

Ministry of Finance
Department of Economic Affairs
Economic Division
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MONTHLY ECONOMIC REPORT
DECEMBER 2009

HIGHLIGHTS

- The overall growth of GDP at factor cost at constant 2004-05 prices, as per Quick Estimates released by the CSO was 6.7 per cent in 2008-09 representing a deceleration from high growth of 9.2 percent during 2007-08.
- The cumulative post monsoon seasonal rainfall (1st Oct -31st December 2009) for the country as a whole was 8 per cent above the normal.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 48.51 million tonnes as on November 1, 2009.
- Overall growth in the Index of Industrial Production (IIP) was 11.7 per cent during November 2009 as compared to 2.5 per cent in November 2008. During April-November 2009-10, IIP growth was 7.6 per cent compared to 4.1 per cent during April-November 2008.
- Core infrastructure-supportive sectors grew by 6.0 per cent in December 2009 compared to a growth of 0.7 per cent in December 2008. During April-December 2009, these sectors grew at 4.8 per cent as compared to a level of 3.2 per cent during April-December, 2008.
- During the current financial year 2009-10 (up to December 18, 2009), broad money stock (M₃) increased by 9.3 per cent as compared to 10.6 per cent during the corresponding period of the last year.
- Exports, in US dollar terms increased by 18.2 per cent and imports decreased by 2.6 per cent, during November 2009.
- Foreign exchange reserves (excluding gold, SDRs and Reserve Tranche Position in the IMF) stood at US \$ 258.8 billion at the end of December 2009.
- Rupee appreciated against Pound Sterling, Japanese Yen and Euro and depreciated in the month of December 2009 over November 2009.
- Year-on-year inflation in terms of Wholesale Price Index was 7.31 per cent for the month of December 2009 as compared to 6.15 per cent in December 2008.
- Tax revenue (net to Centre) during April-November, 2009 declined by 8.2 per cent compared with corresponding period of 2008-09.
- As a proportion of budget estimate (BE), fiscal deficit during April-November 2009 was 76.4 per cent and revenue deficit was 82.4 per cent.

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ECONOMIC GROWTH

As per the Quick Estimate (QE) of Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices was estimated at 6.7 per cent in 2008-09 as compared to 9.2 per cent in 2007-08 (Revised Estimate). At disaggregated level, the growth during 2008-09 (QE) comprises of growth of 1.6 per cent in Agriculture and allied activities, 3.9 per cent in Industry and 9.8 per cent in Services as compared to levels of 4.7 per cent, 9.5 per cent and 10.5 per cent respectively during 2007-08 (RE).

| Growth of GDP at factor cost by economic activity (at 2004-05 prices) | | | | | | | | | |
|---|-------------|-------------|-----------------|-----------------|-------------------------|-------------|-----------------|-----------------|--|
| Industry | Growth | | | | Percentage share in GDP | | | | |
| | 2005-06 | 2006-07 | 2007-08 (RE) | 2008-09 (QE) | 2005-06 | 2006-07 | 2007-08 (RE) | 2008-09 (QE) | |
| 1 Agriculture, forestry & fishing | 5.2 | 3.7 | 4.7 | 1.6 | 18.1 | 17.2 | 16.4 | 15.7 | |
| 2 Industry | 9.3 | 12.7 | 9.5 | 3.9 | 27.9 | 28.7 | 28.8 | 28.0 | |
| a Mining & quarrying | 1.3 | 8.7 | 3.9 | 1.6 | 2.6 | 2.6 | 2.5 | 2.4 | |
| b Manufacturing | 9.6 | 14.9 | 10.3 | 3.2 | 15.3 | 16.0 | 16.2 | 15.6 | |
| c Electricity, gas & water supply | 6.6 | 10.0 | 8.5 | 3.9 | 2.0 | 2.0 | 2.0 | 2.0 | |
| d Construction | 12.4 | 10.6 | 10.0 | 5.9 | 8.0 | 8.0 | 8.1 | 8.0 | |
| 3 Services | 11.1 | 10.2 | 10.5 | 9.8 | 53.9 | 54.2 | 54.8 | 56.4 | |
| a Trade, hotels, transport & communication | 12.1 | 11.7 | 10.7 | 7.6 | 25.1 | 25.6 | 25.9 | 26.1 | |
| b Financing, insurance, real estate & business services | 12.8 | 14.5 | 13.2 | 10.1 | 15.1 | 15.8 | 16.4 | 16.9 | |
| c Community, social & personal services | 7.6 | 2.6 | 6.7 | 13.9 | 13.7 | 12.8 | 12.5 | 13.4 | |
| 4 GDP at factor cost | 9.5 | 9.7 | 9.2 | 6.7 | 100 | 100 | 100 | 100 | |

