

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

**MONTHLY ECONOMIC REPORT  
MAY 2014**

**HIGHLIGHTS**

- The overall growth of GDP at factor cost at constant (2004-05) prices (real GDP) for 2013-14 is placed at 4.7 per cent as compared to 4.5 per cent for 2012-13 (as per the Provisional Estimates released on 30<sup>th</sup> May, 2014). The GDP growth rate is placed at 4.7 and 5.2 per cent respectively in the first and second quarters, and 4.6 per cent each in third and fourth quarters of 2013-14.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 69.84 million tonnes as on June 1, 2014 vis-à-vis the buffer stock norm of 21.20 million tonnes as on April 1, 2014 and 31.90 million tonnes as on July 1, 2014.
- Overall growth in the Index of Industrial Production (IIP) was 3.4 per cent in April 2014 as compared to 1.5 per cent in April 2013. In 2013-14, IIP registered a growth of (-) 0.1 vis-à-vis 1.1 per cent in 2012-13.
- Eight core infrastructure industries registered a growth of 4.2 per cent in April 2014 as compared to 3.7 per cent in April 2013. In 2013-14, these sectors grew by 2.7 per cent as compared to 6.5 per cent in 2012-13.
- Broad money (M<sub>3</sub>) for 2014-15 (up to May 30, 2014) increased by 2.7 per cent as compared to 2.8 per cent during the corresponding period of the last year. The year-on-year growth, as on May 30, 2014 was 13.2 per cent as compared to 12.5 per cent in the previous year.
- Exports increased by 12.4 per cent and imports declined by 11.4 per cent, in US dollar terms, in May 2014 over May 2013.
- Foreign Currency Assets stood at US\$ 287.3 billion at end-May 2014 as compared to US\$ 259.6 billion at end-May 2013.
- The Rupee appreciated against US dollar, Pound sterling, Japanese yen and Euro in the month of May 2014 over April 2014.
- The WPI inflation for all commodities for the month of May 2014 has increased to 6.01 per cent from 5.20 per cent in April 2014.
- Gross tax revenue in 2013-14 stood at Rs 1,138,832 crore, recording a growth of 9.9 per cent over 2012-13.
- As a proportion of revised estimate, fiscal deficit and revenue deficit during 2013-14 was 96.9 per cent and 97.3 per cent respectively.

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## ECONOMIC GROWTH

As per the Provisional Estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05 prices) is estimated at 4.7 per cent in 2013-14 with agriculture, industry and services registering growth rates of 4.7 per cent, 0.4 per cent and 6.8 per cent respectively. The GDP growth rate is placed at 4.7 per cent, 5.2 per cent in the first and second quarters respectively and 4.6 per cent each in the third and fourth quarters of 2013-14.

**Table 1: Growth of GDP at factor cost by economic activity (at 2004-05 prices)**

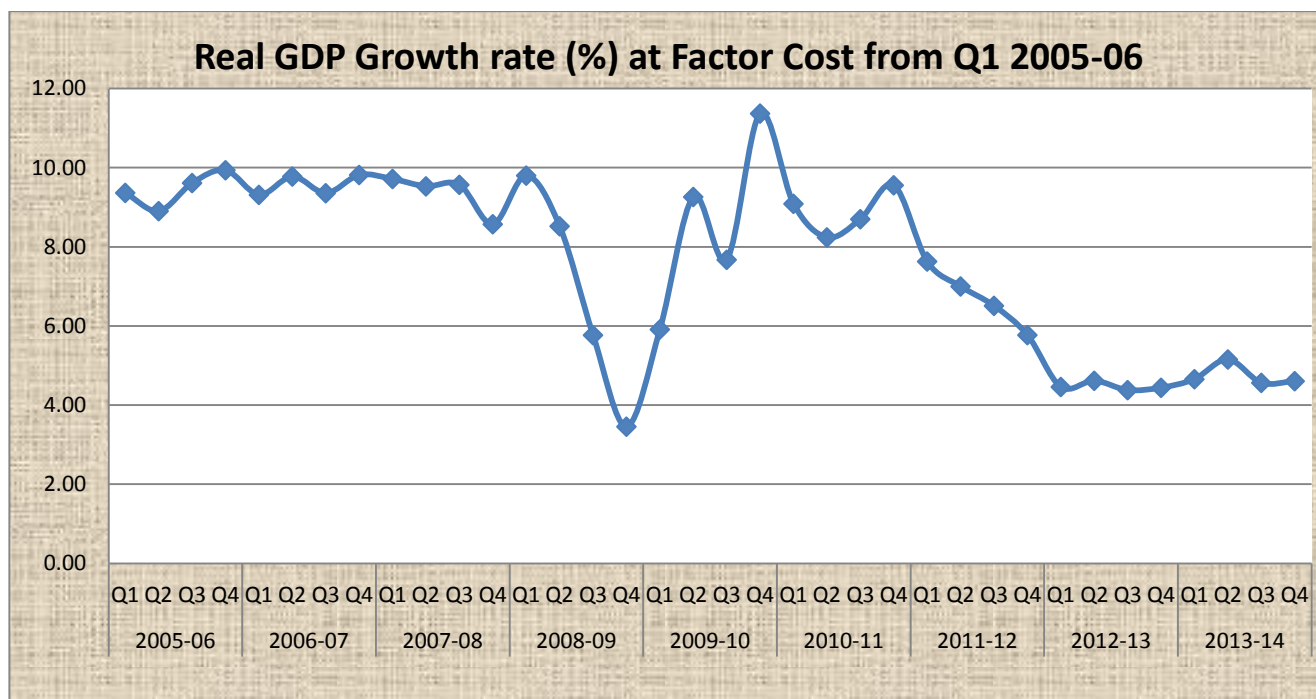
Sector		Growth			Percentage Share in GDP		
		2011-12	2012-13(1R)	2013-14 (PE)	2011-12	2012-13(1R)	2013-14 (PE)
<b>1</b>	<b>Agriculture, forestry &amp; fishing</b>	<b>5.0</b>	<b>1.4</b>	<b>4.7</b>	<b>14.4</b>	<b>13.9</b>	<b>13.9</b>
<b>2</b>	<b>Industry</b>	<b>7.8</b>	<b>1.0</b>	<b>0.4</b>	<b>28.2</b>	<b>27.3</b>	<b>26.1</b>
a	Mining & quarrying	0.1	-2.2	-1.4	2.1	2.0	1.9
b	Manufacturing	7.4	1.1	-0.7	16.3	15.8	14.9
c	Electricity, gas & water supply	8.4	2.3	5.9	1.9	1.9	1.9
d	Construction	10.8	1.1	1.6	7.9	7.7	7.4
<b>3</b>	<b>Services</b>	<b>6.6</b>	<b>7.0</b>	<b>6.8</b>	<b>57.4</b>	<b>58.8</b>	<b>59.9</b>
a	Trade, hotels, transport & communication	4.3	5.1	3.0	26.7	26.9	26.4
b	Financing, insurance, real estate & business services	11.3	10.9	12.9	18.0	19.1	20.6
c	Community, social & personal services	4.9	5.3	5.6	12.7	12.8	12.9
<b>4</b>	<b>GDP at factor cost</b>	<b>6.7</b>	<b>4.5</b>	<b>4.7</b>	<b>100</b>	<b>100</b>	<b>100</b>

