



ASSOCHAM Economic Weekly
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1. Macroeconomy



1.1 Estimates of Gross Domestic Product, Q2 2015-16

GDP at constant (2011-12) prices in Q2 of 2015-16 is estimated at Rs. 27.57 lakh crore, as against Rs. 25.66 lakh crore in Q2 of 2014-15, showing a growth rate of 7.4 percent. Quarterly GVA at Basic Price at constant (2011-12) prices for Q2 of 2015-16 is estimated at Rs. 25.80 lakh crore, as against Rs. 24.02 lakh crore in Q2 of 2014-15, showing a growth rate of 7.4 per cent over the corresponding quarter of previous year.

The economic activities which registered growth of over 7.0 percent in Q2 of 2015-16 over Q2 of 2014-15 are 'trade, hotels and transport & communication and services related to broadcasting', 'financial, insurance, real estate and professional services' and 'manufacturing'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply & other utility services', 'construction' and 'public administration, defence and other services' is estimated to be 2.2 per cent, 3.2 percent, 6.7 per cent, 2.6 per cent and 4.7 per cent, respectively, during this period.

Agriculture, forestry and fishing: Quarterly GVA at basic prices for Q2 2015-16 from 'agriculture, forestry and fishing' sector grew by 2.2 percent as compared to growth of 2.1 percent in Q2 2014-15.

Mining and quarrying: Quarterly GVA at basic prices for Q2 2015-16 from 'mining and quarrying' sector grew by 3.2 percent as compared to growth of 1.4 percent in Q2 2014-15.

Manufacturing: Quarterly GVA at basic prices for Q2 2015-16 from 'manufacturing' sector grew by 9.3 percent as compared to growth of 7.9 percent in Q2 2014-15.

Electricity, Gas, water supply and other utility services: Quarterly GVA at basic prices for Q2 2015-16 from ‘Electricity ,Gas, water supply and other utility services’ sector grew by 6.7 per cent as compared to growth of 8.7 percent in Q2 2014-15.

Construction: Quarterly GVA at basic prices for Q2 2015-16 from ‘Construction’ sector grew by 2.6 percent as compared to growth of 8.7 percent in Q2 2014-15.

Trade, hotels and Transport & communication and services related to broadcasting: Quarterly GVA at basic prices for Q2 2015-16 from this sector grew by 10.6 percent as compared to growth of 8.9 percent in Q2 2014-15.

Financial, insurance, real estate and professional services: Quarterly GVA at basic prices for Q2 2015-16 from this sector grew by 9.7 percent as compared to growth of 13.5 percent in Q2 2014-15.

Public administration and defence and other services: Quarterly GVA at basic prices for Q2 2015-16 from this sector grew by 4.7 percent as compared to growth of 7.1 percent in Q2 2014-15.

Table 1
Quarterly Estimates of GVA at Basic Prices in Q2 2015-16

(at 2011-12 prices)

Industry	GVA at Basic Price (` in crore)						Percentage change over previous year			
	2013-14		2014-15		2015-16		2014-15		2015-16	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
1.agriculture,forestry&fishing	350052	286299	359258	292316	366124	298692	2.6	2.1	1.9	2.2
2.mining&quarrying	67555	61282	70488	62168	73289	64127	4.3	1.4	4.0	3.2
3.manufacturing	419403	404289	454620	436281	487134	476843	8.4	7.9	7.2	9.3
4.electricity,gas,watersupply & other utility services	52498	53168	57794	57786	59657	61659	10.1	8.7	3.2	6.7
5.construction	182284	179756	194168	195396	207580	200473	6.5	8.7	6.9	2.6
6. trade, hotel, transport, communication & services related to broadcasting	406716	418670	456125	455995	514487	504425	12.1	8.9	12.8	10.6
7.financial, insurance, real estate & professional services	480626	509235	525122	578016	571740	634152	9.3	13.5	8.9	9.7
8.Public administration, defence& other services	284255	302759	292195	324231	300044	339329	2.8	7.1	2.7	4.7

GVA at Basic Price	2243389	2215458	2409770	2402189	2580056	2579701	7.4	8.4	7.1	7.4
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Source: MOSPI, Govt. Of India

Table 2
Quarterly Estimates of Expenditures of GDP in Q2 2015-16

(at 2011-12 prices)

