

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

**MONTHLY ECONOMIC REPORT**  
**OCTOBER 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 5.5 per cent in the first quarter of 2012-13.
- The cumulative rainfall received for the country as a whole, during the period 1<sup>st</sup> October – 7 November 2012, has been 8% below normal.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 71.75 million tonnes as on September 1, 2012.
- Overall growth in the Index of Industrial Production (IIP) was (-) 0.4 per cent during September 2012 as compared to 2.5 per cent in September 2011. During April-September 2012-13, IIP growth was 0.1 per cent as compared to 5.1 per cent in April-September 2011-12.
- Eight core Infrastructure industries registered a growth of 5.1 per cent in September 2012 as compared to growth of 2.5 per cent in September 2011. During April-September 2012-13, these sectors grew by 3.2 per cent as compared to 5.0 per cent during April-September 2011-12.
- Broad money (M<sub>3</sub>) for 2012-13 (up to November 2, 2012) increased by 8.0 per cent as compared to 8.2 per cent during the corresponding period of the last year. The year-on-year growth, as on November 2, 2012 was 13.0 per cent as compared to 16.5 per cent last year.
- Exports, in US dollar terms decreased by 10.8 per cent and imports increased by 5.1 per cent, during September 2012 over September 2011. The cumulative growth for exports and imports during April- September 2012 were also registered a negative growth of 8.0 per cent and 3.6 per cent respectively.
- Foreign Currency Assets stood at US\$ 261.1 billion in end October 2012 as compared to US\$ 282.5 billion in end October 2011.
- Rupee appreciated against US dollar, Pound sterling, Japanese yen, and Euro in the month of October 2012 over September 2012.
- The WPI inflation for all commodities for the month of October 2012 has declined to 7.45 per cent as compared to 7.81 per cent in the previous month.
- Gross tax revenue at Rs. 424,897 crore during April-September 2012 registered a growth of 15 per cent compared to the corresponding period in the previous year.
- Tax revenue (net to Centre) at Rs. 293,812 crore during April- September 2012 registered a growth of 15.3 per cent.
- As a proportion of budget estimate, fiscal deficit during April–September 2012 was 65.6 per cent and revenue deficit was 75.1 per cent.

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## ECONOMIC GROWTH

As per the latest estimates of the Central Statistics Office (CSO), the growth in real Gross Domestic Product (GDP) is placed at 5.5 per cent in the first quarter of 2012-13 with agriculture, industry and services registering growth rates of 2.9 per cent, 3.6 per cent and 6.9 per cent respectively. As per the Revised Estimates (RE), the growth in 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.

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</b>	<b>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</b>	<b>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</b>	<b>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</b>	<b>GDP at factor cost</b>	<b>8.4</b>	<b>8.4</b>	<b>6.5</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

Industry	2010-11				2011-12				2012-13
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<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>2.9</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>	<b>3.6</b>
2. Mining & quarrying	6.9	7.3	6.1	0.6	-0.2	-5.4	-2.8	4.3	0.1
3. Manufacturing	9.1	6.1	7.8	7.3	7.3	2.9	0.6	-0.3	0.2
4. Electricity, gas & water supply	2.9	0.3	3.8	5.1	8.0	9.8	9.0	4.9	6.3
5. Construction	8.4	6.0	8.7	8.9	3.5	6.3	6.6	4.8	10.9
<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>	<b>6.9</b>
6. Trade, hotels, transport & communication	12.6	10.6	9.7	11.6	13.8	9.5	10.0	7.0	4.0
7. Financing, insurance, real estate & bus. Services	10.0	10.4	11.2	10.0	9.4	9.9	9.1	10.0	10.8
8. Community, social & personal services	4.4	4.5	-0.8	9.5	3.2	6.1	6.4	7.1	7.9
<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>	<b>5.5</b>

Source: CSO

## 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 post monsoon season 2012, as on 7.11.2012 has been 83.2 mm as against the normal at 90.3 mm.

**All India production of food grains :** As per the 1st advance estimates (Kharif only) released by Ministry of Agriculture on 24.09.2012, production of food grains during 2012-13 is estimated at 117.18 million tonnes compared to 123.95 million tonnes (1<sup>st</sup> advance estimates) in 2011-12.

