Trends ….. March 2018

A strong consumption growth, subdued imports, a modestly-growing indigenous supply side, exports rising in line with global recovery, north-bound prices recovering against the background of stable economic growth as reflected in the GDP numbers - these summed up the domestic steel scene at the end of 2017-18.

WORLD ECONOMY AT A GLANCE

- The J.P.Morgan Global Manufacturing PMI posted 53.4 in March 2018, down from 54.1 in February 2018 and was its lowest reading since October 2017, as per latest Markit Economics reports which attributed the outcome to slower growth of output, new orders and employment during the month, pointing out additionally that average Q1 2018 PMI stood at 54, same as in last quarter.
- The Markit Economics reports also indicate that expansions were noted in almost all the nations covered, with only South Korea, Malaysia and Thailand reporting contractions. Growth, however, slowed in the Euro area, China, Japan, India and Australia, but improved in the US, the UK, Brazil and Russia.
- The reports highlight that growth of total new orders and new export business both eased further during this period and job creation was signalled in all of the nations covered except China, India, Russia, Thailand and the Philippines. Also, price pressures eased during the month, with rates of increases in output charges and input costs both showing some moderation.

Key Economic Figures			
Country	GDP 2017: % yoy change*	Manufacturing PMI	
		February 2018	March 2018
India	7.0	52.1	51.0
China	6.9	51.6	51.0
Japan	2.0	54.1	53.1
USA	2.3	55.3	55.6
EU 28	2.3	58.6	56.6
Brazil	1.0	53.2	53.4
Russia	1.5	50.2	50.6
South Korea	3.1	50.3	49.1
Germany	2.5	60.6	58.2
Turkey	7.4	55.6	51.8
Italy	1.5	56.8	55.1
Source:GDP: official releases; PMI- Markit Economics, *provisional			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that world crude steel production for March 2018 was 148.33 million tonnes (mt), up by 4 per cent year-on-year (yoy) i.e. over March 2017 and stood at 426.55 mt during January-March (Q1) 2018, up by 4.1 per cent yoy.

World Crude Steel Production: January-March 2018 (p)			
Rank	**Country**	**Qty (mt)**	**% yoy change**
1	China	212.15	5.4
2	India	26.69	3.7
3	Japan	26.40	0.7
4	USA	20.74	2.2
5	South Korea	17.80	2.8
6	Russia	16.55	-6.7
7	Germany	11.01	0.3
8	Turkey	9.54	7.9
9	Brazil	8.65	4.8
10	Iran	6.81	47.0
	Top 10	**356.35**	**4.4**
	World	**426.55**	**4.1**
Source: worldsteel; p= provisional; mt=million tonnes			

- China produced 73.98 mt of crude steel in March 2018, up by 4.5 per cent over March 2017 and production during Q1 2018 stood at 212.15 mt, up by 5.4 per cent yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 2.8 per cent. China accounted for 72 per cent of Asian and 50 per cent of world crude steel production during Q1 2018.
- **With a 6.3 per cent share in total world production and a 3.7 per cent rise in production over same period of last year, Indian crude steel production during January-March 2018 (26.69 mt) surpassed Japan to maintain the second largest spot that it had attained last month.**
- March 2018 Japanese crude steel production (9.08 mt) was up by 2.2 per cent yoy and production during Q1 2018 stood at 26.4 mt, up by 0.7 per cent yoy. The country emerged as the third largest crude steel producer in the world in 2018 so far.
- Crude steel production in the EU (28) countries during March 2018 was at 15.11 mt, up by 0.5 per cent yoy and production during Q1 2018 stood at 43.07 mt, up by 0.9 per cent yoy.
- At 102.19 mt, Asian crude steel production was up by 4.3 per cent in March 2018 and production during Q1 2018 stood at 294.07 mt, up by 4.6 per cent yoy. Asia accounted for 69 per cent of world crude steel production in Q1 2018.
- The top 10 countries accounted for 84 per cent of total world crude steel production in Q1 2018 and saw production go up by 4.4 per cent yoy.

