



**ASSOCHAM Economic Weekly**  
**12<sup>th</sup> June, 2016**



## **Contents**

### **1. Macroeconomy**

**1.1 Second Bi-monthly Monetary Policy Statement, 2016-17**

**1.2 Tourists Arrival on E-Tourist Visa, May 2016**

### **2. Corporate Sector**

**2.1 Index of Industrial Production and Use-Based Index, April 2016**

**2.2 Basic Metals and Agriculture Commodities in Spot Market**

### **3. Market Trends**

### **4. Global Developments**

**4.1 UK index of production, April 2016**

**4.2 Euro Area and EU28 GDP**

### **5. Data Appendix**

## 1. Macroeconomy



### 1.1 Second Bi-monthly Monetary Policy Statement, 2016-17

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liabilities (NDTL); and
- continue to provide liquidity as required but progressively lower the average ex ante liquidity deficit in the system from one per cent of NDTL to a position closer to neutrality.

Consequently, the reverse repo rate under the LAF will remain unchanged at 6.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 7.0 per cent.

### 1.2 Tourists Arrival on E-Tourist Visa, May 2016

A total of 43,833 tourists arrived in May 2016 on e-Tourist Visa as compared to 15,659 during the month of May 2015 registering a growth of 179.9%.

Commencing from 27th November 2014 e-Tourist Visa facility was available until 25th February 2016 for citizens of 113 countries arriving at 16 Airports in India. The Government of India has extended this scheme for citizens of 37 more countries w.e.f 26th February 2016 taking the tally to 150 countries. The following are the important highlights of e-Tourist Visa during May, 2016.

The followings are the important highlights of e-Tourist Visa during May, 2016:-

- (i) During the month of May, 2016 a total of 43,833 tourist arrived on e-Tourist Visa as compared to 15,659 during the month of May, 2015 registering a growth of 179.9%.
- (ii) During January- May, 2016, a total of 4,34,927 tourist arrived on e-Tourist Visa as compared to 1,10,657 during January - May 2015, registering a growth of 293.0% .
- (iii) This high growth may be attributed to introduction of e-Tourist Visa for 150 countries as against the earlier coverage of 43 countries.
- (iv) The percentage shares of top 10 source countries availing e-Tourist Visa facilities during May, 2016 were as follows:
  - (v) USA (18.52%), UK (15.63%), China (8.17%), France (5.16%), Germany (4.91%), Australia (4.50%), Canada (4.49%), UAE (3.01%), Russian Fed. (2.79%) and Malaysia (2.12%).

(v) The percentage shares of top Ten ports in tourist arrivals on e-Tourist Visa during May, 2016 were as follows:-

New Delhi Airport (45.11%), Mumbai Airport (22.50%), Bengaluru Airport (9.00%), Chennai Airport (6.63%), Kochi Airport (3.68%), Goa Airport (2.86%), Hyderabad Airport (2.75%) Kolkata Airport (2.63%), Trivandrum Airport (1.42%) and Ahmadabad Airport (1.26%)



## 2. Corporate Sector

### 2.1 Index of Industrial Production and Use-Based Index, April 2016

The General Index for the month of April 2016 stands at 176.4, which is 0.8 percent lower as compared to the level in the month of April 2015. The cumulative growth for the period April-March 2015-16 over the corresponding period of the previous year stands at 2.4 percent.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of April 2016 stand at 123.6, 182.6 and 203.0 respectively, with the corresponding growth rates of 1.4 percent, (-) 3.1 percent and 14.6 percent as compared to April 2015. The cumulative growth in these three sectors during April-March 2015-16 over the corresponding period of 2014-15 has been 2.2 percent, 2.0 percent and 5.7 percent respectively.