**Procurement:** Procurement of rice as on 3<sup>rd</sup> September, 2012 (Kharif Marketing Season 2011-12) at 34.84 million tonnes represents an increase of 4.85 per cent compared to the corresponding date last year. Wheat procurement during Rabi Marketing Season 2012-13 is 38.15 million tonnes as compared to 28.15 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	34.93*	n.a.
Wheat(Apr-Mar)	25.38	22.51	28.34	38.15**
<b>Total</b>	57.41	56.71	63.27	38.15
* Position as on 1.10.12 ** Position as on 02.08.2012				

**Off-take:** Off-take of rice during the month of August, 2012 was 27.37 lakh tonnes. This comprises 20.16 lakh tonnes under TPDS and 7.21 lakh tonnes under other schemes during August 2012. In respect of wheat, the total off take was 21.46 lakh tonnes comprising of 15.86 lakh tonnes under TPDS and 5.60 lakh tonnes under other schemes.

**Stocks:** Stocks of food-grains (rice and wheat) held by FCI as on September 1, 2012 were 71.75 million tonnes, which is higher by 27.37 per cent over the level of 56.33 million tonnes as on September 1, 2011.

<b>Table 4: Off-take and stocks of food grains (Million Tonnes)</b>					
	<b>Off-take</b>			<b>Stocks</b>	
	2010-11	2011-12	2012-13(P)	Sept.1, 2011	Sept.1, 2012
<b>Rice</b>	29.93	32.12	12.83	22.71	25.59
<b>Wheat</b>	23.07	24.26	11.20	33.62	46.16
<b>Total</b>	53.00	56.38	24.03	56.33	71.75

P = Provisional figures up to August, 2012.

## INDUSTRIAL PRODUCTION

Industry Group	April-September 2011-12	April-September 2012-13	September 2011	September 2012
General index	5.1	0.1	2.5	-0.4
Mining	-1.6	0.0	-7.5	5.5
Manufacturing	5.5	-0.4	3.1	-1.5
Electricity	9.4	4.6	9.0	3.9
Basic goods	7.3	2.9	5.3	3.5
Capital goods	4.6	-13.7	-6.5	-12.2
Intermediate goods	0.5	0.9	-1.4	1.8
Consumer goods	4.6	2.5	5.7	-0.3
Durables	5.3	3.8	8.9	-1.7
Non-durables	4.0	1.4	2.7	1.1

During September 2012, the IIP growth was (-) 0.4 per cent as compared to 2.5 per cent growth during the corresponding period of previous year. In mining sector, the growth rate in September 2012 was 5.5 per cent, in manufacturing (-) 1.5 per cent and in electricity sectors, the growth was 3.9 per cent. Under use-based category, the growth rate in basic goods was 3.5 per cent and in intermediate goods 1.8 per cent during September 2012. The capital goods and consumer goods (in consumer durables (-) 1.7 per

cent and in consumer non-durables 1.1 per cent) registered negative growth during September 2012.

Industry	April-September 2011-12	April-September 2012-13	Sept. 2011	Sept. 2012
Coal	-4.8	8.3	-18.2	21.4
Crude oil	5.1	-0.8	0.1	-1.7
Natural Gas	-8.5	-12.5	-6.4	-14.8
Refinery Products	4.6	5.4	4.3	11.4
Fertilizers	0.6	-5.6	-2.1	5.7
Steel	9.5	2.6	7.5	2.0
Cement	3.8	7.4	2.2	13.4
Electricity	9.3	4.7	8.8	3.7
<b>Overall growth</b>	<b>5.0</b>	<b>3.2</b>	<b>2.5</b>	<b>5.1</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 3.2 per cent during April-September 2012-13, as compared to growth rate of 5.0 per cent achieved during the corresponding period in 2011-12. During the

month of September 2012, the overall growth of the core sector industries was 5.1 per cent as compared to the growth of 2.5 per cent during September 2011. During September 2012, the growth in coal was 21.4 per cent followed by cement 13.4 per cent, refinery products 11.4 per cent, fertilizers 5.7 per cent, electricity 3.7 per cent and steel 2.0 per cent. The crude oil and natural gas sectors have registered negative growth during September 2012.

