

**Ministry of Finance**  
**Department of Economic Affairs**  
**Economic Division**  
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**MONTHLY ECONOMIC REPORT**  
**AUGUST 2013**  
**HIGHLIGHTS**

- The overall growth of GDP at factor cost at constant prices is provisionally estimated at 5.0 per cent in 2012-13 as compared to the growth of 6.2 per cent during 2011-12 (First Revised Estimates). The GDP growth rate is placed at 4.4 per cent in the first quarter of 2013-14.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 58.93 million tonnes as on September 1, 2013.
- Overall growth in the Index of Industrial Production (IIP) was 2.6 per cent during July 2013 as compared to (-) 0.1 per cent in July 2012. During April- July 2013-14, IIP growth was (-) 0.2 per cent - the same as compared to the period April- July 2012-13.
- Eight core infrastructure industries registered 3.1 per cent growth in July 2013 as compared to growth of 4.5 per cent in July 2012. During April- July 2013-14, these sectors grew by 1.9 per cent as compared to 6.3 per cent during April-July 2012-13.
- Broad money (M<sub>3</sub>) for 2013-14 (up to August 23, 2013) increased by 4.7 per cent as compared to 6.2 per cent during the corresponding period of the last year. The year-on-year growth, as on August 23, 2013 was 12.2 per cent as compared to 14.1 per cent in the previous year.
- Exports increased by 13.0 per cent and imports decreased by 0.7 per cent, in US dollar terms during August 2013 over August 2012.
- Foreign Currency Assets stood at US\$ 248.4 billion in end-August 2013 as compared to US\$ 258.4 billion at end-August 2012.
- The Rupee depreciated against US dollar, Pound sterling, Japanese yen and Euro in the month of August 2013 over July 2013.
- The WPI inflation for all commodities for the month of August 2013 has increased to 6.10 per cent from 5.79 per cent in the previous month.
- Gross tax revenue for the financial year 2013-14 (April-July) was Rs. 245,323 crore, recorded growth of 6.5 per cent over April- July 2012-13.
- As a proportion of budget estimate for fiscal 2013-14, fiscal deficit and revenue deficit during 2013-14 (April-July) was 62.8 per cent and 73 per cent respectively.

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## ECONOMIC GROWTH

As per the Provisional Estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05 prices) is estimated at 5.0 per cent in 2012-13 with agriculture, industry and services registering growth rates of 1.9 per cent, 2.1 per cent and 7.1 per cent respectively. As per the First Revised Estimates, the growth in GDP at factor cost at constant (2004-05) prices has been estimated at 6.2 per cent in 2011-12. At disaggregated level, this (First Revised 2011-12) comprises growth of 3.6 per cent in agriculture and allied activities, 3.5 per cent in industry and 8.2 per cent in services. The growth in GDP is placed at 4.4 per cent in the first quarter of 2013-14.

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

Sector	Growth (in per cent)			Percentage Share in GDP		
	2010-11	2011-12 1R	2012-13(PE)	2010-11 (2R)	2011-12 (1R)	2012-13(PE)
<b>1</b> Agriculture, forestry & fishing	7.9	3.6	1.9	14.5	14.1	13.7
<b>2</b> Industry	9.2	3.5	2.1	28.2	27.5	26.7
a Mining & quarrying	4.9	-0.6	-0.6	2.2	2.1	2.0
b Manufacturing	9.7	2.7	1.0	16.2	15.7	15.1
c Electricity, gas & water supply	5.2	6.5	4.2	1.9	1.9	1.9
d Construction	10.2	5.6	4.3	7.9	7.9	7.8
<b>3</b> Services	9.8	8.2	7.1	57.3	58.4	59.6
a Trade, hotels, transport & communication	12.3	7.0	6.4	27.3	27.5	27.8
b Financing, insurance, real estate & business services	10.1	11.7	8.6	17.2	18.1	18.7
c Community, social & personal services	4.3	6.0	6.6	12.8	12.8	13.0
<b>4</b> GDP at factor cost	<b>9.3</b>	<b>6.2</b>	<b>5.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1R: 1<sup>st</sup> Revised Estimates; PE: Provisional Estimates. Source: CSO

