



**ASSOCHAM Economic Weekly**  
**18<sup>th</sup> October, 2015**



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## 1. Macroeconomy



### 1.1 Index Numbers of Wholesale Price in India, September 2015

Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) for the month of September, 2015 declined by 0.1 percent to 176.6 from 176.7 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -4.54% for the month of September, 2015 (over September, 2014) as compared to -4.95% for the previous month and 2.38% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 0.28% compared to a build up rate of 2.61% in the corresponding period of the previous year.

The index for 'Primary Articles' group rose by 0.4 percent to 252.4 from 251.5 for the previous month.

The index for 'Food Articles' group rose by 0.6 percent to 264.0 from 262.3 for the previous month due to higher price of arhar (6%), fish-inland (4%), pork, bajra, gram and urad (2% each) and fruits & vegetables, condiments & spices, wheat, barley and ragi (1% each). However, the price of poultry chicken (5%), beef & buffalo meat, tea, fish-marine and maize (2% each) and egg, jowar and moong (1% each) declined.

The index for 'Non-Food Articles' group rose by 1.3 percent to 220.2 from 217.4 for the previous month due to higher price of cotton seed (13%), raw silk (9%), guar seed (4%), groundnut seed, raw jute and linseed (3% each), sunflower, castor seed and rape & mustard seed (2% each) and soyabean and fodder (1% each). However, the price of gingelly seed (9%), raw rubber (4%) and safflower (kardi seed) and copra (coconut) (3% each) declined.

The index for 'Minerals' group declined by 4.3 percent to 234.1(provisional) from 244.6 (provisional) for the previous month due to lower price of zinc concentrate (10%), sillimanite and crude petroleum (9% each), phosphorite (6%), manganese ore (4%), magnesite and iron ore (3% each). However, the price of copper ore (9%) and chromite (8%) moved up.

The index for 'Fuel & Power' group declined by 1.7 percent to 175.6 from 178.7 for the previous month due to lower price of aviation turbine fuel (14%), furnace oil (10%), petrol (5%), high speed diesel and bitumen (4% each), kerosene (3%) and electricity (industry) (2%). However, the price of electricity (agricultural) (12%), electricity (commercial) (3%) and electricity (domestic) (2%) moved up.

The index for 'Manufactured Products' group rose by 0.1 percent to 153.3 from 153.1 for the previous month.

**Table 1**  
**Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)**

**Month of September, 2015**

	Weight	WPI Sep. 2015	Latest month over month		Build up from March		Year on year	
			2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Primary Articles	20.1	252.4	-1.30	0.4	7.7	5.6	2.0	-2.09
Food Articles	14.3	264.0	-1.17	0.7	11.8	5.9	3.7	0.7
Non-Food Articles	4.3	220.2	-1.96	1.3	-1.42	8.7	0.7	2.6
Minerals	1.5	234.1	-1.23	-4.29	-2.46	-3.8	-6.49	-30.53
Fuel & Power	14.9	175.6	-0.28	-1.73	-0.37	-6.6	1.3	-17.71
Manufactured Products	65.0	153.3	-0.06	0.1	1.2	-0.4	3.0	-1.73
All Commodities	100.0	176.6	-0.48	-0.06	2.6	0.3	2.4	-4.54

Source: Office of Economic Advisor, Ministry of Finance, Govt. of India

## 1.2 India's Foreign Trade (Merchandise), September 2015

Exports during September, 2015 were valued at US\$ 21844.98 million (Rs. 144652.67 crore) which was 24.33 per cent lower in Dollar terms (17.67 per cent lower in Rupee terms) than the level of US\$ 28867.71 million (Rs.175703.03crore) during September, 2014. Cumulative value of exports for the period April-September 2015-16 was US\$ 132939.45 million (Rs. 853586.59 crore) as against US\$

161397.35 million (Rs. 971716.43 crore) registering a negative growth of 17.63 per cent in Dollar terms and 12.16 per cent in Rupee terms over the same period last year.

Imports during September, 2015 were valued at US\$ 32323.68 million (Rs. 214040.28 crore) which was 25.42 per cent lower in Dollar terms and 18.86 per cent lower in Rupee terms over the level of imports valued at US\$ 43341.75 million (Rs. 263799.12 crore) in September, 2014. Cumulative value of imports for the period April-September 2015-16 was US\$ 200934.24 million (Rs.1290218.42 crore) as against US\$ 234089.43 million (Rs.1409403.56 crore) registering a negative growth of 14.16 per cent in Dollar terms and 8.46 per cent in Rupee terms over the same period last year.

