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(Monthly update on India's socio-economic developments)



PHD Research Bureau
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EAC Newsletter **August 2014**

Macro-economic outlook is stabilizing and lead economic indicators are gathering pace. The industrial growth is firming up while the exports registered a double digit growth in June 2014. With the revival in the South-west monsoon, sowing of Kharif crops has also picked up. The recent measures undertaken to control hoarding are inspiring and have led to moderation in the inflation rate.

Against the backdrop of reviving economic environment, the RBI in its third Bi-monthly Monetary Policy Statement, 2014-15 has kept the cash reserve ratio (CRR) of scheduled banks unchanged at 4% of net demand and time liability (NDTL) and the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8%. The RBI, however, reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points to 22% of their NDTL from 22.5% of their NDTL.

The Union Cabinet has also announced a number of significant measures in the recent times, the most prominent being the setting up of a new body which will replace Planning Commission. The Union Cabinet has also increased FDI limit in insurance and Defence from 26% to 49%. Further 100% FDI in Railway infrastructure has been allowed.

The Union cabinet has also approved proposal to amend to archaic labour laws including the Factories Act 1948, Apprenticeship Act 1961 and Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act 1988. Further, the government is also focusing on clearing stalled projects and the Hon'ble Prime Minister shall also keep a tab on key infrastructure projects.

Recent data from agricultural ministry shows that southwest monsoon has also started reviving. According to the recent data from Ministry of Agriculture, kharif sowing in all crops has picked up after monsoon deficit shrunk to 22%. This has helped to make up the acreage in key crops such as cotton, soyabean and rice. The Inflation has also moderated as WPI inflation decreased from 5.4% in June 2014 from 5.19% in July 2014.

However, IIP declined to 3.4% in June 2014 as compared to 5% during May 2014, while exports registered a growth of 7.3% in July as compared to growth of 10.2% in June. Further, CPI inflation has increased from 7.3% in June 2014 to 7.9% in July, 2014.

Continuous positive growth in IIP indicates strong recovery in the coming times. As the monsoon scenario is not that much promising in the current year, the government should take measures to mitigate the impact of deficient monsoon on prices of agricultural commodities. The moderation in inflation despite the seasonal firming up of prices of fruits and vegetables is setting room for soft monetary policy stance in the coming times.

1. Indian economy so far

1.1 Growth

June 2014 IIP grows at 3.4% -Growth in industry output, as measured in terms of IIP, for the month of June 2014 is estimated at 3.4% as compared with 5% during May 2014. The cumulative growth for the period Apr-June 2014-15 stands at 3.9% as compared to (-)1% in the corresponding period of the previous year. The growth in the three sectors mining, manufacturing and electricity in June 2014 stands at 4.3%, 1.8% and 15.7% respectively as compared to (-)4.6%, (-) 1.7% and 0% respectively in May 2014.

June core infra grows at 7.3%- The core infrastructure grows to 7.3% (Y-O-Y) in June 2014 as compared to 2.3% (Y-O-Y) in May 2014. The combined index of Eight Core Industries stands at 163.9 in June 2014 with a growth rate of 7.3% in June 2014 as compared to 1.2% in June 2013. Crude oil and Natural gas registered a growth rate of 0.1% and (-) 1.7% respectively in the month of June 2014.

1.2 Inflation

July 2014 WPI inflation declines to 5.19% - Driven by the decrease in the prices of cereals, rice, vegetables, pulses, milk, egg, meat and fish, fuel and power, the WPI inflation declined to 5.19% (Y-O-Y) for the month of July 2014 as compared to 5.43% (Y-O-Y) for the month of June 2014. The Index for Wholesale Prices for the month of July 2014 rose by 1.1% to 184.6 from 182.6 for the previous month.

July 2014 CPI inflation stands at 7.9%-The all India general CPI (Combined) for July 2014 stands at 7.9% as compared to 7.5% in June 2014. The inflation rates for rural and urban areas for July 2014 are 8.4% and 7.4% as compared to 7.9% and 6.8% respectively, for June 2014. Rate of inflation during July 2014 is high in fruits at 22.48%, vegetables at 16.88%, Milk and products at 11.26%, prepared meals at 7.77%, egg, meat & fish at 7.68% and cereals and products at 7.45%.