**Table 2: Quarterly Growth Rate of GDP (Per cent)**

Sector	2011-12				2012-13				2013-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1</b> Agriculture, forestry & fishing	5.4	3.2	4.1	2.0	2.9	1.7	1.8	1.4	2.7
<b>2</b> Industry	5.7	3.8	2.6	2.1	1.8	1.3	2.5	2.7	0.2
a Mining & quarrying	-0.4	-5.3	-2.6	5.2	0.4	1.7	-0.7	-3.1	-2.8
b Manufacturing	7.4	3.1	0.7	0.1	-1.0	0.1	2.5	2.6	-1.2
c Electricity, gas & water supply	6.6	8.4	7.7	3.5	6.2	3.2	4.5	2.8	3.7
d Construction	3.8	6.5	6.9	5.1	7.0	3.1	2.9	4.4	2.8
<b>3</b> Services	<b>8.9</b>	<b>8.5</b>	<b>8.3</b>	<b>7.3</b>	<b>7.7</b>	<b>7.6</b>	<b>6.7</b>	<b>6.6</b>	<b>6.6</b>
a Trade, hotels, transport & communication	9.5	7.0	6.9	5.1	6.1	6.8	6.4	6.2	3.9
b Financing, insurance, real estate & business services	11.6	12.3	11.4	11.3	9.3	8.3	7.8	9.1	8.9
c Community, social & personal services	3.5	6.5	6.8	6.8	8.9	8.4	5.6	4.0	9.4
<b>4</b> GDP at factor cost	<b>7.5</b>	<b>6.5</b>	<b>6.0</b>	<b>5.1</b>	<b>5.4</b>	<b>5.2</b>	<b>4.7</b>	<b>4.8</b>	<b>4.4</b>

Source: CSO.

## AGRICULTURE

**Rainfall:** With respect to rainfall situation in India, the year 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. The actual rainfall received during the Monsoon season 2013, as on 18.9.2013, has been 864.7 mm as against the normal at 829.2 mm.

**All India production of food grains :** As per the 4<sup>th</sup> advance estimates released by Ministry of Agriculture on 22.7.2013, production of food grains during 2012-13 is estimated at 255.36 million tonnes compared to 259.29 million tonnes (Final estimates) in 2011-12.

**Procurement:** Procurement of rice as on 1<sup>st</sup> August, 2013 was 33.85 million tonnes in Kharif Marketing Season as against 34.71 million tonnes in the last year in the corresponding season. This represents a decrease of 2.48 per cent. Wheat procurement during Rabi Marketing Season 2013-14 is 25.09 million tonnes as compared to 38.11 million tonnes during the corresponding period last year.

<b>Table 3: Procurement in Million Tonnes</b>				
	2010-11	2011-12	2012-13	2013-14
Rice	34.20	35.04	33.96	-
Wheat	22.51	28.34	38.15	25.09*
Total	56.71	63.38	72.11	25.09
* Position as on 1.8.2013				

**Off-take:** Off-take of rice during the month of July, 2013 was 24.23 lakh tonnes. This comprises 21.69 lakh tonnes under TPDS and 2.54 lakh tonnes under other schemes. In respect of wheat, the total off take was 20.97 lakh tonnes comprising 19.03 lakh tonnes under TPDS and 1.94 lakh tonnes under other schemes.

**Stocks:** Stocks of food-grains (rice and wheat) held by FCI as on September 1, 2013 were 58.93 million tonnes, which is lower by 17.87 per cent compared to the level of 71.75 million tonnes as on September 1, 2012.