NEWS AROUND THE WORLD

THE AMERICAS

- US President Donald Trump has signed off on two proclamations instituting his administration's previously announced tariffs on steel and aluminum imports. As a result, the US will implement a 25% tariff on imports of steel and a 10% tariff on imports of aluminum, which will take effect from March 23, 2018, 15 days from the date of the signings.
- The US and South Korea have reached an agreement to revise a trade deal between the countries and extend South Korea's exemption from the newly imposed US tariffs on imports of steel and aluminum. Along with it, Canada and Mexico, the European Union, Australia, Argentina and Brazil will not be subject to the US tariffs on imports of steel and aluminum.
- The US Court of International Trade has decided to uphold the International Trade Commission's negative threat determination in its investigation of HRC from Turkey.
- The US Steel will restart one of two blast furnaces and the steelmaking facilities at its Granite City Works sheet mill in Illinois to support anticipated increased demand for domestic steel.
- The US has requested a consultation with the WTO to challenge five of India's export subsidy programs.
- The US International Trade Commission has determined there is a reasonable indication that the US industry is materially injured, or threatened with material injury, by imports of large diameter welded pipe from six countries - Canada, China, Greece, India, South Korea and Turkey.
- Canada is cracking down further on unfairly traded steel and aluminum following the imposition of Section 232 tariffs in the United States.
- CSN is negotiating with authorities in the United States to obtain quotas to export slab, tinplate and "some volumes" of hot-rolled coil without tariffs linked to the Section 232 investigation.

ASIA

- China has sought public feedback on a proposal to impose tariffs on US imports worth some $3 billion, in retaliation to the latter's move to tax imports of steel and aluminium.
- Tangshan has announced that winter steel output cuts have officially ended, and that non-heating season output controls will now take effect, mill sources in Tangshan said.
- China will cut about 30 mtpa of crude steel capacity in 2018, which will take it close to the upper end of its 100-150 mtpa target for 2016-2020.
- Wu'an has ordered local steel mills to shut down production of all blast furnaces during March 16-31 in a bid to achieve its environmental targets.
- China is set to dominate global financial trading in the next decade, with the country finally opening up direct access to its futures markets while deepening its footprint further in the West, according to Futures Industry Association.
- Nippon Steel & Sumitomo Metal Corp said it will start the new No.2, 3700 cu.m BF at its Wakayama steel works by the end of March next year. It also announced that it had entered into an agreement with ArcelorMittal to "jointly acquire" India's Essar Steel.

- Japan's steel exports in January 2018 fell 3.9% yoy to 3.08 mt, marking the twelfth consecutive year on year monthly decrease, according to trade data of JISF.
- India is to approach USTR against steel, aluminium tariffs.
- Tata Steel Limited won a bid to acquire the 5 mtpa Bhushan Steel Limited approved by lenders of the latter.
- JSW Steel will invest up to $500 million to improve capacity utilisation of its plates and pipes mill in Texas, US

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Evraz is about to dispose of its last Ukrainian steelmaking asset, the Petrovsky Dnepropetrovsk Iron & Steel Works, selling it to a company headed by Oleksandr Yaroslavsky.
- The Iranian Steel Producers' Association has asked the government to not decrease the current import duties.
- Demand for steel bar and rod will rise in 2018 due to increased consumption from key end-users, as per Saarstahl.
- Saudi Arabia's National Committee for Steel Industry has urged for action to be taken against imports being dumped into the country, specifically by raising import duties.
- NLMK USA has requested an exemption for Russian slabs from the US steel tariffs.

EU AND OTHER EUROPE

- Eurofer has called for quick decision in the region's safeguard case investigating imported steel. The European Commission started the safeguard case into 26 steel product types on March 26, in an attempt to prevent redirection of steel in the global export markets from the US to the EU. It has also launched an investigation to determine whether safeguard measures are needed to defend the region from the potential redirection of millions of tons of steel caused by the implementation of 25% tariffs on steel imports into the US.
- The European Commission announced two postponements of its decision regarding ArcelorMittal's takeover of Ilva with the new deadline being now set at May 13, 2018.
- The European Commission has initiated expiry reviews for antidumping and countervailing measures on organic-coated sheet imports from China.
- ArcelorMittal is increasing the capacity of its sheet service centre in Neuwied by 0.1 mt to 0.5 mtpa.
- Construction of Bolivia's first steelmaking facility is more than 10% completed, steel and investment group Las Lomas said.
- Trade union IG Metall has not given a green light to the merger of ThyssenKrupp and Tata Steel Europe and would still veto the joint venture if an assessment of the future profitability of the combined assets does not yield satisfying results.

