

**Ministry of Finance  
Department of Economic Affairs  
Economic Division  
8(1)/Ec. Dn./2009**

**MONTHLY ECONOMIC REPORT  
FEBRUARY 2010**

**HIGHLIGHTS**

- The overall growth of GDP at factor cost at constant 2004-05 prices, as per Advance Estimates released by the CSO was 7.2 per cent in 2009-10 representing an increase from the level of growth of 6.7 percent during 2008-09.
- The cumulative post monsoon seasonal rainfall (October-December) for the country was 8 per cent above the normal (long period average). The cumulative winter season rainfall (January-February) up to 17.2.2010 has been 33 per cent below the normal.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 47.44 million tonnes as on January 1, 2010.
- Overall growth in the Index of Industrial Production (IIP) was 16.7 per cent during January 2010 as compared to 1.0 per cent in January 2009. During April-January 2009-10, IIP growth was 9.6 per cent compared to 3.3 per cent during April-January 2008-09.
- Core infrastructure-supportive sectors grew by 9.4 per cent in January 2010 compared to a growth of 2.2 per cent in January 2009. During April-January 2009-10, these sectors grew at 5.4 per cent as compared to a level of 3 per cent during April-January, 2008-09.
- During the current financial year 2009-10 (up to February 12, 2010), broad money (M<sub>3</sub>) increased by 12.5 per cent as compared to 14.6 per cent during the corresponding period of the last year.
- On a custom basis and in US dollar terms, exports increased by 11.5 per cent and imports increased by 35.5 per cent, during January 2010, over the level in January 2009.
- Foreign exchange reserves (excluding gold, SDRs and Reserve Tranche Position in the IMF) stood at US \$ 254.2 billion at the end of February 2010.
- Rupee appreciated against Pound Sterling and Euro and depreciated against US dollar and Japanese Yen in the month of February 2010 over January 2010.
- Year-on-year inflation in terms of Wholesale Price Index was 9.89 per cent for the month of February 2010 as compared to 3.50 per cent in February 2009.
- Tax revenue (net to Centre) during April-January 2009-10 recorded a growth of 1.2 per cent compared with corresponding period of 2008-09.
- As a proportion of budget estimate (BE), fiscal deficit during April-January 2009-10 was 87.2 per cent and revenue deficit was 100.6 per cent.

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## ECONOMIC GROWTH

As per the Advance Estimate (AE) 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 7.2 per cent in 2009-10 as compared to 6.7 per cent in 2008-09 (Quick Estimate). At disaggregated level, the growth during 2009-10 (AE) comprises a deceleration of 0.2 per cent in Agriculture and allied activities, a growth of 8.2 per cent in Industry and 8.7 per cent in Services as compared to a growth of 1.6 per cent, 3.9 per cent and 9.8 per cent respectively during 2008-09.

Growth of GDP at factor cost by economic activity (at 2004-05 prices)									
Industry	Growth				Percentage share in GDP				
	2006-07	2007-08	2008-09 (QE)	2009-10 (AE)	2006-07	2007-08	2008-09 (QE)	2009-10 (AE)	
<b>1 Agriculture, forestry &amp; fishing</b>	<b>3.7</b>	<b>4.7</b>	<b>1.6</b>	<b>-0.2</b>	<b>17.2.9</b>	<b>16.4</b>	<b>15.7</b>	<b>14.6</b>	
<b>2 Industry</b>	<b>12.7</b>	<b>9.5</b>	<b>3.9</b>	<b>8.2</b>	<b>28.7</b>	<b>28.8</b>	<b>28.0</b>	<b>28.2</b>	
a Mining & quarrying	8.7	3.9	1.6	8.7	2.6	2.5	2.4	2.4	
b Manufacturing	14.9	10.3	3.2	8.9	16.0	16.2	15.6	15.9	
c Electricity, gas & water supply	10.0	8.5	3.9	8.2	2.0	2.0	2.0	2.0	
d Construction	10.6	10.0	5.9	6.5	8.0	8.1	8.0	8.0	
<b>3 Services</b>	<b>10.2</b>	<b>10.5</b>	<b>9.8</b>	<b>8.7</b>	<b>54.2</b>	<b>54.8</b>	<b>56.3</b>	<b>57.2</b>	
a Trade, hotels, transport & communication	11.7	10.7	7.6	8.3	25.6	25.9	26.1	26.4	
b Financing, insurance, real estate & business services	14.5	13.2	10.1	9.9	15.8	16.4	16.9	17.3	
c Community, social & personal services	2.6	6.7	13.9	8.2	12.8	12.5	13.4	13.5	
<b>4 GDP at factor cost</b>	<b>9.7</b>	<b>9.2</b>	<b>6.7</b>	<b>7.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