1R: 1st Revised Estimates; PE: Provisional Estimates. Source: CSO.

**Table 2: Growth of Quarterly Estimates of GDP at Constant (2004-05) Prices**

Sector		2011-12				2012-13				2013-14			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1</b>	<b>Agriculture, forestry &amp; fishing</b>	<b>6.5</b>	<b>4.0</b>	<b>5.9</b>	<b>3.4</b>	<b>1.8</b>	<b>1.8</b>	<b>0.8</b>	<b>1.6</b>	<b>4.0</b>	<b>5.0</b>	<b>3.7</b>	<b>6.3</b>
<b>2</b>	<b>Industry</b>	<b>10.1</b>	<b>8.2</b>	<b>6.9</b>	<b>6.3</b>	<b>0.3</b>	<b>-0.4</b>	<b>1.7</b>	<b>2.1</b>	<b>-0.4</b>	<b>2.6</b>	<b>-0.4</b>	<b>-0.2</b>
a	Mining & quarrying	0.3	-4.6	-1.9	5.8	-1.1	-0.1	-2.0	-4.8	-3.9	0.0	-1.2	-0.4
b	Manufacturing	12.4	7.8	5.3	4.7	-1.1	0.0	2.5	3.0	-1.2	1.3	-1.5	-1.4
c	Electricity, gas & water supply	8.5	10.3	9.6	5.4	4.2	1.3	2.6	0.9	3.8	7.8	5.0	7.2
d	Construction	8.9	11.9	12.2	10.2	2.8	-1.9	1.0	2.4	1.1	4.4	0.6	0.7
<b>3</b>	<b>Services</b>	<b>6.7</b>	<b>7.0</b>	<b>6.5</b>	<b>6.1</b>	<b>7.2</b>	<b>7.6</b>	<b>6.9</b>	<b>6.3</b>	<b>7.2</b>	<b>6.3</b>	<b>7.2</b>	<b>6.4</b>
a	Trade, hotels, transport & communication	5.5	4.7	4.0	3.3	4.0	5.6	5.9	4.8	1.6	3.6	2.9	3.9
b	Financing, insurance, real estate and business services	11.3	12.0	11.1	11.0	11.7	10.6	10.2	11.2	12.9	12.1	14.1	12.4
c	Community, social & personal services	2.4	5.4	5.7	5.7	7.6	7.4	4.0	2.8	10.6	3.6	5.7	3.3
<b>4</b>	<b>9. GDP at factor cost</b>	<b>7.6</b>	<b>7.0</b>	<b>6.5</b>	<b>5.8</b>	<b>4.5</b>	<b>4.6</b>	<b>4.4</b>	<b>4.4</b>	<b>4.7</b>	<b>5.2</b>	<b>4.6</b>	<b>4.6</b>

Source: CSO.



### AGRICULTURE AND FOOD MANAGEMENT

**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 Monsoon period 01.06.2014 – 11.06.2014, has been 23.0 mm as against the normal at 41.0 mm. Rainfall has been in excess and normal in 8 sub divisions as compared to 30 during the corresponding period last year. As per the India Meteorological Department (IMD) Long Range Forecast report released on 9<sup>th</sup> June, 2014, the ESSO-IITM coupled dynamical model predicts moderate El-Nino conditions in the tropical Pacific for summer months and chances of El Nino occurring during monsoon are very high (more than 70%). On the other hand conditions in the tropical Indian Ocean are warmer than normal uniformly throughout the basin.

