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1. Macroeconomy



1.1 India's External Debt as at the end of March 2015

India's external debt at end-March 2015 showed an increase of US\$ 29.5 billion (6.6 per cent) over end-March 2014, due to the rise in commercial borrowings and NRI deposits. Further, the increase in the magnitude of external debt was partly offset by the valuation gains resulting from the appreciation of the US dollar vis-a-vis Indian rupee and other major currencies. The external debt to GDP ratio stood at 23.8 per cent at end-March 2015, recording a marginal increase over its level of 23.6 per cent at end-March 2014.

Key points relating to India's external debt as at end-March 2015 are set out below:

- India's external debt at end-March 2015 was placed at US\$ 475.8 billion recording an increase of US\$ 29.5 billion (6.6 per cent) over its level at end-March 2014.
- Excluding the valuation gains due to appreciation of US dollar against the Indian rupee and other major currencies, the increase in external debt by end-March 2015 over its end-March 2014 level would have been higher at US\$ 45.7 billion.
- The increase in external debt during 2014-15 was on account of commercial borrowings and non-resident deposits.
- The US dollar denominated debt continued to be the largest component of India's external debt with a share of 58.3 per cent at end-March 2015, followed by Indian rupee (27.9 per cent), SDR (5.8 per cent), Japanese Yen (4.0 per cent) and Euro (2.4 per cent).
- Short-term debt by original maturity at US\$ 84.7 billion accounted for 17.8 per cent of the total external debt as at end-March 2015 as compared with 20.5 per cent at end-March

2014. Similarly, on residual maturity basis, the ratio of short-term debt to total debt worked out to 38.9 per cent as compared with 39.6 per cent a year ago.

- The ratio of short-term debt (original maturity) to foreign exchange reserves declined to 24.8 per cent as at end-March 2015 (30.1 per cent a year ago). Similarly, on residual maturity basis, the ratio of short-term debt to foreign exchange reserves worked out to 54.2 per cent at end-March 2015 (57.4 per cent at end-March 2014).
- Across borrower categories, the outstanding debt of both Government and non-Government sectors increased and their shares in total external debt were 18.9 per cent and 81.1 per cent, respectively, at end-March 2015.
- Higher debt service payments during 2014-15 relative to the preceding year, were largely on account of higher repayments of ECBs during the year.

Table 1
External Debt - Outstanding and Variation (US\$ Billion)

Item	Outstanding end-March			Absolute variation		Percentage variation	
	2013 R	2014 PR	2015 P	Mar-13 to Mar-14	Mar-14 to Mar-15	Mar-13 to Mar-14	Mar-14 to Mar-15
1. Multilateral	51.6	53.4	52.6	1.8	-0.8	3.5	-1.4
2. Bilateral	25.2	24.7	21.7	-0.5	-3	-1.9	-12.2
3. IMF	6	6.1	5.5	0.2	-0.7	3.1	-10.7
4. Export Credit	17.8	15.5	12.8	-2.2	-2.8	-12.6	-17.7
5. Commercial Borrowings	140.1	149.5	181.9	9.4	32.4	6.7	21.7
6. NRI Deposits	70.8	103.8	115.2	33	11.3	46.6	10.9
7. Rupee Debt	1.3	1.5	1.5	0.2	0	16.7	2.5
8. Short term Debt	96.7	91.7	84.7	-5	-7	-5.2	-7.6
Of which							
Short term trade credit	86.8	81.7	80.8	-5	-0.9	-5.8	-1.1
Total Debt	409.4	446.3	475.8	36.9	29.5	9	6.6
Memo Items							
A. Long-Term Debt	312.7	354.6	391.1	41.9	36.5	13.4	10.3
B. Short-Term Debt	96.7	91.7	84.7	-5	-7	-5.2	-7.6

Source: RBI

P: Provisional. PR: Partially Revised. R: Revised

Table 2
Government and Non-Government External Debt (US\$ billion)

Component	End-March						
	2009	2010	2011	2012	2013 R	2014 PR	2015 P
A. Sovereign Debt	55.9	67.1	78.1	81.9	81.7	83.7	89.7
(As a percentage of GDP)	5.1	4.7	4.5	4.7	4.4	4.4	4.5
I. External Debt on Government Account under External Assistance	51.8	55.2	62.3	63.4	61.3	62.2	58.5
II. Other Government External Debt @	4.1	11.8	15.8	18.5	20.3	21.5	31.3
B. Non-Government Debt #	168.6	193.9	239.8	278.9	327.7	362.6	386.1
(As a percentage of GDP)	15.2	13.6	13.7	15.8	17.8	19.2	19.3
C. Total External Debt (A+B)	224.5	260.9	317.9	360.8	409.4	446.3	475.8
(As a percentage of GDP)	20.3	18.3	18.2	20.9	22.3	23.6	23.8

