

**Ministry of Finance  
Department of Economic Affairs  
Economic Division  
4(3)/Ec. Dn. /2012**

**MONTHLY ECONOMIC REPORT**

**MAY 2012**

**HIGHLIGHTS**

- The overall growth of GDP at factor cost at constant prices, as per Revised Estimates, is estimated at 6.5 per cent in 2011-12 as compared to the growth of 8.4 per cent during 2010-11. The growth in real GDP is placed at 5.3 per cent in the fourth quarter of 2011-12.
- The cumulative rainfall received for the country as a whole, during the pre-monsoon, 2012 (June 1 – June 31), has been 42% below normal as on 13.06.2012.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 53.3 million tonnes as on April 1, 2012.
- Overall growth in the Index of Industrial Production (IIP) was 0.1 per cent during April 2012 as compared to 5.3 per cent in April 2011. During 2011-12, IIP growth was 2.8 per cent as compared to 8.2 per cent in 2010-11.
- Eight core Infrastructure industries registered a growth of 2.2 per cent in April 2012 as compared to growth of 4.2 per cent in April 2011. During 2011-12, these sectors grew by 4.4 per cent as compared to 6.6 per cent during 2010-11.
- Broad money (M<sub>3</sub>) (up to June 1, 2012) increased by 3.9 per cent as compared to 3.2 per cent during the corresponding period of the last year.
- Exports, in US dollar terms increased by 3.2 per cent and imports increased by 3.8 per cent, during April 2012 over April 2011.
- Foreign Currency Assets stood at US\$ 253.9 billion in end May 2012 as compared to US\$ 279.8 billion in end May 2011.
- Rupee depreciated against US dollar, Pound sterling, Japanese yen and Euro in the month of May 2012 over April 2012.
- Year-on-year inflation in terms of Wholesale Price Index was 7.55 per cent for the month of May 2012 as compared to 9.56 per cent in the corresponding month of last year.
- Gross tax revenue at ₹ 8,90,622 crore as per provisional accounts, registered a growth of 12.3 per cent compared to the corresponding period in the previous year.
- Tax revenue (net to Centre) at ₹6,31,886 crore during 2011-12 registered a growth of 10.9 per cent over previous year.
- As a proportion of revised estimate, fiscal deficit during 2011-12 was 97.7 per cent and revenue deficit was 97.4 per cent.

(J.K. Rathee)  
Assistant Adviser

## ECONOMIC GROWTH

As per the latest Revised Estimates (RE) of Central Statistics Office (CSO), the growth in real Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices was estimated at 6.5 per cent in 2011-12 as compared to 8.4 per cent in 2010-11 (Quick Estimate). At disaggregated level, this (RE 2011-12) comprises growth of 2.8 per cent in agriculture and allied activities, 3.4 per cent in industry and 8.9 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 GDP is placed at 5.3 per cent in the fourth quarter of 2011-12; agriculture grew by 1.7 per cent; industry by 1.9 per cent and services by 7.9 per cent.

Industry	Growth			Percentage share in GDP		
	2009-10	2010-11 <sup>QE</sup>	2011-12 <sup>RE</sup>	2009-10	2010-11 <sup>QE</sup>	2011-12 <sup>RE</sup>
<b>1 Agriculture, forestry &amp; fishing</b>	<b>1.0</b>	<b>7.0</b>	<b>2.8</b>	<b>14.7</b>	<b>14.5</b>	<b>14.0</b>
<b>2 Industry</b>	<b>8.4</b>	<b>7.2</b>	<b>3.4</b>	<b>28.1</b>	<b>27.8</b>	<b>27.0</b>
a Mining & quarrying	6.3	5.0	-0.9	2.3	2.2	2.1
b Manufacturing	9.7	7.6	2.5	16.0	15.8	15.3
c Electricity, gas & water supply	6.3	3.0	7.9	2.0	1.9	1.9
d Construction	7.0	8.0	5.3	7.9	7.9	7.8
<b>3 Services</b>	<b>10.5</b>	<b>9.3</b>	<b>8.9</b>	<b>57.2</b>	<b>57.7</b>	<b>59.0</b>
a Trade, hotels, transport & communication	10.3	11.1	9.9	26.6	27.2	28.1
b Financing, insurance, real estate & business services	9.4	10.4	9.6	17.1	17.4	17.9
c Community, social & personal services	12.0	4.5	5.8	13.5	13.1	13.0
<b>4 GDP at factor cost</b>	<b>8.4</b>	<b>8.4</b>	<b>6.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>QE</sup>: Quick Estimates; <sup>RE</sup>: Revised Estimates