1.3 External sector

CAD narrows sharply in Q4 2013-14- India's current account deficit (CAD) narrowed sharply to US\$ 1.2 billion (0.2% of GDP) in Q4 of 2013-14 from US\$ 18.1 billion (3.6% of GDP) in Q4 of 2012-13 which was also lower than US\$ 4.2 billion (0.9% of GDP) in Q3 of 2013-14. The lower CAD was primarily on account of a decline in the trade deficit as decline in imports was sharper than that in exports.

On a BoP basis, merchandise exports declined by 1.3% to US\$ 83.7 billion in Q4 of 2013-14 as against an increase of 5.9% in Q4 of 2012-13. On the other hand, declining trend in merchandise imports (on BoP basis) continued in Q4 of 2013-14. Imports stands at US\$ 114.3 billion moderated by 12.3% in Q4 of 2013-14 as compared with a decline of 1% in Q4 of 2012-13.

Decline in imports was primarily led by a steep decline in gold imports, which amounted to US\$ 5.3 billion, significantly lower than US\$ 15.8 billion in Q4 of 2012-13. As a result, the merchandise trade deficit (BoP basis) contracted by about 33% to US\$ 30.7 billion in Q4 of 2013-14 from US\$ 45.6 billion in the corresponding quarter a year ago.

July merchandise exports rises by 7.3% -India's exports for the month of July 2014 stand at around USD 27.7 billion with a (Y-O-Y) growth of 7.3% as compared to USD 26.4 billion in June 2014 with a (Y-O-Y) growth of 10.2%. During July 2014, the imports were USD 39.9 billion with a (Y-O-Y) growth of around 4.3% as compared to USD 38.2 billion in June 2014. The balance of trade stands at around USD (-) 12.2 billion during July 2014 as compared to USD (-) 11.8 billion during June 2014.

May FDI stands at US\$ 3.6 billion-The FDI equity inflows in the month of May 2014 are estimated at around US\$ 3.6 bn as against about US\$ 1.6 bn in May 2013, posting a growth (Y-o-Y) of 121%. The growth in FDI equity inflows stands at around (-) 26% in April 2014, 131% in March 2014, at 12% in Feb 2014, and 1.5% in Jan 2014

June services exports estimated at US \$ 12.9 bn-India's services exports for the month of June 2014 stand at around USD 12.9 billion and services imports stand at USD 7.2 billion for the month of June 2014. The trade balance in services stands at USD 5.7 billion for the month of June 2014

1.4 Fiscal scenario

June 2014 fiscal deficit at 56.1% of actuals to Budgetary Estimates-The gross fiscal deficit of the Central government stands at 56.1% of the actuals to budget estimates at the end of June 2014 as compared to 48.4% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit significantly increased to 198.9% of the actuals to budget estimates at the end of June 2014 as compared to 117.2% of the actuals to budget estimates during corresponding period of the previous year.

India's external debt at about US\$ 441 bn - India's external debt, as at end-March 2014, was placed at US\$ 440.6 billion showing an increase of US\$ 31.2 billion or 7.6% over the level at end-March 2013. The increase in total external debt during financial year 2013-14 was primarily on account of rise in Non-Resident Deposits. The surge in outstanding stock of NRI deposits can mainly be attributed to mobilisation of fresh FCNR(B) deposits by commercial banks under the swap scheme offered by the Reserve Bank during September to November 2013. In terms of major components, the share of external commercial borrowings continued to be the highest at 33.3% of total external debt, followed by NRI deposits (23.6%) and short term debt (20.3%)

Net direct tax collections rise- Gross direct tax collections during April-December 2013-14 has increased to Rs. 4,81,914 crore as against Rs. 4,29,023 crore during the corresponding period of last year with a growth of 12.33%. The gross collection of corporate taxes has also scaled up to Rs. 3,10,126 crore from Rs. 2,83,605 crore during the same period, with a growth of 9.35%. Gross collections of personal income tax posted a growth of about 18.53%, which stands at Rs. 1,67,589 crore during April-December 2013-14 as against Rs. 1,41,385 crore during the same period last year. Net direct tax collections increased to Rs. 4,15,328 crore during April-December 2013-14 as against Rs. 3,69,067 crore during corresponding period of last year posting a growth of 12.53%. The collection of wealth tax registered a growth of 11.92%, which stands at Rs. 742 crore in April-December 2013-14 as

against Rs. 663 crore during the same period last year, while the collection of securities transaction tax (STT) stands at Rs. 3,427 crore with growth of 4.04% during April-December 2013-14.

