignite 46 lakh tonnes, natural gas (utilized) 2784 million cu. m., petroleum (crude) 32 lakh tonnes, bauxite 2111 thousand tonnes, chromite 197 thousand tonnes, copper conc. 7 thousand tonnes, gold 147 kg., iron ore 110 lakh tonnes, lead conc. 17 thousand tonnes, manganese ore 169 thousand tonnes, zinc conc. 149 thousand tonnes, apatite & phosphorite 110 thousand tonnes, dolomite 507 thousand tonnes, limestone 248 lakh tonnes, magnesite 20 thousand tonnes and diamond 2415 carat.

The production of important minerals showing positive growth during January 2015 over January 2014 include 'zinc conc.' (23.9%), 'gold' (12.2%) 'magnesite' (11.6%), 'lignite' (3.2%) and 'coal' (1.8%). The production of other important minerals showing negative growth are: 'lead conc.' [(-) 0.4%], 'diamond' [(-) 2.1%], 'limestone' and 'petroleum (crude)' [(-) 2.2%] each, 'nat-

ural gas (utilized)' [(-) 6.6%], 'bauxite' [(-) 17.4%], 'dolomite' [(-) 21.0%], 'iron ore' [(-) 24.3%], 'apatite & phosphorite' [(-) 25.9%], 'manganese ore' [(-) 27.6%], 'chromite' [(-) 33.0%] and 'copper conc.' [(-) 41.4%].

2.2 Index of Eight Core Industries, February 2015

The Eight Core Industries comprise nearly 38 % of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 161.5 in February, 2015, which was 1.4 % higher compared to the index of February, 2014. Its cumulative growth during April to February, 2014-15 was 3.8%.

- **Coal:** Coal production increased by 11.6 % in February, 2015 over February, 2014. Its cumulative index during April to February, 2014-15 increased by 8.5 % over corresponding period of previous year.
- **Crude Oil:** Crude Oil production (weight: 5.22 %) declined by 1.9% in February, 2015 over February, 2014. The cumulative index of Crude Oil during April to February, 2014-15 declined by 1.1 % over the corresponding period of previous year.
- **Natural Gas:** The Natural Gas production declined by 8.1 % in February, 2015. Its cumulative index during April to February, 2014-15 declined by 5.5% over the corresponding period of previous year.
- **Refinery Products (0.93% of Crude Throughput):** Petroleum Refinery production declined by 1.0% in February 2015. Its cumulative index during April to February, 2014-15 increased by 0.5% over the corresponding period of previous year.
- **Fertilizers:** Fertilizer production (weight: 1.25%) declined by 0.4% in February, 2015. Its cumulative index during April to February, 2014-15 declined by 0.5 % over the corresponding period of previous year.
- **Steel (Alloy + Non-Alloy):** Steel production (weight: 6.68%) declined by 4.4 % in February, 2015. Its cumulative index during April to February, 2014-15 increased by 1.1% over the corresponding period of previous year.

- **Cement:** Cement production (weight: 2.41%) increased by 2.7 % in February, 2015. Its cumulative growth during April to February, 2014-15 was 6.1 % over the corresponding period of previous year.
- **Electricity:** Electricity generation (weight: 10.32%) increased by 5.2 % in February, 2015 and it registered a cumulative growth of 8.6 % during April to February, 2014-15 over the corresponding period of previous year.

Table 4
Performance of Eight Core Industries

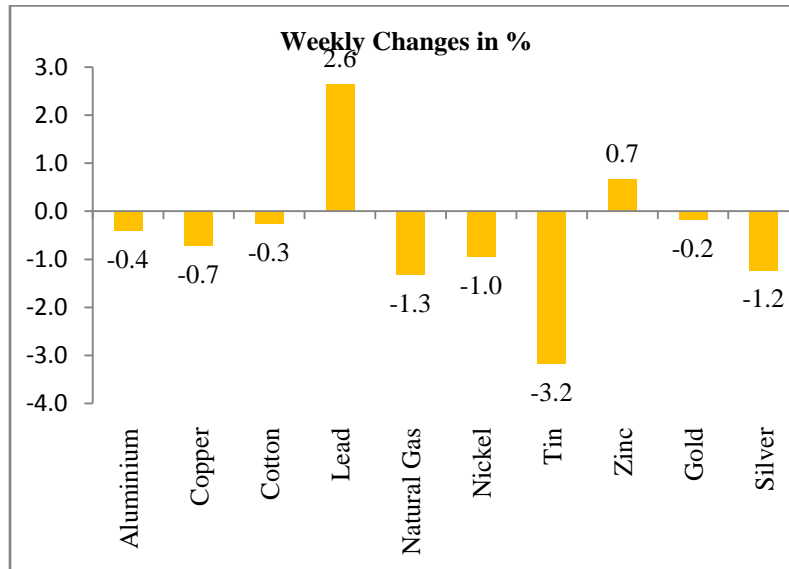
(Base Year: 2004-05=100)