Item	Expenditures of Gross Domestic Product (` in crore)						RATES OF GDP AT MARKET PRICES (%)			
	2013-14		2014-15		2015-16		2014-15		2015-16	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
	1. Private Final Consumption Expenditure (PFCE)	1397414	1347339	1483613	1443019	1592806	1540972	58.5	56.2	58.7
2. Government Final Consumption Expenditure (GFCE)	301793	310658	306488	338349	310018	356058	12.1	13.2	11.4	12.9
3. Gross Fixed Capital Formation (GFCF)	708280	749396	769880	777597	807225	830687	30.4	30.3	29.8	30.1
4. Change in Stocks	40016	38574	41969	40276	44076	42945	1.7	1.6	1.6	1.6
5. Valuables	32,902	33,987	41528	36999	49589	53,592	1.6	1.4	1.8	1.9
6. Exports	546989	641533	596944	628508	558269	598744	23.6	24.5	20.6	21.7
7. <i>Less</i> Imports	655135	683004	631494	690643	597371	671194	24.9	26.9	22.0	24.3
8. Discrepancies	4,164	-71,977	-74273	-7811	-51615	5,182	-2.9	-0.3	-1.9	0.2
GDP	2376424	2366505	2534654	2566294	2712998	2756985	100.0	100.0	100.0	100.0
GDP (Percentage change over previous year)			6.7	8.4	7.0	7.4				

Source: MOSPI, Govt. Of India

1.2 Fifth Bi-monthly Monetary Policy Statement, 2015-16

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.75 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liability (NDTL);
- continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and
- continue with daily variable rate repos and reverse repos to smooth liquidity.

Consequently, the reverse repo rate under the LAF will remain unchanged at 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 7.75 per cent.

1.3 Sectoral Deployment of Bank Credit, October 2015

- On a year-on-year (y-o-y) basis, non-food bank credit increased by 8.3 percent in October 2015 as compared with the increase of 11.1 per cent in October 2014.
- Credit to agriculture and allied activities increased by 11.1 per cent in October 2015 as compared with the increase of 20.3 per cent a year ago.
- Credit to industry increased by 4.6 per cent in October 2015 as compared with the increase of 7.8 per cent in October 2014. Deceleration in credit growth to industry was observed in all major sub-sectors barring chemical and chemical products and vehicles, vehicle parts and transport equipment.
- Credit to the services sector increased by 6.8 per cent in October 2015 as compared with the increase of 8.4 per cent in October 2014.
- Personal loans increased by 16.9 per cent in October 2015, up from the increase of 16.7 per cent in October 2014.

Table 3
Deployment of Gross Bank Credit by Major Sectors

	Oct.31, 2014	Oct.30, 2015	Oct.31, 2014 / Oct.18, 2013	Oct.30, 2015/ Oct.31, 2014
	Outstanding as on (Rs. billion)		Growth (Y-o-Y)	
Gross Bank Credit	58308.4	63021.7	11.1	8.1
Food Credit	983.5	924.3	13.6	-6.0
Non-food Credit	57324.9	62097.3	11.1	8.3
Agriculture & Allied Activities	7409.1	8231.8	20.3	11.1
Industry (Micro & Small, Medium and Large)	25348.2	26506.2	7.8	4.6
Micro & Small	3527.7	3701.9	16.5	4.9
Medium	1240.0	1127.3	-1.3	-9.1
Large	20580.5	21677.0	7.0	5.3
Services	13573.6	14502.8	8.4	6.8
Non-Banking Financial Companies (NBFCs)	3097.9	3183.1	7.0	2.8
Personal Loans	10994.0	12856.5	16.7	16.9
Priority Sector	19245.8	21225.3	16.1	10.3

Source: RBI



2. Corporate Sector

2.1 Index of Eight Core Industries, October 2015

The combined Index of Eight Core Industries stands at 175.4 in October, 2015, which was 3.2 % higher compared to the index of October, 2014. Its cumulative growth during April to October, 2015-16 was 2.5 %.

