

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

MARCH 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 as compared to the revised growth of 8.4 per cent during 2010-11. The growth in real GDP is placed at 6.1 per cent in the third quarter of 2011-12.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 55.25 million tonnes as on February 1, 2012.
- Overall growth in the Index of Industrial Production (IIP) was 4.1 per cent during February 2012 as compared to 6.7 per cent in February 2011. During April-February 2011-12, IIP growth was 3.5 per cent as compared to 8.1 per cent during April-February 2010-11.
- Eight core Infrastructure industries grew by 6.8 per cent in February 2012 as compared to the growth of 6.4 per cent in February 2011. During April-February 2011-12, these sectors grew by 4.4 per cent as compared to 5.8 per cent during April-February 2010-11.
- Broad money (M₃) (up to March 23, 2012) increased by 13.0 per cent as compared to 16.1 per cent during the corresponding period of the last year.
- Exports, in US dollar terms increased by 4.28 per cent and imports increased by 20.65 per cent, during February 2012 over February 2011. The cumulative growth for April-February 2012 was 21.42 per cent and 29.41 per cent for exports imports respectively.
- Foreign Currency Assets stood at US\$ 260.7 billion at end March 2012 as compared to US\$ 274.6 billion at end March 2011.
- Rupee depreciated against US dollar, Pound Sterling and Euro and appreciated against Japanese Yen in the month of March 2012 over February 2012.
- Year-on-year inflation in terms of Wholesale Price Index was 6.89 per cent for the month of March 2012 as compared to 9.68 per cent in the corresponding month last year.
- Gross tax revenue April-February 2011-12 has increased by 12 per cent in comparison to the corresponding period in the previous year.

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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 6.1 per cent in the third quarter of 2011-12; agriculture grew by 2.7 per cent; industry by 2.6 per cent and services by 8.9 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	Q3
1. Agriculture, forestry & fishing	1.6	2.5	-1.4	1.1	3.1	4.9	11.0	7.5	3.9	3.2	2.7
Industry	5.3	7.7	9.7	12.4	8.3	5.7	7.6	6.1	5.0	3.2	2.6
2. Mining & quarrying	7.5	7.0	5.4	8.9	6.9	7.3	6.1	1.7	1.8	-2.9	-3.1
3. Manufacturing	5.4	8.9	11.3	15.2	9.1	6.1	7.8	5.5	7.2	2.7	0.4
4. Electricity, gas & water supply	5.9	7.0	4.0	7.3	2.9	0.3	3.8	7.8	7.2	9.8	9.0
5. Construction	4.4	5.8	9.2	9.2	8.4	6.0	8.7	8.2	1.2	4.3	7.2
Services	10.2	12.5	9.3	10.2	10.0	9.1	7.7	8.7	10.0	9.3	8.9
6. Trade, hotels, transport & communication	8.4	10.3	10.6	13.7	12.7	10.8	9.8	9.3	12.7	9.8	9.2
7. Financing, insurance, real estate & bus.	11.2	10.6	8.3	6.3	10.0	10.4	11.2	9.0	9.0	10.5	9.0
8. Community, social & personal services	13.0	19.3	8.0	8.3	4.4	4.5	-0.8	7.0	5.6	6.6	7.9
9. GDP at factor cost (total 1 to 8)	7.5	9.8	7.4	9.4	8.5	7.6	8.3	7.8	7.7	6.9	6.1

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 pre-monsoon season 2012, as on 11.4.2012 has been 24.0 mm as against the normal at 43.1 mm.

All India production of food grains : As per the second advance estimates released by Ministry of Agriculture on 03.02.2012, production of food grains during 2011-12 is estimated at 250.42 million tonnes compared to 244.78 million tonnes in 2010-11 (final estimates).

Procurement: Procurement of rice as on 1st February, 2012 (Kharif Marketing Season 2011-12) at 21.64 million tonnes represents an increase of 14.9 per cent compared to the corresponding date last year. Wheat procurement during Rabi Marketing Season 2011-12 is 28.34 million tonnes as compared to 22.51 million tonnes during the corresponding period last year.