Items	2010-11				2011-12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1. Agriculture, forestry &amp; fishing</b>	<b>3.1</b>	<b>4.9</b>	<b>11.0</b>	<b>7.5</b>	<b>3.7</b>	<b>3.1</b>	<b>2.8</b>	<b>1.7</b>
<b>Industry</b>	<b>8.3</b>	<b>5.7</b>	<b>7.6</b>	<b>7.0</b>	<b>5.6</b>	<b>3.7</b>	<b>2.5</b>	<b>1.9</b>
2. Mining & quarrying	6.9	7.3	6.1	0.6	-0.2	-5.4	-2.8	4.3
3. Manufacturing	9.1	6.1	7.8	7.3	7.3	2.9	0.6	-0.3
4. Electricity, gas & water supply	2.9	0.3	3.8	5.1	8.0	9.8	9.0	4.9
5. Construction	8.4	6.0	8.7	8.9	3.5	6.3	6.6	4.8
<b>Services</b>	<b>10.0</b>	<b>9.1</b>	<b>7.7</b>	<b>10.6</b>	<b>10.2</b>	<b>8.8</b>	<b>8.9</b>	<b>7.9</b>
6. Trade, hotels, transport & communication	12.6	10.6	9.7	11.6	13.8	9.5	10.0	7.0
7. Financing, insurance, real estate & bus.	10.0	10.4	11.2	10.0	9.4	9.9	9.1	10.0
8. Community, social & personal services	4.4	4.5	-0.8	9.5	3.2	6.1	6.4	7.1
<b>9. GDP at factor cost (total 1 to 8)</b>	<b>8.5</b>	<b>7.6</b>	<b>8.2</b>	<b>9.2</b>	<b>8.0</b>	<b>6.7</b>	<b>6.1</b>	<b>5.3</b>

## 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 16.05.2012 has been 29.2 mm as against the normal at 50.6 mm.

**All India production of food grains :** As per the 3rd advance estimates released by Ministry of Agriculture on 23.04.2012, production of food grains during 2011-12 is estimated at 252.56 million tonnes compared to 244.78 million tonnes in 2010-11(final estimates).

**Procurement:** Procurement of rice as on 2<sup>nd</sup> April, 2012 (Kharif Marketing Season 2011-12) at 29.25 million tonnes represents an increase of 16.12 per cent compared to the corresponding date last year. Wheat procurement during Rabi Marketing Season 2012-13 is 0.79 million tonnes as compared to 0.42 million tonnes during the corresponding period last year.

	<b>Table 3: Procurement in Million Tonnes</b>			
	2009-10	2010-11	2011-12	2012-13
Rice(Oct-Sept)	32.03	34.20	31.80*	0
Wheat(Apr-Mar)	25.38	22.51	28.34	28.78**
Total	57.41	56.71	60.14	28.78
* Position as on 1.3.2012. ** Position as on 14.05.2012				

**Off-take:**  
Off-take of rice during

the month of March, 2012 was 27.01 lakh tonnes. This comprises 19.55 lakh tonnes under TPDS and 7.46 lakh tonnes under other schemes. In respect of wheat, the total off take was 20.89 lakh tonnes comprising of 14.63 lakh tonnes under TPDS and 6.26 lakh tonnes under other schemes.

**Stocks:** Stocks of food-grains (rice and wheat) held by FCI as on April 1, 2012 were 53.30 million tonnes, which is higher by 20.64 per cent over the level of 44.18 million tonnes as on April 1, 2011.