**All India production of foodgrains:** As per the 3<sup>rd</sup> advance estimates released by Ministry of Agriculture on 15.05.2014, production of total foodgrains during 2013-14 is estimated at 264.38 million tonnes as compared to 257.13 million tonnes in 2012-13.

<b>Table 3A: Production of Major Agricultural Crops (in Million Tonnes)</b>						
Crop	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (3 <sup>rd</sup> advance estimates)
<b>Rice</b>	99.18	89.09	95.98	105.30	105.24	106.29
<b>Wheat</b>	80.68	80.80	86.87	94.88	93.51	95.85
<b>Total Pulses</b>	14.57	14.66	18.24	17.09	18.34	19.57
<b>Total Food grains</b>	234.47	218.11	244.49	259.29	257.13	264.38
<b>Total Oilseeds</b>	27.72	24.88	32.48	29.79	30.94	32.41
<b>Sugarcane</b>	285.03	292.30	342.38	361.04	341.20	348.38

**Procurement:** Procurement of rice as on 13.06.2014 was 29.60 million tonnes during 2013-14 and procurement of wheat as on 13.06.2014 was 27.79 million tonnes during 2014-15.

<b>Crop</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Rice	34.20	35.04	34.04	29.60*	
Wheat	22.51	28.34	38.15	25.09	27.79*
<b>Total</b>	<b>56.71</b>	<b>63.38</b>	<b>72.19</b>	<b>54.69</b>	
* Position as on 13.06.2014					

**Off-take:** Off-take of rice during the month of April, 2014 was 21.54 lakh tonnes. This comprises 19.30 lakh tonnes under TPDS and 2.24 lakh tonnes under other schemes. In respect of wheat, the total off take was 17.91 lakh tonnes comprising of 16.19 lakh tonnes under TPDS and 1.72 lakh tonnes under other schemes.

**Stocks:** Stocks of foodgrains (rice and wheat) held by FCI as on June 1, 2014 were 69.84 million tonnes, lower by 10.1 per cent compared to the level of 77.70 million tonnes as on June 1, 2013.

<b>Crop</b>	<b>Off-take</b>			<b>Stocks</b>	
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14 (Up to April 1, 2014)</b>	<b>June 1, 2013</b>	<b>June 1, 2014#</b>
<b>Rice</b>	32.12	32.64	21.53	33.31	20.65
<b>Unmilled Paddy in terms of Rice</b>					7.61
<b>Wheat</b>	24.26	33.21	17.91	44.39	41.58
<b>Total</b>	<b>56.38</b>	<b>65.85</b>	<b>39.44</b>	<b>77.70</b>	<b>69.84</b>
Note: Buffer norms for rice and wheat are 14.20 million tonnes and 7.00 million tonnes respectively as on 1.4.2014 and 11.80 million tonnes & 20.10 million tonnes as on 01.07.2014 respectively. # Since September, 2013, FCI gives separate figures for rice and unmilled paddy lying with FCI & state agencies in terms of rice.					

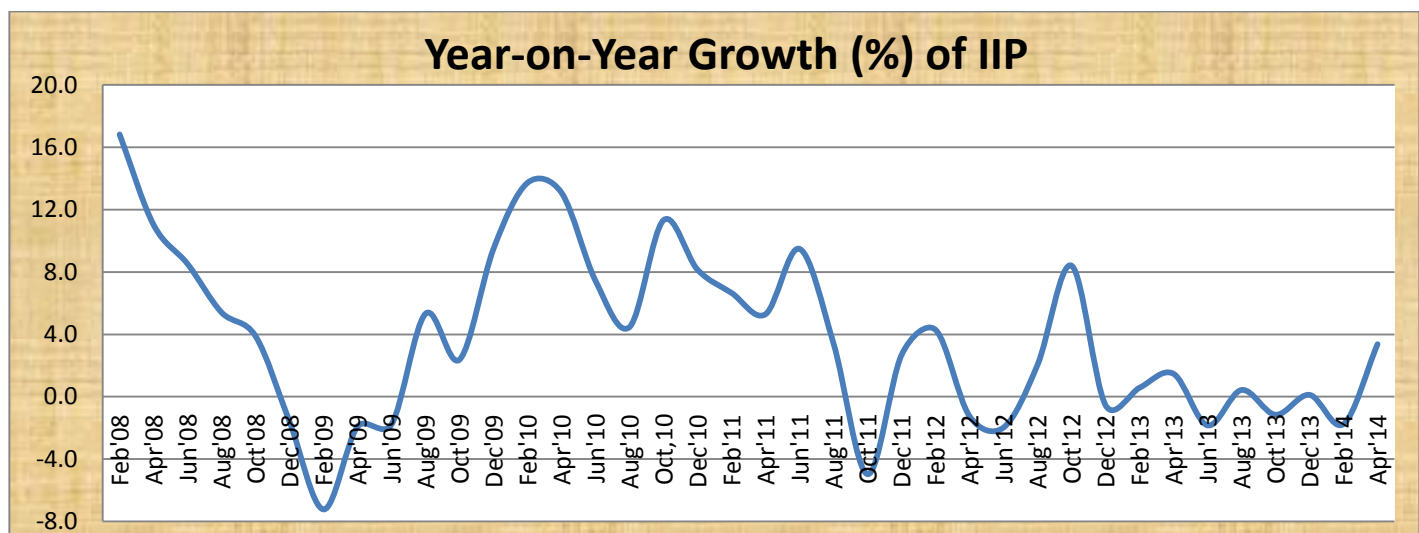
## INDUSTRIAL PRODUCTION

**Table 5: Percentage Change in Index of Industrial Production**

Industry Group	2012-13	2013-14	April 2013	April 2014
<b>General index</b>	<b>1.1</b>	<b>-0.1</b>	<b>1.5</b>	<b>3.4</b>
Mining	-2.3	-0.6	-3.4	1.2
Manufacturing	1.3	-0.8	1.8	2.6
Electricity	4.0	6.1	4.2	11.9
Basic goods	2.4	2.1	1.4	6.8
Capital goods	-6.0	-3.6	-0.3	15.7
Intermediate goods	1.6	3.1	2.5	4.4
Consumer goods	2.4	-2.7	1.7	-5.1
<i>Durables</i>	2.0	-12.2	-9.6	-7.6
<i>Non-durables</i>	2.8	5.0	11.3	-3.3

