

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

JANUARY 2012

HIGHLIGHTS

- The overall growth of GDP at factor cost at constant prices, as per Advanced Estimates, is estimated at 6.9 per cent in 2011-12 representing as compared to the revised growth of 8.4 per cent during 2010-11. The growth in real GDP is placed at 6.9 per cent in the second quarter of 2011-12. It is estimated to be 7.3 per cent for the first half of the current year.
- The cumulative rainfall received for the country as a whole, during the winter season, 2012 (January 1 - February 28), has been above normal as on 8.2.2012.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 54.72 million tonnes as on December 1, 2011.
- Overall growth in the Index of Industrial Production (IIP) was 1.8 per cent during December 2011 as compared to 8.1 per cent in December 2010. During April-December 2011-12, IIP growth was 3.6 per cent as compared to 8.3 per cent during 2010-11.
- Eight core Infrastructure industries grew by 3.1 per cent in December 2011 as compared to the growth of 6.3 per cent in December 2010. During April-December 2011-12, these sectors grew by 4.4 per cent as compared to 5.7 per cent during April-December 2010-11.
- Broad money (M₃) (up to January 27, 2012) increased by 10.2 per cent as compared to 11.7 per cent during the corresponding period of the last year. The year-on-year growth, as on January 27, 2012 was 14.4 per cent as compared to 16.5 per cent last year.
- Exports, in US dollar terms increased by 6.7 per cent and imports increased by 19.8 per cent, during December 2011 over December 2010. The cumulative growth for April-December 2011 was 25.84 per cent and 30.4 per cent for exports imports respectively.
- Foreign Currency Assets stood at US\$ 259.2 billion at end January 2012 as compared to US\$ 270.1 billion at end January 2011.
- Rupee appreciated against US dollar, Pound Sterling, Japanese Yen and Euro in the month of January 2012 over December 2011.
- Year-on-year inflation in terms of Wholesale Price Index was 6.55 per cent for the month of January 2012 as compared to 9.47 per cent in the corresponding month last year.
- Gross tax revenue is at 64 per cent of BE during April-December 2011 and has increased by 12 per cent in comparison to the corresponding period in the previous year; with service tax, custom duties and taxes on income being the main contributors registering growth of 37 per cent, 15 per cent and 14 per cent respectively over the previous year.
- As a proportion of budget estimate, fiscal deficit during April-December 2011 was 92.3 per cent and revenue deficit was 93.1 per cent.

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ECONOMIC GROWTH

As per the latest Advanced Estimates (AE) of Central Statistics Office (CSO), the growth in GDP at factor cost at constant (2004-05) prices was estimated at 6.9 per cent in 2011-12 as compared to 8.4 per cent in 2010-11 (Quick Estimate). At disaggregated level, this (AE 2011-12) comprises growth of 2.5 per cent in agriculture and allied activities, 3.9 per cent in industry and 9.4 per cent in services as compared to a growth of 7.0 per cent, 7.2 per cent and 9.3 per cent respectively during 2010-11. The growth in real Gross Domestic Product (GDP) is placed at 6.9 per cent in the second quarter of 2011-12; agriculture grew by 3.2 per cent; industry by 3.2 per cent and services by 9.3 per cent.

Industry	Growth			Percentage share in GDP		
	2009-10 ^{PE}	2010-11 ^{QE}	2011-12 ^{AE}	2009-10 ^{PE}	2010-11 ^{QE}	2011-12 ^{AE}
1 Agriculture, forestry & fishing	1.0	7.0	2.5	14.7	14.5	13.9
2 Industry	8.4	7.2	3.9	28.1	27.8	27.0
a Mining & quarrying	6.3	5.0	-2.2	2.3	2.2	2.0
b Manufacturing	9.7	7.6	3.9	16.0	15.8	15.4
c Electricity, gas & water supply	6.3	3.0	8.3	2.0	1.9	1.9
d Construction	7.0	8.0	4.8	7.9	7.9	7.7
3 Services	10.5	9.3	9.4	57.2	57.7	59.0
a Trade, hotels, transport & communication	10.3	11.1	11.2	26.6	27.2	28.3
b Financing, insurance, real estate & business services	9.4	10.4	9.1	17.1	17.4	17.8
c Community, social & personal services	12.0	4.5	5.9	13.5	13.1	12.9
4 GDP at factor cost	8.4	8.4	6.9	100.0	100.0	100.0