## MONEY AND BANKING

The Reserve Bank of India announced the Second Quarter Review of Monetary Policy for 2012-13 on October 30, 2012, the highlights of which are as follows:

- **Cash Reserve Ratio (CRR)** of scheduled banks reduced by 25 basis points from 4.5 per cent to 4.25 per cent of their net demand and time liabilities (NDTL) effective the fortnight beginning November 3, 2012, as a result of this reduction in the CRR, around ₹175 billion of primary liquidity will be injected into the banking system.
  - **Repo Rate** under the liquidity adjustment facility (LAF) has been retained at 8.0 per cent. **Reverse Repo Rate** under the LAF, determined with a spread of 100 basis points below the repo rate, stands at 7.0 per cent.
  - **Marginal Standing Facility (MSF) Rate** determined with a spread of 100 basis points above the repo rate, stands at 9.0 per cent. The Bank Rate stands at 9.0 per cent.
- Broad money (M<sub>3</sub>) for 2012-13 (up to November 2, 2012) increased by 8.0 per cent as compared to 8.2 per cent during the corresponding period of the last year. The year-on-year growth, as on November 2, 2012 was 13.0 per cent as compared to 16.5 per cent last year.

**Table 7. Money Stock: Components and Sources**

(₹ Billion)						
Item	Outstanding as on		Variation over			
	2012		Financial Year so far		Year-on-Year	
	Mar. 31	Nov. 2	2011-2012	2012-2013	2011	2012
M <sub>3</sub>	73,592.0	79,476.2	8.2	8.0	16.5	13.0
Components (i+ii+iii+iv)						
(i) Currency with the Public	10,265.0	10,651.5	6.2	3.8	11.9	10.0
(ii) Demand Deposits with Banks	7,049.1	6,775.8	-10.9	-3.9	-2.8	5.2
(iii) Time Deposits with Banks	56,249.7	62,031.2	11.4	10.3	20.3	14.4
(iv) 'Other' Deposits with Reserve Bank	28.2	17.7	-64.7	-37.2	-69.7	37.4
Sources (i+ii+iii+iv+v)						
(i) Net Bank Credit to Government (a+b)	23,695.5	26,119.4	11.3	10.2	20.3	18.3
(a) Reserve Bank	5,357.4	5,199.3				
(b) Other Banks	18,338.1	20,920.1	15.2	14.1	16.2	14.4
(ii) Bank Credit to Commercial Sector (a+b)	49,594.3	52,215.7	6.5	5.3	18.6	15.7
(a) Reserve Bank	39.6	27.5	-	-	-	-
(b) Other Banks	49,554.7	52,188.3	6.5	5.3	18.6	15.7
(iii) Net Foreign Exchange Assets of Banking Sector *	15,437.8	16,000.7	11.7	3.6	14.2	2.8
(iv) Government's Currency Liabilities to the Public	142.7	150.5	7.0	5.4	12.0	10.5
(v) Banking Sector's Net Non-Monetary Liabilities	15,278.3	15,010.0	11.7	-1.8	28.6	19.7
of which:						
Net Non-Monetary Liabilities of RBI	6,038.4	6,759.7	44.1	11.9	52.5	27.3
* Includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.						
Note: Government balances as on March 31, 2012 are after closure of accounts.						

Reserve money (M<sub>0</sub>) during the financial year 2012-13 (up to November 2, 2012) showed an increase of 0.2 per cent as compared to reduction by 0.1 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 3.9 per cent (as on November 2, 2012), compared to 11.6 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 5.2 per cent (during the financial year) as on November 2, 2012 as compared to increase of 13.7 per cent in the same period last year. The y-o-y growth rate of NFA, showed increase of 2.6 per cent as compared to increase of 16.2 per cent on the corresponding date of the last year.

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

During the current financial year i.e. 2012-13 (up to November 2, 2012), Bank credit showed increase of 5.4 per cent as compared to increase of 8.0 per cent during the corresponding period (up to October 28, 2011) of last year. The y-o-y growth variation revealed an increase of 14.1 per cent as compared to 20.9 per cent (on October 28, 2011) in the previous year.

