

**Ministry of Finance
Department of Economic Affairs
Economic Division
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**MONTHLY ECONOMIC REPORT
OCTOBER 2010**

HIGHLIGHTS

- The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices, as per the Revised Estimates of CSO was 7.4 per cent in 2009-10. The growth in real GDP is placed at 8.8 per cent in the first quarter of 2010-11.
- The cumulative rainfall received for the country as a whole upto November 10, during the Post Monsoon season (October - December), has been normal.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 50.34 million tonnes as on September 1, 2010.
- Overall growth in the Index of Industrial Production (IIP) was 4.4 per cent during September 2010 as compared to 8.2 per cent in September 2009. During April-September 2010-11, IIP growth was 10.2 per cent as compared to 6.3 per cent during April-September 2009-10.
- Core infrastructure-supportive sectors grew by 2.5 per cent in September 2010 as compared to the growth of 4.3 per cent in September 2009. During April-September 2010-11, these sectors grew by 4.0 per cent as compared to 4.5 per cent during April-September 2009-10.
- Broad money (M₃) (up to October 22, 2010) increased by 8.4 per cent as compared to 8.1 per cent during the corresponding period of the last year. The year-on-year growth, as on October 22, 2010 was 17.1 per cent as compared to 18.9 per cent last year.
- Exports, in US dollar terms increased by 23.2 per cent and imports increased by 26.1 per cent, during September 2010.
- Foreign Currency Assets stood at US \$ 269.3 billion at end October 2010 compared to US \$ 267.0 billion at end October 2009.
- Rupee appreciated against US Dollar, Pound Sterling and Japanese Yen and depreciated against Euro in the month of October 2010 over September 2010.
- Year-on-year inflation in terms of Wholesale Price Index was 8.58 per cent for the month of October, 2010 as compared to 1.48 per cent in October, 2009.
- Tax revenue (net to Centre) during April-September, 2010-11 recorded a growth of 25.7 per cent compared with corresponding period of 2009-10. Non-tax revenue grew by 180.3 per cent in April-September, 2010-11 on account of one-off nature of receipts of proceeds from Spectrum auction.
- As a proportion of budget estimate, fiscal deficit during April-September 2010-11 was 34.9 per cent and revenue deficit was 27.1 per cent.

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ECONOMIC GROWTH

The growth in real Gross Domestic Product (GDP) is placed at 8.8 per cent in the first quarter of 2010-11; agriculture grew by 2.8 per cent; industry by 10.3 per cent and services by 9.7 per cent. As per the Revised Estimates (RE) of Central Statistical Organization (CSO), the growth in gross domestic product at factor cost at constant (2004-05) prices was estimated at 7.4 per cent in 2009-10 as compared to a level of 6.7 per cent in 2008-09 (Quick Estimate). At disaggregated level, this (RE 2009-10) level of growth comprises of 0.2 per cent in agriculture and allied activities, 9.3 per cent in industry and 8.5 per cent in services as compared to growth rates of 1.6 per cent, 3.9 per cent and 9.8 per cent respectively during 2008-09.

Industry	Growth			Percentage share in GDP		
	2007-08	2008-09 (QE)	2009-10 (RE)	2007-08	2008-09 (QE)	2009-10 (RE)
1 Agriculture, forestry & fishing	4.7	1.6	0.2	16.4	15.7	14.6
2 Industry	9.5	3.9	9.3	28.8	28.0	28.5
a Mining & quarrying	3.9	1.6	10.6	2.5	2.4	2.4
b Manufacturing	10.3	3.2	10.8	16.2	15.6	16.1
c Electricity, gas & water supply	8.5	3.9	6.5	2.0	2.0	2.0
d Construction	10.0	5.9	6.5	8.1	8.0	7.9
3 Services	10.5	9.8	8.5	54.8	56.4	56.9
a Trade, hotels, transport & communication	10.7	7.6	9.3	25.9	26.1	26.5
b Financing, insurance, real estate & business services	13.2	10.1	9.7	16.4	16.9	17.2
c Community, social & personal services	6.7	13.9	5.6	12.5	13.4	13.1
4 GDP at factor cost	9.2	6.7	7.4	100	100	100