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

Quarterly Estimate of GDP (Percentage change over previous Year)											
Items	2007-08				2008-09				2009-10		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>1. Agriculture, forestry &amp; fishing</b>	<b>3.1</b>	<b>3.9</b>	<b>8.7</b>	<b>2.1</b>	<b>3.2</b>	<b>2.4</b>	<b>-1.4</b>	<b>3.3</b>	<b>2.4</b>	<b>0.9</b>	<b>-2.8</b>
<b>Industry</b>	<b>10.5</b>	<b>10.5</b>	<b>9.6</b>	<b>7.6</b>	<b>5.8</b>	<b>5.8</b>	<b>2.1</b>	<b>2.1</b>	<b>5.0</b>	<b>8.3</b>	<b>11.6</b>
2. Mining & quarrying	1.1	4.6	4.5	5.1	2.6	1.6	2.8	-0.3	7.9	9.5	9.6
3. Manufacturing	12.1	10.3	10.7	8.3	5.9	5.5	1.3	0.6	3.4	9.2	14.3
4. Electricity, gas & water supply	10.2	9.5	7.1	7.8	3.3	4.3	4.0	4.1	6.2	7.4	4.9
5. Construction	10.7	13.1	9.6	7.1	7.1	8.0	3.0	5.6	7.1	6.5	8.7
<b>Services</b>	<b>10.7</b>	<b>10.2</b>	<b>10.2</b>	<b>10.9</b>	<b>9.8</b>	<b>9.6</b>	<b>11.4</b>	<b>8.3</b>	<b>7.8</b>	<b>9.3</b>	<b>6.3</b>
6. Trade, hotels, transport & communication	11.9	9.5	10.7	10.9	10.8	10.0	4.4	5.7	8.1	8.5	10.0
7. Financing, insurance, real estate & bus. Services	14.0	13.8	13.3	11.9	9.1	8.5	10.2	12.3	8.1	7.7	7.8
8. Community, social & personal	4.2	7.0	5.3	9.6	8.7	10.4	28.7	8.8	6.8	12.7	-2.2
<b>9. GDP at factor cost (total 1 to 8)</b>	<b>9.3</b>	<b>9.4</b>	<b>9.7</b>	<b>8.5</b>	<b>7.6</b>	<b>7.5</b>	<b>6.2</b>	<b>5.8</b>	<b>6.1</b>	<b>7.9</b>	<b>6.0</b>

## 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). For the period 1.1.2010 to 17.02.2010, rainfall was normal/excess of the long period average in 13 meteorological sub-divisions (36.11 per cent of total) and deficient/scanty in the remaining 23 sub-divisions (63.89 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 2<sup>nd</sup> Advance Estimates released on February 12, 2010, production of food grains is estimated at 216.85 million tonnes during 2009-10 as compared to 234.47 million tonnes in 2008-09.

### PROCUREMENT

Procurement of rice as on January 1, 2010 (Kharif marketing season 2009-10) stood at 15.77 million tonnes, the same level as on the corresponding date last year. Wheat procurement as on January 1, 2010 (Rabi marketing season 2009-10) was placed at 25.38 million tonnes as compared with 22.69 million tonnes in the corresponding date last year.

Million tonnes

	Full Marketing Year					As on January 1		% change
	2003-04	2004-05	2005-06	2006-07	2007-08	2009	2010	
Rice(Oct-Sept.)	22.83	24.68	27.66	25.11	28.74	15.77	15.77	0.00
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	38.46	41.15	6.99

### OFF-TAKE

Off-take of rice during the month of December, 2009 was 24.64 lakh tonnes. This comprises: 19.90 lakh tonnes under TPDS; 4.74 lakh tonnes under other schemes. In respect of wheat, the total off take was 19.55 lakh tonnes comprising of:16.20 lakh tonnes under TPDS; 3.35 lakh tonnes under other schemes.