	Table 3: Procurement in Million Tonnes		
	2009-10	2010-11	2011-12
Rice(Oct-Sept)	32.0	34.2	26.8*
Wheat(Apr-Mar)	25.4	22.5	28.3**
Total	57.4	56.7	55.1
* Position as on 1.3.2012. ** Position as on 12.12.2011			

Off-take: Off-take of rice during the

month of January, 2012 was 26.06 lakh tonnes. This comprises 20.60 lakh tonnes under TPDS and 5.46 lakh tonnes under other schemes. In respect of wheat, the total off take was 21.66 lakh tonnes comprising of 16.21 lakh tonnes under TPDS and 5.45 lakh tonnes under other schemes.

Stocks: Stocks of food-grains (rice and wheat) held by FCI as on February 1, 2012 were 55.25 million tonnes, which is higher by 17.2 per cent over the level of 47.17 million tonnes as on February 1, 2011.

Table 4: Off-take and stocks of foodgrains (Million Tonnes)					
	Off-take			Stocks	
	2009-10	2010-11	2011-12(Up to Jan 2012)	1-Feb, 2011	1-Feb, 2012
Rice	27.37	29.93	26.79	27.80	31.83
Wheat	22.34	23.07	19.97	19.37	23.43
Total	49.71	53.0	46.76	47.17	55.26

INDUSTRIAL PRODUCTION

Table 5: Percentage change in Index of Industrial Production					
Industry Group	2010-11	2010-11(Apr-Feb.)	2011-12(Apr-Feb.)	Feb. 2011	Feb. 2012
General index	8.1	8.1	3.5	6.7	4.1
Mining	5.8	5.8	-2.1	1.2	2.1
Manufacturing	8.7	8.7	3.7	7.5	4.0
Electricity	5.3	5.3	8.7	6.8	8.0
Use-based industrial groups					
Basic goods	5.9	5.5	5.9	5.5	7.5
Capital goods	14.7	-5.7	-1.8	-5.7	10.6
Intermediate goods	7.8	6.3	-0.9	6.3	-0.6
Consumer goods	8.1	13.4	4.8	13.4	-0.2
Durables	14.1	18.2	2.7	18.2	-6.7
Non-durables	3.5	9.7	6.5	9.7	5.1

February 2012, under use-based category, the growth rate in capital goods was 10.6 per cent followed by 7.5 per cent in basic goods and 5.1 per cent in consumer non-durable sectors. The intermediate goods, consumer goods including consumer durables sectors, registered negative growth during February 2012.

Table 6: Production growth (per cent) in core infrastructure-supportive industries					
Industry	2010-11	2010-11 (Apr-Feb.)	2011-12(Apr-Feb.)	Feb.11	Feb.12
Coal	-0.2	-0.1	0.4	-5.8	17.8
Crude oil	11.9	11.9	1.4	12.2	0.4
Natural Gas	10.0	12.3	-8.8	-7.3	-7.6
Refinery Products	3.0	2.5	3.4	3.2	6.2
Fertilizers	0.0	-0.3	0.3	4.8	4.1
Steel	8.9	9.2	6.8	18.5	4.3
Cement	4.5	4.3	6.4	6.5	10.8
Electricity	5.6	5.4	8.6	7.2	8.0
Overall growth	5.8	5.8	4.4	6.4	6.8

grew by 4.4 per cent during April-February 2011-12, as compared to growth rate of 5.8 per cent achieved during the corresponding period in 2010-11. During the month of February 2012, the overall growth of the core sector industries was 6.8 per cent as compared to the growth of 6.4 per cent during February 2012. During February 2012, the growth in coal was 17.8 per cent followed by cement 10.8 per cent, electricity 8.0 refinery products 6.2 per cent, steel 4.3 per cent, fertilizers 4.1 per cent and crude oil 0.4 per cent. The natural gas sector registered negative growth during February 2012.