- Coal: Coal production increased by 6.3 % in October, 2015 over October, 2014. Its cumulative index during April to October, 2015-16 increased by 4.5 % over corresponding period of previous year.
- Crude Oil: Crude Oil production decreased by 2.1 % in October, 2015 over October, 2014. Its cumulative index during April to October, 2015-16 increased by 0.03 % over the corresponding period of previous year.
- Natural Gas: The Natural Gas production declined by 1.8 % in October, 2015. Its cumulative index during April to October, 2015-16 declined by 2.1 % over the corresponding period of previous year.
- Refinery Products (93% of Crude Throughput): Petroleum Refinery production declined by 4.4 % in October, 2015. Its cumulative index during April to October, 2015-16 increased by 2.4 % over the corresponding period of previous year.
- Fertilizers: Fertilizer production increased by 16.2 % in October, 2015. Its cumulative index during April to October, 2015-16 increased by 9.2% over the corresponding period of previous year.
- Steel (Alloy + Non-Alloy): Steel production declined by 1.2 % in October, 2015. Its cumulative index during April to October, 2015-16 declined by 0.5 % over the corresponding period of previous year.

- Cement: Cement production increased by 11.7 % in October, 2015. Its cumulative index during April to October, 2015-16 increased by 2.6% over the corresponding period of previous year.
- Electricity: Electricity generation increased by 8.8 % in October, 2015. Its cumulative index during April to October, 2015-16 increased by 4.7% over the corresponding period of previous year.

Table 4
Performance of Eight Core Industries

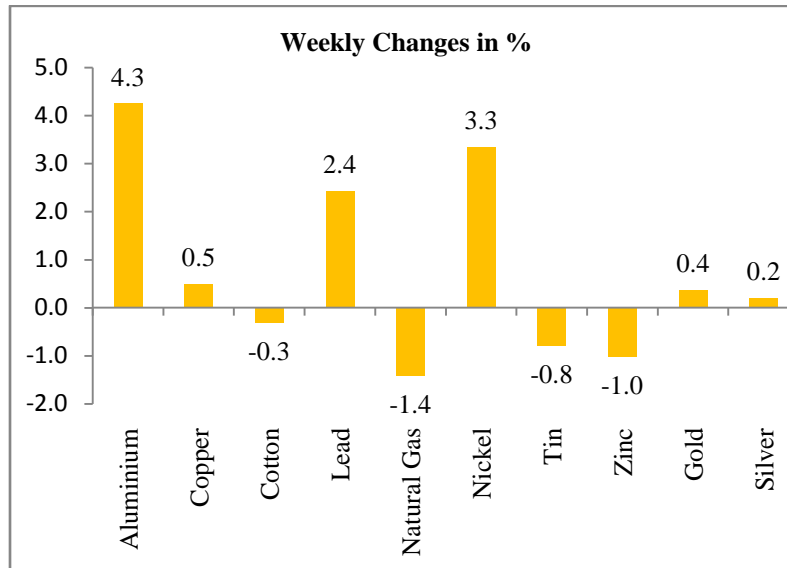
Base Year: 2004-05=100

Sector	Weight	2012-13	2013-14	2014-15	Apr-Oct 2014-15	Apr-Oct 2015-16	Oct. 2014	Oct. 2015
Coal	4.379	4.6	1.3	8.5	9.0	4.5	16.4	6.3
Crude Oil	5.216	-0.6	-0.2	-0.9	-0.9	0.03	1	-2.1
Natural Gas	1.708	-14.5	-13.0	-5.1	-5.5	-2.1	-3.9	-1.8
Refinery Products [#]	5.939	29.0	1.5	0.3	-1.7	2.4	4.2	-4.4
Fertilizers	1.254	-3.4	1.5	-0.1	-1.1	9.2	-7	16.2
Steel	6.684	4.1	11.5	3.5	7.6	-0.5	14.2	-1.2
Cement	2.406	7.7	3.1	5.6	8.2	2.6	-1.2	11.7
Electricity	10.316	4.0	6.0	8.2	10.8	4.7	13.7	8.8
Overall Index	37.903	6.5	4.2	4.2	5.6	2.5	9	3.2

Source: Office of Economic Advisor

2.2 Basic Metals and Agriculture Commodities in Spot Market

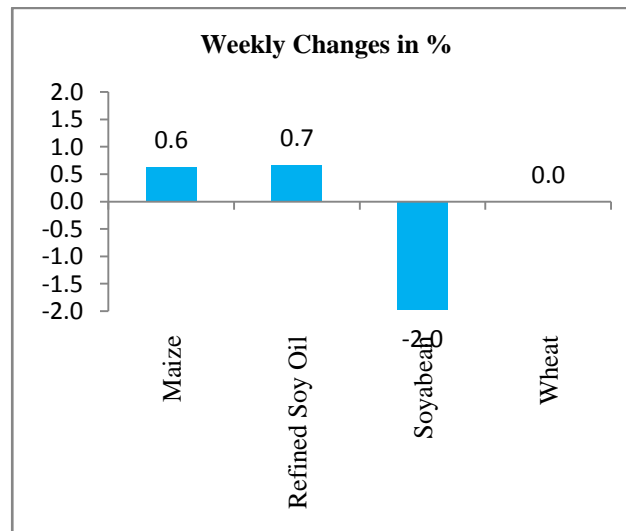
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