[Source Credit: Metal Bulletin, Platts, leading news papers (India news)]

[Source Credit: Metal Bulletin, Platts, leading news papers (India news)]

March 2018 continued to see global steel prices largely head north, moving in a market environment heavily influenced by the USA's Section 232 findings and subsequent decision to impose a 25% tariff on steel imports into the country. The fact that some countries have received exemptions from such tariff has complicated matters, raising fears-cum-speculation of a fresh round of dumping of steel in available markets in view of these import restrictions. Retaliatory efforts are either being planned or have been already launched and as market analysts opine, global steel has just opened up a new chapter of steel trade war.

Long Product

- March 2018 saw US rebar prices head north, buoyed by hikes implemented by producers like Nucor, stringent supplies and upbeat sentiments following the import tariff decision. Transactions, as per Metal Bulletin reports, were quoted around $650-690/t at March-end, which ensured Q1 2018 US rebar prices maintained a steady northward move.
- March 2018 EU rebar prices largely remained stable but on the lower side, given softened demand conditions. Transactions, as per Metal Bulletin reports, were quoted around €550-570/t ($683-708) ex-w in Northern Europe and around €515-530/t ($640-658) ex-w in Southern Europe which indicated a softening in EU rebar prices for Q1 2018, due largely to weak demand.
- March 2018 Chinese rebar prices moved south following weakening in steel and futures market due largely to uncertainties following the import tariff decision by the US. Transactions, as per Metal Bulletin reports, were quoted around 3,550-3,600 yuan/t ($564-572) in Shanghai and around 3,710-3,740 yuan/t in Beijing. Such trends implied a steadily south-moving rebar prices in China for Q1 2018.
- Stringent supply made March 2018 Russian rebar prices move north following hikes implemented by market leaders like NLMK and Severstal. Metal Bulletin's price assessment for Russian domestic 12mm A500C rebar was around 37,000-37,500 roubles/t ($647-656) cpt Moscow, including VAT which meant that for Q1 2018, rebar prices followed a rising trend.

Flat Product

- Like rebar, scarce supply and upbeat sentiments, led March 2018 US HRC prices head north. Transactions, as per Metal Bulletin reports, were quoted around $830-860/t at March-end, which ensured Q1 2018 US HRC prices maintained a steady northward move.
- March 2018 saw EU HRC prices remain largely stable and even showed a rise over February 2018, due largely to scarce supply and upbeat sentiments owing to the newly started safeguard cases into steel import including HRC. Transactions, as per Metal Bulletin reports, were around €570-590/t ($708-733) ex-w in Northern Europe and around €560-570/t ex-w in Southern Europe at month-end, thereby making Q1 2018 a north-bound trend.
- Chinese HRC prices in March 2018 slipped over February 2018, due largely to same factors as applicable for rebar. Transactions, as per Metal Bulletin reports, were quoted around 3,820-3,840 yuan/t ($607-610) in Shanghai and around 3,790-3,810 yuan/t in Tianjin at March-end, which implied a fluctuating Q1 2018 Chinese HRC prices.
- Seasonal demand improvement and scarcity in supply led Russian HRC prices northward in March 2018 with Metal Bulletin's assessment of Russian 4mm HR sheet around 42,500-45,000 roubles/t ($744-787) cpt Moscow, including VAT at month-end which took Q1 2018 Russian HRC prices on a steady path of increase during this period.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

India, Iran drives up global DRI production by near-8% in January-February 2018

Global output of direct reduced iron (DRI) increased by 7.7% year-on-year (yoy) in February 2018 and by 9.4% during January-February 2018, as per provisional World Steel Association (worldsteel) report. DRI production worldwide rose to 6.09 million tonnes (mt) in February 2018, compared with 5.66 mt in the corresponding month last year, according to worldsteel. February 2018 DRI output was driven by a substantial growth in Iran, where output rose by 52.3% yoy during this month to 1.92 mt. In contrast, India, which continued to be the world's largest DRI producer during this period, saw its output decline by 10.1% in February 2018 over February 2017.

