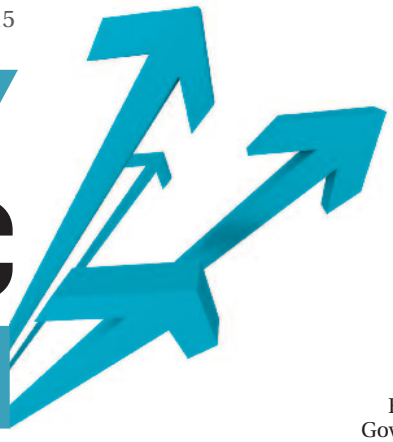
May, 2015

MONTHLY ECONOMIC BULLETIN



ITP Divison
Ministry of
External Affairs
Government of India

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Domestic Economy and Markets

Five early signs that point to economic revival

Higher indirect tax collection, growth in commercial vehicle sales, growth in Index of Industrial Production (IIP), a four-month high Manufacturing Purchasing Managers' Index (PMI), and boost in infrastructure spending are the five signs pointing to economic improvement in India.The Indian stock market went up by about 30% in 2014 and the momentum was carried forward in 2015, at least in the first quarter, when the benchmark indices scaled to new highs.

However, earnings of Indian companies have left markets disillusioned.

In the fourth quarter of the last financial year (January–March 2015), according to analyst estimates, the performance of Indian companies was one of the worst in recent times. As a result, the benchmark indices have lost about 11% from the top.

The view on the street is that markets will remain weak in the near term, and are waiting for signs of earnings revival. Such a revival depends on economic recovery.

Fortunately, recent flow of data, such as for indirect tax collection, sales of commercial vehicles and pickup in industrial production, indicate that economic activity on the ground may actually be improving.

Higher indirect tax collection: The total indirect tax collection in May increased by 37.3% year-on-year and was up 39.2% in the first two months of the financial year. The pickup in indirect tax collection—though these are still early days to draw a conclusion—is being seen as a sign of revival in economic activity. Collection of central excise was up 88% in the first two months. It indicates revival in activity, though the bounce can partially be attributed to higher duty on petrol.

Pickup in commercial vehicles sales: Sales of commercial vehicles is seen as a lead economic indicator.

According to the data available with the Society of Indian Automobile Manufactures, sales in this segment during the first two months of FY16 was up 5.16% year-on- year. The medium and heavy commercial vehicles segment witnessed a growth of 24.66% during the same period. The overall commercial vehicle sales had declined 2.83% in the previous financial year (April-March 2015). Rising sales indicate increased industrial and infrastructure activity as these vehicles are normally used for transportation of goods.

Industrial production surprise: Increase in industrial activity, as reflected by the Index of Industrial Production (IIP), has surprised analysts. Data for April, which was released on 12 June, showed that IIP was up 4.1% compared with a growth of 2.8% for the whole of last financial year. Among the constituents, the growth in capital goods segment—11.1%—was encouraging. "Industrial production grew 4.1% in April as compared to 2.5% in March with manufacturing sub-index growth lifting up to 5.1%. Recent months' data suggests that both consumer and investment related sectors are grinding up, albeit only gradually as indicated by the uptick in consumer and capital goods IIP sub-indices," said a note by Crisil Ltd.

In a similar note, Emkay Global Financial Services Ltd, said, "Although capital goods sector contributed significantly to the overall IIP, the growth in all the use based sectors recorded a positive growth after a period of 11 months. With electricity generation remaining weak in last couple of months, major thrust of IIP is observed to be coming from feeble manufacturing sector."

Manufacturing PMI at a four-month high: The uptick in manufacturing was also reflected in the HSBC Purchasing Managers' Index (PMI), which was at a four-month high in May. PMI for May was at 52.6 compared with 51.3 in April. A reading above 50 indicates expansion.

The rise in PMI shows that manufacturing activity is gaining traction in the economy, and also confirms that higher indirect tax collection is not only because of higher rates. "...the PMI data suggest some rebound in manufacturing activity in Q2 (second quarter) 2015, following a soft patch in Q1 (first quarter).

The rising domestic order pipeline, lower backlogs, higher profit margin and higher order-to-inventory ratio all look positive for a cyclical recovery. We expect improving corporate profit margins, higher disposable incomes, faster project clearances and greater public investment in infrastructure to support a growth recovery with GDP growing at 8% in FY16 from 7.3% in FY15," said a note by Nomura.

Thrust on infrastructure spending: The economic revival, to a large extent, will depend on recovery in investments. The government has taken the lead in the area with increased expenditure on infrastructure. The Indian Railway, for example, intends to invest about Rs.1 trillion in the current year, 52% more than last year.

There is movement in the road sector as well, which can help revive investment and growth. According to a report by Prabhudas Lilladher Pvt. Ltd, the National Highways Authority of India (NHAI) awarded about 3,000 km of road to be constructed, in FY15. NHAI and Ministry of Road Transport and

Highways is targeting 9,000 km of awards in FY16.

The government has also increased allocation to road sector in the current budget (up 45% year-on-year). Visible pipeline, improved traffic and lower interest rate should augur well for the sector dynamics over the next few years, the report added.

In 2014-15, the railways and the road transport and highways ministry managed to spend 96% and 95% of allocation, respectively.

Green shoots or fallen leaves?

Does the incoming data suggest that the economy is turning around? "The lead indicators show that a gradual recovery is taking shape in the economy," said Shubhada M. Rao, senior president and chief economist, Yes Bank Ltd.

Earlier, in a research note, the bank had said: "The IIP data released seems favourable, on the whole. It is noteworthy that this is the first time since 2010 that capital goods have shown six consecutive positive prints. The April print reinforces the buildup in momentum as the strong print came in on the back of an unfavourable base."

However, not all are convinced. "It is tempting to conclude that (the economy is recovering), but it may be premature," said Madan Sabnavis, chief economist, Care Ratings, adding that it would be better to watch data for a quarter. There are reasons to be skeptical. For example, the IIP had shown an uptick in the first quarter of last year as well, but the momentum could not be sustained. "There are positive signs, but I will be cautious to call it a full blown industrial recovery. It is a nascent recovery, which needs to be nurtured," said Devendra Kumar Pant, chief economist and senior director (public finance), India Ratings and Research, while highlighting last year's example.

What do these signals mean for the stock market? The basic issue with the market is that it went up in anticipation of improvement in fundamentals, which did not happen. Therefore, analysts say that investors are more cautious now. "It looks like macro fundamentals are slowly improving," said Sudip Bandyopadhyay, managing director and chief executive officer, Destimoney Securities Pvt. Ltd, adding that it may get reflected in corporate earnings in about two quarters.

Some of the indicators are showing signs of a pickup in the economy. For example, the growth in capital goods segment, an indication of increase in investment, has shown an average growth of about 9% in the last six months.

Source: Mint

India's Foreign Trade (Merchandise)

EXPORTS (including re-exports)

Exports during May, 2015 were valued at US $22346.75 million (Rs. 142572.92 crore) which was 20.19 per cent lower in Dollar terms (14.14 per cent lower in Rupee terms) than the level of US $27998.50 million (Rs. 166045.09 crore) during May, 2014.Cumulative value of exports for the period April-May 2015-16 was US $ 44401.47 million (Rs 280973.36 crore) as against US $53632.58 million (Rs 320763.69 crore) registering a negative growth of 17.21 per cent in Dollar terms and 12.40 per cent in Rupee terms over the same period last year.

IMPORTS

Imports during May, 2015 were valued at US $32752.99 (Rs.208965.06 crore) which was 16.52 per cent lower in Dollar terms and 10.19 per cent lower in Rupee terms over the level of imports valued at US $ 39233.24 million (Rs. 232672.72 crore) in May, 2014. Cumulative value of imports for the period April-May 2015-16 was US $65800.01 million (Rs 416345.69 crore) as against US $ 74953.27 million (Rs 448266.65 crore) registering a negative growth of 12.21 per cent in Dollar terms and 7.12 per cent in Rupee terms over the same period last year.

CRUDE OIL AND NON-OIL IMPORTS:

Oil imports during May, 2015 were valued at US $8538.67 million which was 40.97 per cent lower than oil imports valued at US $14464.88 million in the corresponding period last year. Oil imports during April-May, 2015-16 were valued at US $ 15981.59 million which was 41.76 per cent lower than the oil imports of US $ 27442.71 million in the corresponding period last year.

Non-oil imports during May, 2015 were estimated at US $24214.32 million which was 2.24 per cent lower than non-oil imports of US $24768.36 million in May, 2014. Non-oil imports during April-May, 2015-16 were valued at US $ 49818.42 million which was 4.86 per cent higher than the level of such imports valued at US $ 47510.56 million in April-May, 2014-15.

TRADE BALANCE

The trade deficit for April-May, 2015-16 was estimated at US $ 21398.54 million which was higher than the deficit of US $ 21320.69 million during April-May, 2014-15.

INDIA'S FOREIGN TRADE (SERVICES):
APRIL, 2015 (As per the RBI Press Release dated 15th June, 2015)

A. EXPORTS (Receipts)

Exports during April, 2015 were valued at US $ 13012 Million (Rs. 81654.46 Crore).

B. IMPORTS (Payments)

Imports during April, 2015 were valued at US $ 7324 Million (Rs. 45960.44 Crore).

C. TRADE BALANCE

The trade balance in Services (i.e. net export of Services) for April, 2015 was estimated at US $ 5688 Million.

EXPORTS & IMPORTS : (US $ Million)		
(PROVISIONAL)		
	MAY	APRIL-MAY
EXPORTS(including re-exports)		
2014-15	27998.50	53632.58
2015-16	22346.75	44401.47
%Growth2015-16/ 2014-15	-20.19	-17.21
IMPORTS		
2014-15	39233.24	74953.27
2015-16	32752.99	65800.01
%Growth2015-16/ 2014-15	-16.52	-12.21
TRADE BALANCE		
2014-15	-11234.74	-21320.69
2015-16	-10406.24	-21398.54
EXPORTS & IMPORTS : (Rs. Crore)		
(PROVISIONAL)	MAY	APRIL-MAY
EXPORTS(including re-exports)		
2014-15	166045.09	320763.69
2015-16	142572.92	280973.36
%Growth2015-16/ 2014-15	-14.14	-12.40
IMPORTS		
2014-15	232672.72	448266.65
2015-16	208965.06	416345.69
%Growth2015-16/ 2014-15	-10.19	-7.12
TRADE BALANCE		
2014-15	-66627.63	-127502.96
2015-16	-66392.14	-135372.33

EXPORTS & IMPORTS (SERVICES) : (US $ Million)	
(PROVISIONAL)	
	April 2015-16
EXPORTS (Receipts)	13012.00
IMPORTS (Payments)	7324.00
TRADE BALANCE	5688.00
EXPORTS & IMPORTS (SERVICES): (Rs. Crore)	
(PROVISIONAL)	April 2015-16
EXPORTS (Receipts)	81654.46
IMPORTS (Payments)	45960.44
TRADE BALANCE	35694.02
Source: RBI Press Release dated 15th June 2015	

Agriculture

PMSBY, PMJJBY & APY are path breaking initiatives for social security

Radha Mohan Singh, Union, Minister for Agriculture has said that Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jivan Jyoti Bima Yojana and Atal Pension Yojana, three social security schemes are the result of the farsightedness of our Prime Minister, Narendra Modi who is committed to the economic empowerment of the poor.These unique schemes would be path breaking initiatives towards providing social security at a very nominal cost to the millions of countrymen. Shri Radha Mohan Singh was addressing the function organised at the Tamilnadu launch of the schemes at Chennai on May 9. Full text of his speech is as follows:

"It gives immense pleasure to be part of this historical event in which Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jivan Jyoti Bima Yojana and Atal Pension Yojana are going to be launched. These three social security schemes are the result of the far-sightedness of our Prime Minister Shri Narendra Modi ji who is committed to the economic empowerment of the poor.

These unique schemes would be path breaking initiatives towards providing social security at a very nominal cost to the millions of countrymen. These are designed to provide utmost convenience with auto debit facility from the bank account of the subscriber. Pradhan Mantri Suraksha Bima Yojana and PM Jivan Jyoti Bima Yojana would provide insurance to individuals in any unfortunate event causing death or disability. The Atal Pension Yojana would address the problem of income security during old age. There are millions of senior citizens who do not have any secure source of income during the ripe years of their life. You are aware how our elders are finding it helpless to live without any source of income. These schemes have been designed in such a way as to provide a very convenient delivery mechanism. These schemes will also address issues like very low coverage of life or accident insurance as well as old age income security products in this vast country.

Let me now briefly explain to you, how innovatively these schemes are designed. Pradhan Mantri Suraksha Bima Yojana will provide insurance coverage of Rs.2 lakhs for individuals on payment of just Rs.12/- per annum. This scheme can benefit all the savings bank account holders in the age group of 18-70 years. Public sector general insurance companies or other general insurance companies that are willing to offer insurance coverage to individuals on similar terms would offer and administer this scheme. The scheme is delivered through banks including regional rural banks as well as cooperative banks.

Pradhan Mantri Jivan Jyothi Bima Yojana is another well thought out scheme which offers Life Insurance coverage of Rs.2 lakhs for any savings bank holders in the age group of 18-50 years on payment of just Rs.330/- per year. This scheme is offered through LIC of India or other Life Insurance companies that are willing to offer life insurance on similar terms.

Coming to Atal Pension Yojana, it focuses on the unorganized sector where nearly 400 million employees representing more than 80 per cent of all employees are engaged. Atal Pension Yojana would provide a fixed minimum pension Rs.1000 to Rs.5000 per month starting from the age of 60. The amount of pension will depend on the monthly contribution by the employee and the age at which the employee subscribes the insurance. In any case the individual will have to subscribe under Atal Pension Yojana for a minimum of 20 years. The most significant part of this yojana is co-contribution by government of Rs.1000/- per annum or 50% of the total contribution whichever is lower, for the first 5 years if one joins the scheme before the end of this year, that is 31st December, 2015.

I am sure you will appreciate that ours is a great country with enormous social capital. Due to the change in family and social structure the social security inherent in our society is slowly getting weak. As a result, a large number of people are exposed to un-foreseen eventualities which leave them helpless and insecure. The three yojanas being launched in this state today will go a long way in addressing the growing insecurity among the poor and needy. I thank our Prime Minister Shri Narendra Modi ji who has presented this country with these three unique schemes and ushered in a new era of providing social security en-mass. I thank profusely His Excellency the Governor of Tamilnadu Shri Rosiah ji who is going to launch these unique yojanas in your state today. I also thank Shri Vishwanathan ji for his presence here. I thank you one and all for being here on this historic occasion marking a beginning for a new era of social security in this country"

Enhancement in Productivity and Production can only be Achieved through Research: Agriculture Minister

Union Agriculture Minister Radha Mohan Singh on May 8 addressed the G-20 Agriculture Ministers Meeting at Istanbul, Turkey. Addressing the meet Shri Singh said that there is need to direct itself more towards the accountability and monitoring of the ongoing initiatives rather adding more. Minister emphasized the need of research in agriculture sector to enhance the production and productivity which also address to contain the price volatility. Minister also focused on the various issues like food security, price volatility, reducing food waste and losses. Shri Singh apprised of the initiatives of the Government for the benefit of the farmers.

Text of Agriculture Minister speech is as follows:

"I first take the opportunity to congratulate Turkey on assuming the Presidency of G-20 Countries. I express my gratitude to the host country for extending a warm welcome and hospitality to all the delegates attending the meeting.

In the recent past, the contribution and role of G-20 countries has assumed vital significance to combat the problem of food insecurity and malnutrition globally. The responsibility on our countries has increased to support progress towards achievement of sustainable food systems.

