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ASSOCHAM NEWS & VIEWS

WEEKLY

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- ⇒ INDEX NUMBERS OF WHOLESALE PRICE IN INDIA
- REVIEW FOR THE MONTH OF MARCH, 2019
- ⇒ INDIA RBI RELEASED MONTHLY DATA ON INDIA'S
INTERNATIONAL TRADE IN SERVICES: FEBRUARY
2019



THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

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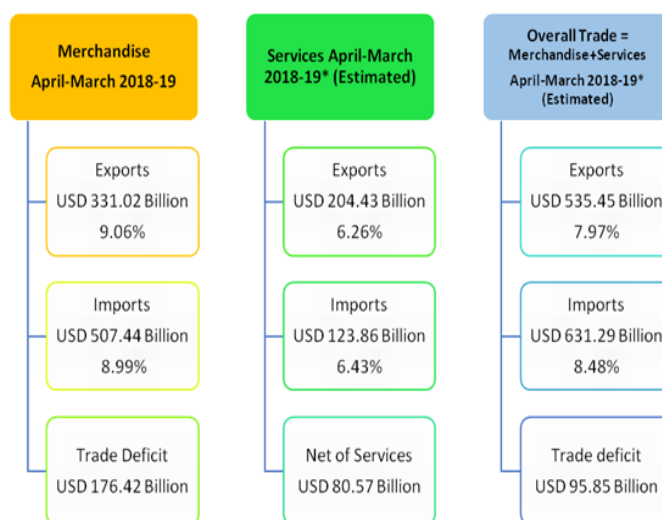
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MINISTRY OF COMMERCE & INDUSTRY

India's Foreign Trade: March 2019

India's overall exports (Merchandise and Services combined) in April-March 2018-19* are estimated to be USD 535.45Billion, exhibiting a positive growth of 7.97per cent over the same period last year. Overall imports in April-March2018-19* are estimated to be USD 631.29Billion, exhibiting a positive growth of 8.48per cent over the same period last year.

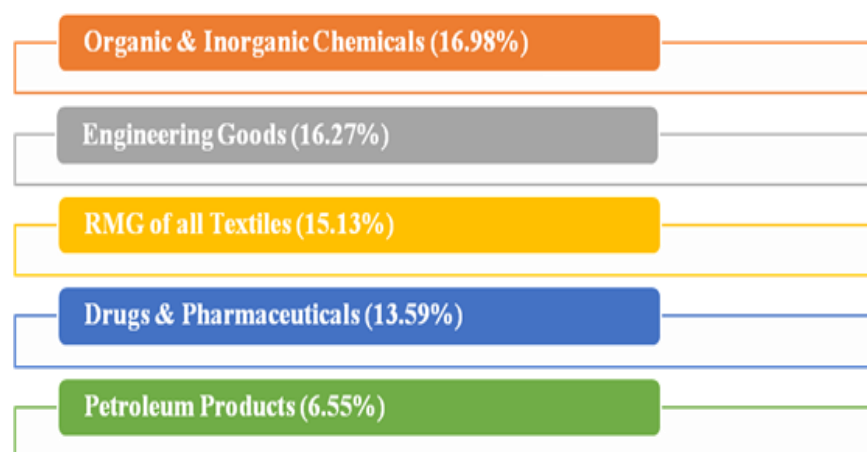


*Note: Services data pertains to April-February 2018-19 as February 2019 is the latest data available as per RBI's Press Release dated 15th April 2019. It is arrived at by adding quarterly data of RBI for Q1, Q2 & Q3 of 2018-19 with Month-wise QE data of RBI's press release for January & February 2018-19. This data is provisional and subject to revision by RBI. In addition, it may be noted that data for March 2019 is estimated and added to the April-February 2018-19 data of RBI to calculate the Overall Trade Deficit for April-March 2018-19. It will be revised based on RBI's next press release for March 2019.

EXPORTS (including re-exports)

Exports in March 2019 were USD32.55Billion, as compared to USD29.32 Billion in March 2018, exhibiting a positive growth of 11.02per cent. In Rupee terms, exports were Rs. 2,26,138.76 Crore in March 2019, as compared to Rs. 190,619.25Crore in March 2018, registering a positive growth of 18.63per cent.