**Table 6: Production Growth (Per Cent) in Core Infrastructure-Supportive Industries**

Industry	2012-13	2013-14	April 2013	April 2014
Coal	4.6	0.7	1.2	3.3
Crude oil	-0.6	-0.2	-1.2	-0.1
Natural Gas	-14.5	-13.0	-17.4	-7.7
Refinery Products	29.0	1.7	6.2	-2.2
Fertilizers	-3.4	1.5	-2.4	11.1
Steel	4.1	4.9	10.1	3.1
Cement	7.7	3.0	5.2	6.7
Electricity	4.0	5.6	3.5	11.2
<b>Overall growth</b>	<b>6.5</b>	<b>2.7</b>	<b>3.7</b>	<b>4.2</b>



## MONEY AND BANKING

Broad money (M<sub>3</sub>) for 2014-15 (up to May 30, 2014) increased by 2.7 per cent as compared to 2.8 per cent during the corresponding period of the last year. The year-on-year growth, as on May 30, 2014 was 13.2 per cent as compared to 12.5 per cent in the previous year.

<b>Table 7: Money Stock: Components and Sources</b>						
<b>(Rs. Billion)</b>						
<b>Item</b>	<b>Outstanding as on 2014</b>		<b>Variation over</b>			
			<b>Financial Year so far</b>		<b>Year-on-Year</b>	
	<b>Mar. 31</b>	<b>May 30</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013</b>	<b>2014</b>
M3	95,066.4	97,622.6	2.8	2.7	12.5	13.2
1 Components						
1.1 Currency with the Public	12,482.9	13,092.9	3.1	4.9	9.5	11.3
1.2 Demand Deposits with Banks	8,062.8	8,439.8	-1.6	4.7	9.2	13.7
1.3 Time Deposits with Banks	74,501.7	76,070.7	3.2	2.1	13.4	13.5
1.4 'Other' Deposits with Reserve Bank	19.1	19.1	34.5	0.4	190.2	-56.1
2 Sources (2.1+2.2+2.3+2.4-2.5)						
2.1 Net Bank Credit to Government	30,504.6	30,957.1	4.9	1.5	14.1	8.9
2.1.1 Reserve Bank	7,077.5	6,699.5				
2.1.2 Other Banks	23,427.1	24,257.6	3.7	3.5	12.6	10.4
2.2 Bank Credit to Commercial Sector	64,497.0	65,045.1	2.1	0.8	13.8	12.4
2.2.1 Reserve Bank	88.4	82.9				
2.2.2 Other Banks	64,408.6	64,962.2	2.2	0.9	13.9	12.3
2.3 Net Foreign Exchange Assets of Banking Sector	18,998.4	19,197.6	2.3	1.0	2.4	14.7
2.4 Government's Currency Liabilities to the Public	171.7	171.7	2.5	-	14.6	9.2
2.5 Banking Sector's Net Non-Monetary Liabilities	19,105.2	17,748.8	3.6	-7.1	8.8	4.8
2.5.1 Net Non-Monetary Liabilities of RBI	8,524.2	8,268.7	6.1	-3.0	6.5	12.5

Source: RBI

Reserve money (M<sub>0</sub>) during the financial year 2014-15 (up to May 30, 2014) declined by 0.6 per cent as compared to increase of 1.7 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 11.8 per cent (up to May 30, 2014) compared to 7.1 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 (up to May 30, 2014), showed an increase of 1.1 per cent compared to an increase of 2.4 per cent on the corresponding date of the last year.

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

During the current financial year 2014-15 (up to May 30, 2014), Bank credit registered an increase of 1.2 per cent, as compared to 2.1 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 13.0 per cent as compared to 13.9 per cent during the same period in the previous year.

Non-Food credit during this period increased by 0.6 per cent as compared to 1.9 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 13.1 per cent compared to 14.4 per cent during the same period in the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) increased by 2.9 per cent (up to May 30, 2014), identical to the corresponding period last year. The y-o-y variation revealed an increase of 14.1 per cent as compared to 13.1 per cent in the previous year.