<b>Table 4: Off-take and stocks of food grains (Million Tonnes)</b>					
	<b>Off-take</b>			<b>Stocks</b>	
	2009-10	2010-11	2011-12	1-Apr. 2011	1-Apr. 2012
<b>Rice</b>	27.37	29.93	32.12	28.82	33.35
<b>Wheat</b>	22.35	23.07	24.26	15.36	19.95
<b>Total</b>	49.72	53.00	56.38	44.18	53.30

## INDUSTRIAL PRODUCTION

Industry Group	2010-11	2011-12	Apr 2011	Apr 2012
General index	8.2	2.8	5.3	0.1
Mining	5.2	-1.9	1.6	-3.1
Manufacturing	8.9	3.0	5.7	0.1
Electricity	5.5	8.2	6.5	4.6
Basic goods	6.0	5.5	7.1	2.3
Capital goods	14.8	-4.0	6.6	-16.3
Intermediate goods	7.4	-0.9	3.9	-1.4
Consumer goods	8.5	4.4	3.2	5.2
Durables	14.2	2.6	1.6	5.0
Non-durables	4.2	5.9	4.6	5.4

During April 2012, the IIP growth was 0.1 per cent as compared to 5.3 per cent growth during the corresponding period of previous year. In electricity sector, the growth rate in April 2012 was 4.6 per cent and in manufacturing sector, the growth rate was 0.1 per cent. The mining sector has registered negative growth during April 2012. In April 2012, under use-based category, the growth rate in basic goods was 2.3 per cent, consumer goods 5.2 per cent (in consumer non-durables 5.4 per cent and in consumer durables 5.0 per cent). The capital goods and intermediate goods sectors have registered negative growth during April 2012.

Industry	2010-11	2011-12	Apr 2011	Apr 2012
Coal	-0.2	1.2	2.7	3.8
Crude oil	11.9	1.0	11.0	-1.3
Natural Gas	10.0	-8.9	-9.3	-11.3
Refinery Products	3.0	3.2	6.6	-2.8
Fertilizers	0.0	0.4	-1.3	-9.3
Steel	13.2	7.0	2.9	5.8
Cement	4.5	6.7	0.1	8.6
Electricity	5.6	8.1	6.4	4.6
<b>Overall growth</b>	<b>6.6</b>	<b>4.4</b>	<b>4.2</b>	<b>2.2</b>

**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-March 2011-12, as compared to growth rate of 6.6 per cent achieved during the corresponding period in 2010-11. During the month of April 2012, the overall growth of the core sector industries was 2.2 per cent as compared to the growth of 4.2 per cent during April 2011. During April 2012, the growth in cement was 8.6 per cent followed by steel 5.8 per cent, electricity 4.6 per cent and coal 3.8 per cent. The crude oil, natural gas, refinery products and fertilizers sectors have registered negative growth during April 2012.

During April 2012, the IIP growth was 0.1 per cent as compared to 5.3 per cent growth during the corresponding period of previous year. In electricity sector, the growth rate in April 2012 was 4.6 per cent and in manufacturing sector, the growth rate was 0.1 per cent. The mining sector has registered negative growth during April 2012. In April 2012, under use-based category, the growth rate in basic goods was 2.3 per cent, consumer goods 5.2 per cent (in consumer non-durables 5.4 per cent and in consumer durables 5.0 per cent). The capital goods and intermediate goods sectors have registered negative growth during April 2012.

**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-March 2011-12, as compared to growth rate of 6.6 per cent achieved during the corresponding period in 2010-11. During the month of April 2012, the overall growth of the core sector industries was 2.2 per cent as compared to the growth of 4.2 per cent during April 2011. During April 2012, the growth in cement was 8.6 per cent followed by steel 5.8 per cent, electricity 4.6 per cent and coal 3.8 per cent. The crude oil, natural gas, refinery products and fertilizers sectors have registered negative growth during April 2012.

## MONEY AND BANKING

The RBI released its Mid-First Quarter Review for 2012-13 on June 18, 2012. On the basis of an assessment of the current macroeconomic situation, it decided as follows:

- the cash reserve ratio (CRR) of scheduled banks was kept unchanged at 4.75 per cent of their net demand and time liabilities; and
- the policy repo rate under the liquidity adjustment facility (LAF) was kept unchanged at 8.0 per cent.

Consequently, the reverse repo rate under the LAF will remain unchanged at 7.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 9.0 per cent.

With a view to enhancing the credit flow to the export sector, RBI enhanced the eligible limit of the Export Credit Refinance (ECR) facility for scheduled banks (excluding RRBs) from 15 per cent of the outstanding export credit eligible for refinance to 50 per cent, effective fortnight beginning June 30, 2012. This will provide additional liquidity support to banks of over Rs 300 billion. The rate of interest charged on the ECR facility will continue to be the prevailing repo rate under the Liquidity Adjustment Facility(LAF), which is currently 8.0 per cent.