During February 2012, the IIP growth was 4.1 per cent as compared to 6.7 per cent growth during the corresponding period of previous year. In electricity sector, the growth rate in February 2012 was 8.0 per cent followed by manufacturing sector 4.0 per cent and mining sector by 2.1 per cent. In

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

MONEY AND BANKING

The Reserve Bank of India released document on Macroeconomic & Monetary Developments in 2011-12 on April 16, 2012 and announced the Annual Monetary Policy for 2012-13 on April 17, 2012. The highlights of monetary policy measures announced by RBI are:

- Reduced the repo rate under the liquidity adjustment facility (LAF) by 50 basis points from 8.5 per cent to 8.0 per cent with immediate effect.
- The Reverse repo rate under the LAF, determined with a spread of 100 basis points below the repo rate, stands adjusted to 7.0 per cent with immediate effect.
- Raised the borrowing limit of scheduled commercial banks under the marginal standing facility (MSF) from 1 per cent to 2 per cent of their net demand and time liabilities (NDTL) outstanding at the end of second preceding fortnight with immediate effect. Banks can continue to access the MSF even if they have excess statutory liquidity ratio (SLR) holdings, as hitherto. The MSF rate, determined with a spread of 100 basis points above the repo rate, stands adjusted to 9.0 per cent with immediate effect.
- The Bank Rate stands adjusted to 9.0 per cent with immediate effect.
- The cash reserve ratio (CRR) of scheduled banks has been retained at 4.75 per cent of their NDTL.
- GDP growth for 2012-13 is projected at 7.3 per cent
- The baseline projection for WPI inflation for March 2013 is placed at 6.5 per cent.
- M3 growth for 2012-13, for policy purposes, is projected at 15 per cent.
- Aggregate deposits of SCBs are projected to grow by 16 per cent.
- Growth in non-food credit of SCBs is projected at 17 per cent.

Considerations behind the Policy Stance for 2012-13

- First, deceleration in growth in Q3 of 2011-12, though it is expected to have bottomed out and reported to recover moderately in Q4. Based on the current assessment, the economy is clearly operating below its post-crisis trend.
- Second, as earlier projected, headline WPI inflation as well as non-food manufactured products inflation moderated significantly by March 2012. During December-January, inflation softened on account of a decline in food prices, however, in the following two months, inflation softening was driven largely by moderation in the core components reflecting a slowdown in demand.

According to RBI, against this backdrop, the stance of monetary policy is intended to:

- Adjust policy rates to levels consistent with the current growth moderation.
- Guard against risks of demand-led inflationary pressures re-emerging.
- Provide a greater liquidity cushion to the financial system.

Expected Outcomes

- Stabilise growth around its current post-crisis trend;
- Contain risks of inflation and inflation expectations re-surfing; and
- Enhance the liquidity cushion available to the system.

Broad money (M₃) (up to March 23, 2012) increased by 13.0 per cent as compared to 16.1 per cent during the corresponding period of the last year.