Items	2014-15		Financial year so far		Year-on-year	
	Outstanding as on ( Rs. billion)		2013-14	2014-15	2013	2014
	March 28, 2014	May 30, 2014				
Bank Credit	60131	60674	2.1	1.2	13.9	13.0
Non-Food credit	59146	59508	1.9	0.6	14.4	13.1
Aggregate deposits	77394	79289	2.9	2.9	13.1	14.1
Investments in Government. And other approved securities	22217	23037	3.8	4.1	12.7	10.6

Source: RBI

<b>Table 9 : Policy Rates/Interest Rates (per cent per annum)</b>		
<b>Item / Week Ended</b>	<b>2013</b>	<b>2014</b>
	<b>May 31</b>	<b>May 30</b>
Cash Reserve Ratio (per cent) <sup>(1)</sup>	4.00	4.00
Bank Rate	8.25	9.00
Repo Rate	7.25	8.00
Reverse Repo Rate	6.25	7.00
Prime Lending Rate <sup>(2)</sup>	9.70 / 10.25	10.00 / 10.25
Deposit Rate <sup>(3)</sup>	7.50 / 9.00	8.00 / 9.05
Call Money Rate (Weighted Average) <sup>(4)</sup>	7.22	7.78
<p>(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. Source: RBI</p>		

As on May 30, 2014, the Bank Rate was 9.00 per cent as compared to 8.25 per cent on the corresponding date of last year. As on May 30, 2014 call money rate (weighted average) was 7.78 per cent as compared with 7.22 per cent on the corresponding date of the previous year.

### EXTERNAL SECTOR

**Foreign trade:** Exports increased by 12.4 per cent and Imports declined by 11.4 per cent, in US dollar terms during May 2014 over May 2013. Oil imports increased by 2.5 per cent and Non-Oil imports decreased by 17.9 per cent during May 2014 over May 2013.

<b>Table 10: Exports and imports (in US\$ million)</b>								
<i>Item</i>	2011-12 (Apr-Mar)	2012-13 (Apr-Mar)	2013-14 (Apr-Mar)	April-May*		May*		% Change in May 2014
				2013-14	2014-15	2013	2014	
Exports	305964	300401	312610	49264	53633	24911	27999	12.4
Imports	489320	490737	450068	86310	74953	44285	39233	-11.4
<i>Oil</i>	154968	164041	165148	27173	27443	14120	14465	2.5
<i>Non-Oil</i>	334352	326696	284920	59137	47511	30165	24768	-17.9
<b>Trade balance</b>	-183356	-190336	-137458	-37046	-21321	-19374	-11235	-42.0
<i>Note:</i> * Provisional data as per the Press Note of the Ministry of Commerce and Industry.								



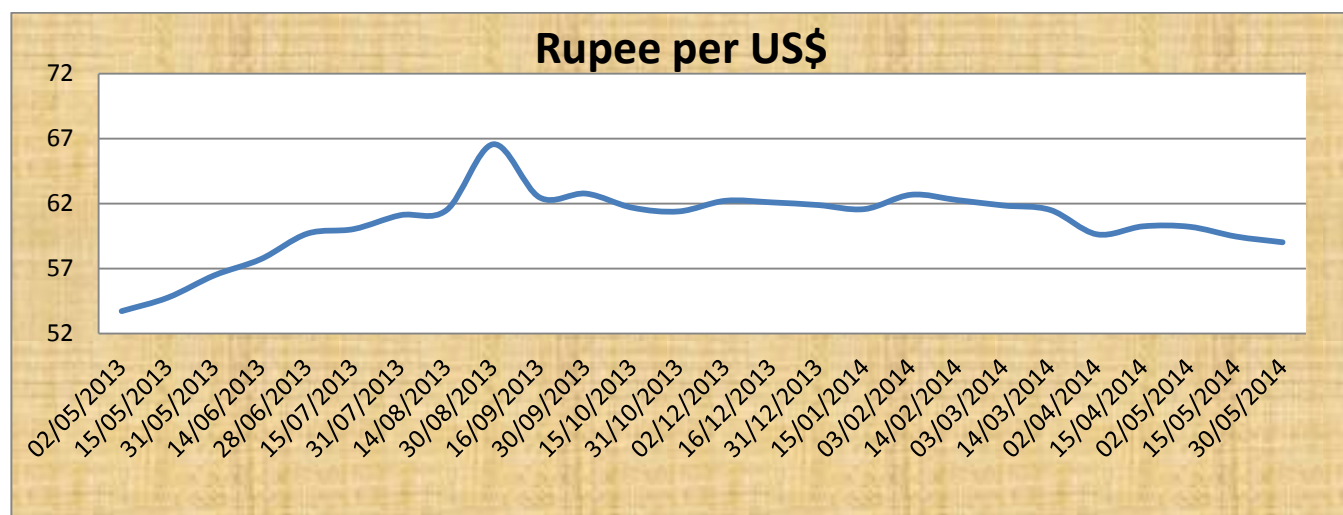
<b>Table 11: Foreign Currency Assets</b>				
	<b>Amount</b>		<b>Variation</b>	
	<b>Rs. Crore</b>	<b>US\$ million</b>	<b>Rs. Crore</b>	<b>US\$ million</b>
<b>At the end of</b>	<b>(over last year)</b>			
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
March, 2012	1333954	260742	107955	-13838
March, 2013	1418339	260775	84385	33
March, 2014	1672942	278361	254603	17586
<b>2014-15</b>	<b>(over last month)</b>			
April, 2014	1723905	285710	50963	7349
May, 2014	1695975	287290	-27930	1580

**Source: RBI.**

**Exchange rate:** The rupee appreciated by 1.8 per cent against US dollar, 1.1 per cent against Pound sterling, 1.0 per cent against Japanese yen and 2.3 per cent against Euro in the month of May 2014 over April 2014.

