

INDIA

India Economics

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Jan Infrastructure: Sustained growth; up 8.7% yoy

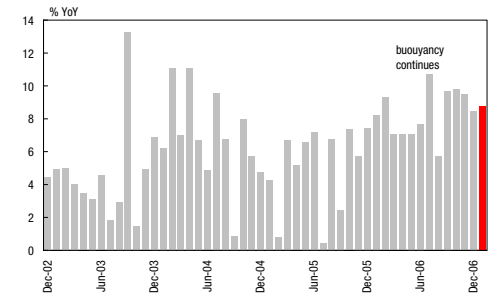
Current Trends in Infrastructure Index (%YoY)

	Jan-07	Dec-06	Nov-06	Oct-06	Sept-06	Aug-06	Jul-06	Jun-06	May-06	Apr-06	Mar-06	Feb-06	Jan-06
Infrastructure Index	8.7	8.5	9.5	9.8	9.7	5.7	10.7	7.7	7.1	7.0	7.0	9.4	8.2

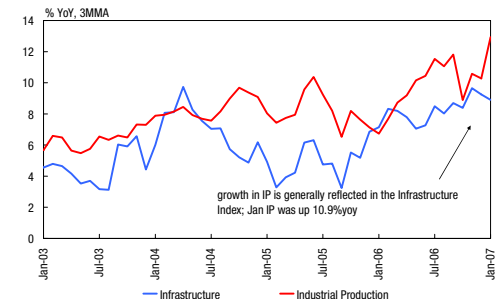
Source: Office of the Economic Advisor.

- The six core industries registered growth of 8.7% yoy in Jan 07, compared with 8.2% in Jan 06. On a cumulative basis growth in Apr-Jan 07 was up 8.4%, significantly higher than the 5.8% growth during the same period last year.
- **Highlights:** (1) Continued buoyancy in the construction indicators, with steel posting double-digit growth at 10.4% yoy in Jan 07 and cement relatively lower at 6.8% yoy; (2) Strong trends in **coal** production, up 10% yoy in Jan 07, despite a high-base effect (8.2% in Jan 06); and (3) sustained buoyancy in **electricity**, up 8.5% yoy – attributable to back-ended spending as FY07 is the last year of the 10th Plan.
- Surprisingly, **crude-oil** production eased to just 4.7% yoy from double-digit levels earlier in the year, in spite of a low-base effect due to the ONGC fire last year.
- We see the buoyant infrastructure data, which comprise 27% of the Index of Industrial Production, as an indication that the ongoing investment cycle upturn is on track.

Trends in the Infrastructure Index (%YoY)



Trends in Industrial Prod and Infrastructure (%YoY)



Source: Office of the Economic Advisor

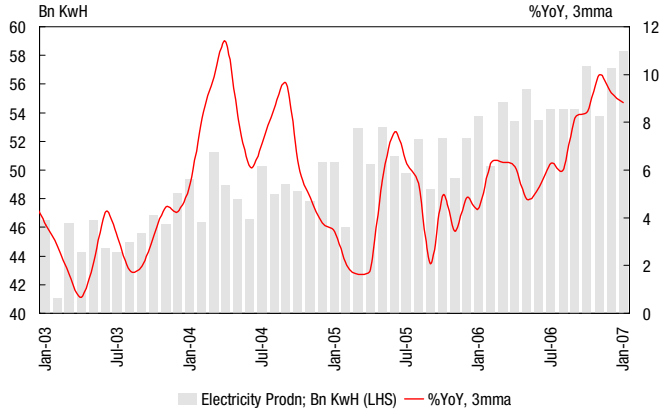
Trends in the Infrastructure Index (%YoY)

	Wts	Jan-07	Jan-06	Apr-Jan FY07	Apr-Jan FY06
Crude Oil	4.2	4.7	-4.9	5.9	-5.8
Petroleum Refinery	2.0	9.0	5.5	12.2	1.0
Coal	3.2	10.0	8.2	5.2	6.4
Electricity	10.2	8.5	6.4	7.6	4.9
Cement	2.0	6.8	15.4	9.5	11.4
Steel	5.1	10.4	14.3	9.8	11.1
Total	26.7	8.7	8.2	8.4	5.8