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

Performance Agri Commodities Market Spot Prices



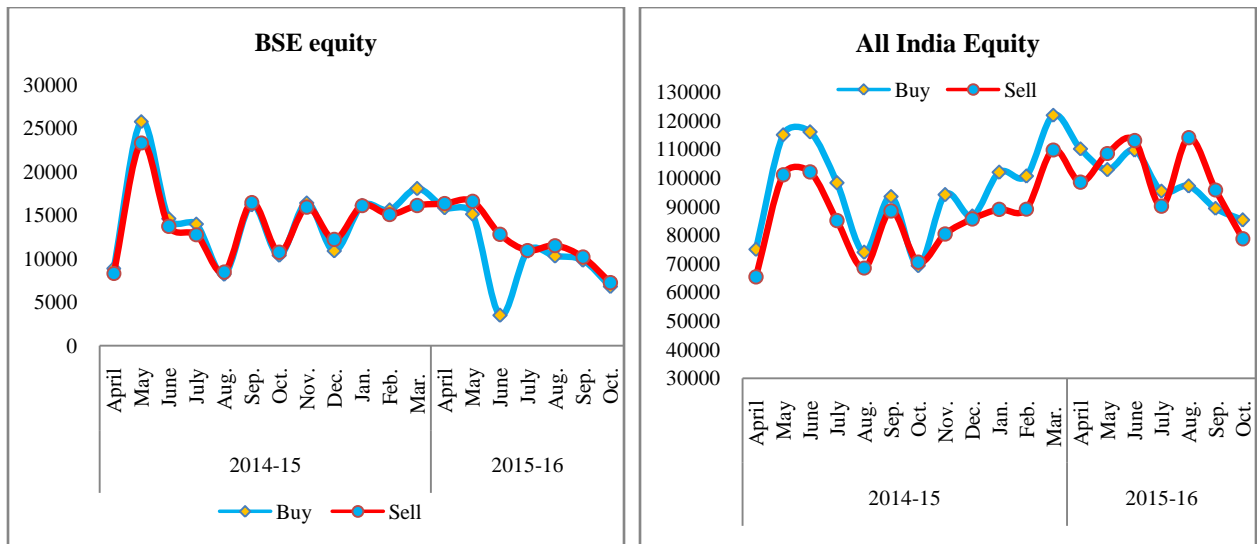
Source: MCX, ASSOCHAM Economic Research Bureau

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



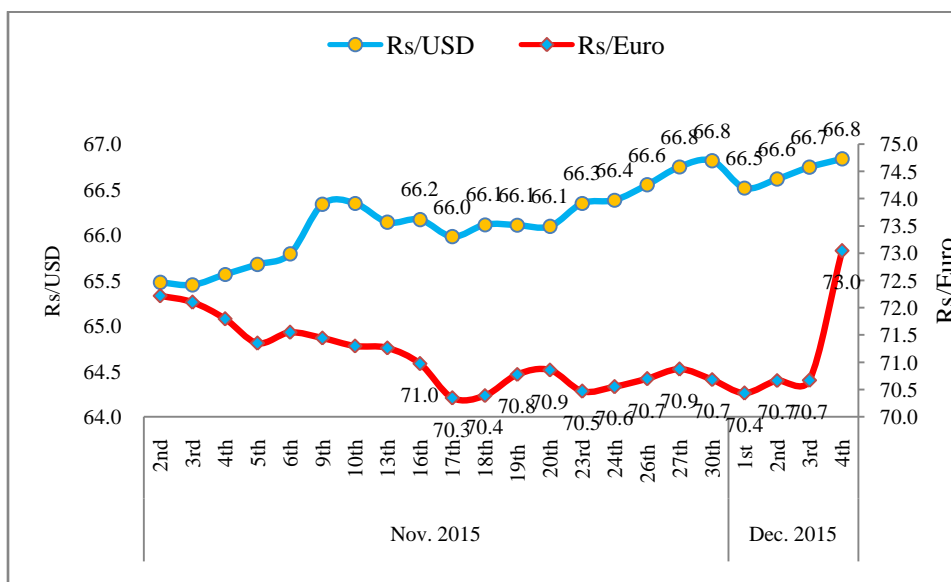
3. Market Trends

FII Equity Flows Equity (Rs. Crore)

