

Fifth Bi-monthly Monetary Policy Statement, 2015-16

- Keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.75 per cent;
- Keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liability (NDTL);
- Continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and
- Continue with daily variable rate repos and reverse repos to smooth liquidity.

Consequently, the reverse repo rate under the LAF will remain unchanged at 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 7.75 per cent.

Index of Eight Core Industries, December 2015

The combined Index of Eight Core Industries stands at 175.7 in December, 2015, which was 0.9% higher compared to the index of December, 2014. Its cumulative growth during April to December, 2015-16 was 1.9 %.

- Coal: Coal production increased by 6.1% in December, 2015 over December, 2014. Its cumulative index during April to December, 2015-16 increased by 4.6% over corresponding period of previous year.
- Crude Oil: Crude Oil production decreased by 4.1% in December, 2015 over December, 2014. Its cumulative index during April to December, 2015-16 decreased by 0.8% over the corresponding period of previous year.

- Natural Gas: The Natural Gas production declined by 6.1 % in December, 2015. Its cumulative index during April to December, 2015-16 declined by 2.7% over the corresponding period of previous year.
- Refinery Products (93% of Crude Throughput): Petroleum Refinery production increased by 2.1 % in December, 2015. Its cumulative index during April to December, 2015-16 increased by 2.4% over the corresponding period of previous year.
- Fertilizers: Fertilizer production increased by 13.1 % in December, 2015. Its cumulative index during April to December, 2015-16 increased by 10.1% over the corresponding period of previous year.
- Steel (Alloy + Non-Alloy): Steel production declined by 4.4% in December, 2015. Its cumulative index during April to December, 2015-16 declined by 1.9%over the corresponding period of previous year.
- Cement: Cement production increased by 3.2 % in December, 2015. Its cumulative index during April to December, 2015-16 increased by 2.2% over the corresponding period of previous year.
- Electricity: Electricity generation increased by 2.7% in December, 2015. Its cumulative index during April to December, 2015-16 increased by4.0 % over the corresponding period of previous year.

Performance of Eight Core Industries (Percent)

Base Year: 2004-05=100

Sector	Weight	2013-14	2014-15	Apr-Dec 2014-15	Apr-Dec 2015-16	Dec 2014	Dec 2015
Coal	4.379	1.3	8.5	9.5	4.6	7.5	6.1
Crude Oil	5.216	-0.2	-0.9	-0.9	-0.8	-1.4	-4.1
Natural Gas	1.708	-13.0	-5.0	-4.9	-2.7	-2.9	-6.1
Refinery Products	5.939	1.5	0.4	0.2	2.4	6.1	2.1
Fertilizers	1.254	1.5	-0.1	-1.4	10.1	-1.6	13.1
Steel	6.684	11.5	4.4	6.9	-1.9	0	-4.4
Cement	2.406	3.1	5.6	7.9	2.2	3.8	3.2
Electricity	10.316	6.0	8.3	10.0	4.0	4.8	2.7

Overall Index	37.903	4.2	4.4	5.7	1.9	3.2	0.9
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Source: Office of Economic Advisor

Quarterly Estimates and Advance Estimates of National Income, 2015-16

Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2015-16 is likely to attain a level of RS. 113.51 lakh crore, as against the First Revised Estimate of GDP for the year 2014-15 of RS. 105.52 lakh crore, released on 29th January 2016. The growth in GDP during 2015-16 is estimated at 7.6 per cent as compared to the growth rate of 7.2 per cent in 2014-15.

Gross Value Added (GVA) at Basic Prices

Real GVA, i.e, GVA at basic constant prices (2011-12) is anticipated to increase from RS. 97.27 lakh crore in 2014-15 to RS. 104.38 lakh crore in 2015-16. Anticipated growth of real GVA at basic prices in 2015-16 is 7.3 per cent against 7.1 per cent in 2014-15.