In March 2019, major commodity groups of export showing positive growth over the corresponding month of last year are



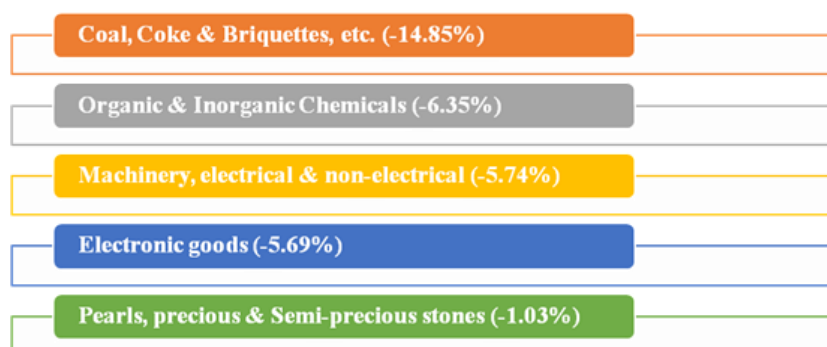
Cumulative value of exports for the period April-March 2018-19 was USD331.02Billion (Rs.23,14,429.08Crore) as against USD303.53Billion (Rs.19,56,514.53Crore) during the period April-March 2017-18, registering a positive growth of 9.06per cent in Dollar terms (18.29per cent in Rupee terms).

Non-petroleum and Non Gems and Jewellery exports in March 2019 were USD25.59Billion, as compared to USD22.57Billion in March 2018, exhibiting a positive growth of 13.41per cent. Non-petroleum and Non Gems and Jewellery exports in April-March 2018-19 were USD243.02Billion, as compared to USD224.52Billion for the corresponding period in 2017-18, an increase of 8.24per cent.

IMPORTS

Imports in March 2019 were USD43.44Billion (Rs. 3,01,814.05Crore), which was 1.44per cent higher in Dollar terms and 8.39per cent higher in Rupee terms over imports of USD42.82Billion (Rs.2,78,441.24Crore) in March 2018. Cumulative value of imports for the period April-March 2018-19 was USD507.44Billion (Rs.35,48,004.48Crore), as against USD465.58Billion (Rs.30,01,033.43Crore) during the period April-March 2017-18, registering a positive growth of 8.99per cent in Dollar terms (18.23per cent in Rupee terms).

Major commodity groups of import showing negative growth in March 2019 over the corresponding month of last year are:



CRUDE OIL AND NON-OIL IMPORTS:

Oil imports in March 2019 were USD11.75Billion (Rs. 81,609.46Crore), which was 5.55percent higher in Dollar terms (12.78percent higher in Rupee terms), compared to USD11.13Billion (Rs. 72,359.44Crore) in March 2018. Oil imports in April-March 2018-19 were USD140.47Billion (Rs. 9,83,147.76Crore) which was 29.27per cent higher in Dollar terms (40.39percent higher in Rupee terms) compared to USD108.66Billion (Rs. 7,00,320.81Crore), over the same period last year.

In this connection it is mentioned that the global Brent price (\$/bbl) has decreased by 0.06% in March 2019 vis-à-vis March 2018 as per data available from World Bank (Pink Sheet).

Non-oil imports in March 2019 were estimated at USD31.69Billion (Rs.2,20,204.59Crore) which was at-par in Dollar terms (6.85percent higher in Rupee terms), compared to USD31.69Billion (Rs. 2,06,081.80Crore) in March 2018. Non-oil imports in April-March 2018-19 were USD366.97Billion (Rs.25,64,856.72Crore) which was 2.82per cent higher in Dollar terms (11.48percent higher in Rupee terms), compared to USD356.92Billion (Rs. 23,00,712.62Crore) in April-March2017-18.

Non-Oil and Non-Gold imports wereUSD28.42billion in March 2019, recording a negative growth of 2.67per cent, as compared to Non-Oil and Non-Gold imports in March 2018. Non-Oil and Non-Gold imports wereUSD334.15billion in April-March 2018-19, recording a positive growth of 3.37per cent, as compared to Non-Oil and Non-Gold imports in April-March 2017-18.

TRADE BALANCE:

Trade deficit for April-March 2018-19* is estimated at USD95.85Billion as compared to USD 86.05 Billion in April-March 2017-18.