Source: RBI

P: Provisional. PR: Partially Revised. R: Revised

@: Other Government external debt includes defence debt, investment in treasury bills/ government securities by FIIs, foreign central banks and international institutions and SDR allocations by the IMF

#: Includes external debt of Monetary Authority

Table 3
India's Key External Debt Indicators

End-March	External Debt (US\$ billion)	Ratio of External Debt to GDP (per cent)	Debt Service Ratio (per cent)	Ratio of Foreign Exchange Reserves to Total Debt (per cent)	Ratio of Concessional Debt to Total Debt (per cent)	Ratio of Short-Term Debt to Foreign Exchange Reserves (per cent)	Ratio of Short-Term Debt to Total Debt (per cent)
1991	83.8	28.7	35.3	7	45.9	146.5	10.2
1996	93.7	27	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2006	139.1	16.8	10.1#	109	28.4	12.9	14
2007	172.4	17.5	4.7	115.6	23	14.1	16.3
2008	224.4	18	4.8	138	19.7	14.8	20.4
2009	224.5	20.3	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.2	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.2	4.4	95.9	14.9	21.3	20.4
2012	360.8	20.9	6	81.6	13.3	26.6	21.7
2013 R	409.4	22.3	5.9	71.3	11.1	33.1	23.6
2014 PR	446.3	23.6	5.9	68.2	10.4	30.1	20.5
2015 P	475.8	23.8	7.5	71.8	8.8	24.8	17.8

Source: RBI

P: Provisional. PR: Partially Revised. R: Revised

works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US \$ 7.1 billion and pre-payment of external debt of US \$ 23.5 million.

1.2 Sectoral Deployment of Bank Credit, May 2015

- On a year-on-year (y-o-y) basis, non-food bank credit increased by 9.0 per cent in May 2015, as compared with the increase of 13.0 per cent in May 2014.
- Credit to agriculture and allied activities increased by 11.0 per cent in May 2015, as compared with the increase of 16.8 per cent in May 2014.
- Credit to industry increased by 5.2 per cent in May 2015 as compared with the increase of 11.3 per cent in May 2014. Deceleration in credit growth to industry was observed in all major sub-sectors barring gems and jewellery.
- Credit to the services sector increased by 9.1 per cent in May 2015 as compared with the increase of 13.1 per cent in May 2014.
- Credit to NBFCs increased by 5.6 per cent in May 2015 as compared with the increase of 20.2 per cent in May 2014.
- Personal loans increased by 16.6 per cent in May 2015 as compared with the increase of 14.8 per cent in May 2014.

Table 4
Deployment of Gross Bank Credit by Major Sectors

Sector	May.30, 2014	May.29, 2015	May.30, 2014 / May.31, 2013	May.29, 2015/ May.30, 2014
	Outstanding as on (Rs. billion)		Growth (Y-o-Y)	
Gross Bank Credit	56683.6	61515.7	12.7	8.5
Food Credit	1166.4	1027.1	0.7	-11.9
Non-food Credit	55517.2	60488.6	13.0	9.0
Agriculture & Allied Activities	7010.8	7779.1	16.8	11.0
Industry (Micro & Small, Medium and Large)	25091.4	26389.0	11.3	5.2
Micro & Small	3513.9	3851.4	23.8	9.6
Medium	1213.8	1245.7	-8.7	2.6
Large	20363.7	21291.9	10.8	4.6
Services	13169.6	14372.0	13.1	9.1
Commercial Real Estate	1542.5	1658.6	17.8	7.5
Non-Banking Financial Companies (NBFCs)	3036.5	3206.5	20.2	5.6
Personal Loans	10245.4	11948.5	14.8	16.6
Priority Sector	18528.2	20094.3	15.3	8.5

Source: RBI



2. Corporate Sector

2.1 Index of Eight Core Industries, May 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 178.6 in May, 2015, which was 4.4 % higher compared to the index of May, 2014. Its cumulative growth during April to May, 2015-16 was 2.1 %.