The great recession faced by the World Community in 2008-09 drove a point that solution to Global problems and challenges lies in united action globally. Our leaders during the Seoul Summit under the Multi Year Action Plan on Development emphasized the need for increased investment and financial support for Agricultural Development and welcomed commitments made through the Global Agriculture and Food Security Programme (GAFSP) and other bilateral and multilateral channels. During the French Presidency, an Action Plan on Food Price Volatility and Agriculture was formulated to address the impact of increasing World Food Demand and accompanying Price Volatility. A lot of progress has been made since these initiatives were launched especially the Agricultural Market Information System (AMIS), Rapid Response Forum (RRF) and Emergency Humanitarian Food Reserves. The Food Security and Nutrition Framework endorsed by G-20 leaders at the Brisbane Summit identified three outcomes for long term priority objectives to address the challenge. The Turkish Presidency is also prioritising redressal of these global concerns.

India is of the view that our group direct itself more towards accountability and monitoring of ongoing initiatives rather adding more. It has always been the position of India that promoting agricultural production is central to addressing the problem of excessive food price volatility. It would not be possible to contain inflationary tendency in food prices without ensuring enhanced agricultural production. With reduction in the size of land for agriculture due to rapid urbanisation, India firmly believes that with shrinking resources, enhancement in productivity and production can only be achieved through research in this sector.

The concept of food security has now undergone considerable changes as food availability and stability were earlier considered good measures for ensuring food security and accorded high priority by developing countries. However, the same has not solved the problem of chronic household food insecurity. Now food energy intake at household level is given importance in assessing food security though the norms set for the same have also been questioned by Nutritionists. While formulating policy in the matter, a distinction need to be made between transient and chronic food security. The strategy to overcome this problem lies in intervention to raise the purchasing power of the poor to improve and ensure food availability to the poor.

Enhancement in production and productivity of Agriculture commodities is not the only area of concern, initiatives must be undertaken for reducing food waste and losses. An implementation plan for reducing food waste needs to be in place for which the concerns of the low income and developing countries and not alone of G-20 countries should be kept in view. We should strive for research on produce storage and handling protocols, scale up investment in agriculture linked industry and jointly develop a Centre of Excellence in post –harvest and market linked supply chain. For increasing agricultural productivity, building infrastructure for agriculture, enhancing productivity and human capital in small holder agriculture and to curb food losses and wastages we have taken up comprehensive schemes for increasing general and cold storage capacities as well as well as set up Integrated value chains. This has resulted in reduction of wastages and food losses to some extent. India is of the view that technologies developed for minimising food losses and wastages should be commensurate to the needs of Low Income Countries.

Excellencies, agriculture and allied sectors in India account for 17.2% of the country's GDP and 14% of overall exports. Almost half of the population of the country is dependent on agriculture as the prime source of its income and it is also a principal source of raw material for a large number of industries. India, therefore, has to keep the momentum of growth of agriculture to achieve targeted growth of its economy and meeting the increasing and diverse demand of food. We have made rapid strides in our agriculture sector, which is manifested by the fact that our food grain production has increased from 197 million tonnes in 2000-2001 to 266 million tonnes in 2014-15, which not only meets our domestic requirement but also contributes towards global food security.

We believe that this strategy to spur growth in the agriculture sector by way of increasing public investment and by creating a conducive atmosphere for enhanced private sector participation will yield positive results. We are encouraging provincial Governments to increase investment in agriculture and allied sectors taking into account agro-climatic conditions, natural resources issues and technology, and integrating livestock, poultry and fisheries while providing more autonomy and flexibility to the states in planning and execution of schemes.

Many of our farmers are not able to get the optimal yields from their fields, as they are not aware of the soil conditions. Our goal is to communicate benefits of Soil Health to the farmers so that they can apply appropriate dosages of fertilisers to increase productivity and profitability. Our Government has launched a new scheme to provide every farmer with a soil health card which will be updated after regular intervals.

Government is committed to promote Organic Farming that improves soil health and leads to better quality crops. From the current financial year, 'Parampragat Krishi Vikas Yojna', a new scheme to develop organic clusters and make available chemical free inputs to farmers will be implemented. We have also launched a Gokul Mission, a dedicated intervention to improve cattle progeny so as to improve milk yields and farmers income. For achieving food and nutrition security and for increasing incomes of fish farmers our country has embarked on the path of bringing about a Blue revolution.

With a view to increase agricultural production and productivity and bring about an increase in the incomes of farmers as well as more output per drop of water, a new scheme ''Pradhan Mantri Krishi Sinchai Yojana , is being implemented in our country for providing assured irrigation to every farm.

In our quest for achieving sustainable food systems, which will respond equally well to enhancing the purchasing power of the poor farmers and checking price vitality, we are now in the process of initiating a barrier free National Agricultural Market. Along with bringing down provincial tariff and non-tariff barriers, we plan to integrate the entire country on a national level e-platform that will provide the farmer access to markets across the country and consumers the best choice for sourcing for his consumption basket.

Almost 85% of farmers in India have small agricultural holdings. As the agriculture is being mechanised to enhance productivity, it has become more important and necessary to protect the interest of these small farmers. Many of them lack access to the resources and are critically dependent on government for support. Therefore, the family farming needs to be strengthened to save them from the grip of poverty and malnutrition and thus making them an asset instead of liability in the country. It may not be out of context to mention that we have introduced a pension programme for the elderly farmers in honour of our former Prime Minister Mr. Atal Bihari Vajpayee under the Atal Pension Yojana.

Before concluding my address, I would again like to thank our host, Government of Turkey for successfully organising this event and hospitality extended to all delegates. I look forward to fruitful deliberations today with our focus on food security needs of the global community and keeping interest of our farmers foremost in our approach.

Inflation

The annual rate of inflation, based on monthly WPI, stood at -2.36% (provisional) for the month of May, 2015 (over May, 2014) as compared to -2.65% (provisional) for the previous month and 6.18% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 0.91% compared to a build up rate of 0.94% in the corresponding period of the previous year.

Inflation for important commodities / commodity groups is indicated in Annex-1 and Annex-II.

The movement of the index for the various commodity groups is summarized below:-

PRIMARY ARTICLES (Weight 20.12%)

The index for this major group rose by 1.3 percent to 244.9 (provisional) from 241.8 (provisional) for the previous month The groups and items which showed variations during the month are as follows:-

The index for 'Food Articles' group rose by 0.5 percent to 253.9 (provisional) from 252.7 (provisional) for the previous month due to higher price of gram (11%), urad (8%), arhar (6%), masur and tea (5% each), moong (4%), fish-marine (3%), egg (2%) and jowar, condiments & spices and milk (1% each). However, the price of beef & buffalo meat, poultry chicken and barley (3% each), ragi (2%) and maize, wheat, coffee, pork and fruits & vegetables (1% each) declined.

The index for 'Non-Food Articles' group rose by 5.1 percent to 213.9 (provisional) from 203.5 (provisional) for the previous month due to higher price of soyabean (15%), guar seed and sugarcane (13% each), flowers (9%), raw wool (7%), logs & timber, groundnut seed and raw rubber (6% each), raw cotton (5%), castor seed (4%), sunflower and cotton seed (2% each) and safflower (kardi seed), mesta, rape & mustard seed and raw jute (1% each). However, the price of raw silk, gingelly seed and niger seed (7% each) and copra (coconut) (4%) and fodder (1%) declined.

The index for 'Minerals' group rose by 0.4 percent to 247.7 (provisional) from 246.6 (provisional) for the previous month due to higher price of sillimanite (9%), crude petroleum (4%) and zinc concentrate and copper ore (2% each). However, the price of barytes (13%), manganese ore (7%), magnesite (5%) and chromite and iron ore (4% each) declined.

FUEL & POWER (Weight 14.91%)

The index for this major group rose by 3.0 percent to 189.8 (provisional) from 184.2 (provisional) for the previous month due to higher price of furnace oil (12%), petrol (8%), high speed diesel (4%), bitumen (3%), electricity (agricultural) (2%) and electricity (railway traction), electricity (industry) and electricity (domestic) (1% each).

MANUFACTURED PRODUCTS (WEIGHT 64.97%)

The index for this major group rose by 0.2 percent to 154.1 (provisional) from 153.8 (provisional) for the previous month. The groups and items for which the index showed variations during the month are as follows:-

The index for 'Food Products' group rose by 1.1 percent to 171.7 (provisional) from 169.8 (provisional) for the previous month due to higher price of tea dust (blended) (10%), gram powder (besan) (8%), oil cakes (6%), tea leaf (blended) (4%), copra oil and mustard & rapeseed oil (3% each), sunflower oil, vanaspati and bakery products (2% each) and mixed

spices, groundnut oil and rice bran oil (1% each). However, the price of gola (cattle feed) (3%), tea dust (unblended) (2%) and khandsari, tea leaf (unblended), wheat flour (atta) and soyabean oil (1% each) declined.

The index for 'Beverages, Tobacco & Tobacco Products' group declined by 0.2 percent to 203.0 (provisional) from 203.5 (provisional) for the previous month due to lower price of cigarette (1%). However, the price of beer (1%) moved up.

The index for 'Textiles' group declined by 0.1 percent to 140.1(provisional) from 140.3 (provisional) for the previous month due to lower price of tyre cord fabric (5%), man made fibre (2%) and cotton yarn (1%). However, the price of jute sacking bag, woollen textiles and cotton fabric (1% each) moved up.

The index for 'Wood & Wood Products' group rose by 0.5 percent to 192.9 (provisional) from 192.0 (provisional) for the previous month due to higher price of timber / wooden planks (2%).

The index for 'Paper & Paper Products' group declined by 0.2 percent to 152.8 (provisional) from 153.1 (provisional) for the previous month due to lower price of kraft paper & bags (2%) and corrugated sheet boxes (1%). However, the price of paper cartons / boxes and paper pulp (1% each) moved up.

The index for 'Leather & Leather Products' group rose by 1.2 percent to 143.5 (provisional) from 141.8 (provisional) for the previous month due to higher price of leather footwear (2%).

The index for 'Rubber & Plastic Products' group rose by 0.5 percent to 148.8 (provisional) from 148.1 (provisional) for the previous month due to higher price of tyres and plastic products (1% each).

The index for 'Chemicals & Chemical Products' group rose by 0.1 percent to 150.9 (provisional) from 150.7 (provisional) for the previous month due to higher price of washing soap (5%), paints (2%) and non-cyclic compound, explosives, ayurvedic medicines and pigment & pigment intermediates (1% each). However, the price of rubber chemicals (2%) and dye & dye intermediates and basic organic chemicals (1% each) declined.

The index for 'Non-Metallic Mineral Products' group declined by 0.4 percent to 176.9 (provisional) from 177.6 (provisional) for the previous month due to lower price of marbles (6%) and grey cement (2%). However, the price of bricks & tiles (4%), slag cement (2%) and railway sleeper (1%) moved up.

The index for 'Basic Metals, Alloys & Metal Products' group declined by 0.1 percent to 161.8 (provisional) from 162.0 (provisional) for the previous month due to lower price of plates (5%), wire rods (3%), rounds, billets, pencil ingots, gp/gc sheets, melting scrap, CRC and angles (2% each) and pig iron, rebars, sponge iron, joist & beams, ferro manganese, aluminium, gold & gold ornaments, HRC and ferro chrome (1% each). However, the price of copper products (other than wire) (15%), steel rods (13%), brass (5%), pipes/tubes/rods/strips, iron castings and pressure cooker (2% each) and silver, metal containers, steel: pipes & tubes and sheets (1% each) moved up.

The index for 'Transport, Equipment & Parts' group rose by 0.1 percent to 137.6 (provisional) from 137.4 (provisional) for the previous month due to higher price of shafts (all kinds) (2%) and railway brake gear (1%).

FINAL INDEX FOR THE MONTH OF MARCH, 2015 (BASE YEAR: 2004-05=100)

For the month of March, 2015, the final Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) and annual rate of inflation remained unchanged at its provisional level of 176.1 and -2.33 percent respectively as reported on 15.04.2015.

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

Month of May, 2015

Commodities/Major Groups/Groups/Sub-Groups	Weight	WPI May, 2015	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	100.00000	177.7	0.66	0.97	0.94	0.91	6.18	-2.36
PRIMARY ARTICLES	20.11815	244.9	1.82	1.28	3.09	2.47	8.58	-0.77
Food Articles	14.33709	253.9	2.34	0.47	4.26	1.85	9.64	3.80
Cereals	3.37323	230.1	-0.04	-0.56	-0.30	-0.43	7.81	-0.13
Rice	1.79348	233.6	1.58	-0.17	2.46	0.00	12.75	-1.77
Wheat	1.11595	213.5	-2.30	-1.34	-4.77	-0.93	3.44	2.79
Pulses	0.71662	284.0	1.00	7.54	1.54	10.16	-0.17	22.84
Vegetables	1.73553	223.5	7.55	2.95	19.25	3.09	0.08	-5.54
Potato	0.20150	135.8	23.03	0.44	46.73	-10.19	37.12	-51.95
Onion	0.17794	312.1	8.82	0.81	6.40	-6.14	-3.46	20.41
Fruits	2.10717	254.9	2.04	-2.93	8.31	4.55	19.45	8.65
Milk	3.23818	249.6	1.34	0.81	1.52	0.93	9.57	6.85
Egg, Meat & Fish	2.41384	292.1	3.58	0.45	2.44	0.69	12.51	0.86
Non-Food Articles	4.25756	213.9	0.88	5.11	0.51	5.58	4.94	-2.24
Fibres	0.87737	209.3	0.98	3.21	-0.38	8.22	8.44	-11.91
Oil Seeds	1.78051	215.4	3.23	4.06	5.12	5.38	4.97	-1.01
Minerals	1.52350	247.7	0.12	0.45	0.14	1.81	8.06	-28.41
FUEL & POWER	14.91021	189.8	0.14	3.04	-0.98	0.96	10.53	-10.51
Liquefied petroleum gas	0.91468	162.9	-0.92	0.00	-2.77	0.12	7.11	-5.18
Petrol	1.09015	173.6	-0.61	8.09	-2.44	5.15	12.28	-11.29
High speed diesel	4.67020	205.3	0.96	4.21	0.48	1.03	14.21	-11.62
MANUFACTURED PRODUCTS	64.97164	154.1	0.32	0.20	0.58	0.13	3.88	-0.64
Food Products	9.97396	171.7	0.70	1.12	2.19	0.94	3.29	-0.64
Sugar	1.73731	172.6	0.11	-0.12	3.49	-1.09	-0.89	-9.06
Edible Oils	3.04293	146.3	-0.14	1.18	-0.41	1.04	-0.82	0.27
Beverages, Tobacco & Tobacco Product	1.76247	203.0	0.10	-0.25	0.97	-0.10	8.45	2.73
Cotton Textiles	2.60526	156.8	1.09	0.00	1.46	-0.57	9.13	-6.28
Man Made Textiles	2.20573	131.1	0.30	-1.50	0.07	-1.13	6.04	-2.96
Wood & Wood Products	0.58744	192.9	-1.11	0.47	-0.27	1.69	6.68	3.21
Paper & Paper Products	2.03350	152.8	0.00	-0.20	1.22	-0.07	6.26	2.28
Leather & Leather Products	0.83509	143.5	-0.41	1.20	-1.16	0.84	4.49	-0.55
Rubber & Plastic Products	2.98697	148.8	-0.20	0.47	-0.07	0.34	5.34	-0.67
Chemicals & Chemical Products	12.01770	150.9	-0.07	0.13	0.33	0.00	4.93	-1.44
Non-Metallic Mineral Products	2.55597	176.9	0.72	-0.39	0.24	-1.01	0.90	5.36
Cement & Lime	1.38646	172.8	0.68	-1.54	-0.18	-2.76	-3.93	5.49
Basic Metals Alloys & Metal Product	10.74785	161.8	0.24	-0.12	-0.42	-0.06	2.39	-3.06
Iron & Semis	1.56301	148.2	0.94	-1.40	1.01	-0.47	3.82	-7.66
Machinery & Machine Tools	8.93148	134.9	0.30	0.00	0.45	-0.07	2.45	0.82
Transport Equipment & Parts	5.21282	137.6	0.07	0.15	0.00	0.22	2.72	1.33