For the period January-February 2018, provisional worldsteel report indicates that global DRI output continued to be driven by India (4.27 mt) at the number one spot despite a 12.4% decline in production when compared to same period of last year. As in case of the monthly trend, for the cumulative period also, Iran's DRI output (4.04 mt) rose by a significant 55.2% during January-February 2018 and along with India, these two countries accounted for 65% of global DRI output during this period. Individually, India accounted for 33% and Iran, 32% of global DRI production in 2018 so far, compared to 42% and 22% respectively as in same period of last year, thereby indicating the significant gains made by Iran and the drop in India's share in total global output during the current period when compared to same period of last year. Amongst the other countries in the top five bracket, output registered modest to strong growth in case of Mexico (1.3%), Egypt (24.8%) but declined in case of Saudi Arabia (10.6%).

Together, the top five countries accounted for 86% of the world DRI production during January-February 2018 and saw their cumulative ouput rise by 9.5% during this period as compared to same period of last year. The production details of the top five global DRI producers for January-February 2018 are shown below.

World DRI Production: January-February 2018*			
Rank	**Country**	**Qty (mt)**	**% change over last year**
1	India	4.266	-12.4
2	Iran	4.044	55.2
3	Mexico	0.952	1.3
4	Egypt	0.95	24.8
5	Saudi Arabia	0.753	-10.6
	Top 5	**10.965**	**9.5**
	World	**12.776**	**9.4**
	%Share : Top 5	**86**	**-**
Source: worldsteel; *provisional			

INDIAN STEEL MARKET ROUND-UP

Snapshot Performance of Indian Steel Industry: April-March 2017-18

The following is a status report on the performance of Indian steel industry during April-March 2017-18, based on data released by the JPC. It is to be noted that total finished steel includes both non-alloy and alloy (including stainless steel) and all comparisons are made with regard to same period of last year.

- Production of crude steel was at 102.338 million tonnes (mt), a growth of 4.5 per cent.
- Crude steel capacity reached 134.66 mt, a growth of 5 per cent.
- Crude steel capacity utilization stood at 76 per cent during the year.
- Production of sponge iron was 28.511 mt, down by 0.9 per cent.
- Production for sale of sponge iron was 16.731 mt, down by 4.3 per cent.
- The coal based route accounted for 78 per cent of total sponge iron production of 28.511 mt during the year.
- Pig iron production was 9.924 mt, down by 4 per cent.
- Pig iron production for sale was 9.408 mt, up by 0.2 per cent.
- Hot metal production was 67.744 mt, an increase of 3.9 per cent.
- Total finished steel production for sale was 104.978 mt, an increase of 3.1 per cent.
- Export of total finished steel reached 9.62 mt, an increase of 16.7 per cent.
- Import of total finished steel was 7.482 mt, an increase of 3.5 per cent.
- India was a net exporter of total finished steel.
- Consumption of total finished steel was 90.680 mt, an increase of 7.9 per cent

Item	Indian Steel: Performance Highlights		
	2017-18 (mt)*	2016-17 (mt)	%change*
Crude steel production	102.338	97.936	4.5
Crude steel capacity	134.66	128.28	5.0
Hot metal production	67.744	65.185	3.9
Pig iron production	9.924	10.342	-4.0
Pig iron production for sale	9.408	9.388	0.2
Sponge iron production	28.511	28.761	-0.9
Sponge iron production for sale	16.731	17.474	-4.3
Total Finished Steel (alloy + non-alloy)			
Production for sale	104.978	101.804	3.1
Import	7.482	7.226	3.5
Export	9.620	8.242	16.7
Consumption	90.680	84.042	7.9
Source: JPC; mt=million tonnes;* provisional			

Crude Steel

- Production of crude steel during April-March 2017-18 was at 102.338 million tonnes (mt), a growth of 4.5 per cent compared to same period of last year.
- Crude steel capacity reached 134.66 mt, a growth of 5 per cent and took capacity utilization to 76 per cent during the year.