<b>Table 7. Money Stock: Components and Sources</b>						
<i>(Rs Billion)</i>						
Item	Outstanding as on		Variation over (%)			
	2012		Financial Year so far		Year-on-Year	
	Mar. 31	Jun. 1	2011-2012	2012-2013	2011	2012
M <sub>3</sub>	73,440.7	76,284.2	3.2	3.9	17.3	13.7
Components (i+ii+iii+iv)						
(i) Currency with the Public	10,266.0	10,752.0	5.1	4.7	16.0	12.2
(ii) Demand Deposits with Banks	7,002.1	6,705.0	-11.8	-4.2	-2.6	5.1
(iii) Time Deposits with Banks	56,142.0	58,813.4	5.0	4.8	20.6	15.1
(iv) 'Other' Deposits with Reserve Bank	30.6	13.7	4.1	-55.1	5.3	-63.9
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	23,607.8	24,803.9	4.6	5.1	20.0	19.5
(a) Reserve Bank	5,296.7	5,389.6				
(b) Other Banks	18,311.1	19,414.3	7.3	6.0	12.4	14.0
(ii) Bank Credit to Commercial Sector (a+b)	49,502.8	50,556.5	1.2	2.1	20.9	17.9
(a) Reserve Bank	39.6	56.0	—	—	—	—
(b) Other Banks	49,463.2	50,500.5	1.2	2.1	20.9	17.8
(iii) Net Foreign Exchange Assets of Banking Sector *	15,236.7	16,148.7	3.0	6.0	11.6	12.5
(iv) Government's Currency Liabilities to the Public	141.1	141.1	1.9	—	12.6	8.8
(v) Banking Sector's Net Non-Monetary Liabilities	15,047.6	15,366.0	-1.8	2.1	29.3	39.4
of which:						
Net Non-Monetary Liabilities of RBI	5,975.4	6,899.7	9.3	15.5	30.8	71.3

\* Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

Note: Government balances as on March 31, 2012 are before closure of accounts.

Source: RBI

Reserve money (M<sub>0</sub>) during the financial year 2012-13 (up to June 1, 2012) showed increase of 0.8 per cent as compared to decline by 1.4 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 6.0 per cent as on June 1, 2012, compared to 17.4 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 showed increase of 6.2 per cent (during the financial year) as on June 1, 2012 as compared to increase of 3.2 per cent in the same period last year. The y-o-y growth

rate of NFA, showed increase of 14.0 per cent as compared to increase of 10.8 per cent on the corresponding date of the last year.

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

During the current financial year i.e. 2012-13 (upto June 1, 2012), Bank credit showed increase by 2.2 per cent as compared to decline of 1.1 per cent during the corresponding period of last year. The y-o-y growth variation revealed an increase of 18.3 per cent as compared to 21.0 per cent on the corresponding date of the previous year.

The Non-Food credit during this period increased by 1.5 per cent (June 1, 2012 over March 23, 2012) as compared to an increase of 0.8 per cent during the corresponding period of last year. The y-o-y growth variation revealed an increase of 18.6 per cent as compared to 21.5 per cent on the corresponding date of the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) recorded an increase of 3.9 per cent (as on June 1, 2012) as against an increase of 3.0 per cent in the corresponding period of last year. The y-o-y growth variation revealed an increase of 14.4 per cent as compared to 17.9 per cent on the corresponding date of the previous year.

Items	2012-13 Outstanding as on (Rs. in crore)		Percentage Variation			
			Financial year so far		Year-on-year	
			2011-12	2012-13	2011	2012
	March 30, 2012	June 1, 2012				
Bank Credit	4704790	4712190	1.1	2.2	21.0	18.3
Non-Food credit	4625000	4600140	0.1	-0.5	21.5	18.6
Aggregate deposits	6112480	6137770	3.0	3.9	17.9	14.4
Investments in Government. And other approved securities	1744960	1845930	7.5	6.2	12.1	14.4

Item / Week Ended	2011	2012
	June 3	June 1
Cash Reserve Ratio (per cent) <sup>(1)</sup>	6.00	4.75
Bank Rate	6.00	9.00
Repo Rate	7.25	8.00
Reverse Repo Rate	6.25	7.00
Prime Lending Rate <sup>(2)</sup>	9.25 / 10.0	10.00 / 10.50
Deposit Rate <sup>(3)</sup>	8.25 / 9.10	8.00 / 9.25
Call Money Rate (Low / High) <sup>(4)</sup>		
- Borrowings	7.30	8.10
- Lendings	7.30	8.10

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

**Interest rates (per cent per annum)** As on June 1, 2012, Bank Rate was 9.00 per cent. Call money rates (borrowing & lending) were 8.10 per cent as compared with 7.30 per cent on the approximately corresponding date of last year.

