



ASSOCHAM Economic Weekly
22nd November, 2015



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1. Macroeconomy



1.1 India's Foreign Trade (Merchandise), October 2015

Exports during October, 2015 were valued at US\$ 21352.79 million (Rs. 138916.98 crore) which was 17.53 per cent lower in Dollar terms (12.53 per cent lower in Rupee terms) than the level of US\$ 25891.39 million (Rs. 158822.95 crore) during October, 2014. Cumulative value of exports for the period April-October 2015-16 was US\$ 154292.24 million (Rs. 992503.57 crore) as against US\$ 187288.74 million (Rs. 1130539.38 crore) registering a negative growth of 17.62 per cent in Dollar terms and 12.21 per cent in Rupee terms over the same period last year.

Imports during October, 2015 were valued at US\$ 31120.06 million (Rs. 202460.88 crore) which was 21.15 per cent lower in Dollar terms and 16.38 per cent lower in Rupee terms over the level of imports valued at US\$ 39468.76 million (Rs. 242109.24 crore) in October, 2014. Cumulative value of imports for the period April-October 2015-16 was US\$ 232054.30 million (Rs. 1492679.30 crore) as against US\$ 273558.19 million (Rs. 1651512.80 crore) registering a negative growth of 15.17 per cent in Dollar terms and 9.62 per cent in Rupee terms over the same period last year.

Oil imports during October, 2015 were valued at US\$ 6846.11 million which was 45.31 per cent lower than oil imports valued at US\$ 12517.24 million in the corresponding period last year. Oil imports during April-October, 2015-16 were valued at US\$ 54975.07 million which was 42.07 per cent lower than the oil imports of US\$ 94896.22 million in the corresponding period last year.

Non-oil imports during October, 2015 were estimated at US\$ 24273.95 million which was 9.93 per cent lower than non-oil imports of US\$ 26951.52 million in October, 2014. Non-oil imports

during April-October, 2015-16 were valued at US\$ 177079.23 million which was 0.89 per cent lower than the level of such imports valued at US\$ 178661.97 million in April-October, 2014-15.

The trade deficit for April-October, 2015-16 was estimated at US\$ 77762.06 million which was lower than the deficit of US\$ 86269.45 million during April-October, 2014-15.

Table 1
India's Merchandise Trade (US \$ Million)

	October	April-October
Exports (Including Re-Exports)		
2014-15	25891.39	187288.74
2015-16	21352.79	154292.24
%Growth2015-16/ 2014-15	-17.53	-17.62
Imports		
2014-15	39468.76	273558.19
2015-16	31120.06	232054.30
%Growth2015-16/ 2014-15	-21.15	-15.17
Trade Balance		
2014-15	-13577.37	-86269.45
2015-16	-9767.27	-77762.06

Source: Ministry of Commerce and Industry, Govt. of India

1.2 Index Numbers of Wholesale Price, October 2015

The official Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) for the month of October, 2015 rose by 0.1 percent to 176.7 from 176.6 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -3.81% for the month of October, 2015 (over October, 2014) as compared to -4.54% for the previous month and 1.66% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 0.34% compared to a build up rate of 1.89% in the corresponding period of the previous year.

The index for 'Primary Articles' group remained unchanged at its previous month level 252.4.

The index for 'Food Articles' group rose by 0.3 percent to 264.9 (provisional) from 264.0 for the previous month due to higher price of urad (17%), arhar (12%), gram (7%), moong (6%), barley (3%), jowar, masur, pork and condiments & spices (2% each) and wheat, tea and bajra (1% each). However, the price of poultry chicken (8%), beef & buffalo meat and fish-marine (4% each), maize (2%) and coffee and fish-inland (1% each) declined.

The index for 'Non-Food Articles' group rose by 0.2 percent to 220.7 from 220.2 for the previous month due to higher price of soyabean (14%), raw jute (8%), cotton seed (6%), rape & mustard seed and flowers (4% each) and raw rubber and fodder (2% each). However, the price of groundnut seed (9%), copra (coconut) and raw cotton (5% each), castor seed (4%) and guar seed and gingelly seed (1% each) declined.

The index for 'Minerals' group declined by 5.0 percent to 222.5 from 234.1 for the previous month due to lower price of iron ore (10%), zinc concentrate (6%), crude petroleum (5%) and manganese ore (1%). However, the price of copper ore (3%) and sillimanite (2%) moved up.