The Non-Food credit during this period increased by 5.0 per cent (up to November 2, 2012) compared to increase of 5.4 per cent (up to October 28, 2011) in the previous year. The y-o-y growth variation revealed an increase of 16.4 per cent as compared to 17.7 per cent (on October 28, 2011) in the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) recorded an increase of 9.0 per cent (up to November 2, 2012) as compared to increase of 8.3 per cent (up to October 28, 2011) during the corresponding period of last year. The y-o-y growth variation revealed an increase of 14.1 per cent as compared to 13.8 per cent (on October 28, 2011) in the previous year.

Items	2011-12		2012-13		Percentage Variation			
					Financial year so far		Year-on-year	
	Outstanding as on (Rs. in crore)		Outstanding as on (Rs. in crore)		2011-12	2012-13	2011	2012
	March 25, 2011	October 28, 2011	March 23, 2012	November 2, 2012				
Bank Credit	3942080	4258407	4611850	4859750	8.0	5.4	20.9	14.1
Non-Food credit	3877800	4085730	4530550	4755810	5.4	5.0	17.7	16.4
Aggregate deposits	5207969	5638721	5903659	6435820	8.3	9.0	13.8	14.1
Investments in Government. And other approved securities	1501619	1704714	1736638	1990250	13.5	14.6	17.3	16.7

Source: RBI

<b>Table 9 : Policy Rates/Interest Rates</b> (per cent per annum)		
<b>Item / Week Ended</b>	<b>2011</b>	<b>2012</b>
	<b>October 28</b>	<b>October 26</b>
Cash Reserve Ratio (per cent) <sup>(1)</sup>	6.00	4.50
Bank Rate	6.00	9.00
Repo Rate	8.00	8.00
Reverse Repo Rate	7.00	7.00
Prime Lending Rate <sup>(2)</sup>	10.00 / 10.75	9.75 / 10.50
Deposit Rate <sup>(3)</sup>	8.50 / 9.25	8.50 / 9.00
Call Money Rate (Low / High) <sup>(4)</sup>		
- Borrowings	8.41	8.07
- Lendings	8.41	8.07
<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.</p>		

**Interest rates (per cent per annum)** As on October 26, 2012, Bank Rate was 9.00 per cent. Call money rates (borrowing & lending) were 8.07 per cent as compared with 8.41 per cent on the approximately corresponding date of last year.

## EXTERNAL SECTOR

**Foreign trade:** Exports, in US dollar terms during September 2012 decreased by 10.8 per cent and imports increased by 5.1 per cent over September 2011. Oil imports increased by 30.7 per cent and non-oil imports decreased by 4.5 per cent during September 2012 over September 2011.

<b>Table 10 : Exports and Imports (in US dollar million)</b>					
Item	2010-11 (Apr-Mar)	2011-12 (Apr-Mar)	September		% Change in September 2012
			2011	2012	
Exports	251136	304624	26561.2	23698.3	-10.8
Imports	369769	489181	39756.1	41778.7	5.1
Oil imports	105964	154906	10779.5	14093.6	30.7
Non-Oil imports	263805	334276	28976.5	27685.0	-4.5
Trade balance	-118633	-184558	-13194.9	-18080.4	
Source: Provisional data as per the Press Note of the Ministry of Commerce and Industry					

## Foreign Currency Assets

**Table 11: Foreign Currency Assets**

	Amount		Variation	
	₹ crore	US million	₹ crore	US\$ million
At the end of			(over last year)	
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
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
June 2012	1449281	257376	16721	3466
July 2012	1436343	257363	-12938	-13
August 2012	1439861	258410	3518	1047
September 2012	1374066	260748	-65795	2338
October 2012	1413232	261141	39166	393

Source: RBI.

**Exchange rate:** The rupee appreciated by 3.0 per cent against US dollar, 3.1 per cent against Pound sterling, 4.0 per cent against Japanese yen and 2.0 per cent against Euro in the month of October 2012 over September 2012.