- **Coal:** Coal production increased by 7.8 % in May, 2015 over May, 2014. Its cumulative index during April to May, 2015-16 increased by 7.9 % over corresponding period of previous year.
- **Crude Oil:** Crude Oil production increased by 0.8 % in May, 2015 over May, 2014. Its cumulative index during April to May, 2015-16 declined by 1.0 % over the corresponding period of previous year.
- **Natural Gas:** The Natural Gas production declined by 3.1 % in May, 2015. Its cumulative index during April to May, 2015-16 declined by 3.3 % over the corresponding period of previous year.
- **Refinery Products:** Petroleum Refinery production increased by 7.9 % in May, 2015. Its cumulative index during April to May, 2015-16 increased by 2.6 % over the corresponding period of previous year.
- **Fertilizers:** Fertilizer production increased by 1.3 % in May, 2015. Its cumulative index during April to May, 2015-16 increased by 0.7 % over the corresponding period of previous year.
- **Steel (Alloy + Non-Alloy):** Steel production increased by 2.6 % in May, 2015. Its cumulative index during April to May, 2015-16 increased by 1.7 % over the corresponding period of previous year.

- **Cement:** Cement production increased by 2.6 % in May, 2015. Its cumulative index during April to May, 2015-16 decreased by 0.1 % over the corresponding period of previous year.
- **Electricity:** Electricity generation increased by 5.5 % in May, 2015. Its cumulative index during April to May, 2015-16 increased by 2.2 % over the corresponding period of previous year.

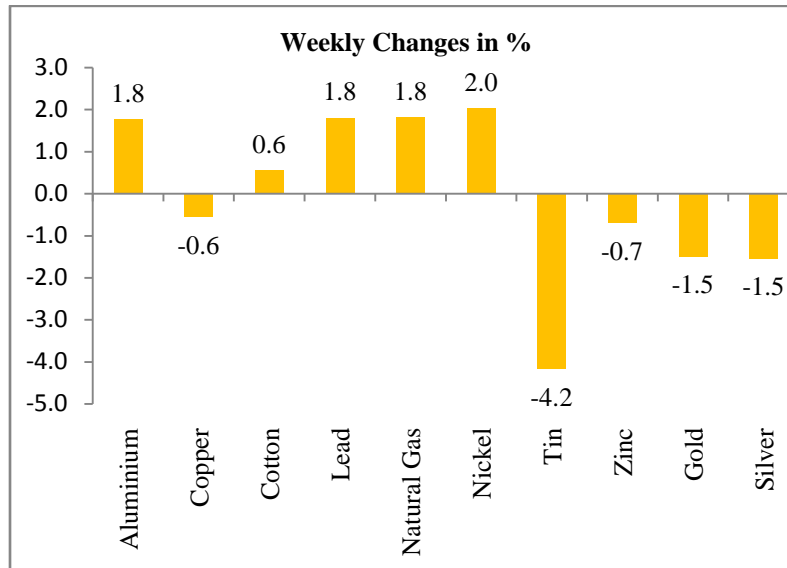
Table 5
Performance of Eight Core Industries

Sector	Weight	(Y-o-Y)						
		2012-13	2013-14	2014-15	Apr-May 2014-15	Apr-May 2015-16	May 2014	May 2015
Coal	4.4	4.6	1.3	8.4	5.8	7.9	5.5	7.8
Crude Oil	5.2	-0.6	-0.2	-0.9	-0.2	-1.0	-0.3	0.8
Natural Gas	1.7	-14.5	-13.0	-5.2	-5.0	-3.3	-2.2	-3.1
Refinery Products#	5.9	29.0	1.5	0.4	-1.9	2.6	-1.8	7.9
Fertilizers	1.3	-3.4	1.5	-0.1	14.5	0.7	17.6	1.3
Steel	6.7	4.1	11.5	1.3	5.0	1.7	3.3	2.6
Cement	2.4	7.7	3.1	5.6	7.8	0.1	8.4	2.6
Electricity	10.3	4.0	6.0	8.1	9.2	2.2	6.7	5.5
Overall Index	37.9	6.5	4.2	3.7	4.7	2.1	3.8	4.4