MINISTRY OF COMMERCE AND INDUSTRY

Index Numbers of Wholesale Price in India (Base: 2011-12=100) Review for the month of March, 2019

The official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for the month of March, 2019 rose by 0.4 percent to 120.0 (provisional) from 119.5 (provisional) for the previous month.

INFLATION

The annual rate of inflation, based on monthly WPI, stood at 3.18% (provisional) for the month of March, 2019 (over March, 2018) as compared to 2.93% (provisional) for the previous month and 2.74% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 3.18% compared to a build up rate of 2.74% in the corresponding period of the previous year.

The movement of the index for the various commodity groups is summarized below:-

PRIMARY ARTICLES (Weight 22.62%)

The index for this major group rose by 0.4 percent to 134.7 (provisional) from 134.2 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Food Articles' group rose by 0.9 percent to 145.1 (provisional) from 143.8 (provisional) for the previous month due to higher price of peas/chawali (7%), fruits & vegetables (6%), maize and jowar (3% each), bajra (2%) and masur (1%). However, the price of fish-marine (6%), egg (5%), gram (3%), mutton, urad and condiments & spices (2% each) and rajma, ragi, wheat, arhar and poultry chicken (1% each) declined.

The index for 'Non-Food Articles' group declined by 2.6 percent to 123.5 (provisional) from 126.8 (provisional) for the previous month due to lower price of industrial wood (16%), raw silk (7%), sunflower (4%), rape & mustard seed (3%), gingelly seed and safflower (kardi seed) (2% each) and soyabean, floriculture, copra (coconut) and coir fibre (1% each). However, the price of niger seed (15%), raw rubber and raw cotton (4% each), raw wool (2%) and groundnut seed, fodder, castor seed, mesta, raw jute, linseed and hides (raw) (1% each) moved up.

The index for 'Minerals' group declined by 1.9 percent to 136.7 (provisional) from 139.3 (provisional) for the previous month due to lower price of manganese ore and iron ore (8% each),

sillimanite (7%), limestone and chromite (2% each) and lead concentrate and zinc concentrate (1% each). However, the price of garnet (12%) and copper concentrate (1%) moved up.

The index for 'Crude Petroleum & Natural Gas' group rose by 3.3 percent to 87.6 (provisional) from 84.8 (provisional) for the previous month due to higher price of crude petroleum (6%). However, the price of natural gas (2%) declined.

FUEL & POWER (Weight 13.15%)

The index for this major group rose by 2.3 percent to 103.3 (provisional) from 101.0 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Mineral Oils' group rose by 4.1 percent to 95.0 (provisional) from 91.3 (provisional) for the previous month due to higher price of ATF, naphtha and furnace oil (9% each), LPG (6%), kerosene (5%), petrol (4%), petroleum coke (3%), HSD (2%) and bitumen (1%).

MANUFACTURED PRODUCTS (Weight 64.23%)

The index for this major group rose by 0.2 percent to 118.3 (provisional) from 118.1 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Manufacture of Food Products' group declined by 0.2 percent to 128.5 (provisional) from 128.7 (provisional) for the previous month due to lower price of manufacture of macaroni, noodles, couscous & similar farinaceous products (5%), copra oil (4%), processing & preserving of fish, crustaceans & molluscs & products thereof and rice bran oil (3% each), processing & preserving of fruit & vegetables and palm oil (2% each) and cotton seed oil, sooji (rawa), soyabean oil, gram powder (besan), buffalo meat [fresh/frozen], spices (including mixed spices), salt, vanaspati, mustard oil, sunflower oil, manufacture of cocoa, chocolate & sugar confectionery, ghee and maida (1% each). However, the price of molasses (13%), groundnut oil (10%), honey (4%), processed tea, condensed milk and manufacture of starches and starch products (3% each), coffee powder with chicory, castor oil, instant coffee, chicken/duck [dressed-fresh/frozen] and manufacture of health supplements (2% each) and manufacture of prepared animal feeds, bagasse, gur, manufacture of processed ready to eat food, manufacture of bakery products and wheat bran (1% each) moved up.

The index for 'Manufacture of Beverages' group rose by 0.2 percent to 121.9 (provisional) from 121.6 (provisional) for the previous month due to higher price of beer, aerated drinks/soft drinks (incl. soft drink concentrates), spirits and bottled mineral water (1% each). However, the price of wine (2%) declined.