Trend of Rate of Inflation for some important items during last six months

Commodities/Major Groups/Groups/Sub-Groups	Weight (%)	Rate of Inflation for the last six months					
		May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14
ALL COMMODITIES	100.00	-2.36	-2.65	-2.33	-2.17	-0.95	-0.50
PRIMARY ARTICLES	20.12	-0.77	-0.25	-0.17	1.01	1.38	0.29
Food Articles	14.34	3.80	5.73	6.27	7.83	8.00	4.95
Cereals	3.37	-0.13	0.39	0.00	1.13	1.70	1.35
Rice	1.79	-1.77	-0.04	0.65	3.28	4.00	4.43
Wheat	1.12	2.79	1.79	-1.19	-2.40	-1.63	-2.36
Pulses	0.72	22.84	15.38	13.22	14.50	12.56	5.93
Vegetables	1.74	-5.54	-1.32	9.27	15.28	18.63	-6.41
Potato	0.20	-51.95	-41.14	-21.50	-5.20	-8.01	0.52
Onion	0.18	20.41	29.97	36.49	25.96	-3.34	-19.70
Fruits	2.11	8.65	14.22	12.56	16.84	16.95	17.77
Milk	3.24	6.85	7.42	7.48	7.99	9.57	9.41
Egg, Meat & Fish	2.41	0.86	4.01	2.62	1.59	-1.26	1.15
Non-Food Articles	4.26	-2.24	-6.18	-6.94	-5.64	-4.16	-3.62
Fibres	0.88	-11.91	-13.81	-18.91	-22.69	-19.06	-13.86
Oil Seeds	1.78	-1.01	-1.80	-1.26	-0.20	0.54	-0.88
Minerals	1.52	-28.41	-28.65	-29.58	-29.55	-30.42	-22.73
FUEL & POWER	14.91	-10.51	-13.03	-12.23	-14.77	-11.02	-7.82
Liquefied petroleum gas	0.91	-5.18	-6.06	-7.92	-8.86	-7.65	-3.19
Petrol	1.09	-11.29	-18.44	-17.70	-21.80	-17.43	-11.96
High speed diesel	4.67	-11.62	-14.39	-12.11	-17.59	-11.43	-6.31
MANUFACTURED PRODUCTS	64.97	-0.64	-0.52	-0.19	0.26	1.05	1.44
Food Products	9.97	-0.64	-1.05	0.59	1.25	2.02	1.30
Sugar	1.74	-9.06	-8.86	-4.85	-2.20	-1.63	-1.33
Edible Oils	3.04	0.27	-1.03	-1.16	-0.82	-0.41	-3.44
Beverages, Tobacco & Tobacco Product	1.76	2.73	3.09	3.83	4.06	3.91	8.37
Cotton Textiles	2.61	-6.28	-5.26	-4.37	-2.47	-0.63	0.00
Man Made Textiles	2.21	-2.96	-1.19	-1.78	-1.71	-1.49	0.90
Wood & Wood Products	0.59	3.21	1.59	1.23	2.99	4.24	5.29
Paper & Paper Products	2.03	2.28	2.48	3.59	3.56	3.70	4.14
Leather & Leather Products	0.84	-0.55	-2.14	-2.53	-2.34	-1.25	-0.55
Rubber & Plastic Products	2.99	-0.67	-1.33	-1.07	-0.74	0.13	0.88
Chemicals & Chemical Products	12.02	-1.44	-1.63	-1.11	-0.79	0.46	1.67
Non-Metallic Mineral Products	2.56	5.36	6.54	6.69	5.26	5.23	4.26
Cement & Lime	1.39	5.49	7.87	8.29	5.20	4.44	2.73
Basic Metals Alloys & Metal Product	10.75	-3.06	-2.70	-3.40	-2.21	-0.96	-0.24
Iron & Semis	1.56	-7.66	-5.47	-6.29	-5.02	-2.42	0.13
Machinery & Machine Tools	8.93	0.82	1.12	1.35	1.81	2.19	1.51
Transport Equipment & Parts	5.21	1.33	1.25	1.10	0.96	0.81	0.07

Industrial Production

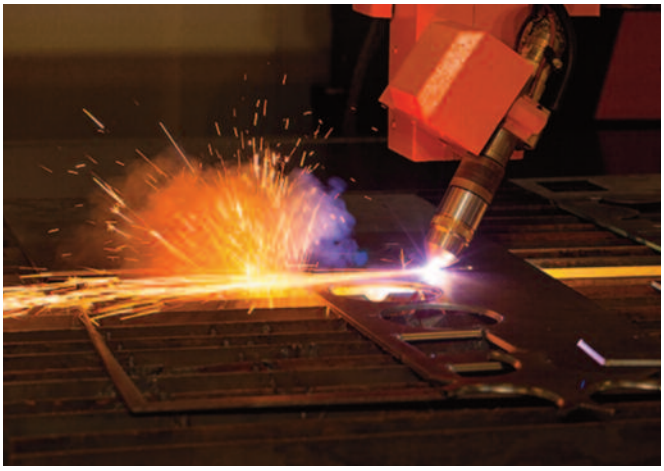
Industrial production up 4.1% in April

The Index of Industrial Production (IIP) for April, released on June 15, registered a growth of 4.1 per cent, far faster than the 1.6-2 per cent expected by experts, and also much faster than the 2.1 per cent registered in March.

The Consumer Price Index inflation for May, also released at the same time, rose to 5 per cent, in line with expectations. However, it was at 4.87 per cent in April.

The April data shows that manufacturing sector output rose 5.1 per cent compared to what it was in April the previous year. This growth rate is more than double the 2.25 per cent registered in March 2015 over the same month in 2014.

The IIP's growth spurt in April confirms Finance Minister Arun Jaitley's assertion that the 84 per cent jump in excise duty collections pointed towards a recovery in manufacturing. Central excise duty collections increased from Rs.11,838 crore in May 2014 to Rs.21,809 crore in May 2015.



"With the government, all accounts are on an actual basis. Only if they receive the amount will it be accounted for. Excise duty is levied on production at the warehouse. This would suggest an increase in manufacturing, as the Finance Minister has pointed out," said Mr. Madan Sabnavis, Chief Economist, CARE Ratings.

The Confederation of Indian Industry (CII) backs the view that there are signs of green shoots of recovery. "There is enough evidence that investment has started picking up, as capital goods production is showing an uptick. Delays in project clearance are no longer an issue. Going forward, we believe that manufacturing activity would further pick up as demand improves, said Chandrajit Banerjee, Director General, CII.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of April 2015, registered growth rates of 0.6 per cent, 5.1 per cent and -0.5 per cent, respectively, as compared to April 2014.

Earlier in the week, on Wednesday, Mr. Jaitley had pointed towards the 37.3 per cent growth in indirect tax collections — from Rs.36,408 crore in May 2014 to Rs.49,993 crore in May 2015 — as a sign of economic, and especially manufacturing, recovery. However, low factory capacity utilisation levels remain a point of concern. "Capacity utilisation levels have to show a significant improvement in some sectors. But corporates have started witnessing a rise in their order pipelines. A very significant new investment revival is awaiting improvements in capacity utilization," said Mr. Banerjee. Even the Reserve Bank of India had recently pointed towards low capacity utilisation levels as a factor that needed to be rectified.

In addition, the output of eight core industries contracted by 0.4 per cent in April, the second month in a row of contraction, on the poor performance of the electricity, cement, refinery products, fertiliser, crude oil, and natural gas sectors. Coal and steel were the only two core sectors that saw growth, of 7.9 per cent and 0.7 per cent, respectively.

This data comes on top of Mr. Jaitley's regular assertions that there are sure signs of an economic recovery, and the Reserve Bank of India Governor Raghuram Rajan's warnings that the weakness in investments, corporate results, and demand means the economy is still below potential.23.5%].

STATEMENT I: INDEX OF INDUSTRIAL PRODUCTION - SECTORAL
(Base : 2004-05=100)

Month	Mining (141.57)			Manufacturing (755.27)			Electricity (103.16)			General (1000.00)		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
Apr*	120.5	122.6	123.3	176.1	181.4	190.6	159.1	178.1	177.2	166.5	172.7	179.7
May	122.3	125.3		173.3	183.5		172.4	183.9		166.0	175.3	
Jun	116.5	122.1		175.0	180.1		157.0	181.6		164.9	172.0	
Jul	116.1	116.2		182.7	182.2		164.5	183.8		171.4	173.0	
Aug	113.6	115.0		175.4	173.4		163.1	184.1		165.4	166.2	
Sep	115.2	115.3		177.1	181.9		169.0	175.6		167.5	171.8	
Oct	118.8	124.2		180.1	170.0		162.6	184.9		169.6	165.1	
Nov	123.7	128.6		171.8	179.9		158.5	174.3		163.6	172.1	
Dec	135.9	133.6		189.0	196.8		169.4	177.6		179.5	185.9	
Jan	139.2	136.7		194.1	200.7		171.1	176.7		184.0	189.2	
Feb	127.5	129.9		183.3	192.8		156.7	166.0		172.7	181.1	
Mar	147.2	148.8		204.7	210.4		173.0	176.4		193.3	198.2	
Average												
Apr-Mar	124.7	126.5	--	181.9	186.1	--	164.7	178.6	--	172.0	176.9	--
Growth over the corresponding period of previous year												
Apr	-3.4	1.7	0.6	1.8	3.0	5.1	4.2	11.9	-0.5	1.5	3.7	4.1
Apr-Mar	-0.6	1.4	--	-0.8	2.3	--	6.1	8.4	--	-0.1	2.8	--

*** Indices for Apr 2015 are Quick Estimates.**
NOTE : Indices for the months of Jan'15 and Mar'15 incorporate updated production data.

STATEMENT II: INDEX OF INDUSTRIAL PRODUCTION - (2-DIGIT LEVEL)

(Base: 2004-05=100)

Industry code	Description	Weight	Index		Cumulative Index		Percentage growth	
			Apr'14	Apr'15	Apr-Mar 2013-14	Apr-Mar 2014-15	Apr'15	Apr-Mar 2014-15
15	Food products and beverages	72.76	172.6	181.0	167.7	175.6	4.9	4.7
16	Tobacco products	15.70	97.3	71.3	110.2	111.2	-26.7	0.9
17	Textiles	61.64	150.1	156.7	148.3	152.4	4.4	2.8
18	Wearing apparel; dressing and dyeing of fur	27.82	187.4	206.3	171.6	180.5	10.1	5.2
19	Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products	5.82	147.0	155.0	133.7	147.1	5.4	10.0
20	Wood and products of wood & cork except furniture; articles of straw & plating materials	10.51	140.6	163.4	144.6	150.8	16.2	4.3
21	Paper and paper products	9.99	137.1	144.2	138.6	143.1	5.2	3.2
22	Publishing, printing & reproduction of recorded media	10.78	170.8	181.2	183.4	175.9	6.1	-4.1
23	Coke, refined petroleum products & nuclear fuel	67.15	136.4	132.5	143.5	144.6	-2.9	0.8
24	Chemicals and chemical products	100.59	127.9	140.1	138.6	138.4	9.5	-0.1
25	Rubber and plastics products	20.25	182.0	192.9	181.1	189.6	6.0	4.7
26	Other non-metallic mineral products	43.14	178.1	166.1	163.3	167.5	-6.7	2.6
27	Basic metals	113.35	210.9	226.2	196.4	221.4	7.3	12.7
28	Fabricated metal products, except machinery & equipment	30.85	159.8	163.8	180.2	179.0	2.5	-0.7
29	Machinery and equipment n.e.c.	37.63	236.2	284.8	219.2	227.8	20.6	3.9
30	Office, accounting & computing machinery	3.05	66.0	41.9	108.0	67.0	-36.5	-38.0
31	Electrical machinery & apparatus n.e.c.	19.80	493.8	560.2	422.6	511.5	13.4	21.0
32	Radio, TV and communication equipment & apparatus	9.89	432.7	285.5	730.1	333.1	-34.0	-54.4
33	Medical, precision & optical instruments, watches and clocks	5.67	88.3	86.9	111.1	108.6	-1.6	-2.3
34	Motor vehicles, trailers & semi-trailers	40.64	218.5	233.6	221.3	226.8	6.9	2.5
35	Other transport equipment	18.25	236.5	249.3	249.5	265.5	5.4	6.4
36	Furniture; manufacturing n.e.c.	29.97	129.1	140.2	113.3	121.6	8.6	7.3
10	Mining & Quarrying	141.57	122.6	123.3	124.7	126.5	0.6	1.4
15-36	Manufacturing	755.27	181.4	190.6	181.9	186.1	5.1	2.3
40	Electricity	103.16	178.1	177.2	164.7	178.6	-0.5	8.4
	General Index	1000	172.7	179.7	172.0	176.9	4.1	2.8

*Industry codes are as per National Industrial Classification 2004

STATEMENT III: INDEX OF INDUSTRIAL PRODUCTION - USE-BASED
(Base : 2004-05=100)

Month	Basic goods (456.82)			Capital goods (88.25)			Intermediate goods (156.86)			Consumer goods (298.08)			Consumer durables (84.60)			Consumer non-durables (213.47)		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
Apr*	150.1	163.0	167.6	207.3	235.0	261.2	145.3	149.7	154.7	190.6	181.5	187.2	276.8	255.4	258.7	156.4	152.2	158.9
May	155.5	167.1		218.8	228.0		150.2	155.5		174.7	182.7		253.5	262.7		143.5	151.0	
Jun	148.4	163.5		219.6	270.7		147.3	151.2		183.1	166.9		276.1	211.9		146.2	149.0	
Jul	152.1	162.8		271.3	263.2		151.0	155.4		182.1	171.3		277.6	220.9		144.2	151.7	
Aug	150.4	164.0		245.0	220.6		152.0	151.9		171.7	161.1		257.4	218.8		137.8	138.3	
Sep	153.6	161.3		232.4	260.9		148.3	151.3		179.6	172.4		271.6	241.5		143.1	145.0	
Oct	153.1	167.9		247.2	239.2		150.6	145.5		182.1	149.0		295.8	191.8		137.0	132.0	
Nov	153.6	168.2		235.6	252.1		144.6	151.4		167.8	165.1		235.8	201.6		140.8	150.6	
Dec	164.9	174.6		254.3	269.7		157.2	159.0		191.3	192.4		229.1	208.0		176.3	186.2	
Jan	167.3	175.4		240.7	270.5		158.2	158.3		206.2	202.3		261.6	246.6		184.2	184.8	
Feb	156.9	164.7		235.3	255.4		150.0	151.4		190.2	199.9		261.2	252.3		162.1	179.2	
Mar	176.3	180.8		303.8	330.1		160.3	164.9		203.9	203.1		274.4	261.3		175.9	180.1	
Average																		
Apr-Mar	156.9	167.8	--	242.6	258.0	--	151.3	153.8	--	185.3	179.0	--	264.2	231.1	--	154.0	158.3	--
Growth over the corresponding period of previous year																		
Apr	1.4	8.6	2.8	-0.3	13.4	11.1	2.5	3.0	3.3	1.7	-4.8	3.1	-9.6	-7.7	1.3	11.3	-2.7	4.4
Apr-Mar	2.1	6.9	--	-3.6	6.3	--	3.1	1.7	--	-2.8	-3.4	--	-12.3	-12.5	--	4.8	2.8	--

*** Indices for Apr 2015 are Quick Estimates.**
NOTE : Indices for the months of Jan'15 and Mar'15 incorporate updated production data.