Oil imports during September, 2015 were valued at US\$ 6626.59 million which was 54.53 per cent lower than oil imports valued at US\$ 14573.17 million in the corresponding period last year. Oil imports during April-September, 2015-16 were valued at US\$ 48128.96 million which was 41.58 per cent lower than the oil imports of US\$ 82378.98 million in the corresponding period last year.

Non-oil imports during September, 2015 were estimated at US\$ 25697.09 million which was 10.68 per cent lower than non-oil imports of US\$ 28768.58 million in September, 2014. Non-oil imports during April-September, 2015-16 were valued at US\$ 152805.28 million which was 0.72 per cent higher than the level of such imports valued at US\$ 151710.45 million in April-September, 2014-15.

The trade deficit for April-September, 2015-16 was estimated at US\$ 67994.79 million which was lower than the deficit of US\$ 72692.08 million during April-September, 2014-15.

**Table 2**  
**India's Merchandise Trade (US \$ Million)**

	September	April-September
Exports (including re-exports)		
2014-15	28867.71	161397.35
2015-16	21844.98	132939.45
%Growth2015-16/ 2014-15	-24.33	-17.63

Imports		
2014-15	43341.75	234089.43
2015-16	32323.68	200934.24
%Growth2015-16/ 2014-15	-25.42	-14.16
Trade balance		
2014-15	-14474.04	-72692.08
2015-16	-10478.70	-67994.79

Source: Ministry of Commerce, Govt. of India  
Note: Provisional

### 1.3 Mineral Production during August 2015

The index of mineral production of mining and quarrying sector for the month of August (new Series 2004-05=100) 2015 at 119.4, was 3.8% higher as compared to August 2014. The cumulative growth for the period April- August 2015-16 over the corresponding period of previous year stands at (+) 1.2%.

The total value of mineral production (excluding atomic & minor minerals) in the country during August 2015 was Rs. 17601 crore. The contribution of coal was the highest at Rs. 6240 crore (35%). Next in the order of importance were: petroleum (crude) Rs. 5804 crore, natural gas (utilized) Rs. 2257 crore, iron ore Rs. 1593 crore, lignite Rs. 463 crore and limestone Rs. 452 crore. These six minerals together contributed about 95% of the total value of mineral production in August 2015.

Production level of important minerals in August 2015 were: coal 436 lakh tonnes, lignite 34 lakh tonnes, natural gas (utilized) 2729 million cu. m., petroleum (crude) 32 lakh tonnes, bauxite 2074 thousand tonnes, chromite 124 thousand tonnes, copper conc. 9 thousand tonnes, gold 115 kg., iron ore 100 lakh tonnes, lead conc. 22 thousand tonnes, manganese ore 146 thousand tonnes, zinc conc. 135 thousand tonnes, apatite & phosphorite 198 thousand tonnes, limestone 226 lakh tonnes, magnesite 21 thousand tonnes and diamond 2059 carat.

The production of important minerals showing positive growth during August 2015 over August 2014 include 'apatite & phosphorite' (359.6%), 'bauxite' (96.3%), 'chromite' (78.9%), 'lead

conc.' (50.5%), 'zinc conc.'(23.3%), 'gold'(21.1%), 'iron ore' (10.8%), 'petroleum (crude)' (5.6%), 'natural gas (utilized)'(3.2%) and 'coal' (0.3%). The production of other important minerals showing negative growth are: 'copper conc.' and 'limestone' [(-) 0.5%] each, 'lignite' [(-) 2.0%], 'manganese ore' [(-) 9.2%], 'magnesite' [(-) 21.2%] and 'diamond' [(-) 44.0%].



## 2. Corporate Sector

### 2.1 Index of Industrial Production, August 2015

The General Index for the month of August 2015 stands at 176.9, which is 6.4% higher as compared to the level in the month of August 2014. The cumulative growth for the period April-August 2015-16 over the corresponding period of the previous year stands at 4.1%.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of August 2015 stand at 119.4, 185.3 and 194.4 respectively, with the corresponding growth rates of 3.8%, 6.9% and 5.6% as compared to August 2014. The cumulative growth in the three sectors during April-August 2015-16 over the corresponding period of 2014-15 has been 1.2%, 4.6% and 3.2% respectively.

