

**Ministry of Finance
Department of Economic Affairs
Economic Division
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**MONTHLY ECONOMIC REPORT
DECEMBER 2010**

HIGHLIGHTS

- The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices, as per the Revised Estimates of CSO was 7.4 per cent in 2009-10. The growth in real GDP is placed at 8.9 per cent in the second quarter of 2010-11.
- The cumulative rainfall received for the country as a whole, during the Post Monsoon season (October-December), was 21 per cent above the normal.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 48.73 million tonnes as on November 1, 2010
- Overall growth in the Index of Industrial Production (IIP) was 2.7 per cent during November 2010 as compared to 11.3 per cent in November 2009. During April-November 2010-11, IIP growth was 9.5 per cent as compared to 7.4 per cent during April-November 2009-10.
- Core infrastructure-supportive sectors grew by 2.3 per cent in November 2010 as compared to the growth of 5.9 per cent in November 2009. During April-November 2010-11, these sectors grew by 5.0 per cent as compared to 4.5 per cent during April-November 2009-10.
- Broad money (M₃) (up to December 17, 2010) increased by 7.7 per cent as compared to 9.4 per cent during the corresponding period of the last year. The year-on-year growth, as on December 17, 2010 was 15.0 per cent as compared to 18.0 per cent last year.
- Exports, in US dollar terms increased by 26.5 per cent and imports increased by 11.2 per cent, during November 2010.
- Foreign Currency Assets stood at US \$ 268.1 billion at end December 2010 compared to US\$ 258.8 billion at end December 2009.
- Rupee appreciated against Pound Sterling, Japanese Yen and Euro, and depreciated against US Dollar in the month of December 2010 over November 2010.
- Year-on-year inflation in terms of Wholesale Price Index was 8.43 per cent for the month of December, 2010 as compared to 6.92 per cent in December, 2009.
- Tax revenue (net to Centre) during April-November, 2010-11 recorded a growth of 27.4 per cent compared with corresponding period of 2009-10. Non-tax revenue grew by 142.5 per cent in April-November 2010-11 on account of one-off nature of receipts of proceeds from Spectrum auction.
- As a proportion of budget estimate, fiscal deficit during April-November 2010-11 was 48.9 per cent and revenue deficit was 50.7 per cent.

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ECONOMIC GROWTH

The growth in real Gross Domestic Product (GDP) is placed at 8.9 per cent in the second quarter of 2010-11; agriculture grew by 4.4 per cent; industry by 8.9 per cent and services by 9.8 per cent. As per the Revised Estimates (RE) of Central Statistical Organization (CSO), the growth in gross domestic product at factor cost at constant (2004-05) prices was estimated at 7.4 per cent in 2009-10 as compared to a level of 6.7 per cent in 2008-09 (Quick Estimate). At disaggregated level, this (RE 2009-10) level of growth comprises of 0.2 per cent in agriculture and allied activities, 9.3 per cent in industry and 8.5 per cent in services as compared to growth rates of 1.6 per cent, 3.9 per cent and 9.8 per cent respectively during 2008-09.

Industry	Growth			Percentage share in GDP		
	2007-08	2008-09 (QE)	2009-10 (RE)	2007-08	2008-09 (QE)	2009-10 (RE)
1 Agriculture, forestry & fishing	4.7	1.6	0.2	16.4	15.7	14.6
2 Industry	9.5	3.9	9.3	28.8	28.0	28.5
a Mining & quarrying	3.9	1.6	10.6	2.5	2.4	2.4
b Manufacturing	10.3	3.2	10.8	16.2	15.6	16.1
c Electricity, gas & water supply	8.5	3.9	6.5	2.0	2.0	2.0
d Construction	10.0	5.9	6.5	8.1	8.0	7.9
3 Services	10.5	9.8	8.5	54.8	56.4	56.9
a Trade, hotels, transport & communication	10.7	7.6	9.3	25.9	26.1	26.5
b Financing, insurance, real estate & business services	13.2	10.1	9.7	16.4	16.9	17.2
c Community, social & personal services	6.7	13.9	5.6	12.5	13.4	13.1
4 GDP at factor cost	9.2	6.7	7.4	100	100	100