Index of Eight Core Industries (Base: 2004-05=100), April, 2015

The Eight Core Industries comprise nearly 38 % of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 162.4 in April, 2015, which was 0.4 % lower compared to the index of April, 2014. Its cumulative growth during April to March, 2014-15 was 3.6 %

Coal

Coal production (weight: 4.38 %) increased by 7.9 % in April, 2015 over April, 2014. Its cumulative index during April to March, 2014-15 increased by 8.4 % over corresponding period of previous year.

Crude Oil

Crude Oil production (weight: 5.22 %) declined by 2.7 % in April, 2015 over April, 2014. Its cumulative index during April to March, 2014-15 declined by 0.9 % over the corresponding period of previous year.

Natural Gas

The Natural Gas production (weight: 1.71 %) declined by 3.6 % in April, 2015. Its cumulative index during April to March, 2014-15 declined by 5.2 % over the corresponding period of previous year.

Refinery Products (0.93% of Crude Throughput)

Petroleum Refinery production (weight: 5.94%) declined by 2.9 % in April, 2015. Its cumulative index during April to March, 2014-15 increased by 0.4 % over the corresponding period of previous year.

Fertilizers

Fertilizer production (weight: 1.25%) declined by 0.04 % in April, 2015. Its cumulative index during April to March, 2014-15 declined by 0.1 % over the corresponding period of previous year.

Steel (Alloy + Non-Alloy)

Steel production (weight: 6.68%) increased by 0.6 % in April, 2015. Its cumulative index during April to March, 2014-15 increased by 0.8 % over the corresponding period of previous year.

Cement

Cement production (weight: 2.41%) declined by 2.4 % in April, 2015. Its cumulative index during April to March, 2014-15 increased by 5.7 % over the corresponding period of previous year.

Electricity

Electricity generation (weight: 10.32%) declined by 1.1 % in April, 2015. Its cumulative index during April to March, 2014-15 increased by 8.1 % over the corresponding period of previous year.

Performance of Eight Core Industries
Yearly Index & Growth Rate
Base Year: 2004-05=100

INDEX

Sector	Weight	2009-10	2010-11	2011-12	2012-13	2013-14	Apr-Mar 2014-15
Coal	4.379	140.0	139.7	141.5	148.1	150.0	162.7
Crude Oil	5.216	99.1	111.0	112.1	111.4	111.2	110.3
Natural Gas	1.708	149.5	164.4	149.7	128.1	111.5	105.7
Refinery Products	5.939	125.9	129.7	133.7	172.5	175.0	175.7
Fertilizers	1.254	103.4	103.4	103.8	100.2	101.8	101.7
Steel	6.684	139.3	157.7	174.0	181.1	201.9	203.6
Cement	2.406	157.1	164.2	175.2	188.7	194.5	205.5
Electricity	10.316	130.8	138.1	149.3	155.3	164.6	177.9
Overall Index	**37.903**	**129.9**	**138.4**	**145.3**	**154.7**	**161.2**	**167.0**

GROWTH RATES (in %)

Sector	Weight	2009-10	2010-11	2011-12	2012-13	2013-14	Apr-Mar 2014-15
Coal	4.379	8.1	-0.2	1.3	4.6	1.3	8.4
Crude Oil	5.216	0.5	11.9	1.0	-0.6	-0.2	-0.9
Natural Gas	1.708	44.6	10.0	-8.9	-14.5	-13.0	-5.2
Refinery Products#	5.939	-0.4	3.0	3.1	29.0	1.5	0.4
Fertilizers	1.254	12.7	0.0	0.4	-3.4	1.5	-0.1
Steel	6.684	6.0	13.2	10.3	4.1	11.5	0.8
Cement	2.406	10.5	4.5	6.7	7.7	3.1	5.7
Electricity	10.316	6.2	5.6	8.1	4.0	6.0	8.1
Overall Index	**37.903**	**6.6**	**6.6**	**5.0**	**6.5**	**4.2**	**3.6**

#Refinery Products' yearly growth rate of 2012-13 is not comparable with other years on account of inclusion of RIL (SEZ) production data since April, 2012.

Performance of Eight Core Industries
Monthly Index & Growth Rate
Base Year: 2004-05=100

INDEX

Sector	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
Weight	**4.379**	**5.216**	**1.708**	**5.939**	**1.254**	**6.684**	**2.406**	**10.316**	**37.903**
Apr-14	144.6	109.6	104.6	166.2	87.4	200.0	218.8	178.0	**163.0**
May-14	145.2	111.6	111.2	171.6	100.5	214.3	216.4	183.2	**168.7**
Jun-14	139.2	110.4	109.4	173.3	99.5	196.1	209.7	181.5	**163.9**
Jul-14	134.9	111.1	103.5	170.8	102.5	200.4	206.9	182.8	**163.9**
Aug-14	138.6	106.8	103.1	175.1	105.7	209.3	187.7	183.6	**165.1**
Sep-14	140.1	107.5	102.6	169.7	101.1	197.4	198.0	175.3	**160.6**
Oct-14	158.2	113.6	107.2	180.5	105.1	189.8	185.9	184.1	**165.9**
Nov-14	174.0	111.0	106.2	181.3	104.4	195.8	190.8	174.6	**166.2**
Dec-14	186.0	113.4	109.4	186.2	108.5	207.9	211.2	175.7	**172.7**
Jan-15	185.0	112.6	108.5	185.7	111.6	218.9	217.2	175.7	**174.8**
Feb-15	185.9	101.5	95.8	166.0	97.5	195.9	205.7	164.8	**161.5**
Mar-15	220.4	113.9	107.2	182.5	96.9	217.3	217.4	175.9	**177.8**
Apr-15	156.0	106.6	100.9	161.3	87.3	201.3	213.6	176.0	**162.4**

GROWTH RATES (in %)

Sector	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
Weight	**4.379**	**5.216**	**1.708**	**5.939**	**1.254**	**6.684**	**2.406**	**10.316**	**37.903**
Apr-14	6.2	-0.1	-7.7	-1.9	11.1	6.9	7.3	11.9	**5.7**
May-14	5.5	-0.3	-2.2	-2.3	17.6	-2.0	8.7	6.3	**2.3**
Jun-14	8.1	0.1	-1.7	1.2	-1.0	4.2	13.6	15.7	**7.3**
Jul-14	6.2	-1.0	-9.0	-5.5	-4.2	-3.4	16.5	11.2	**2.7**
Aug-14	13.4	-4.9	-8.3	-4.3	-4.3	9.1	10.3	12.6	**5.8**
Sep-14	7.2	-1.1	-6.2	-2.5	-11.6	4.0	3.2	3.8	**1.9**
Oct-14	16.2	1.0	-4.2	4.2	-7.0	2.3	-1.0	13.2	**6.3**
Nov-14	14.5	-0.1	-2.9	8.1	-2.8	1.3	11.3	10.2	**6.7**
Dec-14	7.5	-1.4	-3.5	6.1	-1.6	-2.4	3.8	3.7	**2.4**
Jan-15	1.7	-2.3	-6.6	4.7	7.1	1.6	0.5	2.7	**1.8**
Feb-15	11.6	-1.9	-8.1	-1.0	-0.4	-4.4	2.7	5.2	**1.4**
Mar-15	6.0	1.7	-1.5	-1.3	5.2	-4.4	-4.2	1.7	**-0.1**
Apr-15	7.9	-2.7	-3.6	-2.9	-0.04	0.6	-2.4	-1.1	**-0.4**

Foreign Direct Investment

India among top 10 countries to attract highest FDI in 2014: Unctad

India regained its position in the list of top 10 destinations for foreign direct investments (FDI) in 2014, after failing to make it to the list a year ago, according to the World Investment Report 2015 released by the United Nations Conference on Trade and Development (Unctad).

India is ranked ninth in the latest report; it was 15th last year.

During 2014, FDI inflows into India jumped 22% to $34 billion at a time when global FDI fell by 16% to $1.23 trillion. Unctad projected global FDI flows to rise 11% to $1.4 trillion in 2015.

India's rank as a top prospective host country for FDI also rose to third place from fourth place in an Unctad survey for the period 2015-17.

However, India fell to the seventh rank from sixth last year in the survey as a source country for FDI for 2014-2016 period.

FDI inflows to India are likely to maintain an upward trend in 2015 as economic recovery gains ground, the report said.

"In terms of the sectoral composition of FDI inflows, manufacturing is likely to gain strength, as policy efforts to revitalize the industrial sector are sustained including, for example, the Make In India initiative launched in mid-2014," it added.

Premila Nazareth Satyanand, an economist and consultant with Unctad, said this year's report shows positive trends about India, which is expected to be sustained. "There seems to be slight improvement in foreign investor sentiment about India. India is also now back in the top 10 investor destinations.

However, India remains the only BRIC country not to have received more than $50 billion FDI inflows within a year," she added.

The report identified the automotive industry as one of the sectors in which India has the potential of becoming a world leader. Cumulative FDI inflows to the automotive industry from April 2000 to November 2014 amounted to $11.4 billion, according to data from the Indian government.

The country accounted for the majority of so-called greenfield investment projects announced by global auto makers and first-tier parts suppliers in South Asia during 2013-14, including 12 projects above $100 million.

Inward FDI has led to the emergence of a number of industrial clusters in India, including those in the national capital region (Delhi-Gurgaon-Faridabad) in the north, Maharashtra state (Mumbai-Nasik-Aurangabad) in the west, and Tamil Nadu (Chennai-Hosur) in the south, according to the report.

"Though considerable differences exist in the patterns of the formation of these clusters, FDI can play an important catalytic role. For example, the early entry of Suzuki (Japan) has contributed to the development of an industrial cluster in the NCR," it added.

The report revealed that China became the largest recipient of FDI in 2014, followed by Hong Kong and the US.

Developing economies, as a group, attracted $681 billion worth of FDI and remain the leading region by share of global investment inflows.

In 2014, nine of the 20 largest investor countries were developing or transition economies with firms from developing Asia now investing abroad more than any other region.

Developing economies accounted for a record 35% of global FDI outflows, the report said, up from 13% in 2007.

Source: Mint

FACT SHEET ON FOREIGN DIRECT INVESTMENT (FDI)
From APRIL, 2000 to APRIL, 2015

(up dated up to April, 2015)

I. CUMULATIVE FDI FLOWS INTO INDIA (2000-2015):

A. TOTAL FDI INFLOWS (from April, 2000 to April, 2015):

1.	**CUMULATIVE AMOUNT OF FDI INFLOWS (Equity inflows + 'Re-invested earnings' +'Other capital')**	-	**US$ 373,163 Million**
2.	**CUMULATIVE AMOUNT OF FDI EQUITY INFLOWS (excluding,** amount remitted through RBI's NRI Schemes)	Rs. **1,255,624** crore	**US$ 252,116 Million**

B. FDI INFLOWS DURING FINANCIAL YEAR 2015-16 (for April, 2015):

1.	**TOTAL FDI INFLOWS INTO INDIA (Equity inflows + 'Re-invested earnings' + 'Other capital')** (as per RBI's Monthly bulletin dated: 10.06.2015).	-	**US$ 4,724 million**
2.	**FDI EQUITY INFLOWS**	Rs. **22,620** crore	**US$ 3,605 million**

C. FDI EQUITY INFLOWS (MONTH-WISE) DURING THE FINANCIAL YEAR 2015-16:

Financial Year 2015-16 (April-March)		*Amount of FDI Equity inflows*	
		(In Rs. Crore)	*(In US$ mn)*
1.	**April, 2015**	**22,620**	**3,605**
2015-16 (for April, 2015) #		**22,620**	**3,605**
2014-15 (for April, 2014) #		**10,290**	**1,705**
%age growth over last year		**(+) 120 %**	**(+) 111%**

D. FDI EQUITY INFLOWS (MONTH-WISE) DURING THE CALENDAR YEAR 2015:

Calendar Year 2015 (Jan.-Dec.)		*Amount of FDI Equity inflows*	
		(In Rs. Crore)	*(In US$ mn)*
1.	**January, 2015**	**27,880**	**4,481**
2.	**February, 2015**	**20,397**	**3,288**
3.	**March, 2015**	**13,221**	**2,117**
4.	**April, 2015**	**22,620**	**3,605**
Year 2015 (up to April, 2015) #		**84,118**	**13,491**
Year 2014 (up to April, 2014) #		**57,995**	**9,445**
%age growth over last year		**(+) 45 %**	**(+) 43%**

Note: *(i) Country & Sector specific analysis is available from the year 2000 onwards, as Company-wise details are provided by RBI from April, 2000 onwards only.*
 # Figures are provisional, subject to reconciliation with RBI, Mumbai.

E. SHARE OF TOP INVESTING COUNTRIES FDI EQUITY INFLOWS *(Financial years)*:

Amount Rupees in crores (US$ in million)

Ranks	Country	2013-14 (April - March)	2014-15 (April – March)	2015-16 (for April, 2015)	Cumulative Inflows (April '00 - April '15)	%age to total Inflows (in terms of US $)
1.	MAURITIUS	29,360 (4,859)	55,172 (9,030)	5,690 (907)	431,347 (88,462)	35 %
2.	SINGAPORE	35,625 (5,985)	41,350 (6,742)	7,136 (1,137)	174,293 (33,325)	13 %
3.	U.K.	20,426 (3,215)	8,769 (1,447)	217 (35)	109,871 (22,245)	9 %
4.	JAPAN	10,550 (1,718)	12,752 (2,084)	717 (114)	94,113 (18,467)	7 %
5.	NETHERLANDS	13,920 (2,270)	20,960 (3,436)	2,348 (374)	79,606 (15,045)	6 %
6.	U.S.A.	4,807 (806)	11,150 (1,824)	2,460 (392)	69,340 (14,143)	6 %
7.	CYPRUS	3,401 (557)	3,634 (598)	115 (18)	39,478 (8,062)	3 %
8.	GERMANY	6,093 (1,038)	6,904 (1,125)	2,191 (349)	40,701 (7,993)	3 %
9	FRANCE	1,842 (305)	3,881 (635)	339 (54)	22,927 (4,567)	2 %
10.	UAE	1,562 (255)	2,251 (367)	123 (20)	15,242 (3,064)	1 %
TOTAL FDI INFLOWS FROM ALL COUNTRIES *		147,518 (24,299)	189,107 (30,931)	22,620 (3,605)	1,256,158 (252,238)	-

**Includes inflows under NRI Schemes of RBI.*

Note: (i) Cumulative country-wise FDI equity inflows (from April, 2000 to April, 2015) are at – Annex-'A'.

(ii) %age worked out in US$ terms & FDI inflows received through FIPB/SIA+ RBI's Automatic Route + acquisition of existing shares only.

F. SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS:

Amount in Rs. crores (US$ in million)

Ranks	Sector	2013-14 (April - March)	2014-15 (April- March)	2015-16 (for April, 2015)	Cumulative Inflows (April '00 - April '15)	% age to total Inflows (In terms of US$)
1.	SERVICES SECTOR **	13,294 (2,225)	19,963 (3,253)	1,361 (217)	206,893 (42,930)	17 %
2.	CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE	7,508 (1,226)	4,582 (758)	2 (0.3)	113,142 (24,064)	10 %
3.	TELECOMMUNICATIONS (radio paging, cellular mobile, basic telephone services)	7,987 (1,307)	17,372 (2,895)	27 (4)	84,119 (17,062)	7 %
4.	COMPUTER SOFTWARE & HARDWARE	6,896 (1,126)	13,564 (2,200)	4,446 (709)	77,681 (15,726)	6 %
5.	DRUGS & PHARMACEUTICALS	7,191 (1,279)	9,211 (1,523)	121 (19)	65,403 (13,140)	5 %
6.	AUTOMOBILE INDUSTRY	9,027 (1,517)	15,794 (2,570)	4,107 (655)	68,098 (13,037)	5 %
7.	CHEMICALS (OTHER THAN FERTILIZERS)	4,738 (878)	4,077 (669)	320 (51)	49,630 (10,388)	4 %
8.	POWER	6,519 (1,066)	3,985 (657)	683 (109)	47,324 (9,666)	4 %
9.	METALLURGICAL INDUSTRIES	3,436 (568)	2,897 (472)	232 (37)	41,379 (8,584)	3 %
10	TRADING	8,191 (1,343)	16,962 (2,761)	2,769 (441)	46,569 (8,502)	3 %

*Note: (i)** Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis*

(ii) Cumulative Sector- wise FDI equity inflows (from April, 2000 to April, 2015) are at - Annex-'B'.

(iii) FDI Sectoral data has been revalidated / reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.

Amid dollops of culture, Modi, Xi hold 'extremely productive' talks

With China's rich cultural heritage and the ancient links of Buddhism forming a grand backdrop, Prime Minister Narendra Modi on May 14 held "extremely productive" summit-level talks with Chinese President Xi Jinping during which the border issue, the widening trade imbalance and "strengthening trust" were high on the agenda.

Modi, who arrived in Beijing late on Thursday on the second leg of his visit, tweeted his "special thanks" to Xi for "extremely productive meeting" earlier in the day in Xi'an.

Modi arrived in the morning in the historic city of Xi'an, the capital of Shaanxi province and the hometown of President Xi, and spent a busy day, absorbing the ancient civilisational grandeur of Xi'an at the Terracotta Warriors Museum, the Da Xing Shan Buddhist temple and the Wild Goose Pagoda.

President Xi, who was welcomed by Modi in Ahmedabad and treated to a colourful walk along the Sabarmati river front during his India visit last September, in a reciprocal gesture, welcomed Modi in his hometown Xi'an.

The over 90-minute talks between the two Asian leaders, held at the Shaanxi Guest House, were "very substantive and the atmosphere was very comfortable", said Foreign Secretary S. Jaishankar, briefing newspersons.

He said both the leaders "built on the chemistry" that had started with Xi's India visit last year.

Modi, attired in a black bandhgala suit, spoke in Hindi, while Xi spoke in Chinese.

The Chinese president recalled his visit to Ahmedabad and said: "You received me very warmly in your hometown. I am very glad to receive you in my hometown."

"That left me with deep and good impression," Xi said.

The Chinese president said it was the first time he was meeting a foreign leader outside Beijing.

Jaishankar said the two leaders spoke of the need to strengthen cooperation on countering terrorism and on "strengthening trust and increasing convergences".

The niggling border issue, maintaining peace and tranquillity on the border was also discussed.

India's concerns over China going ahead with an economic corridor project with Pakistan that cuts through Pakistan-administered Kashmir is understood to have been raised.

The widening trade deficit, around $37 billion, and the investment climate came up, as well as connectivity issues, the foreign secretary said.

Jaishankar said the two leaders also discussed sharing information on trans-border rivers.

"The talks were wide ranging, and regional, global issues came up," he said.

The Chinese president spoke of the "miracle of Gujarat" under Modi and said the prime minister was "trying to do it at the national level".

"Terrorism naturally came up," Jaishankar said, and added that there was reference to the terror attack in Kabul and Karachi.

The two leaders discussed the Nepal quake, UNSC reforms and India's membership of the Nuclear Suppliers Group.

Later, Xi accompanied Modi to the Wild Goose Pagoda, and showed him around some of the Buddhist relics, in the way that Modi had personally taken him around the Sabarmati Ashram of Mahatma Gandhi.

The two leaders chatted together, including for some time in the garden of the compound.

Modi presented a sapling of the Mahabodhi tree to the temple, which was built in 652 A.D. during the Tang dynasty.

Modi was accorded a traditional Tang dynasty welcome ceremony at the South City Wall.Later, he attended a banquet hosted by Xi.

In a grand finale, Modi and Xi attended a spectacular cultural performance at the Pot City courtyard which reflected the close Buddhist links of the two nations.

Modi presented Xi a replica of a casket containing the sacred relics of Lord Buddha.

The casket was excavated from Dev-ni-Mori, near Vadnagar in Gujarat in 1957. He also presented Xi a stone statue of Buddha.

In the morning, Modi visited the Terracotta Warriors Museum, a UN World Heritage site that houses neat rows of terra-cotta sculptures, depicting the armies of Qin Shi Huang, the first emperor of China.

The museum has a collection of over 8,000 life-size clay warriors.

At the Da Xing Shan temple, Modi offered prayers as orange-robed monks chanted prayers.

The temple was originally built in the Jin Dynasty and was reconstructed in 582 A.D.

Late in the evening, Modi left for Beijing.

“Reached Beijing after a memorable day in Xi’an. My gratitude to the people of Xi’an for their warmth & hospitality,” he tweeted.

He will hold talks with his Chinese counterpart Li Keqiang, and several agreements are set to be inked on Friday. On Saturday, he goes to Shanghai.

Source: Indo-Asian News Service

India, China ink 24 agreements

India and China on Amy 15 inked 24 agreements after talks between Prime Minister Narendra Modi and Premier Li Keqiang in Beijing.

These are: Protocol on the setting up of consulates-general at Chengdu and Chennai, and extension of the consulate general of India in Guangzhou to include Jiangxi province.

* MoU in the field of vocational education and skill development;
* An action plan on cooperation in setting up of the Mahatma Gandhi National Institute for Skill Development and Entrepreneurship in Ahmedabad/Gandhinagar in Gujarat;
* MoU on consultative mechanism for cooperation in trade negotiations;
* MoU on cooperation between the ministry of external affairs of India and international department of the central committee of the Communist Party of China;
* Action plan to enhance cooperation in the railway sector (2015-16).
* MoU on education exchange programme.
* MoU on the cooperation in the mining and minerals sector.
* Space Cooperation Outline (2015-2020).
* Protocol on health and safety regulations on importing Indian rapeseed mealMoU between Doordarshan and China Central Television on cooperation in the field of broadcasting.
* Agreement on cooperation in the field of tourism.
* MoU on establishing India-China think-tanks forum.
* MoU between India's Niti Aayog and the Development Research Centre, State Council of China.
* MoU between India's ministry of earth sciences and the China Earthquake Administration for cooperation in earthquake science and earthquake engineering.
* MoU on cooperation in the field of ocean science, ocean technology, climate change, polar science and cryosphere.
* MoU on scientific cooperation between Geological Survey of India, ministry of mines of India and the China Geological Survey, ministry of land and resources of China in geoscience.
* MoU between the ministry of external affairs of India and ministry of foreign affairs of China on establishment of states/provincial leaders' forum.
* Agreement on the establishment of sister-state/province relations between Karnataka and provincial government of Sichuan of China.
* Agreement on establishment of sister-city relations between Chennai and Chongqing of China.
*Agreement on establishment of sister-city relations between Hyderabad and Qingdao of China.
* Agreement on establishment of sister-city relations between Aurangabad and Dunhuang of China.
* MoU between the Indian Council for Cultural Relations and Fudan University on the establishment of a centre for Gandhian and Indian studies.
* MoU between Indian Council for Cultural Relations and Yunnan Minzu University on the establishment of a yoga college.

Source: Indo-Asian News Service

World's perception of India has changed: Modi in Seoul

The world's perception of India has changed in the past one year, Prime Minister Narendra Modi said in his address to the Indian community in Seoul.

"In the last one year the world's perception about India has changed," Modi said amid loud chants of "Modi, Modi" when he interacted with the Indian community here.

"Today people are excited to come to India. This is the mood that has changed. And after all, the people make the Nation," he tweeted.

"India is being seen as the fastest growing economy of the world," he said.

Modi arrived in Seoul on Monday morning, in the last leg of his three-nation visit that also took him to China and Mongolia.

Earlier, Modi said it was "wonderful being in Seoul" as he arrived to an enthusiastic welcome from the Indian community.

"Wonderful being in Seoul. My gratitude to the Indian community here for the very warm welcome," the prime minister tweeted.

Indian community members in large number, waving small tri-colour flags, were at the ROK Airbase to welcome the prime minister, who arrived from Ulan Bator.

"Immense enthusiasm as PM @narendramodi reaches South Korea," the Prime Minister's Office tweeted with a picture of Indian diaspora members enthusiastically greeting the prime minister.

"Indian community welcomes PM @narendramodi to South Korea," the PMO tweeted.

"Annyeonghaseyo to the land of the morning calm! PM @narendramodi arrives in Seoul," external affairs ministry spokesperson Vikas Swarup tweeted.

Modi arrived in South Korea from Mongolia on a two-day visit.

After his arrival in Seoul, Modi went to lay a wreath at the Seoul National Cemetery.

He is set to attend a reception by the Indian community, during which 1,500 members will be present.

Later, he will be accorded an official welcome after which he will hold talks with President Park Geun-hye. A number of agreements are to be inked. Both leaders will make press statements.

President Park will host a banquet in honour of the Indian prime minister in the evening.

Source: Indo-Asian News Service

Modi calls for fast-tracking infrastructure projects

Prime Minister Narendra Modi on may 2 pushed for fast-tracking all projects that will ensure a modern infrastructure backbone in the country, as part of the targets set for the 75th year of India's independence in 2022.

"Besides a broad overview of the infrastructure scenario in the country, the meeting focused on the specific sectors of rural infrastructure, power, coal, renewable energy and petroleum and natural gas," an official statement said after the meeting.

"The prime minister stressed on the need for government departments to work toward initialising spending of the budget in a focused manner from the start of the financial year. He was given a detailed overview of the plans of various ministries for completion of pending projects within the current financial year."

Against the backdrop of the cabinet recently approving the mission to create 100 smart cities in the country, Mopdi said one of the priorities for urban areas must be in creation of waste-to-wealth and efficient systems for used water disposal and solid waste management in 500 cities.

"The prime minister also asked for specific data to be collected and presented on priority areas such as toilets, affordable housing and smart cities," the statement said.

Those at the meeting included Finance Minister Arun Jaitley, Road Transport and Highways Minister Nitin Gadkari, Communications Minister Ravi Shankar Prasad, Power Minister Piyush Goyal, Petroleum Minister Dharmendra Pradhan, Railway Minister Suresh Prabhu and Civil Aviation Minister Ashok Gajpati Raju.

In the prime minister's "Make in India" campaign, a major thrust has been accorded to infrastructure. The value of infrastructure projects ready for procurement this fiscal is estimated at $240 billion, of which half is envisaged through public-private-partnerships.

These cover roads and highways, ports, power, civil aviation, industrial corridors and railways.

Among some specific interventions made by the prime minister, were on according highest priority to the irrigation projects, as also electrification of all the remaining villages at the earliest. Renewable energy and adoption of efficient technologies were also discussed.

Minister Jaitley, while presenting India's national budget, had said the country had emerged as the largest market for public-private partnerships in the world with more than 900 projects in various stages of development.

He said this model had delivered some of iconic infrastructure.

Source: Indo-Asian News Service

India, Afghanistan vow to work together to fight terror, boost trade

India and Afghanistan on April 28 pledged to work together to fight terrorism and also boost bilateral trade and connectivity as Prime Minister Narendra Modi held talks with visiting Afghan President Ashraf Ghani in New Delhi.

Ghani, whose country continues to battle the Taliban menace after the drawdown of the US-led international forces, spoke out strongly against terrorism.

"Terror must be confronted and must be overcome... we are determined to make Afghanistan the graveyard of terror."

Ghani, who arrived here on Monday night on a three-day official visit, pushed for a regional framework of peace and co-operation in order to fight the "disease of terror" and cure it "lock, stock and branch".

"Terror cannot be classified into good and bad, it cannot be differentiated. We must have a unified approach, and we must be united in the region and globally to contain the phenomenon."

The joint statement noted that there is no justification for acts of terrorism and both leaders expressed determination to work together, along with the international community, to combat and defeat the scourge of terrorism in all its forms and manifestations.

They called on the international community to severely deal with the safe havens for terrorists that continue to threaten regional and global security.

Prime Minister Modi, in his speech, said that the success of an Afghan-led and Afghan-owned process "requires a positive and constructive approach from neighbours, including an end to support for violence" - in a reference to Pakistan, where the Taliban are believed to be harboured along the border.

"We share Afghanistan's pain over persisting terrorism and extremist violence that destroy lives and derail progress," he said, and also thanked Ghani for the bilateral cooperation against terrorism.

Modi said that India is ready to walk "shoulder to shoulder" with Afghanistan and also backed Ghani's vision of making Afghanistan the hub of connectivity in the region.

Both sides reaffirmed their commitment to work towards strengthening the India Afghanistan Strategic Partnership "with a clear focus on the long term relationship between the two countries," the joint statement said.

Modi said India is ready to welcome Afghan trucks at the Attari check post and also join the Afghan-Pakistan Trade and Transit Agreement. He also pledged to take the Chahbahar Port project in Iran forward.

India will expand its development partnership in Afghanistan and also explore new trade and investment opportunities, he added. Both sides also agreed to to work towards a more liberalized business visa regime.

Stressing that India and Afghanistan are “bound by million ties through millennia”, Ghani spoke of the need to boost the potential of the South Asian Association for Regional Cooperation (SAARC).

He said his vision was to recreate his country’s position as a “roundabout” where ideas, people and goods from South and Central Asia came, merged and transited. Afghanistan would be a place where the energy of Central Asia will flow to South Asia, as well as pipelines, fibreoptics and connectivity, he said.

Citing Rabindranath Tagore’s iconic “Kabuliwala”, he said he wanted to thank the Nobel laureate who has “done more to give us a brand” than any advertisement could ever bring. Expressing delight that novel continues to be popular in India, he said that a “new version is being prepared to give a much more authentic setting inside Afghanistan”.

Ghani welcomed India’s decisions to provide support to the Habibia School, located in Kabul over the next 10 years, contribution to the Afghan Red Crescent Society’s program to treat Child Congenital Heart disease (CHD disease) over the next five years, and support a program of the ‘Indira Gandhi Institute of Child Health (IGICH) in Kabul over the next 5 years,said the statement.

He also thanked India for gifting of three multi-role Cheetal helicopters in April 2015.

The two leaders agreed to sign six documents within three months of the visit, including an extradition treaty and an agreement on transfer of sentenced persons, a Motor Vehicles Agreement and a MOU on visa free entry for holders of diplomatic passports.

Ghani also invited Modi to Kabul for the inauguration of the parliament building being built by India as well as to the Bamiyan valley.

Source: Indo-Asian News Service

Huge potential for enhancing business ties with Russia: President

Underlining the huge potential for enhancing commercial and investment exchanges between India and Russia, President Pranab Mukherjee has said that new opportunities arising between the two economies should be fully tapped.

Speaking at a reception hosted on May 9 by India's ambassador to Russia P.S. Raghavan for the Indian community here, Mukherjee said the last 15 years have seen a qualitative change in India's relations with Russia.