Sector	Weight	2012-13	2013-14	Feb 2014	Feb 2015	Apr-Feb 2013-14	Apr-Feb 2014-15
Coal	4.4	4.6	1.3	0.9	11.6	1.4	8.5
Crude Oil	5.2	-0.6	-0.2	1.9	-1.9	-0.1	-1.1
Natural Gas	1.7	-14.5	-13.0	-4.4	-8.1	-13.3	-5.5
Refinery Products	5.9	29.0	1.4	2.0	-1.0	1.3	0.5
Fertilizers	1.3	-3.4	1.5	-0.7	-0.4	2.2	-0.5
Steel	6.7	4.1	10.9	11.5	-4.4	11.4	1.1
Cement	2.4	7.7	3.0	2.4	2.7	3.4	6.7
Electricity	10.3	4.0	6.0	11.5	5.2	6.1	8.6
Overall Index	37.9	6.5	4.1	6.1	1.4	4.2	3.8

Source: Office of Economic Advisor, Ministry of Commerce, Govt. of India

2.3 Basic Metals and Agriculture Commodities in Spot Market

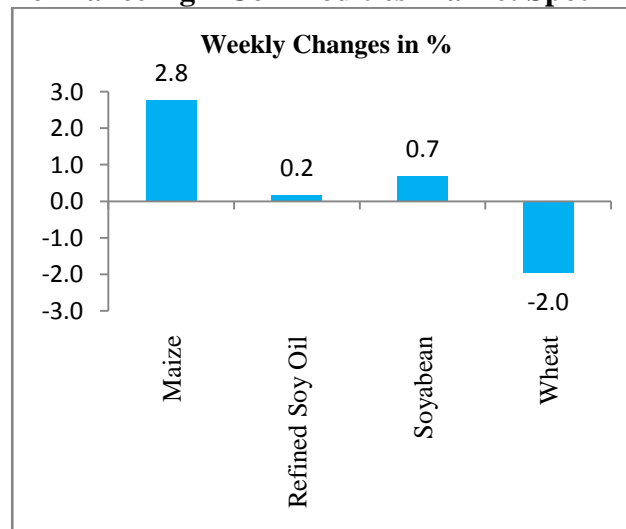
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix

Performance Agri Commodities Market Spot Prices



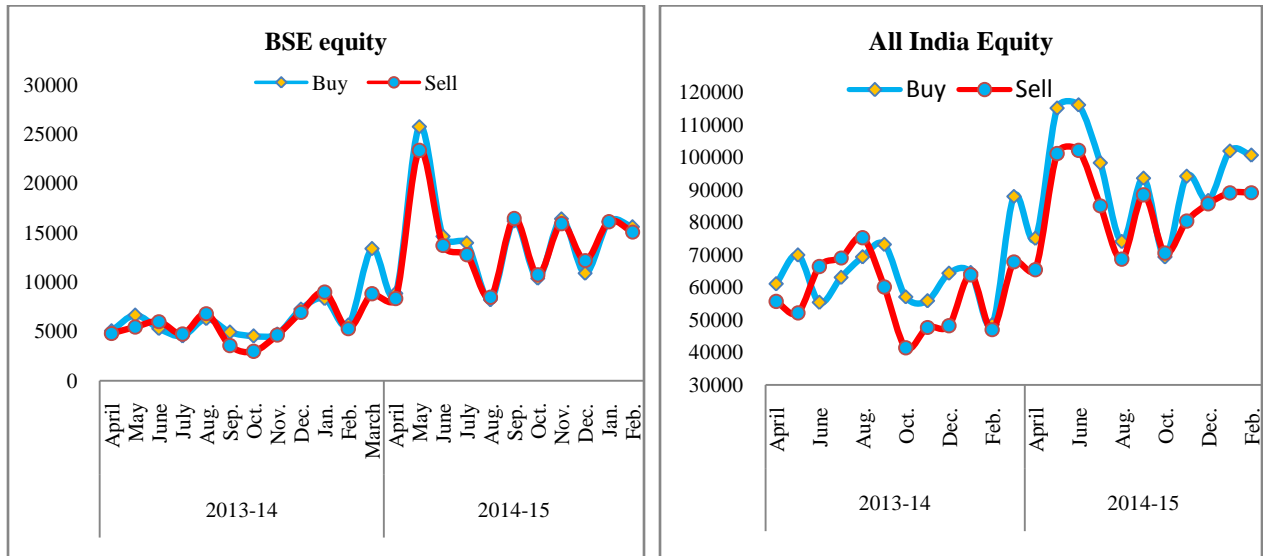
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix

