



ASSOCHAM Economic Weekly
21st February, 2016



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1. Macroeconomy



1.1 India's Merchandise Trade, January 2016

Exports during January, 2016 were valued at US\$ 21075.57 million (Rs. 141738.07 crore) which was 13.60 per cent lower in Dollar terms (6.62 per cent lower in Rupee terms) than the level of US\$ 24393.58 million (Rs. 151791.26 crore) during January, 2015. Cumulative value of exports for the period April-January 2015-16 was US\$ 217679.51 million (Rs. 1415061.06 crore) as against US\$ 264322.49 million (Rs. 1609885.66 crore) registering a negative growth of 17.65 per cent in Dollar terms and 12.10 per cent in Rupee terms over the same period last year.

Non-petroleum exports in January 2016 are valued at US\$ 19116.04 million against US\$ 21370.62 million in January 2015, a reduction of 10.55%. Non-petroleum exports during April to January 2016 are valued at US\$ 192407.64 million as compared to US\$ 212729.94 million for the corresponding period in 2015, a reduction of 9.6%.

The trend of falling exports is in tandem with other major world economies. The growth in exports have fallen for USA (10.51%), European Union (9.48%) and China (7.01%) for November 2015 over the corresponding period previous year as per WTO statistics.

Imports during January, 2016 were valued at US\$ 28714.50 million (Rs. 193111.64 crore) which was 11.01 per cent lower in Dollar terms and 3.82 per cent lower in Rupee terms over the level of imports valued at US\$ 32265.37 million (Rs. 200774.18 crore) in January, 2015. Cumulative value of imports for the period April-January 2015-16 was US\$ 324526.19 million (Rs. 2108961.04 crore) as against US\$ 383879.32 million (Rs. 2337629.58 crore) registering a negative growth of 15.46 per cent in Dollar terms and 9.78 per cent in Rupee terms over the same period last year.

Oil imports during January, 2016 were valued at US\$ 5026.41 million which was 39.01 per cent lower than oil imports valued at US\$ 8241.18 million in the corresponding period last year. Oil imports during April-January, 2015-16 were valued at US\$ 73094.61 million which was 41.43 per cent lower than the oil imports of US\$ 124800.66 million in the corresponding period last year.

Non-oil imports during January, 2016 were estimated at US\$ 23688.09 million which was 1.40 per cent lower than non-oil imports of US\$ 24024.19 million in January, 2015. Non-oil imports during April-January, 2015-16 were valued at US\$ 251431.58 million which was 2.95 per cent lower than the level of such imports valued at US\$ 259078.66 million in April-January, 2014-15.

The trade deficit for April-January, 2015-16 was estimated at US\$ 106846.68 million which was lower than the deficit of US\$ 119556.83 million during April-January, 2014-15.

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

	JANUARY	APRIL-JANUARY
EXPORTS(including re-exports)		
2014-15	24393.58	264322.5
2015-16	21075.57	217679.5
%Growth2015-16/ 2014-15	-13.6	-17.65
IMPORTS		
2014-15	32265.37	383879.3
2015-16	28714.5	324526.2
%Growth2015-16/ 2014-15	-11.01	-15.46
TRADE BALANCE		
2014-15	-7871.79	-119557
2015-16	-7638.93	-106847

Source: Ministry of Commerce, Govt. of India

1.2 2nd Advance Production Estimates of Major Kharif Crops during 2015-16

The 2nd Advance Estimates of production of major crops for 2015-16 have been released by the Department of Agriculture, Cooperation and Farmers Welfare here today.

The estimated production of major crops during 2015-16 is as under:

- Foodgrains – 253.16 million tonnes
 - Rice – 103.61 million tonnes
 - Wheat – 93.82 million tonnes

- Coarse Cereals – 38.40 million tonnes
- Maize – 21.00 million tonnes
- Pulses – 17.33 million tonnes
- Tur – 2.55 million tonnes
- Gram – 8.09 million tonnes
- Oilseeds – 26.34 million tonnes
 - Soyabean – 9.13 million tonnes
 - Groundnut – 7.18 million tonnes
 - Rapeseed & Mustard – 6.84 million tonnes
- Cotton – 30.69 million bales (of 170 kg each)
- Sugarcane – 346.39 million tonnes

Despite setback in Kharif crops due to deficient monsoon rainfall and Rabi crops due to shortage of water in reservoirs and relatively warmer winter, as per the 2nd Advance Estimates for 2015-16 total foodgrains production in the country has been higher than that in the last year. Total foodgrains production during 2015-16, estimated at 253.16 million tonnes, has been higher by 1.14 million tonnes over the production of 252.02 million tonnes during 2014-15.