The index for 'Fuel & Power' group rose by 0.5 percent to 176.4 from 175.6 for the previous month due to higher price of aviation turbine fuel (7%) and high speed diesel (1%). However, the price of bitumen (7%), furnace oil (2%) and LPG (1%) declined.

The index for 'Manufactured Products' group remained unchanged at its previous month's level of 153.3.

Table 2
Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)

Month of October, 2015

	Weight	WPI Oct-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	20.11	252.4	-1.75	0.00	5.81	5.61	0.76	-0.36
Food Articles	14.33	264.9	-1.37	0.34	10.23	6.26	2.74	2.44
Non-Food Articles	4.25	220.7	-2.14	0.23	-3.54	8.93	-1.41	5.10
Minerals	1.52	222.5	-3.77	-4.96	-6.14	-8.55	-8.73	-31.39
Fuel & Power	14.91	176.4	-1.22	0.46	-1.59	-6.17	0.48	-16.32
Manufactured Products	64.97	153.3	-0.06	0.00	1.10	-0.39	2.50	-1.67

All Commodities	100.00	176.7	-0.70	0.06	1.89	0.34	1.66	-3.81
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Source: Office of Economic Adviser, Ministry of Commerce & Industry



2. Corporate Sector

2.1 Government Approves of Foreign Direct Investment (FDI) Proposals

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its 226th meeting held on 30th October 2015, the Government has approved 6 (six) proposals of Foreign Direct Investment (FDI) amounting to Rs. 1810.25 crore.

Table 3
Approval of FDI proposals

No	Item No	Name of the applicant	Gist of the proposal	Sector	FDI (Rs in crore)
1	1	Agile Electric Sub Assembly Pvt Ltd,	Post-facto approval has been sought by Agile Electric Drives Technologies and Holdings Pvt Ltd for the allotment of 1,50,00,000 equity shares as swap to Mr. Keiichi Igarashi in lieu of 55,00,000 shares held by Mr Keiichi Igarashi in Agile Electric Sub Assembly Pvt Ltd.	Manufacturing	Nil
2	2	Sharekhan Limited	<p>Post facto approval for :-</p> <p>I. Carrying on the commodities brokerage business through subsidiary and the depository services business by itself while there was investment made by foreign investors from time to time in Sharekhan.</p> <p>II. Investment in Sharekhan by IDFC since IDFC was regarded as a foreign owned company from March 2011 till March 2014</p> <p>III. Investment in Human Value Developers Private Limited by IDFC since IDFC was regarded as a foreign owned company from March 2011 till</p>	NBFC	Nil

			March 2014 and IV. Downstream investment made by Human Value Developers Private Limited in 2007 in M/s Sharekhan.		
3	3	M/s Serap India Pvt. Ltd.	permission for issue of equity shares to with a premium of Rs. 10 per share against total outstanding dues of Rs. 11,47,64,901 towards purchase of capital goods, components and raw material from them and condonation of delay of 1215 days in applying for such permission.	Manufacturing	0.25
4	5	M/s Monsoon Capital LLC, USA	Approval has been sought for :- i. an amount equal to not less than 5% of the corpus of a domestic AIF III (Monsoon Alternative Investment Trust) or INR 10,00,00,000 (INR ten crores only) whichever is lower to fulfil conditions laid down in the SEBI AIF Regulations, 2012 regarding AIF Category III funds; or ii. in the Monsoon Alternative Investment Trust, through its subsidiary viz ProAlpha Systematic Capital Advisors Private Limited, an amount equal 5% of the corpus of the Monsoon Alternative Investment Trust or Rs. 10,00,00,000/- whichever is lower	AIF	10.00
5	6	M/s SeQuent Scientific Limited	Sequent has proposed to acquire the entire shareholding Alivira Animal Health Limited by buying out the minority shareholding of 99,97,941 shares i.e. 26.70% held by Ascent Fund and Devicam, as a consideration Sequent will issue 35,85,413 equity shares (share swap) on a preferential basis	Pharma	Nil
6	7	M/s IIFL Holdings Limited,	Approval has been sought by M/s IIFL Holdings Limited, a NBFC company for increasing the foreign equity from 50.16% to 80% by way of issuing shares to FIIs.	NBFC	1800.00

Source: DIPP, Ministry of Commerce and Industry

Table 4
Rejected FDI proposal

No	Item No	Name of the applicant	Gist of the proposal	Sector
1	4	Volkswagen Finance Private Limited	Approval has been sought by Volkswagen Finance Private Limited with 100% existing foreign equity for investment in Indian government treasury bills and / or Indian government	NBFC

		securities and / or liquid mutual funds and / or high quality corporate debt securities	
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Source: DIPP, Ministry of Commerce and Industry

2.2 Mineral Production during September 2015

The index of mineral production of mining and quarrying sector for the month of September (new Series 2004-05=100) 2015 at 118.8, was 3.0% higher as compared to September 2014. The cumulative growth for the period April- September 2015-16 over the corresponding period of previous year stands at (+) 1.5%.