- SAIL, RINL, TSL, ESSAR, JSWL & JSPL produced 59.414 mt during this period, which was a growth of 7.1 per cent compared to last year. The rest i.e. 42.924 mt was the contribution of the Other Producers, which was a growth of 1.1 per cent compared to last year.
- The route-wise shares stood as follows: Electric Furnace route (58.16 mt) led crude steel production in 2017-18, accounting for 57 per cent of total production, the rest being accounted for by the Oxygen route. Within the Electric route, EAF (31.26 mt) led crude steel production (31 per cent share) compared to the Induction Furnace route (26.9 mt, 26 per cent share).
- Crude steel production stood at 9.227 mt in March 2018, up by 9.4 per cent over February 2018 but was up by 5.3 per cent over March 2017.

Production for sale

- During April- March 2017-18, production for sale stood at 104.978 mt, a growth of 3.1 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 94.78 mt (up by 1.5 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where production for sale was up by 20.7 per cent.
- Analyzing by broad divisions, in the total production for sale of finished non-alloy steel, contribution of the non-flat segment stood at 45.010 mt (up by 2.3 per cent) while that of the flat segment stood at 49.77 mt (up by 0.9 per cent).
- Analyzing by segments, one finds that in the non-flat, non-alloy segment, production for sale of bars & rods, structurals and railway materials stood respectively at 35.53 mt (up by 1.7 per cent), 8.22 mt (up by 3 per cent) and 1.25 mt (up by 16.6 per cent).
- On the other hand, for the flat segment, with the exception of Plates (5.2 mt, up by 9.8 per cent), production for sale was down for most of the leading items like HRC (23.93 mt, down by 0.8 per cent), CRC (7.8 mt, down by 8.9 per cent) and GP/GC Sheets (7.64 mt; down by 1.3 per cent).
- Production for sale stood at 9.66 mt in March 2018, up by 7.5 per cent over February 2018 but was up by 5.9 per cent over March 2017.

Export

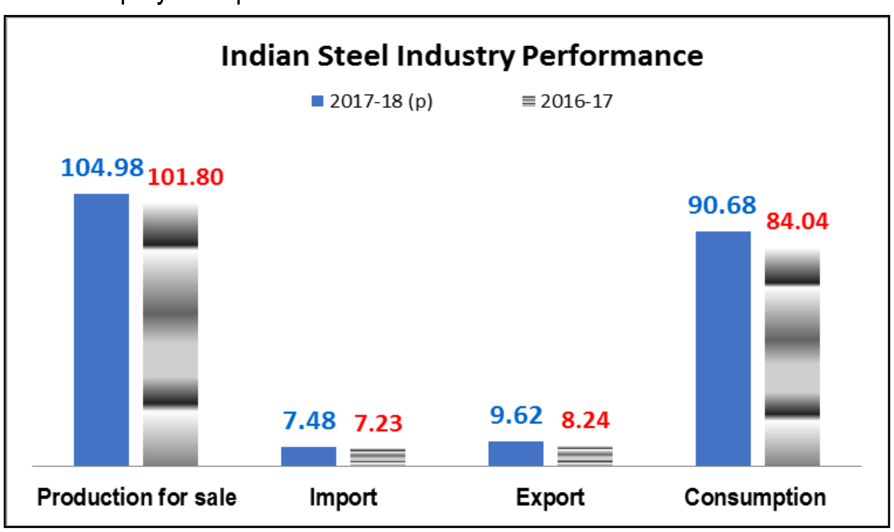
- Exports stood at 9.62 mt during April- March 2017-18, a growth of 16.7 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 8.727 mt (growth of 15.1 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where exports were up by 35.7 per cent.
- In the total export of finished non-alloy steel, export of non-flat was at 2.259 mt (up by 159 per cent) and that of flat steel was at 6.468 mt (down by 3.6 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (2.04 mt, up by 225 per cent) while growth in exports in the non-alloy, flat segment was led by HRC (2.82 mt, down by 2 per cent).
- Exports stood at 0.707 mt in March 2018, up by 1.7 per cent over February 2018 but was down by 56.4 per cent over March 2017.
- The lead export market was Italy (1.24 mt), up by 31 per cent and accounted for 13 per cent of the total export of finished steel during the year.