### STOCKS

Stocks of food-grains (rice and wheat) held by FCI as on January 1, 2010 were 47.44 million tonnes, which was higher by 32.55 per cent over the level as on January 1, 2009.

Million tonnes

Mn tonnes	Offtake					Stocks	
	2005-06	2006-07	2007-08	2008-09	During December, 2009	Jan 1, 2009	Jan 1, 2010
Rice	25.08	25.06	25.23	24.62	24.64	17.58	24.35
Wheat	17.17	11.71	12.20	14.88	19.55	18.21	23.09
Total	42.25	36.77	37.43	39.50	44.19	35.79	47.44

### INDEX OF INDUSTRIAL PRODUCTION

The Index of Industrial Production grew by 16.7 per cent and 9.6 per cent respectively during January 2010 and April-January 2009-10, compared to 1 per cent and 3.3 percent respectively during the corresponding periods of the previous year. Among the three major sectors, the manufacturing sector grew at 17.9 per cent in January 2010 and 9.9 per cent during April-January 2009-10 compared to 1.0 per cent in January 2009 and 3.4 per cent during April-January 2008-09. Mining grew at 14.6 per cent in January 2010 and at 9.3 per cent during April-January 2009-10 as compared to 0.7 per cent in January 2009 and 2.9 per cent in the period April-January 2008-09. The electricity sector grew at 5.6 per cent in January 2010 and 5.7 per cent during April-January 2009-10 as compared to 1.8 per cent in January 2009 and 2.6 per cent during April-January 2008-09.

As per the use-based classification, basic goods, capital goods, intermediate goods and consumer durables showed growth in excess of 10 per cent during January 2010. Consumer non-durables showed (-) 3.1 per cent growth in January 2010.

PERCENTAGE CHANGE IN IIP- SECTORWISE (Base: 1993-94=100)						
Industry Group	2007-08	2008-09	Jan 09	Jan 10	April-Jan 2008-09	April-Jan 2009-10
General index	8.5	2.6	1.0	16.7	3.3	9.6
Mining	5.1	2.6	0.7	14.6	2.9	9.3
Manufacturing	9.0	2.6	1.0	17.9	3.4	9.9
Electricity	6.4	2.8				
Use-based industrial groups						
Basic goods	7.0	2.6	-0.7	10.7	2.9	6.5
Capital goods	18.0	7.1	15.9	56.2	8.9	15.6
Intermediate goods	9.0	-2.0	-7.2	21.3	-2.2	13.5
Consumer goods	6.1	4.6	3.6	4.2	5.8	6.9
Durables	-1.0	4.5	2.1	31.6	3.9	25.1
Non-durables	8.6	4.6	4.0	-3.1	6.4	1.2

### SIX CORE INDUSTRIES

During January 2010, six core infrastructure-supportive industries registered a growth of 9.4 per cent as compared to a growth of 2.2 per cent in January 2009.

PRODUCTION IN CORE INFRASTRUCTURE-SUPPORTIVE INDUSTRIES							
Industry	Unit	January		April – January		Jan. % Change	
		2009	2010	2008-09	2009-10	2009	2010
Coal	Mn tonnes	48.45	51.33	385.02	416.47	6.7 <sup>1</sup>	6.0 <sup>1</sup>
Electricity generation	in kwh	61443.6	64854.4	601397.6	638142.2	2.6	6.1
Crude petroleum	000 tonnes	2660	2917	28090	28069	-8.1	9.7
Petroleum products	000 tonnes	12550	13024	124568	123927	-1.3	3.8
Finished steel	000 tonnes	4546	5284	44796	47001	3.2	16.2
Cement	000 tonnes	16630	18690	151840	168815	8.3	12.4
<b>Overall growth rate</b>	-	-	-	-	-	<b>2.2</b>	<b>9.4</b>

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

## MONEY AND BANKING

During 2009-10, broad money (M<sub>3</sub>) (up to February 26, 2010) increased by 13.7 per cent as compared to 15.8 per cent during the corresponding period of the last year. The year-on-year growth, as on February 26, 2010 was 16.4 per cent as compared to 19.9 per cent last year.