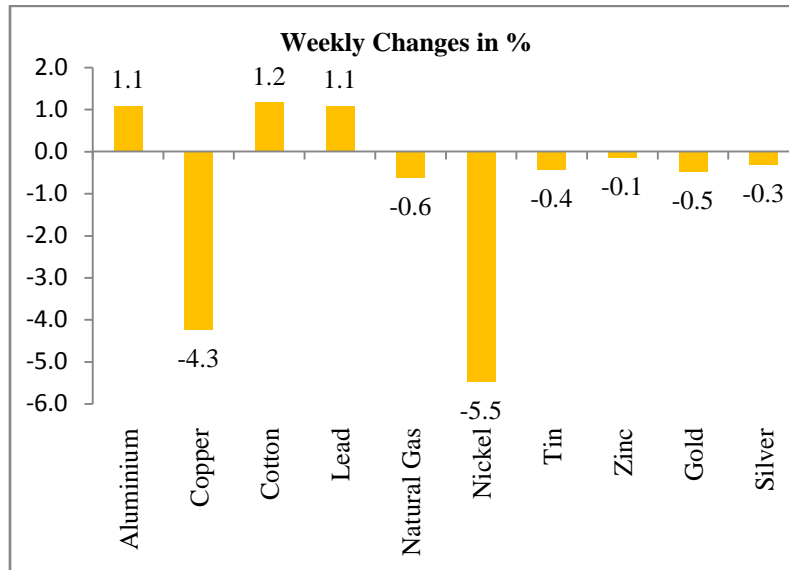
The total value of mineral production (excluding atomic & minor minerals) in the country during September 2015 was Rs. 17496 crore. The contribution of coal was the highest at Rs. 6427 crore (37%). Next in the order of importance were: petroleum (crude) Rs. 5529 crore, natural gas (utilized) Rs. 2190 crore, iron ore Rs. 1646 crore, limestone Rs. 474 crore and lignite Rs. 433 crore. These six minerals together contributed about 95% of the total value of mineral production in September 2015.

Production level of important minerals in September 2015 were: coal 449 lakh tonnes, lignite 32 lakh tonnes, natural gas (utilized) 2648 million cu. m., petroleum (crude) 30 lakh tonnes, bauxite 2300 thousand tonnes, chromite 131 thousand tonnes, copper conc. 9 thousand tonnes, gold 103 kg., iron ore 108 lakh tonnes, lead conc. 23 thousand tonnes, manganese ore 152 thousand tonnes, zinc conc. 137 thousand tonnes, apatite & phosphorite 212 thousand tonnes, limestone 232 lakh tonnes, magnesite 22 thousand tonnes and diamond 3010 carat.

The production of important minerals showing positive growth during September 2015 over September 2014 include 'apatite & phosphorite' (432.1%), 'chromite' (72.4%), 'lead conc. (50.1%), 'bauxite' (49.5%), 'iron ore' (32.6%), 'diamond' (22.1%), 'copper conc.' (12.2%), 'lignite' (10.0%), 'zinc conc.' (4.8%), 'coal' (2.2%), 'limestone' (1.0%), and 'natural gas (utilized)' (0.4%). The production of other important minerals showing negative growth are: 'petroleum (crude)' [(-) 0.1%], 'gold' [(-) 4.6%], 'manganese ore' [(-) 10.8%] and 'magnesite' [(-) 24.4%].