Government's total public debt declines by 0.1% at end-March 2014- The total public debt of the Government marginally decreased to Rs.4, 625,037 crore at end-March 2014 from Rs.4, 629,689 crore at end December 2013 accounting for (QoQ) decline of 0.1% (provisional) compared with an increase of 3.1% in the previous quarter (Q3 of FY13). Gross fiscal deficit for FY15 is budgeted (in interim budget 2014-15) at Rs.5, 28,631 crore (4.1% of GDP) with corresponding gross and net market borrowings at Rs.5, 97,000 crore and Rs.4, 57,321 crore, respectively.

1.5 Monetary scenario

Third Bi-monthly Monetary Policy Statement, 2014-15-RBI in its third Bi-monthly Monetary Policy Statement, 2014-15 has kept the cash reserve ratio (CRR) of scheduled banks unchanged at 4% of net demand and time liability (NDTL) and the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8%. The RBI, however, reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points to 22% of their NDTL from 22.5% of their NDTL. It will continue to provide liquidity under overnight repos at 0.25% of bank-wise NDTL and liquidity under 7-day and 14-day term repos of up to 0.75% of NDTL of the banking system. Consequently, the reverse repo rate under the LAF stands unchanged at 7%, and the marginal standing facility (MSF) rate and the Bank Rate at 9%.

June 2014 Gross Bank Credit grows at 12.8%-On a year-on-year basis, gross bank credit stands at 12.8% in the month of June 2014 and May 2014. The growth of food credit stands at 5.1% in June 2014 as against 0.7% in May 2014 and the non-food bank credit increased by 13% in June 2014 as compared to 13% in May 2014. The credit to NBFCs increased by 16.3% in June 2014 as compared with 19.7% in May 2014. The credit to agriculture increased by 18.8% in June 2014 as compared with 16.8% in May 2014.

ECBs stand at US\$ 1.89 billion during Jun 2014-Indian firms have raised US\$ 1.89bn through external commercial borrowings (ECBs) in the month of Jun 2014 and US\$ 1.46bn during May 2014 by automatic and approval route. The borrowings stood at US\$ 1.89bn in Jun 2014 as compared to US\$ 1.95bn in Jun 2013.

Forex reserves stand at USD 304.2 bn at end-Mar 2014- The Reserve Bank of India released its Half-yearly report on management of foreign exchange reserves and briefs about the developments regarding movement of reserves and information on the external liabilities vis-à-vis the foreign exchange reserves, etc. during the period of Oct 2013 to Mar 2014)

2. Major policy pronouncements

Cabinet clears labour reform Bills- The Union cabinet has recently approved proposal to amend to three archaic labour laws Among key proposals cleared is doing away with the clause that allows arrest of employers for not implementing the Apprenticeship Act. Besides the Apprenticeship Act, 1961, amendments to the Factories act and the Labour Laws act (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) were also okayed.

Mr. S.S. Mundra appointed as RBI deputy governor- The government has appointed Mr. S S Mundra, Chairman and Managing Director of Bank of Baroda (BoB), as Deputy Governor of the Reserve Bank of India (RBI) for three years term.

Implementation of Counter-cyclical capital buffer (CCCB)-The Reserve Bank of India has set up an Internal Working Group (IWG) to create a Counter-cyclical Capital Buffer (CCCB) framework for banks in India. The primary aim of the CCCB regime is to build up a buffer of capital which can be used to achieve the broader macro-prudential goal of restricting the banking sector from indiscriminate lending in the periods of excess credit growth that have often been associated with the building up of system-wide risk.

RBI unveils tighter regulatory norms for 'too-big-to-fail' banks- The RBI today set out a framework for identifying and dealing with large banks, termed domestic systemically important banks or D-SIBs. A size beyond 2% of GDP will be one of the criteria for designating a bank as a D-SIB and they will be subject to higher capital requirements.