**Table 1**  
**Index of Industrial Production – Sectoral**

(Base : 2004-05=100)

	Mining		Manufacturing		Electricity		General	
	(141.57)		(755.27)		(103.16)		(1000.00)	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Apr*	121.9	123.6	188.5	182.6	177.2	203.0	177.9	176.4
May	127.9		187.3		195.0		179.7	
Jun	121.6		189.5		183.7		179.3	
Jul	117.7		190.9		190.3		180.5	
Aug	120.2		184.8		194.4		176.6	
Sep	119.3		186.9		195.7		178.2	
Oct	130.8		188.1		201.6		181.4	
Nov	130.8		171.7		175.6		166.3	
Dec	137.3		193.1		183.2		184.2	
Jan	138.8		194.8		188.3		186.2	
Feb	136.2		194.1		181.9		184.6	
Mar	149.4		208.1		197.2		198.7	

Average								
Apr-Mar	129.3	--	189.8	--	188.7	--	181.1	--
Growth over the corresponding period of previous year								
Apr	-0.6	1.4	3.9	-3.1	-0.5	14.6	3.0	-0.8
Apr-Mar	2.2	--	2.0	--	5.7	--	2.4	--

Source: MOSPI

\* Indices for Apr 2016 are Quick Estimates.

NOTE : Indices for the months of Jan'16 and Mar'16 incorporate updated production data

As per Use-based classification, the growth rates in April 2016 over April 2015 are 4.8 percent in Basic goods, (-) 24.9 percent in Capital goods and 3.7 percent in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of 11.8 percent and (-) 9.7 percent respectively, with the overall growth in Consumer goods being (-) 1.2 percent.

**Table 2**  
**Index of Industrial Production - Use-Based**

(Base : 2004-05=100)

Month	Basic goods (456.82)		Capital goods (88.25)		Intermediate goods (156.86)		Consumer goods (298.08)		Consumer durables (84.6)		Consumer non-durables (213.47)	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Apr*	167.3	175.4	248	186.3	153.2	158.8	186.5	184.2	258.7	289.3	157.9	142.6
May	177.4		234.9		157.4		178.7		252.4		149.5	
Jun	171.9		265.4		153.1		179		246.1		152.4	
Jul	171.6		289.9		158.5		173.2		244.2		145.1	
Aug	170		267.5		156.2		170.8		256		137	
Sep	168		287.2		154		174.5		262		139.8	
Oct	175		278.6		154.7		176.3		272.2		138.3	
Nov	167.3		190.6		149.2		166.8		226.1		143.3	
Dec	175.8		219.5		161.4		198.6		242.5		181.2	
Jan	178.8		212.2		162.8		202.1		260.5		178.9	
Feb	173.5		230.7		159.5		201.2		275.3		171.8	
Mar	188.7		280.9		172		203.7		287.8		170.4	
Average												
Apr-Mar	173.8	--	250.5	--	157.7	--	184.3	--	257	--	155.5	--
Growth over the corresponding period of previous year												
Apr	2.6	4.8	5.5	-24.9	2.3	3.7	2.8	-1.2	1.3	11.8	3.7	-9.7
Apr-Mar	3.6	--	-2.9	--	2.5	--	3	--	11.3	--	-1.8	--