(QE): Quick Estimate; (RE): Revised Estimate

Items	2008-09				2009-10				2010-11
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Agriculture, forestry & fishing	3.2	2.4	-1.4	3.3	1.9	0.9	-1.8	0.7	2.8
Industry	6.5	5.6	1.6	2.1	4.6	7.8	11.1	13.3	10.3
2. Mining & quarrying	2.6	1.6	2.7	-0.3	8.2	10.1	9.6	14.0	8.9
3. Manufacturing	5.9	5.5	1.3	0.6	3.8	9.1	13.8	16.3	12.4
4. Electricity, gas & water supply	3.3	4.3	4.0	4.1	6.6	7.7	4.7	7.1	6.6
5. Construction	9.8	7.2	1.1	5.7	4.6	4.7	8.1	8.7	7.5
Services	9.8	9.6	11.4	8.3	7.9	10.7	7.2	8.4	9.7
6. Trade, hotels, transport & communication	10.8	10.0	4.4	5.7	5.5	8.5	10.2	12.4	12.2
7. Financing, insurance, real estate & bus. Services	9.1	8.5	10.2	12.3	11.8	11.5	7.9	7.9	8.0
8. Community, social & personal services	8.7	10.4	28.7	8.8	7.6	14.0	0.8	1.6	6.7
9. GDP at factor cost (total 1 to 8)	7.8	7.5	6.1	5.8	6.0	8.6	6.5	8.6	8.8

AGRICULTURE

Rainfall: The rainfall situation in India 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.

In the current year, during the south west-monsoon period (June 1 to September 30), the cumulative rainfall received for the country as a whole, was 912.8 mm, which is 2 per cent above the normal. During this period, out of 36 meteorological sub-divisions in the country, 31 received excess/normal rainfall and 5 received deficient rainfall.

All India production of food grains: According to the First Advance Estimates released on September 23, 2010, the production of food grains (kharif) is estimated at 114.63 million tonnes during 2010-11 compared to 103.84 million tonnes (fourth advance estimates) in 2009-10.

Procurement: Procurement of rice as on September 1, 2010 (Kharif Marketing Season 2009-10) at 30.74 million tonnes represents a decline of 6.71 per cent compared to the corresponding date last year.

	Full Marketing Year		As on 1 st September	
	2007-08	2008-09	2009	2010
Rice(Oct-Sept)	28.74	33.68	32.95	30.74
Wheat(Apr-Mar)	11.13	22.69	25.17*	22.52*
Total	39.87	56.37	58.12	53.26
*As on 30.07.2010				

Wheat procurement as on July 30, 2010 (Rabi Marketing Season 2010-11) was 22.52 million tonnes as compared to 25.17 million tonnes during the corresponding date last year.

Off-take: Off-take of rice during the month of August, 2010 was 26.42 lakh tonnes. This comprises 22.26 lakh tonnes under TPDS and 4.16 lakh tonnes under other schemes. In respect of wheat, the total offtake was 19.91 lakh tonnes comprising 16.08 lakh tonnes under TPDS and 3.83 lakh tonnes under other schemes.

Stocks of food-grains (rice and wheat) held by FCI as on September 1, 2010 were 50.34 million tonnes, which was higher by 6.47 per cent over the level of 47.28 million tonnes as on September 1, 2009.

