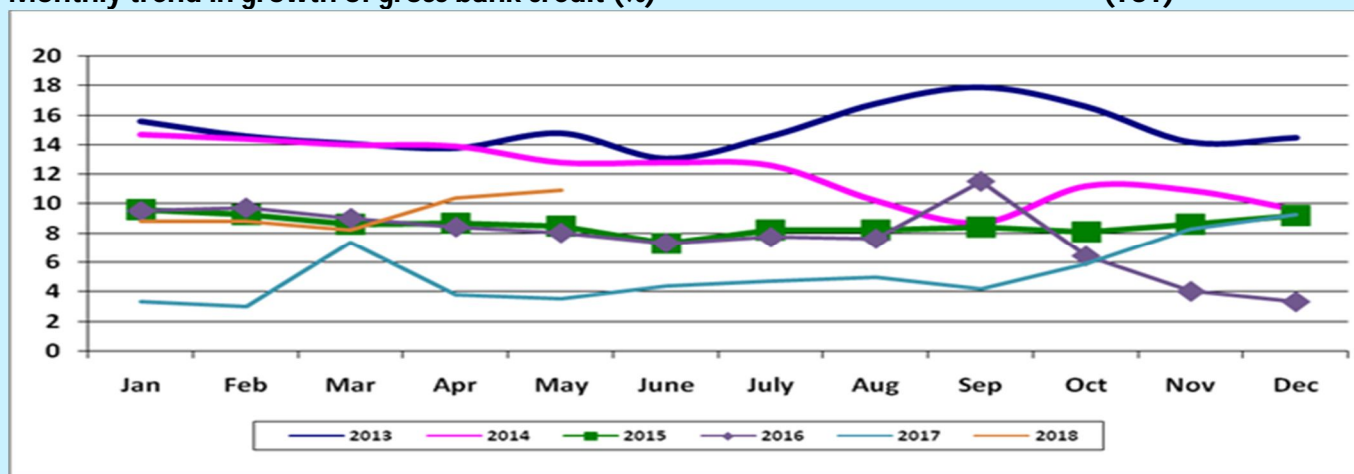


Gross Bank Credit grows at 10.9% in May 2018

Gross bank credit grows at 10.9% in May 2018 as against 10.4% in April 2018. The gross bank credit growth stands at 3.4% in May 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 11.1% in May 2018 as against 10.7% in April 2018. Credit to agriculture and allied activities increased by 6.4% in May 2018 as compared to 5.9% in April 2018.

Monthly trend in growth of gross bank credit (%)

(YoY)



Source: PHD Research Bureau, compiled from RBI

Credit to industry increased by 1.4% in May 2018 as against 1% in April 2018. Credit to industry increased by 1.4% in May 2018 as compared with a contraction of 2.1% in May 2017. Credit to major sub-sectors such as textiles, all engineering, food processing, construction and rubber, plastic & their products, chemicals & chemical products, gems & jewellery and cement & cement products have accelerated. However, credit to infrastructure, basic metal & metal products, paper & paper products and Beverage & Tobacco have contracted/declined.

Deployment of Gross Bank Credit by major sectors

(Rs. Billion)

Sector	April 2018*	May 2018**	April 2018^ Y-O-Y growth (%)	May 2018^^ Y-O-Y growth (%)
Gross Bank Credit	76130	76365	10.4	10.9
Food Credit	326	527	-33.7	-12.8
Non-food Credit	75804	75838	10.7	11.1
Agriculture & Allied Activities	10269	10279	5.9	6.4
Industry (Micro & Small, Medium and Large)	26511	26446	1.0	1.4
Services	19813	19932	20.7	21.9
Personal Loans	19211	19181	19.1	18.6
Priority Sector	24928	24828	5.0	6.2

Source: PHD Research Bureau, compiled from RBI, * Data pertains to April 27, 2018. ^ Growth pertains to Apr.27, 2018 over Apr.28, 2017. **Data pertains to as on May 25, 2018, ^^ Growth pertains to May.25, 2018 over May.26, 2017. Data are provisional and relate to select banks which cover about 90 per cent of total non-food credit extended by all scheduled commercial banks. Export credit under priority sector relates to foreign banks only. Micro & small under item Industry includes credit to micro & small industries in manufacturing sector. Micro & small enterprises under item Priority sector includes credit to micro & small enterprises in manufacturing as well as services sector. Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015. *: As data in respect of erstwhile subsidiary of SBI, viz., State Bank of Hyderabad, were not available as on May 26, 2017, data available as on March 31, 2017 have been repeated.

Please contact for any query related to this mail to Ms. Kritika Bhasin, Research Officer at kritika.bhasin@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in of PHD Chamber of Commerce & Industry.

Warm regards,

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