PE: Provisional Estimates; QE: Quick Estimates; AE: Advanced Estimates

Items	2009-10				2010-11				2011-12	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1. Agriculture, forestry & fishing	1.8	1.2	-1.6	1.1	2.4	5.4	9.9	7.5	3.9	3.2
Industry	5.0	6.7	9.5	12.4	9.1	7.1	7.1	6.1	5.1	3.2
2. Mining & quarrying	7.2	6.8	5.2	8.9	7.4	8.0	6.9	1.7	1.8	-2.9
3. Manufacturing	4.3	7.4	11.4	15.2	10.6	7.8	6.0	5.5	7.2	2.7
4. Electricity, gas & water supply	6.3	7.5	4.5	7.3	5.5	2.8	6.4	7.8	7.9	9.8
5. Construction	5.4	5.1	8.3	9.2	7.7	6.7	9.7	8.2	1.2	4.3
Services	8.2	11.4	9.4	10.2	10.4	9.6	8.4	8.7	10.0	9.3
6. Trade, hotels, transport & communication	3.7	7.8	10.8	13.7	12.1	10.2	8.6	9.3	12.8	9.9
7. Financing, insurance, real estate & bus.	11.5	10.9	8.5	6.3	9.8	10.0	10.8	9.0	9.1	10.5
8. Community, social & personal services	13.0	19.4	7.6	8.3	8.2	7.9	5.1	7.0	5.6	6.6
9. GDP at factor cost (total 1 to 8)	6.3	8.7	7.3	9.4	8.8	8.4	8.3	7.8	7.7	6.9

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 cumulative rainfall received for the country as a whole, during the southwest monsoon season (June 1- September 30) was one per cent above the normal. The actual rainfall received during the winter season 2012, as on 8.2.2012 has been 29.8 mm as against the normal at 24.2 mm.

All India production of food grains: As per the first advance estimates released by Ministry of Agriculture on 14.09.2011,, production of food grains (kharif only) during 2011-12 is estimated at 123.95 million tonnes compared to 120.20 million tonnes in 2010-11(Fourth advance estimates).

Procurement: Procurement of rice as on 1stDecember, 2011 (Kharif Marketing Season 2011-12) at 11.37 million tonnes represents an increase of 2.7 per cent compared to the corresponding date last year. Wheat procurement during Rabi Marketing Season 2011-12 is 28.33 million tonnes as compared to 22.51 million tonnes during the corresponding period last year.

	Table 3: Procurement in Million Tonnes			
	2008-09	2009-10	2010-11	2011-12
Rice(Oct-Sept)	34.10	32.03	34.20	18.11*
Wheat(Apr-Mar)	22.69	25.38	22.51	28.34**
Total	56.79	57.41	56.71	46.45

* Position as on 10.1.2012. ** Position as on 12.12.2011

Off-take: Off-take of rice during the month of November, 2011 was 25.84 lakh tonnes. This comprises 19.85 lakh tonnes under TPDS and 5.99 lakh tonnes under other schemes. In respect of wheat, the total off take was 18.31 lakh tonnes comprising of 14.95 lakh tonnes under TPDS and 3.36 lakh tonnes under other schemes.

Stocks: Stocks of food-grains (rice and wheat) held by FCI as on December 1, 2011 were 54.72 million tonnes, which is higher by 13.0 per cent over the level of 48.44 million tonnes as on December 1, 2010.

Table 4: Off-take and stocks of foodgrains (million tonnes)					
	Off-take			Stocks	
	2009-10	2010-11	2011-12(Up to Nov 2011)	Dec, 2010	Dec 1, 2011
Rice	27.37	29.93	21.37	24.53	27.06
Wheat	22.35	23.07	15.70	23.91	27.66
Total	49.72	53.00	37.07	48.44	54.72

INDUSTRIAL PRODUCTION

Industry Group	2009-10	2010-11(Apr-Dec.)	2011-12(Apr-Dec.)	Dec. 2010	Dec. 2011
General index	5.3	8.3	3.6	8.1	1.8
Mining	7.9	6.9	-2.7	5.9	-3.7
Manufacturing	4.9	9.0	3.9	8.7	1.8
Electricity	6.1	4.6	9.4	5.9	9.1
Use-based industrial groups					
Basic goods	4.7	5.7	6.1	7.8	4.0
Capital goods	1.0	18.4	-2.9	20.2	-16.5
Intermediate goods	6.0	8.0	-0.8	8.1	-2.8
Consumer goods	7.7	7.4	5.7	3.5	10.0
Durables	17.0	13.8	5.3	7.8	5.3
Non-durables	1.4	2.5	6.1	0.6	13.4

negative. In December 2011, under use-based category, the growth rate in consumer goods was 10 per cent followed by basic goods 4 per cent. In consumer non-durables sector, the growth was 13.4 per cent and in consumer durables sector, the growth was 5.3 per cent. The capital goods and intermediate goods sectors registered negative growth during December 2011.