**Table 3**  
**Index of Industrial Production – Sectoral**

**(Base : 2004-05=100)**

Month	Mining		Manufacturing		Electricity		General	
	(141.57)		(755.27)		(103.16)		(1000.00)	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Apr	122.6	121.9	181.4	188.5	178.1	177.2	172.7	177.9
May	125.3	127.9	183.5	187.3	183.9	195.0	175.3	179.7
Jun	122.1	121.5	180.1	189.8	181.6	184.0	172.0	179.5
Jul	116.2	117.3	182.2	190.5	183.8	190.3	173.0	180.1
Aug*	115.0	119.4	173.4	185.3	184.1	194.4	166.2	176.9
Sep	115.3		181.9		175.6		171.8	
Oct	124.2		170.0		184.9		165.1	
Nov	128.6		179.9		174.3		172.1	
Dec	133.6		196.8		177.6		185.9	
Jan	136.7		200.7		176.7		189.2	
Feb	129.6		192.7		166.0		181.0	
Mar	149.0		210.3		176.4		198.1	



Average								
Apr-Aug	120.2	121.6	180.1	188.3	182.3	188.2	171.8	178.8
Growth over the corresponding period of previous year								
Aug*	1.2	3.8	-1.1	6.9	12.9	5.6	0.5	6.4
Apr-Aug	2.0	1.2	2.0	4.6	11.7	3.2	3.0	4.1

Source: MOSPI, Govt. of India

\* Indices for Aug 2015 are Quick Estimates.

NOTE : Indices for the months of May'15 and Jul'15 incorporate updated production data.

As per Use-based classification, the growth rates in August 2015 over August 2014 are 3.4% in Basic goods, 21.8% in Capital goods and 2.6% in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of 17.0% and 0.4% respectively, with the overall growth in Consumer goods being 6.8%.

**Table 4**  
**Index of Industrial Production - Use-Based**

(Base : 2004-05=100)

Month	Basic goods		Capital goods		Intermediate goods		Consumer goods		Consumer durables		Consumer non-durables	
	(456.82)		(88.25)		(156.86)		(298.08)		(84.60)		(213.47)	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Apr	163.0	167.3	235.0	248.0	149.7	153.2	181.5	186.5	255.4	258.7	152.2	157.9
May	167.1	177.4	228.0	234.9	155.5	157.4	182.7	178.7	262.7	252.4	151.0	149.5
Jun	163.5	172.1	270.7	264.9	151.2	152.8	166.9	179.7	211.9	248.8	149.0	152.3
Jul	162.8	171.0	263.2	291.2	155.4	158.1	171.3	172.8	220.9	243.7	151.7	144.7
Aug*	164.0	169.5	220.6	268.8	151.9	155.9	161.1	172.0	218.8	255.9	138.3	138.8
Sep	161.3		260.9		151.3		172.4		241.5		145.0	
Oct	167.9		239.2		145.5		149.0		191.8		132.0	
Nov	168.2		252.1		151.4		165.1		201.6		150.6	
Dec	174.6		269.7		159.0		192.4		208.0		186.2	
Jan	175.4		270.5		158.3		202.3		246.6		184.8	
Feb	164.6		254.9		151.8		199.6		251.2		179.2	
Mar	180.8		331.5		164.8		202.7		261.9		179.3	
Average												
Apr-Aug	164.1	171.5	243.5	261.6	152.7	155.5	172.7	177.9	233.9	251.9	148.4	148.6
Growth over the corresponding period of previous year												
Aug*	9.0	3.4	-10.0	21.8	-0.1	2.6	-6.2	6.8	-15.0	17.0	0.4	0.4
Apr-Aug	8.5	4.5	4.8	7.4	2.3	1.8	-4.3	3.0	-12.8	7.7	1.9	0.1