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

| Quarterly Estimates of GDP (Percentage change over previous Year) | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|------------|-------------|------------|------------|------------|
| Items | 2007-08 | | | | 2008-09 | | | | 2009-10 | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1. Agriculture, forestry & fishing | 4.3 | 3.9 | 8.1 | 2.2 | 3.0 | 2.7 | -0.8 | 2.7 | 2.4 | 0.9 |
| Industry | 9.2 | 9.1 | 8.2 | 6.2 | 6.0 | 6.1 | 2.3 | 1.4 | 5.0 | 8.3 |
| 2. Mining & quarrying | 0.1 | 3.8 | 4.2 | 4.7 | 4.6 | 3.7 | 4.9 | 1.6 | 7.9 | 9.5 |
| 3. Manufacturing | 10.0% | 8.2% | 8.6% | 6.3% | 5.5% | 5.1 | 0.9 | -1.4 | 3.4 | 9.2 |
| 4. Electricity, gas & water supply | 6.9 | 5.9 | 3.8 | 4.6 | 2.7 | 3.8 | 3.5 | 3.6 | 6.2 | 7.4 |
| 5. Construction | 11.0 | 13.4 | 9.7 | 6.9 | 8.4 | 9.6 | 4.2 | 6.8 | 7.1 | 6.5 |
| Services | 10.8 | 10.3 | 10.3 | 11.8 | 10.2 | 9.8 | 10.2 | 8.6 | 7.8 | 9.3 |
| 6. Trade, hotels, transport & communication | 13.1 | 10.9 | 11.7 | 13.8 | 13.0 | 12.1 | 5.9 | 6.3 | 8.1 | 8.5 |
| 7. Financing, insurance, real estate & bus. Services | 12.6 | 12.4 | 11.9 | 10.3 | 6.9 | 6.4 | 8.3 | 9.5 | 8.1 | 7.7 |
| 8. Community, social & personal services | 4.5 | 7.1 | 5.5 | 9.5 | 8.2 | 9.0 | 22.5 | 12.5 | 6.8 | 12.7 |
| 9. GDP at factor cost (total 1 to 8) | 9.2 | 9.0 | 9.3 | 8.6 | 7.8 | 7.7 | 5.8 | 5.8 | 6.1 | 7.9 |

AGRICULTURE

POST-MONSOON SEASON RAINFALL

During the post monsoon season (October – December 2009), rainfall was normal/excess of the long period average in 23 meteorological sub-divisions (63.89 per cent of total) and deficient/scanty in the remaining 13 sub-divisions (36.11 per cent). During the same period, the average annual rainfall for years 2004-2008 was normal/excess in 12 (32.78 per cent) meteorological sub-divisions and deficient/scanty in the remaining 24 (66.22 per cent).

Number of meteorological Sub-divisions received normal/excess/deficient/scanty rainfall

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2004-2008 | 2009(Post monsoon) |
|----------------------|------|------|------|------|------|-----------|--------------------|
| Excess/Normal | 18 | 17 | 09 | 09 | 06 | 12 | 23 |
| Deficient/Scanty/Nil | 18 | 19 | 27 | 27 | 30 | 24 | 13 |
| Total | 36 | 36 | 36 | 36 | 36 | 36 | 36 |

ALL INDIA PRODUCTION OF FOOD GRAINS (JULY-JUNE)

According to the first Advance Estimates released on 16 December, 2009, the production of food grains is estimated at 98.83 million tonnes during 2009-10 as compared to the Fourth Advance Estimates (kharif) of 117.70 million tonnes in 2008-09.

PROCUREMENT

Procurement of rice as on November 1, 2009 stood at 8.70 million tonnes which represents an increase of 3.57 per cent over the level of 8.40 million tonnes as on the corresponding date last year. Wheat procurement as on November 1, 2009 was placed at 25.38 million tonnes which represents an increase of 11.86 per cent as compared with 22.69 million tonnes in the corresponding date last year.

Million tonnes

| | Full Marketing Year | | | | | As on November 1 | | % change |
|-----------------|---------------------|---------|---------|---------|---------|------------------|-------|----------|
| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008 | 2009 | |
| Rice(Oct-Sept.) | 22.83 | 24.68 | 27.66 | 25.11 | 28.74 | 8.40 | 8.70 | 3.57% |
| Wheat(Apr-Mar) | 15.80 | 16.80 | 14.79 | 9.23 | 11.12 | 22.69 | 25.38 | 11.86% |
| Total | 38.63 | 41.48 | 42.45 | 34.34 | 39.61 | 31.09 | 34.08 | 9.62% |

OFF-TAKE

Off-take of rice during the month of October 2009 was 22.71 lakh tonnes. This comprises: 20.75 lakh tonnes under TPDS; 1.96 lakh tonnes under other schemes; and no open/tender sale of rice. In respect of wheat, the total off take was 16.79 lakh tonnes comprising of: 15.97 lakh tonnes under TPDS; 0.82 lakh tonnes under other schemes with no open sales and export.

STOCKS

Stocks of food-grains (rice and wheat) held by FCI as on November 1, 2009 were 48.51 million tonnes, which was higher by 38.21 per cent over the level of 35.10 million tonnes as on November 1, 2008.

Million tonnes

| Mn tonnes | Offtake | | | | | Stocks | |
|-----------|---------|---------|---------|---------|-------------------------------|-------------|-------------|
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | During 2009-10(up to Oct/09) | Nov 1, 2008 | Nov 1, 2009 |
| Rice | 25.08 | 25.06 | 25.23 | 24.62 | 15.73 | 14.14 | 21.62 |
| Wheat | 17.17 | 11.71 | 12.20 | 14.88 | 11.67 | 20.96 | 26.89 |
| Total | 42.25 | 36.77 | 37.43 | 39.50 | 27.40 | 35.10 | 48.51 |

INDEX OF INDUSTRIAL PRODUCTION

Among the three major sectors, the manufacturing sector grew at 12.7 per cent in November 2009 and 7.7 per cent during April-November 2009-10 compared to 2.7 per cent in November 2008 and 4.2 per cent during April-November 2008-09. Mining grew at 10.0 per cent in November 2009 and at 8.3 per cent during April-November 2009-10 as compared to 0.7 per cent in November 2008 and 3.4 per cent in the period April-November 2008-09. The electricity sector grew at 3.3 per cent in November 2009 and 6.1 per cent during April-November 2009-10 as compared to 2.6 per cent in November 2008 and 2.8 per cent during April-November 2008-09.