Industry	December 2010	December 2011	2010-11 (Apr-Dec.)	2011-12 (Apr-Dec.)
Coal	3.8	5.6	0.8	-2.7
Crude oil	15.8	-5.6	12.0	1.9
Natural Gas	-0.2	-10.8	17.3	-8.8
Refinery Products	8.3	0.8	1.7	4.1
Fertilizers	0.3	0.8	-1.5	-0.5
Steel	9.4	2.2	8.3	7.5
Cement	-2.2	13.3	4.4	5.3
Electricity	5.0	8.0	4.7	9.2
Overall growth	6.3	3.1	5.7	4.4

the month of December 2011, the overall growth of the core sector industries was 3.1 per cent as compared to the growth of 6.3 per cent during December 2010. During December 2011, the growth in cement was 13.3 per cent followed by electricity 8.0 per cent, coal 5.6 per cent, steel 2.2 per cent and fertilizers and steel 0.8 per cent each. The two sectors i.e, crude oil and natural gas sectors registered negative growth during December 2011.

During December 2011, the IIP growth was 1.8 per cent as compared to 8.1 per cent growth during the corresponding period of previous year. In electricity sector, the growth rate in December 2011 was 9.1 per cent followed by manufacturing sector 1.8 per cent. In mining sector, the growth was

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 4.4 per cent during April-December 2011-12, as compared to growth rate of 5.7 per cent achieved during the corresponding period in 2010-11. During

MONEY AND BANKING

The RBI released its 3rd Quarter Review of Monetary Policy for 2011-12 on 24th January, 2012. Highlights are as follows:

Based on an assessment of the current macroeconomic situation, RBI has decided to:

- Cut the cash reserve ratio (CRR) of scheduled banks by 50 basis points from 6.0 per cent to 5.5 per cent of their net demand and time liabilities (NDTL) effective from the fortnight beginning January 28, 2012. This reduction in the CRR is expected to inject around ₹ 320 billion of primary liquidity into the system.
- Keep the policy interest rate unchanged. Accordingly, the repo rate under the liquidity adjustment facility (LAF) remains at 8.5 per cent and the reverse repo rate under the LAF, determined with a spread of 100 basis point below the repo rate, at 7.5 per cent. The marginal standing facility (MSF) rate, determined with a spread of 100 bps above the repo rate, will be at 9.5 per cent. Revise the baseline projection of GDP growth for current financial year downwards from 7.6 per cent to 7.0 per cent.

Expected Outcomes

- Liquidity conditions will ease. Downside risks to growth will be mitigated.
- Finally, medium-term inflation expectations will remain anchored on the basis of a credible commitment to low and stable inflation.

Table 7. Money Stock: Components and Sources (₹ Billion)						
Item	Outstanding as on		Variation over			
	2011	2012	Financial Year so far		Year-on-Year	
	Mar. 31	Jan. 27	2010-2011	2011-2012	2011	2012
	%	%	%	%	%	%
M ₃	64,994.9	71,594.7	11.7	10.2	16.5	14.4
Components (i+ii+iii+iv)						
(i) Currency with the Public	9,142.0	9,966.5	15.7	9.0	19.7	12.2
(ii) Demand Deposits with Banks	7,176.6	6,645.4	-7.4	-7.4	6.0	-0.1
(iii) Time Deposits with Banks	48,639.8	54,956.0	14.0	13.0	17.4	17.2
(iv) 'Other' Deposits with Reserve Bank	36.5	26.8	250.2	-26.6	210.6	-79.9
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	19,827.7	23,010.1	10.1	16.1	17.6	25.2
(a) Reserve Bank	3,965.5	5,184.0				
(b) Other Banks	15,862.2	17,826.1	7.6	12.4	6.6	13.6
(ii) Bank Credit to Commercial Sector (a+b)	42,354.1	46,693.2	15.2	10.2	22.7	16.1
(a) Reserve Bank	21.6	32.6	—	—	—	—
(b) Other Banks	42,332.4	46,660.6	15.2	10.2	22.9	16.1
(iii) Net Foreign Exchange Assets of Banking Sector *	13,933.4	14,812.7	7.7	6.3	4.9	7.3
(iv) Government's Currency Liabilities to the Public	127.2	137.2	10.7	7.8	12.9	9.9
(v) Banking Sector's Net Non-Monetary Liabilities	11,247.6	13,058.5	17.1	16.1	24.8	31.1
of which:						
Net Non-Monetary Liabilities of RBI	3,683.5	5,496.1	23.9	49.2	5.4	47.1
* Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.						
Note : Government balances as on March 31, 2011 are after closure of accounts.						