Table 7: Money Stock: Components and Sources						
(Rs in Crore)						
Item	Outstanding as on		Variation over			
	2011	2012	Financial Year so far		Year-on-Year	
	Mar. 31	Mar. 23	2010-11	2011-2012	2011	2012
M₃	65,04120	73,47530	16.1	13.0	16.1	13.0
Components (i+ii+iii+iv)						
(i) Currency with the Public	9,11840	10,31310	19.8	13.1	19.2	12.2
(ii) Demand Deposits with Banks	7,22860	7,00210	—	-3.1	0.6	-2.5
(iii) Time Deposits with Banks	48,65770	56,14200	18.2	15.4	18.3	15.4
(iv) 'Other' Deposits with Reserve Bank	3650	1790	-8.4	-50.9	-37.3	-48.5
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	19,83900	23,48210	14.0	18.4	16.9	23.4
(a) Reserve Bank	3,96550	5,17100				
(b) Other Banks	15,87340	18,31110	8.9	15.4	8.8	15.4
(ii) Bank Credit to Commercial Sector (a+b)	42,36680	49,50280	21.3	16.8	21.2	16.9
(a) Reserve Bank	2160	3970	—	—	—	—
(b) Other Banks	42,345.1	49,46320	21.3	16.8	21.3	16.8
(iii) Net Foreign Exchange Assets of Banking Sector *	13,93340	15,14260	8.3	8.7	8.5	9.1
(iv) Government's Currency Liabilities to the Public	12720	14110	11.7	10.9	11.7	12.1
(v) Banking Sector's Net Non-Monetary Liabilities	11,22520	14,79340	21.9	31.8	27.6	42.7
of which:						
Net Non-Monetary Liabilities of RBI	3,68350	5,91490	20.3	60.6	16.6	63.0

* 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.

Source: RBI

Reserve money (M₀) during the financial year 2011-12 (up to March 30, 2012) showed increase of 4.4 per cent as compared to increase of 19.1 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 4.3 per cent as on March 30, 2012, compared to 19.0 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 increase of 10.8 per cent (during the financial year) as on March 30, 2012 as compared to increase of 7.8 per cent in the same period last year. The y-o-y growth rate of NFA, showed increase of 10.6 per cent as compared to increase of 8.1 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 (upto March 30, 2012), Bank credit showed increase of 19.3 per cent as compared to a increase of 21.5 per cent during the corresponding period of last year. The Non-Food credit during this period recorded increase of 19.4 per cent as compared to increase of 21.4 per cent during the corresponding period of last year.

The aggregate deposits with Scheduled Commercial Banks(SCBs) recorded an increase of 17.4 per cent (as on March 30, 2012) as against an increase of 15.9 per cent in the corresponding period of last year.

Items	2011-12 Outstanding as on (Rs. in crore)		Percentage Variation			
			Financial year so far		Year-on-year	
	March 25, 2011	March 30, 2012	2010-11	2011-12	2011	2012
Bank Credit	3938659	4704790	21.5	19.3	21.5	19.3
Non-Food credit	3874376	4625000	21.4	19.4	21.4	19.4
Aggregate deposits	5204703	6112480	15.9	17.4	15.9	17.4
Investments in Government. And other approved securities	1500039	1744960	8.4	16.2	8.4	16.2

Item / Week Ended	2011	2012
	April 1	March 30
Cash Reserve Ratio (per cent) ⁽¹⁾	6.00	4.75*
Bank Rate	6.00	9.50
Repo Rate	6.50	8.00**
Reverse Repo Rate	5.50	7.50
Prime Lending Rate ⁽²⁾	8.25 /9.50	10.00/10.75
Deposit Rate ⁽³⁾	7.75/9.50	8.50 / 9.25
Call Money Rate (Low / High) ⁽⁴⁾		
- Borrowings	7.61	9.95
- Lendings	7.61	9.95

** Announced by RBI on April 17, 2012 in its Annual Monetary Policy Statement 2012-13.
* Revised by RBI on March 9, 2012, which was effective from March 10, 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 March 30, 2012, Bank Rate was 9.50 per cent. Call money rates (borrowing & lending) were 9.95 per cent as compared with 7.61 per cent on the approximately corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during February 2012 increased by 4.28 per cent and imports increased by 20.65 per cent over February 2011. Oil imports increased by 39.45 per cent and non-oil imports increased by 13.50 per cent during February 2012 over February 2011.

Table 10 : Exports and imports (in US dollar million)					
Item	2009-10 (Apr-Mar)	2010-11 (Apr-Mar)	February		% Change in Feb. 2012
			2011	2012	
Exports	178751	251136	23608	24618	4.28
Imports	288373	369769	32973	39782	20.65
Oil imports	87136	105964	9078	12660	39.45
Non-Oil imports	201237	263805	23895	27122	13.50
Trade balance	-109621	-118633	-9365	-15164	

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			(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
Feb. 2012	1276962	260924	-10792	1714
Mar. 2012	1333954	260742	56992	-182

Source: RBI.