Source: Office of Economic Advisor

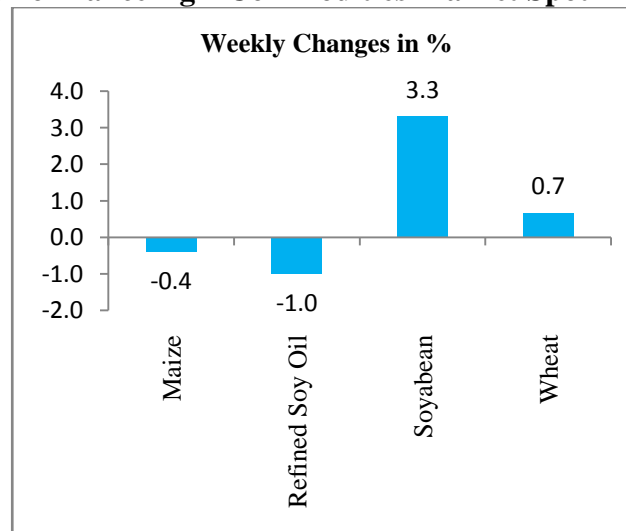
2.2 Basic Metals and Agriculture Commodities in Spot Market

Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix

Performance Agri Commodities Market Spot Prices

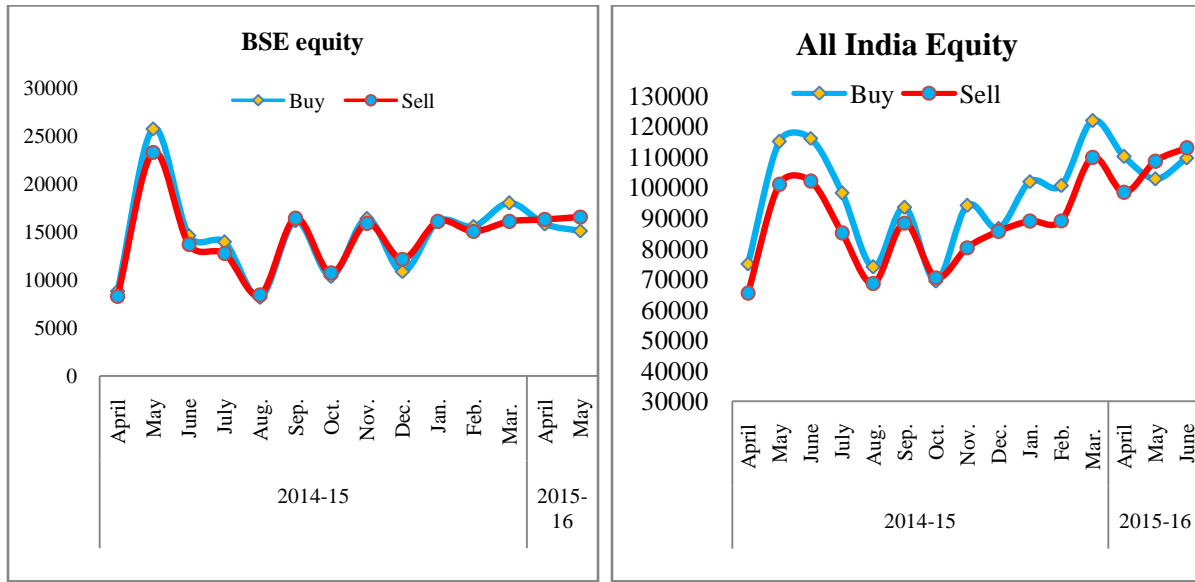


Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix



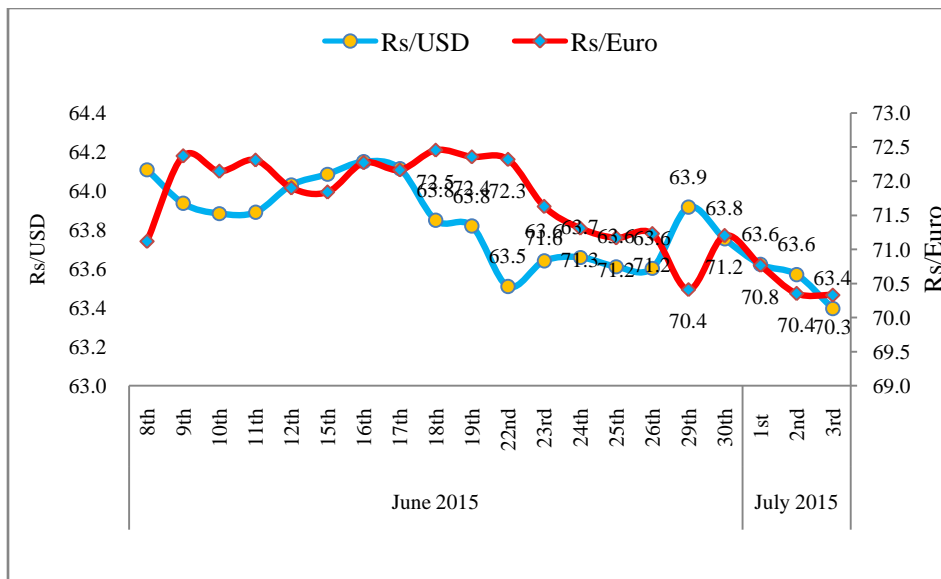
3. Market Trends

FII Equity Flows Equity (Rs. Crore)

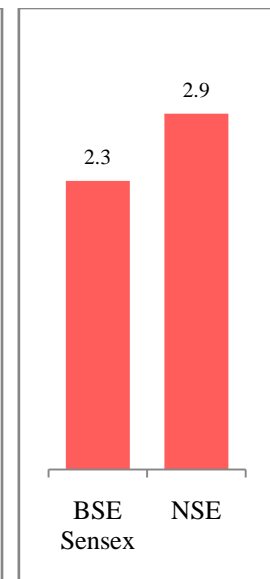


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 UK Index of Services, April 2015

- The Index of Services is estimated to have increased by 2.8% in April 2015 compared with April 2014. All of the 4 main components of the services industries increased in the most recent month compared with the same month a year ago.
- The largest contributions came from: business services and finance, which contributed 1.2 percentage points to total growth; and distribution, hotels and restaurants, which contributed 0.9 percentage points to total growth.
- The latest Index of Services estimates show that output increased by 0.2% between March 2015 and April 2015, following an increase of 0.1% between February 2015 and March 2015.
- The Index of Services increased by 0.4% in Quarter 1 (Jan to Mar) 2015 compared with Quarter 4 (Oct to Dec) 2014.

Table 6
UK Index of Services main information, April 2015

	Index number (2011=100)	Most recent month on a year earlier	Most recent 3 months on a year earlier	Most recent month on pre- vious month	Most recent 3 months on pre- vious 3 months
Index of ser- vices	109.4	2.8	3	0.2	0.5