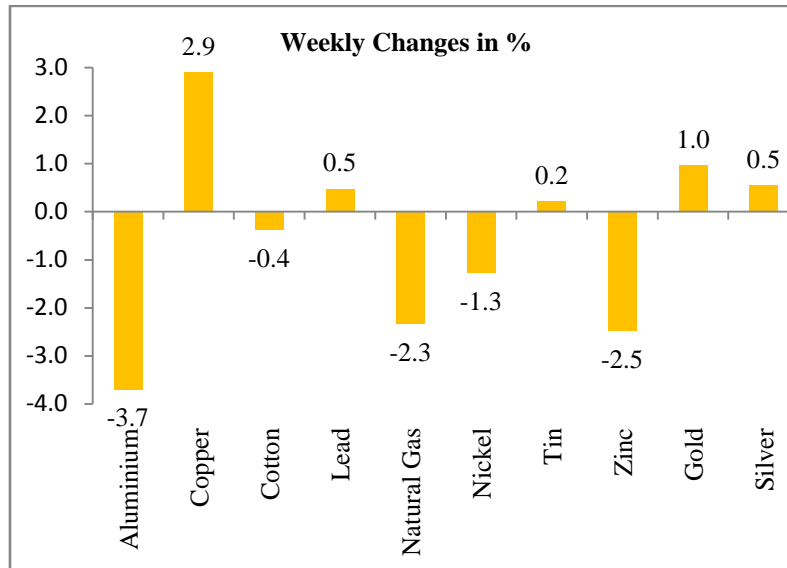
Source: MOSPI, Govt. of India

\* Indices for Aug 2015 are Quick Estimates.

NOTE: Indices for the months of May'15 and Jul'15 incorporate updated production data.

## 2.2 Basic Metals and Agriculture Commodities in Spot Market

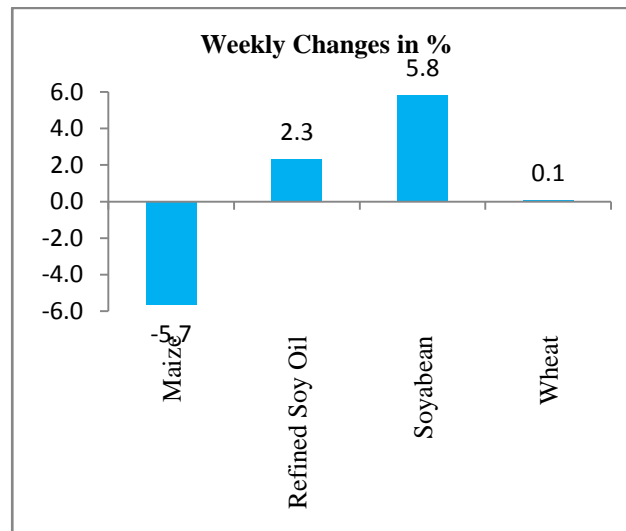
### Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days

### Performance Agri Commodities Market Spot Prices



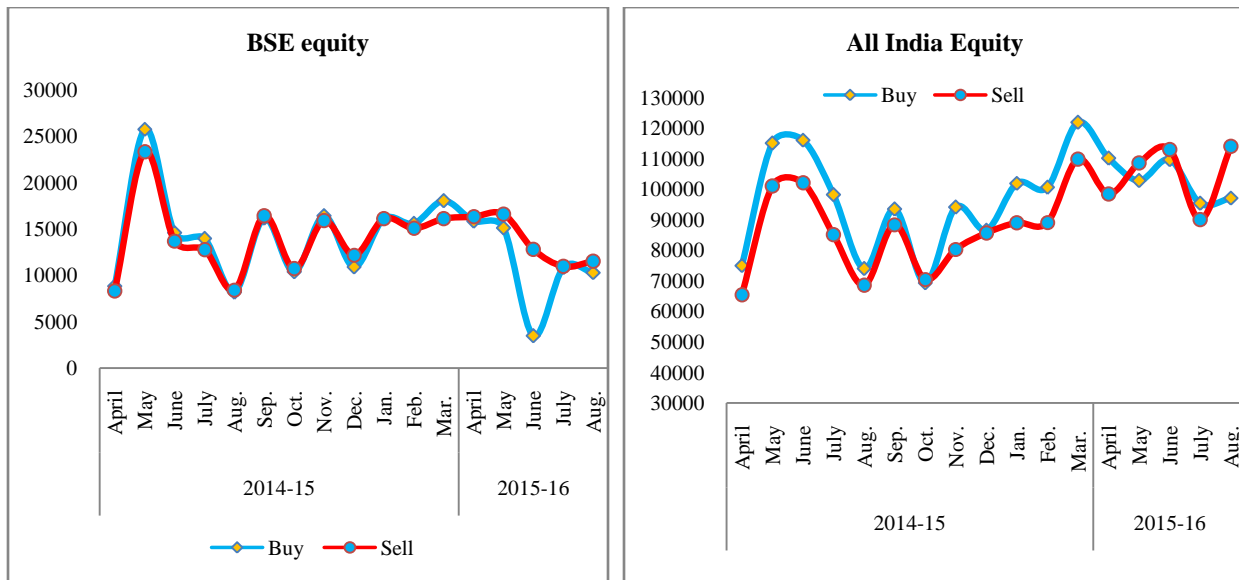
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days