Import

- Imports stood at 7.482 mt during April-March 2017-18, a growth of 3.5 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 5.636 mt (growth of 5 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where imports were down by 0.8 per cent.
- In the import of total finished non-alloy steel, non-flat imports were at 0.31 mt (down by 40.8 per cent) and flat imports were at 5.33 mt (up by 10 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.24 mt, down by 42 per cent) while for the flat segment, import was led by HRC (1.75 mt; down by 8.1 per cent).
- Imports stood at 0.482 mt in March 2018, down by 12 per cent over February 2018 and was down by 20 per cent over March 2017.
- Such trends in export-import implied that for total finished steel, India was a net exporter in both March 2018 as well as in April-March 2017-18.
- Korea (2.47 mt; up by 18 per cent; 33 per cent share) was the lead import market, followed by China (1.93 mt; down by 11 per cent; 26 per cent share) during April-March 2017-18.

Consumption

- During April-March 2017-18, consumption of total finished steel stood at 90.68 mt, a growth of 7.9 per cent over same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 43.633 mt, up by 2.6 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 38.157 mt, up by 10.8 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 81.79 mt, up by 6.3 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a growth of 25.7 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (34.43 mt; up by 2.2 per cent) whereas for the flat segment, consumption was led by HRC (22.93 mt, up by 0.2 per cent).
- Consumption stood at 8.728 mt in March 2018 was up by 10.4 per cent over February 2018 and was up by 10.6 per cent over March 2017.



JPC Market Prices (Retail)

2017-18 saw domestic steel prices recover lost grounds and overall, moved north in tune with strong trends in demand-supply in the domestic market reflected in a strong growth in domestic consumption and a rise in indigenous supply side as imports gradually came under control and bolstered further by global recovery, as steel markets around the world remained largely stable.

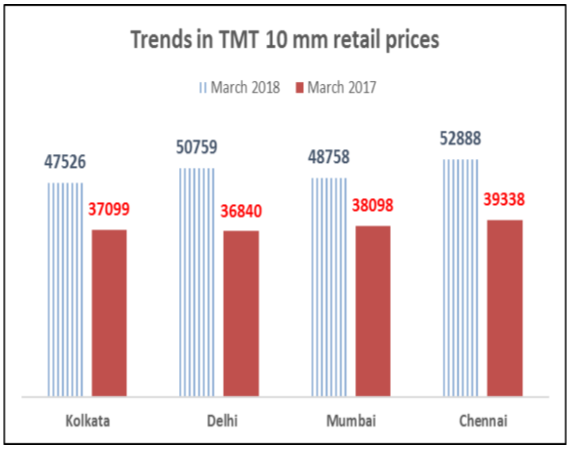
Delhi market prices: Compared to March 2017, average (retail) market prices in Delhi market in March 2018 increased for pig iron, long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. The situation was same when compared to April 2017, i.e. the start of the fiscal. However, when compared to February 2018, while the trend was similar as above, the rate of increase saw some softening for these two items as well as for pig iron. The situation in March 2018 with regard to March 2017 is shown in the table below for TMT 10 mm and HRC 2.0 mm for retail market prices in the Delhi market.

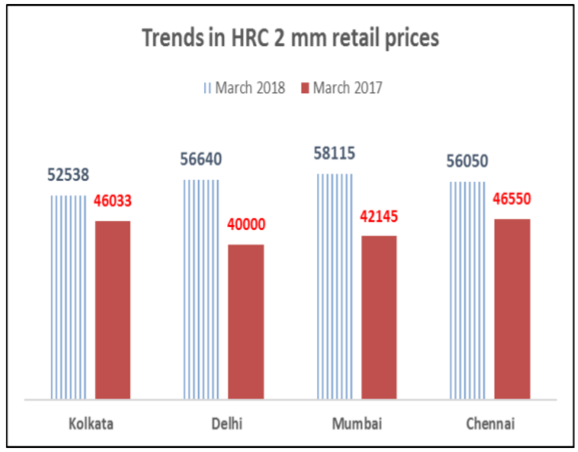
Trends in JPC market price (retail) in Delhi market in March 2018		
Item	**Delhi market prices (Rs/t)**	**% change over March 2017**
Pig iron	39,648	25.9
TMT, 10 mm	50,759	37.8
HRC, 2.0 mm	56,640	41.6
Source: JPC		