India, Nepal sign 3 deals during Narendra Modi's visit; put off power pact- A power trade agreement between India and Nepal, which was expected to be signed during Prime Minister Shri Narendra Modi's visit to Kathmandu, has been deferred . However the two sides, made headway on early start of the 5600-MW Pancheshwar multipurpose project and signed three memorandums of understanding, including one in which India will grant assistance of 69 million Nepalese rupees to supply iodised salt to check the high incidence of goitre in Nepal.

Cabinet approves raising FDI cap in defense to 49%, opens up railways-The Union Cabinet allowed 100% foreign direct investment in railway infrastructure projects, while in the case of defense the limit has been raised to 49% from the current 26%.

Mr. Narendra Modi backed five-member think tank to replace Planning Commission- A small, five-member think tank, which will draw its power and prestige from Prime Minister Narendra Modi is likely to replace the Planning Commission. The new panel will most likely to be led by former union minister Suresh Prabhu, free market economists Arvind Panagariya and Bibek Debroy. Remaining two members will be from science and technology expertise.

Union government eases green rules to push investments- Through a quick series of notifications, the Union environment ministry has eased rules for mining, roads, power and irrigation projects and other industrial sectors. It has also diluted a host of regulations related to environment, forest and tribal rights.

FII investment sub-limit in G-secs raised by USD 5 billion- The Reserve Bank of India increased FII limit for investment in government securities by USD 5 billion within the total cap of USD 30 billion. The central bank said the limit has been enhanced by reducing the investment limit for long term investors from USD 10 billion to USD 5 billion.

States agree for threshold limit of Rs. 10 lakh for imposition of GST- The State Governments agreed on lowering threshold limit for imposition of Goods & Service Tax (GST) regime from Rs. 25 lakh to Rs. 10 lakh. Thus now traders with annual turnover of Rs. 10 lakh and above will only attract GST.

Government cuts minimum export price of onion to \$350/tonne- The cabinet approved the reduction in minimum export price (MEP) of onions from \$500 per tonne to \$350 per tonne, due to improved supplies.

3. Other key developments

IMF retains India's growth target at 5.4%; all emerging economies see cut- India is the only big emerging economy to escape a cut in the International Monetary Fund's update of its World Economic Outlook. IMF has retained its forecast of 5.4% growth in Indian economy in 2015 and a stronger 6.4% growth next year.

India manufacturing PMI jumps to 17-month high in July-The HSBC Manufacturing Purchasing Managers' Index (PMI) rose to 53.0 in July from 51.5 in June, its highest since February 2013. "A flood of new orders from both domestic and external sources has led to a surge in activity. The new orders sub-index soared to 55.9, its highest since February last year. That was the biggest monthly jump in the measure in eight months.

Kharif sowing gathers pace as monsoon deficit shrinks- According to the data from Ministry of Agriculture, kharif sowing in all crops has picked up after monsoon deficit shrank to 22%. This has helped to make up the acreage in key crops such as cotton, soyabean and rice. According to the Ministry of Agriculture the total acreage under kharif crops has increased by 31% to 700.6 lakh hectares as on August 1 against last week's 533.2 hectares.

RBI relaxes ceiling on loans against pledged gold-The Reserve Bank of India has relaxed the Rs 1-lakh ceiling on loans for nonagricultural purposes against pledged gold and has left it to individual banks to decide on a lending cap.

Dr. Bimal Jalan to head Expenditure Management Commission- Government has set up Expenditure Management Commission, headed by former RBI Governor Dr. Bimal Jalan, to suggest ways to reduce food, fertiliser and oil subsidies and to narrow the fiscal deficit.

India ranks 135th on Human Development Index: UNDP- The United Nations Development Programme (UNDP) in its recent publication 'The 2014 Human Development Report' ranked India at 135th position for the year 2013 and categorizing the country amongst the medium human development category. India's HDI value is reported at 0.586 which is a marginal increase from 0.583 registered in 2012, leaving India's rank unchanged from the previous year. While, between 2000-2013 HDI value for India increased from 0.483 to 0.586 posted an annual average growth rate of 1.49%.

India's poor may shrink 75% by new World Bank formula-The number of poor people in India will soon change dramatically with the revision in the global poverty line and Purchasing Power Parity (PPP) index. The change in the two measures will substantially alter the statistical calculation of poor people in the country. Presently the World Bank has set the global poverty line at \$1.25 a day.