<b>Table 4: Off-take and stocks of food grains (Million Tonnes)</b>					
	<b>Off-take</b>			<b>Stocks</b>	
	2011-12	2012-13	2013-14 (Up to July 2013)	Sept 1, 2012	Sept 1, 2013
Rice	32.12	32.64	9.47	25.59	20.57
Wheat	24.26	33.21	8.34	46.16	38.36
Total	56.38	65.85	17.81	71.75	58.93

## INDUSTRIAL PRODUCTION

Industry Group	April- July 2012- 13	April- July 2013- 14	July- 2012	July- 2013
<b>General index</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.1</b>	<b>2.6</b>
Mining	-2.0	-4.0	-3.5	-2.3
Manufacturing	-0.6	-0.2	0.0	3.0
Electricity	5.5	3.9	2.8	5.2
Basic goods	2.7	0.2	1.0	1.7
Capital goods	-16.8	1.8	-5.8	15.6
Intermediate goods	0.6	1.8	0.1	2.4
Consumer goods	3.1	-2.0	0.7	-0.9
<i>Durables</i>	6.1	-12.0	0.8	-9.3
<i>Non-durables</i>	0.6	6.8	0.6	6.8

remained in the positive territory at 3.9 per cent during April-July 2013 compared to 5.5 per cent in the previous year. Under use-based category, the growth rate in capital goods output was 15.6 per cent in July 2013 after registering negative growth over the preceding three months. Basic and intermediate goods registered 1.7 per cent and 2.4 per cent growth respectively during July 2013.

Industry	April- July 2012-13	April- July 2013-14	July 2012	July 2013
Coal	6.5	-0.5	2.0	1.2
Crude oil	-0.6	-1.6	-0.7	-2.3
Natural Gas	-11.7	-17.2	-13.5	-16.1
Refinery Products	24.1	4.7	26.0	5.1
Fertilizers	-9.5	1.9	-2.2	0.4
Steel	2.8	4.1	1.1	7.0
Cement	10.1	2.7	3.2	0.8
Electricity	5.7	3.4	2.7	5.2
<b>Overall</b>	<b>6.3</b>	<b>1.9</b>	<b>4.5</b>	<b>3.1</b>

crude oil and natural gas sectors have registered negative growth during July 2013.

During July 2013, the growth in IIP was 2.6 per cent as compared to (-) 0.1 per cent during the corresponding period of previous year. During April-July 2013 IIP has registered a decline of 0.2 per cent as compared to the same percentage decline in corresponding period of the previous year. Manufacturing and Mining have declined by 0.2 per cent 4.0 per cent respectively during April-July 2013 as compared to the decline of 0.6 per cent and 2.0 per cent during the corresponding period of previous year. Electricity sector growth rate

### **Eight core industries:**

The index for eight core industries (comprising crude oil, petroleum refinery products, coal, electricity, cement, steel, natural gas and fertilizers) with a weight of 37.9 per cent in the IIP grew by 1.9 per cent during April-July 2013-14, as compared to growth rate of 6.3 per cent achieved during the corresponding period in 2012-13. During the month of July 2013, the overall growth of the core sector industries was 3.1 per cent as compared to the growth of 4.5 per cent during July 2012. The

## MONEY AND BANKING

The following announcements were made by Reserve Bank of India (RBI) on August 20, 2013 to address market conditions:

- To address the risks to macroeconomic stability from external sector imbalances and to ensure that the liquidity tightening does not harden longer term yields sharply and adversely impact the flow of credit to the productive sectors of the economy, RBI recommended conduct of open market purchase operations (OMOs) of long dated Government of India Securities of Rs.8,000 crore on August 23, 2013, and thereafter calibration of both in terms of quantum and frequency, as may be warranted by the evolving market conditions.
- The hardening of long term yields has resulted in banks incurring large mark-to-market (MTM) losses in their investment portfolio. Since these MTM losses are partly resulting from abnormal market conditions and could be expected to be largely recouped going forward, the Reserve Bank of India decided to provide the following prudential adjustments for a limited period:
  - Current regulations require banks to bring down their statutory liquidity ratio (SLR) securities in held-to-maturity (HTM) category from 25 per cent to 23 per cent of their Net Demand and Time Liabilities (NDTL) in a progressive manner in a prescribed time frame. The requirement stood at 24.5 per cent at end-June 2013. RBI decided to relax this requirement by allowing banks to retain SLR holdings in HTM category at 24.5 per cent until further instructions.
  - Further, banks will now be allowed to transfer SLR securities to HTM category from available for sale (AFS) / held for trading (HFT) categories up to the limit of 24.5 per cent as a one-time measure. Such transfer of securities from AFS/HFT category to HTM category should be made at the lower of the book value or market value. Banks were given the option of valuing these securities for the purpose of such transfer as at the close of business of July 15, 2013.
  - In addition, banks can spread over the net depreciation, if any, on account of MTM valuation of securities held under AFS/HFT categories over the remaining period of the current financial year in equal installments.
- Broad money ( $M_3$ ) for 2013-14 (up to August 23, 2013) increased by 4.7 per cent as compared to 6.2 per cent during the corresponding period of the last year. The year-on-year growth, as on August 23, 2013 was 12.2 per cent as compared to 14.1 per cent in the previous year.

