ASSOCHAM NEWS & VIEWS

WEEKLY

Highlights

⇒ INDIA’S FOREIGN TRADE: DECEMBER 2019

⇒ CONSUMER PRICE INDEX NUMBERS FOR RURAL, URBAN AND COMBINED FOR THE MONTH OF DECEMBER 2019

⇒ HEDGING OF COMMODITY PRICE RISK AND FREIGHT RISK IN OVERSEAS MARKETS (RESERVE BANK DIRECTIONS, 2018-AMENDMENT)
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India’s overall exports (Merchandise and Services combined) in April-December 2019-20* are estimated to be USD 397.48 billion, exhibiting a positive growth of 0.93 per cent over the same period last year. Overall imports in April-December 2019-20* are estimated to be USD 455.14 billion, exhibiting a negative growth of (-)5.82 per cent over the same period last year.

*Note: The latest data for services sector released by RBI is for November 2019. The data for December 2019 is an estimation, which will be revised based on RBI’s subsequent release.

**EXPORTS (including re-exports)**

Exports in December 2019 were USD27.36 billion, as compared to USD27.86 billion in December 2018, exhibiting a negative growth of (-)1.80 per cent. In Rupee terms, exports were Rs. 1,94,764.74 crore in December 2019, as compared to Rs. 1,97,044.76 crore in December 2018, registering a negative growth of (-)1.16 per cent.

In December 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-December 2019-20 was USD239.29 billion (Rs.16,84,558.61 crore) as against USD244.08 billion (Rs.17,02,261.31 crore) during the period April-December 2018-19, registering a negative growth of (-) 1.96 per cent in Dollar terms (negative growth of (-)1.04 per cent in Rupee terms).

Non-petroleum and Non Gems and Jewellery exports in December 2019 were USD21.05 billion, as compared to USD21.16 billion in December 2018, exhibiting a negative growth of (-)0.54 per cent. Non-petroleum and Non Gems and Jewellery exports in April-December 2019-20 were USD177.81 billion, as compared to USD177.65 billion for the corresponding period in 2018-19, an increase of 0.09 per cent.

**IMPORTS**

Imports in December 2019 were USD38.61 billion (Rs.2,74,883.64 crore), which was 8.83 per cent lower in Dollar terms and 8.24 per cent lower in Rupee terms over imports of USD42.35 billion (Rs.2,99,553.40 crore) in December 2018. Cumulative value of imports for the period April-December 2019-20 was USD357.39 billion (Rs.25,14,783.82 crore), as against USD392.31 billion (Rs.27,37,092.01 crore) during the period April-December 2018-19, registering a negative growth of (-)8.90 per cent in Dollar terms (negative growth of (-)8.12 per cent in Rupee terms).

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

- **Electronic Goods (30.36%)**
- **Drugs & Pharmaceuticals (13%)**
- **Marine Products (7.84%)**
- **RMG of all Textiles (2.42%)**
- **Cotton Yarn/Fabs./made-ups, Handloom Products etc. (0.35%)**
CRUDE OIL AND NON-OIL IMPORTS:

Oil imports in December 2019 were USD10.69 billion (Rs. 76,136.69 crore), which was 0.83 percent lower in Dollar terms (0.18 percent lower in Rupee terms), compared to USD10.78 billion (Rs. 76,275.54 crore) in December 2018. Oil imports in April-December 2019-20 were USD95.69 billion (Rs. 6,73,447.56 crore) which was 11.78 per cent lower in Dollar terms (11.13 percent lower in Rupee terms) compared to USD108.47 billion (Rs. 7,57,772.55 crore), over the same period last year.

In this connection it is mentioned that the global Brent price ($/bbl) has increased by 16.63% in December 2019 vis-à-vis December 2018 as per data available from World Bank.

Non-oil imports in December 2019 were estimated at USD27.92 billion (Rs. 1,98,746.95 crore) which was 11.56 per cent lower in Dollar terms (10.99 percent lower in Rupee terms), compared to USD31.57 billion (Rs. 2,33,277.86 crore) in December 2018. Non-oil imports in April-December 2019-20 were USD261.70 billion (Rs. 18,41,336.26 crore) which was 7.80 per cent lower in Dollar terms (6.97 percent lower in Rupee terms), compared to USD283.84 billion (Rs. 19,79,319.46 crore) in April-December 2018-19.

Non-Oil and Non-Gold imports were USD25.45 billion in December 2019, recording a negative growth of (-)-12.24 per cent, as compared to Non-Oil and Non-Gold imports of USD 29.00 billion in December 2018. Non-Oil and Non-Gold imports were USD238.64 billion in April-December 2019-20, recording a negative growth of (-)-7.90 per cent, as compared to Non-Oil and Non-Gold imports USD 259.11 billion in April-December 2018-19.
MINISTRY OF FINANCE

