



ASSOCHAM Economic Weekly
20th December, 2015



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1. Macroeconomy



1.1 Index Numbers of Wholesale Price in India

Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) for the month of November, 2015 rose by 0.5 percent to 177.6 from 176.7 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -1.99% for the month of November, 2015 (over November, 2014) as compared to -3.81% for the previous month and -0.17% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 0.85% compared to a build up rate of 0.50% in the corresponding period of the previous year.

The index for 'Primary Article' group rose by 1.6 percent to 256.5 from 252.4.

The index for 'Food Articles' group rose by 2.3 percent to 271.0 from 264.9 for the previous month due to higher price of fish-inland (9%), urad, egg and moong (6% each), condiments & spices, masur and maize (5% each), arhar and fruits & vegetables (4% each), barley, tea, gram and poultry chicken (3% each), bajra and pork (2% each) and jowar, wheat and mutton (1% each). However, the price of fish-marine (2%) declined.

The index for 'Non-Food Articles' group rose by 0.5 percent to 221.7 from 220.7 for the previous month due to higher price of niger seed and flowers (10% each), raw jute (8%), rape & mustard seed and raw wool (5% each), mesta (4%), fodder (3%), sunflower (2%) and castor seed (1%). However, the price of guar seed (6%), raw rubber, copra (coconut) and cotton seed (4% each), groundnut seed (3%), coir fibre (2%) and gingelly seed and linseed (1% each) declined.

The index for ‘Minerals’ group declined by 2.2 percent to 217.6 from 222.5 for the previous month due to lower price of iron ore (10%), zinc concentrate (6%) and chromite, phosphorite and sillimanite (1% each). However, the price of crude petroleum (1%) moved up.

The index for ‘Fuel & Power’ group rose by 0.9 percent to 177.9 from 176.4 for the previous month due to higher price of high speed diesel (3%) and kerosene and furnace oil (1% each). However, the price of bitumen and aviation turbine fuel (1% each) declined.

The index for ‘Manufactured Products’ group declined by 0.2 percent to 153.0 from 153.3 for the previous month.

Table 1
Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)

Month of November, 2015

	Weight	WPI Nov- 2015	Latest month over month		Build up from March		Year on year	
			2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Primary Articles	20.12	256.5	-0.99	1.62	4.76	7.32	-1.61	2.27
Food Articles	14.34	271.0	-0.39	2.30	9.80	8.70	0.66	5.20
Non-Food Articles	4.26	221.7	-0.71	0.45	-4.23	9.43	-3.65	6.33
Minerals	1.52	217.6	-5.67	-2.20	-11.46	-10.56	-13.22	-28.87
Fuel & Power	14.91	177.9	-5.08	0.85	-6.58	-5.37	-4.53	-11.09
Manufactured Products	64.97	153.0	-0.45	-0.20	0.65	-0.58	1.90	-1.42
All Commodities	100.00	177.6	-1.36	0.51	0.50	0.85	-0.17	-1.99

Source: Office of Economic Advisor

1.2 India’s Foreign Trade (Merchandise), November 2015

Exports during November, 2015 were valued at US\$ 20014.22 million (Rs. 132328.24 crore) which was 24.43 per cent lower in Dollar terms (19.03 per cent lower in Rupee terms) than the level of US\$ 26485.71 million (Rs. 163427.94 crore) during November, 2014. Cumulative value of exports for the period April-November 2015-16 was US\$ 174306.46 million (Rs. 1124831.81 crore) as against US\$ 213774.45 million (Rs. 1293967.32 crore) registering a negative growth of 18.46 per cent in Dollar terms and 13.07 per cent in Rupee terms over the same period last year.

Imports during November, 2015 were valued at US\$ 29795.91 million (Rs. 197001.90 crore) which was 30.26 per cent lower in Dollar terms and 25.27 per cent lower in Rupee terms over the level of imports valued at US\$ 42722.49 million (Rs. 263615.72 crore) in November, 2014. Cumulative value of imports for the period April-November 2015-16 was US\$ 261850.21 million (Rs. 1689681.20 crore) as against US\$ 316280.68 million (Rs. 1915128.52 crore) registering a negative growth of 17.21 per cent in Dollar terms and 11.77 per cent in Rupee terms over the same period last year.

Oil imports during November, 2015 were valued at US\$ 6436.39 million which was 44.99 per cent lower than oil imports valued at US\$ 11699.82 million in the corresponding period last year. Oil imports during April-November, 2015-16 were valued at US\$ 61411.46 million which was 42.39 per cent lower than the oil imports of US\$ 106596.04 million in the corresponding period last year.