	Off-take			Stocks	
	2007-08	2008-09	2009-10	September 1, 2009	September 1, 2010
Rice	25.23	24.62	27.37	17.21	20.48
Wheat	12.20	14.88	22.35	30.07	29.86
Total	37.43	39.50	49.72	47.28	50.34

INDUSTRIAL PRODUCTION

Industry Group	2009-10	2009-10(April-Sept.)	2010-11(April-Sept.)	September 2009	September 2010
General index	10.5	6.3	10.2	8.2	4.4
Mining	9.9	7.9	8.7	7.4	5.2
Manufacturing	11.0	6.2	11.0	8.3	4.5
Electricity	6.0	6.7	3.8	7.5	1.7
Use-based industrial groups					
Basic goods	7.2	6.1	5.5	5.3	3.5
Capital goods	20.9	5.2	24.3	7.9	-4.2
Intermediate goods	13.6	9.3	10.4	10.6	10.3
Consumer goods	6.2	4.6	8.1	9.1	5.2
Durables	24.6	18.6	23.2	21.9	10.9
Non-durables	0.4	-0.1	2.0	3.9	2.5

growth rates in September 2010 were 5.2, 4.5 and 1.7 per cent respectively. In the use-based industrial groups, the growth rate has decreased in basic goods, intermediate goods and consumer goods and negative in capital goods sector in September 2010 as compared to September 2009.

Industry	September 2009	September 2010	2009-10(April-September)	2010-11(April-September)
Coal	6.5	-2.0	11.6	0.4
Electricity generation ¹	7.4	1.3	6.4	4.0
Crude petroleum	-0.5	12.5	-1.2	10.2
Petroleum products	3.4	-10.2	-3.6	2.6
Finished steel	0.8	5.8	1.7	3.9
Cement	6.5	5.2	12.3	4.7
Overall growth	4.3	2.5	4.5	4.0
(1): This will not necessarily match the growth in electricity given in the Index of Industrial Production				

compared to the growth of 4.3 per cent during September 2009. During September 2010, the growth rate has increased in crude oil and finished steel sectors whereas in petro refinery products and coal, it is negative and in cement and electricity sectors, it has decreased as compared to September 2009.

During September 2010, the IIP growth was 4.4 per cent as compared to 8.2 per cent growth during the corresponding period of previous year. In mining, manufacturing and electricity sectors, the

Six core industries: The index for 6 core industries (comprising crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel) with a weight of 26.68 per cent in the IIP grew by 4.0 per cent during April-September 2010-11 as compared to 4.5 per cent during the corresponding months in 2009-10. During the month of September 2010, the overall growth of the core sector industries was 2.5 per cent as

MONEY AND BANKING

The Reserve Bank of India released its quarterly document on Macroeconomic and Monetary Developments for the 2nd Quarter of 2010-11 on 1st November, 2010 and Second Quarter Review of Monetary Policy for 2010-11 on 2nd November, 2010. The important decisions taken in the 2nd review of Monetary Policy for 2010-11 were:

- to raise increase the repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.0 per cent to 6.25 per cent with immediate effect,
- increase the reverse repo rate under the LAF by 25 basis points from 5.0 per cent to 5.25 per cent with immediate effect.

These actions are expected to:

- i. Sustain the anti-inflationary thrust of recent monetary actions and outcomes in the face of persistent inflation risks.
- ii. Rein in rising inflationary expectations, which may be aggravated by the structural nature of food price increases.
- iii. Be moderate enough not to disrupt growth.

Broad money (M₃) (up to October 22, 2010) increased by 8.4 per cent as compared to 8.1 per cent during the corresponding period of the last year. The year-on-year growth, as on October 22, 2010 was 17.1 per cent as compared to 18.9 per cent last year.