(QE): Quick Estimate; (RE): Revised Estimate

Items	2008-09				2009-10				2010-11	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1. Agriculture, forestry & fishing	3.2	2.4	-1.4	3.3	1.9	0.9	-1.8	0.7	2.5	4.4
Industry	5.4	4.6	1.6	2.1	5.7	8.4	11.1	13.3	11.3	8.9
2. Mining & quarrying	2.6	1.6	2.7	-0.3	8.2	10.1	9.6	14.0	8.4	8.0
3. Manufacturing	5.4	5.3	1.3	0.6	3.8	8.4	13.8	16.3	13.0	9.8
4. Electricity, gas & water supply	3.3	4.3	4.0	4.1	6.4	7.7	4.7	7.1	6.2	3.4
5. Construction	6.7	4.3	1.1	5.7	8.4	8.3	8.1	8.7	10.3	8.8
Services	9.6	9.7	11.4	8.3	7.9	10.5	7.2	8.4	9.3	9.8
6. Trade, hotels, transport & communication	10.3	9.8	4.4	5.7	5.6	8.2	10.2	12.4	10.9	12.1
7. Financing, insurance, real estate & bus. Services	9.2	8.9	10.2	12.3	11.7	11.3	7.9	7.9	7.9	8.3
8. Community, social & personal services	8.7	10.4	28.7	8.8	7.6	14.0	0.8	1.6	7.9	7.3
9. GDP at factor cost (total 1 to 8)	7.3	7.2	6.1	5.8	6.3	8.7	6.5	8.6	8.9	8.9

AGRICULTURE

Rainfall: The rainfall situation in India is categorized into four seasons: winter season (January-February); pre monsoon (March-May); south west monsoon (June-September) and post monsoon (October-December). South west monsoon accounts for more than 75 per cent of annual rainfall.

In the current year, during the south west-monsoon period (June 1 to September 30), the cumulative rainfall received for the country as a whole, was 912.8 mm, which is 2 per cent above the normal. During this period, out of 36 meteorological subdivisions in the country, 31 received excess/normal rainfall and 5 received deficient rainfall.

The cumulative rainfall received for the country as a whole, during the Post Monsoon season (October-December), was 21 per cent above the normal.

All India production of food grains: According to the First Advance Estimates released on September 23, 2010, the production of food grains (kharif) is estimated at 114.63 million tonnes during 2010-11 compared to 103.84 million tonnes (fourth advance estimates) in 2009-10.

Procurement: Procurement of rice as on November 1, 2010 (Kharif Marketing Season

Table 3: Procurement in Million Tonnes					
	Full Marketing Year			As on 1 st November	
	2007-08	2008-09	2009-10	2009	2010
Rice(Oct-Sept)	28.74	34.10	31.46	8.68	7.67
Wheat(Apr-Mar)	11.13	22.69	25.38	25.38*	22.52*
Total	39.87	56.79	56.84	34.06	30.19
	*As on 30.07.2010				

2010-11) at 7.67 million tonnes represents a decline of 11.64 per cent compared to the corresponding date last year. Wheat procurement as on July 30, 2010 (Rabi

Marketing Season 2010-11) was 22.52 million tonnes as compared to 25.38 million tonnes during the corresponding date last year.

Off-take: Off-take of rice during the month of October, 2010 was 24.65 lakh tonnes. This comprises 22.64 lakh tonnes under TPDS and 2.01 lakh tonnes under other schemes. In respect of wheat, the total offtake was 18.01 lakh tonnes comprising 16.10 lakh tonnes under TPDS and 1.91 lakh tonnes under other schemes.

Stocks of food-grains (rice and wheat) held by FCI as on November 1, 2010 were 48.73 million tonnes, which was higher by 0.5 per cent over the level of 48.51 million tonnes as on November 1, 2009.