Non-oil imports during November, 2015 were estimated at US\$ 23359.52 million which was 24.7 per cent lower than non-oil imports of US\$ 31022.67 million in November, 2014. Non-oil imports during April-November, 2015-16 were valued at US\$ 200438.75 million which was 4.41 per cent lower than the level of such imports valued at US\$ 209684.64 million in April-November, 2014-15.

The trade deficit for April-November, 2015-16 was estimated at US\$ 87543.75 million which was lower than the deficit of US\$ 102506.23 million during April-November, 2014-15.

Table 2
India's Merchandise Trade (US \$ Million)

	November	April-November
Exports (including re-exports)		
2014-15	26485.71	213774.45
2015-16	20014.22	174306.46
%Growth2015-16/ 2014-15	-24.43	-18.46
Imports		
2014-15	42722.49	316280.68
2015-16	29795.91	261850.21

%Growth2015-16/ 2014-15	-30.26	-17.21
Trade Balance		
2014-15	-16236.78	-102506.23
2015-16	-9781.69	-87543.75

Source: Ministry of Commerce



2. Corporate Sector

2.1 Government Approves Foreign Direct Investment (FDI) Proposals

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its 228th meeting held on 27th November 2015, the Government has approved three (03) proposals of Foreign Direct Investment (FDI) amounting to Rs. 135.84 crore.

Table 3
Approved FDI Proposals

S. No.	Item No	Name of the applicant	Gist of the proposal	Sector	FDI (in ` Crore)
1	10	Scalene Works People Solutions LLP	1. Post facto approval in respect of the investments made by Ms Neelima Talluri in Scalene, NRI, through Tech One Staffing LLC, Performance Resources NY, Inc. and Hallmark Global Technologies Limited amounting to `0.31crores. 2. CDI India Holdings One Limited and CDI India Holdings Two Limited to acquire the interests of all the existing resident and non-resident shareholders of Scalene in the ratio of 99:1	LLP	0.13
2	16	GVK Biosciences Pvt Ltd	Approval has been sought by M/s GVK Biosciences Private Limited for transfer of its 9.091% shares currently held by Sequoia Capital to Destiny Investments Limited for an aggregate consideration of 145.4 crores.	Pharma	Nil
3	18	GMS Pharma (Singapore) Pte Ltd	Approval has been sought by GMS Pharma (Singapore) Pte. Ltd for the proposed acquisition of 25.1% of the share capital of Stelis Biopharma Private Limited either by itself or through its affiliates and or group companies, in one or more tranches which is currently held by Strides Arcolab Limited.	Pharma	135.71

Source: DIPP

**Table 4
Deferred FDI Proposals**

S. No.	Item No	Name of the applicant	Gist of the proposal	Sector
1	1	HDFC Standard Life insurance Co. Ltd	Approval for transfer of its shares currently held by Housing Development Finance Corporation Limited (HDFC) to Standard Life (Mauritius Holdings) 2006 Limited, thereby increasing foreign shareholding in HDFCSLI from 26% to 35%.	Insurance
2	2	Tata Sikorsky Aerospace Limited	Approval has been sought for non- resident to non-resident transfer of 26% of the shares of Tata Sikorsky Aerospace from M/s United Technologies International Corporation - Asia Private Limited to M/s Lockheed Martin Global, Inc. (USA).	Defence
3	9	Jupiter Satellite India Limited	Approval has been sought for foreign investment upto 74% of total paid up capital of the applicant from Hughes Network System LLC, USA.	Satellite communication services
4	12	Financial Times (India) Pvt Ltd	(i) Transfer of 99.99% of The Financial Times (India) Private Limited, to Falstaff Singapore Pte Ltd, currently held by Pearson , Singapore for an aggregate consideration of SGD1 (ii) Transfer of 1 share of The Financial Times (India) Private Limited to Falstaff Singapore Pte Ltd, currently held by Pearson, Amsterdam (iii) Transfer of entire shareholding of Falstaff Singapore Pte Ltd to Nikkei Inc, currently held by Pearson, Amsterdam for an aggregate consideration of SGD 77,80,000	Print media
5	14	Volvo Asset Finance India Pvt Ltd	an NBFC has proposed to offer operating lease to its customers, for which company has been advised to seek FIPB approval.	NBFC
6	19	Aviva Life Insurance Co India Ltd	Approval has been sought by Aviva Life Insurance Company India Limited to increase the foreign shareholding from 26% to 49% by Aviva International Holdings Limited, UK by way of transfer of 23% shareholding currently held by Dabur Investment Corp.	Insurance
7	20	Indus Way Emerging Market Fund Series II	Indus Way Emerging Market Fund Series II, a fund registered with SEBI has sought approval for :- I. Accept contributions up to a limit of INR 160 crores from offshore investors into the Fund subject to AIF Regulations under the FDI route and to issue Class A units in the fund to the Offshore Investors. II. Accept minimum capital commitments as per the SEBI(AIF) Regulations, 2012 III. Permit the Fund to make investments in securities of the Indian companies in which FDI is permitted, IV. Permit the Fund to distribute income realized on its investment to the offshore investors under the automatic route	AIF