As per the use-based classification, capital goods, intermediate goods, consumer goods and durables showed growth in excess of 10 per cent during November 2009. While basic goods recorded a growth of 6.0 per cent, consumer non-durables showed 3.1 per cent growth in November 2009.

| PERCENTAGE CHANGE IN IIP- SECTORWISE (Base: 1993-94=100) | | | | | | |
|--|---------|---------|--------|--------|-------------------|-------------------|
| Industry Group | 2007-08 | 2008-09 | Nov 08 | Nov 09 | April-Nov 2008-09 | April-Nov 2009-10 |
| General index | 8.5 | 2.6 | 2.5 | 11.7 | 4.1 | 7.6 |
| Mining | 5.1 | 2.6 | 0.7 | 10.0 | 3.4 | 8.3 |
| Manufacturing | 9.0 | 2.6 | 2.7 | 12.7 | 4.2 | 7.7 |
| Electricity | 6.4 | 2.8 | 2.6 | 3.3 | 2.8 | 6.1 |
| Use-based industrial groups | | | | | | |
| Basic goods | 7.0 | 2.6 | 2.2 | 6.0 | 3.6 | 6.1 |
| Capital goods | 18.0 | 7.1 | 0.5 | 12.2 | 8.4 | 7.0 |
| Intermediate goods | 9.0 | -2.0 | -3.9 | 19.4 | -0.7 | 11.4 |
| Consumer goods | 6.1 | 4.6 | 9.4 | 11.1 | 6.8 | 6.3 |
| Durables | -1.0 | 4.5 | 0.3 | 37.3 | 5.1 | 21.7 |
| Non-durables | 8.6 | 4.6 | 12.4 | 3.1 | 7.3 | 1.1 |

SIX CORE INDUSTRIES

During December 2009, six core infrastructure-supportive industries registered a growth of 6.0 per cent as compared to a growth of 0.7 per cent in December 2008.

| PRODUCTION IN CORE INFRASTRUCTURE-SUPPORTIVE INDUSTRIES | | | | | | | |
|---|------------|----------|---------|------------------|----------|---------------|------------|
| Industry | Unit | December | | April – December | | Dec. % Change | |
| | | 2008 | 2009 | 2008-09 | 2009-10 | 2008 | 2009 |
| Coal | Mn tonnes | 47.61 | 48.79 | 340.05 | 368.14 | 9.9 | 8.3 |
| Electricity generation | in kwh | 60141.5 | 64317.2 | 539954.0 | 572521.9 | 2.7 | 6.0 |
| Crude petroleum | 000 tonnes | 2874 | 2905 | 25431 | 25152 | -0.5 | -1.1 |
| Petroleum products | 000 tonnes | 12510 | 12628 | 112019 | 110932 | 3.7 | -1.0 |
| Finished steel | 000 tonnes | 4240 | 4649 | 40250 | 41717 | 1.7 | 3.6 |
| Cement | 000 tonnes | 16320 | 18110 | 135210 | 150125 | 6.6 | 11.0 |
| Overall growth rate | - | - | - | - | - | 0.7 | 6.0 |

(1): This will not necessarily match the growth in electricity given in the Index of Industrial Production

MONEY AND BANKING

During the current financial year 2009-10, broad money stock (M_3) (up to December 18 2009) increased by 9.3 per cent as compared to 10.6 per cent during the corresponding period of the last year. The year-on-year growth, as on December 18, 2009, was 17.2 per cent as compared to 19.9 per cent last year.

| Money Stock : Components and Sources | | | | | | |
|---|-------------------|-----------|-------------------------|---------|--------------|---------|
| (Rs. crore) | | | | | | |
| Item | Outstanding as on | | Growth rates (per cent) | | | |
| | 2009 (Rs. crore) | | Financial Year so far | | Year on Year | |
| | Mar. 31 | Dec 18 | 2008-09 | 2009-10 | 2008-09 | 2009-10 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| M_3 | 47,64,019 | 52,09,322 | 10.6 | 9.3 | 19.9 | 17.2 |
| Components (I+ii+iii+iv) | | | | | | |
| (i) Currency with the Public | 6,66,364 | 7,38,535 | 10.2 | 10.8 | 17.3 | 17.9 |
| (ii) Demand Deposits with Banks | 5,81,247 | 5,83,218 | -15.3 | 0.3 | 0.9 | 19.1 |
| (iii) Time Deposits with Banks | 35,10,835 | 38,82,520 | 15.8 | 10.6 | 23.6 | 17.1 |
| (iv) "Other" Deposits with Reserve Bank | 5,573 | 5,050 | 38.1 | -9.4 | 162.5 | -59.6 |
| Sources (I+ii+iii+iv-v) | | | | | | |
| (i) Net Bank Credit to Government (a+b) | 12,77,199 | 14,85,167 | 21.9 | 16.3 | 31.3 | 35.4 |
| (a) Reserve Bank | 61,580 | 86,910 | | | | |
| (b) Other Banks | 12,15,619 | 13,98,257 | 11.4 | 15.0 | 15.6 | 23.9 |
| (ii) Bank Credit to Commercial Sector (a+b) | 30,13,337 | 31,83,293 | 11.0 | 5.6 | 22.6 | 11.2 |
| (a) Reserve Bank | 13,820 | 4,718 | - | - | - | - |
| (b) Other Banks | 29,99,517 | 31,78,575 | 11.1 | 6.0 | 22.7 | 11.1 |
| (iii) Net Foreign Exchange Assets of Banking Sector* | 13,52,184 | 13,47,060 | -4.5 | -0.4 | 11.7 | 8.9 |
| (iv) Government's Currency Liabilities to the Public | 10,054 | 10,731 | 6.7 | 6.7 | 9.4 | 9.0 |
| (v) Banking Sector's Net Non-Monetary Liabilities | 8,88,754 | 8,16,930 | -0.3 | -8.1 | 31.2 | 7.1 |
| of which : | | | | | | |
| Net Non-Monetary Liabilities of RBI | 3,87,927 | 3,83,923 | 42.1 | -1.0 | 112.2 | 28.5 |
| * : Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009. | | | | | | |
| Note : Government Balances as on March 31, 2009 are after closure of accounts. | | | | | | |

