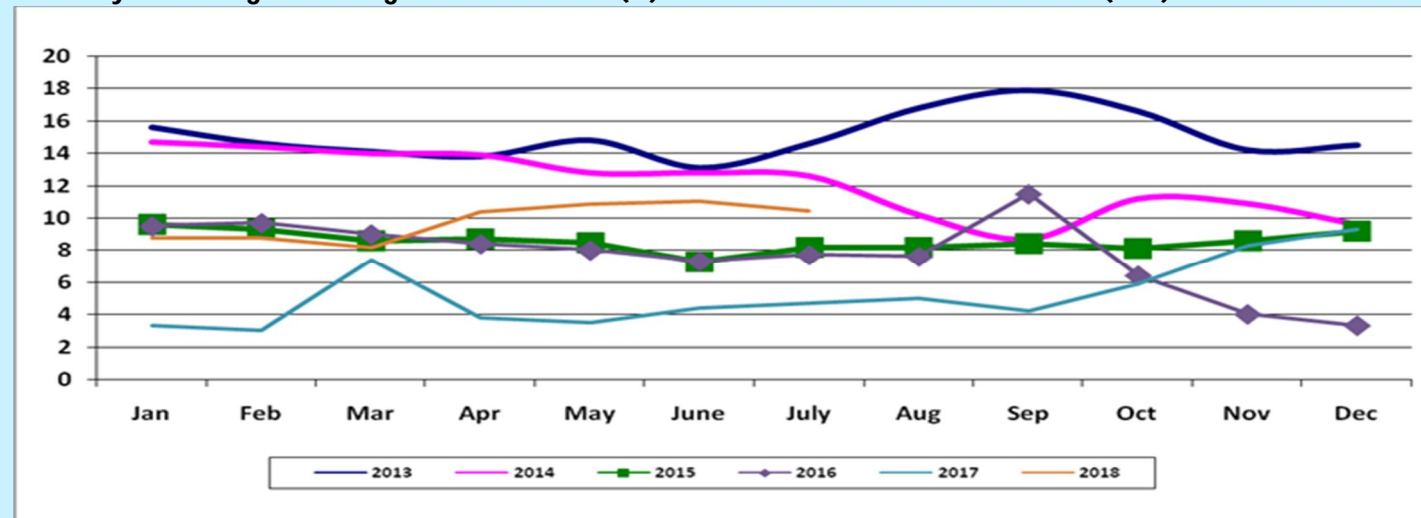


Gross Bank Credit grows at 10.5% in July 2018

Gross bank credit grows at 10.5% in July 2018 as against 11.07% in June 2018. The gross bank credit growth stands at 4.7% in July 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 10.6% in July 2018 as against 11.1% in June 2018. Credit to agriculture and allied activities increased by 6.6% in July 2018 as compared to 6.5% in June 2018.

Monthly trend in growth of gross bank credit (%)

(YoY)



Source: PHD Research Bureau, compiled from RBI

Credit to industry increased by 0.3% in July 2018 as against 0.9% in June 2018. Credit to industry increased by 0.3% in July 2018 as compared with a contraction of 0.3% in July 2017. Credit to major sub-sectors such as 'infrastructure', 'textiles', 'chemical and chemical products', 'food processing' and 'all engineering' accelerated. However, credit to 'basic metal & metal product', 'petroleum, coal products & nuclear fuels', 'cement & cement products' and 'paper & paper products' contracted/declined.

Deployment of Gross Bank Credit by major sectors

(Rs. Billion)

| Sector | June 2018* | July 2018** | June 2018^ Y-O-Y growth (%) | July 2018^^ Y-O-Y growth (%) |
|--|------------|-------------|-----------------------------------|------------------------------------|
| Gross Bank Credit | 76949 | 76734 | 11.07 | 10.5 |
| Food Credit | 624 | 458 | 7.2 | 0.6 |
| Non-food Credit | 76325 | 76276 | 11.10 | 10.6 |
| Agriculture & Allied Activities | 10355 | 10385 | 6.5 | 6.6 |
| Industry (Micro & Small, Medium and Large) | 26417 | 26371 | 0.9 | 0.3 |
| Services | 20218 | 20075 | 23.3 | 23.0 |
| Personal Loans | 19336 | 19445 | 17.9 | 16.7 |
| Priority Sector | 24975 | 25324 | 6.3 | 7.5 |

Source: PHD Research Bureau, compiled from RBI, * Data pertains to June 22, 2018. ^ Growth pertains to June.22, 2018 over June.22, 2017. **Data pertains to as on July 20, 2018, ^^ Growth pertains to July 20, 2018 over July 21, 2017. Data are provisional and relate to select banks which cover about 90 per cent of total non-food credit extended by all scheduled commercial banks. Export credit under priority sector relates to foreign banks only. Micro & small under item Industry includes credit to micro & small industries in manufacturing sector. Micro & small enterprises under item Priority sector includes credit to micro & small enterprises in manufacturing as well as services sector. Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.

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