8	21	Ivy Cap Ventures Trust Fund II	Approval has been sought by M/s IvyCap Ventures Advisors Private Limited (Investment Manager) on behalf of IvyCap Ventures Trust Fund II (Fund), which is registered as a Category I alternative investment fund to accept foreign direct investment into the Fund.	AIF
9	24	Firefly Networks Ltd	Approval has been sought by M/s FireFly Networks Limited for approval of the existing foreign investment (50% indirect) and to permit commencement of activities as a Telecom Infrastructure Provider Category-I.	Telecom

Source: DIPP

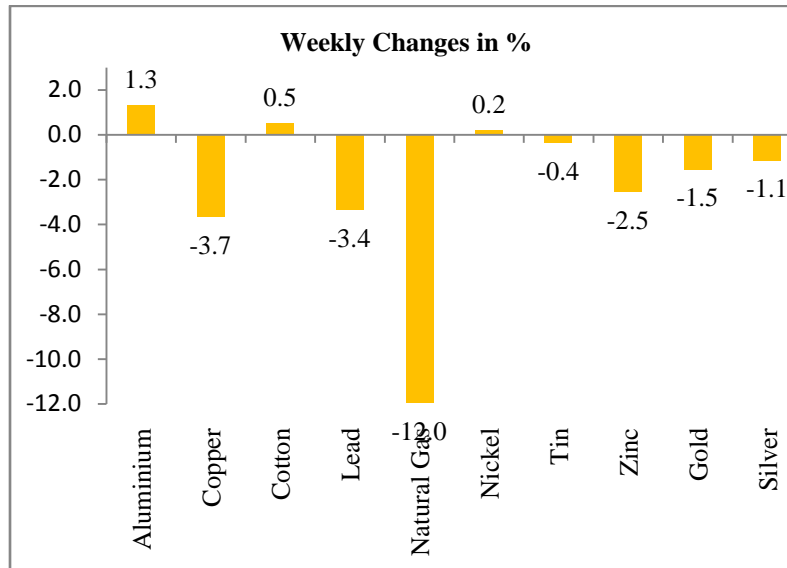
**Table 5
Rejected FDI Proposal**

S. No.	Item No	Name of the applicant	Gist of the proposal	Sector
1	8	ACN Cable Pvt Ltd	Approval has been sought for increasing the equity stake from 47.56% to 73.16% by way of downstream investment by Atria Convergence Technologies Pvt Ltd (foreign owned) in ACN Cable Pvt Ltd, an MSO.	Insurance

Source: DIPP

2.2 Basic Metals and Agriculture Commodities in Spot Market

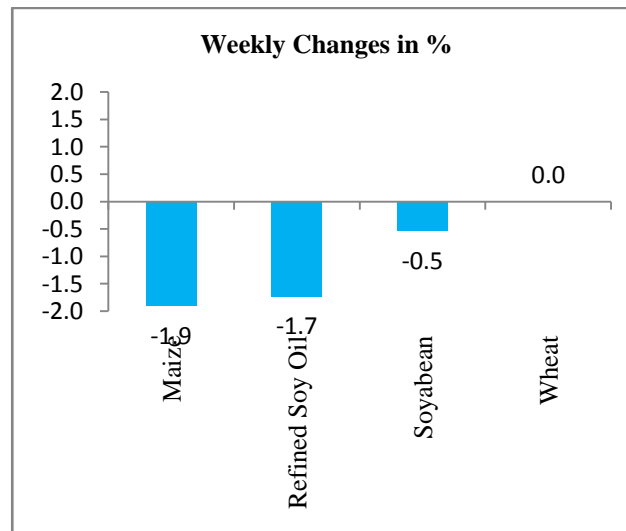
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days