Source: RBI

The variation in reserve money during the financial year 2009-10 (upto December 18, 2009) had shown an increase of 2.9 per cent as compared to a decline of 4.5 per cent in the corresponding period of the previous year. The year on year variation, revealed an increase of 14.7 per cent as on December 18, 2009, compared to an increase of 9.7 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 recorded an increase of only 1.4 per cent (during the financial year) as on December 18, 2009 as compared to a decline of 3.4 per cent in the same period last year. The year on year growth rate of NFA, as on December 18, 2009, recorded an increase of 8.7 per cent compared to an increase of 10.8 per cent on the corresponding date of last year.

SCHEDULED COMMERCIAL BANKS (SCBs): BUSINESS IN INDIA

During the current financial year (up to December 18, 2009) bank credit increased by 6.0 per cent compared to an increase of 11.9 per cent during the corresponding period of last year. The Non-Food credit during the financial year (up to December 18, 2009) also recorded an increase of 6.1 per cent as compared to an increase of 11.8 per cent during the corresponding period of last year. The financial year growth in aggregate deposits with SCBs as on December 18, 2009 was 9.1 per cent as against an increase of 11.0 per cent in the corresponding period of last year.

| Items | Outstanding as on(Rs. crore) | | Percentage Variation | | | |
|---|-------------------------------|-------------------|-----------------------|---------|--------------|---------|
| | | | Financial year so far | | Year on year | |
| | Mar 27, 2009 | December 18, 2009 | 2008-09 | 2009-10 | 2008-09 | 2009-10 |
| 1. Bank credit | 2775549 | 2941293 | 11.9 | 6.0 | 24.4 | 11.3 |
| Non-Food credit | 2729338 | 2896256 | 11.8 | 6.1 | 24.3 | 11.8 |
| 2. Aggregate deposits | 3834110 | 4181771 | 11.0 | 9.1 | 20.8 | 17.8 |
| 3. Investments in Govt. and other approved securities | 1166410 | 1344897 | 11.4 | 15.3 | 15.7 | 24.2 |

INTEREST RATES (PER CENT PER ANNUM)

As on December 18, 2009 Bank Rate was 6.00 per cent, the same as on the corresponding date of last year. Call money rates (borrowing & lending) were in the range of 2.10/5.00 per cent as compared with 3.05/6.75 per cent on the corresponding date of last year.

| Item / Week Ended | (per cent per annum) | |
|--|----------------------|-------------|
| | 2008 | 2009 |
| | Dec.19 | Dec.18 |
| 1 | 2 | 3 |
| Cash Reserve Ratio (per cent) ⁽¹⁾ | 6.50 | 5.00 |
| Bank Rate | 6.00 | 6.00 |
| Repo Rate | 9.0 | 4.75 |
| Reverse Repo Rate | 6.0 | 3.25 |
| Prime Lending Rate ⁽²⁾ | 12.50-13.25 | 11.00-12.00 |
| Deposit Rate ⁽³⁾ | 8.50-10.00 | 6.00-7.50 |
| Call Money Rate (Low / High) ⁽⁴⁾ | | |
| - Borrowings | 3.05/6.75 | 2.10/5.00 |
| - Lendings | 3.05/6.75 | 2.10/5.00 |
| (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. | | |

FOREIGN TRADE

Exports, in US dollar terms and customs basis, during November 2009 increased by 18.2 per cent and imports decreased by 2.6 per cent over November 2008. Oil imports increased by 7.3 per cent and non-oil imports decreased by 5.9 per cent during November 2009 over November 2008.