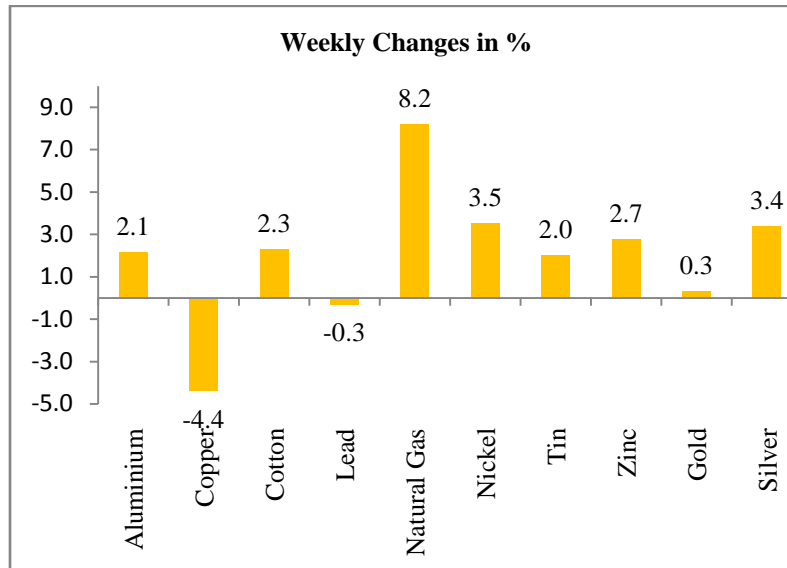
Source: MOSPI

\* Indices for Apr 2016 are Quick Estimates.

NOTE : Indices for the months of Jan'16 and Mar'16 incorporate updated production data

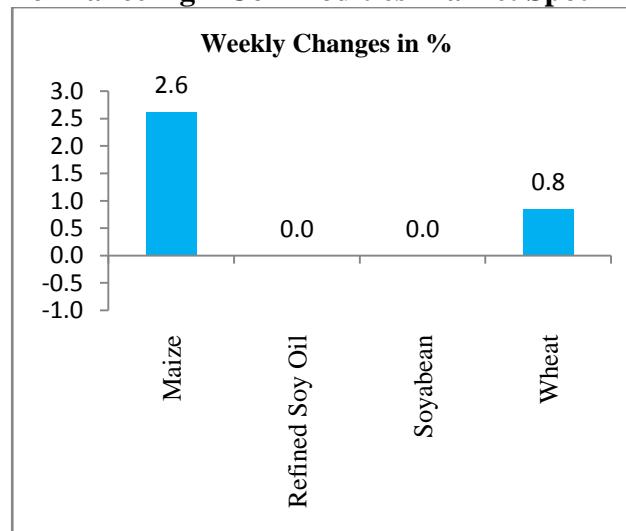
## 2.2 Basic Metals and Agriculture Commodities in Spot Market

### Performance of Metals Market Spot Prices



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

### Performance Agri Commodities Market Spot Prices

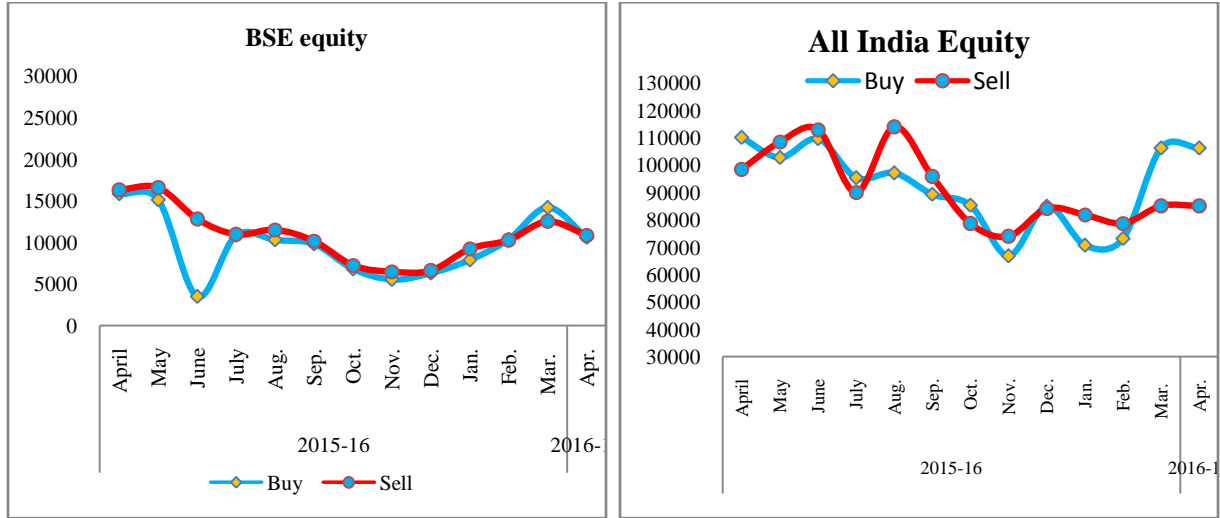


Source: MCX, ASSOCHAM Economic Research Bureau  
 Note: For details please refer appendix