Total production of rice during 2015-16 is estimated at 103.61 million tonnes, which is lower by 1.87 million tonnes than its production of 105.48 million tonnes during 2014-15. Production of wheat estimated at 93.82 million tonnes is higher by 7.29 million tonnes than the production of 86.53 million tonnes of wheat during 2014-15. Wheat production in 2015-16 is also higher by 2.29 million tonnes than its 5 years' average production.

Total production of coarse cereals is estimated at 38.40 million tonnes which is lower by 4.47 million tonnes as compared to their production of 42.86 million tonnes during 2014-15. Total pulses production of 17.33 million tonnes during 2015-16 is marginally higher than the previous year's production of 17.15 million tonnes. With a decline of 1.17 million tonnes over the previous year's production's total oilseeds production in the country during 2015-16 is estimated at 26.34 million tonnes.

Production of sugarcane estimated at 346.39 million tones, is lower by 15.95 million tonnes than its production during 2014-15. Production of Cotton estimated at 30.69 million bales (of 170 kg each) is also lower by 4.11 million bales than its production of 34.81 million bales during 2014-

15. Production of jute is estimated at 9.89 million bales (of 180 kg each) which is marginally lower than its production of 10.62 million bales during 2014-15.

1.3 Index Numbers of Wholesale Price in India, January 2016

Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) for the month of January, 2016 declined by 1.0 percent to 175.7 from 177.4 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -0.90% for the month of January, 2016 (over January, 2015) as compared to -0.73% for the previous month and -0.95% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was -0.23% compared to a build up rate of -1.66% in the corresponding period of the previous year.

The index for 'Primary Articles' group declined by 1.7 percent to 253.3 from 257.8 for the previous month.

The index for 'Food Articles' group declined by 1.9 percent to 267.6 (provisional) from 272.7 (provisional) for the previous month due to lower price of fruits & vegetables (6%), jowar (4%), arhar (3%), condiments & spices, urad and gram (2% each) and poultry chicken, moong, masur, coffee and rice (1% each). However, the price of egg and bajra (3% each), tea, ragi, beef & buffalo meat and barley (2% each) and pork and fish-inland (1% each) moved up.

The index for 'Non-Food Articles' group rose by 0.3 percent to 224.5 (provisional) from 223.9 (provisional) for the previous month due to higher price of mesta (12%), flowers (9%), raw jute and raw silk (7% each), raw wool (6%), cotton seed (4%), raw cotton (2%) and gingelly seed (sesamum) (1%). However, the price of copra (coconut) (8%), castor seed (7%), niger seed (6%), raw rubber (5%), coir fibre (3%), linseed, soyabean, rape & mustard seed and fodder (2% each) and sunflower (1%) declined.

The index for 'Minerals' group declined by 6.2 percent to 199.2 (provisional) from 212.3 (provisional) for the previous month due to lower price of crude petroleum, iron ore and limestone (7% each), manganese ore (6%), copper ore (5%) and zinc concentrate (3%). However, the price of magnesite (13%), chromite (4%), phosphorite (3%) and sillimanite (1%) moved up.

The index for 'Fuel & Power' group declined by 2.9 percent to 171.6 (provisional) from 176.8 (provisional) for the previous month due to lower price of furnace oil (18%), aviation turbine fuel (12%), bitumen (9%), high speed diesel (4%), petrol (2%) and kerosene (1%). However, the price of LPG (1%) moved up.

The index for 'Manufactured Products' group rose by 0.1 percent to 152.7 (provisional) from 152.6 (provisional) for the previous month.

