

India Macro Flash

Elections Here They Come: Begin on 7th April, Its Multi-Phase - Nine in All; Results on 16th May

- **Polling Dates for India's 16th General Election Announced** — The Election Commission has just announced the dates for India's 16th General Election. Polling is scheduled in 9 phases beginning 7 April, with the 9th and last phase ending on 12 May. Counting and results will be on 16 May and a new house will be constituted by 31 May. (For details on election phases, see Fig 4, pg 3)
- **Model Code of Conduct Now in Play** — With the Election Commission releasing the dates for the elections, the model code of conduct comes into play. Key provisions include prohibiting the government from making any decisions that can be seen as influencing voters; ensures that it does not use its official position for the purpose of election campaign and prohibits political parties from making unsubstantiated allegations against opponents. For details pls see http://eci.nic.in/eci_main/MCC-ENGLISH_28022014.pdf
- **Key Features of India's 16th General Elections**
 - **Electorate:** An electorate of 814mn (including 100mn first time voters), the world's largest democracy will elect 543 members for its 16th Lok Sabha - Lower House of Parliament. (Fig 2, pg 2)
 - **Electronic Voting Machines and Photo Electoral Rolls:** Polling in all states will be done via Electronic Voting Machines using Photo Electoral Rolls and Elector Photo ID cards (EPIC). Photographs of 98.64% electors are already printed in the electoral rolls. 95.64% electors have been given EPIC.
 - **Polling Stations:** There are currently ~0.93million polling stations, representing a 12% increase as compared to the 2009 polls.
- **Our Macro Views Remain Unchanged for Now** — As mentioned in our latest macro update - [Its Oscar Time...And No Surprises on the Indian Macro Movie](#). The **GOOD:** Manufacturing PMI rose to a one year high of 52.5 in Feb, the **BAD:** Core sector trends remain subdued up a mere 1.6% in Jan, and the **UGLY:** The Apr-Jan fiscal deficit has come in at Rs5331bn – higher than the Interim Budget's estimate of Rs5245bn or 4.6% of GDP. Bottom Line – **LONG WAY HOME:** Growth trends are subdued with the 7th consecutive quarter of sub 5% growth. Our 5.6% FY15 GDP estimates rests on absence/mild El-Nino and a stable election outcome.

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With thanks to
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WHAT's INSIDE

- Election Schedule
 - State-wise Composition of Lok Sabha
 - Latest Opinion Polls
 - Statistical Snapshot
-

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Election Schedule; Lok Sabha Composition; Latest Opinion Polls

ELECTION SCHEDULE

Lok Sabha elections will be held in 9 phases, from 7th April to 12th May

Results will be out on 16th May

Figure 1. Election Schedule

Poll Day	Date	No. Of States + Union Territories	No. Of Constituencies
1	7th Apr	2	6
2	9th Apr	5	7
3	10th Apr	14	92
4	12th Apr	3	5
5	17th Apr	13	122
6	24th Apr	12	117
7	30th Apr	9	89
8	7th May	7	64
9	12th May	3	41
TOTAL CONSTITUENCIES			543

Source: ECI

LOOK OUT FOR UTTAR PRADESH AND BIHAR

Uttar Pradesh and Bihar have 120 out of 543 available seats, and are the key states to watch this upcoming election.

Figure 2. Composition of the Lok Sabha – State-Wise

State	Seats	State	Seats
Uttar Pradesh	80	Jammu and Kashmir	6
Maharashtra	48	Uttarakhand	5
Andhra Pradesh	42	Himachal Pradesh	4
West Bengal	42	Arunachal Pradesh	2
Bihar	40	Goa	2
Tamil Nadu	39	Manipur	2
Madhya Pradesh	29	Meghalaya	2
Karnataka	28	Tripura	2
Gujarat	26	Mizoram	1
Rajasthan	25	Nagaland	1
Odisha	21	Sikkim	1
Kerala	20	Andaman and Nicobar	1
Assam	14	Chandigarh	1
Jharkhand	14	Dadra and Nagar Haveli	1
Punjab	13	Daman and Diu	1
Chhattisgarh	11	Lakshadweep	1
Haryana	10	Puducherry	1
Delhi	7		

Source: www.loksabha.nic.in

OPINION POLLS

Opinion Polls expect NDA to win 200+ seats

Figure 3. 2014 Elections - Opinion Polls*

	Times Now CVoter	ABP News - Nielsen	CNN-IBN-Lokniti-CSDS
NDA (BJP+Allies)	227	236	211-231
UPA (Congress + Allies)	101	92	107-127
Others	215	215	205
Total	543	543	543

*Info available as of 5th March; Source: News Reports (Times of India, ABP News, CNN)