All markets: Compared to March 2017, average (retail) market prices of iron and steel in March 2018 increased across the board. Thus, be it pig iron, long products (represented by TMT 10 mm) or flat products (represented by HRC 2 mm), average retail market prices across markets shot up in March 2018 as compared to March 2017 in response to domestic demand-supply conditions and partly global influence. The situation was same when compared to April 2017, i.e. the start of the fiscal. However, when compared to February 2018, while the trend was similar as above, the rate of increase saw some softening for these two items as well as for pig iron. The situation in March 2018 with regard to March 2017 is shown in the table below for TMT 10 mm and HRC 2.0 mm for all the four markets.

Trends in JPC (retail) market price: %change in March 2018 over March 2017				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
Pig iron	29.9	25.9	45.9	23.1
TMT 10mm	28.1	37.8	28.0	34.4
HR Coils 2.00mm	14.1	41.6	37.9	20.4
Source: JPC				

TMT prices were highest in the Chennai market (Rs 52,888/t) and lowest in the Kolkata market (Rs 47,526/t) while HRC prices were highest in the Mumbai market (Rs 58,115/t) and lowest in Kolkata market (Rs 52,538/t) during March 2018.





INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the estimates of Gross Domestic Product (GDP) for the third quarter (October-December) or Q3 of 2017-18, both at constant (2011-12) and current prices. As per the report, GDP at constant (2011-12) prices in Q3 of 2017-18 is estimated at Rs. 32.50 lakh crore in Q3 of 2016-17, showing a growth rate of 7.2 per cent. Quarterly GVA at Basic Price at constant (2011-12) prices for Q3 of 2017-18 is estimated at Rs. 30.10 lakh crore, showing a growth rate of 6.7 per cent over the corresponding quarter of previous year. At the same time, the CSO has released the second advance estimates of GDP for fiscal 2017-18 as per which

- Real GDP in 2017-18 is likely to attain a level of Rs. 130.04 lakh crore, as against the First Revised Estimate of GDP for the year 2016-17 of Rs. 121.96 lakh crore, thereby recording a growth of 6.6 per cent as compared to the growth rate of 7.1 per cent in 2016-17.
- Real GVA is anticipated to increase from Rs. 112.48 lakh crore in 2016-17 to Rs. 119.64 lakh crore in 2017-18. Anticipated growth of real GVA at basic prices in 2017-18 is 6.4 per cent as against 7.1 per cent in 2016-17.
- The sectors which are likely to register growth rate of over 7 per cent in 2017-18 are 'public administration, defence and other services', 'trade, hotels, transport, communication and services related to broadcasting', 'electricity, gas, water supply and other utility services' and 'financial, real estate and professional services'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'manufacturing', and 'construction' is estimated to be 3 per cent, 3 per cent, 5.1 per cent and 4.3 per cent respectively.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) under new series was up by 7.1 per cent yoy in February 2018 and by 4.3 per cent during April-February 2017-18, encouraged by stable growth in most of the leading sectors.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 5.3 per cent February 2018 and by 4.3 per cent during April-February 2017-18, encouraged by growth in most sectors except crude oil and fertilizers.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 2.47 per cent (provisional) for March 2018 (over March 2017) as compared to 2.48 per cent (provisional) for the previous month. The build-up inflation rate in the financial year 2017-18 was 2.47 per cent compared to a build-up rate of 5.11 per cent in the previous year. The all India CPI inflation rate (combined) for March 2018 stood at 4.28 per cent, compared to 4.44 per cent of the previous month.

Trade: Provisional figures from DGCI&S show that during April-March 2017-18, in dollar terms, overall exports were up by 9.78 per cent while overall imports were up by 19.59 per cent, both on yoy basis. During the same period, oil imports were valued at US$ 109.11 billion which was 25.47 per cent higher yoy while non-oil imports were valued at US $ 350.56 Billion which was 17.88 per cent higher yoy. Overall trade deficit for April- March 2017-18 is estimated at US $87.17 Billion as compared to US$ 47.70 Billion during April-March 2016-17.

Prepared by Joint Plant Committee