**Table 12 : Rupee per unit of foreign currency\***

	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
June 2012	56.0302	87.1349	0.7067	70.3087
July 2012	55.4948	86.5173	0.7028	68.2520
August 2012	55.5594	87.3444	0.7068	68.8750
September 2012	54.6055	87.8663	0.6991	70.1263
October 2012	53.0239	85.2128	0.6723	68.7522

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

\*\* Data from May, 2012 onwards are based on RBI's reference rate.



**External assistance and debt service payments:** Gross external aid in April-October 2012 is ₹11501.7 crore as compared to ₹16998.1 crore during the corresponding period of the previous year. Net disbursement stood at ₹ 1845.4 crore in April-October 2012 as compared to ₹9355.4 crore in April-October 2011 while net transfers were (-) ₹560.4 crore in April-October 2012 as compared to ₹7381.8 crore in April-October 2011.

<b>Table 13: External Assistance and Debt Service Payments</b>				
(Rs. In Crores)				
	<b>OCTOBER 2012</b>	<b>During the Financial year 2012-2013 up to October, 2012</b>	<b>OCTOBER 2011</b>	<b>During the Financial year 2011-2012 up to October, 2011</b>
<b>External Assistance (Government Account)</b>				
1) Gross Disbursement	1,129.13	8,592.97	4,012.26	12,579.96
2) Repayments	469.18	8,595.27	396.00	6,764.19
3) Interest Payments	261.52	2,195.78	252.77	1,767.49
4) Net Disbursement (1-2)	659.95	-2.30	3,616.26	5,815.77
5) Net Transfers (4-3)	398.43	-2,198.08	3,363.49	4,048.28
<b>External Assistance (Non-Government Account)</b>				
1) Gross Disbursement	32.17	2,322.17	1,176.34	2,907.64
2) Repayments	0.00	1,061.02	1.57	878.54
3) Interest Payments	0.14	210.03	6.13	206.06
4) Net Disbursement (1-2)	32.17	1,261.15	1,174.77	2,029.10
5) Net Transfers (4-3)	32.03	1,051.12	1,168.64	1,823.04
<b>Government Grants</b>				
1) Gross Disbursement	196.83	414.38	720.92	1,458.38
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)	196.83	414.38	720.92	1,458.38
5) Net Transfers (4-3)	196.83	414.38	720.92	1,458.38
<b>Non Government Grants</b>				
1) Gross Disbursement	0.00	172.21	2.37	52.15
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	172.21	2.37	52.15
5) Net Transfers (4-3)	0.00	172.21	2.37	52.15
<b>Grand Total</b>				
1) Gross Disbursements	1,358.13	11,501.73	5,911.89	16,998.13
2) Repayments	469.18	9,656.29	397.57	7,642.73
3) Interest Payments	261.66	2,405.81	258.90	1,973.55
4) Net Disbursement (1-2)	888.95	1,845.44	5,514.32	9,355.40
5) Net Transfers (4-3)	627.29	-560.37	5,255.42	7,381.85

## INFLATION

**Wholesale Price Index (WPI 2004-05=100):** The WPI inflation for the month of October 2012 is reported at 7.45 per cent, as against 7.81 per cent in last month and 9.87 per cent in the corresponding month last year. The inflation has declined mainly on account of manufactured products (edible oils, oil cake, chemicals, fertilizers, metals etc). Inflation has also moderated for rice, pulses, vegetables (potato, tomato), fruits, tea and spices, which has pulled Primary Food Articles (Wt 14.34 %) inflation down to 6.62 per cent from 7.86 per cent in the last month. However, inflation has gone up for wheat, onion, milk, egg, fish and meat. Inflation for fuel & power (Wt. 14.91%) declined marginally to 11.71 per cent in October 2012 from 11.88 per cent in September 2012. The average WPI inflation rate for last 12 months (Oct 2011 to Sep 2012) was 7.75 per cent as compared to 9.52 per cent during corresponding period in 2011-12. The build-up of inflation since March to Sep 2012 stood at 4.78 per cent as against 5.02 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>	4.78	5.02	7.45	9.87	7.75	9.52
PRIMARY ARTICLES	20.12	5.97	8.13	8.21	10.96	8.44	13.85
<i>Food articles</i>	<i>14.34</i>	7.81	11.34	6.62	10.17	7.57	10.48
FUEL AND POWER	14.91	6.81	7.87	11.71	14.79	12.56	12.52
MANUFACTURED PDT.	64.97	3.72	2.95	5.95	8.05	6.14	6.95