Table 7 :Money Stock: Components and Sources						
(Rs. Billion)						
Item	Outstanding as on 2013		Variation over			
			Financial Year so far		Year-on-Year	
	Mar. 31	Aug. 23	2012-13	2013-14	2012	2013
M3	83,820.2	87,742.2	6.2	4.7	14.1	12.2
1 Components						
1.1 Currency with the Public	11,447.4	11,635.8	4.2	1.6	13.1	9.2
1.2 Demand Deposits with Banks	7,469.6	7,383.5	-3.1	-1.2	7.8	7.1
1.3 Time Deposits with Banks	64,870.9	68,629.2	7.7	5.8	15.1	13.2
1.4 'Other' Deposits with Reserve Bank	32.4	93.7	-29.6	189.3	-	371.7
2 Sources (2.1+2.2+2.3+2.4-2.5)						
2.1 Net Bank Credit to Government	27,072.1	29,293.9	9.7	8.2	20.4	12.6
2.1.1 Reserve Bank	5,905.8	6,577.1				
2.1.2 Other Banks	21,166.3	22,716.8	12.3	7.3	15.0	10.2
2.2 Bank Credit to Commercial Sector	56,646.6	59,360.2	2.9	4.8	16.9	16.3
2.2.1 Reserve Bank	30.6	38.3				
2.2.2 Other Banks	56,616.1	59,321.9	2.9	4.8	16.9	16.4
2.3 Net Foreign Exchange Assets of Banking Sector	16,366.6	18,323.7	5.4	12.0	10.5	12.6
2.4 Government's Currency Liabilities to the Public	153.4	157.2	5.7	2.5	13.9	10.6
2.5 Banking Sector's Net Non-Monetary Liabilities	16,418.5	19,392.8	0.4	18.1	31.8	26.9
2.5.1 Net Non-Monetary Liabilities of RBI	6,925.0	9,122.8	14.5	31.7	54.7	31.9

Source: RBI

Reserve money ( $M_0$ ) during the financial year 2013-14 (up to August 30, 2013) showed an increase of 2.8 per cent as compared to an increase of 2.0 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 7.1 per cent compared to 5.7 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, showed an increase of 12.3 per cent y-o-y, as compared to an increase of 10.2 per cent on the corresponding date of the last year.

### Scheduled Commercial Banks (SCBs): business in India

During the current financial year 2013-14 (up to August 23, 2013), bank credit registered increase of 5.1 per cent, as compared to 2.4 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 17.1 per cent as compared to 16.7 per cent during the same period in the previous year.

Non-food credit during this period increased by 5.1 per cent as compared to increase of 0.9 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 16.3 per cent as compared to 17.5 per cent during the same period in the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) increased by 5.4 per cent (up to August 23, 2013), as compared to 6.5 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 13.0 per cent as compared to 14.2 per cent in the previous year.