Exchange rate: The rupee depreciated by 2.3 per cent against US dollar, 2.5 per cent against Pound Sterling and 2.1 per cent against Euro and appreciated by 2.8 per cent against Japanese Yen in the month of March 2012 over February 2012.

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
Feb. 2012	49.1671	77.6597	0.6271	65.1006
Mar. 2012	50.3213	79.6549	0.6103	66.4807
* FEDAI Indicative Market Rates (on Monthly average basis).				

External assistance and debt service payments: Gross external aid in 2011-12 is ₹ 30205 crore as compared to ₹ 37879 crore during 2010-11. Net disbursement was ₹ 14955 crore in 2011-12 as compared to ₹ 24776 crore in 2010-11. Net transfers were ₹ 11089 crore in 2011-12 as compared to ₹ 21008 crore in 2010-11.

Table 13 : External Assistance and Debt Service Payments				
				(₹ crore)
	March 2012	During the Financial year 2011-12	March 2011	During the Financial year 2010-11
External Assistance (Government Account)				
1) Gross Disbursement	2327.90	22639.10	3143.14	30406.08
2) Repayments	1183.83	13585.88	1065.07	11774.23
3) Interest Payments	544.77	3501.03	492.35	3156.27
4) Net Disbursement (1-2)	1144.07	9053.22	2078.07	18631.85
5) Net Transfers (4-3)	599.30	5552.19	1585.72	15475.58
External Assistance (Non-Government Account)				
1) Gross Disbursement	0.00	4652.71	524.10	4692.46
2) Repayments	0.00	1663.71	90.70	1328.31
3) Interest Payments	0.00	365.39	15.16	612.16
4) Net Disbursement (1-2)	0.00	2989.00	433.40	3364.15
5) Net Transfers (4-3)	0.00	2623.61	418.24	2751.99
Government Grants				
1) Gross Disbursement	203.43	2846.97	280.76	2610.81
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)	203.43	2846.97	280.76	2610.81
5) Net Transfers (4-3)	203.43	2846.97	280.76	2610.81
Non-Government Grants				
1) Gross Disbursement	0.00	65.74	28.99	169.44
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	65.74	28.99	169.44
5) Net Transfers (4-3)	0.00	65.74	28.99	169.44
Grand Total				
1) Gross Disbursements	2531.33	30204.52	3976.99	37878.79
2) Repayments	1183.83	15249.59	1155.77	13102.54
3) Interest Payments	544.77	3866.42	507.51	3768.43
4) Net Disbursement (1-2)	1347.50	14954.93	2821.22	24776.25
5) Net Transfers (4-3)	802.73	11088.51	2313.71	21007.82

INFLATION

Wholesale Price Index (WPI 2004-05=100): The WPI inflation for the month of March 2012 is reported at 6.89 per cent as against 6.95 per cent last month and 9.68 per cent last year. The revised WPI inflation for January 2012 is 6.89 per cent as against 6.55 per cent reported earlier. Inflation for Primary Articles (Wt 20.12 %) for the month of March 2012 has increased to 9.62 per cent from 6.28 per cent in the last month. It was 13.44 per cent last year. Inflation for Food Articles (Wt 14.34 %) for the month of March 2012 has increased to 9.94 per cent from 6.07 per cent in the last month. Last year it was 9.41 per cent in the corresponding month. This is mainly on account of rice, fruits & vegetables (tomatoes, onions, potatoes, okra, cabbage, lemon), mutton, milk, and coffee. The average WPI inflation rate for last 12 months (Apr 2011 to Mar 2012) was 8.79 per cent as compared to 9.56 per cent during corresponding period in 2010-11. The build-up of inflation since March 2011 to March 2012 stood at 6.89 per cent as against 9.68 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	6.89	9.68	6.89	9.68	8.79	9.56
PRIMARY ARTICLES	20.12	9.62	13.44	9.62	13.44	9.66	17.75
<i>Food articles</i>	<i>14.34</i>	9.94	9.41	9.94	9.41	8.06	17.36
FUEL AND POWER	14.91	10.41	12.49	10.41	12.49	13.35	12.28
MANUFACTURED PDT.	64.97	4.87	7.45	4.87	7.45	7.23	5.70