<b>Money Stock : Components and Sources</b>						
(Rs. crore)						
Item	Outstanding as on		Growth rates (in per cent)			
	2009	2010	Financial year so far		Year-on-year	
			2008-09	2009-10	2008-09	2009-10
	Mar. 31, 2009	Feb. 26 2010	%	%	%	%
1	2	3	4	5	6	7
M <sub>3</sub>	47,64,019	54,16,963	15.8	13.7	19.9	16.4
Components (i+ii+iii+iv)						
(i) Currency with the Public	6,66,364	7,55,078	14.4	13.3	17.3	16.1
(ii) Demand Deposits with Banks	5,81,247	6,29,841	-8.3	8.4	4.2	18.7
(iii) Time Deposits with Banks	35,10,835	40,28,352	21.2	14.7	23.3	16.2
(iv) "Other" Deposits with Reserve Bank	5,573	3,692	-34.0	-33.8	19.3	-38.2
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	12,77,199	15,87,882	33.1	24.3	39.7	32.7
(a) Reserve Bank	61,580	1,51,876				
(b) Other Banks	12,15,619	14,36,006	22.1	18.1	20.2	16.1
(ii) Bank Credit to Commercial Sector (a+b)	30,13,337	33,36,084	12.3	10.7	17.4	15.2
(a) Reserve Bank	13,820	4,713	—	—	—	—
(b) Other Banks	29,99,517	33,31,371	12.1	11.1	17.2	15.3
(iii) Net Foreign Exchange Assets of Banking Sector*	13,52,184	13,06,868	0.6	-3.4	5.9	0.3
(iv) Government's Currency Liabilities to the Public	10,054	10,731	8.2	6.7	9.3	7.5
(v) Banking Sector's Net Non-Monetary Liabilities	8,88,754	8,24,602	-1.7	-7.2	10.2	9.7
of which :						
Net Non-Monetary Liabilities of RBI	3,87,927	3,39,704	69.8	-12.4	88.2	-4.8
* : 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

Reserve money (M<sub>0</sub>) during the financial year 2009-10 (up to February 26, 2010) showed an increase of 9.9 per cent as compared to a decline of 4.4 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 22.3 per cent as on February 26, 2010, compared to an increase of 4.4 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 a decline of 1.7 per cent (during the financial year) as on Feb 26, 2010 as compared to an increase of 2 per cent in the same period last year. The y-o-y growth rate of NFA, as on Feb 26, 2010 was (-) 0.2 per cent as compared to a growth of 5 per cent on the corresponding date of the last year.

### SCHEDULED COMMERCIAL BANKS (SCBs): BUSINESS IN INDIA

During the current financial year (up to February 12, 2010), bank credit increased by 9.9 per cent compared to an increase of 12.3 per cent during the corresponding period of last year. The Non-Food credit during the financial year (up to February 12, 2010) also recorded an increase of 10.2 per cent as compared to an increase of 12.4 per cent during the corresponding period of last year. The financial year growth in aggregate deposits with SCBs as on February 12, 2010 was 12.1 per cent as against an increase of 15.4 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	February 12, 2010	2008-09	2009-10	2008-09	2009-10
1. Bank credit	2775549	30,51,676	12.3	9.9	19.8	15.1
Non-Food credit	2729338	30,07,149	12.4	10.2	20.0	15.4
2. Aggregate deposits	3834110	42,99,843	15.4	12.1	21.5	16.6
3. Investments in Govt. and other approved securities	1166410	13,94,192	20.3	19.5	19.0	19.3

### INTEREST RATES (PER CENT PER ANNUM)

As on February 12, 2010, 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 0.75/3.40 per cent as compared with 2.00/5.54 per cent on the corresponding date of last year.