Growth Rates of GDP

	Constant prices (2011-12)	Current prices
Annual 2015-16 (Advance)	7.6	8.6
Q1 2015-16 (April-June)	7.6	8.7
Q2 2015-16 (July-Sep)	7.7	6.4
Q3 2015-16 (Oct-Dec)	7.3	9.2

Source: MOSPI

The sectors which are likely to register growth rate of over 7.0 per cent are 'financial, real estate and professional services', 'trade, hotels, transport, communication and services related to broadcasting', and manufacturing'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply and other utility services', 'construction' and 'public administration, defence and other services' is estimated to be 1.1 per cent, 6.9 per cent, 5.9 per cent, 3.7 per cent and 6.9 per cent respectively.

GVA at Basic Price by Economic Activity (At 2011-12 prices)

	2013-14 (NS)	2014-15 (NS)	2015-16 (AE)	2014-15	2015-16
	Rs. Crore			Percentage change over previous year	
1. Agriculture, forestry & fishing	1,588,237	1,584,293	1,602,036	-0.2	1.1
2. Mining & quarrying	267,378	296,328	316,811	10.8	6.9
3. Manufacturing	1,579,721	1,667,069	1,825,371	5.5	9.5
4. Electricity, gas, water supply & other utility services	200,861	216,970	229,681	8.0	5.9
5. Construction	818,494	854,636	886,179	4.4	3.7
6. Trade, hotels, transport, communication and services related to broadcasting	1,669,844	1,833,997	2,007,866	9.8	9.5
7. Financial, real estate & professional services	1,844,070	2,039,460	2,249,243	10.6	10.3
8. Public administration, defence and Other Services	1,115,765	1,234,737	1,320,393	10.7	6.9
GVA at Basic Price	9,084,369	9,727,490	10,437,579	7.1	7.3

Source: MOSPI

NS: New Series Estimates; AE: Advance Estimates

Consumer Price Index Numbers for Rural, Urban and Combined, January 2016

Consumer Price Index (CPI) on Base 2012=100 for the month of January is higher than the previous month and also higher than the corresponding period of previous year. Consumer Food Price Index (CFPI) also indicates an upward trend as compare December 2015 and corresponding period of previous year.

Inflation rates based on CPI (General) and CFPI

Indices	January 2016 (Prov.)			December 2015 (Final)			January 2015 (Final)		
	Rural	Urban	Comb.	Rural	Urban	Comb.	Rural	Urban	Comb.
CPI (General)	6.48	4.81	5.69	6.32	4.73	5.61	5.34	4.96	5.19
CFPI	6.93	6.50	6.85	6.41	6.31	6.40	5.78	7.05	6.14

Source: MOSPI

Note: Prov. – Provisional, Comb. - Combined

Indices for the month of January 2016 and also the final indices for December 2015 are being released with this note for all-India and for State/UTs. All-India provisional General (all-groups), Group and Sub-group level CPI and CFPI numbers for January 2016 for Rural, Urban and Combined are 128.1, 124.2 and 126.3 respectively. The CFPI for Rural, Urban and Combined for the same month are 131.1, 131.0 and 131.1 respectively.

All India annual inflation rates (%) for January 2016 (Provisional)

Description	Rural			Urban			Combined		
	Jan. 15 Index (Final)	Jan. 16 Index (Prov.)	Inflation Rate (%)	Jan. 15 Index (Final)	Jan. 16 Index (Prov.)	Inflation Rate (%)	Jan. 15 Index (Final)	Jan. 16 Index (Prov.)	Inflation Rate (%)
Food and beverages	122.8	131.4	7.00	123.5	131.2	6.23	123.1	131.3	6.66

Pan, tobacco and intoxicants	122.7	133.7	8.96	127.4	139.5	9.50	124.0	135.2	9.03
Clothing and footwear	124.0	132.6	6.94	120.2	124.9	3.91	122.5	129.5	5.71
Housing	-	-	-	117.3	123.4	5.20	117.3	123.4	5.20
Fuel and light	118.4	126.3	6.67	113.4	116.9	3.09	116.5	122.7	5.32
Miscellaneous	114.5	120.1	4.89	113.4	116.8	3.00	114.0	118.5	3.95
General Index (All Groups)	120.3	128.1	6.48	118.5	124.2	4.81	119.5	126.3	5.69
Consumer Food Price Index	122.6	131.1	6.93	123.0	131.0	6.50	122.7	131.1	6.85