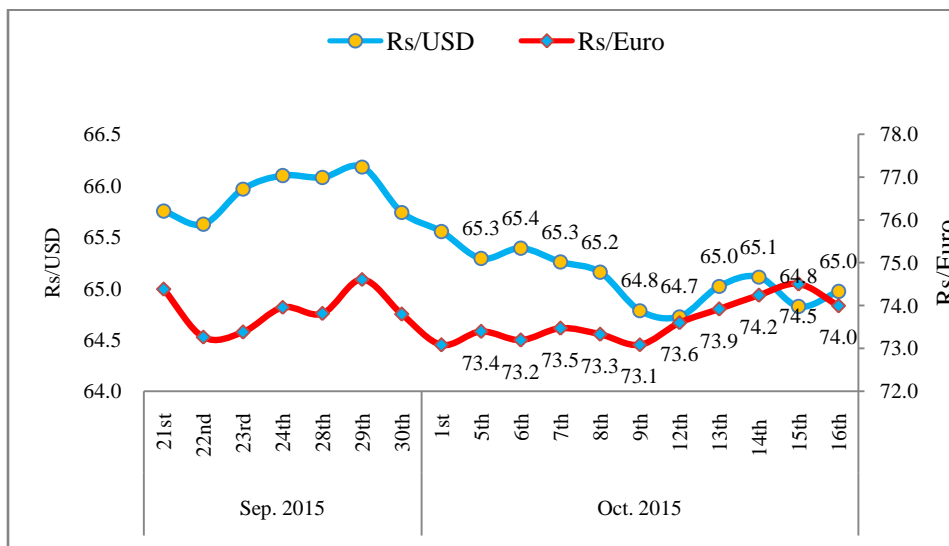
### 3. Market Trends

#### FII Equity Flows Equity (Rs. Crore)

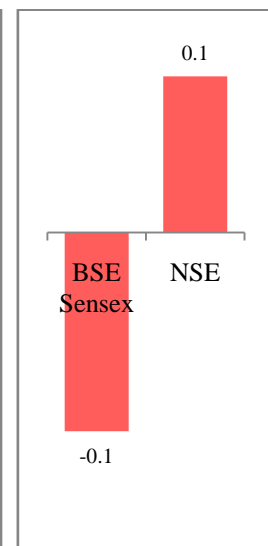


Source: BSE and ASSOCHAM Economic Research Bureau

#### Exchange Rate



#### Market Variation



Source: RBI, BSE, NSE and ASSOCHAM Economic Research Bureau



## 4. Global Developments

### 4.1 UK Labour Market, October 2015

Main points for June to August 2015

- There were 31.12 million people in work, 140,000 more than for March to May 2015 and 359,000 more than for a year earlier.
- There were 22.77 million people working full-time, 291,000 more than for a year earlier. There were 8.35 million people working part-time, 68,000 more than for a year earlier.
- The employment rate (the proportion of people aged from 16 to 64 who were in work) was 73.6%, the highest since comparable records began in 1971.
- There were 1.77 million unemployed people (people not in work but seeking and available to work), 79,000 fewer than for March to May 2015 and 198,000 fewer than for a year earlier.
- There were 970,000 unemployed men, 125,000 fewer than for a year earlier. There were 803,000 unemployed women, 73,000 fewer than for a year earlier.
- The unemployment rate fell to 5.4%, lower than for March to May 2015 (5.6%) and for a year earlier (6.0%). It has not been lower since March to May 2008. The unemployment rate is the proportion of the labour force (those in work plus those unemployed) who were unemployed.
- There were 9.01 million people aged from 16 to 64 who were economically inactive (not working and not seeking or available to work), little changed compared with March to May 2015 but down slightly (13,000) compared with a year earlier.