Performance Agri Commodities Market Spot Prices



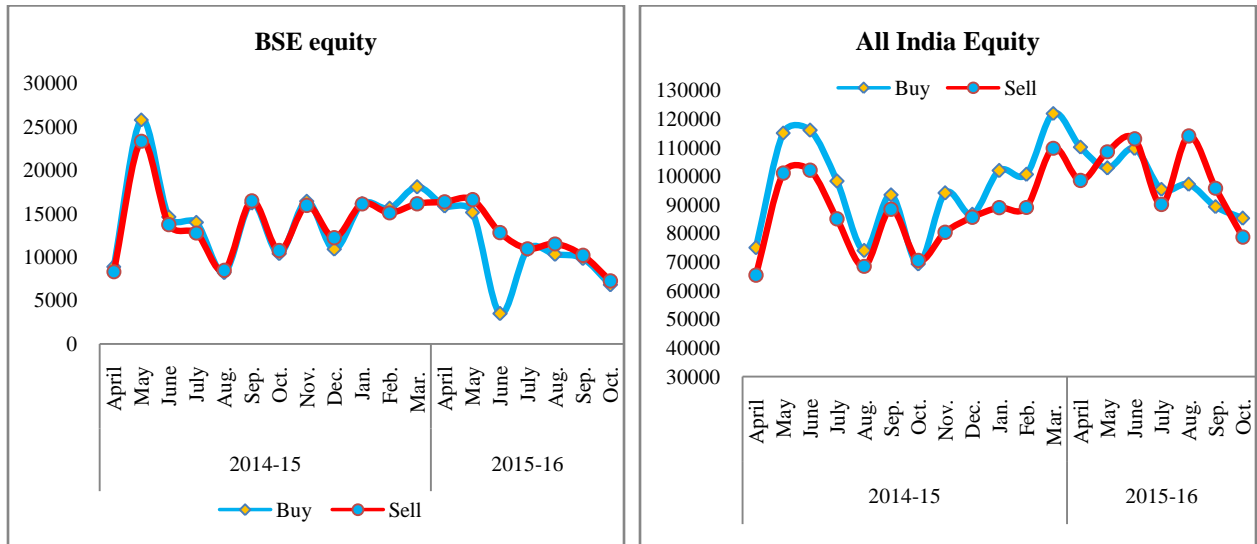
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days

3. Market Trends

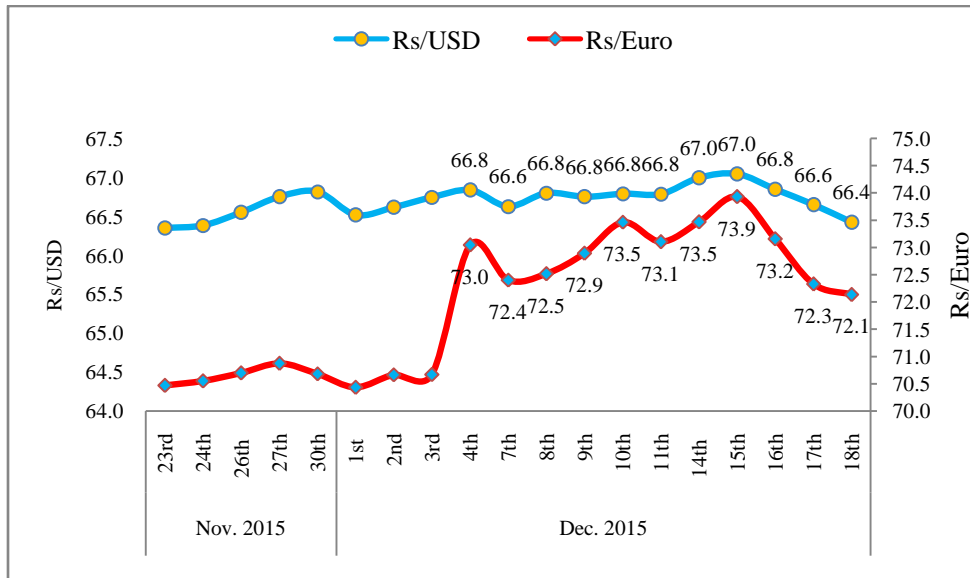


FII Equity Flows Equity (Rs. Crore)