Source: MOSPI

Index of Industrial Production and Use-Based Index, December 2015

The General Index for the month of December 2015 stands at 122.7, which is 1.3 percent lower as compared to the level in the month of December 2014. The cumulative growth for the period April-December 2015 over the corresponding period of the previous year stands at 3.1 percent.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of December 2015 stand at 137.5, 192.0 and 183.2 respectively, with the corresponding growth rates of 2.9 percent, (-) 2.4 percent and 3.2 percent as compared to December 2014. The cumulative growth in three sectors during April-December 2015 over the corresponding period of 2014 has been 2.3 percent, 3.1 percent and 4.5 percent respectively.

Index of Industrial Production – Sectoral (Base : 2004-05=100)

Month	Mining	Manufacturing	Electricity	General
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	(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	121.6	180.1	189.5	181.6	183.7	172.0	179.3
Jul	116.2	117.7	182.2	190.9	183.8	190.3	173.0	180.5
Aug	115.0	120.2	173.4	184.8	184.1	194.4	166.2	176.6
Sep	115.3	119.3	181.9	186.9	175.6	195.7	171.8	178.2
Oct	124.2	130.6	170.0	188.1	184.9	201.6	165.1	181.4
Nov	128.6	131.0	179.9	171.5	174.3	175.6	172.1	166.2
Dec*	133.6	137.5	196.8	192.0	177.6	183.2	185.9	183.4
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-Dec	122.5	125.3	181.0	186.6	180.4	188.5	172.7	178.1
Growth over the corresponding period of previous year								
Dec*	-1.7	2.9	4.1	-2.4	4.8	3.2	3.6	-1.3
Apr-Dec	1.8	2.3	1.8	3.1	10.0	4.5	2.6	3.1

Source: MOSPI

* Indices for Dec 2015 are Quick Estimates.

NOTE : Indices for the months of Sep'15 and Nov'15 incorporate updated production data.

As per Use-based classification, the growth rates in December 2015 over December 2014 are 0.5 percent in Basic goods, (-) 19.7 percent in Capital goods and 0.9 percent in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of 16.5 percent and (-) 3.2 percent respectively, with the overall growth in Consumer goods being 2.8 percent.

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	171.9	270.7	265.4	151.2	153.1	166.9	179.0	211.9	246.1	149.0	152.4
Jul	162.8	171.6	263.2	289.9	155.4	158.5	171.3	173.2	220.9	244.2	151.7	145.1
Aug	164.0	170.0	220.6	267.5	151.9	156.2	161.1	170.8	218.8	256.0	138.3	137.0
Sep	161.3	168.0	260.9	287.2	151.3	154.0	172.4	174.5	241.5	262.0	145.0	139.8
Oct	167.9	175.0	239.2	278.3	145.5	154.8	149.0	176.4	191.8	272.9	132.0	138.2
Nov	168.2	167.0	252.1	190.3	151.4	149.4	165.1	166.8	201.6	226.8	150.6	143.0
Dec*	174.6	175.4	269.7	216.6	159.0	160.5	192.4	197.8	208.0	242.3	186.2	180.2
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-Dec	165.8	171.5	248.8	253.1	152.3	155.2	171.4	178.2	223.6	251.3	150.7	149.2
Growth over the corresponding period of previous year												
Dec*	5.9	0.5	6.1	-19.7	1.1	0.9	0.6	2.8	-9.2	16.5	5.6	-3.2
Apr-Dec	8.0	3.4	5.1	1.7	1.8	1.9	-4.9	4.0	-15.2	12.4	2.3	-1.0

Source: MOSPI

* Indices for Dec 2015 are Quick Estimates.

NOTE : Indices for the months of Sep'15 and Nov'15 incorporate updated production data.

Exports during January, 2016 were valued at US\$ 21075.57 million (Rs. 141738.07 crore) which was 13.60 per cent lower in Dollar terms (6.62 per cent lower in Rupee terms) than the level of US\$ 24393.58 million (Rs. 151791.26 crore) during January, 2015. Cumulative value of exports for the period April-January 2015-16 was US\$ 217679.51 million (Rs. 1415061.06 crore) as against US\$ 264322.49 million (Rs. 1609885.66 crore) registering a negative growth of 17.65 per cent in Dollar terms and 12.10 per cent in Rupee terms over the same period last year.