Table 7 : Money Stock - Components and Sources (Rs. crore)

Item	Outstanding as on		Variation over (in per cent)			
	2010		Financial year so far		Year- on-Year	
	Mar. 31	Oct. 22	2009-10	2010-11	2009	2010
M₃	55,99,762	60,68,715	8.1	8.4	18.9	17.1
Components (i+ii+iii+iv)						
(i) Currency with the Public	7,68,033	8,40,806	7.1	9.5	16.7	17.9
(ii) Demand Deposits with Banks	7,22,739	7,34,641	1.2	1.6	15.3	23.4
(iii) Time Deposits with Banks	41,05,151	44,89,345	9.5	9.4	20.0	16.0
(iv) "Other" Deposits with Reserve Bank	3,839	3,924	-28.1	2.2	-20.5	-2.1
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	16,67,096	17,81,617	14.6	6.9	47.8	21.7
(a) Reserve Bank	2,11,586	2,05,651				
(b) Other Banks	14,55,511	15,75,966	16.8	8.3	29.2	11.0
(ii) Bank Credit to Commercial Sector (a+b)	34,92,781	37,33,229	3.1	6.9	9.6	20.2
(a) Reserve Bank	1,328	1,477	-	-	-	-
(b) Other Banks	34,91,453	37,31,751	3.3	6.9	9.4	20.4
(iii) Net Foreign Exchange Assets of Banking Sector*	12,81,469	13,25,292	-0.5	3.4	3.1	-1.5
(iv) Government's Currency Liabilities to the Public	11,270	11,761	6.7	4.4	10.3	9.6
(v) Banking Sector's Net Non-Monetary Liabilities	8,52,854	7,83,183	-13.3	-8.2	-4.9	5.1
of which :						
Net Non-Monetary Liabilities of RBI	3,01,615	3,33,267	-0.1	10.5	16.3	-14.0
* : Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.						
Note : Government Balances as on March 31, 2010 are before closure of accounts.						

Reserve money (M₀) during the financial year 2010-11 (up to November 5, 2010) showed an increase of 6.6 per cent as compared to deterioration of 0.5 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 25.4 per cent as on November 5, 2010, compared to 13.1 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 increased by 5.5 per cent (during the financial year) as on November 5, 2010 as compared to an increase of 2.3 per cent in the same period last year. The y-o-y growth rate of NFA, as on November 5, 2010 was (-) 0.8 per cent as compared to increase of 9.2 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year (October 29, 2010), Bank credit increased by 8.6 per cent as compared to increase of 4.0 per cent during the corresponding period of last year.

The Non-Food credit during this period recorded an increase of 8.8 per cent as compared to an increase of 5.0 per cent during the corresponding period of last year. The aggregate deposits with Scheduled Commercial Banks recorded an increase of 10.3 per cent (as on October 29, 2010) as against an increase of 9.1 per cent in the corresponding period of last year.

Items	Outstanding as on (Rs. crore)		Percentage Variation			
			Financial year so far		Year-on-Year	
	March 26, 2010	October 29, 2010	2009-10	2010-11	2009	2010
1. Bank credit	3240399	3523428	8.6	4.0	9.0	22.0
Non-Food credit	3191909	3472745	8.8	5.0	10.0	21.4
2. Aggregate deposits	4486574	4955150	10.3	9.1	19.0	18.5
3. Investments in Govt. and other approved securities	1166410	1453459	5.0	15.7	34.8	7.7

Item / Week Ended	2009	2010
	October 30	October 29
Cash Reserve Ratio (per cent) ⁽¹⁾	5.00	6.00
Bank Rate	6.00	6.00
Repo Rate	4.75	6.00
Reverse Repo Rate	3.25	5.00
Prime Lending Rate ⁽²⁾	11.00-12.00	7.50-8.50
Deposit Rate ⁽³⁾	6.25-7.50	7.00-8.00
Call Money Rate (Low / High) ⁽⁴⁾		
- Borrowings	2.00 / 3.35	2.75/12.00
- Lendings	2.00/3.35	2.75/12.00

(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 October 29, 2010, Bank Rate was 6.00 per cent. Call money rates (borrowing & lending) were in the range of 2.75/12.00 per cent as compared with 2.00/3.35 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during September 2010 increased by 23.2 per cent and imports increased by 26.1 per cent over September 2009. Oil imports increased by 14.4 per cent and non-oil imports increased by 31.2 per cent during September 2010 over September 2009.