"With the signing of a declaration on India-Russia strategic partnership in October 2000, India established perhaps its closest institutionalized ties with any foreign country. This association has since continued to grow and diversify into newer areas," an official statement on Sunday cited Mukherjee as having said.

Mukherjee said India today terms its relationship with Russia as "a special and privileged strategic partnership" in recognition of the multi-faceted bilateral engagement. He said the Indian community in Russia has contributed significantly to development of close ties between India and Russia.

The president noted that interaction between the two countries at the people-to-people level have always been warm and friendly.

"This has been exemplified by Russian interest in Indian cinema, culture and heritage and the popularity in India of Russian literature, arts, circus and sciences."

He said total trade between India and Russia was $6 billion annually, which is less than one per cent of India's total trade of $765 billion.

FDI inflows into India in the past 15 years have been to the tune of $246 billion, out of which only $1 billion has come from Russia.

"Given the size of the economies of both the countries, there is huge potential to enhance commercial and investment exchanges. The synergies and new opportunities arising between the two economies should be fully utilized," he said.

Mukherjee said that Indian community in Russia, "as repositories of unique information and insights about India and Russia", can play an important role in propelling economic ties between the two countries to a higher trajectory.

Source: Indo-Asian News Service

Modi bats for 'Team India' of centre and states

Pitching for a "Team India" of the centre and states for the country's development, Prime Minister Narendra Modi on May 11 credited his government's economic policies for making India the world's fastest growing Anation.

Concluding his two-day visit to West Bengal — the first after becoming prime minister — Modi assured his government's support in ensuring economic progress of eastern India, and exuded confidence that region will be the stage for the country'ss ecoind green revolution.

The prime minister, who started the Sunday morning on a spiritual note, praying and meditating at the Dakshineswar temple and the Belur Math, later inaugurated the country's largest blast furnace plant in Burdwan district.

Modi became the first prime minister to visit the age-old Dakshineswar temple, where he touched the feet of goddess Bhabatarini, performed arti and paid homage to the 19th century ascetic Ramakrishna Pramahamsa, who had spent years as its priest.

His next destination was Belur Math, the global headquarters of the Ramakrishna Math and Ramakrishna Mission, in neighbouring Howrah district.

During a hour-long stay, Modi meditated at ascetic-philosopher Swami Vivekananda's bedroom, and paid homage at the temples dedicated to Ramakrishna Pramahamsa, Swami Brahmananda, Ramkrishna's consort Sarada Devi and Viveknanada.

Heading to Burnpur, Modi, in the presence of Chief Minister Mamata Banerjee, inaugurated the upgraded and modersnised IISCO Steel Plant (ISP), that houses the country's largest blast furnace. It has been modernized at a cost of Rs.16,000 crore.

Highlighting the country's federal structure, Modi described the prime minister and all the chief ministers as 'Team India', and said the centre and states together can solve all problems, including issues relating to foreign countries.

He attributed Team India's efforts for the passage in parliament of the Land Boundary Agreement with Bangladesh as well as the new plant.

"This modern plant is an example of how Team India will take the country forward. This plant which was sick, is now standing powerfully on its feet. If the chief minister (Banerjee), the state (West Bengal) government had created hurdles, this wouldn't have been possible," said Modi.

Praising Banerjee for stressing on improved centre-state relationship, he said his government, after assuming power, had been endeavouring to strengthen the country's federal structure.

Modi said: "While the constitution provides a federal structure, for years there has always been tension in centre-state relationships. Those at the centre ignored the states.

"That's why we endeavoured to strengthen the federal structure and asserted that Delhi will not govern the country alone but all the states together will."

Modi also thanked Assam, Meghalaya, Mizoram, Tripura and West Bengal for the passage of the key constitutional amendment bill to give effect to the swapping of border land enclaves between India and Bangladesh under a 1974 agreement.

"If international issues can be solved by 'Team India', then issues at home can be dealt with ease."

Taking a veiled dig at the erstwhile Congress-led UPA regime for scams, Modi hailed the policy changes initiated by his government that led to India becoming the world's fastest growing country.

"During the months of February, March and April (2014) the only news that came were scams... coal scam, submarine scam, scams on the air, water and land," he said.

"It has been a year of this new government, and today we don't have news about the coal scam, rather about coal auction," he said, adding the decision to auction coal has led to states getting richer and using the royalty money from the mines for the welfare of the people.

"We also decided that the money from the auctions will not go to Delhi but to that state's coffers so that the government can initiate welfare of that state," said Modi.

He said a foundation was set up from the mines royalty for the welfare of the states.

The prime minister also expressed anguish over India importing steel.

"The irony is we kept exporting iron ore and imported steel. If we have iron ore, we will produce steel," he asserted.

Modi also said the central government was working on developing the three main resources for funds - agricultural productivity, mineral resources and human resources.

"A year ago the entire world had written off India but now within a year the entire world, be it the IMF, the World Bank or the credit rating agencies, they are unanimously saying India is the fastest growing country in the world," he asserted.

He also exuded confidence of natural resource-rich eastern India getting developed like its western counterpart.

"States in eastern India are filled with natural resources but still lag behind... eastern India needs to be strengthened... I clearly see the second Green Revolution happening here... it has abundance of water, land and people. It can usher in the revolution," he said.

Source: Indo-Asian News Service

Google to build largest campus outside US in Hyderabad

Global Internet services company Google will build its largest campus outside the US in Hyderabad with an investment of Rs.1,000 crore, announced Telanagana Information Technology Minister K. Tarakarama Rao on May 12.

The minister, who is on a visit to the US, said the state government has signed a memorandum of understanding (MoU) with Google, which will develop about two million square feet campus, the first in Asia.

The global search engine giant will build the facility on 7.2 acres in Gachibowli, the IT corridor in Hyderabad, said a statement released by the state government on Tuesday evening.

It will be one of the largest facilities globally and Google's first own campus in India.

"Excited to announce that Google & Government of Telangana have inked an MoU to build their largest campus (outside US) in Hyderabad," Tarakarama Rao tweeted earlier.

"First campus in Asia. 2 million sq ft space would be built. Investment of Rs.1,000 crore and in four years employee size to double from 6,500 to 13,000," said the minister, who is son of Chief Minister K. Chandrasekhar Rao.

Google's vice presiden, real estate & workplace, David Radcliffe, and Telangana IT Secretary Jayesh Ranjan signed the MoU on Monday at Google headquarters in Mountain View, California.

According to Radcliffe, about 12 months will be spent on planning and the construction work is supposed to start around summer of 2016. "The construction should take about two and a half years and we could have a facility as soon as early 2019," the statement quoted him as saying.

The minister and Ranjan also had a meeting with Bram Bout, director of Google Education.

The minister wanted Google to associate with the Telangana government to support the ambitious Digital Telangana program, particularly the component that intends to promote digital literacy amongst school children. Google was urged to utilize the CSR component for channeling the hardware infrastructure, content and training to government schools across the state.

The proposal resonates with Google's ongoing efforts in the Chrome Notebook education model, which has already been piloted in four schools in Warangal district six months ago.

Source: Indo-Asian News Service

Make in India drove FDI up by 56%: Data

As the government struggles to maintain investor confidence, foreign direct investments (FDI) into India has surged by 56% in five months since the Make in India programme was launched on September 24, official data revealed.

The inflow into the manufacturing sector alone saw a jump of 45% at $6.9 billion from $4.8 billion in the corresponding period a year ago.

"India received $21.2 billion in inflows overall during the five-month period, against $13.5 billion in the same period last year.If this surge continues, then as per our estimates, 2015-16 would be the year with the second highest FDI ever received by the country since 2000 (when maintenance of data started)," the official said.

The highest FDI inflow into India was in 2010-11, at $45 billion. FDI inflows in April-September 2014 were to the tune of about $16 billion.

Of the five months under consideration, December and January saw the highest FDI inflows, the officials said. Industry experts say that the Make in India campaign has been a game-changer for the investment climate.

Said CII president Sumit Mazumdar: "Make in India has worked a lot for India. The recent Hannover fair was a classic example where every investor was excited and wanted to know more about the campaign to plan their investment in India accordingly."

According to data for April 2014-February 2015, Mauritius ($8.44 billion or Rs. 50,640 crore), Singapore ($6.42 billion), the Netherlands ($3.29 billion), Japan ($1.72 billion) and the US ($1.69 billion) were among the leading investors.

Source: Hindustan Times

Delhivery gets $85 million booster shot from US company

E-commerce logistics company Delhivery has raised close to $85 million in a new round of funding led by venture capital firm Tiger Global Management Llc, giving a fresh boost to the Gurgaon-based start-up that is looking to expand in India and tap international markets.

A top company executive said existing investors Multiples Alternate Asset Management, Nexus Venture Partners and Times Internet Ltd participated in this round as well.

The funds, co-founder and chief executive Sahil Barua said, would be used to expand e-commerce enabling services such as cataloguing, warehouse management and shipping to West Asian and African markets as well as India's immediate neighbours in South Asia.

The funding, which comes less than eight months after the company raised $35 million in a Series C round, has bolstered the logistics provider's valuation to $350-400 million, two persons close to the development said on condition of anonymity.

Delhivery will also look at acquisitions in the e-commerce value chain to complete its suite of services, apart from investing in technology.

"We are at an advanced stage of discussion with a few companies in the e-commerce enablement space," said Barua, suggesting that the company is eyeing 4-5 potential acquisition targets over the next eight months.

Lee Fixel, a partner at Tiger Global, said Delhivery had reached its market-leading position through a combination of innovation and expansion of its logistics infrastructure, fulfilment and transportation services.

Delhivery, run by SSN Logistics Pvt. Ltd, has raised close to $125 million since its inception in 2011. It works with 1,500 online retailers, including Flipkart, Snapdeal, Paytm and Myntra, and 200 offline retailers, providing logistics and last-mile delivery. The company expects to double its Indian presence from 250 cities to 500 by December 2015.

The company has gone in for top-level management hires to bolster its growth plans. It brought on board former FedEx Corp. executive Suraju Dutta and Bain and Co.'s Sandeep Barasia as managing directors.

Dutta, who comes with over two decades of experience, will help Delhivery expand its domestic and international footprint. Barasia will lead Delhivery's consumer products and services business.

The rapid growth of e-tail in India—expected to touch $50 billion by 2020, according to a report by UBS Securities—has led to a surge of business for and investor interest in allied sectors such as logistics.

The 14 April report by UBS Securities, titled Is India in an e-commerce bubble?, suggested that the revenue pool for logistics service providers, including both in-house and third-party, is likely to grow from under $500 million in 2014 to $5.3 billion in 2020 and $13.7 billion in 2025.

So it's no surprise that the sector is a hub of activity. Earlier this year, online marketplace Snapdeal, owned by Jasper Infotech Pvt. Ltd, said it would pick up a stake in logistics firm GoJavas. In September last year, Gurgaon-based Ecom Express Pvt. Ltd, founded by former Blue Dart employees, raised close to Rs.75.5 crore.

While speciality e-commerce logistics companies are the flavour of the season, traditional logistics companies such as DHL and FedEx aren't sitting on the sidelines.

In August last year, DHL, owner of Blue Dart, announced that it was investing €100 million over two years on building

infrastructure and warehouses, as well as options for delivery and payment, to cater to e-commerce companies.

Some e-commerce firms have launched their own logistics arms, but Anand Ramanathan, director at KPMG in India, believes what is needed is more specialists with the bandwidth to cover the smallest of markets.

"The biggest constraint in e-commerce as we speak is clearly logistics," said Ramanathan.

India has over 40,000 pincodes that need to be serviced and the top e-retailers service only reach 15,000.

"Supply of logistics has not been in step with demand generated by e-commerce companies," added Ramanathan.

Source: Mint

Royal Enfield to invest Rs 500 cr in Chennai plant

Royal Enfield is set to invest about Rs 500 crore towards developing new products and increasing the capacity at its Chennai manufacturing facility. Siddhartha Lal, managing director and CEO, Eicher Motors, said by 2014-end, the company was producing 30,000 units a month and by 2015-end, the company is looking at 50,000 units a month. The company has reported a 44.5 per cent growth during the first quarter of this calendar year at 92,845 units as compared to 64,268 units a year ago. Royal Enfield's exports grew 62 per cent to 2,342 units from 1,450 units a year ago.

Lal said the company is developing new platforms on which it would develop multiple products for the next three years. "Our focus will be on (a product) that is having between 250 cc and 750 cc. The company is gearing up for a big launch next year. We will launch one big product every year for a few years."

The first quarter of 2015 has been the best quarter so far for Royal Enfield, with record sales of 92,845 units, a growth of 44.5 per cent against the first quarter of 2014.

The record number of units produced in the March quarter has resulted in a significant increase in EBIT at Rs 232 crore in Q1 2015 as compared to Rs 136 crores in Q1 2014. Eicher Motors has been able to extract significant operating leverage in Q1 2015 and recorded its best ever operating margin (EBIT %) at 24.1%.

Lal said that Royal Enfield has maintained a very strong volume growth in Q1 2015 and is moving ahead with an extremely healthy order book.

"Royal Enfield is working on new platforms and products that will fuel our growth in the coming years. It is also expanding its footprint in India and in key markets across the world, to build its presence globally. We will continue to make higher investments into brand, distribution and globally relevant products that will be essential for us to achieve global leadership in the mid-size motorcycle category," he added.

Eicher is building its R&D centre on the new Mahabalipuram road at Chennai and a satellite centre at UK. Its engineering team, which consists of around 250 people, will be moved to the Chennai facility, while the UK satellite centre will have 20 people to start with.

Source: Business Standard

India's goods exports shrink, gold imports nearly double

In a worrying start to this fiscal, India's merchandise exports declined sharply by 14 percent in April and stood at $22.05 billion due mainly to the overall conditions in the global market, while gold imports shot up by 85 percent.

The exports contracted from $25.63 billion during April 2014.

According to data on exports and imports released by the ministry of commerce and industry on May 15, the trade deficit for April this year stood at $11 billion against $10.08 billion during the like month of the previous year.

The trade deficit, in fact, widened despite a major 42.65-percent drop in oil imports during April 2015 and was valued at $7.44 billion against $12.98 billion in the corresponding month of the previous year.

Non-oil imports, including gold, were estimated at $25.60 billion, which was 12.58 percent higher than the $22.74 billion in April 2014. Imports of gold nearly doubled and were over 85 percent higher at $19.65 billion, against $10.596 billion.

The overall imports during April were down by 7.48 percent at $33.04 billion from $35.72 billion.

Commodity-wise, high export growth was witnessed in tobacco (24.28 percent), spices (19.60 percent), ceramic products (15.67 percent), carpets (14.17 percent), handicrafts (13.46 percent), cashew (10.71 percent), drug and pharmaceutical (9.73 percent) and cereal preparations (8.08 percent).

Segment-wise, high import growth was reported in fertilisers (70.70 percent), transport equipment (69.44 percent), pulses (42.45 percent), electronic goods (30.01 percent), artificial resins and plastic materials (19.35 percent), fruits and vegetables (17.03 percent), iron and steel (16.01 percent) and electronic and non-electronic machinery (10.11 percent).

Another set of data independently released by the Reserve Bank of India (RBI) showed that services export for March was lower by 1.88 percent and stood at $14.04 billion from $14.31 billion earned during the corresponding month of last year.

However, services imports during March fell by 7.42 percent and stood at $7.86 billion from $8.49 billion in the like month of 2014. The Federation of Indian Export Organisations (FIEO) said that the sharp decline in petroleum exports coupled-with negative growth in some key export sectors was the main reason behind the export decline.