<b>Table 12 : Rupee per unit of foreign currency*</b>				
	<b>US dollar</b>	<b>Pound sterling</b>	<b>Japanese yen</b>	<b>Euro</b>
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
March 2013**	54.4046	82.0190	0.5744	70.5951
March 2014	61.0140	101.4083	0.5965	84.3621
<b>2014-15</b>				
April 2014	60.3566	101.0794	0.5886	83.3495
May 2014	59.3050	99.9398	0.5828	81.4886

\* FEDAI Indicative Market Rates (on monthly average basis). \*\* Data from March, 2013 onwards are based on RBI's reference rate.



**External assistance and debt service payments:** Gross external assistance during April-May 2014 stands at Rs. 2450.3 crore as compared to Rs. 3673.8 crore during the corresponding period of the previous year. Net disbursement stood at Rs. 796.8 crore during April-May 2014 as compared to Rs. 2067 crore during April-May 2013 while net transfers were Rs. 341.9 crore during April-May 2014 as compared to Rs. 1628.7 crore during April-May 2013.

<b>Table 13: External Assistance and Debt Service Payments (Rs. Crore)*</b>				
	<b>MAY 2014</b>	<b>During the Financial year 2014-15 up to May, 2014</b>	<b>MAY 2013</b>	<b>During the Financial year 2013-14 up to May, 2013</b>
<b><u>External Assistance (Government Account)</u></b>				
<b>1) Gross Disbursement</b>	916.57	2,070.60	1,311.14	2,770.91
<b>2) Repayments</b>	1,057.56	1,649.14	925.44	1,449.32
<b>3) Interest Payments</b>	176.52	454.58	147.57	408.90
<b>4) Net Disbursement (1-2)</b>	-140.99	421.46	385.70	1,321.59
<b>5) Net Transfers (4-3)</b>	-317.51	-33.12	238.13	912.69
<b><u>External Assistance (Non-Government Account)</u></b>				
<b>1) Gross Disbursement</b>	61.24	264.26	289.63	478.54
<b>2) Repayments</b>	0.00	4.31	155.18	157.50
<b>3) Interest Payments</b>	0.00	0.34	26.09	29.36
<b>4) Net Disbursement (1-2)</b>	61.24	259.95	134.45	321.04
<b>5) Net Transfers (4-3)</b>	61.24	259.61	108.36	291.68
<b><u>Government Grants</u></b>				
<b>1) Gross Disbursement</b>	32.35	115.41	393.18	424.37
<b>2) Repayments</b>	0.00	0.00	0.00	0.00
<b>3) Interest Payments</b>	0.00	0.00	0.00	0.00
<b>4) Net Disbursement (1-2)</b>	32.35	115.41	393.18	424.37
<b>5) Net Transfers (4-3)</b>	32.35	115.41	393.18	424.37
<b><u>Non-Government Grants</u></b>				
<b>1) Gross Disbursement</b>	0.00	0.00	0.00	0.00
<b>2) Repayments</b>	0.00	0.00	0.00	0.00
<b>3) Interest Payments</b>	0.00	0.00	0.00	0.00
<b>4) Net Disbursement (1-2)</b>	0.00	0.00	0.00	0.00
<b>5) Net Transfers (4-3)</b>	0.00	0.00	0.00	0.00
<b><u>Grand Total</u></b>				
<b>1) Gross Disbursements</b>	1,010.16	2,450.27	1,993.95	3,673.82
<b>2) Repayments</b>	1,057.56	1,653.45	1,080.62	1,606.82
<b>3) Interest Payments</b>	176.52	454.92	173.66	438.26
<b>4) Net Disbursement (1-2)</b>	-47.40	796.82	913.33	2,067.00
<b>5) Net Transfers (4-3)</b>	-223.92	341.90	739.67	1,628.74

\*: Data are provisional.

## INFLATION

**Wholesale Price Index (WPI 2004-05=100):** The headline WPI inflation has gone up to 6.01 per cent in May 2014 from 5.20 per cent in the previous month. Inflation for Primary food articles (wt. 14.34%) for the month of May 2014 has increased to 9.50 per cent from 8.64 per cent in the previous month mainly on account of higher inflation in moong, masur, urad, fruits, milk, fish, meat, condiments & spices and coffee . Inflation, however, has declined in cereals, vegetables and eggs. Food inflation (primary food + manufactured food) (wt. 24.31 %) has thus increased to 6.98 per cent from 6.34 per cent in the previous month. Inflation for Fuel & power (wt. 14.91%) has increased to 10.53 per cent for the month of May 2014 from 8.93 per cent in the previous month on account of diesel, electricity and petrol. Inflation for manufactured products (wt. 64.97%) increased to 3.55 per cent in May 2014. Non-food manufactured inflation (core as defined by RBI) also increased to 3.84 per cent in May 2014 from 3.40 per cent in the previous month. Increase in inflation of wood, paper, chemicals and basic metals has more than offset the decline in textiles, leather, rubber, non-metallic mineral products and machinery. The average WPI inflation rate for the last 12 months (June 2013 to May 2014) was 6.13 per cent as compared to 6.87 per cent during the corresponding period in 2013-14. The build-up of inflation since March is 0.78 per cent as against 0.76 per cent in the corresponding period last year. WPI inflation rates for major groups are indicated in Table 14.