2.3 Basic Metals and Agriculture Commodities in Spot Market

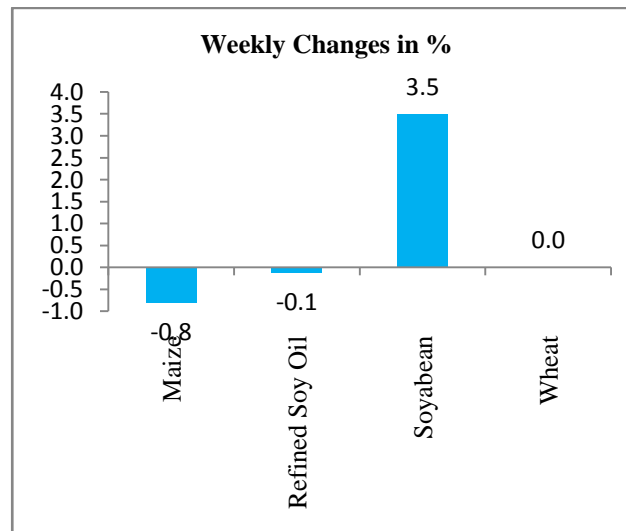
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

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

Performance Agri Commodities Market Spot Prices



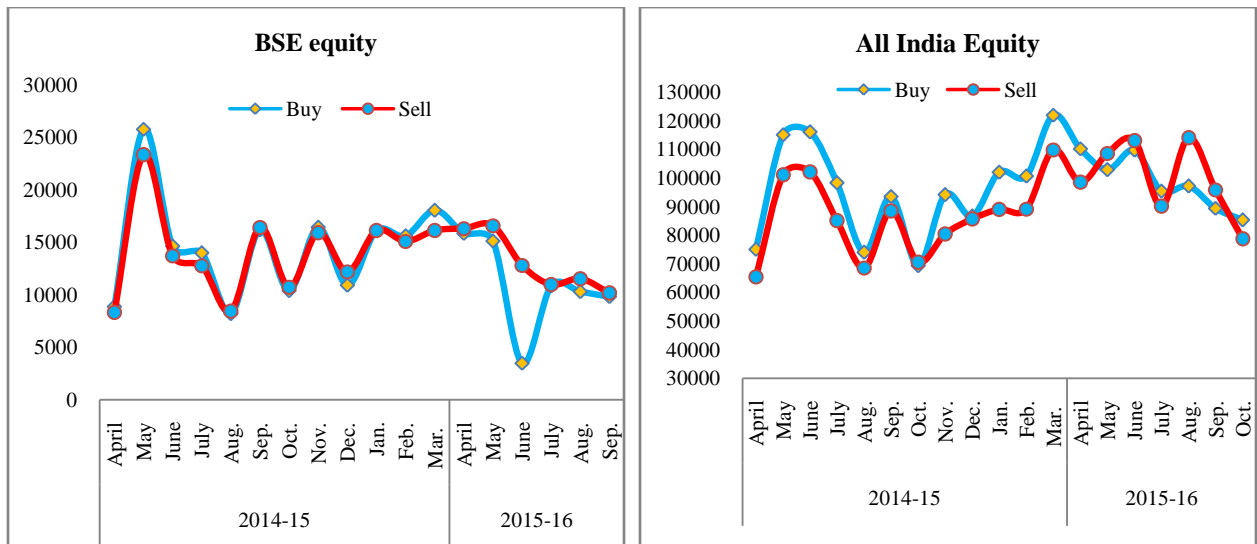
Source: MCX, ASSOCHAM Economic Research Bureau

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



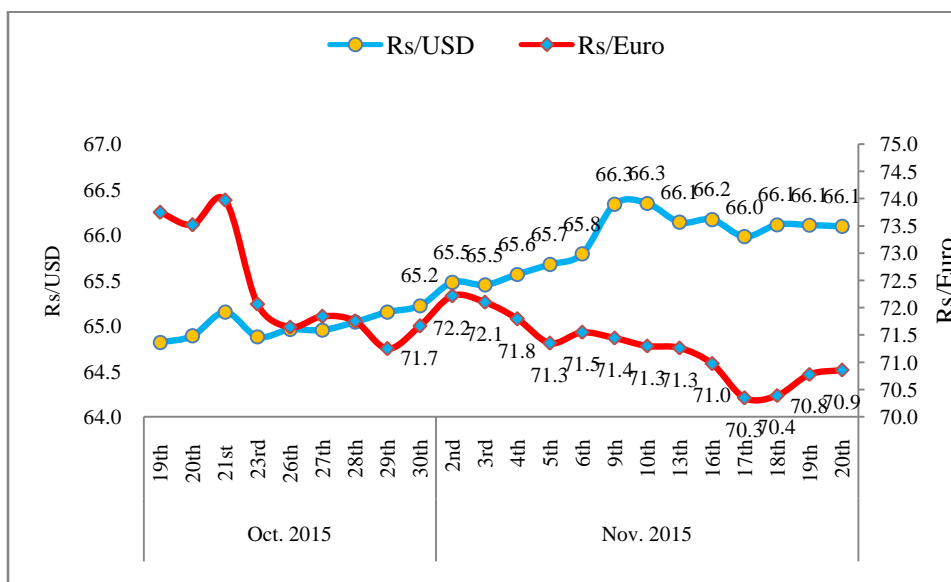
3. Market Trends

FII Equity Flows Equity (Rs. Crore)