Source: UK Office for National Statistics

4.2 Euro Area Unemployment Rate

According to the statistical office of the European Union, euro area (EA19) seasonally adjusted unemployment rate was 11.1% in May 2015, stable compared with April 2015, and down from

11.6% in May 2014. This is the lowest rate recorded in the euro area since March 2012. The EU28 unemployment rate was 9.6% in May 2015, also stable compared with April 2015 and down from 10.3% in May 2014. This is the lowest rate recorded in the EU28 since July 2011.

Eurostat estimates that 23.348 million men and women in the EU28, of whom 17.726 million in the euro area, were unemployed in May 2015. Compared with April 2015, the number of persons unemployed decreased by 38 000 in the EU28 and by 35 000 in the euro area. Compared with May 2014, unemployment fell by 1.575 million in the EU28 and by 939 000 in the euro area.

Among the Member States, the lowest unemployment rate in May 2015 was recorded in Germany (4.7%), and the highest in Greece (25.6% in March 2015) and Spain (22.5%).

Compared with a year ago, the unemployment rate in May 2015 fell in twenty-two Member States, increased in five and remained stable in Cyprus. The largest decreases were registered in Lithuania (11.0% to 8.2%), Spain (24.7% to 22.5%) and Ireland (11.7% to 9.8%). The increases were registered in Belgium (8.4% to 8.6%), France (10.1% to 10.3%), Romania (6.8% to 7.1%), Austria (5.6% to 6.0%) and Finland (8.6% to 9.4%).

In May 2015, the unemployment rate in the United States was 5.5%, up from 5.4% in April 2015 and down from 6.3% in May 2014.