Items	2013-14 Outstanding as on (Rs. billion)		Financial year so far		Year-on-year	
	March 29, 2013	August 23, 2013	2012-13	2013-14	2012	2013
Bank Credit	52605	55295	2.4	5.1	16.7	17.1
Non-food credit	51640	54272	0.9	5.1	17.5	16.3
Aggregate deposits	67505	71130	6.5	5.4	14.2	13.0
Investments in Government and other approved securities	20061	21564	12.6	7.5	15.0	10.2

Source: RBI

<b>Table 9 : Policy Rates/Interest Rates (per cent per annum)</b>		
Item / Week Ended	2012	2013
	August 31	August 30
Cash Reserve Ratio (per cent) <sup>(1)</sup>	4.75	4.00
Bank Rate	9.00	10.25
Repo Rate	8.00	7.25
Reverse Repo Rate	7.00	6.25
Prime Lending Rate <sup>(2)</sup>	9.75 / 10.50	9.70 / 10.25
Deposit Rate <sup>(3)</sup>	8.50 / 9.25	8.00 / 9.00
Call Money Rate (Weighted Average) <sup>(4)</sup>	7.97	10.23

(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.  
Source: RBI

**Interest rates (per cent per annum)** As on August 30, 2013, Bank Rate was 10.25 per cent as compared to 9.00 percent on the corresponding date of last year. Call money rates (weighted average) was 10.23 per cent as compared with 7.97 per cent on the corresponding date of last year.

## EXTERNAL SECTOR

**Foreign trade:** Exports increased by 13.0 per cent and imports decreased by 0.7 per cent, in US dollar terms during August 2013 over August 2012. Oil imports increased by 17.9 per cent and Non-Oil imports decreased by 10.4 per cent during the same period.

<b>Table 10 : Exports and imports (in US\$ million)</b>						
Item	2012-13 (Apr-Mar)	2012-13 (Apr-August)	2013-14 (Apr-August)	August		% Change in August 2013
				2012	2013	
Exports	300401	119772	124426	23134	26136	13.0
Imports	490737	194442	197792	37307	37054	-0.7
Oil imports	164041	65982	69680	12806	15095	17.9
Non-Oil	326696	128460	128113	24502	21959	-10.4
Trade balance	-190336	-74671	-73366	-14173	-10918	23.0

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



### Foreign Currency Assets

<b>Table 11: Foreign Currency Assets</b>				
	Amount		Variation	
	Rs. Crore	US\$ million	Rs. Crore	US\$ million
<b>At the end of</b>				
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
March, 2012	1333954	260742	107955	-13838
March, 2013	1418339	260775	84385	33
<b>2013-14</b>				
April 2013	1433397	264372	15058	3597
May 2013	1466378	259555	32981	-4817
June 2013	1524769	255407	58391	-4148
July 2013	1535910	251315	11141	-4092
August 2013	1653926	248433	118016	-2882
Source: RBI.				

**Exchange rate:** The rupee depreciated by 5.4 per cent against US dollar, 7.2 per cent against Pound sterling, 7.1 per cent against Japanese yen and 7.1 per cent against Euro in the month of August 2013 over July 2013.

<b>Table 12 : Rupee per unit of foreign currency*</b>				
	US dollar	Pound sterling	Japanese yen	Euro
March, 2009	51.2287	72.9041	0.5251	66.9207
March, 2010	45.4965	68.4360	0.5018	61.7653
March 2011	44.9684	72.7070	0.5498	62.9660
March, 2012	50.3213	79.6549	0.6103	66.4807
March 2013**	54.4046	82.0190	0.5744	70.5951
<b>2013-14</b>				
April 2013	54.3757	83.2005	0.5571	70.7652
May 2013	55.0108	84.1087	0.5451	71.3803
June 2013	58.3973	90.4729	0.5999	77.0683
July 2013	59.7754	90.7757	0.6000	78.2026
August 2013	63.2088	97.8657	0.6457	84.1814
* FEDAI Indicative Market Rates (on monthly average basis). ** Data from March, 2013 onwards are based on RBI's reference rate.				

**External assistance and debt service payments:** Gross external assistance during April-August 2013 stands at ₹ 9604.8 crore as compared to ₹ 9262.6 crore during the corresponding period of the previous year. Net disbursement stood at ₹ 1246.1 crore during April-August 2013 as compared to ₹ 1423.4 crore during April-August 2012 while net transfers were (-) ₹ 403.9 crore during April-August 2013 as compared to (-) ₹ 390.6 crore during April-August 2012.