Inflation based on Consumer Price Index: Inflation in Consumer Price Index for Industrial Workers (CPI-IW) increased to 7.57 per cent in February 2012 as compared to 5.32 per cent in the last month. CPI-IW food inflation (weight 46.20%) has increased to 5.08 per cent in February 2012 from 0.49 per cent in the last month. CPI-RL food inflation (weight 66.77%) has increased to 2.72 per cent in February 2012 from 0.50 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	8.99	9.52	9.71
Sep-11	10.00	10.06	9.43	9.25
Oct-11	9.87	9.39	9.36	9.73
Nov-11	9.46	9.34	8.95	9.14
Dec-11	7.74	6.49	6.37	6.72
Jan-12	6.89	5.32	4.92	5.27
Feb-12	6.95	7.57	6.34	6.68
Mar-12	6.89	-	-	-

Note: WPI inflation for Feb and Mar 2012 are provisional

Table 16: World Commodity Price Data

		Annual averages			Monthly averages		
		Jan-Dec	Jan-Dec	Jan-Mar	Jan	Feb	Mar
Commodity	Unit	2010	2011	2012	2011	2012	2012
Energy							
Coal, Australia	a/ \$/mt	98.97	120.94	112.04	115.90	115.15	105.08
Crude oil, average	a/ \$/bbl	79.04	104.01	112.52	107.07	112.69	117.79
Crude oil, Brent	a/ \$/bbl	79.64	110.94	118.60	111.16	119.70	124.93
Crude oil, Dubai	a/ \$/bbl	78.06	106.03	116.07	109.78	116.15	122.28
Crude oil, West Texas Int.	a/ \$/bbl	79.43	95.05	102.88	100.29	102.21	106.15
Natural gas, Europe	a/ \$/mmbtu	8.29	10.52	11.51	11.45	11.12	11.97
Agriculture Beverages							
Coffee, arabica	b/ ¢/kg	432.0	597.6	486.9	523.0	494.2	443.7
Tea, auctions (3) average	b/ ¢/kg	288.5	292.1	254.8	265.7	256.7	242.1
Food							
Coconut oil	b/ \$/mt	1124	1730	1400	1451	1411	1338
Copra	\$/mt	750	1157	933	965	945	888
Groundnut oil	b/ \$/mt	1404	1985	n.a.	n.a.	n.a.	n.a.
Palm oil	b/ \$/mt	901	1125	1106	1061	1106	1152
Palmkernel oil	\$/mt	1184	1648	1366	1366	1362	1370
Soybean meal	b/ \$/mt	378	398	391	367	387	420
Soybean oil	b/ \$/mt	1005	1299	1253	1218	1255	1287
Soybeans	b/ \$/mt	450	541	518	498	512	543
Grains							
Barley	b/ \$/mt	158.4	207.2	215.6	210.6	213.4	222.8
Maize	b/ \$/mt	185.9	291.7	277.7	272.8	279.5	280.7
Rice, Thailand, 25%	\$/mt	441.5	506.0	n.a.	534.0	n.a.	n.a.
Wheat, Canada	\$/mt	312.4	439.6	378.1	381.6	379.9	372.9
Sugar, world	b/ ¢/kg	46.93	57.32	52.75	51.94	53.18	53.13
Raw Materials							
Logs, Malaysia	b/ \$/cum	278.2	390.5	373.3	387.7	375.0	357.1
Plywood	¢/sheets	569.1	607.5	612.8	615.0	612.3	611.0
Cotton A Index	b/ ¢/kg	228.3	332.9	221.3	222.9	221.7	219.4
Rubber RSS3	b/ ¢/kg	365.4	482.3	385.3	362.6	400.3	392.9
Metals and Minerals							
Aluminum	b/ \$/mt	2173	2401	2179	2144	2208	2184
Copper	b/ \$/mt	7535	8828	8318	8040	8441	8471
Gold	\$/toz	1225	1568	1689	1652	1742	1674
Iron ore, spot, cfr China	\$/dmt	145.9	167.8	141.8	140.3	140.4	144.7
Steel cr coilsheet	c/ \$/mt	816	892	900	900	900	900