Item / Week Ended	(per cent per annum)	
	2009	2010
	February 13	February 12
1	2	3
Cash Reserve Ratio (per cent) <sup>(1)</sup>	5.00	5.00
Bank Rate	6.00	6.00
Repo Rate	9.0	4.75
Reverse Repo Rate	6.0	3.25
Prime Lending Rate <sup>(2)</sup>	11.50-12.50	11.00-12.00
Deposit Rate <sup>(3)</sup>	7.75-9.00	6.00-7.50
Call Money Rate (Low / High) <sup>(4)</sup>		
- Borrowings	2.00/5.54	0.75/3.40
- Lendings	2.00/5.54	0.75/3.40
(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 January 2010 increased by 11.5 per cent and imports increased by 35.5 per cent over January 2009. Oil imports increased by 56.0 per cent and non-oil imports increased by 28.8 per cent during January 2010 over January 2009. US dollar million

Item	2007-08	2008-09(P)	January 09	January 10(P)	% Change in January 2010
Exports	162907	184191	12869	14343	11.5
Imports	251444	298869	18228	24705	35.5
Oil	79646	91317	4522	7053	56.0
Non-Oil	171798	207552	13706	17652	28.8
Trade balance	-88537	-114678	-5359	-10362	-

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
<b>At the end of</b>			<b>(over last year)</b>	
March, 2006	647327	145108	54206	9537
March, 2007	836597	191924	189270	46816
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
<b>2009-10</b>			<b>(over last month)</b>	
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
January, 2010	1189912	256612	-18320	-2221
February, 2010	1175358	254241	-14554	-2371

Source: RBI.

**Rupees per unit of foreign currency**

The monthly average exchange rate of the rupee appreciated against Pound Sterling and Euro and depreciated against US dollar and Japanese Yen in the month of February 2010 over January 2010.

	<b>Rupees per unit of foreign currency</b>			
	<b>US Dollar</b>	<b>Pound Sterling</b>	<b>Japanese Yen</b>	<b>Euro</b>
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
<b>2009-10</b>				
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
January, 2010	45.9598	74.2709	0.5031	65.7060
February, 2010	46.3279	72.4519	0.5132	63.3995

@ FEDAI Rates

## EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

Gross external aid in February, 2010 at Rs. 1,682.50 crore was 17.3 per cent higher than that of Rs. 1,433.79 crore in February, 2009. Net disbursement was Rs. 840.04 crore in February, 2010 as compared to Rs. 519.85 crore in February 2009. Net transfers were Rs. 614.31 crore in February 2010 as compared to Rs. 215.66 crore in February 2009.

### EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

(Rs. crore)

MONTH ;	FEBRUARY		FINANCIAL YEAR:	2009-2010
	FEBRUARY 2010	During the Financial year 2009-2010	FEBRUARY 2009	During the Financial year 2008-2009
<b><u>External Assistance (Government Account)</u></b>				
1) Gross Disbursement	1,629.48	18,168.44	1,211.33	16,371.76
2) Repayments	842.46	10,217.13	864.09	9,052.38
3) Interest Payments	225.73	3,206.53	289.71	3,688.93
4) Net Disbursement (1-2)	787.02	7,951.31	347.24	7,319.38
5) Net Transfers (4-3)	561.29	4,744.78	57.53	3,630.45
<b><u>External Assistance (Non-Government Account)</u></b>				
1) Gross Disbursement	0.00	4,576.40	127.06	3,313.59
2) Repayments	0.00	1,182.00	49.85	1,060.39
3) Interest Payments	0.00	579.35	14.48	651.30
4) Net Disbursement (1-2)	0.00	3,394.40	77.21	2,253.20
5) Net Transfers (4-3)	0.00	2,815.05	62.73	1,601.90
<b><u>Govt Grants</u></b>				
1) Gross Disbursement	53.02	2,682.65	95.04	2,342.21
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)	53.02	2,682.65	95.04	2,342.21
5) Net Transfers (4-3)	53.02	2,682.65	95.04	2,342.21
<b><u>Non Govt Grants</u></b>				
1) Gross Disbursement	0.00	8.06	0.36	30.53
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	0.36	30.53
5) Net Transfers (4-3)	0.00	8.06	0.36	30.53
<b><u>Grand Total</u></b>				
1) Gross Disbursements	1,682.50	25,435.55	1,433.79	22,058.09
2) Repayments	842.46	11,399.13	913.94	10,112.77
3) Interest Payments	225.73	3,785.88	304.19	4,340.23
4) Net Disbursement (1-2)	840.04	14,036.42	519.85	11,945.32
5) Net Transfers (4-3)	614.31	10,250.54	215.66	7,605.09