Indirect tax collection growth dips in July- Growth in indirect tax collection in July slowed to 4.9% over a year before, against 13.5% in June. The slowing in July was due to a sluggish growth in both customs duty and service tax collections.

SEBI gets powers to clamp down on fraudulent deposit schemes-The Securities Laws (amendment) Bill, 2014, which was approved unanimously by the Lok Sabha allows SEBI to issue disgorgement orders against fraudulent deposit schemes. The move is a way forward towards greater investor protection.

Growth, trade to top G20's Brisbane summit agenda - Boosting global growth to create jobs, trade liberalisation and sharing of tax information are expected to top the agenda at the forthcoming Brisbane summit meeting of the Group of 20 major economies.

Services sector expands for third straight month- Services activity expanded for the third month in a row in July, easing from a 17-month high in June. The HSBC Purchasing Managers Index (PMI) for services stood at 52.2 points in July, down from 54.4 in June, but above the 50-point mark that separates expansion from contraction.

Employment growing at double the rate of population: Economic census- According to the Sixth Economic Census the number of employed persons in the country grew by 34.35% to 12.77 crore in eight years to 2013. Uttar Pradesh was the top employment generator among big states, creating jobs at over double the national average rate.

REITs to need insurance cover; can't promise guaranteed return- To safeguard investor's interest, Real Estate Investment Trusts (REITs) in India will be required to take adequate insurance cover for their realty assets and bar them from promising any guaranteed returns. At the same time, regulator SEBI has also decided to keep the disclosure requirements and overall regulatory compliance mechanism simpler for REITs to further investor's interests

Auto sales increases- Car makers in India reported a 11.3% jump in sales in July, the third month of rising demand. Eight of India's leading makers sold 183,176 units in the month compared to 164,572 units in July 2013.

India among top 16 lenders to US as bond investments hit \$73 billion in June- India is now among the 16 top lenders to the United States, with its investments in the US government bonds hitting a new high at \$73 billion in June 2014. India has now lent more than developed countries such as Canada, Germany or France. According to the data released by US treasury department, Indian investors, primarily RBI have increased exposure to US treasury securities by 19% over the past year.

Prime Minister's 'Swachh Bharat' call: India Inc queues up to invest big money in building toilets- Motivated by the Prime minister's Independence Day speech, India Inc promised to spend big money to clean up India by providing modern sanitation facilities nationwide, especially for girl students and women in rural India.

PM to keep tabs on infrastructure project- Secretaries of various ministries will brief Prime Minister Narendra Modi once a month on key infrastructure projects. The major infrastructural Projects under review include high-speed rail freight corridors, a gas pipeline grid and clean energy.

India refuses to budge on farm subsidies, scuttles WTO deal- The new government has refused to budge on its demand for a permanent solution to the issue of food stocking and subsidy caps. India wants to protect its subsidy programme from any retaliatory action if the WTO cap on stockpiling is breached and therefore refused to ratify trade facilitation deal.

Government launches scheme to cut down waste of veggies, fruits-The government has launched a scheme for technology upgradation and establishment and modernization of food processing industries to minimize wastage of fruits and vegetables.

Reserve Bank of India to identify six systemically important banks- The Reserve Bank of India has said that up to six banks will be designated as systemically important, or SIBs, for the domestic financial market and will need to have higher capital than their peers to prevent the financial system from collapsing if there is a crisis.

Government cancels 27 SEZs - The government has cancelled its approvals to 27 special economic zones, while giving more time to 18 others to execute their projects.

India shines the brightest in global emerging market universe-India may soon become the preferred destination for international investors as the country's weight in global emerging market (GEM) funds has hit a record high of 10.5% in June.

Share of MSMEs in GDP, Manufacturing Output Declined Sharply: Government- According to the annual report on MSMEs for 2013-14 fiscal, the share of MSME sector in the country's manufacturing output and GDP has sharply declined over the years. The contribution of micro, small & medium enterprises (MSMEs) to the total manufacturing output and gross domestic product (GDP), which stood at 41.98% and 7.81% respectively in 2007-08, registered a consistent downslide and came down to 37.52% and 7.28% respectively, in 2011-12 .