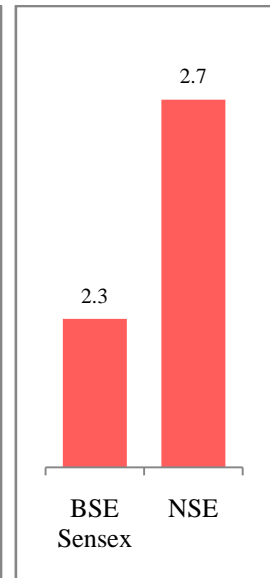


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 EU28 current account

According to the statistical office of the European Union, EU28 seasonally adjusted external current account recorded a surplus of €19.8 billion in October 2015, compared with a surplus of €19.7 bn in September 2015 and a surplus of €10.8 bn in October 2014.

In October 2015, compared with September 2015, based on seasonally adjusted data, the surplus of the goods account grew (+€11.3 bn compared with +€11.1 bn) and the deficit of the secondary income account fell (-€6.3 bn compared with -€6.5 bn). The surplus of the services account decreased (+€12.7 bn compared with +€13.0 bn), and the surplus of the primary income account remained almost unchanged (+€2.1 bn compared with +€2.2 bn).

The 12-month cumulated current account for the period ending in October 2015 recorded a surplus of €178.8 billion, compared with €73.3 billion for the 12 months to October 2014. The deficit of the goods account moved into surplus (+€98.9 bn compared with -€13.4 bn), the surplus of the services account increased (+€156.2 bn compared with +€151.7 bn) and the deficit of the secondary income account fell slightly (-€75.0 bn compared with -€76.8 bn). The surplus of the primary income account moved into deficit (-€1.4 bn compared with +€11.9 bn).

Table 6
Balance of payments euro-indicators for the EU28 - monthly data, seasonally adjusted (bn €)

	Oct. 2014	Nov. 2014	Dec. 2014	Jan. 2015	March 2015	Apr. 2015	May 2015	June 2015	July 2015	Aug. 2015	Sep. 2015	Oct. 2015	Nov. 2015
EU28 current account balance	10.8	11.9	8.8	17.6	15	8.4	13.8	13.6	13.3	18.6	18.2	19.7	19.8
Balance of trade in goods	2.5	3.7	2.2	10.9	8.8	3.5	9.4	10.1	9.9	9.3	8.8	11.1	11.3
Balance of trade in servic-	12.9	12.8	12.5	13	13.8	12.7	13	13.5	13.8	12.1	13.1	13	12.7

es													
Balance of primary income	1.4	1.6	0.4	-0.1	-1.8	-1.7	-2.3	-3.7	-4	3.6	2.4	2.2	2.1
Balance of secondary income	-6	-6.2	-6.3	-6.1	-5.9	-6.1	-6.3	-6.3	-6.4	-6.4	-6.2	-6.5	-6.3

Source: The statistical office of the European Union

4.2 U. S Regional and State Employment and Unemployment, November 2015

Regional and state unemployment rates were little changed in November. Twenty-seven states had unemployment rate decreases from October, 11 states had increases, and 12 states and the District of Columbia had no change, according to the U.S. Bureau of Labor Statistics. Forty-five states and the District of Columbia had unemployment rate decreases from a year earlier, four states had increases, and one state had no change.

The national jobless rate was unchanged from October at 5.0 percent and was 0.8 percentage point lower than in November 2014.

In November 2015, nonfarm payroll employment increased in 35 states and the District of Columbia, decreased in 14 states, and was unchanged in Montana. The largest over-the-month increases in employment occurred in Florida (+35,200), Texas (+16,300), and Virginia (+14,400). The largest over-the-month decreases in employment occurred in Nevada (-6,700), Wisconsin (-4,800), and Pennsylvania (-3,400). The largest over-the-month percentage increase in employment occurred in Vermont (+0.9 percent), followed by Idaho (+0.7 percent) and Delaware (+0.6 percent). The largest over-the-month percentage decline in employment occurred in Nevada (-0.5 percent), followed by Wyoming (-0.4 percent) and New Hampshire and North Dakota (-0.3 percent each). Over the year, nonfarm employment increased in 45 states and the District of Columbia, and decreased in 5 states. The largest over-the-year percentage increases occurred in Idaho (+4.2 percent), Utah (+3.6 percent), and Florida (+3.0 percent). The largest over-the-year percentage decreases occurred in North Dakota (-2.9 percent), West Virginia (-1.4 percent), and Wyoming (-0.7 percent).

