Ministry of Finance
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MONTHLY ECONOMIC REPORT
MARCH 2011

HIGHLIGHTS

- The overall growth of GDP at factor cost at constant prices, as per Advance Estimates, was 8.6 per cent in 2010-11 representing an increase from the revised growth of 8.0 per cent during 2009-10.
- The cumulative rainfall received for the country as a whole, during the pre monsoon season, 2011 (March 1 to May 31), was 26 per cent below the normal as on 13.04.2011.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 47.18 million tonnes as on February 1, 2011.
- Overall growth in the Index of Industrial Production (IIP) was 3.6 per cent during February 2011 as compared to 15.1 per cent in February 2010. During April-February 2010-11, IIP growth was 7.8 per cent as compared to 10.0 per cent during April-February 2009-10.
- Six core industries grew by 6.8 per cent in February 2011 as compared to the growth of 4.2 per cent in February 2010. During April-February 2010-11, these sectors grew by 5.7 per cent as compared to 5.4 per cent during April-February 2009-10.
- Broad money (M_3) (up to March 25, 2011) increased by 16.0 per cent as compared to 16.8 per cent during the corresponding period of the last year. The year-on-year growth, as on March 25, 2011 was 16.0 per cent as compared to 17.1 per cent last year.
- Exports, in US dollar terms increased by 49.7 per cent and imports increased by 21.2 per cent, during February 2011.
- Foreign Currency Assets stood at US $ 274.6 billion at end March 2011 compared to US$ 254.9 billion at end March 2010.
- Rupee appreciated against US dollar, Pound Sterling, Japanese Yen and depreciated against Euro in the month of March 2011 over February 2011.
- Year-on-year inflation in terms of Wholesale Price Index was 8.98 per cent for the month of March 2011 as compared to 10.23 per cent in the corresponding month last year.
- Tax revenue (net to Centre) during April-February, 2010-11 recorded a year-on-year growth of 28.4 per cent. Non-tax revenue grew by 109.6 per cent in April-February 2010-11 on account of one-off nature of receipts of proceeds from telecom Spectrum auction.
- As proportions of budget estimates, fiscal deficit during April-February 2010-11 was 72.1 per cent and revenue deficit was 72.6 per cent.

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ECONOMIC GROWTH

As per the Advance Estimate (AE) of Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices was estimated at 8.6 per cent in 2010-11 as compared to 8.0 per cent in 2009-10 (Quick Estimate). At disaggregated level, this (AE 2010-11) comprises growth of 5.4 per cent in agriculture and allied activities, 8.1 per cent in industry and 9.6 per cent in services as compared to a growth of 0.4 per cent, 8.0 per cent and 10.1 per cent respectively during 2009-10. Real GDP grew by 8.2 per cent in the 3rd quarter of 2010-11 following identical growth of 8.9 per cent in the first two.

Table 1: Growth of GDP at factor cost by economic activity (at 2004-05 prices)

	Industry	Growth				Percentage share in GDP		
		2008-09	2009-10 (QE)	2010-11 (AE)		2008-09	2009-10 (QE)	2010-11 (AE)
1	**Agriculture, forestry & fishing**	**-0.1**	**0.4**	**5.4**		**15.7**	**14.6**	**14.2**
2	**Industry**	**4.4**	**8.0**	**8.1**		**28.1**	**28.1**	**28.0**
a	Mining & quarrying	1.3	6.9	6.2		2.3	2.3	2.3
b	Manufacturing	4.2	8.8	8.8		15.8	15.9	15.9
c	Electricity, gas & water supply	4.9	6.4	5.1		2.0	2.0	1.9
d	Construction	5.4	7.0	8.0		8.0	7.9	7.9
3	**Services**	**10.1**	**10.1**	**9.6**		**56.2**	**57.3**	**57.8**
a	Trade, hotels, transport & communication	7.6	9.7	11.0		26.1	26.6	27.1
b	Financing , insurance, real estate & business services	12.5	9.2	10.6		17.0	17.2	17.5
c	Community, social & personal services	12.7	11.8	5.7		13.1	13.6	13.2
4	**GDP at factor cost**	**6.8**	**8.0**	**8.6**		**100.0**	**100.0**	**100.0**