Committee setup to suggest restructuring of FCI -The Government has decided to set up a High Level Committee (HLC) of distinguished persons and experts to recommend restructuring of FCI, as it is commonly perceived that FCI is plagued today with several functional and cost inefficiencies, which need to be removed for efficient management of foodgrains and for cost reduction.

GST faces more delay as new issues emerge-In a meeting of state finance ministers, the proposed goods and services tax (GST) faced fresh challenges, as states demanded complete control over small traders under new tax regime. They also stuck to their earlier demand of keeping the entry tax, petroleum and alcohol out of GST purview and making a provision in the Constitution Amendment Bill to compensate states for revenue loss after the new GST tax system comes into force.

Digital plan to connect all villages- The cabinet recently approved the ambitious Digital India programme that aims to connect all gram panchayats by broadband internet, promote e-governance and transform India into a connected knowledge economy.

PM invites ideas from people on institution to replace Planning Commission- After announcing his intention to replace the Planning Commission with a new institution, the Prime Minister, Mr. Narendra Modi, has invited ideas from the general public for the new institution.

In a nutshell

Economic activity appears to be reviving as the core infrastructure has recorded robust growth rate of 7.3% (Y-O-Y) in June 2014 as compared to 2.3% (Y-O-Y) in May 2014. Industrial sector is also showing signs of recovery. IIP declined to 3.4% in June 2014 as compared with 4.7% during May 2014. WPI inflation declined to 5.19% in July 2014 from 5.4% in June 2014. CPI inflation increased from 7.3% in June 2014 to 7.9% in July 2014. The FDI equity inflows in the month of May 2014 are estimated at around US\$ 3.6 bn as against about US\$ 1.6 bn in May 2013, posting a growth (Y-o-Y) of 121%. While exports registered a growth of 7.3% in July as compared to 10.2% in June 2014.

The deficit in the monsoon behaviour has been significantly reduced from 22% for the period ending 31st July 2014 to 18% for the period ending 10th August 2014 according to the latest data released by IMD. On the other hand, area sown under all kharif crops has declined to about 706 lakh hectares as on 1st August 2014 as compared to around 820 lakh hectares in the corresponding period of last year.

In a nutshell, notwithstanding the signs of revival in infrastructure and industry vis-à-vis some positive growth during the recent months, the monetary policy stance should soften vis-à-vis easing inflationary scenario in the coming times.

The lead economic and financial indicators so far...

S. No	Components	May	June	July
1.	IIP Growth	3.4%(April)	4.7%(May)	3.4%(June)
2	Export Growth	12.4%	10.2%	7.3%
3	WPI Inflation Y-O-Y growth	6%	5.4%	5.19%
4	CPI inflation (combined)	8.28%	7.3%	7.9%
5	Gold (10 GRMS)	28316 [^]	27950 ^{^^}	28117 ^{^^^}
6	Crude Oil (1 BBL)	6391 [#]	6295 ^{##}	5944 ^{###}
7	BSE Sensex	25369 [!]	26026 ^{!!}	26391 ^{!!!}
8	Exchange rate average (INR/ 1 USD)	60.19 [*]	60.24 ^{**}	61.06 ^{***}
9	Repo rate	8%	8%	8%
10	CRR	4%	4%	4%
11	10 year Bond yield	8.0907%	8.0907%	8.0907%
12	Base rate	10.00-10.25%	10.00-10.25%	10.00-10.25%

Source: PHD Research Bureau compiled from various sources, [^]Data pertains to as on 24th June 2014, ^{^^}Data pertains to 22nd July, ^{^^^}Data pertains to 18th August, [#]Data pertains to as on 24th June 2014, ^{##}Data pertains to 22nd July, ^{###}Data pertains to 18th August ! Data pertains to as on 24th June 2014, ^{!!}Data pertains to 22nd July, ^{!!!}Data pertains to 18th August, ^{*}Data pertains to 24th June, ^{**}Data pertains to 22nd July 2014, ^{***}Data pertains to 14th August 2014