Table 10: Exports and imports (in US dollar million)					
Item	2008-09 (Apr.-Mar)	2009-10 (Apr.-Mar)	September -09	September -10	% Change in September 2010
Exports	185295	178751	14624	18023	23.2
Imports	303696	288373	21527	27141	26.1
Oil imports	93667	87136	6546	7490	14.4
Non-Oil imports	210029	201237	14981	19652	31.2
Trade balance	-118401	-109621	-6903	-9118	-

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	
	Rs. crore	US\$ Million	Rs. crore	US\$ Million
At the end of			(over last year)	
March, 2007	836597	191924	189270	46816
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
2010-11			(over last month)	
April 2010	1133322	255023	-17456	88
May 2010	1152893	248201	19571	-6822
June 2010	1164431	249878	11538	1677
July 2010	1202388	258801	37957	8923
August 2010	1207494	256477	5106	-2324
September 2010	1192541	265481	-14953	9004
October 2010	1199656	269343	7115	3862

Source: RBI.

Exchange rate: The rupee appreciated by 3.6 per cent against US dollar, 1.9 per cent against Pound Sterling and 0.5 per cent against Japanese Yen and depreciated by 2.7 per cent against Euro in the month of October 2010 over September 2010.

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
2010-11				
April 2010	44.4995	68.2384	0.4763	59.6648
May 2010	45.7865	67.1747	0.4969	57.6553
June 2010	46.5443	68.6952	0.5122	56.9016
July 2010	46.8373	71.5150	0.5343	59.7636
August 2010	46.5679	72.9736	0.5465	59.9700
September 2010	46.0616	71.6578	0.5454	60.0592
October 2010	44.4583	70.3381	0.5428	61.7153

* FEDAI Indicative Market Rates (on Yearly/Monthly average basis)

External assistance and debt service payments: Gross external aid in April-October 2010 at Rs. 23106.94 crore shows an increase of 52.77 per cent, compared to Rs. 15125.02 crore in April-October 2009. Net disbursement was Rs. 16331.08 crore in April-October 2010 compared to Rs. 8488.73 crore in April-October 2009. Net transfers were Rs. 14484.21 crore in April-October 2010 compared to Rs. 6159.16 crore in April-October 2009.

Table 13: External Assistance and Debt Service Payments				
				(Rs. in crore)
	October 2010	During the Financial year 2010-11	October 2009	During the Financial year 2009-10
External Assistance (Government Account)				
1) Gross Disbursement	1,962.94	19,961.35	1,425.14	10,185.53
2) Repayments	319.83	6,193.36	479.63	5,970.96
3) Interest Payments	208.48	1,594.90	224.88	1,995.92
4) Net Disbursement (1-2)	1,643.11	13,767.99	945.51	4,214.57
5) Net Transfers (4-3)	1,434.63	12,173.09	720.63	2,218.65
External Assistance (Non-Government Account)				
1) Gross Disbursement	0.00	2,221.07	158.92	3,374.60
2) Repayments	0.22	582.50	0.23	665.33
3) Interest Payments	7.50	251.97	0.86	333.65
4) Net Disbursement (1-2)	-0.22	1,638.57	158.69	2,709.27
5) Net Transfers (4-3)	-7.72	1,386.60	157.83	2,375.62
Government Grants				
1) Gross Disbursement	140.33	860.78	655.23	1,521.79
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)	140.33	860.78	655.23	1,521.79
5) Net Transfers (4-3)	140.33	860.78	655.23	1,521.79
Non-Government Grants				
1) Gross Disbursement	1.44	63.74	2.97	43.10
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)	1.44	63.74	2.97	43.10
5) Net Transfers (4-3)	1.44	63.74	2.97	43.10
Grand Total				
1) Gross Disbursements	2,104.71	23,106.94	2,242.26	15,125.02
2) Repayments	320.05	6,775.86	479.86	6,636.29
3) Interest Payments	215.98	1,846.87	225.74	2,329.57
4) Net Disbursement (1-2)	1,784.66	16,331.08	1,762.40	8,488.73
5) Net Transfers (4-3)	1,568.68	14,484.21	1,536.66	6,159.16