**Inflation based on Consumer Price Indices (CPIs):** The all India CPI inflation (combined) has increased marginally to 9.75 per cent in October 2012 from 9.73 per cent in the last month. The inflation remains elevated for cereals, pulses, oils & fats, egg, meat and fish and sugar in the current month. Inflation based on CPI-IW declined to 9.14 per cent in September 2012 from 10.31 per cent in August 2012. Food inflation remained elevated for all CPIs and stood at 11.00 per cent for CPI-IW in September 2012 as against 12.20 per cent in August 2012. Food inflation for CPI-AL and CPI-RL was 8.97 per cent and 9.28 per cent respectively in October 2012 as against 9.05 per cent and 9.20 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
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	7.23	5.32	4.92	5.27	7.65
Feb-12	7.56	7.57	6.34	6.68	8.83
Mar-12	7.69	8.65	6.84	7.19	9.38
Apr-12	7.50	10.22	7.84	8.01	10.26
May-12	7.55	10.16	7.77	8.11	10.36
Jun-12	7.58	10.05	8.03	8.54	9.93
Jul-12	7.52	9.84	8.61	8.94	9.86
Aug-12	8.01	10.31	9.18	9.34	10.03
Sep-12	<b>7.81</b>	9.14	9.43	9.93	9.73
Oct-12	<b>7.45</b>	-	9.85	9.84	<b>9.75</b>

Note: WPI inflation for Sep and Oct 2012, CPI (New Series) inflation for Oct 2012 is provisional.  
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- Oct 2012	Aug 2012	Sep 2012	Oct 2012
Coal, Australia	\$/mt	99.0	121.5	97.8	91.0	89.0	82.4
Crude oil, average	\$/bbl	79.0	104.0	105.8	105.3	106.3	103.4
Natural gas, US	\$/mmbtu	4.4	5.1	2.6	2.8	2.8	3.3
Cocoa	¢/kg	313.3	298.0	238.1	251.2	262.0	246.4
Coffee, Robusta	¢/kg	173.6	240.8	229.2	234.8	231.4	230.3
Tea, auctions	¢/kg	288.5	292.1	287.5	311.7	311.9	306.8
Coconut oil	\$/mt	1124.0	1730.0	1170.0	1001.0	967.0	898.0
Groundnut oil	\$/mt	1404.0	1988.0	n.a.	2553.0	2408.0	2375.0
Palm oil	\$/mt	901.0	1125.0	1040.0	997.0	967.0	839.0
Palm kernel oil	\$/mt	1184.0	1648.0	1175.0	1008.0	984.0	862.0
Soybean meal	\$/mt	378.0	398.0	513.0	644.0	646.0	601.0
Soybean oil	\$/mt	1005.0	1299.0	1242.0	1252.0	1283.0	1175.0
Soybeans	\$/mt	450.0	541.0	590.0	684.0	670.0	617.0
Maize	\$/mt	185.9	291.7	295.1	332.0	320.8	321.2
Rice, Thailand, 5%	\$/mt	488.9	543.0	563.9	567.8	563.3	558.3
Wheat, US, HRW	\$/mt	223.6	316.3	305.0	349.4	353.4	358.2
Bananas, US	\$/mt	868.0	968.0	993.0	951.0	965.0	956.0
Oranges	\$/mt	1033.0	891.0	880.0	970.0	1001.0	973.0
Fishmeal	\$/mt	1688.0	1537.0	1501.0	1697.0	1675.0	1635.0
Meat, chicken	¢/kg	189.2	192.6	206.7	209.5	210.9	211.3
Meat, beef	¢/kg	335.1	404.2	411.5	404.1	397.4	401.0
Sugar, world	¢/kg	46.9	57.3	48.5	46.0	44.1	44.8
Plywood	¢/sheets	569.1	607.5	610.0	606.7	608.1	610.2
Cotton A Index	¢/kg	228.3	332.9	199.6	186.1	185.5	178.6
Rubber, TSR20	¢/kg	338.1	451.9	321.7	259.5	276.3	295.4
DAP	\$/mt	500.7	618.9	545.3	559.0	573.0	573.0
Urea	\$/mt	288.6	421.0	411.2	374.9	384.5	396.0
Copper	\$/mt	7535.0	8828.0	7987.0	7516.0	8088.0	8062.0
Lead	¢/kg	214.8	240.1	203.1	190.1	217.8	214.2
Tin	¢/kg	2041.0	2605.0	2099.0	1877.0	2077.0	2123.0
Nickel	\$/mt	21809.0	22910.0	17679.0	15735.0	17288.0	17169.0
Zinc	¢/kg	216.1	219.4	194.5	181.8	201.0	190.4
Gold	\$/toz	1225.0	1569.0	1663.0	1630.0	1745.0	1747.0
Silver	¢/toz	2015.0	3522.0	3090.0	2880.0	3361.0	3319.0
Iron ore	\$/dmt	145.9	167.8	129.3	107.5	99.5	114.0