Table 4: Off-take and stocks of food-grains (Million Tonnes)					
	Off-take			Stocks	
	2007-08	2008-09	2009-10	November 1, 2009	November 1, 2010
Rice	25.23	24.62	27.37	21.62	23.17
Wheat	12.20	14.88	22.35	26.89	25.56
Total	37.43	39.50	49.72	48.51	48.73

INDUSTRIAL PRODUCTION

Industry Group	2009-10	2009-10(Apr.-Nov.)	2010-11(Apr.-Nov.)	November 2009	November 2010
General index	10.5	7.4	9.5	11.3	2.7
Mining	9.9	8.4	8.0	10.7	6.0
Manufacturing	11.0	7.5	10.0	12.3	2.3
Electricity	6.0	5.7	4.5	1.8	4.6
Use-based industrial groups					
Basic goods	7.2	5.8	5.8	6.0	4.5
Capital goods	20.9	6.6	22.5	11.0	12.6
Intermediate goods	13.6	11.2	9.6	19.4	2.4
Consumer goods	6.2	6.1	6.8	10.1	-3.1
Durables	24.6	20.6	21.7	36.3	4.3
Non-durables	0.4	1.2	0.7	2.3	-6.0

sectors, the growth rates in November 2010 were 6.0, 2.3 and 4.6 per cent respectively. In the use-based industrial groups, the growth rate has increased only in capital goods sector. In basic goods and intermediate goods, the growth rate in November 2010 has decreased as compared to the growth in the corresponding period of previous year. In consumer goods sector, the growth rate is negative in November 2010.

Industry	November 2009	November 2010	2009-10 (April-November)	2010-11 (April-November)
Coal	4.7	0.7	9.7	0.6
Electricity generation ¹	3.1	3.3	5.8	4.5
Crude oil	-1.6	17.0	-1.4	11.5
Petroleum products	4.8	-3.7	-1.2	0.8
Finished steel	11.7	4.4	2.9	6.9
Cement	9.0	-11.6	11.0	4.1
Overall growth	5.9	2.3	4.5	5.0
(1): This will not necessarily match the growth in electricity given in the Index of Industrial Production				

November 2010, the overall growth of the core sector industries was 2.3 per cent as compared to the growth of 5.9 per cent during November 2009. During November 2010, the growth is remarkable in crude oil sector, a slight increase in electricity sector, decrease in finished steel sector and negative in petroleum refinery and cement sectors.

During November 2010, the IIP growth was 2.7 per cent as compared to 11.3 per cent growth during the corresponding period of previous year. In mining, manufacturing and electricity

Six core industries: The index for six core industries (comprising crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel) with a weight of 26.68 per cent in the IIP grew by 5.0 per cent during April-November 2010-11, as compared to growth rate of 4.5 per cent achieved during the corresponding period in 2009-10. During the month of

MONEY AND BANKING

RBI announced its mid-quarter review of Monetary Policy for 2010-11 on December 16, 2010. The important decisions taken are:

- retain the repo rate at 6.25 per cent and the reverse repo rate at 5.25 per cent under the Reserve Bank's liquidity adjustment facility (LAF);
- retain the cash reserve ratio (CRR) at 6.0 per cent of net demand and time liabilities (NDTL) of scheduled banks.

Liquidity Measures

RBI decided to:

- first, reduce the statutory liquidity ratio (SLR) of scheduled commercial banks (SCBs) from 25 per cent of their NDTL to 24 per cent with effect from December 18, 2010;
- second, conduct open market operation (OMO) auctions for purchase of government securities for an aggregate amount of 48,000 crore in the next one month as per a schedule to this effect.

The above two measures are expected to inject liquidity on an enduring basis of the order of 48,000 crore.

Given the permanent reduction in the SLR by one per cent of NDTL, the additional liquidity support under the LAF announced by the Reserve Bank on November 29, 2010 will now be available up to the extent of 1.0 per cent (instead of 2.0 per cent) of the NDTL of SCBs from December 18, 2010 to January 28, 2011.

Expected Outcomes

The policy actions in this Review are expected to:

- release sizable primary liquidity into the system;
- bring down the liquidity deficit in the system close to the comfort zone of the Reserve Bank; and
- stabilise interest rates in the overnight inter-bank market closer to the operative policy rate of the Reserve Bank.

Broad money (M_3) (up to December 17, 2010) increased by 7.7 per cent as compared to 9.4 per cent during the corresponding period of the last year. The year-on-year growth, as on December 17, 2010 was 15.0 per cent as compared to 18.0 per cent last year.