Table 2
Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)
Month of January, 2016

	Weight	WPI Jan-2016	Latest month over month		Build up from March		Year on year	
			2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
All Commodities	100.00	175.7	-0.78	-0.96	-1.66	-0.23	-0.95	-0.90
Primary Articles	20.12	253.3	-0.94	-1.75	1.13	5.98	1.38	4.63
Food Articles	14.34	267.6	0.12	-1.87	7.59	7.34	8.00	6.02
Non-Food Articles	4.26	224.5	-0.24	0.27	-4.73	10.81	-4.16	8.24
Minerals	1.52	199.2	-11.35	-6.17	-29.70	-18.13	-30.42	-17.99
Fuel & Power	14.91	171.6	-2.88	-2.94	-11.76	-8.72	-11.02	-9.21
Manufactured Products	64.97	152.7	-0.13	0.07	0.19	-0.78	1.05	-1.17

Source: Office of Economic Advisor



2. Corporate Sector

2.1 Foreign Tourist Arrivals and Foreign Exchange Earnings (FEEs), January 2016

Foreign Tourist Arrivals (FTAs):

- FTAs during the Month of January 2016 were 8.44 lakh as compared to FTAs of 7.91 lakh during the month of January 2015 and 7.58 lakh in January 2014. There has been a growth of 6.8% in January 2016 over January 2015.
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2016 among the top 15 source countries was highest from USA (15.29%) followed by Bangladesh (11.99%), UK (11.23%), Canada (4.87%), Australia (3.97%), Russian Federation (3.71%), Germany (3.27%), France (2.98%), Sri Lanka (2.97%), China (2.74%), Malaysia (2.59%), Japan (2.38%), Rep. of Korea (1.82%), Nepal (1.76%) and Afghanistan (1.62%).
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2016 among the top 15 ports was highest at Delhi Airport (28.38%) followed by Mumbai Airport (19.59%), Chennai Airport (7.92%), Haridaspur Land check post (6.58%), Bangalore Airport (5.72%), Goa Airport (5.68%), Kolkata Airport (3.92%), Cochin Airport (3.86%), Ahmadabad Airport (3.48%), Hyderabad Airport (2.83%), Trivandrum Airport (1.84%), Gede Rail (1.51%), Tiruchirapalli Airport (1.26%), Amritsar Airport (0.82%) and Sonauli Land check post (0.76%).

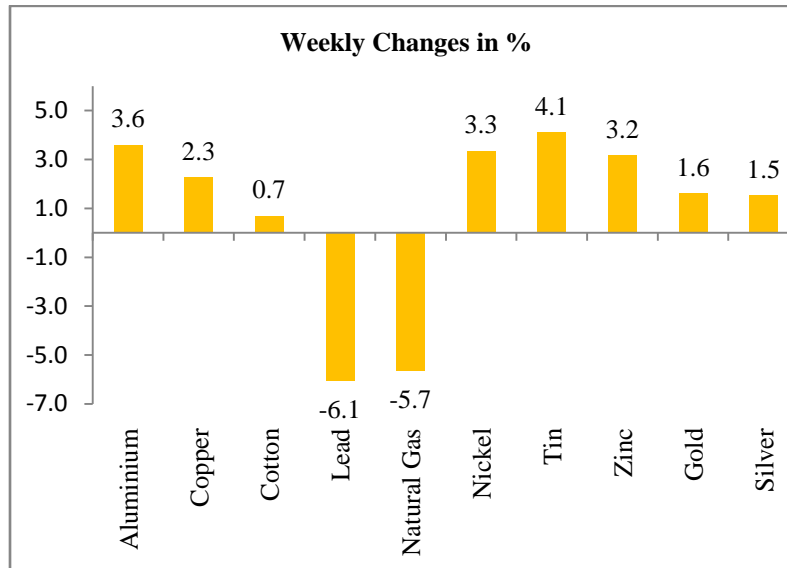
Foreign Exchange Earnings (FEEs) from Tourism in India in Rupees terms and in US\$ terms

- FEEs during the month of January 2016 were Rs. 13,669 crore as compared to Rs. 12,100 crore in January 2015 and Rs. 11,664 crore in January 2014.

- The growth rate in FEEs in rupee terms during January 2016 over January 2015 was 13.0% as compared to a positive growth of 3.7% in January 2015 over January 2014.
- FEEs in US\$ terms during the month of January 2016 were US\$ 2.032 billion as compared to FEEs of US\$ 1.945 billion during the month of January 2015 and US\$ 1.880 billion in January 2014.
- The growth rate in FEEs in US\$ terms in January 2016 over January 2015 was 4.5% compared to a positive growth of 3.5% in January 2015 over January 2014.