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

## Public Finance

As a proportion of budget estimate, fiscal deficit during April-September 2012 was 65.6 per cent and revenue deficit was 75.1 per cent.

**Table 17: Trends in Central Government Finances during 2012-13 (April-September)**

	Budget Estimates	April -September		Col.3 as per cent of	Col.4 as per cent of	Per cent change over preceding year	
	2012-13	2011-12	2012-13	2011-12 BE	2012-13 BE	2011-12	2012-13 (4/3)
(₹ Crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	935685	305528	350888	38.7	37.5	-23.3	14.8
Gross tax revenue*	1077612	369353	424897	39.6	39.4	13.9	15.0
Tax (net to Centre)	771071	254731	293812	38.3	38.1	9.1	15.3
Non Tax	164614	50797	57076	40.5	34.7	-69.2	12.4
2. Capital Receipts of which	555241	293565	343131	62.7	61.8	110.1	16.9
Recovery of loans	11650	10024	4855	66.7	41.7	135.5	-51.6
Other Receipts	30000	2731	1372	6.8	4.6	22.2	-49.8
Borrowings and other liabilities	513590	280810	336904	68.0	65.6	110.7	20.0
3. Total Receipts (1+2)	1490925	599093	694019	47.6	46.5	11.4	15.8
4. Non-Plan Expenditure (a)+(b)	969900	421270	491279	51.6	50.7	14.4	16.6
(a) Revenue Account	865596	376275	446673	51.3	51.6	14.6	18.7
of which:							
Interest payments	319759	122499	131165	45.7	41.0	19.2	7.1
Major Subsidies	179554	75190	141903	56.0	79.0	17.4	88.7
Pensions	63183	29694	28071	54.5	44.4	18.7	-5.5
(b) Capital Account	104304	44995	44606	54.5	42.8	12.6	-0.9
5. Plan Expenditure (i)+(ii)	521025	177823	202740	40.3	38.9	4.8	14.0
(i) Revenue Account	420513	151033	167499	41.5	39.8	4.3	10.9
(ii) Capital Account	100512	26790	35241	34.4	35.1	7.8	31.5
6. Total Expenditure (4)+(5)=(a)+(b)	1490925	599093	694019	47.6	46.5	11.4	15.8
(a) Revenue Expenditure	1286109	527308	614172	48.1	47.8	11.4	16.5
(b) Of which Grants for creation of Capital Assets	164672	51411	50656	35.0	30.8	208.3	-1.5
(c) Capital Expenditure	204816	71785	79847	44.7	39.0	10.7	11.2
7. Revenue Deficit	350424	221780	263284	72.2	75.1	196.0	18.7
8. Effective Revenue Deficit(7-6(b))	185752	170369	212628	106.2	114.5	192.5	24.8
9. Fiscal Deficit	513590	280810	336904	68.0	65.6	110.7	20.0
10. Primary Deficit	193831	158311	205739	109.3	106.1	420.0	30.0

Source: Review of Union Government Accounts, August 2012. \* Gross Tax Revenue is prior to devolution to the States.