Table 7. Money Stock : Components and Sources (Rs. Crore)						
Item	Outstanding as on		Variation over			
	2010		Financial Year so far		Year-on-Year	
	Mar. 31	Dec. 17	2009-10	2010-11	2009	2010
M ₃	55,99,762	60,33,121	9.4	7.7	18.0	15.0
Components (i+ii+iii+iv)						
(i) Currency with the Public	7,68,033	8,78,532	10.9	14.4	17.8	19.0
(ii) Demand Deposits with Banks	7,22,739	6,53,494	-0.2	-9.6	20.0	11.2
(iii) Time Deposits with Banks	41,05,151	44,97,823	10.7	9.6	18.1	14.9
(iv) "Other" Deposits with Reserve Bank	3,839	3,273	-10.4	-14.7	-60.1	-34.4
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	16,67,096	17,87,678	17.9	7.2	37.3	18.7
(a) Reserve Bank	2,11,586	2,70,795				
(b) Other Banks	14,55,511	15,16,882	16.7	4.2	25.7	6.9
(ii) Bank Credit to Commercial Sector (a+b)	34,92,781	38,97,433	5.6	11.6	11.2	22.4
(a) Reserve Bank	1,328	1,626	-	-	-	-
(b) Other Banks	34,91,453	38,95,807	5.9	11.6	11.0	22.6
(iii) Net Foreign Exchange Assets of Banking Sector*	12,81,469	13,49,717	-0.8	5.3	8.5	0.6
(iv) Government's Currency Liabilities to the Public	11,270	11,761	8.6	4.4	10.9	7.7
(v) Banking Sector's Net Non-Monetary Liabilities	8,52,854	10,13,468	-7.5	18.8	4.3	27.4
of which:						
Net Non-Monetary Liabilities of RBI	3,01,615	3,53,895	-1.0	17.3	28.5	-7.8

* Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

Reserve money (M₀) during the financial year 2010-11 (up to December 31, 2010) showed an increase of 7.4 per cent as compared to deterioration of 0.7 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 26.5 per cent as on December 31, 2010, compared to 13.5 per cent on the corresponding date of the previous year.

An important source of reserve money, namely, net foreign exchange assets (NFA) of the RBI increased by 5.7 per cent (during the financial year) as on December 31, 2010 as compared to an increase of 1.0 per cent in the same period last year. The y-o-y growth rate of NFA, as on December 31, 2010 was 0.7 per cent as compared to increase of 4.0 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year (upto December 17, 2010), Bank credit increased by 12.2 per cent as compared to increase of 6.0 per cent during the corresponding period of last year.

The Non-Food credit during this period recorded an increase of 12.1 per cent as compared to an increase of 6.3 per cent during the corresponding period of last year.

The aggregate deposits with Scheduled Commercial Banks recorded an increase of 6.8 per cent (as on December 17, 2010) as against an increase of 9.1 per cent in the corresponding period of last year.

Items	Outstanding as on (Rs. crore)		Percentage Variation			
			Financial year so far		Year-on-Year	
	March 26, 2010	December 17, 2010	2009-10	2010-11	2009	2010
1. Bank credit	3240399	3639866	6.0	12.2	11.3	23.7
Non-Food credit	3191909	3577345	6.3	12.1	11.7	23.5
2. Aggregate deposits	4486574	4799789	9.1	6.8	17.9	14.7
3. Investments in Govt. and other approved securities	1166410	1443303	15.7	4.2	24.6	6.9

Item / Week Ended	2009	2010
	December 25	December 24
Cash Reserve Ratio (per cent) ⁽¹⁾	5.00	6.00
Bank Rate	6.00	6.00
Repo Rate	4.75	6.25
Reverse Repo Rate	3.25	5.25
Prime Lending Rate ⁽²⁾	11.00-12.00	7.60-9.00
Deposit Rate ⁽³⁾	6.00-7.50	7.00-8.75
Call Money Rate (Low / High) ⁽⁴⁾		
- Borrowings	2.20 / 3.75	4.00 / 7.07
- Lendings	2.20 / 3.75	4.00 / 7.07

(1) Cash Reserve Ratio relates to Scheduled Commercial Banks (excluding Regional Rural Banks). (2) Prime Lending Rate relates to five major Banks. (3) Deposit Rate relates to major Banks for term deposits of more than one year maturity. (4) Data cover 90-95 per cent of total transactions reported by participants.