(QE): Quick Estimate; (AE): Advance Estimate

Table 2: Quarterly Estimate of GDP (Year-on-year in per cent)

	2008-09				2009-10				2010-11		
Items	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Agriculture, forestry & fishing	**4.8**	**2.6**	**-1.3**	**3.3**	**1.8**	**1.2**	**-1.6**	**0.7**	**2.5**	**4.4**	**8.9**
Industry	**6.8**	**6.0**	**1.9**	**2.1**	**3.7**	**5.9**	**9.5**	**13.3**	**11.3**	**8.9**	**6.4**
2. Mining & quarrying	1.0	0.0	1.2	-0.3	6.9	6.6	5.2	14.0	8.4	7.9	6.0
3. Manufacturing	6.4	6.3	1.9	0.6	2.0	6.1	11.4	16.3	13.0	9.8	5.6
4. Electricity, gas & water supply	5.1	6.2	5.9	4.1	6.2	7.5	4.5	7.1	6.2	3.4	6.4
5. Construction	9.7	7.2	1.1	5.7	5.4	5.1	8.3	8.7	10.3	8.7	8.0
Services	**9.7**	**10.0**	**10.2**	**8.3**	**9.0**	**11.6**	**9.4**	**8.4**	**9.3**	**9.8**	**8.8**
6. Trade, hotels, transport & communication	10.1	10.4	4.3	5.7	5.5	8.2	10.8	12.4	11.0	12.1	9.4
7. Financing, insurance, real estate & bus.	10.1	9.8	10.8	12.3	11.5	10.9	8.5	7.9	7.9	8.2	11.2
8. Community, social & personal services	8.3	9.4	22.6	8.8	13.0	19.4	7.6	1.6	7.8	7.4	4.8
9. **GDP at factor cost (total 1 to 8)**	**8.0**	**7.8**	**5.6**	**5.8**	**6.3**	**8.6**	**7.3**	**8.6**	**8.9**	**8.9**	**8.2**

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 2010-11, 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 sub-divisions 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 pre monsoon season (March 1 to May 31), was 26 per cent below the normal, as on 13.04.2011.

All India production of food grains: According to the Third Advance Estimates released on 6th April, 2011, the production of food grains is estimated at 235.88 million tonnes during 2010-11 compared to 218.11 million tonnes (final estimates) in 2009-10.

Procurement: Procurement of rice as on February 1, 2011 (Kharif Marketing Season 2010-11) at 18.75 million tonnes represents a decline of (-) 4.9 per cent compared to the corresponding date last year. Wheat procurement during Rabi Marketing Season 2010-11 was 22.51 million tonnes as compared to 25.38 million tonnes during the corresponding period last year.

	Table 3: Procurement in Million Tonnes			
	2007-08	2008-09	2009-10	2010-11
Rice(Oct-Sept)	28.74	34.10	32.03	24.56*
Wheat(Apr-Mar)	11.13	22.69	25.38	22.51
Total	39.87	56.79	57.41	47.07
* Position as on 23.03.2011				

Off-take: Off-take of rice during the month of January, 2011 was 25.17 lakh tonnes. This comprises 20.79 lakh tonnes under TPDS and 4.38 lakh tonnes under other schemes. In respect of wheat, the total offtake was 20.99 lakh tonnes comprising 16.06 lakh tonnes under TPDS and 4.93 lakh tonnes under other schemes.

Stocks of food-grains (rice and wheat) held by FCI as on February 1, 2011 were 47.18 million tonnes, which is higher by 1.9 per cent over the level of 46.28 million tonnes as on February 1, 2010.