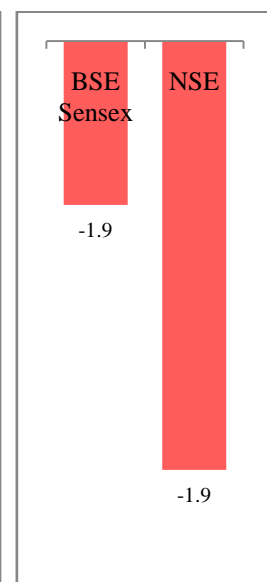


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 UK Index of Services, September 2015

- The Index of Services is estimated to have increased by 2.7% in September 2015 compared with September 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 0.8 percentage points to total growth.
- The latest Index of Services estimates show that output increased by 0.4% between August 2015 and September 2015, following flat growth between July 2015 and August 2015.
- The Index of Services increased by 0.7% in Quarter 3 (July to Sep) 2015 compared with Quarter 2 (Apr to June) 2015. This figure was unrevised from the estimate used in the Gross Domestic Product (GDP) Preliminary Estimate, published on 27 October 2015. This figure is consistent with the Second Estimate of GDP, published on 27 November 2015.

Table 5
UK Index of Services main information, September 2015 (Percentage change)

	Index number (2012=100)	Most recent month on a year earlier	Most recent 3 months on a year earlier	Most recent month on previous month	Most recent 3 months on previous 3 months
Index of services	109.7	2.7	2.7	0.4	0.7

Source: Office for National Statistics

4.2 Euro area unemployment rate, October 2015

According to the statistical office of the European Union, euro area (EA19) seasonally-adjusted unemployment rate was 10.7% in October 2015, down from 10.8% in September 2015, and from 11.5% in October 2014. This is the lowest rate recorded in the euro area since January 2012. The EU28 unemployment rate was 9.3% in October 2015, stable compared to September 2015, and down from 10.1% in October 2014. This is the lowest rate recorded in the EU28 since September 2009.

Eurostat estimates that 22.497 million men and women in the EU28, of whom 17.240 million were in the euro area, were unemployed in October 2015. Compared with September 2015, the number of persons unemployed decreased by 36 000 in the EU28 and by 13 000 in the euro area. Compared with October 2014, unemployment fell by 1.942 million in the EU28 and by 1.302 million in the euro area.

Member States

Among the Member States, the lowest unemployment rates in October 2015 were recorded in Germany (4.5%), the Czech Republic (4.7%) and Malta (5.1%), and the highest in Greece (24.6% in August 2015) and Spain (21.6%).

Compared with a year ago, the unemployment rate in October 2015 fell in twenty-four Member States and increased in four. The largest decreases were registered in Spain (from 23.9% to 21.6%), Slovakia (from 12.7% to 10.7%), Ireland (from 10.7% to 8.9%) and Croatia (from 17.6% to 15.8%). The increases were registered in Finland (9.0% to 9.5%), France (10.5% to 10.8%), Belgium (8.6% to 8.7%) and Romania (6.7% to 6.8%). In October 2015, the unemployment rate in the United States was 5.0%, down from 5.1% in September 2015 and from 5.7% in October 2014.

Youth unemployment

In October 2015, 4.530 million young persons (under 25) were unemployed in the EU28, of whom 3.148 million were in the euro area. Compared with October 2014, youth unemployment de-

creased by 466 000 in the EU28 and by 191 000 in the euro area. In October 2015, the youth unemployment rate was 20.0% in the EU28 and 22.3% in the euro area, compared with 21.7% and 23.3% respectively in October 2014. In October 2015, the lowest rates were observed in Germany (7.1%), Austria (10.4%), Denmark (10.9%) and the Netherlands (11.6%), and the highest in Greece (47.9% in August 2015), Spain (47.7%), Croatia (43.1% in the third quarter 2015) and Italy (39.8%).