## INFLATION

Year-on-year inflation measured in terms of WPI for February 2010 at 9.89 per cent showed an increase of 133 basis points compared to February 2009. The index also increased to 250.1 from 248.5 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. Last financial 2008-09, it was 3.50 per cent in February 2009 (Table 1) and 5.27 per cent two years ago in February 2008.

**Financial Year inflation:** For January 2010, the rise in WPI has been 9.60 per cent as compared to 0.93 per cent during the corresponding month last year. The average inflation rate for last 12 month until February 2010 was 2.96 per cent as compared to 8.96 per cent during same period of 2008-09. Current price situation in WPI as compared to the last year is indicated in Table 1.

Items/Groups	Weight (%)	Percent variation during					
		Cumulative change (%) from March		Inflation (%) (Year-on-Year)		Inflation (%) (Average of last 12 months)	
		In February		In February		In February	
		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
<b>All Commodities</b>	<b>100.00</b>	<b>0.93</b>	<b>9.60</b>	<b>3.50</b>	<b>9.89</b>	8.96	2.96
1. Primary articles	22.02	4.45	14.71	<b>6.85</b>	<b>15.54</b>	10.47	9.82
2. Fuel and Power group	14.23	-5.15	11.18	<b>-3.40</b>	<b>10.19</b>	8.57	-3.89
3. Manufactured Products	63.75	1.73	6.83	<b>4.78</b>	<b>7.42</b>	8.50	2.72

## CONSUMER PRICE INDEX

All India Consumer Price Index for Industrial Workers (CPI-IW) for January, 2009 stood at 172. The year-on-year inflation in January, 2010 was 16.22 per cent which is higher than the level of 10.45 per cent in January, 2009.

Month/Year/	General	Food	Pan, supari, Tobacco & Intoxicants	Fuel & light	Housing	Clothing, bedding & footwear	Miscellaneous group	Non-food
<b>Weight</b>	<b>100.00</b>	<b>46.20</b>	<b>2.27</b>	<b>6.43</b>	<b>15.27</b>	<b>6.57</b>	<b>23.26</b>	<b>53.80</b>
Jan-09	10.45	13.87	6.82	9.63	5.97	3.36	8.21	7.39
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
<b>Dec-09</b>	<b>14.97</b>	<b>21.29</b>	<b>8.57</b>	<b>3.40</b>	<b>22.06</b>	<b>4.07</b>	<b>4.17</b>	<b>8.96</b>
<b>Jan-10</b>	<b>16.22</b>	<b>19.23</b>	<b>8.51</b>	<b>3.38</b>	<b>33.10</b>	<b>4.88</b>	<b>4.14</b>	<b>13.35</b>