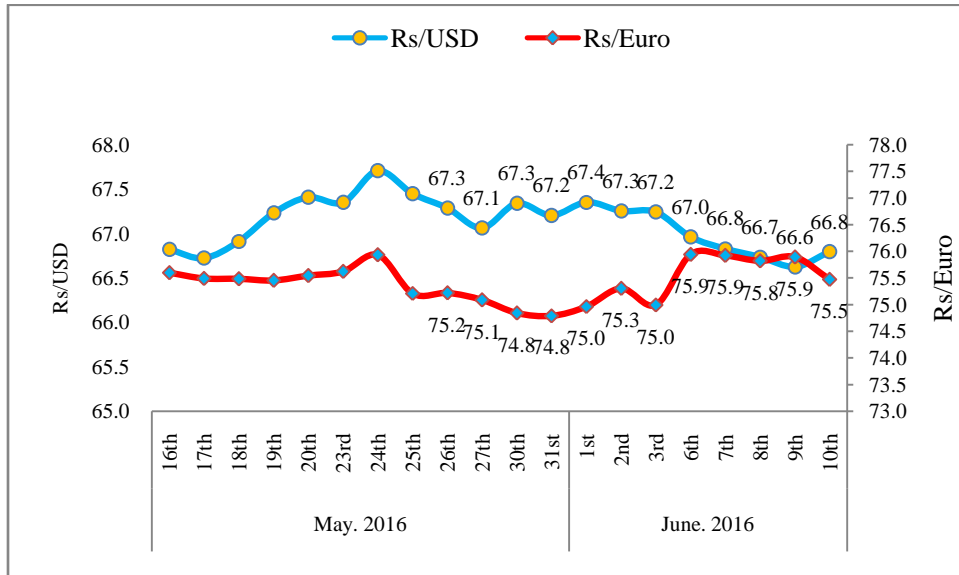
### 3. Market Trends

#### 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 production, April 2016

Total production output is estimated to have increased by 1.6% in April 2016 compared with April 2015. There were increases in all 4 main sectors, with the largest contribution coming from manufacturing (the largest component of production), which increased by 0.8%.

The largest contribution to the increase in manufacturing came from the manufacture of basic pharmaceutical products & pharmaceutical preparations, which increased by 12.5%, the largest rise since April 2009.

Total production output is estimated to have increased by 2.0% in April 2016 compared with March 2016. There were increases in 3 of the 4 main sectors, with the largest contribution coming from manufacturing, which increased by 2.3%, the largest rise since July 2012.

The largest contribution to the increase in manufacturing came from the manufacture of basic pharmaceutical products & pharmaceutical preparations, which increased by 8.6%, the largest rise since February 2014.

In the 3 months to April 2016, production and manufacturing were 9.4% and 6.4% respectively below their level reached in the pre-downturn GDP peak in Quarter 1 (Jan to Mar) 2008.

There is no impact on previously published estimates as no previous periods were open for revision. This is in line with the standard revisions policy for National Accounts.

**Table 3**  
**Index of Production main figures, April 2016, UK (Percentage change)**

	Index num-	Most recent	Most recent 3	Most recent	Most recent 3
--	------------	-------------	---------------	-------------	---------------

	ber (2012 = 100)	month on a year earlier	months on a year earlier	month on previous month	months on previous 3 months
Production	103.2	1.6	0.5	2	0.7
Manufacturing	102.7	0.8	-0.9	2.3	0.1

Source: UK Office for National Statistics

## 4.2 Euro Area and EU28 GDP

According to the statistical office of the European Union, seasonally adjusted GDP rose by 0.6% in the euro area (EA19) and by 0.5% in the EU28 during the first quarter of 2016, compared with the previous quarter. In the fourth quarter of 2015, GDP grew by 0.4% and 0.5% respectively.