The index for 'Manufacture of Tobacco Products' group rose by 3.2 percent to 153.7 (provisional) from 148.9 (provisional) for the previous month due to higher price of cigarette (8%) and other tobacco products (2%).

The index for 'Manufacture of Textiles' group declined by 0.3 percent to 118.7 (provisional) from 119.0 (provisional) for the previous month due to lower price of manufacture of cordage, rope, twine & netting (3%), manufacture of other textiles (2%) and manufacture of knitted & crocheted fabrics and cotton yarn (1% each). However, the price of manufacture of made-up textile articles, except apparel (1%) moved up.

The index for 'Manufacture of Wearing Apparel' group declined by 0.9 percent to 138.0 (provisional) from 139.2 (provisional) for the previous month due to lower price of manufacture of wearing apparel (woven), except fur apparel (1%).

The index for 'Manufacture of Leather and Related Products' group declined by 0.3 percent to 120.2 (provisional) from 120.6 (provisional) for the previous month due to lower price of chrome tanned leather (3%) and canvas shoes (2%). However, the price of harness, saddles & other related items, plastic/pvc chappals and leather shoe (1% each) moved up.

The index for 'Manufacture of Wood and of Products of Wood and Cork' group rose by 0.8 percent to 135.7 (provisional) from 134.6 (provisional) for the previous month due to higher price of wooden panel (11%) and wooden box/crate (7%). However, the price of wood cutting, processed/sized, lamination wooden sheets/veneer sheets and plywood block boards (1% each) declined.

The index for 'Manufacture of Paper and Paper Products' group declined by 0.2 percent to 124.3 (provisional) from 124.5 (provisional) for the previous month due to lower price of newsprint, paper carton/box and pulp board (2% each) and corrugated sheet box, kraft paper and corrugated paper board (1% each). However, the price of duplex paper, map litho paper, laminated plastic sheet, card board and base paper (1% each) moved up.

The index for 'Printing and Reproduction of Recorded Media' group rose by 0.1 percent to 145.8 (provisional) from 145.6 (provisional) for the previous month due to higher price of hologram (3d) and printed form & schedule (6% each) and newspaper (1%). However, the price of printed labels/posters/calendars (1%) declined.

The index for 'Manufacture of Chemicals and Chemical Products' group rose by 0.2 percent to 119.7 (provisional) from 119.5 (provisional) for the previous month due to higher price of oleoresin (5%), aromatic chemicals and sulphuric acid (3% each), phosphoric acid, insecticide & pesticide, catalysts, alkyl benzene, fungicide (liquid), carbon black and hair oil/body oil (2% each) and explosive, polyester film(metalized), detergent cake, washing soap cake/bar/powder, mixed fertilizer, xlpe compound, mono ethyl glycol, ammonium nitrate, other petrochemical intermediates,

creams & lotions for external application, poly propylene (pp), aniline (including pna, ona, ocpna), fatty acid, mosquito coil and soda ash/washing soda (1% each). However, the price of menthol (7%), ammonium sulphate (4%), phthalic anhydride, powder coating material and acetic acid & its derivatives (3% each), camphor, other inorganic chemicals, gelatine, hydrogen peroxide and ethyl acetate (2% each) and toilet soap, adhesive excluding gum, additive, polystyrene (expandable), organic solvent, ammonium phosphate, liquid air & other gaseous products, agro chemical formulation, printing ink and paint (1% each) declined.

The index for 'Manufacture of Pharmaceuticals, Medicinal Chemical and Botanical Products' group declined by 0.2 percent to 125.7 (provisional) from 125.9 (provisional) for the previous month due to lower price of anti cancer drugs (16%), anti-retroviral drugs for hiv treatment (4%) and anti allergic drugs, plastic capsules, antipyretic, analgesic, anti-inflammatory formulations and anti inflammatory preparation (1% each). However, the price of simvastatin and anti-malarial drugs (4% each) and ayurvedic medicaments and antioxidants (1% each) moved up.

The index for 'Manufacture of Rubber and Plastics Products' group rose by 0.5 percent to 109.9 (provisional) from 109.4 (provisional) for the previous month due to higher price of rubber moulded goods and polythene film (3% each), plastic box/container, polyester film (non-metalized), polypropylene film and plastic tube (flexible/non-flexible) (2% each) and plastic tape, tractor tyre, conveyer belt (fibre based), elastic webbing, rubber crumb and plastic components (1% each). However, the price of condoms (5%), processed rubber (2%) and thermocol, plastic bag, medium & heavy commercial vehicle tyre, solid rubber tyres/wheels and pvc fittings & other accessories (1% each) declined.