US dollar million

| Item | 2007-08 | 2008-09(P) | November 08 | November 09(P) | % Change in November 2009-10 |
|---------------|---------|------------|-------------|----------------|------------------------------|
| Exports | 162907 | 184191 | 11163 | 13199 | 18.2 |
| Imports | 251444 | 298869 | 23488 | 22888 | -2.6 |
| Oil | 79646 | 91317 | 5954 | 6389 | 7.3 |
| Non-Oil | 171798 | 207552 | 17534 | 16500 | .5.9 |
| Trade balance | -88537 | -114678 | -12325 | -9690 | - |

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

**FOREIGN EXCHANGE RESERVES
(EXCLUDING GOLD, SDRs and Reserve Tranche Position in IMF)**

| | Amount* | | Variation | |
|----------------------|-----------|------------|--------------------------|------------|
| | Rs. crore | \$ Million | Rs. crore | \$ Million |
| At the end of | | | (over last year) | |
| March, 2006 | 647327 | 145108 | 54206 | 9537 |
| March, 2007 | 836597 | 191924 | 189270 | 46816 |
| March, 2008 | 1196023 | 299230 | 359426 | 107306 |
| March, 2009 | 1231340 | 241676 | 35317 | -57554 |
| | | | (over last month) | |
| October, 2008 | 1201920 | 244045 | -99725 | -33255 |
| November 2008 | 1191016 | 238968 | -10904 | -5077 |
| December, 2008 | 1194790 | 246603 | 3774 | 7635 |
| January, 2009 | 1173060 | 238894 | -21730 | -7709 |
| February, 2009 | 1211002 | 238715 | 37942 | -179 |
| March, 2009 | 1231340 | 241676 | 35317 | -57554 |
| April, 2009 | 1214003 | 241737 | -17337 | 61 |
| May, 2009 | 1190318 | 251706 | -23685 | 9969 |
| June, 2009 | 1217542 | 254343 | 27224 | 2637 |
| July, 2009 | 1256401 | 260881 | 38859 | 6538 |
| August, 2009 | 1278198 | 261497 | 21797 | 616 |
| September, 2009 | 1271250 | 264623 | -6948 | 3126 |
| October, 2009 | 1253914 | 267018 | -17336 | 2395 |
| November, 2009 | 1224475 | 263441 | -29439 | -3577 |
| December, 2009 | 1208232 | 258833 | -16243 | -4608 |

Note: * includes valuation changes. Source: RBI.

Rupees per unit of foreign currency

The monthly average exchange rate of the rupee appreciated against Pound Sterling, Japanese Yen and Euro and depreciated against US Dollar in the month of December 2009 over November, 2009.

| Rupees per unit of foreign currency | | | | |
|--|------------------|-----------------------|---------------------|-------------|
| | US Dollar | Pound Sterling | Japanese Yen | Euro |
| March, 2007 | 44.0260 | 85.6763 | 0.3754 | 58.2684 |
| March, 2008 | 40.3561 | 80.8054 | 0.4009 | 62.6272 |
| March, 2009 | 51.2287 | 72.9041 | 0.5251 | 66.9207 |
| October, 2008 | 48.6555 | 82.6518 | 0.4873 | 64.8387 |
| November, 2008 | 49.0049 | 75.1792 | 0.5115 | 61.6728 |
| December, 2008 | 48.6345 | 72.5583 | 0.5330 | 65.6687 |
| January, 2009 | 48.7888 | 70.7730 | 0.5404 | 65.0993 |
| February, 2009 | 49.2624 | 70.8279 | 0.5347 | 62.8885 |
| March, 2009 | 51.2287 | 72.9041 | 0.5251 | 66.9207 |
| April, 2009 | 50.0450 | 73.5485 | 0.5089 | 65.7674 |
| May, 2009 | 48.5330 | 74.8326 | 0.5022 | 66.2039 |
| June, 2009 | 47.7714 | 78.1576 | 0.4945 | 66.9807 |
| July, 2009 | 48.4783 | 79.3477 | 0.5126 | 68.2407 |
| August, 2009 | 48.2985 | 79.9325 | 0.5080 | 68.8711 |
| September, 2009 | 48.4389 | 79.3464 | 0.5285 | 70.4351 |
| October, 2009 | 46.7211 | 75.7263 | 0.5176 | 69.2858 |
| November, 2009 | 46.5673 | 77.3275 | 0.5228 | 69.4998 |
| December, 2009 | 46.6288 | 75.7647 | 0.5201 | 68.1838 |

@ FEDAI Rates

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

Gross external aid in November, 2009 at Rs. 2,728.95 crore was 10.9 per cent higher than that of Rs. 2,460.53 crore in November, 2008. Net disbursement was Rs. 2015.44 crore in November, 2009 as compared to Rs. 1690.78 crore in November 2008. Net transfers were Rs.1838.48 crore in November 2009 as compared to Rs. 1465.33 crore in November 2008.

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

(Rs. crore)