- The inactivity rate (the proportion of people aged from 16 to 64 who were economically inactive) was 22.1%, little changed compared with March to May 2015 and with a year earlier.
- Comparing June to August 2015 with a year earlier, pay for employees in Great Britain increased by 3.0% including bonuses and by 2.8% excluding bonuses.

**Table 5**  
**Summary of UK labour market statistics for June to August 2015, seasonally adjusted**

	Number (thousands)	Change on Mar to May 2015	Change on Jun to Aug 2014	Headline Rate (%)	Change on Mar to May 2015	Change on Jun to Aug 2014
Employed	31,122	140	359			
Aged 16 to 64	29,966	114	313	73.6	0.2	0.6
Aged 65 and over	1,156	26	46			
Unemployed	1,774	-79	-198	5.4	-0.3	-0.6
Aged 16 to 64	1,749	-85	-203			
Aged 65 and over	25	5	5			
Inactive	19,098	21	170			
Aged 16 to 64	9,015	-4	-13	22.1	0.0	-0.1
Aged 65 and over	10,083	26	183			

**Source:** UK Office for National Statistics

Note: Calculation of headline employment rate: Number of employed people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.

Calculation of headline unemployment rate: Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over.

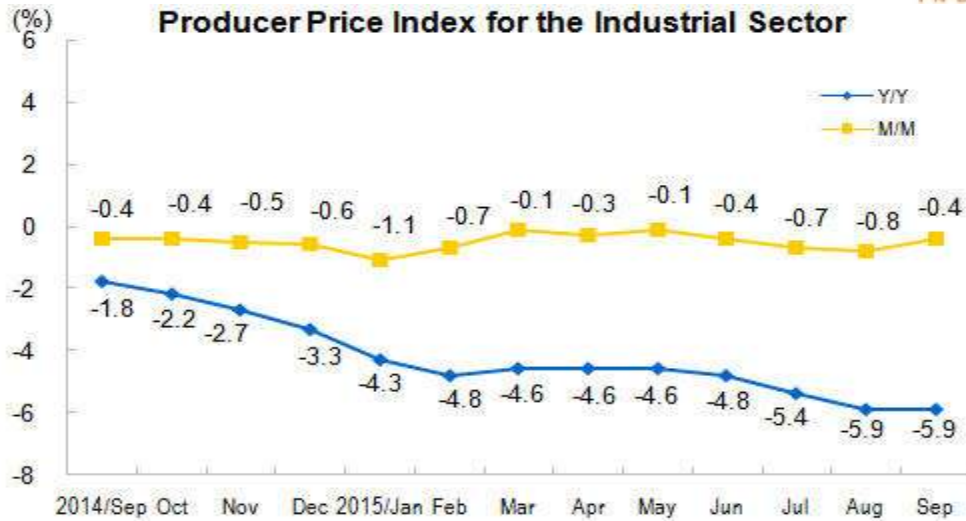
Calculation of headline economic inactivity rate: Number of economically inactive people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.

Components may not sum exactly to totals due to rounding.

#### **4.2 China's Producer Prices for the Industrial Sector for September 2015**

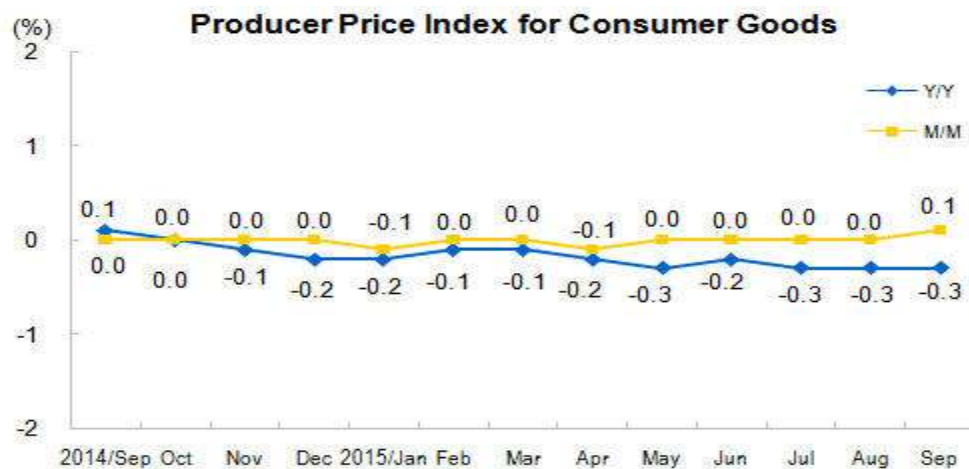
In September 2015, Producer Price Index (PPI) for manufactured goods decreased 0.4 percent month-on-month, and decreased 5.9 percent year-on-year. The purchasing price index for manufactured goods decreased 0.6 percent month-on-month, and decreased 6.8 percent year-on-year. On average from January to September, the PPI decreased 5.0 percent year-on-year, the purchasing price index for manufactured goods went down by 5.9 percent year-on-year.