India: Statistical snapshot

Indicators	FY09	FY10	FY11	FY12	FY13	FY14	FY15
GDP at FC - Constant prices Rs Bn	41,586	45,161	49,185	52,475	54,821	57,418*	-
GDP at FC - Constant prices growth YoY	6.7	8.6	8.9	6.7	4.5	4.7*	-
GDP at MP-current prices Rs. Bn	56,300	64,778	77,841	90,097	1,011,33	1,135,50*	-
Agriculture growth	0.1	0.8	8.6	5.0	1.4	4.7*	-
Industry growth	4.1	10.2	8.3	6.7	0.8	(-)0.1*	-
Services growth	9.6	8.0	7.5	4.9	7.0	6.7*	-
Consumption	7.6	8.2	8.1	8.1	3.9	4.9	-
Private consumption	7.1	7.1	8.6	8.0	4.0	4.5	-
Gross domestic savings as % of GDP	32.0	33.7	34.0	30.8	30.2	30.5	-
Gross Fixed Capital Formation as % of GDP	32.3	31.7	30.9	31.8	30.4	28.3*	-
Gross fiscal deficit of the Centre as a % GDP	5.9	6.5	4.8	5.7	5.2	4.5	-
Gross fiscal deficit of the states as a % GDP	2.4	2.9	2.1	2.3	2.1	-	-
Gross fiscal deficit of Centre & states as a % GDP	8.3	9.3	6.9	8.1	7.2	-	-
Merchandise exports (US\$Bn)	183.1	178.3	250.8	305.7	300.2	312.35^	107.8^^^
Growth in exports	12.3	-2.6	40.6	21.9	(-)1.8	3.98^	8.6^^^
Imports (US\$Bn)	299.3	287.6	369.4	489.1	490.3	450.94^	153.2^^^
Growth in imports (YoY)	19.8	-3.9	28.5	32.4	0.2	(-)8.1^	(-)3.8^^^
Trade deficit (US\$Bn)	116.2	109.3	118.6	183.4	190.1	138.6^	45.3^^^
Net invisibles US\$Bn	91.6	80.0	79.3	111.6	107.5	115.0**	-
Current account deficit US\$Bn	28.7	38.4	48.1	78.2	88.2	32.4^^	-
Current account deficit as % of GDP	2.6	3.2	2.6	4.2	4.8	1.7^^	-
Net capital account US\$Bn	8.7	53.4	60	67.8	94.2	33.3^^	-
Overall balance of payments US\$Bn	20.1	-13.4	-13.1	12.8	3.8	15.5^^	-
Foreign exchange reserves US\$Bn	252	279.1	304.8	294.9	292.04	304.22	292.05-
External debt - Short term US\$Bn	43.4	52.3	65	78.2	96.7	92.7`	-
External debt - Long term US\$Bn	181.2	208.7	240.9	267.5	293.4	333.3`	-
External debt - US\$Bn	224.5	260.9	305.9	345.8	392.1	426`	-
Money supply growth	19.3	16.9	16.1	13.2	13.8	13.4!	12.2!!
Bank credit growth	17.5	17.1	21.2	16.8	13.5	14	12.8##
WPI inflation	8.1	3.8	9.6	8.9	7.4	5.7#	5.19@
CPI inflation	7	12.4	10.4	6.0	10.2	9.8	7.9@
Exchange rate Rs/US\$ annual average	46	47.4	45.6	47.9	54.4	60.68	61.06@@

Source: PHD Research Bureau compiled from various sources, *Data pertains to Provisional Estimate of 2013-14 from MOSPI, ^Planning Commission Data Book Dec 2013, ** Projection For 2013-14 from PMEAC Economic Outlook 2013-14, ^^Data pertains to India's Balance of payment Apr-Mar 2013-14 from RBI, ^^data pertains to April- July, 2014, `India's external debt end Dec 2013 from RBI,! Data compiled from RBI Bulletin May 2014, !! Data compiled from RBI Bulletin August 2014, # Data pertains to Mar 2013, - Data as on 8th August 2014 from RBI, @ Data pertains to July 2014, @@ Data as on 14th August 2014 from RBI, ##Data pertains to June, 2014

About the PHD Chamber

PHD Chamber is a 108 years old vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in States of Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and the Union Territory of Chandigarh.



Economic Affairs Committee

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Ms. Megha Kaul, Senior Research Officer
Ms. Surbhi Sharma, Research Officer
Ms. Bhawana Sharma, Research Associate

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