| MONTH : | NOVEMBER | | FINANCIAL YEAR: | 2009-2010 |
|---|------------------|---|------------------|---|
| | NOVEMBER 2009 | During the Financial year 2009-2010 | NOVEMBER 2008 | During the Financial year 2008-2009 |
| External Assistance (Government Account) | | | | |
| 1) Gross Disbursement | 2,654.74 | 12,826.14 | 2,164.06 | 10,486.28 |
| 2) Repayments | 713.51 | 6,684.47 | 730.28 | 5,541.34 |
| 3) Interest Payments | 176.96 | 2,172.89 | 201.49 | 2,315.13 |
| 4) Net Disbursement (1-2) | 1,941.23 | 6,141.67 | 1,433.78 | 4,944.94 |
| 5) Net Transfers (4-3) | 1,764.27 | 3,968.78 | 1,232.29 | 2,629.81 |
| External Assistance (Non-Government Account) | | | | |
| 1) Gross Disbursement | 37.20 | 3,394.94 | 159.30 | 1,961.47 |
| 2) Repayments | 0.00 | 666.48 | 39.47 | 536.67 |
| 3) Interest Payments | 0.00 | 371.13 | 23.96 | 391.30 |
| 4) Net Disbursement (1-2) | 37.20 | 2,728.46 | 119.83 | 1,424.80 |
| 5) Net Transfers (4-3) | 37.20 | 2,357.33 | 95.87 | 1,033.50 |
| Govt Grants | | | | |
| 1) Gross Disbursement | 37.01 | 1,534.68 | 136.89 | 1,072.31 |
| 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) | 37.01 | 1,534.68 | 136.89 | 1,072.31 |
| 5) Net Transfers (4-3) | 37.01 | 1,534.68 | 136.89 | 1,072.31 |
| Non Govt. Grants | | | | |
| 1) Gross Disbursement | 0.00 | 8.06 | 0.28 | 22.31 |
| 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 | 8.06 | 0.28 | 22.31 |
| 5) Net Transfers (4-3) | 0.00 | 8.06 | 0.28 | 22.31 |
| Grand Total | | | | |
| 1) Gross Disbursements | 2,728.95 | 17,763.82 | 2,460.53 | 13,542.37 |
| 2) Repayments | 713.51 | 7,350.95 | 769.75 | 6,078.01 |
| 3) Interest Payments | 176.96 | 2,544.02 | 225.45 | 2,706.43 |
| 4) Net Disbursement (1-2) | 2,015.44 | 10,412.87 | 1,690.78 | 7,464.36 |
| 5) Net Transfers (4-3) | 1,838.48 | 7,868.85 | 1,465.33 | 4,757.93 |

INFLATION

Year-on-year inflation measured in terms of WPI for December 2009 at 7.31 per cent showed an acceleration of 253 basis points compared to November 2009, The index also accelerated to 246.5 from 245.4 in the previous month. Inflation had remained in the negative zone since June 2009 to August 2009 due to negative inflation in non-food articles like raw cotton, oilseeds; minerals like iron ore; fuel, power, light & lubricants like mineral oils, coal mining and electricity; manufactured products like edible oils man-made fibres, leather & leather products, fertilizers, metals and machinery & machine tools. The annual rate of inflation turned positive in September 2009. During financial 2008-09 it was 6.15 per cent in December 2008 (Table 1) and 3.84 per cent two years ago in December 2007.

Financial Year inflation: For December 2009, the rise in WPI has been 8.02 per cent as compared to 1.86 per cent during the corresponding month last year. The average inflation rate for last 12 month until December 2009 was **2.02** per cent as compared to 9.10 per cent during same period of 2008-09. Current price situation in WPI as compared to the last year is indicated in Table 1.

| Table 1: Current price situation based on monthly Wholesale Price Index (Base: 1993-94) | | | | | | | |
|--|---------------|-------------------------------------|-------------|---------------------------------|-------------|--|-------------|
| Items/Groups | Weight (%) | Percent variation during | | | | | |
| | | Cumulative change (%) from March | | Inflation (%) (Year-on-Year) | | Inflation (%) (Average of last 12 months) | |
| | | In December | | In December | | In December | |
| | | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 |
| All Commodities | 100.00 | 1.86 | 8.02 | 6.15 | 7.31 | 9.10 | 2.02 |
| 1. Primary articles | 22.02 | 4.83 | 14.46 | 11.15 | 14.88 | 10.06 | 8.49 |
| 2. Fuel and Power group | 14.23 | -3.07 | 7.54 | -0.21 | 4.29 | 9.79 | -5.73 |
| 3. Manufactured Products | 63.75 | 2.55 | 5.53 | 6.63 | 5.17 | 8.46 | 2.32 |

CONSUMER PRICE INDEX

All India Consumer Price Index for Industrial Workers (CPI-IW) for November, 2009 stood at 168. The year-on-year inflation in November, 2009 was 13.51 per cent which is higher than the level of 10.45 per cent in November, 2008.

| CPI-IW Group Inflation | | | | | | | | |
|-------------------------------|---------------|--------------|------------------------------------|--------------|--------------|------------------------------|---------------------|--------------|
| Month / Year/ | General | Food | Pan, supari, Tobacco & Intoxicants | Fuel & light | Housing | Clothing, bedding & footwear | Miscellaneous group | Non-food |
| Weight | 100.00 | 46.20 | 2.27 | 6.43 | 15.27 | 6.57 | 23.26 | 53.80 |
| Nov-08 | 10.45 | 15.22 | 9.38 | 9.02 | 3.82 | 3.36 | 9.09 | 6.12 |
| Apr-09 | 8.70 | 10.42 | 6.72 | 6.62 | 5.97 | 4.17 | 7.41 | 7.09 |
| May-09 | 8.63 | 11.72 | 7.46 | 5.88 | 5.97 | 4.13 | 7.35 | 5.76 |
| Jun-09 | 9.29 | 12.24 | 8.15 | 1.41 | 5.97 | 4.13 | 6.57 | 6.50 |
| Jul-09 | 11.89 | 14.67 | 8.89 | 2.10 | 22.06 | 4.96 | 5.76 | 9.28 |
| Aug-09 | 11.72 | 13.73 | 9.56 | 2.78 | 22.06 | 4.10 | 6.43 | 9.82 |
| Sep-09 | 11.64 | 13.55 | 7.97 | 4.17 | 22.06 | 4.10 | 5.67 | 9.81 |
| Oct-09 | 11.49 | 13.84 | 7.14 | 2.76 | 22.06 | 4.10 | 4.20 | 9.17 |
| Nov-09 | 13.51 | 17.61 | 7.86 | 4.14 | 22.06 | 4.07 | 4.17 | 9.48 |