INFLATION

Wholesale Price Index (WPI 2004-05=100): Year-on-year inflation measured in terms of WPI for September, 2010 was at 8.62 per cent. This reflects a marginal increase of 11 basis points compared to WPI inflation in August, 2010. (Inflation was 1.09 per cent in September, 2009 and 10.78 per cent in September, 2008). In new series of WPI, inflation had remained in the negative zone in June 2009 and July 2009 and turned positive in August 2009 and thereafter it reached to double digits in March, 2010. The average inflation rate for last 12 months (October, 2009 to September, 2010) was 8.35 per cent as compared to 3.10 per cent last year during October, 2008 to September, 2009. In case of financial year build up for the current year, the inflation is 3.90 per cent in September, 2010, as against 5.44 per cent in the corresponding month of last year. Major breakup of WPI inflation rates is indicated in Table 14 below.

Major groups	Weight (%)	Inflation (%) variation during FY since March		Inflation (%) (Year-on-Year)		Inflation (%) Average of 12 months	
		2009	2010	2009	2010	2009	2010
		-10	-11	-10	-11	-10	-11
ALL COMMODITIES	100.00	4.34	5.93	8.58	1.48	8.98	2.37
PRIMARY ARTICLES	20.12	9.22	14.36	16.68	10.30	18.90	8.80
<i>Food articles</i>	14.34	10.09	16.37	14.13	12.47	19.95	12.65
FUEL AND POWER	14.91	5.71	8.37	11.02	-6.78	10.26	-3.40
MANUFACTURED PDT.	64.97	1.91	2.35	4.75	0.58	4.95	1.63

Inflation based on Consumer Price Index: Consumer Price Index for Industrial Workers (CPI-IW) based overall inflation has declined to 9.88 per cent in August, 2010 from its peak of 16.22 per cent in January 2010. CPI-IW food inflation (weight 46.20%) has also declined to 11.63 per cent in July, 2010 from its peak of 21.29 per cent in December 2009. Overall inflation in Consumer Price Index for Rural Labor (CPI-RL) has declined to 9.66 per cent in August, 2010 from its peak of 17.35 per cent in January 2010. CPI-RL food inflation (weight 66.77%) has also declined to 9.48 per cent from its peak of 20.78 per cent in January, 2010. The inflation in different price indices has come down to single digit in August, 2010 after last 15 months (Table 15).

	WPI	CPI-IW	CPI-UNME	CPI-AL	CPI-RL
Base	2004-05	2001	1984-85	1986-87	1986-87
Aug-09	0.31	11.72	12.88	12.89	12.67
Sep-09	1.09	11.64	12.39	13.19	12.97
Oct-09	1.48	11.49	12.02	13.73	13.51
Nov-09	4.50	13.51	13.91	15.65	15.65
Dec-09	6.92	14.97	15.47	17.21	16.99
Jan-10	8.53	16.22	16.90	17.57	17.35
Feb-10	9.68	14.86	15.83	16.45	16.45
Mar-10	10.23	14.86	14.90	15.77	15.52
Apr-10	11.00	13.33	14.41	14.96	14.96
May-10	10.60	13.91	14.09	13.68	13.68
June-10	10.28	13.73	14.12	13.02	13.02
July-10	10.02	11.25	11.54	11.02	11.24
Aug-10	8.82	9.88	-	9.65	9.66
Sep-10	8.62	9.82	-	9.13	9.34
Oct-10	8.58	-	-	-	-

Note: WPI-inflation: September and October, 2010 are provisional and CPI_UNME is linked index from April, 2008 onward.