Reserve money (M₀) during the financial year 2011-12 (up to February 3, 2012) showed improvement of 2.3 per cent as compared to improvement of 9.7 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 11.0 per cent as on February 3, 2012, compared to 24.5 per cent on the corresponding date of the previous year.

An important source of reserve money, namely, net foreign exchange assets (NFA) of the RBI increased by 5.9 per cent (during the financial year) as on February 3, 2012 as compared to increase of 8.3 per cent in the same period last year. The y-o-y growth rate of NFA, was 5.4 per cent as compared to improvement of 5.2 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year i.e. 2011-12 (up to January 27, 2012), Bank credit showed improvement of 10.4 per cent as compared to an improvement of 15.2 per cent during the corresponding period of last year. The Non-Food credit during this period recorded increase of 10.2 per cent as compared to increase of 15.1 per cent during the corresponding period of last year.

The aggregate deposits with SCBs recorded an increase of 10.8 per cent (as on January 27, 2012) as against an increase of 11.0 per cent in the corresponding period of last year.

Table 8. Scheduled Commercial Banks - Business in India						
Items	2011-12 Outstanding as on (Rs. in crore)		Percentage Variation			
			Financial year so far		Year-on-year	
			2010-11	2011-12	2011	2012
	March 25, 2011	January 27, 2012				
Bank Credit	3938659	4351330	15.2	10.4	23.3	16.4
Non-Food credit	3874376	4268240	15.1	10.2	25.7	16.2
Aggregate deposits	5204703	5768100	11.0	10.8	16.0	15.7
Investments in Government. And other approved securities	1500039	1690020	7.1	12.5	5.7	14.0

Item / Week Ended	2011	2012
	January 28	January 27
Cash Reserve Ratio (per cent) ⁽¹⁾	6.00	5.50*
Bank Rate	6.00	6.00
Repo Rate	6.50	8.50
Reverse Repo Rate	5.50	7.50
Prime Lending Rate ⁽²⁾	8.00 / 9.00	10.00-10.75
Deposit Rate ⁽³⁾	7.00/8.75	8.50 - 9.25
Call Money Rate (Low / High) ⁽⁴⁾		

- Borrowings	6.65	8.97
- Lendings	6.65	8.97

* Revised in 3rd Quarter Monetary Policy Review announced on January 24, 2012 which is effective from January 28, 2012.

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

Interest rates (per cent per annum) as on December 30, 2011, Bank Rate was 6.00 per cent. Call money rates (borrowing & lending) were 9.11 per cent as compared with 6.83 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during December 2011 increased by 6.7 per cent and imports increased by 19.8 per cent over December 2010. Oil imports increased by 11.2 per cent and non-oil imports increased by 23.4 per cent during December 2011 over December 2010.

Item	2009-10 (Apr-Mar)	2010-11 (Apr-Mar)	December	December	% Change in Dec. 2011
			2010	2011	
Exports	178751	251136	23442	25016	6.7
Imports	288373	369769	31511	37753	19.8
Oil imports	87136	105964	9244	10279	11.2
Non-Oil imports	201237	263805	22268	27474	23.4
Trade balance	-109621	-118633	-8069	-12737	..

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, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
2011-12			(over last month)	
April 2011	1252790	282287	26791	7707
May 2011	1259881	279787	7091	-2500
June 2011	1268744	283708	8863	3921
July 2011	1264787	286410	-3957	2702
August 2011	1317478	286284	52691	-126
Sept. 2011	1350855	276079	33377	-10205
Oct. 2011	1380417	282467	29562	6388
Nov. 2011	1425029	273151	44612	-9316
Dec. 2011	1402670	263313	-22359	-9838
Jan. 2012	1287754	259210	-114916	-4103

Source: RBI.