Exchange Rates Notification No.05/2020 - Customs (N.T.)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Indirect Taxes and Customs No.01/2020-CUSTOMS (N.T.), dated 2nd January, 2020 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 17th January, 2020, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Foreign Currency</th>
<th>Rate of exchange of one unit of foreign currency equivalent to Indian rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(For Imported Goods)</td>
</tr>
<tr>
<td>1.</td>
<td>Australian Dollar</td>
<td>50.10</td>
</tr>
<tr>
<td>2.</td>
<td>Bahraini Dinar</td>
<td>194.00</td>
</tr>
<tr>
<td>3.</td>
<td>Canadian Dollar</td>
<td>55.30</td>
</tr>
<tr>
<td>4.</td>
<td>Chinese Yuan</td>
<td>10.45</td>
</tr>
<tr>
<td>5.</td>
<td>Danish Kroner</td>
<td>10.75</td>
</tr>
<tr>
<td>6.</td>
<td>EURO</td>
<td>80.50</td>
</tr>
<tr>
<td>7.</td>
<td>Hong Kong Dollar</td>
<td>9.30</td>
</tr>
<tr>
<td>8.</td>
<td>Kuwaiti Dinar</td>
<td>240.95</td>
</tr>
<tr>
<td>9.</td>
<td>New Zealand Dollar</td>
<td>48.30</td>
</tr>
<tr>
<td>10.</td>
<td>Norwegian Kroner</td>
<td>8.15</td>
</tr>
<tr>
<td>11.</td>
<td>Pound Sterling</td>
<td>94.05</td>
</tr>
<tr>
<td>12.</td>
<td>Qatari Riyal</td>
<td>20.10</td>
</tr>
<tr>
<td>Sl.No.</td>
<td>Foreign Currency</td>
<td>Rate of exchange of 100 units of foreign currency equivalent to Indian rupees</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1) (2) (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) (For Imported Goods) (b) (For Export Goods)</td>
</tr>
<tr>
<td>1.</td>
<td>Japanese Yen</td>
<td>65.65</td>
</tr>
<tr>
<td>2.</td>
<td>Korean Won</td>
<td>6.30</td>
</tr>
</tbody>
</table>
The Reserve Bank of India 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 November 2019 are given in the following Table:

<table>
<thead>
<tr>
<th>Month</th>
<th>Receipts (Exports)</th>
<th>Payments (Imports)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October-2019</td>
<td>17,698</td>
<td>10,864</td>
</tr>
<tr>
<td>November-2019</td>
<td>17,996</td>
<td>11,472</td>
</tr>
</tbody>
</table>

**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.

Rupambara
Director
RESERVE BANK OF INDIA

Hedging of Commodity Price Risk and Freight Risk in Overseas Markets (Reserve Bank) Directions, 2018 - Amendment


2. Para 10 of the Directions ibid shall be substituted with following:

“10. Report to Reserve Bank - Banks shall submit a quarterly report to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India through Extensible Business Reporting Language (XBRL) accessible at https://xbrl.rbi.org.in/orfsxbrl/ in the format provided in Annexure I. In case of no transactions, a “Nil” report shall be submitted by the bank.”

3. 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,

(Saswat Mahapatra)
Deputy General Manager (O-i-C)
Quick Estimates of Index of Industrial Production and Use-Based Index for the month of November, 2019 (BASE 2011-12=100)

The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of November 2019 stands at 128.4, which is 1.8 percent higher as compared to the level in the month of November 2018. The cumulative growth for the period April-November 2019 over the corresponding period of the previous year stands at 0.6 percent.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of November 2019 stand at 112.5, 130.2 and 139.9 respectively, with the corresponding growth rates of 1.7 percent, 2.7 percent and (-) 5.0 percent as compared to November 2018. The cumulative growth in these three sectors during April-November 2019 over the corresponding period of 2018 has been (-) 0.1 percent, 0.9 percent and 0.8 percent respectively.

In terms of industries, thirteen out of the twenty three industry groups (as per 2-digit level of National Industrial Classification-2008) in the manufacturing sector have shown positive growth during the month of November 2019 as compared to the corresponding month of the previous year. The industry group 'Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials' has shown the highest positive growth of 23.2 percent followed by 12.9 percent in 'Manufacture of basic metals'. On the other hand, the industry group 'Other manufacturing' has shown the highest negative growth of (-) 13.5 percent followed by (-) 12.6 percent in 'Manufacture of motor vehicles, trailers and semi-trailers'.

As per Use-based classification, the growth rates in November 2019 over November 2018 are (-) 0.3 percent in Primary goods, (-) 8.6 percent in Capital goods, 17.1 percent in Intermediate goods and (-) 3.5 percent in Infrastructure/ Construction Goods. The Consumer durables and Consumer non-durables have recorded growth of (-) 1.5 percent and 2.0 percent respectively.
MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

Consumer Price Index Numbers on Base 2012=100 for Rural, Urban and combined for the month of December 2019

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation is releasing CPI (Rural, Urban, Combined) on Base 2012=100 for the month of December 2019 in this press note. In addition to this, Consumer Food Price Index (CFPI) for all India Rural, Urban and Combined are also being released for December 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., December 2019 over December 2018), based on General Indices and CFPIs are given as follows:

### All India Inflation rates (%) based on CPI (General) and CFPI

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI (General)</td>
<td>7.26</td>
<td>7.46</td>
<td>7.35</td>
</tr>
</tbody>
</table>

**Notes:** Prov. – Provisional, Combd. - Combined

Monthly changes in the General Indices and CFPIs are given below:

### Monthly changes (%) in All India CPI (General) and CFPI: Dec. 2019 over Nov. 2019

<table>
<thead>
<tr>
<th>Indices</th>
<th>Rural</th>
<th>Urban</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Index Value</td>
<td>% Change</td>
<td>Index Value</td>
</tr>
<tr>
<td>CPI (General)</td>
<td>152.2</td>
<td>149.9</td>
<td>1.53</td>
</tr>
<tr>
<td>CFPI</td>
<td>154.2</td>
<td>150.4</td>
<td>2.53</td>
</tr>
</tbody>
</table>

**Note:** Figures of December 2019 are provisional.