Table 6
Seasonally adjusted unemployment, totals

	Oct. 2014	July 2015	Aug. 2015	Sep. 2015	Oct. 2015
EA19	11.5	10.9	10.8	10.8	10.7
EU28	10.1	9.4	9.3	9.3	9.3
Belgium	8.6	8.8	8.8	8.7	8.7
Bulgaria	10.9	9.8	9.7	9.5	9.5
Czech Republic	5.8	5	4.8	4.8	4.7
Denmark	6.5	6.2	6.2	6	6
Germany	5	4.6	4.5	4.5	4.5
Estonia	7.7**	5.8	5.8	6	:
Ireland	10.7	9.2	9.1	9	8.9
Greece	26.2*	24.9	24.6	:	:
Spain	23.9	21.9	21.8	21.6	21.6
France	10.5	10.7	10.8	10.8	10.8
Croatia	17.6	15.7	15.6	15.5	15.8
Italy	13	11.8	11.7	11.6	11.5
Cyprus	16.4	15.2	15.2	15	15.1
Latvia	10.7	10.1	10	9.9	9.9
Lithuania	10.3	9.1	9	9	8.9
Luxembourg	6.1	5.8	5.8	5.7	5.8
Hungary	7.3**	6.8	6.5	6.5	:
Malta	6	5.1	5.1	5.1	5.1
Netherlands	7.1	6.8	6.8	6.8	6.9
Austria	5.7	5.6	5.7	5.6	5.6
Poland	8.4	7.3	7.2	7.1	7
Portugal	13.5	12.3	12.3	12.4	12.4
Romania	6.7	6.8	6.8	6.9	6.8
Slovenia	9.5	9.4	9.3	9.2	9.1
Slovakia	12.7	11.2	11.1	10.9	10.7
Finland	9	9.5	9.5	9.5	9.5
Sweden	7.9	7.4	7.2	7.2	7.2

United Kingdom	5.9*	5.3	5.2	:	:
Iceland	4.6	4.3	4.3	4.3	4.3
Norway	3.7**	4.3	4.6	4.6	:
United States	5.7	5.3	5.1	5.1	5

Source: The statistical office of the European Union.

5. Data Appendix

Table 7
Latest Available Financial Information

Item	Nov. 20, 2015	Nov. 27, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,790.27	3,870.45	2.12
Foreign Currency Assets of RBI (Rs. Billion)	21,919.32	22,071.97	0.70
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	1,060.99	1,043.22	-1.67
Foreign Exchange Reserves (US\$ Billion)	352.4	351.6	-0.21

Source: RBI, Govt. of India

Table 8
BSE Sensex and NSE Nifty Index

Index	Nov. 30, 2015	Dec. 04, 2015	Percentage Change
BSE SENSEX	26,142.5	25,638.1	-1.9
S & P CNX NIFTY	7,936.3	7,781.9	-1.9

Source: BSE India and NSE India

Table 9
Metals Market Spot Prices Index (Rs.)

		November 2015	December 2015				Weekly Changes in %
		30 th	1 st	2 nd	3 rd	4 th	
Aluminium	1 KGS	96.4	95.9	97.3	97.6	100.5	4.3
Copper	1 KGS	301.8	301.2	303.8	298.6	303.3	0.5
Cotton	1 BALES	15870.0	15830.0	15780.0	15800.0	15820.0	-0.3
Lead	1 KGS	108.9	108.5	109.2	109.5	111.5	2.4
Natural Gas	1 mmBtu	147.7	149.3	148.4	144.2	145.6	-1.4
Nickel	1 KGS	583.5	587.9	589.1	584.4	603.0	3.3
Tin	1 KGS	1000.5	1008.5	1012.5	985.3	992.5	-0.8
Zinc	1 KGS	103.2	101.8	102.0	100.5	102.2	-1.0
Gold	10 GRMS	25049.0	25235.0	25164.0	24887.0	25143.0	0.4
Silver	1 KGS	33683.0	33729.0	33698.0	33231.0	33754.0	0.2

Source: MCX

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

		November 2015	December 2015				Weekly Changes in %
		30 th	1 st	2 nd	3 rd	4 th	
Maize	100 KGS	1570.0	1570.0	1575.0	1585.0	1580.0	0.6
Refined Soy Oil	10 KGS	648.4	644.0	649.3	659.8	652.8	0.7
Soyabean	100 KGS	3800.0	3775.0	3787.5	3776.5	3725.0	-2.0
Wheat	100 KGS	1690.0	1700.0	1692.5	1695.0	1690.0	0.0

Source: MCX

ASSOCHAM Economic Research Bureau

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THE KNOWLEDGE CHAMBER

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