3. Market Trends

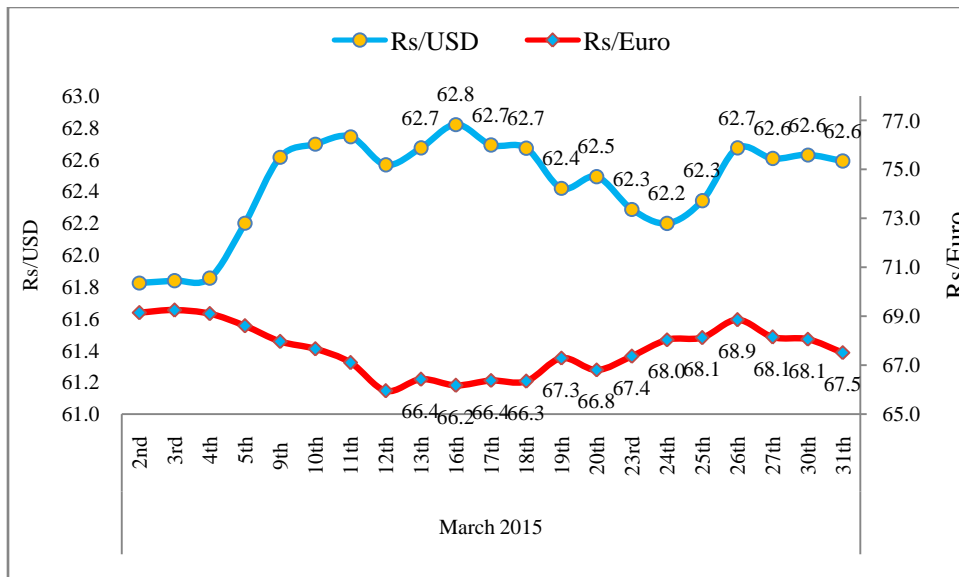


FII Equity Flows Equity (Rs. Crore)

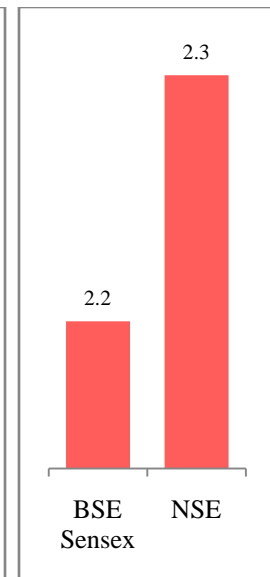


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 UK's National Accounts, Q4 (Oct to Dec) 2014

- UK GDP in volume terms was estimated to have increased by 0.6% between Quarter 3 (July to Sept) 2014 and Quarter 4 (Oct to Dec) 2014, revised up 0.1 percentage points from the previous estimate of GDP published 26 February 2015
- GDP was estimated to have increased by 2.8% in 2014, compared with 2013, revised up 0.2 percentage points from the previously published estimate
- Between Quarter 4 2013 and Quarter 4 2014, GDP in volume terms increased by 3.0%, revised up 0.3 percentage points from the previously published estimate
- GDP in current prices was estimated to have increased by 0.7% between Quarter 3 2014 and Quarter 4 2014, revised up 0.3 percentage points from the previously published estimate
- GDP per head was estimated to have increased by 0.5% between Quarter 3 2014 and Quarter 4 2014. Between 2013 and 2014, GDP per head increased by 2.2%
- The households' and non-profit institutions serving households saving ratio was estimated to be 6.0% in 2014 compared with 6.4% in 2013

Table 5
UK GDP Growth (Q-o-Q)

Component	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
GVA (Average)	0.6	0.6	0.7	0.4	0.9	0.8	0.6	0.6
Agriculture	-4.5	1.0	0.7	0.7	0.6	0.0	0.6	0.4
Total Production	0.1	0.7	0.8	0.3	0.5	0.3	0.1	0.2
Mining & quarrying inc oil & gas extract	1.7	2.3	3.4	-1.3	-1.2	0.5	-2.3	0.8
Manufacturing	-0.3	0.5	0.5	0.6	1.4	0.6	0.4	0.2
Electricity, gas and air	2.7	-2.3	-5.8	1.7	-4.3	0.3	3.1	-2.6

Water and Sewerage	-1.0	2.7	4.4	0.1	-0.5	-3.0	-0.4	1.1
Construction	-0.7	2.4	3.0	0.3	3.7	1.3	1.7	-2.2
Total Services	0.7	0.5	0.6	0.6	0.8	1.0	0.7	0.9
Distn, hotels and catering	1.1	1.6	1.1	0.5	1.7	1.2	0.9	1.4
Transport, storage and comms	1.8	-0.4	0.0	0.1	0.5	1.6	1.2	0.9
Business services and Finance	0.4	0.7	0.9	1.0	0.8	1.2	0.8	1.3
Government and other	0.2	-0.1	0.3	0.4	0.3	0.4	0.2	0.0

Source: UK Office for National Statistics

4.2 Euro Area annual inflation

According to the statistical office of the European Union, Euro Area annual inflation is expected to be -0.1% in March 2015, up from -0.3% in February 2015.