Exchange rate: The rupee appreciated by 2.6 per cent against US dollar, 3.1 per cent against Pound Sterling, 1.4 per cent against Japanese Yen and 4.7 per cent against Euro in the month of January 2012 over December 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
March 2011	44.9684	72.7070	0.5498	62.9660
2011-12				
April 2011	44.3700	72.7237	0.5331	64.2505
May 2011	44.9045	73.4103	0.5532	64.4833
June 2011	44.8295	72.7881	0.5565	64.5157
July 2011	44.4174	71.6485	0.5591	63.4602
August 2011	45.2538	74.1083	0.5868	64.9380
Sept. 2011	47.6335	75.1168	0.6203	65.4744
Oct. 2011	49.2579	77.4901	0.6411	67.4458
Nov. 2011	50.8564	80.2523	0.6560	68.9058
Dec. 2011	52.6769	82.1329	0.6763	69.2889
Jan. 2012	51.3392	79.5853	0.6672	66.1695

* FEDAI Indicative Market Rates (on Monthly average basis).

External assistance and debt service payments: Gross external aid in April-January 2011-12 is ₹ 25130 crore as compared to ₹ 32263 crore during the corresponding period of 2010-11. Net disbursement was ₹ 12288 crore in 2011-12 compared to ₹ 21211 crore in 2010-11. Net transfers were ₹ 9305 crore in 2011-12 compared to ₹ 18255 crore in 2010-11.

Table 13 : External Assistance and Debt Service Payments				
				(₹ crore)
	January 2012	During the Financial year 2011-12 (Apr-Jan)	January 2011	During the Financial year 2010-11(Apr-Jan)
External Assistance (Government Account)				
1) Gross Disbursement	850.36	18,603.44	906.96	26,172.16
2) Repayments	1,390.38	11,357.63	1,078.93	9,848.35
3) Interest Payments	314.68	2,673.89	288.34	2,390.48
4) Net Disbursement (1-2)	-540.02	7,245.81	-171.97	16,323.81
5) Net Transfers (4-3)	-854.7	4,571.92	-460.31	13,933.33
External Assistance (Non-Government Account)				
1) Gross Disbursement	5.65	3,915.98	460.31	3,745.16
2) Repayments	111.86	1,484.95	103.49	1,202.88
3) Interest Payments	31.25	308.84	32.93	566.32
4) Net Disbursement (1-2)	-106.21	2,431.03	356.82	2,542.28
5) Net Transfers (4-3)	-137.46	2,122.19	323.89	1,975.96
Government Grants				
1) Gross Disbursement	131.98	2,545.19	35.12	2,204.98
2) Repayments	0	0	0	0
3) Interest Payments	0	0	0	0
4) Net Disbursement (1-2)	131.98	2,545.19	35.12	2,204.98
5) Net Transfers (4-3)	131.98	2,545.19	35.12	2,204.98
Non-Government Grants				
1) Gross Disbursement	4.68	65.74	0.52	140.42
2) Repayments	0	0	0	0
3) Interest Payments	0	0	0	0
4) Net Disbursement (1-2)	4.68	65.74	0.52	140.42
5) Net Transfers (4-3)	4.68	65.74	0.52	140.42
Grand Total				
1) Gross Disbursements	992.67	25,130.35	1,402.91	32,262.72
2) Repayments	1,502.24	12,842.58	1,182.42	11,051.23
3) Interest Payments	345.93	2,982.73	321.27	2,956.80
4) Net Disbursement (1-2)	-509.57	12,287.77	220.49	21,211.49
5) Net Transfers (4-3)	-855.5	9,305.04	-100.78	18,254.69

INFLATION

Wholesale Price Index (WPI 2004-05=100): The WPI inflation for the month of January 2012 is reported at 6.55 per cent as against 7.47 per cent last months and 9.47 per cent last year. The revised WPI inflation for November 2011 is 9.46 per cent as against 9.11 per cent reported earlier. Inflation for Primary Articles (Wt 20.12 %) for the month of January 2012 has declined to 2.25 per cent from 3.07 per cent in the last month. It was 18.44 per cent last year. Inflation for Food Articles (Wt 14.34 %) for the month of January 2012 has turned negative to (-) 0.52 per cent from 0.74 per cent in the last month. Last year it was 16.68 per cent in the corresponding month. This is mainly on account of rice, pulses (gram), vegetables (peas, onions, potatoes, tomatoes, cabbage) and condiment & spices. The average WPI inflation rate for last 12 months (Feb 2011 to Jan 2012) was 9.19 per cent as compared to 9.62 per cent during corresponding period in 2010-11. The build-up of inflation since March to January 2012 stood at 5.48 per cent as against 8.58 per cent in the corresponding period last year. WPI inflation rates for major subgroups are indicated in Table 14 below.

Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%)		Inflation (%) (Average of 12 months)	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
ALL COMMODITIES	100.00	5.48	8.58	6.55	9.47	9.19	9.62
PRIMARY ARTICLES	20.12	6.11	17.72	2.25	18.44	10.64	18.94
<i>Food articles</i>	14.34	6.93	17.60	-0.52	16.68	9.03	19.24
FUEL AND POWER	14.91	9.64	7.99	14.21	11.41	13.48	12.20
MANUFACTURED PDT.	64.97	4.13	5.07	6.49	5.32	7.46	5.44

Inflation based on Consumer Price Index: Inflation in Consumer Price Index for Industrial Workers (CPI-IW) stood at 6.5 per cent in December 2011 as compared to 9.3 per cent in the last month. CPI-IW food inflation (weight 46.20%) has declined to 1.97 per cent in December 2011 from 7.61 per cent in the last month. CPI-RL food inflation (weight 66.77%) has declined to 0.50 per cent in January 2012 from 2.37 per cent in last month.

	WPI	CPI-IW	CPI-AL	CPI-RL
Base	2004-05	2001	1986-87	1986-87
April-11	9.74	9.41	9.11	9.11
May-11	9.56	8.72	9.63	9.63
June-11	9.51	8.62	9.32	9.14
July-11	9.36	8.43	9.03	9.03
Aug-11	9.78	9.0		9.52
Sep-11	10.00	10.1		9.43
Oct-11	9.87	9.4		9.36
Nov-11	9.46	9.3		8.95
Dec-11	7.47	6.5		6.37
Jan-12	6.55			4.92

Note: WPI inflation for Dec 2011 and Jan 2012 are provisional

Table 16: World Commodity Price Data

Commodity	Unit	Annual averages			Monthly averages			
		Jan-Dec 2010	Jan-Dec 2011	Jan 2012	Nov 2011	Dec 2011	Jan 2012	
Energy								
Coal, Australia	a/ \$/mt	98.97	120.94	115.14	113.80	109.66	115.14	
Crude oil, average	a/ \$/bbl	79.04	104.01	107.07	105.41	104.23	107.07	
Crude oil, Brent	a/ \$/bbl	79.64	110.94	111.16	110.50	107.91	111.16	
Crude oil, Dubai	a/ \$/bbl	78.06	106.03	109.78	108.59	106.22	109.78	
Crude oil, West Texas Int.	a/ \$/bbl	79.43	95.05	100.29	97.12	98.56	100.29	
Natural gas, Europe	a/ \$/mmbtu	8.29	10.52	11.45	11.32	11.53	11.45	
Agriculture Beverages								
Coffee, arabica	b/ ¢/kg	432.0	597.6	523.0	540.3	521.9	523.0	
Tea, auctions (3) average	b/ ¢/kg	288.5	292.1	266.9	278.8	269.5	266.9	
Food								
Coconut oil	b/ \$/mt	1,124	1,730	1,451	1,479	1,439	1,451	
Copra	- \$/mt	750	1,157	965	980	968	965	
Groundnut oil	b/ \$/mt	1,404	1,985	n.a	2,225	n.a	n.a	
Palm oil	b/ \$/mt	901	1,125	1,061	1,053	1,026	1,061	
Palmkernel oil	- \$/mt	1,184	1,648	1,366	1,298	1,363	1,366	
Soybean meal	b/ \$/mt	378	398	367	354	341	367	
Soybean oil	b/ \$/mt	1,005	1,299	1,218	1,217	1,203	1,218	
Soybeans	b/ \$/mt	450	541	498	486	477	498	
Grains								
Barley	b/ \$/mt	158.4	207.2	213.3	211.5	212.5	213.3	
Maize	b/ \$/mt	185.9	291.7	272.8	274.4	258.6	272.8	
Rice, Thailand, 25%	- \$/mt	441.5	506.0	534.0	584.7	565.5	534.0	
Wheat, Canada	- \$/mt	312.4	439.6	381.6	407.7	393.7	381.6	
Sugar, world	b/ ¢/kg	46.93	5732	51.94	52.95	50.79	51.94	
Raw Materials								
Logs, Malaysia	b/ \$/cum	278.2	390.5	390.5	403.3	387.9	390.5	
Plywood	- ¢/sheets	569.1	607.5	615.0	617.5	615.0	615.0	
Cotton A Index	b/ ¢/kg	228.3	332.8	222.5	230.8	210.1	222.5	
Rubber RSS3	b/ ¢/kg	365.4	482.3	362.6	337.2	338.4	362.6	
Metals and Minerals								
Aluminum	b/ \$/mt	2,173	2,022	2,144	2,080	2,022	2,144	
Copper	b/ \$/mt	7,535	7,565	8,040	7,581	7,565	8,040	
Gold	- \$/toz	1,225	1,642	1,652	1,738	1,642	1,652	
Iron ore, spot, cfr China	- \$/dmt	145.9	136.4	140.3	135.5	136.4	140.3	
Steel cr coilsheet	c/ \$/mt	816	900	900	900	900	900	