<b>Table 13: External Assistance and Debt Service Payments</b>				
(Rs. In Crore)				
	<b>AUGUST 2013</b>	<b>During the Financial year 2013-2014 up to August, 2013</b>	<b>AUGUST 2012</b>	<b>During the Financial year 2012-2013 up to August, 2012</b>
<b><u>External Assistance (Government Account)</u></b>				
1) Gross Disbursement	777.10	7,860.19	1,837.31	6,200.23
2) Repayments	1,237.26	7,230.24	1,169.73	6,800.24
3) Interest Payments	269.75	1,443.63	315.94	1,577.65
4) Net Disbursement (1-2)	-460.16	629.95	667.58	-600.01
5) Net Transfers (4-3)	-729.91	-813.68	351.64	-2,177.66
<b><u>External Assistance (Non-Government Account)</u></b>				
1) Gross Disbursement	0.00	1,262.25	317.35	2,739.67
2) Repayments	0.00	1,128.46	92.45	1,038.92
3) Interest Payments	0.00	206.43	39.46	236.43
4) Net Disbursement (1-2)	0.00	133.79	224.90	1,700.75
5) Net Transfers (4-3)	0.00	-72.64	185.44	1,464.32
<b><u>Government Grants</u></b>				
1) Gross Disbursement	13.51	482.39	7.29	159.04
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)	13.51	482.39	7.29	159.04
5) Net Transfers (4-3)	13.51	482.39	7.29	159.04
<b><u>Non-Government Grants</u></b>				
1) Gross Disbursement	0.00	0.00	0.57	163.66
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)	0.00	0.00	0.57	163.66
5) Net Transfers (4-3)	0.00	0.00	0.57	163.66
<b><u>Grand Total</u></b>				
1) Gross Disbursements	790.61	9,604.83	2,162.52	9,262.60
2) Repayments	1,237.26	8,358.70	1,262.18	7,839.16
3) Interest Payments	269.75	1,650.06	355.40	1,814.08
4) Net Disbursement (1-2)	-446.65	1,246.13	900.34	1,423.44
5) Net Transfers (4-3)	-716.40	-403.93	544.94	-390.64

## INFLATION

**Wholesale Price Index (WPI 2004-05=100):** The headline WPI inflation increased to 6.10 per cent in August 2013 as against 5.79 per cent in the previous month on account of seasonal spike in vegetable prices. Inflation for primary articles (weight 20.12%) for August 2013 has increased to 18.18 per cent from 11.91 per cent in the previous month mainly driven by higher inflation in vegetables (onion, brinjal, cabbage), fruits, fish inland, fish marine, mutton, milk and chicken. Accordingly, food (primary food + manufactured food) inflation increased to 12.39 per cent from 9.54 per cent in the last month. Inflation, however, has declined in respect of cereals, pulses and eggs. Inflation for fuel & power has marginally increased to 11.34 per cent for August 2013 from 11.31 per cent in the previous month, due to higher prices of LPG, diesel, petrol, and bitumen. On the other hand, inflation has declined across the board for all major subgroups of manufactured products except for textiles. Non-food manufacturing inflation (core as defined by RBI) continues to remain moderate and stood at 1.94 per cent in August 2013. The build-up of inflation since March 2013 is 4.35 per cent as against 3.91 per cent in the corresponding period last year. WPI inflation rates for major groups are indicated in Table 14 below.

Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%) point to point		Inflation (%) (Average of 12 months)	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
		<b>ALL COMMODITIES</b>	<b>100.00</b>	4.35	3.91	6.10	8.01
PRIMARY ARTICLES	20.12	11.07	6.74	11.72	11.23	8.87	8.93
<i>Food articles</i>	<i>14.34</i>	<i>16.91</i>	<i>7.46</i>	<i>18.18</i>	<i>9.34</i>	<i>10.18</i>	<i>8.00</i>
FUEL AND POWER	14.91	5.58	2.19	11.34	8.74	9.75	12.99
MANUFACTURED PDT.	64.97	0.87	3.23	1.90	6.36	4.26	6.44

**Inflation based on Consumer Price Indices (CPIs):** The all India CPI inflation (combined) marginally declined to 9.52 per cent in August 2013 from 9.64 per cent in July 2013 mainly backed by moderation in inflation of cereals, pulses, oils & fats, milk and other food products. Spike in vegetable prices, more than offset by moderation in other food products, results in moderation in food inflation. However, inflation based on other consumer prices indices (CPI-AL and CPI-RL) remained in double digits.