Detailed Election Schedule

Figure 4. Detailed Election Schedule

PHASE NUMBER		1	2	3	4	5	6	7	8	9
Name of State/Uts	No. of PC	7-Apr-14	9-Apr-14	10-Apr-14	12-Apr-14	17-Apr-14	24-Apr-14	30-Apr-14	7-May-14	12-May-14
Andhra Pradesh	42							17	25	
Arunachal Pradesh	2		2							
Assam	14	5			3		6			
Bihar	40			6		7	7	7	7	6
Chhattisgarh	11			1		3	7			
Goa	2					2				
Gujarat	26							26		
Haryana	10			10						
Himachal Pradesh	4								4	
Jammu and Kashmir	6			1		1	1	1	2	
Jharkhand	14			5		5	4			
Karnataka	28					28				
Kerala	20			20						
Madhya Pradesh	29			9		10	10			
Maharashtra	48			10		19	19			
Manipur	2		1			1				
Meghalaya	2		2							
Mizoram	1		1							
Nagaland	1		1							
Odisha	21			10		11				
Punjab	13							13		
Rajasthan	25					20	5			
Sikkim	1				1					
Tamil Nadu	39						39			
Tripura	2	1			1					
Uttar Pradesh	80			10		11	12	14	15	18
Uttarakhand	5								5	
West Bengal	42					4	6	9	6	17
Andaman and Nicobar Islands	1			1						
Chandigarh	1			1						
Dadra and Nagar Haveli	1							1		
Daman and Diu	1							1		
Delhi	7			1						
Lakshadweep	1			7						
Puducherry	1						1			
Total PCs	543	6	7	92	5	122	117	89	64	41
No of States / UTs		2	5	14	3	13	12	9	7	3

Source: Election Commission of India

Statistical Snapshot

Figure 5. India Macroeconomic Summary (FY01-15E)