Table 4: Off-take and stocks of food-grains (Million Tonnes)

	Off-take			**Stocks**	
	2007-08	**2008-09**	**2009-10**	**February 1, 2010**	**February 1, 2011**
Rice	25.23	24.62	27.37	25.66	27.80
Wheat	12.20	14.88	22.35	20.62	19.37
Total	37.43	39.50	49.72	46.28	47.17

INDUSTRIAL PRODUCTION

Table 5: Percentage change in Index of Industrial Production					
Industry Group	**2009-10**	**2009-10(Apr.-Feb.)**	**2010-11(Apr.-Feb.)**	**February 2010**	**February 2011**
General index	10.5	10.0	7.8	15.1	3.6
Mining	9.9	9.6	6.5	11.0	0.6
Manufacturing	11.0	10.4	8.1	16.1	3.5
Electricity	6.0	5.8	5.4	7.3	6.7
Use-based industrial groups					
Basic goods	7.2	6.8	6.5	8.5	5.9
Capital goods	20.9	19.0	8.7	46.7	-18.4
Intermediate goods	13.6	13.6	9.1	15.9	8.4
Consumer goods	6.2	5.9	7.5	6.3	11.1
Durables	24.6	23.8	21.8	29.1	23.4
Non-durables	0.4	0.3	1.9	-0.8	6.1

During February 2011, the IIP growth was 3.6 per cent as compared to 15.1 per cent growth during the corresponding period of previous year. In mining, manufacturing and electricity sectors, the growth rates in February 2011 were 0.6, 3.5 and 6.7 per cent respectively. The growth rates have decreased substantially in both mining and manufacturing sectors during February 2011 as compared to February 2010. In the use-based industrial groups, the growth rates have decreased in basic goods and intermediate goods in February 2011 as compared to February 2010. In capital goods sector, the growth rate is negative in February 2011 as compared to February 2010. In consumer goods sector the growth rate has increased to 11.1 per cent in February 2011 as compared to 6.3 per cent in February 2010. The consumer non-durables sector which had been stagnating for the past one and half year have been rebounded during February 2011 with growth rate of 6.1 per cent as compared to (-)0.8 per cent in February 2010.

Table 6: Production growth (per cent) in core infrastructure-supportive industries				
Industry	February 2010	February 2011	2009-10 (April-February)	2010-11 (April-February)
Coal	6.7	-5.7	7.9	0.1
Electricity generation[1]	6.9	7.2	6.0	5.4
Crude oil	4.0	12.2	0.3	11.9
Petroleum products	0.7	3.2	-0.4	2.5
Finished steel	-0.2	11.5	5.2	8.1
Cement	7.9	6.5	10.8	4.3
Overall growth	**4.2**	**6.8**	**5.4**	**5.7**
([1]): This will not necessarily match the growth in electricity given in the Index of Industrial Production				

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 5.7 per cent during April-February 2010-11, as compared to growth rate of 5.4 per cent achieved during the corresponding period in 2009-10. During the month of February 2011, the overall growth of the core sector industries was 6.8 per cent as compared to the growth of 4.2 per cent during February, 2010. During February 2011, the growth in crude oil sector was 12.2 per cent followed by finished steel 11.5 per cent and electricity 7.2 per cent respectively. In petroleum refinery sector, the growth rate in February 2011 is 3.2 per cent as compared to 0.7 per cent during February 2010. In cement sector, the growth slowed down to 6.5 per cent in February 2011 as compared to 7.9 per cent during February 2010. In coal sector, the growth rate is negative during February 2011.

MONEY AND BANKING

Broad money (M_3) (up to March 25, 2011) increased by 16.0 per cent as compared to 16.8 per cent during the corresponding period of the last year. The year-on-year growth, as on March 25, 2011 was 16.0 per cent as compared to 17.1 per cent last year.

7. Money Stock : Components and Sources

(₹ crore)

