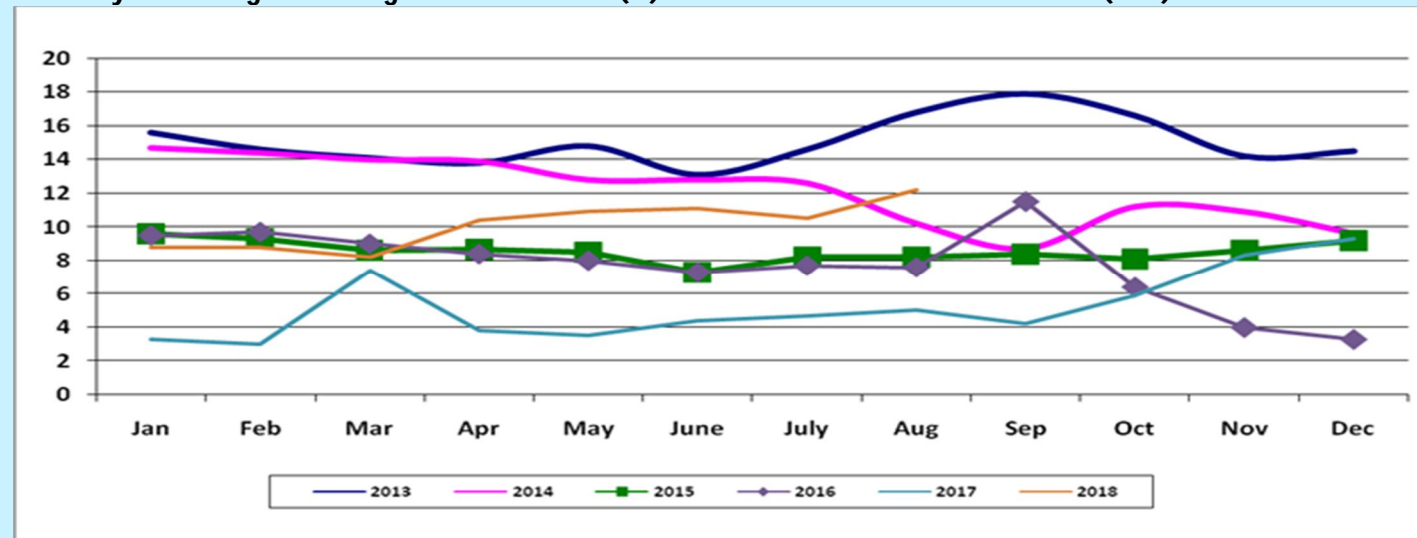


Gross Bank Credit grows at 12.2% in August 2018

Gross bank credit grows at 12.2% in August 2018 as against 10.5% in July 2018. The gross bank credit growth stands at 4.8% in August 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 12.4% in August 2018 as against 10.6% in July 2018. Credit to agriculture and allied activities increased by 6.6% in August 2018 and July 2018.

Monthly trend in growth of gross bank credit (%)

(YoY)



Source: PHD Research Bureau, compiled from RBI

Credit to industry increased by 1.9% in August 2018 as against 0.3% in July 2018. Credit to industry increased by 1.9% in August 2018 as compared with a contraction of 0.3% in August 2017. Credit to major sub-sectors such as 'infrastructure', 'textiles', 'chemical and chemical products', 'food processing', 'petroleum, coal products & nuclear fuels' and 'all engineering' accelerated. However, credit to 'basic metal & metal product', 'cement & cement products' and 'paper & paper products' contracted/declined.

Deployment of Gross Bank Credit by major sectors

(Rs. Billion)

Sector	July 2018*	August 2018**	July 2018^ Y-O-Y growth (%)	August 2018^^ Y-O-Y growth (%)
Gross Bank Credit	76734	78191	10.5	12.2
Food Credit	458	488	0.6	-10.0
Non-food Credit	76276	77704	10.6	12.4
Agriculture & Allied Activities	10385	10419	6.6	6.6
Industry (Micro & Small, Medium and Large)	26371	26621	0.3	1.9
Services	20075	20740	23.0	26.7
Personal Loans	19445	19924	16.7	18.2
Priority Sector	25324	25633	7.5	8.4

Source: PHD Research Bureau, compiled from RBI, * Data pertains to July 20, 2018. ^ Growth pertains to July 20, 2018 over July 21, 2017. **Data pertains to as on August 31, 2018, ^^ Growth pertains to August 31, 2018 over August 18, 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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