Interest rates (per cent per annum): As on December 24, 2010, Bank Rate was 6.00 per cent. Call money rates (borrowing & lending) were in the range of 4.00/7.07 per cent as compared with 2.20/3.75 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during November 2010 increased by 26.5 per cent and imports increased by 11.2 per cent over November 2009. Oil imports increased by 2.3 per cent and non-oil imports increased by 15.0 per cent during November 2010 over November 2009.

Item	2008-09 (Apr.-Mar)	2009-10 (Apr.-Mar)	November -09	November -10	% Change in November 2010
Exports	185295	178751	14933	18895	26.5
Imports	303696	288373	24997	27796	11.2
Oil imports	93667	87136	7550	7725	2.3
Non-Oil	210029	201237	17446	20071	15.0
Trade balance	-118401	-109621	-10064	-8901	-

Source: Provisional data as per the Press Note of the Ministry of Commerce and Industry

Foreign Currency Assets

Table 11: Foreign Currency Assets

	Amount		Variation	
	Rs. crore	US\$ Million	Rs. crore	US\$ Million
At the end of			(over last year)	
March, 2007	836597	191924	189270	46816
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
2010-11			(over last month)	
April 2010	1133322	255023	-17456	88
May 2010	1152893	248201	19571	-6822
June 2010	1164431	249878	11538	1677
July 2010	1202388	258801	37957	8923
August 2010	1207494	256477	5106	-2324
September	1192541	265481	-14953	9004
October 2010	1199656	269343	7115	3862
November	1213296	263531	13640	-5812
December	1201197	268064	-12099	4533

Source: RBI.

- **Exchange rate:** The rupee appreciated by 2.0 per cent against Pound Sterling, 0.6 per cent against Japanese and 3.1 per cent against Euro and depreciated by 0.3 per cent against US dollar in the month of December 2010 over November 2010.

Table 12: Rupees per unit of foreign currency*

	US Dollar	Pound Sterling	Japanese Yen	Euro
March, 2008	40.3561	80.8054	0.4009	62.6272
March, 2009	51.2287	72.9041	0.5251	66.9207
March, 2010	45.4965	68.4360	0.5018	61.7653
2010-11				
April 2010	44.4995	68.2384	0.4763	59.6648
May 2010	45.7865	67.1747	0.4969	57.6553
June 2010	46.5443	68.6952	0.5122	56.9016
July 2010	46.8373	71.5150	0.5343	59.7636
August 2010	46.5679	72.9736	0.5465	59.9700
September 2010	46.0616	71.6578	0.5454	60.0592
October 2010	44.4583	70.3381	0.5428	61.7153
November 2010	45.0183	71.8498	0.5457	61.4981
December 2010	45.1568	70.4635	0.5425	59.6652

* FEDAI Indicative Market Rates (on Yearly/Monthly average basis)

External assistance and debt service payments: Gross external aid in April-December 2010 at Rs. 29661.36 crore shows an increase of 33.54 per cent, compared to Rs. 22212.04 crore in April-December 2009. Net disbursement was Rs. 19957.43 crore in April-December 2010 compared to Rs. 12804.72 crore in April-December 2009. Net transfers were Rs. 17370.97 crore in April-December 2010 compared to Rs. 9655.87 crore in April-December 2009.

Table 13: External Assistance and Debt Service Payments				
				(Rs. in crore)
	December 2010	During the Financial year 2010-11	December 2009	During the Financial year 2009-10
External Assistance (Government Account)				
1) Gross Disbursement	3,132.65	25,343.30	1,983.13	15,147.93
2) Repayments	1,727.59	8,769.42	1,635.14	8,319.61
3) Interest Payments	363.14	2,085.67	509.48	2,682.37
4) Net Disbursement (1-2)	1,405.06	16,573.88	347.99	6,828.32
5) Net Transfers (4-3)	1,041.92	14,488.21	-161.49	4,145.95
External Assistance (Non-Government Account)				
1) Gross Disbursement	0.00	2,847.44	997.96	4,444.29
2) Repayments	282.88	934.51	382.28	1,087.71
3) Interest Payments	231.94	500.79	119.44	466.48
4) Net Disbursement (1-2)	-282.88	1,912.93	615.68	3,356.58
5) Net Transfers (4-3)	-514.82	1,412.14	496.24	2,890.10
Government Grants				
1) Gross Disbursement	412.17	1,383.76	1,010.19	2,576.72
2) Repayments	0.00	0.00	0.00	0.00
3) Interest Payments	0.00	0.00	0.00	0.00
4) Net Disbursement (1-2)	412.17	1,383.76	1,010.19	2,576.72
5) Net Transfers (4-3)	412.17	1,383.76	1,010.19	2,576.72
Non-Government Grants				
1) Gross Disbursement	19.38	86.86	0.00	43.10
2) Repayments	0.00	0.00	0.00	0.00
3) Interest Payments	0.00	0.00	0.00	0.00
4) Net Disbursement (1-2)	19.38	86.86	0.00	43.10
5) Net Transfers (4-3)	19.38	86.86	0.00	43.10
Grand Total				
1) Gross Disbursements	3,564.20	29,661.36	3,991.28	22,212.04
2) Repayments	2,010.47	9,703.93	2,017.42	9,407.32
3) Interest Payments	595.08	2,586.46	628.92	3,148.85
4) Net Disbursement (1-2)	1,553.73	19,957.43	1,973.86	12,804.72
5) Net Transfers (4-3)	958.65	17,370.97	1,344.94	9,655.87