Item	Outstanding as on		Variation over			
	2010	2011	Financial Year so far		Year-on-Year	
			2009-10	2010-11	2010	2011
	Mar. 31 #	Mar. 25 #				
M_3	56,02,731	64,96,747	16.8	16.0	17.1	16.0
Components (i+ii+iii+iv)						
(i) Currency with the Public	7,67,492	9,19,342	15.9	19.8	15.6	19.2
(ii) Demand Deposits with Banks	7,17,970	7,13,735	21.3	–0.6	23.2	–
(iii) Time Deposits with Banks	41,13,430	48,60,111	16.3	18.2	16.4	18.2
(iv) "Other" Deposits with Reserve Bank	3,839	3,559	0.3	–7.3	11.5	–36.3
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	16,69,186	18,93,375	27.5	13.4	30.4	16.2
(a) Reserve Bank	2,11,586	3,16,389				
(b) Other Banks	14,57,600	15,76,986	19.9	8.2	19.9	8.1
(ii) Bank Credit to Commercial Sector (a+b)	34,91,409	42,10,131	15.9	20.6	16.1	20.5
(a) Reserve Bank	1,328	1,760	–	–	–	–
(b) Other Banks	34,90,081	42,08,371	16.3	20.6	16.3	20.6
(iii) Net Foreign Exchange Assets of Banking Sector*	12,81,469	13,70,410	–5.4	6.9	–4.8	7.1
(iv) Government's Currency Liabilities to the Public	11,270	12,586	12.1	11.7	12.1	11.7
(v) Banking Sector's Net Non-Monetary Liabilities	8,50,602	9,89,754	–5.5	16.4	–2.1	21.8
of which:						
Net Non-Monetary Liabilities of RBI	3,01,615	3,62,849	–19.8	20.3	–20.3	16.6

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

Reserve money (M_0) during the financial year 2010-11 (up to March 25, 2011) showed increase of 12.1 per cent as compared to increase of 11.9 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 17.2 per cent as on March 25, 2011, compared to 16.7 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 7.4 per cent (during the financial year) as on March 25, 2011 as compared to deterioration of 3.9 per cent in the same period last year. The y-o-y growth rate of NFA, as on March 25, 2011 was 7.6 per cent as compared to deterioration of 3.3 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year (upto March 25, 2011), Bank credit increased by 21.4 per cent as compared to increase of 16.9 per cent during the corresponding period of last year. The Non-Food credit during this period recorded an increase of 21.4 per cent as compared to an increase of 17.2 per cent during the corresponding period of last year.

The aggregate deposits with Scheduled Commercial Banks recorded an increase of 15.8 per cent (as on March 25, 2011) as against an increase of 17.2 per cent in the corresponding period of last year.

Table 8. Scheduled Commercial Banks - Business in India

Items	Outstanding as on (₹ crore)		Percentage Variation			
			Financial year so far		Year-on-year	
	March 26, 2010	March 25, 2011	2009-10	2010-11	2010	2011
Bank Credit	3240399	3938659	16.9	21.4	16.9	21.4
Non-Food credit	3191909	3874376	17.2	21.4	17.2	21.4
Aggregate deposits	4486574	5204703	17.2	15.8	17.2	15.8
Investments in Government. And other approved securities	1166410	18.7	8.3	18.7	8.3	7.6

Table 9 : Policy Rates/Interest Rates (per cent per annum)

Item / Week Ended	2010 April 2	2011 April 1
Cash Reserve Ratio (per cent)(1)	5.75	6.00
Bank Rate	6.00	6.00
Repo Rate	5.00	6.75
Reverse Repo Rate	3.50	5.75
Prime Lending Rate(2)	11.00-12.00	8.25-9.50
Deposit Rate(3)	6.00-7.50	7.75-9.50
Call Money Rate (Low / High)(4)		
- Borrowings	4.22	7.61
- Lendings	4.22	7.61

(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 April 1, 2011, Bank Rate was 6.00 per cent. Call money rates (borrowing & lending) were 7.61 per cent as compared with 4.22 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during February 2011 increased by 49.7 per cent and imports increased by 21.2 per cent over February 2010. Oil imports decreased by 0.3 per cent and non-oil imports increased by 31.0 per cent during February 2011 over February 2010.

Table 10 : Exports and imports (in US dollar million)

Item	2008-09 (Apr-Mar)	2009-10 (Apr-Mar)	February -10	February-11	% Change in February 2011
Exports	185295	178751	15758	23597	49.7
Imports	303696	288373	26164	31701	21.2
Oil imports	93667	87136	8240	8219	-0.3
Non-Oil	210029	201237	17924	23482	31.0
Trade	-118401	-109621	-10406	-8104	-

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	
	₹ crore	**US$ million**	**₹ 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	1152893	248201	19571	-6822
June	1164431	249878	11538	1677
July 2010	1202388	258801	37957	8923
August	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
January 2011	1241305	270143	40108	2079
February 2011	1229970	272238	-11335	2095
March 2011	1225999	274580	-3971	2342

Source: RBI.