2.2 Basic Metals and Agriculture Commodities in Spot Market

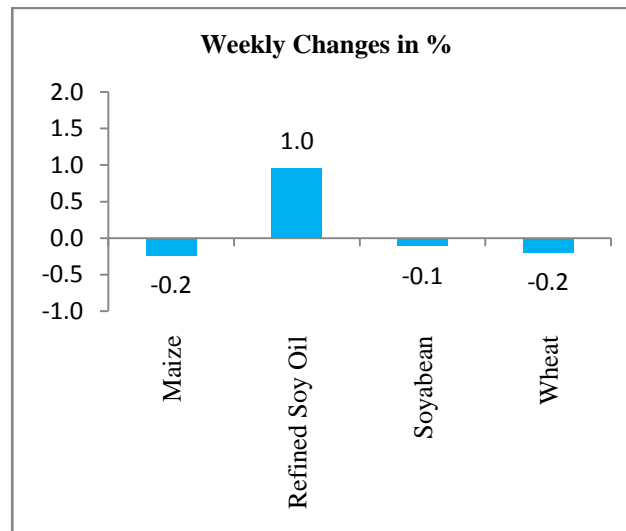
Performance of Metals Market Spot Prices



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



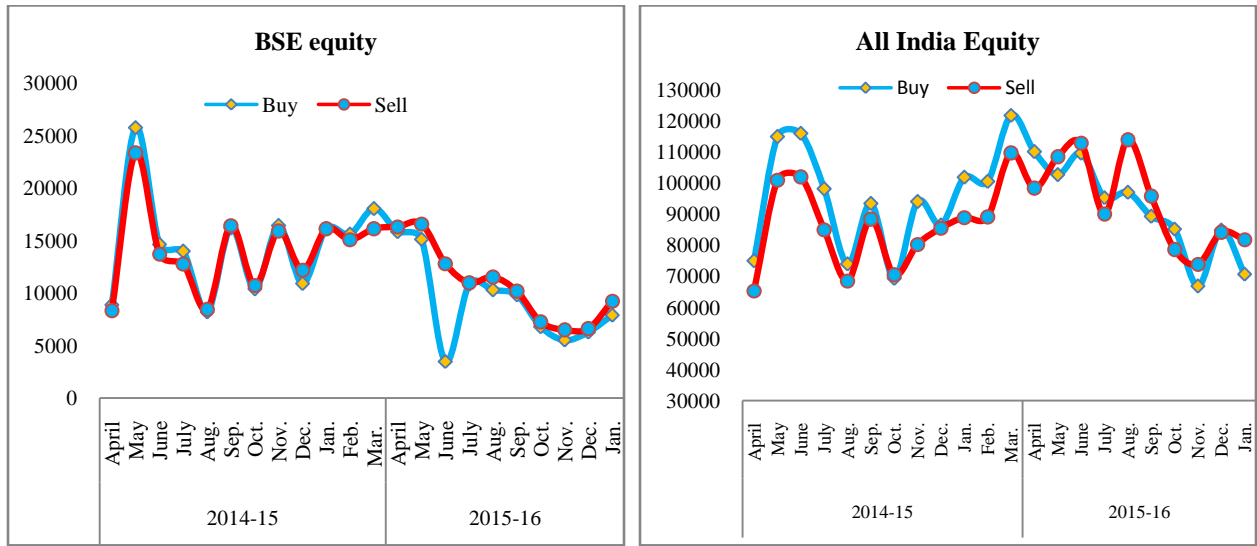
Source: MCX, ASSOCHAM Economic Research Bureau