Petroleum exports in the month under review declined by 46.5 percent. The sector used to contribute about 20 percent of the country's total exports. "Negative growth in exports is continuing since December, 2014 though the decline has come down from March. The prime reason continues to be softening of crude, metal and commodity prices," S.C. Ralhan, president, FIEO was quoted in a statement.

"Decline in exports of rice, marine products, meat, dairy and poultry products, leather products are of equal consequences as these sectors have shown great promise in the past.

As per Ralhan added that exports to countries dependent on oil, metal and commodities may have taken a hit as they reduced their appetite for imports with tighter capital control.

Ralhan added that the interest subvention scheme may be re-introduced immediately and liquidity crunch of the exporters may be addressed with timely release of the exports benefits.

Source: Indo-Asian News Service

China proposes joint mining of Indian Ocean with India

Ahead of Prime Minister Narendra Modi's visit here next week, China has said it is "eager to cooperate" with India on deep seabed mining in the Indian Ocean where its deep diving vessel reported to have discovered large deposits of precious metals like gold and silver.

"With quickening oceanic development and increasing mineral exploration in the Indian Ocean, China is eager to cooperate with India on deep seabed mining," the *China Daily* quoted China Ocean Mineral Resource R&D Association as saying.

Terming India an ideal partner, deputy director of the association He Zongyu told the state-run daily that "China and India are both developing countries and contractors with the International Seabed Authority (ISA) so we have a lot in common and plenty of opportunities for further cooperation."

The association is China's official organisation engaged in exploration and development of ocean floor and subsoil.

Chen Lianzeng, deputy director of the State Oceanic Administration, visited India on April 20 and suggested the two sides enhance cooperation on oceanic research and development. "If we cooperate, we could share the costs, the risks and the benefits," He said.

Proposing the cooperation, He said China and India are on about the same level in terms of the development of deep seabed mining, which makes India an ideal partner.

Deep seabed mining is high-cost and high-risk work, with costs for a mining site topping USD 1.6 billion, He said.

Beijing's proposal for India-China cooperation comes in the immediate backdrop of the completion of the 118-day voyage of the China's deep-sea manned submersible Jiaolong in the southwest Indian Ocean here it reported to have discovered large deposits of precious metals like gold and silver.

During the latest mission in March, Jiaolong successfully carried out 13 dives to observe different hydrothermal areas, the characteristics of hydrothermal fluids and deep-sea biodiversity, gathering a huge amount of data and more than 700 samples. The surprise proposal comes ahead of Modi's three-day visit from May 14 during which he will hold formal and informal talks with Chinese President Xi Jinping and Premier Li Keqiang in Xi'an and Beijing. Deep-sea "chimney vents", also known as hydrothermal sulfide, are a kind of seabed deposits containing copper, zinc and precious metals such as gold and silver. Those metals formed sulfides after chemical reactions and came to rest in the seabed in the form of "chimney vents," state-run Xinhua quoted Chinese scientists as saying.

China has already gained a 15-year approval in 2012 to explore a 10,000 sq km polymetallic sulphide ore deposit in an international seabed region of the southwest Indian Ocean.

It has also obtained exclusive rights to prospect in a 75,000-square-km polymetallicnodule ore deposit in the east Pacific Ocean in 2001.

Ahead of Modi's visit, Chinese officials have been saying that China would like to address India's security concerns about its mega Maritime Silk Road project over which India has reservations over its strategic significance in the Indian Ocean.

China has made significant inroads in Sri Lanka and Maldives with billions of dollars of investments already.

Source: Press Trust of India

Australian expert visits India to boost links in mining education and research

Professor Stephen Fityus, one of the foremost Australian experts in mining and geotechnical engineering from the University of Newcastle, is visiting India to tap opportunities for collaboration with prominent Indian higher education institutions, research centres and industry bodies.

Professor Fityus has made contributions to a wide range of research areas including minesite geomechanics, geotechnical and geo-environmental engineering, and engineering geology.

He is also the Principal Researcher in the Priority Research Centre for Geotechnical and Materials Modelling at the University of Newcastle.

He will deliver lectures at the Indian School of Mines, Dhanbad; the Indian Institute of Engineering Science and Technology, Kolkata; the CSIR-Institute of Minerals and Materials Technology; the Society of Geoscientists and Allied Technologists, Bhubaneshwar; and Coal India Ltd.

Welcoming the initiative, Australia's High Commissioner to India, Patrick Suckling said: "Mining is an area of mutual interest to Australia and India. In particular, this visit will address both our Prime Ministers' stated desire to explore partnerships with the Indian School of Mines in Dhanbad, as indicated in their joint statement during Prime Minister Modi's visit."

The visit is taking place under the Australia India Education Council's (AIEC) Eminent Researcher Lecture Program. The AIEC is a bi-national body co-chaired by the Australian and Indian Education Ministers, for driving the Australia India education, training and research agenda.

"This visit has enabled a deeper two-way understanding of the mining capabilities in our countries and I see immense potential in academic and research collaboration in this area between Australia and India," Prof. Fityus said.

Source: The Economic Times

Govt approves Rs5,000 crore tax-free bonds to support solar mission

The ministry of new and renewable energy (MNRE) has approved the sale of tax free-bonds worth Rs.5,000 crore to support the government's solar mission.

Of this, the Indian Renewable Energy Development Agency (IREDA) is likely to raise Rs.2,000 crore through an issue of tax-free bonds in the next few months.

The announcement was made by Tarun Kapoor, MNRE joint secretary, in a speech at the Solar Power Summit-2015 in New Delhi.

IREDA is expected to use these funds to lend to solar energy developers at a lower interest rate of 10.5%. Developers, in turn, will use these loans to fund roof-top solar panel installations.

Kapoor also announced a withdrawal of subsidies extended on targets of non-conventional power generation for industrial and commercial purposes.

State-run NTPC Ltd is also soon expected to issue tenders for solar power projects of 15,000 megawatts, the PHD Chamber of Commerce said in a statement on Friday.

However, Kapoor acknowledged that public sector companies are not likely to add non-conventional power capacities in a big way. "The government would want the private sector to play a major role to lighten the India through solar power initiatives," he said.

Source: Mint

Domestic car sales up 18.1% in April

Domestic passenger car sales grew 18.14% to 1,59,548 units in April this year compared with 1,35,054 in the same month of 2014.

According to the data released by the Society of Indian Automobile Manufacturers (SIAM), motorcycle sales last month were down 2.77% at 8,81,751 units from 9,06,909 in the same month of the previous year.

Total two-wheeler sales in April 2015 slumped 0.16% to 12,87,064 units from 12,89,183 in the year-ago period.

Total sales of commercial vehicles, however, jumped 6.48% to 45,872 units from 43,080 a year ago, SIAM said.

Total sales of vehicles across categories registered a growth of 1.91% to 15,83,551 units in April 2015 as against 15,53,871 in the same month of 2014, it added.

Source: Press Trust of India

Future to merge retail biz with Bharti Retail

The Kishore Biyani-led Future Retail announced its merger with the retail arm of Sunil Mittal's Bharti on May 5, just a day after Aditya Birla Group made public its retail consolidation plans. This seemed almost like a replay of e-commerce major Amazon announcing a $2-billion investment for the India market a day after Flipkart raised $1 billion from a clutch of investors.

Replying to a question, at a press conference, on whether it was by coincidence or design that this announcement was coming just a day after the Birlas', Biyani jokingly said, ''We don't do anything by design. Ask them why they made the announcement on a Sunday.''

The deal came almost eight years after Bharti had entered a pact with America's Walmart to do retail business together in India in August 2007.

While Bharti and Walmart were in an equal joint venture for cash-and-carry or wholesale business, they had aspired to set up stores in the multi-brand category once the retail policy was relaxed. Bharti operated front-end retail stores, Easyday, on its own all those years, with the intention of Walmart joining hands at a later date.

But, the two split up in October 2013, with Walmart going its own way on cash-and-carry and Bharti retaining Easyday.

Future will now acquire a majority stake in the merged entity, with Bharti holding around 14 to 15 per cent in two entities - Future Retail and Future Enterprises. Both will be listed entities. Although it's a share swap arrangement between Bharti and Future, the deal size is estimated at around Rs 750 crore.

While Rs 500 crore will be towards buying of the stake, another Rs 250 crore is for a future allotment of preferential shares. The overall debt of the venture will be around Rs 1,200 crore. Will the consolidation mean Future ruling the retail sector as an undisputed leader? Biyani said the merged entity at an estimated Rs 2,000 crore would make the retail business more formidable, but pointed out that it was ''not a race out here''.

Even as both Biyani and Rajan Mittal, who heads the retail business of Bharti, said it was a synergy to expand their geographical footprint and increase the number of stores, Bharti's role in running the retail business is likely to be minimal in the venture.

Future and Bharti stores will continue to run with their respective brand identities, they said. In the combined board, with eight members, Rajan Mittal is the only one invited to represent Bharti, thereby indicating the extent of the group's direct involvement. However, a committee has been formed to look at the final structure of the board.

The merger is likely to be completed in six to eight months, with permissions to be secured from Competition Commission of India (CCI) , Securities & Exchange Board of India (Sebi), and stock exchanges.

An integration panel with eight members is monitoring the modalities.

Biyani said the merged entity would look at having around 4,000 small stores by 2021. Currently, the partnership would mean 571 retail stores in multiple formats in over 240 cities covering 35.5 million square feet.

Separately, Bharti has around 200 Easyday stores, mostly in northern India, and Future has around 370 outlets.

Future had recently acquired the Nilgiris chain in the south of India, and the latest move implies a pan-Indian footprint for the group.

Bharti had stopped store expansion after the end of 2012 over a lack of clarity on government rules in the retail sector and differences with the then partner Walmart.

Source: Business Standard

India's goods exports shrink, gold imports nearly double

In a worrying start to this fiscal, India's merchandise exports declined sharply by 14 percent in April and stood at $22.05 billion due mainly to the overall conditions in the global market, while gold imports shot up by 85 percent.

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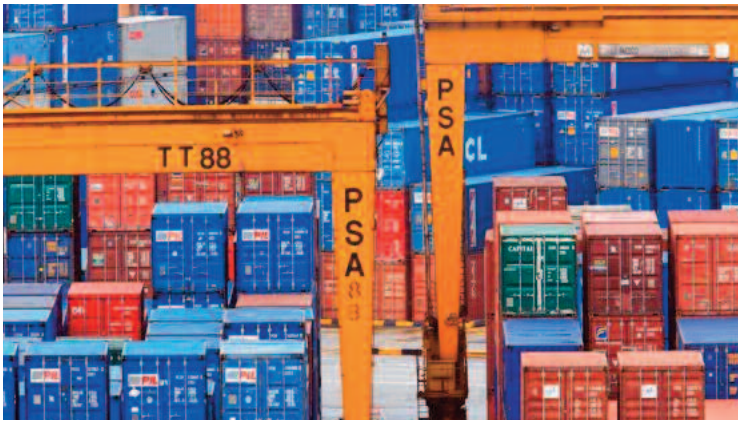

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As per Ralhan added that exports to countries dependent on oil, metal and commodities may have taken a hit as they reduced their appetite for imports with tighter capital control.

Ralhan added that the interest subvention scheme may be re-introduced immediately and liquidity crunch of the exporters may be addressed with timely release of the exports benefits.

Source: Indo-Asian News Service

US-India trade body inducts six new board members

The US-India Business Council (USIBC) comprising more than 300 top-tier US and Indian companies advancing US-India commercial ties has inducted six global business leaders to serve as members of the board.

The new appointees are Anurag Bhargava, Chairman, IREO; Marc Allen, President of Boeing International; David M.Cordani, President and CEO, Cigna Corporation; Patrick Dewar, Chairman, Lockheed Martin Global; Kenneth C. Frazier, Chairman and CEO, Merck; and Edward Monser, President and COO, Emerson Electric.

USIBC and the board of directors remain committed to advancing the commercial relationship between the US and India, said Ajay Banga, USIBC Chairman and MasterCard President and CEO.

"Our members are encouraged by Government of India's commitment to economic growth, to attracting the investment needed to achieve that growth, and improving the ease of doing business in India," he said.

They "look forward to contributing to India's growth story through any number of Government of India initiatives, including Smart Cities and Make in India."

The new group of directors is "joining the Council at a time when India is poised for tremendous growth and will undoubtedly provide valuable leadership to USIBC and its members," said Mukesh Aghi, President of USIBC.

Anurag Bhargava, Chairman of IREO, the largest FDI investor in the construction development sector in India said, "IREO is committed to delivering world-class homes and supporting efforts to build smart cities and urban infrastructure that enables India's continued economic growth and middle class expansion."

"Promoting an innovation-based economy supports not only the growth of the life sciences industry, but also helps to expand health care access for its people," said Kenneth C. Frazier, Chairman and CEO, Merck.

"As Cigna works to improve both health and vitality in India, we look forward to increasing our presence in the dynamic Indian market," said David M. Cordani, President and CEO of Cigna.

"India has a lot to offer to the world as a market and US companies have a lot to consider and gain from the opportunity," said Edward Monser, President and COO of Emerson Electric.

"Boeing's relationship with India dates back several decades, and we look forward to an enduring partnership for decades to come," said Marc Allen, President of Boeing International.

"Lockheed Martin's commitment to teaming with the Indian Government and enterprise aligns well with the spirit of the Council's mission to advance the bilateral relations," said Patrick Dewar, Chairman of Lockheed Martin.

As board members, this dynamic group of CEOs along with existing members will help promote the USIBC policy advocacy priorities across critical areas such as health, defence, designing liveable cities, technology, manufacturing and financial services, said the trade association.

Source: Indo-Asian News Service

Indian firms ready to invest in Mexico oil, gas: Pradhan

Indian companies are willing to participate in the exploration of even deep water and unconventional hydrocarbon resources in Mexico, Petroleum Minister Dharmendra Pradhan told Mexican officials during his recent visit to the central American nation.

"Indian companies are willing to participate in exploration and production activities in Mexico, including in deep water and unconventional resources," the petroleum ministry said in a release in New Delhi on May 20.

Pradhan also offered to help Mexico upgrade its refining sector, saying India has emerged as a modern refining hub with expertise to develop complex refineries in a most cost-effective manner, the statement added.

Mexico's Energy Minister Pedro Joaquin Caldwell, and state-run PEMEX chief executive Emilio Lozoya Austin have invited Indian investments in all areas of the hydrocarbon sector.

The two sides also agreed to set up a joint working group on hydrocarbons at the official level to identify concrete areas of cooperation in the sector.

India's Oil and Natural Gas Corp's foreign arm, ONGC Videsh, has decided to open its office in Mexico City to pursue opportunities in upstream sector. It has also signed an MoU with PEMEX for cooperation in the upstream sector, the statement said.

Currently, Indian Oil, Reliance Industries and Essar buy about 6 million tonnes of crude oil from Mexico.

Pradhan also informed the Mexican officials that India is trying to diversify its imported sources of energy and more than 20 percent of crude imports is currently sourced from Latin America.

The minister is currently on an official tour to Mexico and Colombia, both of which are a very important economic and energy partners of India.

Source: Indo-Asian News Service

Renewable energy seen generating one million jobs

As India, the world's third-largest emitter of greenhouse gases but 127th in terms of per capita emissions, ponders over an energy-balanced growth, jobs creation and environment protection in the future, there is encouraging news.

The renewable energy sector, a particular focus of attention for Prime Minister Narendra Modi, has generated 400,000 jobs till 2014, according to a report released by the International Renewable Energy Agency (IRENA).

The sector could generate a million jobs by 2022, if the government reaches its goal of 100 giga watts (GW) of solar photovoltaic (PV) energy and 60 GW of wind energy.