The index for 'Manufacture of Other Non-Metallic Mineral Products' group declined by 0.8 percent to 116.6 (provisional) from 117.5 (provisional) for the previous month due to lower price of graphite rod (15%), clinker (4%), toughened glass and porcelain sanitary ware (2% each) and asbestos corrugated sheet, poles & posts of concrete, railway sleeper, marble slab, ceramic tiles (vitrified tiles), lime & calcium carbonate and fibre glass incl. sheet (1% each). However, the price of cement superfine (8%), slag cement (3%), granite (2%) and ordinary portland cement, cement blocks (concrete) and glass bottle (1% each) moved up.

The index for 'Manufacture of Basic Metals' group rose by 0.5 percent to 111.0 (provisional) from 110.5 (provisional) for the previous month due to higher price of MS castings (4%), GP/GC sheet (3%), hot rolled (HR) coils & sheets, including narrow strip and copper shapes-bars/rods/plates/strips (2% each) and MS pencil ingots, other ferro alloys, stainless steel coils, strips & sheets, cold rolled (CR) coils & sheets, including narrow strip, ferrochrome, galvanized iron pipes, copper metal/copper rings, MS bright bars, aluminium foil and brass metal/sheet/coils (1% each). However, the price of stainless steel pencil ingots/billets/slabs (4%), silicomanganese (2%) and steel cables, steel forgings-rough, aluminium powder and aluminium metal (1% each) declined.

The index for 'Manufacture of Fabricated Metal Products, Except Machinery and Equipment' group rose by 0.4 percent to 116.2 (provisional) from 115.7 (provisional) for the previous month due to higher price of sanitary fittings of iron & steel (8%) and forged steel rings, steel structures, cylinders and electrical stamping- laminated or otherwise (1% each). However, the price of lock/padlock (4%), copper bolts, screws, nuts and steel drums & barrels (2% each) and hand tools, jigs & fixture, steel door and iron/steel cap (1% each) declined.

The index for 'Manufacture of Computer, Electronic and Optical Products' group declined by 0.4 percent to 111.3 (provisional) from 111.8 (provisional) for the previous month due to lower price of colour TV and watch (2% each) and electronic printed circuit board (PCB)/micro circuit (1%). However, the price of electro-diagnostic apparatus, used in medical, surgical, dental or veterinary sciences (3%) and sunglasses and capacitors (1% each) moved up.

The index for 'Manufacture of Electrical Equipment' group rose by 0.1 percent to 112.1 (provisional) from 112.0 (provisional) for the previous month due to higher price of domestic gas stove (2%) and connector/plug/socket/holder-electric, electric switch, electric & other meters, copper wire, electric welding machine, insulating & flexible wire, PVC insulated cable, incandescent lamps and transformer (1% each). However, the price of electric accumulators (7%), ACSR conductors (4%), solenoid valve and air coolers (3% each) and jelly filled cables, refrigerators, fibre optic cables, fluorescent tube, electric mixers/grinders/food processors, generator parts and fan (1% each) declined.

The index for 'Manufacture of Machinery and Equipment' group rose by 0.7 percent to 112.3 (provisional) from 111.5 (provisional) for the previous month due to higher price of dumper (8%), water purifier (5%), drilling machine (4%), pressure vessel & tank for fermentation & other food processing (4%), pharmaceutical machinery (3%), filtration equipment and precision machinery equipment/form tools (2% each) and roller mill (raymond), industrial valve, air or vacuum pump, open end spinning machinery, oil pump, sewing machines, material handling, lifting & hoisting equipment, loader, excavator, air gas compressor including compressor for refrigerator, clutches & shaft couplings, cranes, mining, quarrying & metallurgical machinery/parts and agriculture implements (1% each). However, the price of conveyors-non-roller type (5%), packing machine (4%), chemical equipment & system (3%) and hydraulic pump, roller & ball bearings, manufacture of bearings, gears, gearing & driving elements and deep freezers (1% each) declined.