Non-petroleum exports in January 2016 are valued at US\$ 19116.04 million against US\$ 21370.62 million in January 2015, a reduction of 10.55%. Non-petroleum exports during April to January 2016 are valued at US\$ 192407.64 million as compared to US\$ 212729.94 million for the corresponding period in 2015, a reduction of 9.6%.

The trend of falling exports is in tandem with other major world economies. The growth in exports have fallen for USA (10.51%), European Union (9.48%) and China (7.01%) for November 2015 over the corresponding period previous year as per WTO statistics.

Imports during January, 2016 were valued at US\$ 28714.50 million (Rs. 193111.64 crore) which was 11.01 per cent lower in Dollar terms and 3.82 per cent lower in Rupee terms over the level of imports valued at US\$ 32265.37 million (Rs. 200774.18 crore) in January, 2015. Cumulative value of imports for the period April-January 2015-16 was US\$ 324526.19 million (Rs. 2108961.04 crore) as against US\$ 383879.32 million (Rs. 2337629.58 crore) registering a negative growth of 15.46 per cent in Dollar terms and 9.78 per cent in Rupee terms over the same period last year.

Oil imports during January, 2016 were valued at US\$ 5026.41 million which was 39.01 per cent lower than oil imports valued at US\$ 8241.18 million in the corresponding period last year. Oil imports during April-January, 2015-16 were valued at US\$ 73094.61 million which was 41.43 per cent lower than the oil imports of US\$ 124800.66 million in the corresponding period last year.

Non-oil imports during January, 2016 were estimated at US\$ 23688.09 million which was 1.40 per cent lower than non-oil imports of US\$ 24024.19 million in January, 2015. Non-oil imports during April-January, 2015-16 were valued at US\$ 251431.58 million which was 2.95 per cent lower than the level of such imports valued at US\$ 259078.66 million in April-January, 2014-15.

The trade deficit for April-January, 2015-16 was estimated at US\$ 106846.68 million which was lower than the deficit of US\$ 119556.83 million during April-January, 2014-15.

India's Merchandise Trade (US \$ Million)

	JANUARY	APRIL-JANUARY
EXPORTS(including re-exports)		
2014-15	24393.58	264322.5
2015-16	21075.57	217679.5
%Growth2015-16/ 2014-15	-13.6	-17.65
IMPORTS		
2014-15	32265.37	383879.3
2015-16	28714.5	324526.2
%Growth2015-16/ 2014-15	-11.01	-15.46
TRADE BALANCE		
2014-15	-7871.79	-119557
2015-16	-7638.93	-106847

Source: Ministry of Commerce, Govt. of India

Index Numbers of Wholesale Price in India, January 2016

Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) for the month of January, 2016 declined by 1.0 percent to 175.7 from 177.4 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -0.90% for the month of January, 2016 (over January, 2015) as compared to -0.73% for the previous month and -0.95% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was -0.23% compared to a build up rate of -1.66% in the corresponding period of the previous year.

The index for 'Primary Articles' group declined by 1.7 percent to 253.3 from 257.8 for the previous month.

The index for 'Food Articles' group declined by 1.9 percent to 267.6 (provisional) from 272.7 (provisional) for the previous month due to lower price of fruits & vegetables (6%), jowar (4%), arhar (3%), condiments & spices, urad and gram (2% each) and poultry chicken, moong, masur, coffee and rice (1% each). However, the price of egg and bajra (3% each), tea, ragi, beef & buffalo meat and barley (2% each) and pork and fish-inland (1% each) moved up.

The index for 'Non-Food Articles' group rose by 0.3 percent to 224.5 (provisional) from 223.9 (provisional) for the previous month due to higher price of mesta (12%), flowers (9%), raw jute and raw silk (7% each), raw wool (6%), cotton seed (4%), raw cotton (2 %) and gingelly seed (sesamum) (1%). However, the price of copra (coconut) (8%), castor seed (7%), niger seed (6%), raw rubber (5%), coir fibre (3%), linseed, soyabean, rape & mustard seed and fodder (2% each) and sunflower (1%) declined.