India is ranked fourth globally with 5.7 percent of all the people employed in the renewable-energy sector worldwide. China is the largest global renewable-energy employer, with 44 percent of the world's jobs, or 3.4 million, followed by Brazil with more than 0.9 million jobs, USA (0.7 million), India (0.4 million) and Germany (0.3 million).

Globally, more than 7.7 million people are employed (directly or indirectly) in the renewable-energy sector (excluding large hydropower). This is an 18 percent increase from last year's 6.5 million, according to the IRENA report.

India has a renewable-energy potential of about 895 GW, of which solar alone could generate 750 GW, as IndiaSpend previously reported. The Five of the top 10 countries providing jobs in this sector are from Asia -- China, India, Indonesia, Japan, and Bangladesh.

The solar PV sector employs 125,000 people (grid-connected and off-grid applications) in India. It is also the largest renewable energy employer in the world, accounting for nearly 2.5 million jobs. But more jobs blowing in the wind.

If the government's goal of installing 60 GW wind energy is reached, India could create up to 183,500 additional jobs in that sector (excluding manufacturing) by 2022, according to the IRENA report. While most of these jobs (81 percent) would be temporary, for eg. construction, about 16 percent would be skilled.

Direct employment in India increased by 28% to 53,000 in 2014, with 29,000 jobs in installation, operation and maintenance, and the remainder in manufacturing, the report estimates.

China leads global employment in solar PV, wind, solar heating and cooling, small and large hydropower, biomass and biogas. Brazil with over 0.8 million jobs is the leading employer in biofuels.

India's renewable-energy contribution stands at 33 GW of installed power capacity as on December 2014. Wind energy contributes 22 GW followed by bio-energy (4), small hydro (4) and solar (3).

Over the last 10 years, from 2005-06 to 2014-15, the renewable-energy installed capacity rose five times to reach 12 percent of India's total installed power capacity.

India's solar PV manufacturers struggle to compete with suppliers from China, United States, Japan and Germany, according to the IRENA report. Only 28% of India's module production capacity and 20% of its cell manufacturing capacity were utilised in 2014.

Source: Indo-Asian News Service

M&M to buy stake in Mitsubishi Heavy's farm machinery unit

Vehicle maker Mahindra and Mahindra Ltd said on May 21 it would buy a 33- percent voting stake in the agricultural machinery-making unit of Mitsubishi Heavy Industries Ltd for $25 million.

The investment is being made through the issue of common shares and class A non-voting shares of Japan's Mitsubishi Agricultural Machinery Co Ltd, and the deal is expected to close by Oct 1, the companies said in a joint statement.

Mitsubishi Agricultural makes farm equipment such as tractors, power tillers, rice planters and combine harvesters for sale globally. It brought in about $408 million in revenue for the fiscal year 2015.

Mahindra, which is the world's largest maker of tractors by volume, said the deal would help both companies cut cost and improve their supply chain.

Source: Reuters

Indian retail market to touch $2.1 trillion by 2025: Study

Increasing affluence, changing lifestyle and attitude towards spending by young Indians is pushing the retail market, which is expected to grow from about $550 billion in 2015 to $2.1 trillion by 2025, an almost fourfold growth over a decade, a study said on May 15.

"India's young population, increasing affluence, changing lifestyle and attitude towards spending and increasing availability in the smallest of the towns, is spiralling consumption and driving the retail market," said the retail report done by Confederation of Indian Industry along with Wazir Advisors.

"The Indian retail market is thus expected to grow from about $550 billion in 2015 to an estimated $2,100 billion by 2025, an almost four fold growth over a decade," it added.

Within the same period, organised retail is expected to grow seven fold and online retail, a mind boggling 26-fold.

The main drivers for the retail market would be the demographic dividend, increasing incomes fuelling aspirations and rurbanisation and urbanisation.

There are an estimated 12-14 million retailers, making India a country with one of the highest retail densities. The sector is expected to grow at a compound annual growth rate of 14 percent over the next 10 years and will remain one of the top growth markets globally.

"However, given their small bases, the market will still be dominated by the traditional unorganized retail which is expected to grow at a healthy 13 percent per annum, and continue leading the market with 79-80 percent share, even by 2025," the study projected.

It stated that the fear of traditional unorganised retailers that modern organised retailers will wipe them out has settled.

The study further said: "The current fretfulness that organised retailers have about online players will subside soon as the online sector matures and grows past its initial discounting strategies."

Though currently the level of collaboration between unorganized, organised and online retail channels is limited as the market reshuffles and all participants are trying to find their own ground, the scenario is going to dramatically change going forward, the report predicted.

"Each channel will define its own unique strengths and value proposition and will learn to coexist and grow profitably with the other, driven by the consumer's inclusive retail approach."

"The consumer will seamlessly switch between channels depending on his needs and will not shun one for the other. His approach to channel selection will thus be 'inclusive' and not 'exclusive'."

Source: Indo-Asian News Service

April car sales up 18%, fastest in 30 months

Domestic passenger car sales got off to flying start in 2015-16 by clocking 18.14% growth in April, the fastest in the 30 months, boosted by improved consumer sentiment over softer fuel prices and new models.

Industry body Society of Indian Automobile Manufacturers (Siam) said car sales stood at 159,548 units during the month, against 135,054 units in April 2014.

It was the seventh straight month of growth for the industry, and the fastest year-on-year since October 2012, when it grew 21.19%. However, Siam cautioned that a complete turnaround would take some more time.

"We have started the new fiscal with growth in all segments except three," said Vishnu Mathur, director general, Siam. Sales of three-wheelers, motorcycles and light commercial vehicles dipped.

Mathur highlighted that the automobiles sector was still in recovery mode, and said, "We will say we have fully recovered only when we reach the peak levels. We are far away from that as of now.

Currently, not all companies are showing growth."

Sale of SUVs and multipurpose vehicles grew at a sedate 7%, while vans logged a nearly 20% growth. Sale of commercial vehicles grew by 6.5% largely on the back of a 24% jump in sales of heavy trucks and buses that is considered a barometer of the state of the overall economy.

The unseasonal rains in parts of north India two months ago continued to haunt the two-wheeler industry as sale of motorcycles slid 2.3% due to the impact on farm income. With the Met predicting a below-average monsoon this year, the two-wheeler industry may have a rough ride in store.

"The decline in motorcycle sales is a reflection of the impact of unseasonal rains in the rural market. We will have to watch out for how deficient rains will affect us going forward," Mathur said.

Source: Hindustan Times

India continues to lead global consumer confidence index: Nielsen

India remained at the top of Nielsen's global consumer confidence index for the fourth quarter in a row, but whether confidence translates into consumption is still in doubt.

The country's confidence score rose 1 point from the previous quarter and 9 points from a year ago to 130 in the three months ended March. India was followed by Indonesia (123) and the Philippines (115), according to the online survey conducted by Nielsen.

Although India retained its position at the top of the index, a substantial 44% of the respondents polled felt that the economy was still in the dumps, said the Nielsen Global Survey of Consumer Confidence and Spending Intentions.

Consumer confidence levels above and below a baseline of 100 indicate degrees of optimism and pessimism, respectively. An increase in consumer confidence index is a sign of brighter prospects for an economic recovery.

As the sequential increase in confidence in the March quarter is negligible, it still casts a cloud on India's consumption story.

"We are seeing some initial signs of consumption recovery, but will have to wait for another quarter or two to see if this can be sustained. This will depend on factors like timely monsoons and inflation," said Piyush Mathur, president, Nielsen India region, in a phone interview.

This is in line with what consumer product makers such as Hindustan Unilever Ltd (HUL), Godrej Consumer Products Ltd and Marico Ltd said when they announced their March quarter earnings.

"There is no clear visible trend emerging at present. It is a bit too early to predict... Maybe we will have to wait for a quarter or two," said Sanjiv Mehta, chief executive officer and managing director at HUL, the maker of Lux soaps, Surf detergents and Kissan jams, at the company's earnings conference on 8 May.

Delayed and deficient monsoon rains last year, followed by unseasonal showers that damaged winter crops in the past two months, have hurt rural incomes and consumption despite inflation slowing. Consumer Price Index-based retail inflation eased to 4.87% in April, a four-month low.

"The fall in inflation is expected to have an impact on disposable income over time, but it will take time for the sectors to be restored to perceptible and sustainable growth," said Mathur.

Growth in infrastructure, engineering and other industrial sectors is yet to gather pace.

India's eight core sectors shrank for the first time in 17 months by 0.1% in March, compared with a 1.4% expansion in February due to a dip in production of steel, natural gas and refinery products, according to official data.

The Nielsen survey, established in 2005, measures perceptions of local job prospects, personal finances and immediate spending intentions among over 30,000 respondents with Internet access in 60 countries.

Over four in five urban Indian respondents (nearly 83%) polled in the survey, conducted between 23 February and 23 March, exuded the highest level of optimism globally on job prospects in the next 12 months; the figure was 74% in the same quarter last year.

India was followed by Indonesia (74%) and the Philippines (73%).

According to the survey, discretionary spending and savings of over three in five (65%) online respondents polled indicated this is a good time to buy things they want and need, compared with 54% in the year-ago period.

When it comes to investing spare cash, 64% indicated it is a good time to put it into savings.

The purchase intent for new clothes by urban online respondents was 44% in the March quarter, the same as in the previous quarter.

Also, 79% respondents changed their spending habits to save on expenses, the survey showed.

The top three cost-cutting avenues in the March quarter were savings on gas and electricity (49%), spending less on new clothes (45%), and cutting down on holidays and short breaks (35%).

The state of personal finances for 80% of urban Indian respondents was good or excellent in the first quarter of 2015, 4 percentage points up from 76% a year ago.

The top concerns remained job security (22%), sustaining a work-life balance (11%), and followed by state of the economy (9%). Parents' welfare and happiness was the second biggest concern for 12% of the respondents.

Source: Mint

Govt contains fiscal deficit at 4% of GDP; beats its own target

The government has limited fiscal deficit for 2014-15 at 4% of GDP, lower than the revised estimate of 4.1% announced in February helped by lower than estimated revenue deficit and by limiting both plan and non-plan spending for the just concluded fiscal, according to latest figures released by the finance ministry.

A statement from the finance ministry attributed the improvement in key fiscal indicators to the "result of prudent policies and (the government's) commitment to fiscal consolidation."

In his 2015-16 budget speech, finance minister Arun Jaitley had deferred the fiscal consolidation roadmap by a year and kept the target for 2015-16 at 3.9% of GDP compared to the earlier target of 3.6%.

The fiscal deficit at the end of 2014-15 stood at Rs. 5,01,880 crore which is 98% of the projected revised estimate for the fiscal.

The gap between the government's receipts and spending, which is usually met by borrowings, had been at 4.4% for 2013-14.

"The Union Government is firmly committed to path of fiscal consolidation and this is a step forward," said the statement.

Plan Expenditure at the end of 2014-15 stood at Rs.4.35 lakh crore, down from the revised estimate of Rs 4.67 lakh crore.

The final plan spending figure shows a 24% cut from the original budget estimate of Rs 5.75 lakh crore. It was revised down in February by 18.6%.

Non-Plan Expenditure for the fiscal ended March 31, 2015 stood at Rs 11.91 lakh crore or 99.8% of the revised estimate at Rs 12.13 lakh crore.

The ministry said the provisional account for the fiscal year ended 31st March, 2015 has been compiled on the basis of March data as well as anticipated adjustments received from the different ministries, which might undergo certain changes during the final compilation after audit.

Revenue deficit at the end of 2014-15 stood at Rs.3,58,306 crore, which accounted for 2.8% of the GDP as against the revised estimate for the year of 2.9%. Revenue deficit for the 2013-14 fiscal had stood at 3.2%.

Gross tax collection for the year under review stood at Rs. 12.45 lakh crore, showing a growth of 9% from a year ago. Gross tax receipts accounted for 9.8% of GDP last fiscal. Non Tax Revenue, however, stood at Rs.1.97 lakh crore, accounting for 90% of the revised estimates.

Devolution of tax collections to States at the end of 2014-15 remained at Rs.3.38 lakh crore, higher by Rs.19,578 crore over the same for 2013-14.

Non Debt Capital Receipts, which includes disinvestment exceeded the revised estimate (103% of RE) at Rs.43,439 crore. This showed an increase of 4% compared to that of the previous year.

Source: Business Standard

India's growth to be highest among G20 countries: Moody's

Ratings agency, Moody's on May 13 said that at 7.5 percent, India's growth rate during 2015-16 will be the highest among the global 20 major economies (G20).

It said the growth has been predicted on the basis of various reforms initiated by the government in face of lower oil prices.

A report from the global credit rating firm said: "We forecast strong growth in India... At 7.5 percent in 2015-16, the highest among the G20 economies. Lower oil prices will reinforce gradual growth-enhancing reforms to support robust economic activity over the forecast period."

The report said since India is a major crude importer, softer oil prices will benefit the economy.

The G20 group comprises of the top 20 economies which accounts for 85 percent of global economic output.

"We expect a broadly balanced current account, for the first time in 10 years, thanks to lower energy import bill and restrictions in gold imports," added Moody's.

The report highlighted the Make in India campaign as a major booster to the projected growth.

"If implemented as intended, these reforms and the wide support for business-friendly policies will help achieve higher investment growth than in 2013-14," Moody's said.

Source: Indo-Asian News Service

Kolkata, Mumbai, Bangalore in fastest-growing global cities list

India's three metropolitan cities, Kolkata, Mumbai and Bangalore, have emerged as the top three fastest growing cities in A T Kearney's Global Cities Index, which is topped by New York and London.

The three cities have been improving their scores steadily in business activity, information exchange, human capital and cultural experience key parameters used to measure a city's global engagement in the index released today, said the London-based global management consulting group.

The three India cities have made particularly strong improvements in information exchange, in part due to gains in the number of broadband subscribers, it said.

"The ability to attract human capital is key to the success of any city. For that it needs to be able to provide a good environment for living as well as innovation," said Debashish Mukherjee, a partner with A T Kearney.

"India has been pushing for urban redevelopment and improving the infrastructure across its major cities. That has helped its urban centers become more engaged globally," he said.

Mukherjee added: "The Indian government's plan to develop 100 smart cities across the country is a step in the right direction. India's major cities should be a priority for the government's smart city program."

The Global Cities 2015 includes two parts- The Global Cities Index (GCI) and the Global Cities Outlook (GCO).

This is the fifth edition of the GCI, which was launched in 2008.

The GCI provides a unique assessment of global engagement for 125 cities, measuring how globally engaged each city is across 26 metrics in five dimensions – Business Activity, Human Capital, Information Exchange, Cultural Experience, and Political Engagement.

The GCO is new this year: It evaluates the future potential of 125 cities based on the rate of change across four dimensions – Personal Well-being, Economics, Innovation, and Governance.

For the GCO, cities in India and China are the ones to watch, especially Ahmedabad, New Delhi and Beijing.

New York and London remain the world's most global cities, as they are the only cities to rank in the top 10 of both GCI and GCO.

San Francisco leads the GCO due to its strength in innovation. Other cities ranking at the top of the GCO include London (#2), Boston (#3), New York (#4), and Zurich (#5).

Mike Hales, A T Kearney partner and study co-leader, said: "We have identified 16 cities that are ranked in the top 25 of the GCI and in the top 25 of the GCO. We call these cities the 'Global Elite'."

Beyond New York and London, the Global Elite includes Los Angeles, Chicago, Toronto, San Francisco, Boston, Paris, Brussels, Berlin, Amsterdam, Tokyo, Singapore, Seoul, Sydney and Melbourne.

Source: Press Trust of India

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