Exchange rate: The rupee appreciated by 1.0 per cent against US dollar, 0.8 per cent against Pound Sterling and 0.1 per cent against Japanese Yen and depreciated by 1.4 per cent against Euro in the month of March 2011 over February 2011.

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	45.7865	67.1747	0.4969	57.6553
June	46.5443	68.6952	0.5122	56.9016
July 2010	46.8373	71.5150	0.5343	59.7636
August	46.5679	72.9736	0.5465	59.9700
September 2010	46.0616	71.6578	0.5454	60.0592
October	44.4583	70.3381	0.5428	61.7153
November	45.0183	71.8498	0.5457	61.4981
December 2010	45.1568	70.4635	0.5425	59.6652
January 2011	45.3934	71.5394	0.5496	60.5178
February 2011	45.4358	73.2921	0.5503	62.0904
March 2011	44.9684	72.7070	0.5498	62.9660

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

External assistance and debt service payments: Gross external aid in 2010-11 at ₹ 37544.62 crore shows an increase of 22.13 per cent, compared to ₹ 30740.38 crore in 2009-10. Net disbursement was ₹ 24510.79 crore in 2010-11 compared to ₹ 18370.44 2009-10. Net transfers were ₹ 20752.09 crore 2010-11 compared to ₹ 14217.48 crore in 2009-10.

Table 13: External Assistance and Debt Service Payments

				(₹ crore)
	March 2011	**During the Financial year 2010-11**	**March 2010**	**During the Financial year 2009-10**
External Assistance (Government Account)				
1) Gross Disbursement	2,903.35	30,584.19	3,942.97	22,122.13
2) Repayments	1,065.07	11,774.23	922.52	11,139.65
3) Interest Payments	491.01	3,149.24	418.73	3,625.25
4) Net Disbursement (1-2)	1,838.28	18,809.96	3,020.45	10,982.48
5) Net Transfers (4-3)	1,347.27	15,660.72	2,601.72	7,357.23
External Assistance (Non-Government Account)				
1) Gross Disbursement	40.64	4,209.00	569.73	5,495.25
2) Repayments	21.98	1,259.60	17.96	1,230.29
3) Interest Payments	12.46	609.46	12.26	527.71
4) Net Disbursement (1-2)	18.66	2,949.40	551.77	4,264.96
5) Net Transfers (4-3)	6.20	2,339.94	539.51	3,737.25
Government Grants				
1) Gross Disbursement	257.37	2,599.12	384.03	3,079.90
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)	257.37	2,599.12	384.03	3,079.90
5) Net Transfers (4-3)	257.37	2,599.12	384.03	3,079.90
Non-Government Grants				
1) Gross Disbursement	12.72	152.31	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)	12.72	152.31	0.00	43.10
5) Net Transfers (4-3)	12.72	152.31	0.00	43.10
Grand Total				
1) Gross Disbursements	3,214.08	37,544.62	4,896.73	30,740.38
2) Repayments	1,087.05	13,033.83	940.48	12,369.94
3) Interest Payments	503.47	3,758.70	430.99	4,152.96
4) Net Disbursement (1-2)	2,127.03	24,510.79	3,956.25	18,370.44
5) Net Transfers (4-3)	1,623.56	20,752.09	3,525.26	14,217.48

INFLATION

Wholesale Price Index (WPI 2004-05=100): Year-on-year inflation measured in terms of WPI for March 2011 was at 8.98 per cent. This reflects increase of 67 basis points compared to WPI inflation in February 2011. The financial year 2010-11 started with double digit headline inflation. After remaining in double digit for four successive months (April-July), headline inflation came down to single digit and stood at 8.8 per cent in August 2010. Notwithstanding, better monsoon situation and crop production, in January 2011 and February 2011; WPI inflation remained sticky at 8.2 per cent and 8.3 per cent respectively mainly on account of high inflation in fruits, vegetables and protein rich items. The average WPI inflation rate for last 12 months (April 2010 to March 2011) was 9.4 per cent as compared to 3.6 per cent during corresponding period in 2009-10. The build-up of inflation since March to March 2011 stood at 8.98 per cent during current financial year as against 10.23 per cent in the corresponding period last year. Major breakup of WPI inflation rates is indicated in Table 14 below.