## EXTERNAL SECTOR

Exports, in US dollar terms increased by 3.2 per cent and imports increased by 3.8 per cent, during April 2012 over April 2011. Oil imports increased by 7.0 per cent and non-oil imports increased by 2.1 per cent during April 2012 over April 2011.

<b>Table 10 : Exports and imports (in US dollar million)</b>					
Item	2010-11	2011-12	April		% Change in April 2012
			2011	2012	
Exports	251136	303719	23690	24455	3.2
Imports	369769	488640	36541	37942	3.8
Oil imports	105964	155639	13004	13909	7.0
Non-Oil imports	263805	333001	23537	24033	2.1
Trade balance	-118633	-184922	-12850	-13486	

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
<b>At the end of</b>			<b>(over last year)</b>	
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
March, 2012	1333954	260742	107955	-13838
<b>2012-13</b>			<b>(over last month)</b>	
April 2012	1373463	261512	39509	770
May 2012	1432560	253910	59097	-7602

Source: RBI.

**Exchange rate:** : The rupee depreciated by 4.9 per cent against US dollar, 4.4 per cent against Pound sterling, 6.6 per cent against Japanese Yen and 2.2 per cent against Euro in the month of May 2012 over April 2012.

<b>Table 12 : Rupee per unit of foreign currency*</b>				
	US dollar	Pound Sterling	Japanese Yen	Euro
March, 2009	51.2287	72.9041	0.5251	66.9207
March, 2010	45.4965	68.4360	0.5018	61.7653
March 2011	44.9684	72.7070	0.5498	62.9660
March, 2012	50.3213	79.6549	0.6103	66.4807
<b>2012-13</b>				
April 2012	51.8121	82.9120	0.6379	68.1872
May 2012**	54.4736	86.7323	0.6833	69.6991

\* FEDAI Indicative Market Rates (on Monthly average basis).  
\*\* RBI reference rate.

**External assistance and debt service payments:** Gross external aid in April-May 2012 is ₹ 1714 crore as compared to ₹ 3526 crore during the corresponding period of last year. Net disbursement was ₹ 413 crore in April-May 2012 as compared to ₹ 2308 crore in April-May 2011. Net transfers were ₹ 3 crore in April-May 2012 as compared to ₹ 1931 crore in April-May 2011.

<b>Table 13 : External Assistance and Debt Service Payments</b>				
				(₹ crore)
	May 2012	During the Financial year 2012-13 (Apr-May)	May 2011	During the Financial year 2010-11(Apr-May)
<b>External Assistance (Government Account)</b>				
1) Gross Disbursement	977.51	1635.36	1932.27	2993.27
2) Repayments	887.02	1300.46	732.82	1094.54
3) Interest Payments	155.75	404.83	146.87	354.31
4) Net Disbursement (1-2)	90.49	334.90	1199.45	1898.73
5) Net Transfers (4-3)	-65.26	-69.93	1052.58	1544.42
<b>External Assistance (Non-Government Account)</b>				
1) Gross Disbursement	0.00	0.00	335.17	459.46
2) Repayments	0.00	0.00	70.87	123.14
3) Interest Payments	0.00	5.67	16.52	23.08
4) Net Disbursement (1-2)	0.00	0.00	264.30	336.32
5) Net Transfers (4-3)	0.00	-5.67	247.78	313.24
<b>Government Grants</b>				
1) Gross Disbursement	2.56	7.030	48.69	54.96
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)	2.56	70.30	48.69	54.96
5) Net Transfers (4-3)	2.56	70.30	48.69	54.96
<b>Non-Government Grants</b>				
1) Gross Disbursement	0.00	8.29	18.08	18.08
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	8.29	18.08	18.08
5) Net Transfers (4-3)	0.00	8.29	18.08	18.08
<b>Grand Total</b>				
1) Gross Disbursements	980.07	1713.95	2334.21	3525.77
2) Repayments	887.02	1300.46	803.69	1217.68
3) Interest Payments	155.75	410.50	163.39	377.39
4) Net Disbursement (1-2)	93.05	413.49	1530.52	2308.09
5) Net Transfers (4-3)	-62.70	2.99	1367.13	1930.70