Table 16: Select World Commodity price

Commodity	Unit	Annual Averages			Monthly Averages				Y-o-Y variation in prices (%)		
		Jan-Dec	Jan-Dec	Jan-Dec	Mar-10	Jun-10	Sep-10	Oct-10			
Energy		2004	2008	2009	2010	2010	2010	2010	Jun-10	Sep-10	Oct-10
Coal, Australia	\$/mt	53	128	72	94	98	95	97	37.6	40.3	36.1
Crude oil, avg, spot	\$/bbl	38	97	62	79	75	76	82	8.1	11.4	10.3
Crude oil, Brent	\$/bbl	38	98	62	79	75	78	83	9.1	14.9	13.3
Crude oil, Dubai	\$/bbl	33	94	62	77	74	75	80	6.9	10.8	9.6
Natural gas, US	\$/mmbtu	6	9	4	4	5	4	3	26.0	31.8	-14.7
Agriculture											
Coffee, Robusta	c/kg	79	232	164	148	170	179	188	4.2	10.1	16.0
Tea, auctions (3), average	c/kg	169	242	272	262	272	300	304	-2.3	-5.1	0.5
Coconut oil	\$/mt	661	1224	725	921	993	1275	1411	32.9	81.9	99.9
Groundnut oil	\$/mt	1161	2131	1184	1380	1342	1270	1331	16.3	13.4	15.9
Palm oil	\$/mt	471	948	683	832	798	912	984	9.9	35.3	44.7
Palm kernel oil	\$/mt	648	1129	700	995	1051	1260	1410	41.8	79.0	93.8
Soybean meal	\$/mt	241	428	408	329	338	396	409	-24.3	-6.8	-0.8
Soybean oil	\$/mt	616	1257	849	915	859	1042	1154	-4.1	23.2	28.7
Maize	\$/mt	112	223	166	159	153	206	236	-14.9	36.9	40.9
Rice, Thailand, 5%	\$/mt	225	647	555	502	440	477	486	-23.4	-8.1	-1.4
Wheat, US, HRW	\$/mt	157	326	224	191	158	272	270	-38.6	42.2	35.9
Wheat US SRW	\$/mt	144	275	186	190	183	276	267	-9.5	74.5	52.3
Oranges	\$/mt	858	1108	909	955	1201	1047	1133	47.2	1.5	-1.7
Sugar, world	c/kg	16	28	40	41	35	50	54	-3.3	-2.4	8.7
Raw Materials											
Logs, Malaysia	\$/cum	197	292	287	250	261	311	316	-6.6	10.7	14.4
Plywood	c/sheets	465	648	565	557	567	575	578	0.7	2.6	3.4
Wood pulp	\$/mt	641	821	614	814	897	907	910	58.6	37.9	31.2
Cotton A Index	c/kg	137	158	138	189	205	231	279	51.5	63.5	89.5
Rubber, US	c/kg	148	284	215	357	371	376	423	97.8	51.2	59.7
Rubber, Singapore	c/kg	130	261	192	334	357	353	392	112.9	62.7	66.9
Fertilizers											
DAP	\$/mt	221	967	323	476	448	525	575	61.3	65.7	91.6
Phosphate rock	\$/mt	41	346	122	105	125	125	140	29.0	38.9	55.6
Potassium chloride	\$/mt	125	570	630	313	319	338	335	-55.5	-21.3	-23.0
Urea, E. Europe, bulk	\$/mt	175	493	250	279	229	315	329	-3.4	34.7	37.8
Metals and Minerals											
Aluminium	\$/mt	1716	2573	1665	2206	1931	2162	2347	22.7	17.9	24.9
Copper	\$/mt	2866	6956	5150	7463	6499	7709	8292	29.6	24.4	31.9
Gold	\$/toz	409	872	973	1113	1233	1271	1342	30.4	27.5	28.6
Iron ore	c/dmtu	38	136	117	101	167	212	182	65.4	110.0	80.3
Lead	c/kg	89	209	172	217	170	218	238	1.8	-0.9	6.2
Nickel	\$/mt	13823	21111	14655	22461	19389	22643	23807	29.6	29.6	28.5
Silver	c/toz	669	1500	1469	1715	1853	2061	2347	26.4	25.0	35.9
Steel cr coil sheet	\$/mt	607	966	783	775	850	850	850	21.4	21.4	21.4
Steel hr coil sheet	\$/mt	503	883	683	675	750	750	750	25.0	25.0	25.0
Tin	c/kg	851	1851	1357	1755	1732	2270	2634	15.6	52.7	75.5
Zinc	c/kg	105	187	166	228	174	215	237	11.9	14.2	14.5