WORLD COMMODITY PRICE

| Commodity | Unit | Dec- | Mar- | Jun- | Sep | Oct- | Nov- | Dec- | Y-o-Y Variation (%) in Dec-09 |
|----------------------------|----------|-------|--------|---------|---------|---------|--------|-------|-------------------------------------|
| | | 08 | 09 | 09 | -09 | 09 | 09 | 09 | |
| Energy | | | | | | | | | |
| Coal, Australia | \$/mt | 78.7 | 61 | 71.4 | 67.6 | 71.1 | 78.8 | 82 | 4.26 |
| Crude oil, avg, spot | \$/bbl | 41.3 | 46.6 | 69.1 | 68.3 | 74.1 | 77.6 | 74.9 | 81.14 |
| Crude oil, Brent | \$/bbl | 41.6 | 46.8 | 68.6 | 67.7 | 73.2 | 77 | 74.7 | 79.58 |
| Crude oil, Dubai | \$/bbl | 41 | 45.6 | 69.2 | 67.9 | 73.3 | 77.6 | 75.5 | 84.13 |
| Natural gas, US | \$/mmbtu | 5.8 | 4 | 3.8 | 3 | 4 | 3.7 | 5.3 | -7.73 |
| Agriculture | | | | | | | | | |
| Coffee | c/kg | 181.9 | 168.2 | 162.7 | 162.7 | 162.1 | 153.2 | 154.1 | -15.3 |
| Tea | c/kg | 192.6 | 219 | 278.2 | 315.7 | 302.7 | 305.6 | 299.1 | 55.31 |
| Coconut oil | \$/mt | 740 | 625 | 747 | 701 | 706 | 729 | 767 | 3.65 |
| Groundnut oil | \$/mt | 1436 | 1214 | 1154 | 1120 | 1148 | 1116 | 1187 | -17.34 |
| Palm oil | \$/mt | 503 | 598 | 726 | 674 | 680 | 725 | 791 | 57.26 |
| Palm kernel oil | \$/mt | 554 | 587 | 741 | 704 | 727.5 | 726 | 757.5 | 36.73 |
| Soybean meal | \$/mt | 300 | 344 | 446.3 | 425 | 412.5 | 422 | 401 | 33.67 |
| Soybean oil | \$/mt | 738 | 727 | 896 | 846 | 897 | 931 | 933 | 26.42 |
| Maize | \$/mt | 158.3 | 164.6 | 179.5 | 150.4 | 167.3 | 171.6 | 164.6 | 3.98 |
| Rice, | \$/mt | 531.8 | 588.3 | 574.5 | 518.8 | 493 | 542.8 | 591 | 11.13 |
| Wheat, US, HRW | \$/mt | 220.1 | 230.9 | 256.6 | 191.1 | 198.8 | 211 | 206.3 | -6.31 |
| Wheat US SRW | \$/mt | 179.3 | 183.7 | 201.7 | 158.4 | 175.6 | 204.7 | 206.5 | 15.16 |
| Oranges | \$/mt | 761.7 | 846.5 | 816.3 | 1030.9 | 1152.6 | 1154.4 | 1014 | 33.06 |
| Sugar, world | c/kg | 25.9 | 29.5 | 36.2 | 50.8 | 49.9 | 49.1 | 50.8 | 96.16 |
| Raw Materials | | | | | | | | | |
| Logs, Malaysia | \$/cum | 326.6 | 288.6 | 279.3 | 280.8 | 276.6 | 272 | 264.8 | -18.92 |
| Plywood | c/sheets | 646.1 | 570.8 | 563.6 | 560.7 | 559.3 | 558.6 | 557.2 | -13.75 |
| Wood pulp | \$/mt | 630.3 | 537.7 | 565.7 | 657.6 | 693.5 | 722 | 750 | 18.98 |
| Cotton A Index | c/kg | 122.2 | 113.5 | 135.4 | 141.2 | 147.3 | 157.7 | 169.1 | 38.32 |
| Rubber, US | c/kg | 154.3 | 161.8 | 187.6 | 248.7 | 264.8 | 279.3 | 310 | 100.86 |
| Rubber, Singapore | c/kg | 120.3 | 143.1 | 167.5 | 217.2 | 235.2 | 254.2 | 280.1 | 132.84 |
| Fertilizers | | | | | | | | | |
| DAP | \$/mt | 407.5 | 367.6 | 277.8 | 316.8 | 300.1 | 290.3 | 360.4 | -11.56 |
| Phosphate rock | \$/mt | 350 | 157.5 | 96.9 | 90 | 90 | 90 | 90 | -74.29 |
| Potassium chloride | \$/mt | 772.5 | 870 | 717.5 | 428.9 | 438.9 | 435 | 399 | -48.35 |
| Urea, E. Europe, bulk | \$/mt | 225.4 | 265.4 | 237.4 | 233.9 | 239 | 244.8 | 261.1 | 15.85 |
| Metals and Minerals | | | | | | | | | |
| Aluminium | \$/mt | 1490 | 1335.8 | 1573.7 | 1834.1 | 1878.6 | 1949.3 | 2180 | 46.27 |
| Copper | \$/mt | 3072 | 3749.8 | 5014 | 6196.4 | 6288 | 6675.6 | 6982 | 127.27 |
| Gold | \$/toz | 816.1 | 924.3 | 945.7 | 996.6 | 1043.2 | 1127 | 1135 | 39.04 |
| Iron ore | c/dmtu | 140.6 | 140.6 | 101 | 101 | 101 | 101 | 101 | -28.2 |
| Lead | c/kg | 96.3 | 123.9 | 167.4 | 220.5 | 224.1 | 230.9 | 232.9 | 141.83 |
| Nickel | \$/mt | 9686 | 9696.4 | 14960.5 | 17473.2 | 18525.2 | 16991 | 17066 | 76.19 |
| Silver | c/toz | 1032 | 1311.5 | 1465.9 | 1648.5 | 1726.4 | 1787.7 | 1765 | 71.03 |
| Steel cr coil sheet | \$/mt | 1100 | 900 | 700 | 700 | 700 | 700 | 700 | -36.36 |
| Steel hr coil sheet | \$/mt | 1000 | 800 | 600 | 600 | 600 | 600 | 600 | -40 |
| Tin | c/kg | 1124 | 1067.6 | 1498.6 | 1486.9 | 1500.9 | 1494.2 | 1555 | 38.32 |
| Zinc | c/kg | 110.1 | 121.7 | 155.7 | 188.4 | 207.2 | 219.3 | 237.6 | 115.88 |