## INFLATION

**Wholesale Price Index (WPI 2004-05=100):** The WPI inflation for the month of May 2012 is reported at 7.55 per cent as against 7.23 per cent last month and 9.56 per cent last year. The revised WPI inflation for March 2012 is 7.69 per cent as against 6.89 per cent reported earlier. Inflation for Primary Articles (Wt 20.12%) for the month of May 2012 has increased to 10.88 per cent from 9.71 per cent in the last month. It was 12.92 per cent last year. Inflation for Food Articles (Wt 14.34%) for the month of May 2012 has increased to 10.74 per cent from 10.49 per cent in the last month. Last year it was 8.25 per cent in the corresponding month. This is mainly on account of wheat, barley, ragi, pulses (gram, masur) and vegetables (potatoes, cabbage). The average WPI inflation rate for last 12 months (Jun 2011 to May 2012) was 8.51 per cent as compared to 9.40 per cent during corresponding period in 2011-12. The build-up of inflation since March to May 2012 stood at 1.80 per cent as against 1.94 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)	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>ALL COMMODITIES</b>	<b>100.00</b>	1.80	1.94	7.55	9.56	8.51	9.40
PRIMARY ARTICLES	20.12	3.99	3.56	10.88	12.92	9.24	16.60
<i>Food articles</i>	14.34	4.67	4.08	10.74	8.25	7.53	13.72
FUEL AND POWER	14.91	0.62	1.78	11.53	12.32	13.36	12.08
MANUFACTURED PDT.	64.97	1.19	1.33	5.02	7.43	6.90	5.87

**Inflation based on Consumer Price Index:** Inflation in Consumer Price Index for Industrial Workers (CPI-IW) increased to 10.22 per cent in April 2012 as compared to 8.65 per cent in the last month. CPI-IW food inflation (weight 46.20%) has increased to 10.66 per cent in April 2012 from 8.16 per cent in the last month. CPI-Rural Labourers food inflation (weight 66.77%) has increased to 5.64 per cent in April 2012 from 4.10 per cent in last month.

	WPI	CPI-IW	CPI-AL	CPI-RL	CPI(NS)
<b>Base :-&gt;</b>	2004-05	2001	1986-87	1986-87	2010
May-11	9.56	8.72	9.63	9.63	NA
June-11	9.51	8.62	9.32	9.14	NA
July-11	9.36	8.43	9.03	9.03	NA
Aug-11	9.78	8.99	9.52	9.71	NA
Sep-11	10.00	10.06	9.43	9.25	NA
Oct-11	9.87	9.39	9.36	9.73	NA
Nov-11	9.46	9.34	8.95	9.14	NA
Dec-11	7.74	6.49	6.37	6.72	NA
Jan-12	6.89	5.32	4.92	5.27	7.65
Feb-12	7.36	7.57	6.34	6.68	8.83
Mar-12	7.69	8.65	6.84	7.19	9.38
Apr-12	7.23	10.22	7.84	8.01	10.26
May-12	7.55	-	-	-	10.36

Note: WPI inflation is provisional for Apr and May 2012. CPI (New Series) inflation is provisional for May-2012. NA: Not Available- Release of Inflation of CPI (NS) began from January 2012.