Source: World Bank - The Pink Sheet

FISCAL SITUATION

- As a proportion of budget estimate, fiscal deficit during April-September 2010-11 was 34.9 per cent and revenue deficit was 27.1 per cent. The lower levels reflect one-off nature of growth in non-tax revenue (from auction of telecom spectrum).

Table 17: Trends in Central Government Finances April-September 2010

	Budget	April-September		Col.3 as	Col. 4 as	% Change over	
	Estimates			% of	% of	proceeding year	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
				BE	BE		(4/3)
(Rs. Crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	682,212	2,44,471	398,234	39.8	58.4	-0.2	62.9
Gross tax revenue	746,651	2,58,880	324,397	40.4	43.4	-7.6	25.3
Tax (net to Centre)	5,34,094	1,85,669	233,415	39.2	43.7	-8.2	25.7
Non Tax	148,118	58,802	164,819	41.9	111.3	37.9	180.3
2. Capital Receipts	426,537	2,04,377	139,743	50.3	32.8	96.2	-31.6
of which:							
Recovery of loans	5,129	2,302	4,256	54.5	83.0	54.9	84.9
Other Receipts	40,000	4,300	2,235	383.9	5.6		
Borrowings and other liabilities	381,408	1,97,775	133,252	49.3	34.9	92.7	-32.6
3. Total Receipts (1+2)	1,108,749	4,48,848	537,977	44.0	48.5	28.6	19.9
4. Non-Plan Expenditure (a)+(b)	735,657	3,22,070	368,270	46.3	50.1	33.8	14.3
(a) Revenue Account	643,599	3,01,291	328,308	48.7	51.0	31.3	9.0
of which:							
Interest payments	248,664	86,669	102,779	38.4	41.3	0.7	18.6
Major Subsidies	108,667	66,013	64,036	62.5	58.9	20.2	-3.0
Pensions	42,840	21,271	25,015	60.8	58.4	73.7	17.6
(b) Capital Account	92,058	20,779	39,962	27.0	43.4	86.4	92.1
5. Plan Expenditure (i)+(ii)	373,092	1,26,778	169,707	39.0	45.5	16.9	33.9
(i) Revenue Account	315,125	1,08,163	144,847	38.9	46.0	15.4	33.9
(ii) Capital Account	57,967	18,615	24,860	39.8	42.9	26.4	33.5
6. Total Expenditure (4)+(5)=(a)+(b)	1,108,749	4,48,848	537,977	44.0	48.5	28.6	19.9
(a) Revenue Expenditure	958,724	4,09,454	473,155	45.6	49.4	26.7	15.6
(b) Capital Expenditure	150,025	39,394	64,822	31.9	43.2	52.3	64.5
7. Revenue Deficit	276,512	1,64,983	74,921	58.4	27.1	110.7	-54.6
8. Fiscal Deficit	381,408	1,97,775	133,252	49.3	34.9	92.7	-32.6
9. Primary Deficit	132,744	1,11,106	30,473	63.3	23.0	569.6	-72.6

Source: Review of Union Government Accounts, April- September 2010-11, Ministry of Finance.