Compared with the same quarter of the previous year, seasonally adjusted GDP rose by 1.7% in the euro area and by 1.8% in the EU28 in the first quarter of 2016, after +1.7% and +2.0% respectively in the previous quarter.

During the first quarter of 2016, GDP in the United States increased by 0.2% compared with the previous quarter (after +0.3% in the fourth quarter of 2015). Compared with the same quarter of the previous year, GDP grew by 2.0% (after +2.0% in the previous quarter).

### GDP growth by Member State

Among Member States for which data are available for the first quarter of 2016, Romania (+1.6%), Cyprus (+0.9%), Spain, Lithuania, Austria and Slovakia (all +0.8%), Bulgaria and Germany (both +0.7%) recorded the highest growth compared with the previous quarter. Decreases were registered in Hungary (-0.8%), Greece (-0.5%) and Poland (-0.1%), while GDP in Estonia remained stable.

### GDP components and contributions to growth

During the first quarter of 2016, household final consumption expenditure rose by 0.6% in both the euro area and in the EU28 (after +0.3% and +0.4% respectively in the previous quarter). Gross fixed capital formation increased by 0.8% in the euro area and by 0.5% in the EU28 (after +1.4% and +1.1%). Exports rose by 0.4% in both the euro area and in the EU28 (after +0.7% and

+0.8%). Imports increased by 0.7% in the euro area and by 0.9% in the EU28 (after +1.4% in both zones).

Household final consumption expenditure had a positive contribution to GDP growth in both the euro area and the EU28 (+0.3 and +0.4 percentage points), as did gross fixed capital formation (+0.2 pp and +0.1 pp). The contribution of the external balance to GDP growth was negative for both zones, while the contribution of changes in inventories was positive.

**Table 4**  
**Growth rates of GDP in volume**  
(based on seasonally adjusted\* data)

	Percentage change compared with the previous quarter				Percentage change compared with the same quarter of the previous year			
	2015			2016	2015			2016
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EA19	0.4	0.3	0.4	0.6	1.6	1.6	1.7	1.7
EU28	0.4	0.4	0.5	0.5	1.9	1.9	2	1.8
Member States								
Belgium	0.5	0.2	0.5	0.2	1.5	1.3	1.5	1.5
Bulgaria	0.7	0.7	0.7	0.7	2.9	3.1	3	2.9
Czech Republic	1.2	1.1	0.4	0.4	4.5	4.7	4	3
Denmark	0.5	-0.6	0.1	0.5	2	0.7	0.5	0.6
Germany	0.4	0.3	0.3	0.7	1.6	1.7	1.3	1.6
Estonia	0.5	0.1	0.9	0	1.4	1.1	0.8	1.8
Ireland	2.1	1.5	2.7	:	7.8	7.1	9.3	:
Greece	0.3	-1.3	0.1	-0.5	0.9	-1.7	-0.9	-1.4
Spain	1	0.8	0.8	0.8	3.2	3.4	3.5	3.4
France	-0.1	0.4	0.4	0.6	1.1	1.1	1.4	1.4
Croatia	0.8	1.5	-0.6	0.6	1.5	2.7	2	2.3
Italy	0.3	0.2	0.2	0.3	0.6	0.8	1.1	1
Cyprus	0.8	0.5	0.4	0.9	1.2	2.3	2.8	2.7
Latvia	1.1	0.8	-0.4	0.1	2.8	3.3	2.2	1.5
Lithuania	0.6	0.5	0.5	0.8	1.4	1.7	2	2.5
Luxembourg	1.8	1.2	1.1	:	6	5.7	3	:
Hungary	0.4	0.3	0.6	-0.8	2.9	2.5	2.6	0.4
Malta	2	1.4	1.1	:	6.7	7.1	5.8	:
Netherlands**	0.2	0.2	0.3	0.5	2.2	2	1.3	1.4
Austria	0.4	-0.2	0.3	0.8	1.1	0.7	1.1	1.3
Poland	0.5	0.8	1.3	-0.1	3.2	3.4	4	2.6