Source: World Bank - The Pink Sheet

Public Finance

- As a proportion of budget estimate, fiscal deficit during April-December 2011 was 92.3 per cent and revenue deficit was 93.1 per cent.

Table 17 : Trends in Central Government Finances during April-December 2011

	Budget	April-December		Col.3 as	Col. 4 as	Per cent Change	
	Estimates			per cent of	per cent of	over preceding year	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
				BE	BE		(4/3)
(₹ core)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	7,89,892	584,268	498,491	85.6	63.1	50.1	-14.7
Gross tax revenue	9,32,440	527,782	592,348	70.7	63.5	26.8	12.2
Tax (net to Centre)	6,64,457	391,148	420,414	73.2	63.3	27.2	7.5
Non Tax	1,25,435	193,120	78,077	130.4	62.2	136.4	-59.6
2. Capital Receipts	4,67,837	202,584	397,870	47.5	85.0	-36.3	96.4
of which:							
Recovery of loans	15,020	8,591	14,115	167.5	94.0	115.7	64.3
Other Receipts	40,000	22,744	2,743	56.9	6.9	428.2	-87.9
Borrowings and other liabilities	4,12,817	171,249	381,012	44.9	92.3	-44.8	122.5
3. Total Receipts (1+2)	12,57,729	786,852	896,361	71.0	71.3	11.2	13.9
4. Non-Plan Expenditure (a)+(b)	8,16,182	536,898	619,457	73.0	75.9	7.9	15.4
(a) Revenue Account	7,33,558	487,692	550,692	75.8	75.1	5.8	12.9
of which:							
Interest payments	2,67,986	146,304	179,429	58.8	67.0	12.5	22.6
Major Subsidies	1,34,211	94,318	104,181	86.8	77.6	-2.5	10.5
Pensions	54,521	40,210	40,454	93.9	74.2	7.3	0.6
(b) Capital Account	82,624	49,206	68,765	53.5	83.2	35.1	39.7
5. Plan Expenditure (i)+(ii)	4,41,547	249,954	276,904	67.0	62.7	18.9	10.8
(i) Revenue Account	3,63,604	212,885	233,903	67.6	64.3	18.6	9.9
(ii) Capital Account	77,943	37,069	43,001	63.9	55.2	21.1	16.0
6. Total Expenditure (4)+(5)=(a)+(b)	12,57,729	786,852	896,361	71.0	71.3	11.2	13.9
(a) Revenue Expenditure	10,97,162	700,577	784,595	73.1	71.5	9.4	12.0
(b) Of which Grants for creation of Capital Assets	1,46,853	35,361	84,149	113.0	57.3	28.7	138.0
(c) Capital Expenditure	160,567	86,275	111,766	57.5	69.6	-	29.5
7. Revenue Deficit	307,270	116,309	286,104	42.1	93.1	-53.7	146.0
8. Effective Revenue Deficit(7-6(b))	1,60,417	80,948	201,955	33.0	125.9	-	149.5
9. Fiscal Deficit	4,12,817	171,249	381,012	44.9	92.3	-44.8	122.5
10. Primary Deficit	1,44,831	24,945	201,583	18.8	139.2	-86.1	708.1

Source: Review of Union Government Accounts, December 2011, Ministry of Finance.