Looking at the main components of euro area inflation, services is expected to have the highest annual rate in March (1.0%, compared with 1.2% in February), followed by food, alcohol & tobacco (0.6%, compared with 0.5% in February), non-energy industrial goods (-0.1%, stable compared with February) and energy (-5.8%, compared with -7.9% in February).

Table 6
Euro area annual inflation and its components, %

	Weight (%) 2015	Mar 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015
All-items HICP	1000	0.5	0.4	0.3	-0.2	-0.6	-0.3p	-0.1e
All-items excluding:								
> energy	893.9	0.8	0.7	0.6	0.6	0.4	0.6p	0.6e
> energy, unprocessed food	819.4	0.9	0.7	0.7	0.7	0.6	0.7p	0.6e
> energy, food, alcohol & tobacco	697.3	0.7	0.7	0.7	0.7	0.6	0.7p	0.6e
Food, alcohol & tobacco	196.6	1	0.5	0.5	0	-0.1	0.5p	0.6e
> processed food, alcohol & tobacco	122.1	1.7	0.8	0.6	0.5	0.4	0.5p	0.6e
> unprocessed food	74.5	-0.1	0	0.2	-1	-0.8	0.4p	0.7e
Energy	106.1	-2.1	-2	-2.6	-6.3	-9.3	-7.9p	-5.8e
Non-energy industrial goods	262.6	0.2	-0.1	-0.1	0	-0.1	-0.1p	-0.1e
Services	434.7	1.1	1.2	1.2	1.2	1	1.2p	1.0e

Source: Statistical office of the European Union

Note: e = estimate p = provisional

5. Data Appendix

Table 7
Latest Available Financial Information

Item	Mar. 20, 2015	Mar. 27, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,730.74	3,573.56	-4.21
Foreign Currency Assets of RBI (Rs. Billion)	19,866.66	20,018.69	0.77
Advances of RBI to the Central Government (Rs. Billion)			
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	1,582.02	1,403.93	-11.26
Foreign Exchange Reserves (US\$ Billion)	340.0	341.4	0.41

Source: RBI, Govt. of India

Table 8
BSE Sensex and NSE Nifty Index

Index	Mar. 30, 2015	April. 01, 2015	Percentage Change
BSE SENSEX	27,655.8	28,260.1	2.2
S & P CNX NIFTY	8,391.0	8,586.3	2.3

Source: BSE India and NSE India

Table 9
Metals Market Spot Prices Index (Rs.)

		March 2015		April 2015			Weekly Changes in %
		30 th	31 st	1 st	2 nd	3 rd	
Aluminium	1 KGS	111.3	112.0	110.5	110.8	NA	-0.4
Copper	1 KGS	382.0	384.1	378.1	379.3	NA	-0.7
Cotton	1 BALES	15370.0	15350.0	15340.0	15330.0	NA	-0.3
Lead	1 KGS	113.7	113.2	113.9	116.7	NA	2.6
Natural Gas	1 mmBtu	165.2	165.6	165.2	163.0	NA	-1.3
Nickel	1 KGS	816.9	779.7	771.4	809.1	NA	-1.0
Tin	1 KGS	1070.8	1047.0	1026.3	1036.8	NA	-3.2
Zinc	1 KGS	130.2	129.9	129.5	131.0	NA	0.7
Gold	10 GRMS	26278.0	26232.0	26232.0	0.0	NA	-0.2
Silver	1 KGS	37376.0	36983.0	36916.0	0.0	NA	-1.2

Source: MCX

Table 10
Agri. Commodities Market Spot Prices (Rs.)

		March 2015		April 2015			Weekly Changes in %
		30 th	31 st	1 st	2 nd	3 rd	
Maize	100 KGS	1260.0	1285.0	1295.0	NA	NA	2.8
Refined Soy Oil	10 KGS	629.0	629.0	630.0	NA	NA	0.2
Soyabean	100 KGS	3410.0	3397.5	3433.5	NA	NA	0.7
Wheat	100 KGS	1618.3	1590.0	1586.7	NA	NA	-2.0

Source: MCX

ASSOCHAM Economic Research Bureau

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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.

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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.