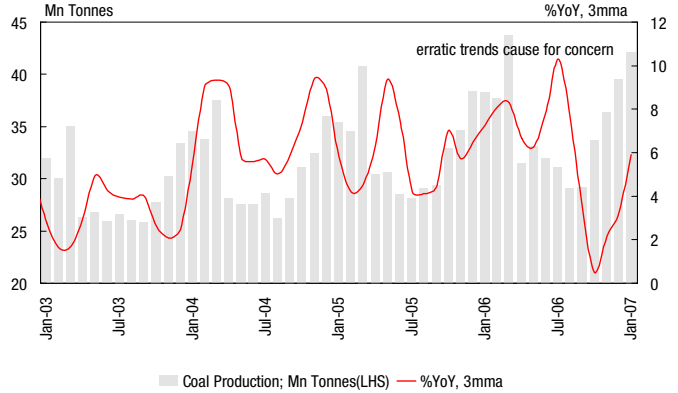
Source: Office of the Economic Advisor

Infrastructure: Core Sectors in Pictures

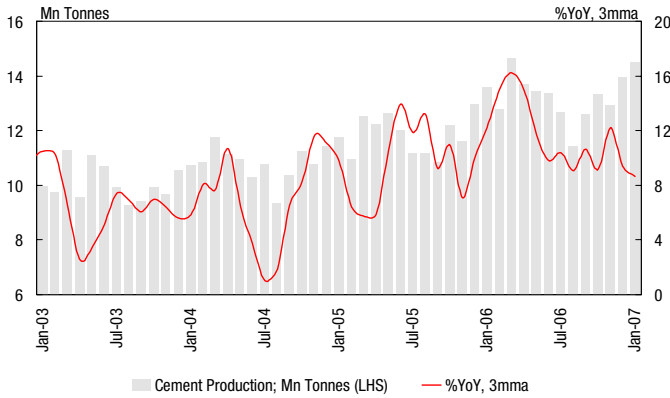
Trends in Electricity- Production and Growth (Bn KWh, %YoY-3mma)



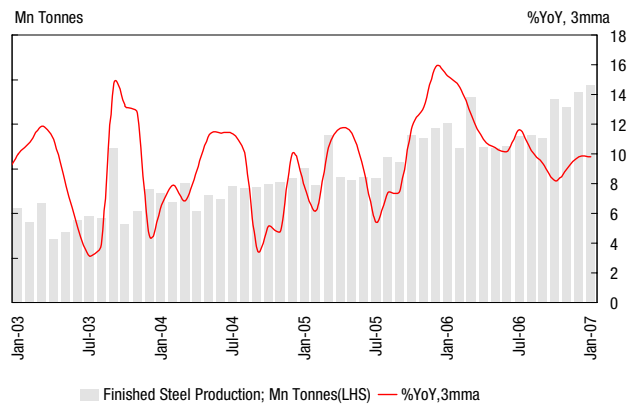
Trends in Coal- Production and Growth (Mn Tonnes, %YoY-3mma)



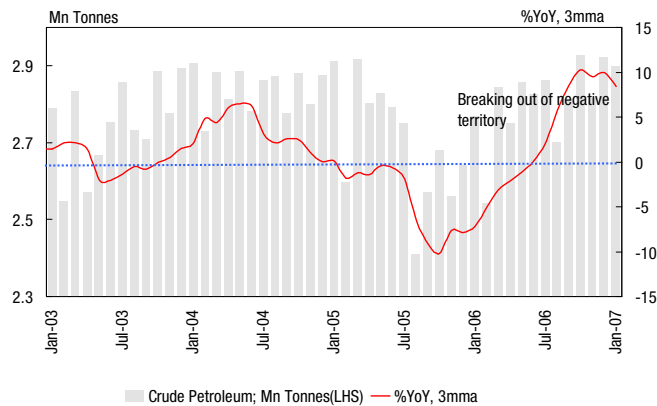
Trends in Cement- Production and Growth (Mn Tonnes, %YoY-3mma)



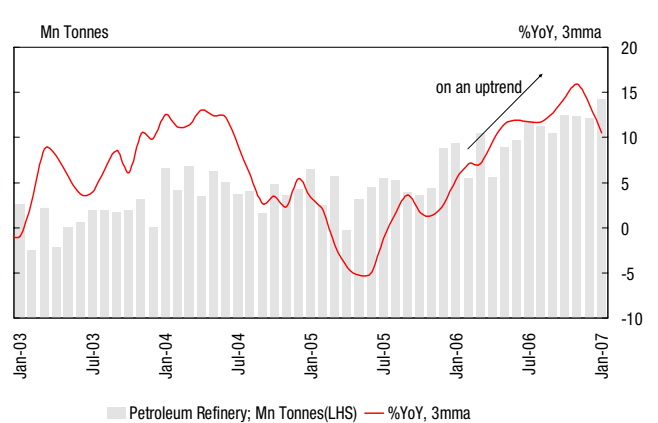
Trends in Steel- Production and Growth (Mn Tonnes, %YoY-3mma)



Trends in Crude Petroleum- Prodn and Growth (Mn Tonnes, %YoY-3mma)



Trends in Petroleum Refinery- Prodn and Growth (Mn Tns, %YoY-3mma)



Source: Office of the Economic Advisor

Disclosure Appendix

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