**Table 16: World Commodity Price Data**

Commodity	Unit	Annual averages			Monthly averages		
		Jan-Dec 2010	Jan-Dec 2011	Jan-May 2012	Mar 2012	Apr 2012	May 2012
<b>Energy</b>							
Coal, Australia	a/ \$/mt	98.97	120.94	106.48	105.08	101.62	94.66
Crude oil, average	a/ \$/bbl	79.04	104.01	111.06	117.79	113.67	104.09
Crude oil, Brent	a/ \$/bbl	79.64	110.94	117.35	124.93	120.46	110.52
Crude oil, Dubai	a/ \$/bbl	78.06	106.03	114.50	122.28	117.25	107.05
Crude oil, West Texas Int.	a/ \$/bbl	79.43	95.05	101.32	106.15	103.28	94.68
Natural gas, Europe	a/ \$/mmbtu	8.29	10.52	11.52	11.97	11.42	11.64
<b>Agriculture Beverages</b>							
Coffee, arabica	b/ ¢/kg	432.0	597.6	458.0	443.7	422.1	407.1
Tea, auctions (3) average	b/ ¢/kg	288.5	292.1	268.6	242.4	279.1	299.0
<b>Food</b>							
Coconut oil	b/ \$/mt	1,124	1,730	1,341	1,338	1,348	1,155
Copra	\$/mt	750	1,157	894	888	903	769
Groundnut oil	b/ \$/mt	1,404	1,985	n.a.	n.a.	n.a.	2,555
Palm oil	b/ \$/mt	901	1,125	1,117	1,153	1,181	1,085
Palmkernel oil	\$/mt	1,184	1,648	1,346	1,370	1,395	1,239
Soybean meal	b/ \$/mt	378	398	427	421	463	496
Soybean oil	b/ \$/mt	1,005	1,299	1,258	1,287	1,310	1,218
Soybeans	b/ \$/mt	450	541	540	543	575	573
<b>Grains</b>							
Barley	b/ \$/mt	158.4	207.2	224.2	222.8	237.2	237.1
Maize	b/ \$/mt	185.9	291.7	275.3	280.7	274	269.3
Rice, Thailand, 25%	\$/mt	441.5	506	n.a.	n.a.	n.a.	n.a.
Wheat, Canada	\$/mt	312.4	439.6	n.a.	372.9	n.a.	n.a.
Sugar, world	b/ ¢/kg	46.93	57.32	50.86	53.13	50.16	45.88
<b>Raw Materials</b>							
Logs, Malaysia	b/ \$/cum	278.2	390.5	368.1	357.1	353.7	367.0
Plywood	¢/sheets	569.1	607.5	612.3	611	611.6	611.6
Cotton A Index	b/ ¢/kg	228.3	332.9	216.0	219.4	220.3	195.2
Rubber RSS3	b/ ¢/kg	365.4	482.3	382.6	392.9	384.5	372.8
<b>Metals and Minerals</b>							
Aluminum	b/ \$/mt	2,173	2,401	2,119	2,184	2,050	2,008
Copper	b/ \$/mt	7,535	8,828	8,240	8,471	8,289	7,956
Gold	\$/toz	1,225	1,568	1,662	1,674	1,650	1,591
Iron ore, spot, cfr China	\$/dmt	145.9	167.8	141.9	144.7	147.6	136.6
Steel cr coilsheet	\$/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–March 2011-12 was 97.7 per cent and revenue deficit was 97.4 per cent.