INFLATION

Wholesale Price Index (WPI 2004-05=100): Year-on-year inflation measured in terms of WPI for December, 2010 was at 8.43 per cent. This reflects an acceleration of 95 basis points compared to WPI inflation in November, 2010. (Inflation was 6.92 per cent in December, 2009 and 6.60 per cent in December, 2008). In new series of WPI, inflation had remained in the negative zone in June 2009 and July 2009 and turned positive in August 2009 and thereafter it reached to double digits in March, 2010. The average WPI inflation rate for last 12 months (January 2009 to December 2010) was 9.4 per cent as compared to 2.1 per cent during corresponding period in 2009-10. The build-up of inflation since March to December, 2010 stood at 6.1 per cent during current financial year as against 7.9 per cent in the corresponding period last year. Major breakup of WPI inflation rates is indicated in Table 14 below.

Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%)		Inflation (%) (Average of 12 months)	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
ALL COMMODITIES	100.00	6.11	7.87	8.43	6.92	9.41	2.12
PRIMARY ARTICLES	20.12	13.86	19.44	16.46	17.96	18.76	9.55
<i>Food articles</i>	<i>14.34</i>	<i>14.24</i>	<i>21.39</i>	<i>13.55</i>	<i>20.76</i>	<i>19.39</i>	<i>13.79</i>
FUEL AND POWER	14.91	7.14	9.67	11.19	4.57	11.82	-4.46
MANUFACTURED PDT.	64.97	2.63	3.35	4.46	3.61	5.24	1.22

Inflation based on Consumer Price Index: Inflation in Consumer Price Index for Industrial Workers (CPI-IW) has declined to 8.33 per cent in November, 2010 from its peak of 16.22 per cent in January 2010 (Table 15). CPI-IW food inflation (weight 46.20%) has also declined to 5.35 per cent in November, 2010 from its peak of 21.29 per cent in December 2009. Overall inflation in Consumer Price Index for Rural Labor (CPI-RL) has declined to 6.95 per cent in November, 2010 from its peak of 17.35 per cent in January 2010. CPI-RL food inflation (weight 66.77%) has also declined to 5.85 per cent from its peak of 20.78 per cent in January, 2010.

	WPI	CPI-IW	CPI-UNME	CPI-AL	CPI-RL
Base	2004-05	2001	1984-85	1986-87	1986-87
Aug-09	0.31	11.72	12.88	12.89	12.67
Sep-09	1.09	11.64	12.39	13.19	12.97
Oct-09	1.48	11.49	12.02	13.73	13.51
Nov-09	4.50	13.51	13.91	15.65	15.65
Dec-09	6.92	14.97	15.47	17.21	16.99
Jan-10	8.53	16.22	16.90	17.57	17.35
Feb-10	9.68	14.86	15.83	16.45	16.45
Mar-10	10.23	14.86	14.90	15.77	15.52
Apr-10	11.00	13.33	14.41	14.96	14.96
May-10	10.60	13.91	14.09	13.68	13.68
June-10	10.28	13.73	14.12	13.02	13.02
July-10	10.02	11.25	11.54	11.02	11.24
Aug-10	8.82	9.88	10.30	9.65	9.66
Sep-10	8.93	9.82	10.39	9.13	9.34
Oct-10	9.12	9.70	9.64	8.43	8.45
Nov-10	7.48	8.33	-	7.14	6.95
Dec-10	8.43				

Note: WPI-inflation: November and December, 2010 are provisional and CPI_UNME is linked index from April, 2008 onward.