Table 7
Euro Area seasonally adjusted unemployment (Percent)

	May 2014	Feb 2015	Mar 2015	Apr 2015	May 2015
EA19	11.6	11.2	11.2	11.1	11.1
EU28	10.3	9.7	9.7	9.6	9.6
Belgium	8.4	8.7	8.7	8.7	8.6
Bulgaria	11.5	9.9	9.9	9.8	9.7
Czech Republic	6.1	5.8	5.9	6	5.9
Denmark	6.5	6.1	6.3	6.2	6.2
Germany	5	4.8	4.8	4.7	4.7
Estonia	7.4**	6.1	6.2	6.7	:
Ireland	11.7	10	9.8	9.8	9.8
Greece	26.9*	25.6	25.6	:	:
Spain	24.7	23.1	22.9	22.7	22.5
France	10.1	10.3	10.3	10.2	10.3

Croatia	17	17.1	16.7	16.2	15.8
Italy	12.6	12.4	12.6	12.4	12.4
Cyprus	16	16.4	16.3	16	16
Latvia	11.6***	9.9	9.9	:	:
Lithuania	11	9.2	9	8.9	8.2
Luxembourg	6	5.8	5.8	5.7	5.7
Hungary	8.0**	7.4	7.3	7.1	:
Malta	6	5.9	5.8	5.7	5.6
Netherlands	7.6	7.1	7	7	6.9
Austria	5.6	5.5	5.6	5.8	6
Poland	9.2	8	7.9	7.8	7.8
Portugal	14.4	13.5	13.2	12.8	13.2
Romania	6.8	6.9	6.8	6.9	7.1
Slovenia	9.7	9.2	9.3	9.2	9.2
Slovakia	13.3	12.1	12	11.9	11.8
Finland	8.6	9.2	9.3	9.4	9.4
Sweden	8	7.8	7.8	7.8	7.7
United Kingdom	6.6*	5.5	5.4	:	:
Iceland	5	4.3	4.3	4.2	4.2
Norway	3.3**	4.1	4.2	4.2	:
United States	6.3	5.5	5.5	5.4	5.5

Source: The statistical office of the European Union

Note : Data not available * March 2014 ** April 2014 *** Q1 2014

5. Data Appendix

Table 8
Latest Available Financial Information

Item	June. 19, 2015	June. 26, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,678.00	3,652.14	-0.70
Foreign Currency Assets of RBI (Rs. Billion)	21,326.49	21,245.84	-0.38
Advances of RBI to the Central Government (Rs. Billion)			
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	742.72	772.05	3.95
Foreign Exchange Reserves (US\$ Billion)	355.5	355.2	-0.07

Source: RBI, Govt. of India

Table 9
BSE Sensex and NSE Nifty Index

Index	June. 29, 2015	July. 03, 2015	Percentage Change
BSE SENSEX	27,451.07	28,092.79	2.3
S & P CNX NIFTY	8,247.1	8,484.9	2.9

Source: BSE India and NSE India

Table 10
Metals Market Spot Prices Index (Rs.)

		June 2015		July 2015			Weekly Changes in %
		29 th	30 th	1 st	2 nd	3 rd	
Aluminium	1 KGS	105.0	105.0	106.0	107.6	106.8	1.8
Copper	1 KGS	370.8	371.8	368.8	369.0	368.8	-0.6
Cotton	1 BALES	16350.0	16380.0	16430.0	16480.0	16440.0	0.6
Lead	1 KGS	111.3	111.8	111.4	112.4	113.3	1.8
Natural Gas	1 mmBtu	176.2	179.3	180.6	177.1	179.4	1.8
Nickel	1 KGS	748.6	744.5	757.3	766.3	763.8	2.0
Tin	1 KGS	918.0	891.3	907.0	924.5	879.8	-4.2
Zinc	1 KGS	128.5	127.1	128.9	129.1	127.6	-0.7
Gold	10 GRMS	26544.0	26356.0	26263.0	26042.0	26148.0	-1.5
Silver	1 KGS	36148.0	35632.0	35533.0	35421.0	35591.0	-1.5

Source: MCX

Table 11
Agri. Commodities Market Spot Prices (Rs.)

		June 2015		July 2015			Weekly Changes in %
		29 th	30 th	1 st	2 nd	3 rd	
Maize	100 KGS	1280.0	1285.0	1280.0	1290.0	1275.0	-0.4
Refined Soy Oil	10 KGS	637.4	635.8	637.4	636.3	631.1	-1.0
Soyabean	100 KGS	3475.0	3510.0	3585.0	3600.0	3590.0	3.3
Wheat	100 KGS	1525.0	1520.0	1525.0	1540.0	1535.0	0.7

Source: MCX

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THE KNOWLEDGE CHAMBER

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