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

Items	2010-11 Actuals	April- March 2011-12			Variations Prov. over	Provisional 2011-12	Per cent change 2011-12 (P)
		BE	RE	Provisonal	RE, 2011- 12 Absolute	as percent of RE	over 2010- 11 actual
(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>1. Revenue Receipts (2+3)</b>	<b>788471</b>	<b>789892</b>	<b>766989</b>	<b>756193</b>	<b>-10796</b>	<b>98.6</b>	<b>-4.1</b>
Gross tax revenue	793072	932440	901664	890622	-11042	98.8	12.3
<b>2. Tax (net to Centre)</b>	569869	664457	642252	631886	<b>-10366</b>	<b>98.4</b>	<b>10.9</b>
<b>3. Non Tax</b>	218602	125435	124737	124307	<b>-430</b>	<b>99.7</b>	<b>-43.1</b>
<b>4. Non-Debt Capital   Receipts(5+6)</b>	<b>35266</b>	<b>55020</b>	<b>29751</b>	<b>32519</b>	<b>2768</b>	<b>109.3</b>	<b>-7.8</b>
<b>5. Recovery of loans</b>	12420	15020	14258	16897	<b>2639</b>	<b>118.5</b>	<b>36.0</b>
<b>6. Disinvestment Proceeds</b>	22846	40000	15493	15622	<b>129</b>	<b>100.8</b>	<b>-31.6</b>
<b>7. Total Non-Debt Receipt   (1+4)</b>	<b>823737</b>	<b>844912</b>	<b>796740</b>	<b>788712</b>	<b>-8028</b>	<b>99.0</b>	<b>-4.3</b>
<i>Memo items</i>							
Corporation Tax	298688	359990	327680	323250	<b>-4430</b>	<b>98.6</b>	<b>8.2</b>
Income Tax	146587	172026	171879	171108	<b>-771</b>	<b>99.6</b>	<b>16.7</b>
Union Excise Duty	138299	164116	150696	145205	<b>-5491</b>	<b>96.4</b>	<b>5.0</b>
Customs	135813	151700	153000	149489	<b>-3511</b>	<b>97.7</b>	<b>10.1</b>
Service Tax	71016	82000	95000	97578	<b>2578</b>	<b>102.7</b>	<b>37.4</b>
<b>Total (Memo Items)</b>	<b>790403</b>	<b>929832</b>	<b>898255</b>	<b>886630</b>	<b>-11625</b>	<b>98.7</b>	<b>12.2</b>
<b>Devolution to States</b>	<b>219303</b>	<b>263458</b>	<b>255414</b>	<b>255414</b>	<b>0</b>	<b>100.0</b>	<b>16.5</b>
<b>8. Non-Plan Expenditure   (a+b)</b>	<b>818299</b>	<b>816182</b>	<b>892116</b>	<b>884931</b>	<b>-7185</b>	<b>99.2</b>	<b>8.1</b>
<b>(a) On Revenue Account</b>	726491	733558	815740	806820	<b>-8920</b>	<b>98.9</b>	<b>11.1</b>
<i>of which:</i>							
(1) Interest Payments	234022	267986	275618	272455	<b>-3163</b>	<b>98.9</b>	<b>16.4</b>
(2) Major Subsidies	164516	134411	208503	146951	<b>-61552</b>	<b>70.5</b>	<b>-10.7</b>
(3) Pensions	57405	54521	56190	57708	<b>1518</b>	<b>102.7</b>	<b>0.5</b>
<b>(b) On Capital Account</b>	91808	82624	76376	78111	<b>1735</b>	<b>102.3</b>	<b>-14.9</b>
<b>9. Plan Expenditure (a+b)</b>	<b>379029</b>	<b>441547</b>	<b>426604</b>	<b>413513</b>	<b>-13091</b>	<b>96.9</b>	<b>9.1</b>
<b>(a) Revenue Account</b>	314232	363604	346200	334095	<b>-12105</b>	<b>96.5</b>	<b>6.3</b>
<b>(b) Capital Account</b>	64797	77943	80404	79418	<b>-986</b>	<b>98.8</b>	<b>22.6</b>
<b>10. Total Expenditure   (8+9)</b>	<b>1197328</b>	<b>1257729</b>	<b>1318720</b>	<b>1298444</b>	<b>-20276</b>	<b>98.5</b>	<b>8.4</b>
11. Revenue Expenditure (8a+9a)	<b>1040723</b>	<b>1097162</b>	<b>1161940</b>	<b>1140915</b>	<b>-21025</b>	<b>98.2</b>	<b>9.6</b>
12. Grants for Capita Assets	<b>87487</b>	<b>146853</b>	<b>137505</b>	<b>132588</b>	<b>-4917</b>	<b>96.4</b>	<b>51.6</b>
13. Capital Expenditure (8b+9b)	<b>156605</b>	<b>160567</b>	<b>156780</b>	<b>157529</b>	<b>749</b>	<b>100.5</b>	<b>0.6</b>
<b>14. Revenue Deficit (1-11)</b>	252252	307270	394951	384722	<b>-10229</b>	<b>97.4</b>	<b>52.5</b>
<b>15. Effective Revenue   Deficit (14-12)</b>	164765	160417	257446	252134	<b>-5312</b>	<b>97.9</b>	<b>53.0</b>
<b>16. Fiscal Deficit (7-10)</b>	373591	412817	521980	509732	<b>-12248</b>	<b>97.7</b>	<b>36.4</b>
<b>17. Primary Deficit (14-   8(a)1)</b>	139569	144831	246362	237277	<b>-9085</b>	<b>96.3</b>	<b>70.0</b>

Source: Accounts of Union Government Accounts, 2011-12 (Provisional/Unaudited).