## WORLD COMMODITY PRICE

Commodity	Unit	Feb	Jun	Sep	Dec	Jan	Feb	Y-o-R variation in prices (%)	
								Jan-10	Feb-10
Energy		2009	2009	2009	2009	2010	2010		
Coal, Australia	\$/mt	75.4	71.4	67.6	83.1	97.0	94.2	22.2	25.0
Crude oil, avg, spot	\$/bbl	41.8	69.1	68.3	74.9	77.1	74.8	75.9	79
Crude oil, Brent	\$/bbl	43.2	68.6	67.7	74.7	76.4	74.3	70.2	71.8
Crude oil, Dubai	\$/bbl	43.1	69.2	67.9	75.5	76.6	73.6	70.4	70.5
Natural gas, US	\$/mmbtu	4.5	3.8	3.0	5.4	5.8	5.3	10.8	18.1
Agriculture									
Coffee, Robusta	c/kg	176.9	162.7	162.7	154.1	154.5	149.6	-15.3	-15.4
Tea, auctions (3), average	c/kg	213.5	278.2	315.7	297.4	289.8	288.5	32.6	35.1
Coconut oil	\$/mt	673.0	747.0	701.0	768.0	784.0	795.0	6.8	18.1
Groundnut oil	\$/mt	1293.0	1154.0	1120.0	1192.0	1316.0	1380.0	-2.0	6.7
Palm oil	\$/mt	572.0	726.0	674.0	792.0	793.0	798.0	41.1	39.5
Palm kernel oil	\$/mt	575.0	741.0	704.0	829.0	878.0	892.0	54.0	55.1
Soybean meal	\$/mt	381.0	446.3	425.0	401.0	404.0	376.0	9.6	-1.3
Soybean oil	\$/mt	748.0	896.0	846.0	935.0	923.0	915.0	16.9	22.3
Maize	\$/mt	163.4	179.5	150.4	164.6	167.3	161.8	-3.2	-1.0
Rice, Thailand, 25 or 5%	\$/mt	590.8	574.5	518.8	591.0	568.8	534.3	-1.9	-9.6
Wheat, US, HRW	\$/mt	224.7	256.6	191.1	206.3	201.2	194.0	-15.9	-13.7
Wheat US SRW	\$/mt	183.4	201.7	158.4	206.5	198.8	191.8	1.9	4.6
Oranges	\$/mt	766.6	816.3	1030.9	1013.6	1089.5	981.8	39.2	28.1
Sugar, world	c/kg	29.3	36.2	50.8	51.9	58.4	56.0	110.2	91.3
Raw Materials									
Logs, Malaysia	\$/cum	322.5	279.3	280.8	264.8	258.2	252.8	-21.7	-21.6
Plywood	c/sheets	573.0	563.6	560.7	557.2	557.2	557.2	-3.0	-2.7
Wood pulp	\$/mt	549.8	565.7	657.6	731.4	752.6	765.0	24.1	39.1
Cotton A Index	c/kg	121.7	135.4	141.2	167.6	170.6	176.3	34.1	44.8
Rubber, US	c/kg	165.8	187.6	248.7	310.0	335.1	343.3	97.4	107.0
Rubber, Singapore	c/kg	146.3	167.5	217.2	280.1	309.2	312.7	107.9	113.7
Fertilizers									
DAP	\$/mt	367.9	277.8	316.8	360.4	427.5	490.5	21.8	33.3
Phosphate rock	\$/mt	157.5	96.9	90.0	90.0	97.5	103.8	-63.2	-34.1
Potassium chloride	\$/mt	872.5	717.5	428.9	399.0	354.4	335.0	-58.5	-61.6
Urea, E. Europe, bulk	\$/mt	273.3	237.4	233.9	261.1	275.8	288.6	4.7	5.6
Metals and Minerals									
Aluminium	\$/mt	1330.2	1573.7	1834.1	2180.1	2235.2	2048.9	58.2	54.0
Copper	\$/mt	3314.7	5014.0	6196.4	6981.7	7386.3	6848.2	129.3	106.6
Gold	\$/toz	943.0	945.7	996.6	1134.7	1118.0	1095.4	30.2	16.2
Iron ore	c/dmtu	140.6	101.0	101.0	101.0	101.0	101.0	-28.2	-28.2
Lead	c/kg	110.1	167.4	220.5	232.9	236.8	212.4	109.1	93.0
Nickel	\$/mt	10408.8	14960.5	17473.2	17066.4	18439.3	18976.0	63.1	82.3
Silver	c/toz	1343.7	1465.9	1648.5	1764.5	1775.1	1587.2	55.7	18.1
Steel cr coil sheet	\$/mt	1100.0	700.0	700.0	700.0	700.0	700.0	-36.4	-36.4
Steel hr coil sheet	\$/mt	1000.0	600.0	600.0	600.0	600.0	600.0	-40.0	-40.0
Tin	c/kg	1103.9	1498.6	1486.9	1554.7	1771.5	1636.2	55.8	48.2
Zinc	c/kg	111.2	155.7	188.4	237.6	243.4	215.7	105.0	94.0