TABLE 16: WORLD COMMODITY PRICE DATA

Commodity	Unit	Monthly Averages										Y-o-Y variation in prices (%)		
		Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Oct-10	Nov-10	Dec-10	Oct-10	Nov-10	Dec-10
		2009	2009	2009	2009	2010	2010	2010	2010	2010	2010			
Energy														
Coal, Australia	\$/mt	61	71	68	83	94	98	95	97	107	115	37.1	36.0	38.4
Crude oil, avg, spot	\$/bbl	47	69	68	75	79	75	76	82	85	90	10.3	9.0	20.2
Crude oil, Brent	\$/bbl	47	69	68	75	79	75	78	83	86	92	13.3	11.2	22.9
Crude oil, Dubai	\$/bbl	46	69	68	75	77	74	75	80	84	89	9.6	7.8	18.0
Natural gas, US	\$/mmbtu	4	4	3	5	4	5	4	3	4	4	-14.7	1.0	-21.0
Agriculture					72									
Coffee, robusta	c/kg	168	163	163	154	148	170	179	188	203	206	16.0	32.5	34.0
Tea, auctions (3), average	c/kg	219	278	316	297	262	272	300	303	303	305	0.3	-0.9	2.5
Coconut oil	\$/mt	625	747	701	768	921	993	1275	1412	1512	1715	100.0	107.4	123.3
Groundnut oil	\$/mt	1214	1154	1120	1192	1380	1342	1270	1331	1728	1753	15.9	54.8	47.1
Palm oil	\$/mt	598	726	674	792	832	798	912	987	1109	1228	45.1	53.0	55.1
Palmkernel oil	\$/mt	587	741	704	829	995	1051	1260	1412	1626	1820	94.1	124.0	119.5
Soybean meal	\$/mt	344	446	425	401	329	338	396	409	429	433	-0.8	1.7	8.0
Soybean oil	\$/mt	727	896	846	935	915	859	1042	1157	1247	1322	29.0	33.9	41.4
Maize	\$/mt	165	180	150	165	159	153	206	236	238	250	40.9	38.8	52.2
Rice, Thailand, 5%	\$/mt	588	575	519	591	502	440	477	486	515	532	-1.4	-5.2	-10.0
Wheat, US, HRW	\$/mt	231	257	191	206	191	158	272	270	274	307	35.9	29.9	48.6
Wheat US SRW	\$/mt	184	202	158	206	190	183	276	267	279	309	52.3	36.1	49.5
Oranges	\$/mt	847	816	1031	1014	955	1201	1047	1086	823	724	-5.8	-28.7	-28.6
Sugar, world	c/kg	30	36	51	52	41	35	50	54	58	62	8.7	18.4	18.9
Raw Materials														
Logs, Malaysia	\$/cum	289	279	281	265	250	261	311	316	313	307	14.4	15.2	15.7
Plywood	c/sheets	571	564	561	557	557	567	575	578	581	582	3.4	4.0	4.5
Woodpulp	\$/mt	538	566	658	731	814	897	907	915	897	890	32.0	24.3	21.7
Cotton A Index	c/kg	114	135	141	168	189	205	231	279	341	370	89.4	115.4	121.0
Rubber, US	c/kg	162	188	249	310	357	371	376	423	464	490	59.7	66.2	58.2
Rubber, Singapore	c/kg	143	167	217	280	334	357	353	392	431	475	66.9	69.7	69.4
Fertilizers														
DAP	\$/mt	368	278	317	360	476	448	525	575	588	594	91.6	102.6	64.8
Phosphate rock	\$/mt	158	97	90	90	105	125	125	140	140	140	55.6	55.6	55.6
Pottasium chloride	\$/mt	870	718	429	399	313	319	338	335	341	354	-23.0	-21.7	-11.3
Urea, E. Europe, bulk	\$/mt	265	237	234	261	279	229	315	329	366	375	37.8	49.7	43.7
Metals and Minerals														
Aluminum	\$/mt	1336	1574	1834	2180	2206	1931	2162	2347	2333	2351	24.9	19.7	7.8
Copper	\$/mt	3750	5014	6196	6982	7463	6499	7709	8292	8470	9147	31.9	26.9	31.0
Gold	\$/toz	924	946	997	1135	1113	1233	1271	1342	1370	1391	28.6	21.5	22.5
Iron ore	c/dmtu	141	101	101	101	101	167	212	182	182	182	80.3	80.3	80.3
Lead	c/kg	124	167	220	233	217	170	218	238	238	241	6.2	2.9	3.6
Nickel	\$/mt	9696	14960	17473	17066	22461	19389	22643	23807	22909	24111	28.5	34.8	41.3
Silver	c/toz	1312	1466	1648	1764	1715	1853	2061	2347	2657	2937	35.9	48.6	66.5
Steel cr coilsheet	\$/mt	900	700	700	700	775	850	850	850	850	850	21.4	21.4	21.4
Steel hr coilsheet	\$/mt	800	600	600	600	675	750	750	750	750	750	25.0	25.0	25.0
Tin	c/kg	1068	1499	1487	1555	1755	1732	2270	2634	2552	2616	75.5	70.8	68.3
Zinc	c/kg	122	156	188	238	228	174	215	237	229	228	14.5	4.5	-4.0