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



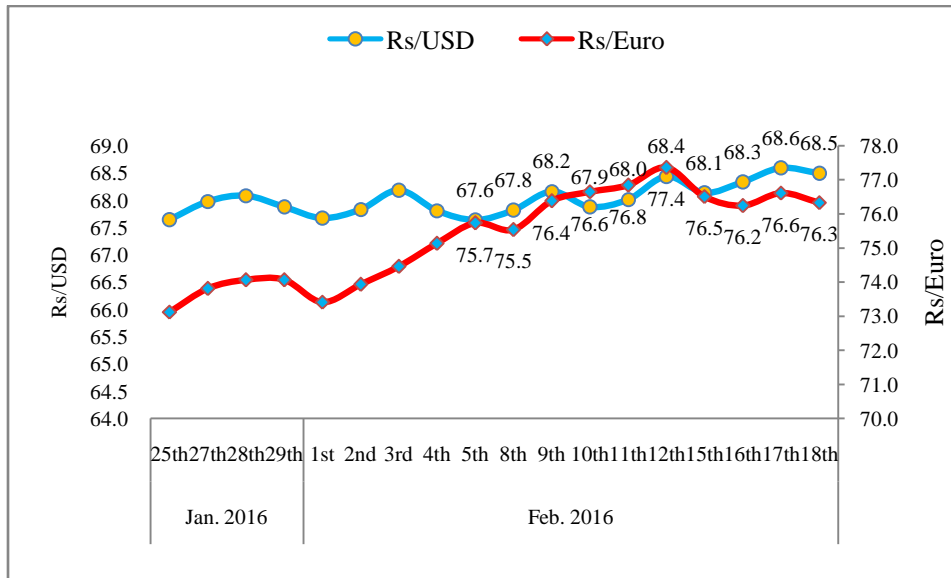
3. Market Trends

FII Equity Flows Equity (Rs. Crore)

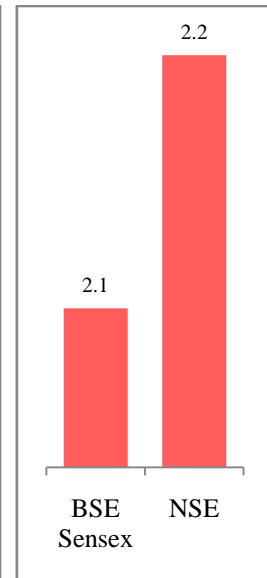


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 UK Consumer Price Inflation, January 2016

- The Consumer Prices Index (CPI) rose by 0.3% in the year to January 2016, compared with a 0.2% rise in the year to December 2015.
- This is the third consecutive month of small increases, with the rate in January 2016 being the same as it was in January 2015.
- The main contributors to the rise in the rate were motor fuels, and to a lesser extent food, alcoholic beverages and clothing.
- Air fare prices partially offset the rise in the rate, falling by more than they did a year ago. This followed a large increase in prices in December 2015.
- CPIH (not a National Statistic) grew by 0.6% in the year to January 2016, up from 0.5% in December 2015.

Table 3
UK CPI index values, 1-month and 12-month rates: January 2015 and January 2016

		Index ¹ (UK, 2015 = 100)	1-month rate	12-month rate
2015	Jan	99.3	-0.9	0.3
	Feb	99.5	0.3	0
	Mar	99.7	0.2	0
	Apr	99.9	0.2	-0.1
	May	100.1	0.2	0.1
	Jun	100.2	0	0
	Jul	100	-0.2	0.1
	Aug	100.3	0.2	0
	Sep	100.2	-0.1	-0.1
	Oct	100.3	0.1	-0.1
	Nov	100.3	0	0.1

	Dec	100.3	0.1	0.2
2016	Jan	99.5	-0.8	0.3

Source: Office for National Statistics

4.2 Euro Area Production in construction

According to the statistical office of the European Union, December 2015 compared with November 2015, seasonally adjusted production in the construction sector fell by 0.6% in the euro area (EA19) and by 0.1% in the EU28. In November 2015, production in construction grew by 0.9% in the euro area and by 0.7% in the EU28.

In December 2015 compared with December 2014, production in construction fell by 0.4% in the euro area and grew by 1.4% in the EU28.

Average production in construction for the year 2015, compared with 2014, decreased by 1.0% in the euro area and increased by 0.8% in the EU28

Monthly comparison by construction sector and by Member State

The decrease of 0.6% in production in construction in the **euro area** in December 2015, compared with November 2015, is due to civil engineering falling by 0.7% and building construction by 0.4%.

In the **EU28**, the decrease of 0.1% is due to building construction falling by 0.5%, while civil engineering rose by 2.6%.

Among Member States for which data are available, the largest decreases in production in construction were recorded in **Slovenia** (-12.5%), **France** (-1.6%) and the **Netherlands** (-0.9%), and the highest increases in **Romania** (+5.8%), **Slovakia** (+4.3%) and **Sweden** (+2.6%).

Annual comparison by construction sector and by Member State

The decrease of 0.4% in production in construction in the **euro area** in December 2015, compared with December 2014, is due to civil engineering falling by 6.1%, while building construction rose by 0.9%.

In the **EU28**, the increase of 1.4% is due to civil engineering rising by 2.8% and building construction by 1.2%.

Among Member States for which data are available, the largest decreases in production in construction were recorded in **Slovenia** (-9.3%), **Portugal** (-4.7%), **France** (-3.6%) and the **Netherlands** (-3.1%), and the highest increases in **Slovakia** (+24.9%), **Sweden** (+15.2%) and **Romania** (+13.9%).