Table 14: Current Price Situation based on Monthly WPI in March 2011
(Base: 2004-05=100)

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**	8.98	10.23	8.98	10.23	9.39	3.57
PRIMARY ARTICLES	20.12	12.96	22.16	12.96	22.16	17.61	12.66
Food articles	*14.34*	9.47	20.65	9.47	20.65	17.34	15.99
FUEL AND POWER	14.91	12.92	13.81	12.92	13.81	12.24	-2.11
MANUFACTURED PDT.	64.97	6.21	5.19	6.21	5.19	5.43	1.80

Inflation based on Consumer Price Index: Inflation in Consumer Price Index for Industrial Workers (CPI-IW) was 8.82 per cent in February 2011 as compared to 14.86 per cent in the corresponding month last year. CPI-IW food inflation (weight 46.20%) has also declined to 7.65 per cent in February 2011 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 8.55 per cent in February 2011 from its peak of 17.35 per cent in January 2010. CPI-RL food inflation (weight 66.77%) has also declined to 6.90 per cent from its peak of 20.78 per cent in January, 2010.

Table 15: Year-on-Year inflation based on WPI and CPI (per cent)

	WPI	**CPI-IW**	**CPI-UNME**	**CPI-AL**	**CPI-RL**
Base	**2004-05**	**2001**	**1984-85**	**1986-87**	**1986-87**
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	8.08	8.33	8.40	7.14	6.95
Dec-10	9.41	9.47	9.44	7.99	8.01
Jan-11	8.23	9.30	-	8.67	8.69
Feb-11	8.31	8.82	-	8.55	8.55

Note: WPI-inflation: Jan and Feb-2011 are provisional and CPI_UNME is linked index from April, 2008 onward.

Table 16: World Commodity Price Data

		Annual averages			Monthly averages		
		Jan-Dec	Jan-Dec	Jan-Mar	Jan	Feb	Mar
Commodity	**Unit**	2009	2010	2011	2011	2011	2011
Energy							
Coal, Australia	$/mt	71.84	98.97	129.61	132.48	128.36	128.00
Crude oil, average	$/bbl	61.76	79.04	99.75	92.69	97.91	108.65
Crude oil, Brent	$/bbl	61.86	79.64	104.90	96.29	103.96	114.44
Crude oil, Dubai	$/bbl	61.75	78.06	100.40	92.37	100.25	108.58
Crude oil, West Texas Int.	$/bbl	61.65	79.43	93.95	89.41	89.53	102.92
Natural gas, Europe	$/mmbtu	8.71	8.29	9.45	9.61	9.36	9.37
Agriculture							
Beverages							
Coffee, Arabica	¢/kg	317.1	432.0	620.0	581.5	634.7	643.9
Tea, auctions (3) average	¢/kg	272.4	288.5	290.5	302.1	288.2	281.2
Food							
Coconut oil	$/mt	725	1,124	2,073	2,038	2,256	1,925
Copra	$/mt	480	750	1,379	1,354	1,503	1,280
Groundnut oil	$/mt	1,184	1,404	1,723	1,788	1,730	1,650
Palm oil	$/mt	683	901	1,251	1,281	1,292	1,180
Palmkernel oil	$/mt	700	1,184	2,131	2,120	2,296	1,977
Soybean oil	$/mt	849	1,005	1,349	1,374	1,365	1,307
Soybeans	$/mt	437	450	565	572	570	553
Grains							
Barley	$/mt	128.3	158.4	198.1	195.2	196.5	202.6
Maize	$/mt	165.5	185.9	282.8	264.9	292.9	290.5
Rice, Thailand, 25%	$/mt	458.1	441.5	465.4	467.6	473.0	455.5
Wheat, Canada	$/mt	300.5	312.4	449.0	440.5	474.1	432.5
Sugar, world	¢/kg	40.00	46.93	62.70	65.28	64.97	57.85
Raw Materials							
Logs, Malaysia	$/cum	287.2	278.2	329.6	315.3	328.6	345.0
Plywood	¢/sheets	564.6	569.1	586.6	584.5	588.7	n.a.
Rubber RSS3	¢/kg	192.1	365.4	573.2	552.0	625.9	541.9
Metals and Minerals							
Aluminum	$/mt	1,665	2,173	2,501	2,440	2,508	2,556
Copper	$/mt	5,150	7,535	9,642	9,556	9,868	9,503
Gold	$/toz	973	1,225	1,384	1,356	1,373	1,424
Iron ore, contract, fob Brazil	¢/dmtu	101.0	n.a.	n.a.	n.a.	n.a.	n.a.
Iron ore, spot, cfr China	$/dmt	80.0	145.9	178.6	179.2	187.2	169.4
Steel cr coilsheet	$/mt	783	816	867	850	850	900