Source: World Bank - The Pink Sheet

Public Finance

- As a proportion of budget estimate, fiscal deficit during April-February 2011-12 was 119.6 per cent and revenue deficit was 124.1 per cent.

Table : 17 Trends in Central Government Finances during April - February 2011-12

	Budget	April-February		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)
(₹ Crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	7,89,892	670,366	592,929	98.3	75.1	46.1	-11.6
Gross tax revenue	9,32,440	627,568	703,590	84.1	75.5	27.9	12.1
Tax (net to Centre)	6,64,457	460,624	493,594	86.2	74.3	28.4	7.2
Non Tax	1,25,435	209,742	99,335	141.6	79.2	109.6	-52.6
2. Capital Receipts	4,67,837	308,339	514,035	72.3	109.9	-22.8	66.7
of which:							
Recovery of loans	15,020	10,506	17721	204.8	118.0	78.5	68.7
Other Receipts	40,000	22,745	2,743	56.9	6.9	77.9	-87.9
Borrowings and other liabilities	4,12,817	275,088	493,571	72.1	119.6	-27.8	79.4
3. Total Receipts (1+2)	12,57,729	978,705	1,106,964	88.3	88.0	14.0	13.1
4. Non-Plan Expenditure (a)+(b)	8,16,182	668,140	778,664	90.8	95.4	11.1	16.5
(a) Revenue Account	7,33,558	607,814	696,937	94.4	95.0	9.0	14.7
of which:							
Interest payments	2,67,986	201,169	236,013	80.9	88.1	13.5	17.3
Major Subsidies	1,34,211	113,668	126,016	104.6	93.9	3.7	10.9
Pensions	54,521	49,671	51,817	115.9	95.0	19.0	4.3
(b) Capital Account	82,624	60,326	81,727	65.5	98.9	37.8	35.5
5. Plan Expenditure (i)+(ii)	4,41,547	310,565	328,300	83.2	74.4	20.8	5.7
(i) Revenue Account	3,63,604	263,259	277,458	83.5	76.3	21.2	5.4
(ii) Capital Account	77,943	47,306	50,842	81.6	65.2	18.5	7.5
6. Total Expenditure (4)+(5)=(a)+(b)	12,57,729	978,705	1,106,964	88.3	88.0	14.0	13.1
(a) Revenue Expenditure	10,97,162	871,073	974,395	90.9	88.8	12.5	11.9
(b) Of which Grants for creation of Capital Assets	1,46,853	45,566	103,751	-	70.6	-	127.7
(c) Capital Expenditure	160,567	107,632	132,569	71.7	82.6	28.6	23.2
7. Revenue Deficit	307,270	200,707	381,466	72.6	124.1	-36.5	90.1
8. Effective Revenue Deficit(7-6(b))	1,60,417	155,141	277,715	63.3	173.1	-	79.0
9. Fiscal Deficit	4,12,817	275,088	493,571	72.1	119.6	-27.8	79.4
10. Primary Deficit	1,44,831	73,919	257,558	55.7	177.8	-63.7	248.4

Source: Review of Union Government Accounts, February 2012.