Fiscal Year to 31 March	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14E	FY15E
National Income Indicators														
Nominal GDP(Rs bn)	23,676	25,500	28,617	32,422	36,934	42,947	49,871	56,301	64,778	77,841	90,097	101,133	113,205	127,921
Nominal GDP (US\$ bn)	496	527	623	720	834	950	1,241	1,224	1,367	1,708	1,873	1,873	1,841	2,012
Per Capita GDP (US\$)	477	499	582	662	754	847	1,090	1,061	1,168	1,440	1,558	1,539	1,478	1,638
Real GDP growth (%)	5.5	4.0	8.1	7.0	9.5	9.6	9.3	6.7	8.6	8.9	6.7	4.5	4.9	5.6
Agriculture growth (%)	6.0	-6.6	9.0	0.2	5.1	4.2	5.8	0.1	0.8	8.6	5.0	1.4	4.6	3.0
Industry growth (%)	2.6	7.2	7.3	9.8	9.7	12.2	9.7	4.4	9.2	7.6	7.8	1.0	0.7	3.9
Services growth (%)	6.9	7.0	8.1	8.1	10.9	10.1	10.3	10.0	10.5	9.7	6.6	7.0	6.9	6.9
By Demand (%YoY)														
Consumption	5.3	2.3	5.4	1.9	8.7	7.7	9.4	7.7	8.4	8.2	8.9	5.2	4.4	5.6
Pvt Consumption	6.0	2.9	5.9	1.7	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.0	4.1	5.5
Public Consumption	2.3	-0.4	2.6	3.4	8.9	3.8	9.6	10.4	13.9	5.8	6.9	6.2	5.5	6.0
Gross Fixed Capital Formation	7.4	6.8	13.6	20.7	16.2	13.8	16.2	3.5	7.7	11.0	12.3	0.8	0.2	2.5
Cons; Invst, Savings * (%GDP)														
Consumption	78.9	77.2	75.0	70.1	69.2	68.0	67.2	68.6	69.1	67.5	68.5	68.8	69.8	70.1
Gross Capital Formation	22.3	24.6	26.9	32.8	34.7	35.7	38.1	34.3	36.3	36.5	36.4	34.7	35.3	35.7
Gross Domestic Savings	22.6	25.4	28.7	32.4	33.4	34.6	36.8	32.0	33.7	33.7	31.3	30.1	30.5	30.8
Real Indicators (%YoY)														
Commercial vehicle sales	-4.5	40.4	36.2	22.4	10.1	33.3	4.2	-21.4	39.2	27.0	19.5	-1.9	-25.0	-5.0
Car sales	3.2	5.3	27.2	17.8	7.7	20.7	12.1	0.3	25.7	29.2	3.9	2.4	-5.0	3.6
Two-wheelers	15.3	15.8	11.3	15.7	13.6	11.5	-7.8	2.7	25.9	25.8	13.9	2.7	5.0	10.0
Diesel consumption	-3.7	0.3	1.2	6.9	1.4	6.7	11.1	8.5	8.9	6.5	5.0	6.8	0.0	4.0
Mobile Tele density	0.6	1.3	3.1	4.8	8.2	14.1	22.0	33.0	48.5	66.8	75.1	79.0	87.9	89.7
Monetary Indicators (% YoY)														
Money supply	16.0	16.1	13.0	14.0	15.9	20.0	22.1	20.5	19.2	16.2	15.8	13.4	17.0	18.0
Inflation – WPI (Avg)	3.6	3.4	5.5	6.5	3.7	6.5	4.8	8.0	3.6	9.6	8.8	7.4	6.0	5.5
CPI (Avg)	4.3	4.1	3.8	3.9	4.2	6.8	6.2	9.1	12.3	10.5	8.4	10.2	9.6	8.3
Bank credit growth	15.3	23.7	15.3	30.9	37.0	28.1	22.3	17.5	16.9	21.5	17.0	14.1	15.0	15.0
Deposit growth	14.6	16.1	17.5	13.0	24.0	23.8	22.4	19.9	17.2	15.9	13.5	14.2	13.5	14.0
Fiscal Indicators (% GDP)														
Centre's fiscal deficit	-6.0	-5.7	-4.3	-3.9	-4.0	-3.3	-2.5	-6.0	-6.5	-4.8	-5.7	-4.9	-4.6	-4.1
State fiscal deficit	-3.6	-3.5	-3.9	-3.4	-2.5	-2.1	-1.4	-2.3	-2.9	-2.1	-2.4	-2.3	-2.2	-2.6
Combined deficit (Centre+State)	-9.6	-9.2	-8.2	-7.2	-6.5	-5.4	-4.0	-8.3	-9.4	-6.9	-8.1	-7.2	-6.9	-6.7
Off Balance Sheet Items					-0.5	-0.9	-0.6	-1.7	-0.2					
Combined liabilities (dom+ext)	87.2	90.7	90.0	88.8	84.6	79.9	76.1	76.8	75.5	70.2	69.6	69.8	69.6	68.5
External Sector (% YoY)														
Exports (US\$bn)	44.7	53.8	66.3	85.2	105.2	128.9	166.2	189.0	182.4	250.5	309.8	306.6	323.4	349.3
% YoY	-1.6	20.3	23.3	28.5	23.4	22.6	28.9	13.7	-3.5	37.3	23.7	-1.0	5.5	8.0
Imports (US\$bn)	56.3	64.5	80.0	118.9	157.1	190.7	257.6	308.5	300.6	381.1	499.5	502.2	472.1	514.6
%YoY	-2.8	14.5	24.1	48.6	32.1	21.4	35.1	19.8	-2.6	26.7	31.1	0.5	-6.0	9.0
Trade deficit (US\$bn)	-11.6	-10.7	-13.7	-33.7	-51.9	-61.8	-91.5	-119.5	-118.2	-130.6	-189.8	-195.7	-148.7	-165.3
Invisibles (US\$bn)	15.0	17.0	27.8	31.2	42.0	52.2	75.7	91.6	80.0	84.6	111.6	107.5	111.9	118.6
Current Account Deficit (US\$bn)	3.4	6.3	14.1	-2.5	-9.9	-9.6	-15.7	-27.9	-38.2	-45.9	-78.2	-88.2	-36.8	-46.7
% to GDP	0.7	1.2	2.3	-0.3	-1.2	-1.0	-1.3	-2.3	-2.8	-2.7	-4.2	-4.7	-2.0	-2.3
Capital Account (US\$bn)	8.6	10.8	16.7	28.0	25.5	45.2	106.6	7.4	51.6	62.0	67.8	89.3	56.6	63.6
% GDP	1.7	2.1	2.7	3.9	3.1	4.8	8.6	0.6	3.8	3.6	3.6	4.8	3.1	3.1
Forex Assets (excl gold) (US\$bn)	51.0	71.9	106.1	135.1	145.1	191.9	299.1	241.6	252.8	273.7	260.9	264.7	278.4	294.8
Months of imports	10.9	13.4	15.9	13.6	11.1	12.1	13.9	9.4	10.1	8.6	6.3	6.3	7.1	6.9
External Debt (US\$bn)	98.8	104.9	112.7	134.0	139.1	172.4	224.4	224.5	260.9	317.9	360.7	400.3	400.3	415.3
Short Term Debt (US\$bn)	2.7	4.7	4.4	17.7	19.5	28.1	45.7	43.3	52.3	65.0	78.2	96.7	94.8	
Exchange Rate														
US\$/INR - annual avg	47.7	48.4	45.9	45.0	44.3	45.2	40.2	46.0	47.4	45.6	48.1	54.0	61.5	63.6
% depreciation	4.4	1.5	-5.2	-2.0	-1.6	2.0	-11.1	14.4	3.0	-3.8	5.5	12.3	13.9	3.4

Source: RBI, CSO, Citi Research

Appendix A-1

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