Source: World Bank – The Pink Sheet

FISCAL SITUATION

- As proportions of budget estimates, fiscal deficit during April- February 2010-11 was 72.1 per cent and revenue deficit was 72.6 per cent respectively. The lower levels reflect one-off nature of growth in non-tax revenue (from auction of telecom spectrum).

Table 17: Trends in Central Government Finances April–February 2010-11

	Budget Estimates	April-February		Col.3 as % of	Col. 4 as % of	% Change over proceeding year	
	2010-11	2009-10	2010-11	2009-10 BE	2010-11 BE	2009-10	2010-11 (4/3)
		(₹ Crore)					
(1)	(2)	(3)	(4)	(5)	(6)	(7))	(8)
1. Revenue Receipts	**682,212**	**458,732**	**670,366**	**74.7**	**98.3**	**4.9**	**46.1**
Gross tax revenue	**746,651**	**490,694**	**627,568**	**76.5**	**84.1**	**-1.6**	**27.9**
Tax (net to Centre)	534,094	358,641	460,624	75.6	86.2	0.6	28.4
Non Tax	148,118	100,091	209,742	71.4	141.6	23.6	109.6
2. Capital Receipts	**426,537**	**399,573**	**308,339**	**98.3**	**72.3**	**28.5**	**-22.8**
of which:							
Recovery of loans	5,129	5,886	10,506	139.3	204.8	56.9	78.5
Other Receipts	40,000	12,786	22,745	1141.6	56.9		77.9
Borrowings and other liabilities	381,408	380,901	275,088	95.0	72.1	24.0	-27.8
3. Total Receipts (1+2)	**1,108,749**	**858,305**	**978,705**	**84.1**	**88.3**	**14.7**	14.0
4.Non-Plan Expenditure (a)+(b)	**735,657**	**601,198**	**668,140**	**86.4**	**90.8**	**16.6**	**11.1**
(a) Revenue Account	643,599	557,414	607,814	90.1	94.4	15.6	9.0
of which:							
Interest payments	248,664	177,257	201,169	78.6	80.9	6.9	13.5
Major Subsidies	108,667	109,660	113,668	103.9	104.6	-6.5	3.7
Pensions	42,840	41,727	49,671	119.3	115.9	50.4	19.0
(b) Capital Account	92,058	43,784	60,326	57.0	65.5	30.0	37.8
5.Plan Expenditure (i)+(ii)	**373,092**	**257,107**	**310,565**	**79.1**	**83.2**	**10.5**	**20.8**
(i) Revenue Account	315,125	217,191	263,259	78.0	83.5	8.7	21.2
(ii) Capital Account	57,967	39,916	47,306	85.4	81.6	22.0	18.5
6.Total Expenditure (4)+(5)=(a)+(b)	**1,108,749**	**858,305**	**978,705**	**84.1**	**88.3**	**14.7**	**14.0**
(a)Revenue Expenditure	958,724	774,605	871,073	86.3	90.9	13.6	12.5
(b)Capital Expenditure	150,025	83,700	107,632	67.7	71.7	26.0	28.6
7. Revenue Deficit	**276,512**	**315,873**	**200,707**	**111.7**	**72.6**	**29.2**	**-36.5**
8. Effective Revenue Deficit.	**245,195**		**155,141**		**63.3**		
8. Fiscal Deficit	**381,408**	**380,901**	**275,088**	**95.0**	**72.1**	**24.0**	**-27.8**
9. Primary Deficit	**132,744**	**203,644**	**73,919**	**116.0**	**55.7**	**44.1**	**-63.7**

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