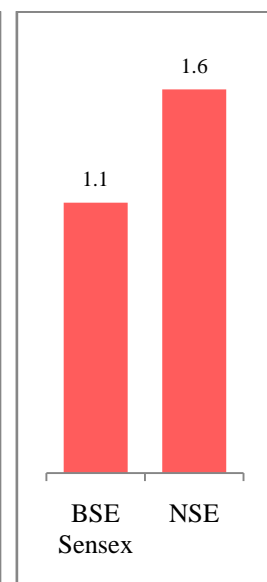


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 US Consumer Price Index, October 2015

According to the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in October 2015. Over the last 12 months, the all items index increased 0.2 percent before seasonal adjustment.

The indexes for food, energy, and all items less food and energy all increased modestly in October. The food index, which increased 0.4 percent in September, rose 0.1 percent in October, with four of the six major grocery store food group indexes rising. The energy index, which declined in August and September, advanced 0.3 percent in October; major energy component indexes were mixed.

The index for all items less food and energy rose 0.2 percent in October, the same increase as in September. Advances in the indexes for shelter and medical care were the largest contributors to the increase, with the indexes for personal care, airline fares, recreation, alcoholic beverages, and tobacco also rising. In contrast, the indexes for apparel, new vehicles, household furnishings and operations, and used cars and trucks all declined in October.

The all items index rose 0.2 percent over the last 12 months. The 12-month change has been between negative 0.2 percent and positive 0.2 percent since January. The food index has increased 1.6 percent over the past year, and the index for all items less food and energy has risen 1.9 percent. These advances have been mostly offset by a 17.1 percent decline in the energy index.

Table 5

Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city Average

	Apr. 2015	May 2015	June 2015	July 2015	Aug. 2015	Sep. 2015	Oct. 2015	Unad- justed 12- mos. Ended Oct 2015
All items	0.1	0.4	0.3	0.1	-0.1	-0.2	0.2	0.2
Food	0	0	0.3	0.2	0.2	0.4	0.1	1.6
Food at home	-0.2	-0.2	0.4	0.3	0.3	0.3	0.1	0.7
Food away from home (1)	0.2	0.2	0.2	0	0.2	0.5	0.2	2.9
Energy	-1.3	4.3	1.7	0.1	-2	-4.7	0.3	-17.1
Energy commodities	-1.9	9.6	3.1	0.7	-4.1	-8.6	0.4	-27.8
Gasoline (all types)	-1.7	10.4	3.4	0.9	-4.1	-9	0.4	-27.8
Fuel oil	-8.4	0.7	-1.9	-3.4	-8.1	-2.4	-1.1	-32.9
Energy services	-0.5	-1	0.2	-0.6	0.5	-0.4	0.2	-2.9
Electricity	0	-1.2	0.2	-0.4	0.3	-0.5	0.4	-0.5
Utility (piped) gas service	-2.6	0	0.3	-1.4	1.2	-0.3	-0.7	-11
All items less food and energy	0.3	0.1	0.2	0.1	0.1	0.2	0.2	1.9
Commodities less food and energy commodities	0.1	-0.1	-0.1	-0.1	-0.1	0	-0.1	-0.7
New vehicles	0.1	0.2	0.1	-0.2	0	-0.1	-0.2	0.1
Used cars and trucks	0.6	-0.4	-0.4	-0.6	-0.4	-0.2	-0.3	-1.4
Apparel	-0.3	-0.5	-0.1	0.3	0.3	-0.3	-0.8	-1.9
Medical care commodities	0.1	0.4	0	0.1	0.3	-0.2	0.2	2.8
Services less energy services	0.3	0.2	0.3	0.2	0.1	0.3	0.3	2.8
Shelter	0.3	0.2	0.3	0.4	0.2	0.3	0.3	3.2
Transportation services	0.1	0.7	0.4	-0.2	-0.3	0.1	0.2	1.8
Medical care services	0.9	0.2	-0.2	0.1	0	0.3	0.8	3

Source: U.S. Bureau of Labor Statistics

4.2 EU28 Current Account, September 2015

As per the Eurostat, the EU28 seasonally adjusted external current account recorded a surplus of € 15.9 billion in September 2015, compared with a surplus of € 13.8 bn in August 2015 and a surplus of € 10.9 bn in September 2014.