#### **Chart 1**



Source: National Bureau of Statistics of China

**Chart 2**



Source: National Bureau of Statistics of China

The year-on-year change of producer prices for means of production decreased 7.7 percent, meaning 5.8 percentage points decrease in the overall price level. Of which, producer prices for mining and quarrying industry decreased 21.2 percent; that of raw materials industry decreased 11.4 percent; that of manufacturing and processing industry decreased 4.8 percent. Producer prices for consumer goods went down by 0.3 percent year-on-year, meaning 0.1 percentage point decrease in the overall price level. Of which, producer prices for foodstuff remained at the same level (the amount of change was 0, similarly hereinafter), that of clothing increased 0.8 percent, that of commodities decreased 1.0 percent, and that of durable consumer goods dropped by 0.6 percent.

## 5. Data Appendix

**Table 6**  
**Latest Available Financial Information**

Item	Oct. 02, 2015	Oct. 09, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,867.13	3,691.50	-4.54
Foreign Currency Assets of RBI (Rs. Billion)	21,709.12	21,618.10	-0.42
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	446.95	489.08	9.43
Foreign Exchange Reserves (US\$ Billion)	350.8	353.1	0.65

Source: RBI, Govt. of India

**Table 7**  
**BSE Sensex and NSE Nifty Index**

Index	Oct. 05, 2015	Oct. 09, 2015	Percentage Change
BSE SENSEX	27,242.6	27,214.6	-0.1
S & P CNX NIFTY	8,231.5	8,238.2	0.1

Source: BSE India and NSE India

**Table 8**  
**Metals Market Spot Prices Index (Rs.)**

		October 2015					Weekly Changes in %
		12 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>	
Aluminium	1 KGS	104.1	101.4	102.2	101.6	100.2	-3.7
Copper	1 KGS	336.6	344.7	342.3	346.8	346.3	2.9
Cotton	1 BALES	15900.0	15990.0	15940.0	15880.0	15840.0	-0.4
Lead	1 KGS	116.0	114.9	115.7	117.8	116.5	0.5
Natural Gas	1 mmBtu	162.8	164.1	162.4	164.0	159.0	-2.3
Nickel	1 KGS	688.2	676.1	675.4	685.4	679.4	-1.3
Tin	1 KGS	1043.0	1050.0	1034.5	1053.0	1045.3	0.2
Zinc	1 KGS	118.7	116.1	116.8	117.0	115.8	-2.5
Gold	10 GRMS	26620.0	26469.0	26642.0	26934.0	26876.0	1.0
Silver	1 KGS	36696.0	36313.0	36588.0	36968.0	36897.0	0.5

Source: MCX

**Table 9**  
**Agri Commodities Market Spot Prices (Rs.)**

		October 2015					Weekly Changes in %
		12 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>	
Maize	100 KGS	1460.0	1422.5	1402.5	1390.0	1377.5	-5.7
Refined Soy Oil	10 KGS	651.7	653.5	664.0	667.5	666.8	2.3
Soyabean	100 KGS	3780.0	3810.0	3866.5	3990.0	4000.0	5.8
Wheat	100 KGS	1698.3	1705.0	1695.0	1695.0	1700.0	0.1

Source: MCX



## **ASSOCHAM Economic Research Bureau**

ASSOCHAM Economic Research Bureau (AERB) is the research division of the Associated Chambers of Commerce and Industry of India. The Research Bureau undertakes studies on various economic issues, policy matters, financial markets, international trade, social development, sector wise performance and monitoring global economy dynamics.

The main banners of the Bureau are:

**ASSOCHAM Eco Pulse** (AEP) studies are based on the data provided by various institutions like Reserve Bank of India, World Bank, IMF, WTO, CSO, Finance Ministry, Commerce Ministry, CMIE etc.

**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.

Email: [research@assocham.com](mailto:research@assocham.com)

## **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.