Portugal	0.4	0.1	0.2	0.2	1.5	1.4	1.3	0.9
Romania	0	1.5	1.1	1.6	3.8	3.6	3.9	4.2
Slovenia	0.7	0.4	0.6	0.5	2.6	2.2	2.5	2.3
Slovakia	0.9	1	1	0.8	3.5	3.8	4	3.7
Finland	0.6	-0.1	0.5	0.6	0.8	0.5	1.3	1.5
Sweden	1.1	0.9	1.6	0.5	3.6	4.1	4.8	4.2
United Kingdom	0.6	0.4	0.6	0.4	2.4	2.2	2.1	2
Other countries								
Iceland	4.4	1.2	-1.1	:	7	2.7	3.4	:
Norway	0.1	1.7	-1.3	1	1.4	2.8	0.2	1.4
Switzerland	0.3	-0.1	0.4	0.1	1.3	0.5	0.3	0.7
United States	1	0.5	0.3	0.2	2.7	2.1	2	2

Source: The statistical office of the European Union

## 5. Data Appendix

**Table 5**  
**Latest Available Financial Information**

Item	May. 27, 2016	June.03, 2016	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,839.48	3,914.53	1.95
Foreign Currency Assets of RBI (Rs. Billion)	22,739.85	22,997.75	1.13
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	957.40	695.99	-27.30
Foreign Exchange Reserves (US\$ Billion)	360.2	363.5	0.91

Source: RBI, Govt. of India

**Table 6**  
**BSE Sensex and NSE Nifty Index**

Index	June. 06, 2016	June. 10, 2016	Percentage Change
BSE SENSEX	26,897.84	26,635.75	-1.0
S & P CNX NIFTY	8228.75	8170.05	-0.7

Source: BSE India and NSE India

**Table 7**  
**Metals Market Spot Prices Index (Rs.)**

		June 2016					Weekly Changes in %
		6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	
Aluminium	1 KGS	103.6	103.0	106.5	106.0	105.8	2.1
Copper	1 KGS	313.3	312.6	302.2	303.3	299.5	-4.4
Cotton	1 BALES	18310.0	18530.0	18670.0	18700.0	18730.0	2.3
Lead	1 KGS	115.7	115.4	115.7	116.0	115.3	-0.3
Natural Gas	1 mmBtu	161.2	165.1	165.3	164.7	174.4	8.2
Nickel	1 KGS	577.4	572.1	588.8	596.0	597.6	3.5
Tin	1 KGS	1127.5	1134.3	1144.3	1151.8	1150.3	2.0
Zinc	1 KGS	135.0	135.3	136.7	137.8	138.7	2.7
Gold	10 GRMS	29085.0	28927.0	29069.0	29154.0	29167.0	0.3
Silver	1 KGS	39034.0	38643.0	39526.0	40196.0	40356.0	3.4

Source: MCX

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

		June 2016					Weekly Changes in %
		6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	
Maize	100 KGS	1530.0	1560.0	1540.0	1550.0	1570.0	2.6
Refined Soy Oil	10 KGS	672.0	672.0	671.0	671.2	672.0	0.0
Soyabean	100 KGS	4000.0	4000.0	3940.0	4037.5	4000.0	0.0
Wheat	100 KGS	1770.0	1770.8	1776.7	1785.0	1785.0	0.8

Source: MCX

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The main banners of the Bureau are:

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**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.