In September 2015, compared with August 2015, based on seasonally adjusted data, the surplus of the goods account grew (+ €9.9 bn compared with +€7.5 bn) and the deficit of the primary income account fell (- €0.3 bn compared with - €1.8 bn). The surplus of the services account decreased

(+€12.9 bn compared with +€14.1 bn), and the deficit of the secondary income account increased slightly (- €6.5 bn compared with - €6.1bn).

The 12-month cumulated current account for the period ending in September 2015 recorded a surplus of €165.4 billion, compared with €66.9 billion for the 12 months to September 2014.

The deficit of the goods account moved into surplus (+€ 86.8 bn compared with - € 18.5 bn), the surplus of the services account increased (+€ 158.1 bn compared with +€ 151.4 bn) and the deficit of the secondary income account fell slightly (- €74.7 bn compared with - €76.9 bn).

The surplus of the primary income account moved into deficit (- € 4.9 bn compared with + € 10.9 bn).

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

	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15
EU28 current account balance	10.9	9.5	11.8	10.8	17.8	15.6	12.1	14.1	12.5	17.4	14.1	13.8	15.9
Balance of trade in goods	1.8	2.4	3.5	2.5	8.5	7.4	4.1	9.9	9.8	11.9	9.4	7.5	9.9
Balance of trade in services	12.6	12.8	12.7	12.6	13.1	13.9	13.1	13.0	13.6	14.1	12.3	14.1	12.9
Balance of primary income	2.3	0.4	1.9	1.9	2.4	0.3	0.9	-2.6	-4.6	-2.2	-1.1	-1.8	-0.3
Balance of secondary income	-5.8	-6.0	-6.3	-6.2	-6.1	-5.9	-6.0	-6.3	-6.4	-6.4	-6.5	-6.1	-6.5

Source: Eurostat

5. Data Appendix

Table 7
Latest Available Financial Information

Item	Nov. 06, 2015	Nov. 13, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,761.90	3,708.78	-1.41
Foreign Currency Assets of RBI (Rs. Billion)	21,783.37	21,942.28	0.73
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	498.02	1,109.46	122.77
Foreign Exchange Reserves (US\$ Billion)	351.7	352.5	0.22

Source: RBI, Govt. of India

Table 8
BSE Sensex and NSE Nifty Index

Index	Nov. 16, 2015	Nov. 20, 2015	Percentage Change
BSE SENSEX	25,580.2	25,868.5	1.1
S & P CNX NIFTY	7,733.0	7,856.6	1.6

Source: BSE India and NSE India

Table 9
Metals Market Spot Prices Index (Rs.)

		November 2015					Weekly Changes in %
		16 th	17 th	18 th	19 th	20 th	
Aluminium	1 KGS	96.4	96.5	96.1	95.6	97.5	1.1
Copper	1 KGS	316.1	308.6	306.1	302.9	302.7	-4.3
Cotton	1 BALES	15380.0	15480.0	15530.0	15580.0	15560.0	1.2
Lead	1 KGS	105.7	104.8	104.0	103.2	106.8	1.1
Natural Gas	1 mmBtu	156.2	157.8	156.4	155.2	155.2	-0.6
Nickel	1 KGS	622.2	604.5	591.9	587.2	588.1	-5.5
Tin	1 KGS	982.0	976.3	969.0	963.5	977.8	-0.4
Zinc	1 KGS	104.4	102.5	99.9	98.3	104.3	-0.1
Gold	10 GRMS	25610.0	25304.0	25184.0	25240.0	25488.0	-0.5
Silver	1 KGS	34103.0	33736.0	33754.0	33681.0	33995.0	-0.3

Source: MCX

Table 10
Agri Commodities Market Spot Prices (Rs.)

		November 2015					Weekly Changes in %
		16 th	17 th	18 th	19 th	20 th	
Maize	100 KGS	1550.0	1545.0	1545.0	1540.0	1537.5	-0.8
Refined Soy Oil	10 KGS	640.5	639.5	636.3	638.4	639.7	-0.1
Soyabean	100 KGS	3720.0	3762.5	3790.0	3820.0	3850.0	3.5
Wheat	100 KGS	1700.0	1695.0	1700.0	1695.0	1700.0	0.0

Source: MCX

ASSOCHAM Economic Research Bureau

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THE KNOWLEDGE CHAMBER

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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.