	WPI	CPI-IW	CPI-AL	CPI-RL	CPI(NS)
<b>Base :</b>	2004-05	2001	1986-87	1986-87	2010
Jul-12	7.52	9.84	8.61	8.94	9.86
Aug-12	8.01	10.31	9.18	9.34	10.03
Sep-12	8.07	9.14	9.43	9.93	9.73
Oct-12	7.32	9.60	9.85	9.84	9.75
Nov-12	7.24	9.55	10.31	10.47	9.90
Dec-12	7.31	11.17	11.33	11.31	10.56
Jan-13	7.31	11.62	12.30	12.28	10.79
Feb-13	7.28	12.06	12.72	12.52	10.91
Mar-13	5.65	11.44	12.64	12.62	10.39
Apr-13	4.77	10.24	12.32	12.15	9.39
May-13	4.58	10.68	12.70	12.50	9.31
June-13	5.16	11.06	12.85	12.65	9.87
July-13	<b>5.79</b>	10.85	12.80	12.61	9.64
Aug-13	<b>6.10</b>	--	13.21	12.89	<b>9.52</b>

Note: WPI inflation for July & Aug 2013 and CPI (New Series) inflation for August 2013 is provisional.

**Table 16: World Commodity Price Data**

Commodity	Unit	Annual averages			Monthly averages		
		Jan-Dec	Jan- Dec	Jan- Aug	June	July	Aug
		2011	2012	2013	2013	2013	2013
Coal, Australia	\$/mt	121.5	96.4	86.4	82.8	77.3	77.0
Crude oil, average	\$/bbl	104.0	105.1	103.3	99.7	105.3	108.2
Natural gas, US	\$/mmbtu	5.1	2.8	3.7	3.8	3.6	3.4
Cocoa	¢/kg	298.0	239.2	229.2	228.4	230.9	248.4
Coffee, Robusta	¢/kg	240.8	226.7	217.9	200.1	209.9	207.3
Tea, auctions avg.	¢/kg	292.1	289.8	289.5	283.5	283.2	281.2
Coconut oil	\$/mt	1730	1111	847	895	861	891
Groundnut oil	\$/mt	1988	2425	1879	1813	1758	1685
Palm oil	\$/mt	1125.0	999.3	846.3	860.0	833.0	828.0
Palm kernel oil	\$/mt	1648	1110	836	854	836	866
Soybean meal	\$/mt	398.0	524.1	533.1	558.0	563.0	524.0
Soybean oil	\$/mt	1299	1226	1085	1041	995	997
Soybeans	\$/mt	541.0	591.4	529.8	524.0	509.0	514.0
Maize	\$/mt	291.7	298.4	288.4	298.4	279.5	238.7
Rice, Thailand, 5%	\$/mt	543.0	562.9	537.3	524.3	509.0	478.8
Wheat, US, HRW	\$/mt	316.3	313.2	314.4	313.4	304.6	305.3
Bananas, US	\$/mt	968.0	984.0	921.8	909.8	923.2	940.4
Oranges	\$/mt	891	868	991	1148	1132	1132
Fishmeal	\$/mt	1537	1558	1814	1800	1726	1713
Meat, chicken	¢/kg	192.6	207.9	227.6	232.7	234.6	234.8
Meat, beef	¢/kg	404.2	414.2	411.6	386.5	390.2	388.4
Sugar, world	¢/kg	57.3	47.5	39.1	37.7	37.1	37.5
Plywood	¢/sheets	607.5	610.3	567.7	561.3	548.0	558.3
Cotton A Index	¢/kg	332.9	196.7	202.0	205.2	204.2	204.5
Rubber, TSR20	¢/kg	451.9	315.6	260.6	232.6	224.3	238.0
DAP	\$/mt	618.9	539.8	480.3	476.1	460.0	438.1
Urea	\$/mt	421.0	405.4	355.2	321.4	321.5	303.3
Copper	\$/mt	8828	7962	7417	7000	6907	7193
Lead	¢/kg	240.1	206.5	215.6	210.0	204.8	217.4
Tin	¢/kg	2605	2113	2200	2027	1956	2164
Nickel	\$/mt	22910	17548	15607	14280	13750	14315
Zinc	¢/kg	219.4	195.0	191.9	183.9	183.8	189.9
Gold	\$/toz	1569	1670	1472	1343	1286	1352
Silver	¢/toz	3522	3114	2516	2111	1971	2189
Iron ore	\$/dmt	167.8	128.5	135.7	114.8	127.2	136.7