Source : World Bank - The Pink Sheet

Trends in Central Government Finances: April-November 2009

| | Budget Estimates | April-November | | Col.3 as % of | Col. 4 as % of | % Change over proceeding year | |
|---|------------------|-----------------|-----------------|---------------|----------------|-------------------------------|---------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 BE | 2009-10 BE | 2008-09 | 2009-10 (4/3) |
| (Rs. crore) | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. Revenue Receipts | 6,14,497 | 3,14,974 | 3,07,125 | 52.2 | 50.0 | 14.7 | -2.5 |
| Gross tax revenue | 6,41,079 | 3,57,441 | 3,29,606 | 52.0 | 51.4 | 17.5 | -7.8 |
| Tax (net to Centre) | 4,74,218 | 2,53,558 | 2,32,873 | 50.0 | 49.1 | 15.1 | -8.2 |
| Non Tax | 1,40,279 | 61,416 | 74,252 | 64.1 | 52.9 | 13.2 | 20.9 |
| 2. Capital Receipts | 4,06,341 | 1,79,150 | 3,14,547 | 121.1 | 77.4 | 31.0 | 75.6 |
| of which: | | | | | | | |
| Recovery of loans | 4,225 | 2,597 | 4,021 | 57.7 | 95.2 | -6.2 | 54.8 |
| Other Receipts | 1,120 | 43 | 4,305 | 0.4 | 384.4 | | |
| Borrowings and other liabilities | 4,00,996 | 1,76,510 | 3,06,221 | 132.4 | 76.4 | 83.3 | 73.5 |
| 3. Total Receipts (1+2) | 10,20,838 | 4,94,124 | 6,21,672 | 65.8 | 60.9 | 20.1 | 25.8 |
| 4. Non-Plan Expenditure (a)+(b) | 6,95,689 | 3,57,994 | 4,47,995 | 70.5 | 64.4 | 19.8 | 25.1 |
| (a) Revenue Account | 6,18,834 | 3,39,555 | 4,16,587 | 75.7 | 67.3 | 34.4 | 22.7 |
| of which: | | | | | | | |
| Interest payments | 2,25,511 | 1,11,680 | 1,19,504 | 58.5 | 53.0 | 7.7 | 7.0 |
| Major Subsidies | 1,05,579 | 98,739 | 90,766 | 148.4 | 86.0 | 113.6 | -8.1 |
| Pensions | 34,980 | 17,904 | 31,150 | 71.4 | 89.1 | 23.4 | 74.0 |
| (b) Capital Account | 76,855 | 18,439 | 31,408 | 31.2 | 40.9 | -60.1 | 70.3 |
| 5. Plan Expenditure (i)+(ii) | 3,25,149 | 1,36,130 | 1,73,677 | 55.9 | 53.4 | 20.9 | 27.6 |
| (i) Revenue Account | 2,78,398 | 1,16,783 | 1,48,440 | 55.7 | 53.3 | 26.9 | 27.1 |
| (ii) Capital Account | 46,751 | 19,347 | 25,237 | 57.5 | 54.0 | -6.1 | 30.4 |
| 6. Total Expenditure (4)+(5)=(a)+(b) | 10,20,838 | 4,94,124 | 6,21,672 | 65.8 | 60.9 | 20.1 | 25.8 |
| (a) Revenue Expenditure | 8,97,232 | 4,56,338 | 5,65,027 | 69.3 | 63.0 | 32.4 | 23.8 |
| (b) Capital Expenditure | 1,23,606 | 37,786 | 56,645 | 40.7 | 45.8 | -43.4 | 49.9 |
| 7. Revenue Deficit | 2,82,735 | 1,41,364 | 2,57,902 | 256.2 | 91.2 | 102.0 | 82.4 |
| 8. Fiscal Deficit | 4,00,996 | 1,76,510 | 3,06,221 | 132.4 | 76.4 | 83.3 | 73.5 |
| 9. Primary Deficit | 1,75,485 | 64,830 | 1,86,717 | -112.7 | 106.4 | -979.2 | 188.0 |

Source: Review of Union Government Accounts, November, 2009, Ministry of Finance.