**Table 14: Current Price Situation based on Monthly WPI in May 2014 (Base: 2004-05=100)**

Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%)		Inflation (%) (Average of 12 months)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>ALL COMMODITIES</b>	<b>100.00</b>	<b>0.78</b>	<b>0.76</b>	<b>6.01</b>	<b>4.58</b>	<b>6.13</b>	<b>6.87</b>
PRIMARY ARTICLES	20.12	3.09	1.88	8.58	5.72	10.21	9.01
<i>Food articles</i>	<i>14.34</i>	<i>4.13</i>	<i>4.20</i>	<i>9.50</i>	<i>8.25</i>	<i>13.02</i>	<i>9.28</i>
FUEL AND POWER	14.91	-0.98	0.16	10.53	7.27	10.46	9.67
MANUFACTURED PDT.	64.97	0.26	0.40	3.55	3.25	2.98	5.11

Inflation based on Consumer Price Indices (CPIs): The all India CPI inflation (combined) declined to 8.28 per cent in May 2014 from 8.59 per cent in April 2014 on account of cereals and vegetables. Inflation based on CPI-IW stood at 7.08 per cent in April 2014 as compared to 6.70 per cent in March 2014. Inflation based on other sector specific CPI's (CPI-AL & RL) was above 8 per cent in May 2014.

**Table 15: Year-on-Year inflation based on WPI and CPIs (per cent)**

	WPI	CPI-IW	CPI-AL	CPI-RL	CPI(NS)
Base :	2004-05	2001	1986-87	1986-87	2010
May-13	4.58	10.68	12.70	12.50	9.31
June-13	5.16	11.06	12.85	12.65	9.87
July-13	5.85	10.85	12.80	12.61	9.64
Aug-13	6.99	10.75	13.21	12.89	9.52
Sep-13	7.05	10.70	12.78	12.44	9.84
Oct-13	7.24	11.06	12.65	12.48	10.17
Nov-13	7.52	11.47	13.43	13.27	11.16
Dec-13	6.40	9.13	11.19	11.18	9.87
Jan-14	5.11	7.24	9.08	9.21	8.79
Feb-14	5.03	6.73	8.14	8.27	8.03
Mar-14	6.00	6.70	8.38	8.51	8.31
Apr-14	5.20	7.08	8.44	8.72	8.59
<b>May-14</b>	<b>6.01</b>	<b>-</b>	<b>8.07</b>	<b>8.33</b>	<b>8.28</b>

Note: WPI inflation for Apr & May-14 and CPI (New Series) inflation for May-14 is provisional.

**Table 16: World Commodity Price Data**

Commodity	Unit	Annual averages			Monthly averages		
		Jan- Dec	Jan- Dec	Jan- Apr	Mar	Apr	May
		2012	2013	2014	2014	2014	2014
Coal, Australia	\$/mt	96.4	84.6	75.6	73.3	72.8	73.7
Crude oil, average	\$/bbl	105.0	104.1	104.3	104.0	104.9	105.7
Natural gas, US	\$/mmbtu	2.8	3.7	5.0	4.5	4.7	4.6
Cocoa	\$/kg	2.4	2.4	3.0	3.0	3.1	3.0
Coffee, Robusta	\$/kg	2.3	2.1	2.2	2.3	2.3	2.3
Tea, auctions avg.	\$/kg	2.9	2.9	2.7	2.5	2.7	2.9
Coconut oil	\$/mt	1111	941	1358	1394	1356	1404
Groundnut oil	\$/mt	2436	1773	1262	1221	1174	1200
Palm oil	\$/mt	999.3	856.9	907.7	961.0	911.0	893.3
Palm kernel oil	\$/mt	1110	897	1277	1381	1299	1254
Soybean meal	\$/mt	524.1	545.3	578.0	584.0	566.0	578.8
Soybean oil	\$/mt	1226	1057	979	1002	999	965
Soybeans	\$/mt	591.4	538.4	538.9	500.0	516.0	521.3
Maize	\$/mt	298.4	259.4	213.9	222.3	222.4	217.3
Rice, Thailand, 5%	\$/mt	563.0	505.9	422.8	422.0	395.0	388.0
Wheat, US, HRW	\$/mt	313.2	312.2	310.2	323.6	324.9	334.7
Bananas, US	\$/mt	1.0	0.9	0.9	1.0	0.9	0.9
Oranges	\$/mt	0.9	1.0	0.9	0.9	1.0	1.0
Fishmeal	\$/mt	1558	1747	1612	1653	1658	1656
Meat, chicken	\$/kg	2.1	2.3	2.3	2.3	2.4	2.4
Meat, beef	\$/kg	4.1	4.1	4.2	4.4	4.2	4.3
Sugar, world	\$/kg	0.5	0.4	0.4	0.4	0.4	0.4
Plywood	\$/sheets	610.3	560.2	532.7	533.6	532.5	536.5
Cotton A Index	\$/kg	2.0	2.0	2.1	2.1	2.1	2.0
Rubber, TSR20	\$/kg	3.2	2.5	1.9	1.9	1.8	1.7
DAP	\$/mt	539.8	444.9	468.7	499.4	470.6	444.6
Urea	\$/mt	405.4	340.1	320.5	315.8	291.1	299.1
Copper	\$/mt	7962	7332	6931	6650	6674	6891
Lead	\$/mt	2064.6	2139.8	2097.7	2053	2087	2097
Tin	\$/mt	21126	22283	22917	23024	23405	23271
Nickel	\$/mt	17548	15032	16152	15678	17374	19401
Zinc	\$/mt	1950.4	1910.3	2033.1	2007.9	2027.2	2059.0
Gold	\$/toz	1670	1411	1293	1336	1298	1289
Silver	\$/toz	31	24	20	21	20	19
Iron ore	\$/dmt	128.5	135.4	115.3	111.8	114.6	100.6

**Source: World Bank – The Pink Sheet**

## PUBLIC FINANCE

As a proportion of revised estimate, fiscal deficit and revenue deficit during 2013-14 was 96.9 per cent and 97.3 per cent respectively.