Source: World Bank – The Pink Sheet

## Public Finance

As a proportion of budget estimate, fiscal deficit and revenue deficit during 2013-14 (April-July) was 62.8 per cent and 73 per cent respectively.

**Table 17: Trends in Central Government Finances (April-July 2013)**

	Budget Estimates	April-July		Col.3 as per cent of	Col.4 as per cent of	Per cent change over preceding year	
	2013-14	2012-13	2013-14	2012-13 BE	2013-14 BE	2012-13	2013-14 (4/3)
	( ₹Crore)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.Revenue Receipts	1056330	168826	176155	18.0	16.7	23.1	4.3
Gross tax revenue*	1235870	230370	245323	21.4	19.9	21.0	6.5
Tax (net to Centre)	884078	142789	145109	18.5	16.4	25.2	1.6
Non Tax Revenue	172252	26037	31046	15.8	18.0	12.8	19.2
2.Capital Receipts of which	608967	268465	345010	48.4	56.7	12.8	28.5
Recovery of loans	10654	2703	3461	23.2	32.5	-66.7	28.0
Other Receipts	55814	1330	940	4.4	1.7	16.2	-29.3
Borrowings and other liabilities	542499	264432	340609	51.5	62.8	15.6	28.8
3.Total Receipts (1+2)	1665297	437291	521165	29.3	31.3	16.6	19.2
4.Non-Plan Expenditure (a)+(b)	1109975	323295	371427	33.3	33.5	22.7	14.9
(a) Revenue Account	992908	290354	331916	33.5	33.4	23.8	14.3
of which:							
Interest payments	370684	80615	86307	25.2	23.3	19.4	7.1
Major Subsidies	220972	96914	113437	54.0	51.3	104.3	17.0
Pensions	70726	18714	21766	29.6	30.8	-6.0	16.3
(b) Capital Account	117067	32941	39511	31.6	33.8	14.0	19.9
5.Plan Expenditure (i)+(ii)	555322	113996	149738	21.9	27.0	2.1	31.4
(i) Revenue Account	443260	93190	121617	22.2	27.4	-4.4	30.5
(ii) Capital Account	112062	20806	28121	20.7	25.1	46.6	35.2
6.Total Expenditure (4)+(5)=(a)+(b)	1665297	437291	521165	29.3	31.3	16.6	19.2
(a)Revenue Expenditure	1436168	383544	453533	29.8	31.6	15.5	18.2
(b)Of which Grants for creation of Capital Assets	174656	30145	44095	18.3	25.2	-1.3	46.3
(c)Capital Expenditure	229129	53747	67632	26.2	29.5	24.7	25.8
7.Revenue Deficit	379838	214718	277378	61.3	73.0	10.2	29.2
8.Effective Revenue Deficit (7-6(b))	205182	184573	233283	99.4	113.7	12.3	26.4
9.Fiscal Deficit	542499	264432	340609	51.5	62.8	15.6	28.8
10.Primary Deficit	171815	183817	254302	94.8	148.0	14.0	38.3

*Source: Controller General of Accounts. \* Gross Tax Revenue is prior to devolution to the States.*