Regional Unemployment (Seasonally Adjusted)

In November, the Midwest had the lowest regional unemployment rate, 4.6 percent, while the West had the highest rate, 5.4 percent. Over the month, no region had a statistically significant unemployment rate change. Significant over-the-year rate decreases occurred in all four regions: the West (-1.0 percentage point), Midwest and Northeast (-0.8 point each), and South (-0.5 point).

Among the nine geographic divisions, the West North Central had the lowest unemployment rate, 3.9 percent in November. The East South Central had the highest rate, 5.7 percent. Over the month, the only statistically significant jobless rate change occurred in the West South Central (+0.2 percentage point). All divisions except the Mountain and West South Central had significant rate changes from a year earlier, all of which were declines. The largest of these decreases occurred in the Pacific (-1.3 percentage points).

State Unemployment (Seasonally Adjusted)

North Dakota had the lowest jobless rate in November, 2.7 percent, followed by Nebraska, 2.9 percent. New Mexico had the highest rate, 6.8 percent. In total, 19 states had unemployment rates significantly lower than the U.S. figure of 5.0 percent, 11 states and the District of Columbia had measurably higher rates, and 20 states had rates that were not appreciably different from that of the nation.

In November, seven states had statistically significant over-the-month unemployment rate declines: West Virginia (-0.4 percentage point), Missouri and Oregon (-0.3 point each), Minnesota and South Dakota (-0.2 point each), and Iowa and Kansas (-0.1 point each). Illinois and Texas had the only significant over-the-month rate increases (+0.3 percentage point and +0.2 point, respectively). The remaining 41 states and the District of Columbia had jobless rates that were not measurably different from those of a month earlier, though some had changes that were at least as large numerically as the significant changes.

Twenty-four states and the District of Columbia had statistically significant unemployment rate declines from November 2014, the largest of which occurred in Rhode Island (-1.7 percentage points). The only significant over-the-year rate increase was in New Mexico (+0.7 percentage

point). The remaining 25 states had rates that were not appreciably different from those of a year earlier.

5. Data Appendix

Table 7
Latest Available Financial Information

Item	Dec. 04, 2015	Dec. 11, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,771.51	3,760.30	-0.30
Foreign Currency Assets of RBI (Rs. Billion)	22,205.02	22,215.75	0.05
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	779.53	939.29	20.49
Foreign Exchange Reserves (US\$ Billion)	352.1	352.5	0.12

Source: RBI, Govt. of India

Table 8
BSE Sensex and NSE Nifty Index

Index	Dec. 14, 2015	Dec. 18, 2015	Percentage Change
BSE SENSEX	24,935.6	25,519.2	2.3
S & P CNX NIFTY	7,558.2	7,762.0	2.7

Source: BSE India and NSE India

Table 9
Metals Market Spot Prices Index (Rs.)

		December 2015					Weekly Changes in %
		14 th	15 th	16 th	17 th	18 th	
Aluminium	1 KGS	98.9	99.1	98.8	98.8	100.2	1.3
Copper	1 KGS	311.7	311.9	304.0	305.3	300.3	-3.7
Cotton	1 BALES	16110.0	16200.0	16130.0	16210.0	16190.0	0.5
Lead	1 KGS	114.7	115.0	112.0	109.0	110.9	-3.4
Natural Gas	1 mmBtu	132.9	126.9	122.2	119.7	117.0	-12.0
Nickel	1 KGS	573.6	579.6	579.7	573.3	574.7	0.2
Tin	1 KGS	976.5	978.8	986.0	976.5	973.0	-0.4
Zinc	1 KGS	102.1	100.5	98.9	97.4	99.5	-2.5
Gold	10 GRMS	25344.0	25250.0	25193.0	25136.0	24954.0	-1.5
Silver	1 KGS	33251.0	33120.0	33128.0	33517.0	32872.0	-1.1

Source: MCX

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

		December 2015					Weekly Changes in %
		14 th	15 th	16 th	17 th	18 th	
Maize	100 KGS	1575.0	1575.0	1555.0	1550.0	1545.0	-1.9
Refined Soy Oil	10 KGS	667.8	666.8	666.4	657.3	656.3	-1.7
Soyabean	100 KGS	3720.0	3708.5	3695.0	3690.0	3700.0	-0.5
Wheat	100 KGS	1690.0	1690.0	1690.0	1690.0	1690.0	0.0

Source: MCX

ASSOCHAM Economic Research Bureau

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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.

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THE KNOWLEDGE CHAMBER

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