**Table 17: Trends in Central Government Finances: April-March 2013-14 (Rs. Crore)**

	2012-13	2013-14			Variations Prov. over RE 2012- 13	Provisional 2013-14 as percent of RE	per cent change 2013-14 (P) over 2012-13 Actual
	Actuals	BE	RE	Provisional	Absolute	(%)	(%)
<b>Revenue Receipts</b>	<b>877613</b>	<b>1056330</b>	<b>1029251</b>	<b>1015279</b>	<b>-13972</b>	<b>98.6</b>	<b>15.7</b>
<b>Gross tax revenue*</b>	<b>1036235</b>	<b>1235870</b>	<b>1158905</b>	<b>1138832</b>	<b>-20073</b>	<b>98.3</b>	<b>9.9</b>
<b>Tax (net to Centre)</b>	740256	884078	836025	816046	<b>-19979</b>	<b>97.6</b>	<b>10.2</b>
<b>Non Tax</b>	137357	172252	193226	199233	<b>6007</b>	<b>103.1</b>	<b>45.0</b>
<b>Non-Debt Capital Receipts</b>	<b>42158</b>	<b>66468</b>	<b>36644</b>	<b>40057</b>	<b>3413</b>	<b>109.3</b>	<b>-5.0</b>
<b>Recovery of loans</b>	16268	10654	10803	12502	<b>1699</b>	<b>115.7</b>	<b>-23.1</b>
<b>Disinvestment Proceeds</b>	25890	55814	25841	27555	<b>1714</b>	<b>106.6</b>	<b>6.4</b>
<b>Total Non-Debt Receipt</b>	<b>919771</b>	<b>1122798</b>	<b>1065895</b>	<b>1055336</b>	<b>-10559</b>	<b>99.0</b>	<b>14.7</b>
<i>Memo items</i>							
Corporation Tax	356326	419520	393677	394677	<b>1000</b>	<b>100.3</b>	<b>10.8</b>
Income Tax	196512	240919	236194	237789	<b>1595</b>	<b>100.7</b>	<b>21.0</b>
Union Excise Duty	175845	196805	178787	169469	<b>-9318</b>	<b>94.8</b>	<b>-3.6</b>
Customs	165346	187308	175056	172132	<b>-2924</b>	<b>98.3</b>	<b>4.1</b>
Service Tax	132601	180141	164927	154630	<b>-10297</b>	<b>93.8</b>	<b>16.6</b>
<b>Total (Memo Items)</b>	<b>1026630</b>	<b>1224693</b>	<b>1148641</b>	<b>1128697</b>	<b>-19944</b>	<b>98.3</b>	<b>9.9</b>
<b>Devolution to States</b>	<b>291547</b>	<b>346992</b>	<b>318230</b>	<b>318230</b>	<b>0</b>	<b>100.0</b>	<b>9.2</b>
<b>Non-Plan Expenditure (a+b)</b>	<b>996742</b>	<b>1109975</b>	<b>1114902</b>	<b>1110400</b>	<b>-4502</b>	<b>99.6</b>	<b>11.4</b>
<b>(a) On Revenue Account</b>	914301	992908	1027688	1023047	<b>-4641</b>	<b>99.5</b>	<b>11.9</b>
<b>of which:</b>							
(1) Interest Payments	313169	370684	380066	377502	<b>-2564</b>	<b>99.3</b>	<b>20.5</b>
(2) Major Subsidies	247493	220972	245451	247596	<b>2145</b>	<b>100.9</b>	<b>0.0</b>
(3) Pensions	69478	70726	74076	74606	<b>530</b>	<b>100.7</b>	<b>7.4</b>
<b>(b) On Capital Account</b>	82441	117067	87214	87353	<b>139</b>	<b>100.2</b>	<b>6.0</b>
<b>Plan Expenditure</b>	<b>413625</b>	<b>555322</b>	<b>475532</b>	<b>453085</b>	<b>-22447</b>	<b>95.3</b>	<b>9.5</b>
<b>(a) Revenue Account</b>	329208	443260	371851	352543	<b>-19308</b>	<b>94.8</b>	<b>7.1</b>
<b>(b) Capital Account</b>	84417	112062	103681	100542	<b>-3139</b>	<b>97.0</b>	<b>19.1</b>
<b>Total Expenditure</b>	<b>1410367</b>	<b>1665297</b>	<b>1590434</b>	<b>1563485</b>	<b>-26949</b>	<b>98.3</b>	<b>10.9</b>
<b>Grants for Capital Assets</b>	115513	174656	121283	129839	8556	107.1	12.4
<b>Capital Expenditure</b>	166858	229129	190895	187895	-3000	98.4	12.6
<b>Revenue Deficit</b>	365896	379838	370288	360311	<b>-9977</b>	<b>97.3</b>	<b>-1.5</b>
<b>Effective Revenue Deficit</b>	250383	205182	249005	230472	<b>-18533</b>	<b>92.6</b>	<b>-8.0</b>
<b>Fiscal Deficit</b>	490596	542499	524539	508149	<b>-16390</b>	<b>96.9</b>	<b>3.6</b>
<b>Primary Deficit</b>	177427	171815	144473	130647	<b>-13826</b>	<b>90.4</b>	<b>-26.4</b>

Source: CGA, \*Gross Tax Revenue is prior to devolution to the States.