Table 4
Production in construction

% change compared with the previous quarter / previous month*

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	July 2015	Aug. 2015	Sep. 2015	Oct. 2015	Nov. 2015	Dec. 2015
EA19										
Total construction	0.4	-0.8	-0.4	0.7	0	0.5	-0.8	0.5	0.9	-0.6
Building	0.5	-0.6	-0.4	0.9	-0.2	0.9	-1	0.5	1.2	-0.4
Civil engineering	0.7	-1.7	-0.7	0.1	0.5	0	-0.8	1	-0.7	-0.7
EU28										
Total construction	1	-0.3	-0.5	0.3	0.2	-0.5	-0.2	0.2	0.7	-0.1
Building	0.5	-0.2	-0.3	0.3	0	-0.2	-0.1	0.1	0.8	-0.5
Civil engineering	4.1	-0.6	-0.8	-0.1	1.1	-0.9	-1	0.3	-0.6	2.6

5. Data Appendix

Table 5
Latest Available Financial Information

Item	Feb. 05, 2016	Feb. 12, 2016	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,897.61	3,796.94	-2.58
Foreign Currency Assets of RBI (Rs. Billion)	22,397.41	22,751.95	1.58
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	1,119.31	1,732.89	54.82
Foreign Exchange Reserves (US\$ Billion)	351.5	351.8	0.10

Source: RBI, Govt. of India

Table 6
BSE Sensex and NSE Nifty Index

Index	Feb. 01, 2016	Feb. 05, 2016	Percentage Change
BSE SENSEX	23,223.4	23,709.2	2.1
S & P CNX NIFTY	7,057.4	7,210.8	2.2

Source: BSE India and NSE India

Table 7
Metals Market Spot Prices Index (Rs.)

		February 2016					Weekly Changes in %
		15 th	16 th	17 th	18 th	19 th	
Aluminium	1 KGS	102.6	104.5	104.3	104.8	106.3	3.6
Copper	1 KGS	306.2	306.2	309.0	313.9	313.1	2.3
Cotton	1 BALES	16120.0	16180.0	16230.0	16260.0	16230.0	0.7
Lead	1 KGS	126.3	124.5	120.0	117.2	118.7	-6.1
Natural Gas	1 mmBtu	134.5	134.5	130.0	133.2	126.9	-5.7
Nickel	1 KGS	552.6	565.0	565.0	568.7	571.1	3.3
Tin	1 KGS	1048.5	1052.5	1087.0	1084.8	1091.5	4.1
Zinc	1 KGS	115.1	114.7	114.1	114.3	118.7	3.2
Gold	10 GRMS	28459.0	28654.0	28473.0	28560.0	28918.0	1.6
Silver	1 KGS	36636.0	37012.0	36830.0	36804.0	37193.0	1.5

Source: MCX

NA: Not available

Table 8
Agri. Commodities Market Spot Prices (Rs.)

		February 2016					Weekly Changes in %
		15 th	16 th	17 th	18 th	19 th	
Maize	100 KGS	1475.0	1491.5	1478.5	1491.5	1471.5	-0.2
Refined Soy Oil	10 KGS	642.3	647.4	645.8	647.4	648.4	1.0
Soyabean	100 KGS	3766.5	3787.5	3800.0	3787.5	3762.5	-0.1
Wheat	100 KGS	1710.0	1705.8	1708.3	1705.0	1706.7	-0.2

Source: MCX

ASSOCHAM Economic Research Bureau

ASSOCHAM Economic Research Bureau (AERB) is the research division of the Associated Chambers of Commerce and Industry of India. The Research Bureau undertakes studies on various economic issues, policy matters, financial markets, international trade, social development, sector wise performance and monitoring global economy dynamics.

The main banners of the Bureau are:

ASSOCHAM Eco Pulse (AEP) studies are based on the data provided by various institutions like Reserve Bank of India, World Bank, IMF, WTO, CSO, Finance Ministry, Commerce Ministry, CMIE etc.

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.

ASSOCHAM Placement Pattern (APP) is based on the sample data that is tracked on a daily basis for the vacancies posted by companies via job portals and advertisements in the national and regional dailies, journals and newspaper. Data is tracked for 60 cities and 30 sectors that are offering job opportunities in India.

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

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.