The index for 'Minerals' group declined by 6.2 percent to 199.2 (provisional) from 212.3 (provisional) for the previous month due to lower price of crude petroleum, iron ore and limestone (7% each), manganese ore (6%), copper ore (5%) and zinc concentrate (3%). However, the price of magnesite (13%), chromite (4%), phosphorite (3%) and sillimanite (1%) moved up.

The index for 'Fuel & Power' group declined by 2.9 percent to 171.6 (provisional) from 176.8 (provisional) for the previous month due to lower price of furnace oil (18%), aviation turbine fuel (12%), bitumen (9%), high speed diesel (4%), petrol (2%) and kerosene (1%). However, the price of LPG (1%) moved up.

The index for 'Manufactured Products' group rose by 0.1 percent to 152.7 (provisional) from 152.6 (provisional) for the previous month.

Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)
Month of January, 2016

	Weight	WPI Jan- 2016	Latest month over month		Build up from March		Year on year	
			2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
All Commodities	100.00	175.7	-0.78	-0.96	-1.66	-0.23	-0.95	-0.90
Primary Articles	20.12	253.3	-0.94	-1.75	1.13	5.98	1.38	4.63
Food Articles	14.34	267.6	0.12	-1.87	7.59	7.34	8.00	6.02

Non-Food Articles	4.26	224.5	-0.24	0.27	-4.73	10.81	-4.16	8.24
Minerals	1.52	199.2	-11.35	-6.17	-29.70	-18.13	-30.42	-17.99
Fuel & Power	14.91	171.6	-2.88	-2.94	-11.76	-8.72	-11.02	-9.21
Manufactured Products	64.97	152.7	-0.13	0.07	0.19	-0.78	1.05	-1.17

Source: Office of Economic Advisor

Foreign Tourist Arrivals and Foreign Exchange Earnings (FEEs), January 2016

Foreign Tourist Arrivals (FTAs):

- FTAs during the Month of January 2016 were 8.44 lakh as compared to FTAs of 7.91 lakh during the month of January 2015 and 7.58 lakh in January 2014. There has been a growth of 6.8% in January 2016 over January 2015.
 - The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2016 among the top 15 source countries was highest from USA (15.29%) followed by Bangladesh (11.99%), UK (11.23%), Canada (4.87%), Australia (3.97%), Russian Federation (3.71%), Germany (3.27%), France (2.98%), Sri Lanka (2.97%), China (2.74%), Malaysia (2.59%), Japan (2.38%), Rep. of Korea (1.82%), Nepal (1.76%) and Afghanistan (1.62%).
 - The Percentage share of Foreign Tourist Arrivals (FTAs) in India during January 2016 among the top 15 ports was highest at Delhi Airport (28.38%) followed by Mumbai Airport (19.59%), Chennai Airport (7.92%), Haridaspur Land check post (6.58%), Bangalore Airport (5.72%), Goa Airport (5.68%), Kolkata Airport (3.92%), Cochin Airport (3.86%), Ahmadabad Airport (3.48%), Hyderabad Airport (2.83%), Trivandrum Airport (1.84%), Gede Rail (1.51%), Tiruchirapalli Airport (1.26%), Amritsar Airport (0.82%) and Sonauli Land check post (0.76%).

Foreign Exchange Earnings (FEEs) from Tourism in India in Rupees terms and in US\$ terms

- FEEs during the month of January 2016 were Rs. 13,669 crore as compared to Rs. 12,100 crore in January 2015 and Rs. 11,664 crore in January 2014.
- The growth rate in FEEs in rupee terms during January 2016 over January 2015 was 13.0% as compared to a positive growth of 3.7% in January 2015 over January 2014.
- FEEs in US\$ terms during the month of January 2016 were US\$ 2.032 billion as compared to FEEs of US\$ 1.945 billion during the month of January 2015 and US\$ 1.880 billion in January 2014.
- The growth rate in FEEs in US\$ terms in January 2016 over January 2015 was 4.5% compared to a positive growth of 3.5% in January 2015 over January 2014.