Source: World Bank - The Pink Sheet

FISCAL SITUATION

- As a proportion of budget estimate, fiscal deficit during April-November 2010-11 was 48.9 per cent and revenue deficit was 50.7 per cent. The lower levels reflect one-off nature of growth in non-tax revenue (from auction of spectrum).

Table 17: Trends in Central Government Finances April–November 2010

	Budget	April–November		Col.3 as	Col. 4 as	% Change over	
	Estimates			% of	% of	proceeding year	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
				BE	BE		(4/3)
(Rs. Crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	682,212	307,125	476,716	50.0	69.9	-2.5	55.2
Gross tax revenue	746,651	329,606	418,051	51.4	56.0	-7.8	26.8
Tax (net to Centre)	5,34,094	232,873	296,634	49.1	55.5	-8.2	27.4
Non Tax	148,118	74,252	180,082	52.9	121.6	20.9	142.5
2. Capital Receipts	426,537	314,547	213,971	77.4	50.2	75.6	-32.0
of which:							
Recovery of loans	5,129	4,021	6,267	95.2	122.2	54.8	55.9
Other Receipts	40,000	4,305	21,182	384.4	53.0		392.0
Borrowings and other liabilities	381,408	306,221	186,522	76.4	48.9	73.5	-39.1
3. Total Receipts (1+2)	1,108,749	621,672	690,687	60.9	62.3	25.8	11.1
4. Non-Plan Expenditure (a)+(b)	735,657	447,995	479,771	64.4	65.2	25.1	7.1
(a) Revenue Account	643,599	416,587	438,015	67.3	68.1	22.7	5.1
of which:							
Interest payments	248,664	119,504	134,544	53.0	54.1	7.0	12.6
Major Subsidies	108,667	90,766	90,137	86.0	82.9	-8.1	-0.7
Pensions	42,840	31,150	34,969	89.1	81.6	74.0	12.3
(b) Capital Account	92,058	31,408	41,756	40.9	45.4	70.3	32.9
5. Plan Expenditure (i)+(ii)	373,092	173,677	210,916	53.4	56.5	27.6	21.4
(i) Revenue Account	315,125	148,440	178,859	53.3	56.8	27.1	20.5
(ii) Capital Account	57,967	25,237	32,057	54.0	55.3	30.4	27.0
6. Total Expenditure (4)+(5)=(a)+(b)	1,108,749	621,672	690,687	60.9	62.3	25.8	11.1
(a) Revenue Expenditure	958,724	565,027	616,874	63.0	64.3	23.8	9.2
(b) Capital Expenditure	150,025	56,645	73,813	45.8	49.2	49.9	30.3
7. Revenue Deficit	276,512	257,902	140,158	91.2	50.7	82.4	-45.7
8. Fiscal Deficit	381,408	306,221	186,522	76.4	48.9	73.5	-39.1
9. Primary Deficit	132,744	186,717	51,978	106.4	39.2	188.0	-72.2

Source: Review of Union Government Accounts, April- November 2010-11, Ministry of Finance.