Source : World Bank - The Pink Sheet

### Trends in Central Government Finances: April-January 2009-10

	Budget	April-January		Col.3 as	Col. 4 as	% Change over	
	Estimates			% of	% of	proceeding year	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
				BE	BE		(4/3)
(Rs. crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>1. Revenue Receipts</b>	<b>6,14,497</b>	<b>4,04,815</b>	<b>4,25,021</b>	<b>67.1</b>	<b>69.2</b>	<b>0.6</b>	<b>5.0</b>
<b>Gross tax revenue</b>	<b>6,41,079</b>	<b>4,58,908</b>	<b>4,53,608</b>	<b>66.7</b>	<b>70.8</b>	<b>7.3</b>	<b>-1.2</b>
Tax (net to Centre)	4,74,218	3,29,271	3,33,336	64.9	70.3	1.6	1.2
Non Tax	1,40,279	75,544	91,685	78.9	65.4	-3.4	21.4
<b>2. Capital Receipts</b>	<b>4,06,341</b>	<b>2,66,264</b>	<b>3,58,973</b>	<b>180.0</b>	<b>88.3</b>	<b>93.5</b>	<b>34.8</b>
of which:							
Recovery of loans	4,225	3,406	5,129	75.7	121.4	-15.1	50.6
Other Receipts	1,120	43	4,306	0.4	384.5		
Borrowings and other liabilities	4,00,996	2,62,815	3,49,538	197.2	87.2	174.3	33.0
<b>3. Total Receipts (1+2)</b>	<b>10,20,838</b>	<b>6,71,079</b>	<b>7,83,994</b>	<b>89.4</b>	<b>76.8</b>	<b>24.3</b>	<b>16.8</b>
<b>4. Non-Plan Expenditure (a)+(b)</b>	<b>6,95,689</b>	<b>4,71,998</b>	<b>5,57,018</b>	<b>93.0</b>	<b>80.1</b>	<b>21.9</b>	<b>18.0</b>
(a) Revenue Account	6,18,834	4,45,388	5,17,920	99.3	83.7	36.2	16.3
of which:							
Interest payments	2,25,511	1,48,261	1,57,266	77.7	69.7	8.2	6.1
Major Subsidies	1,05,579	1,15,113	1,06,101	173.0	100.5	108.9	-7.8
Pensions	34,980	24,762	39,351	98.7	112.5	31.9	58.9
(b) Capital Account	76,855	26,610	39,098	45.0	50.9	-55.7	46.9
<b>5. Plan Expenditure (i)+(ii)</b>	<b>3,25,149</b>	<b>1,99,081</b>	<b>2,26,976</b>	<b>81.8</b>	<b>69.8</b>	<b>30.4</b>	<b>14.0</b>
(i) Revenue Account	2,78,398	1,68,677	1,91,392	80.4	68.7	29.2	13.5
(ii) Capital Account	46,751	30,404	35,584	90.4	76.1	37.1	17.0
<b>6. Total Expenditure (4)+(5)=(a)+(b)</b>	<b>10,20,838</b>	<b>6,71,079</b>	<b>7,83,994</b>	<b>89.4</b>	<b>76.8</b>	<b>24.3</b>	<b>16.8</b>
(a) Revenue Expenditure	8,97,232	6,14,065	7,09,312	93.3	79.1	34.2	15.5
(b) Capital Expenditure	1,23,606	57,014	74,682	61.5	60.4	-30.7	31.0
<b>7. Revenue Deficit</b>	<b>2,82,735</b>	<b>2,09,250</b>	<b>2,84,291</b>	<b>379.2</b>	<b>100.6</b>	<b>278.0</b>	<b>35.9</b>
<b>8. Fiscal Deficit</b>	<b>4,00,996</b>	<b>2,62,815</b>	<b>3,49,538</b>	<b>197.2</b>	<b>87.2</b>	<b>174.3</b>	<b>33.0</b>
<b>9. Primary Deficit</b>	<b>1,75,485</b>	<b>1,14,554</b>	<b>1,92,272</b>	<b>-199.2</b>	<b>109.6</b>	<b>-377.8</b>	<b>67.8</b>

Source: Review of Union Government Accounts., January 2010, Ministry of Finance.