The index for 'Manufacture of Motor Vehicles, Trailers and Semi-Trailers' group rose by 0.2 percent to 113.5 (provisional) from 113.3 (provisional) for the previous month due to higher price of brake pad/brake liner/brake block/brake rubber, others (5%), cylinder liners (3%), seat for motor vehicles (2%) and radiators & coolers, body (for commercial motor vehicles) and crankshaft (1% each). However, the price of gear box & parts, axles of motor vehicles, head lamp and piston ring/piston & compressor (1% each) declined.

The index for 'Manufacture of Other Transport Equipment' group rose by 0.3 percent to 113.2 (provisional) from 112.9 (provisional) for the previous month due to higher price of propellers & blades of boats/ships (1%).

The index for 'Manufacture of Furniture' group declined by 0.2 percent to 129.4 (provisional) from 129.7 (provisional) for the previous month due to lower price of wooden furniture (1%). However, the price of hospital furniture and steel shutter gate (1% each) moved up.

The index for 'Other Manufacturing' group rose by 2.2 percent to 108.7 (provisional) from 106.4 (provisional) for the previous month due to higher price of gold & gold ornaments and carrom board (2% each) and plastic moulded-others toys (1%). However, the price of playing cards and cricket ball (5% each) and football and silver (3% each) declined.

WPI FOOD INDEX (Weight 24.38%)

The rate of inflation based on WPI Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products group increased from 3.29% in February, 2019 to 3.89% in March, 2019.

FINAL INDEX FOR THE MONTH OF JANUARY, 2019 (BASE YEAR: 2011-12=100)

For the month of January, 2019, the final Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) and annual rate of inflation remained unchanged at its provisional level of 119.2 and 2.76 percent respectively as reported on 14.02.2019.

MINISTRY OF FINANCE

Change in Tariff Value of Crude Palm Oil, RBD Palm Oil, Others – Palm Oil, Crude Palmolein, RBD Palmolein, Others – Palmolein, Crude Soyabean Oil, Brass Scrap (All Grades), Poppy Seeds, Areca Nuts, Gold and Silver Notified

In exercise of the powers conferred by sub-section (2) of Section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs (CBIC), being satisfied that it is necessary and expedient so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said Notification, for TABLE-1, TABLE-2 and TABLE-3 the following Tables shall be substituted, namely: -

“TABLE-1”

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	540
2	1511 90 10	RBD Palm Oil	569
3	1511 90 90	Others – Palm Oil	555
4	1511 10 00	Crude Palmolein	570
5	1511 90 20	RBD Palmolein	573
6	1511 90 90	Others – Palmolein	572
7	1507 10 00	Crude Soya bean Oil	693
8	7404 00 22	Brass Scrap (all grades)	3748
9	1207 91 00	Poppy seeds	3009

“TABLE-2”

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 and 358 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	417 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 and 359 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	486 per kilogram

“TABLE-3”

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	3932

RESERVE BANK OF INDIA

RBI released Monthly Data on India's International Trade in Services: February 2019

The Reserve Bank releases monthly data on India's international trade in services with a lag of around 45 days.

The value of exports and imports of services during the month of February 2019 are given in the following Table.

Table: International Trade in Services		
(US\$ Million)		
Month	Receipts (Exports)	Payments (Imports)
January-2019	17,745	11,027
February-2019	16,584	9,809
Note: Data are provisional.		

Monthly data on services are provisional and would undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.

Anirudha D. Jadhav
Assistant Manager

RESERVE BANK OF INDIA

Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015 - Opening of Foreign Currency Accounts by Re-insurance and Composite Insurance brokers

Attention of Authorised Dealers (ADs) is invited to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015, notified vide [Notification No. FEMA 10\(R\)/2015-RB dated January 21, 2016](#), as amended from time to time and the relevant directions issued thereunder.

The extant Regulations regarding opening of foreign currency accounts in India by persons resident in India have since been reviewed in consultation with the Government of India. As notified vide [Notification No. FEMA 10\(R\)\(2\)/2019-RB dated February 27, 2019](#), re-insurance and composite insurance brokers registered with IRDA may open and maintain non-interest bearing foreign currency accounts with an AD bank in India for the purpose of undertaking transactions in the ordinary course of their business.

AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

The [Master Direction No. 14 on Deposits and Accounts, dated January 1, 2016](#) is being updated simultaneously to reflect the changes.

The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

(R. K. Moolchandani)
Chief General Manager