

**Ministry of Finance
Department of Economic Affairs
Economic Division
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**MONTHLY ECONOMIC REPORT
SEPTEMBER 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 September 8, during the South West Monsoon (June 1-September 30), was 1 per cent above the Long Period Average (LPA).
- Food grains (rice and wheat) stocks held by FCI and State agencies were 57.83 million tonnes as on July 1, 2010
- Overall growth in the Index of Industrial Production (IIP) was 5.6 per cent during August 2010 as compared to 10.6 per cent in August 2009. During April-August 2010-11, IIP growth was 10.6 per cent as compared to 5.9 per cent during April-August 2009-10.
- Core infrastructure-supportive sectors grew by 3.7 per cent in August 2010 as compared to the growth of 6.4 per cent in August 2009. During April-August 2010-11, these sectors grew by 4.1 per cent as compared to 4.8 per cent during April-August 2009-10.
- Broad money (M₃) (up to September 24, 2010) increased by 4.9 per cent as compared to 6.8 per cent during the corresponding period of the last year. The year-on-year growth, as on September 24, 2010 was 14.7 per cent as compared to 19.5 per cent last year.
- Exports, in US dollar terms increased by 22.5 per cent and imports increased by 32.2 per cent, during August 2010.
- Foreign Currency Assets stood at US \$ 265.5 billion at end September 2010 compared to US \$ 264.6 billion at end September 2009.
- Rupee appreciated against US Dollar, Pound Sterling and Japanese Yen and depreciated against Euro in the month of September 2010 over August 2010.
- Year-on-year inflation in terms of Wholesale Price Index was 8.62 per cent for the month of September, 2010 as compared to 1.09 per cent in September, 2009.
- Tax revenue (net to Centre) during April-August, 2010-11 recorded a growth of 29.6 per cent compared with corresponding period of 2009-10. Non-tax revenue grew by 202.4 per cent in April-August, 2010-11 on account of one-off nature of receipts of proceeds from Tele com Spectrum auction.
- As a proportion of budget estimate, fiscal deficit during April-August 2010-11 was 39.7 per cent and revenue deficit was 36.3 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. The south west monsoon performance (June-September) for the recent years is given in Table 3.

Table 3: Monsoon performance : 2007 to 2009 (June-September)					
Year	Number of meteorological subdivisions			Percentage of districts with normal/excess rainfall	Percentage of LPA rainfall for country as a whole
	Normal	Excess	Deficient /Scanty		
2007	17	13	6	72	105
2008	30	2	4	76	98
2009	10	3	23	41	77
Source: Indian Meteorological Department. Note: Excess = +20 per cent or more of LPA; Normal = +19 per cent to -19 per cent of LPA; Deficient = -20 per cent to -59 per cent of LPA; Scanty = -60 per cent to -99 per cent of LPA.					

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, upto September 8, was 781.2 mm, which is 1 per cent above the normal. During this period, out of 36 meteorological sub-divisions in the country, 31 received excess/normal rainfall (86.11 per cent) and 5 received deficient rainfall (13.89 per cent). As per the second stage Long Range forecast for the South West Monsoon issued by Indian Meteorological Department on June 25, 2010, the monsoon season rainfall for the country as a whole is likely to be 102 per cent of long period average (LPA) with a model error of plus or minus 4 per cent.

All India production of food grains (July-June): According to the 4th Advance Estimates released on July 19, 2010, the production of food grains is estimated at 218.20 million tonnes during 2009-10 compared to 234.47 million tonnes (final estimates) in 2008-09.

	Full Marketing Year		As on 1 st July	
	2007-08	2008-09	2009	2010
Rice(Oct-Sept)	28.74	33.68	30.81	29.52
Wheat(Apr-Mar)	11.13	22.69	24.71	22.50
Total	39.87	56.37	55.52	52.02

Procurement: Procurement of rice as on July 1, 2010 (Kharif Marketing Season 2009-10) at 29.52 million tonnes represents a decline of 4.19 per cent compared to the corresponding date last

year. Wheat procurement as on July 1, 2010 (Rabi Marketing Season 2010-11) was 22.50 million tonnes as compared to 24.71 million tonnes during the corresponding date last year.

Off-take: Off-take of rice during the month of June, 2010 was 21.94 lakh tonnes. This comprises 18.18 lakh tonnes under TPDS and 3.76 lakh tonnes under other schemes. In respect of wheat, the total off take was 17.64 lakh tonnes comprising 15.12 lakh tonnes under TPDS and 2.52 lakh tonnes under other schemes.

Stocks of food-grains (rice and wheat) held by FCI as on July 1, 2010 were 57.83 million tonnes, which was higher by 10.07 per cent over the level of 52.54 million tonnes as on July 1, 2009.

	Off-take			Stocks	
	2007-08	2008-09	2009-10	July 1, 2009	July 1, 2010
Rice	25.23	24.62	27.37	19.62	24.25
Wheat	12.20	14.88	22.35	32.92	33.58
Total	37.43	39.50	49.72	52.54	57.83

INDUSTRIAL PRODUCTION

Table 6: Percentage change in Index of Industrial Production

Industry Group	2009-10	2009-10(April-August)	2010-11(April-August)	August 2009	August 2010
General index	10.4	5.9	10.6	10.6	5.6
Mining	9.8	8.0	9.4	11.0	7.0
Manufacturing	10.8	5.6	11.3	10.6	5.9
Electricity	6.0	6.5	4.3	10.6	1.0
Use-based industrial groups					
Basic goods	7.1	6.2	5.9	7.7	3.7
Capital goods	19.1	3.4	29.0	9.2	-2.6
Intermediate goods	13.6	9.3	9.8	14.4	10.0
Consumer goods	7.3	3.6	8.6	10.9	6.9
Durables	26.2	18.8	27.0	24.7	26.5
Non-durables	1.3	-1.1	1.6	6.1	-1.2

growth rates in August 2010 were 7.0, 5.9 and 1.0 per cent respectively. In the use-based industrial groups, the growth rate has increased in consumer durables goods and decreased in basic goods, intermediate goods, consumer goods and negative in capital goods and consumer non-durable goods in August 2010 as compared to August 2009.

Table 7: Production growth (per cent) in core infrastructure-supportive industries

Industry	August 2009	August 2010	2009-10(April-August)	2010-11(April-August)
Coal	13.3	1.0	12.6	0.9
Electricity generation ¹	10.2	1.0	6.2	4.4
Crude petroleum	-2.5	15.0	1.6	6.5
Petroleum products	3.0	-2.3	-4.9	5.3
Finished steel	0.3	7.7	1.9	3.5
Cement	17.5	1.6	13.4	4.6
Overall growth	6.4	3.7	4.8	4.1

(¹): This will not necessarily match the growth in electricity given in the Index of Industrial Production

petro refinery products, it is negative and in coal, electricity and cement sectors, it is negligible as compared to August 2009.

During August 2010, the IIP growth was 5.6 per cent as compared to 10.6 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 4.1 per cent during April-August 2010-11 as compared to 4.8 per cent during the corresponding months in 2009-10. During the month of August 2010, the overall growth of the core sector industries was 3.7 per cent as compared to the growth of 6.4 per cent during August 2009. During August 2010, the growth rate has increased in crude oil and finished steel whereas in

MONEY AND BANKING

Reserve Bank in its Mid Quarter Monetary Policy Review decided to:

- increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.75 per cent to 6.0 per cent with immediate effect.
- increase the reverse repo rate under the LAF by 50 basis points from 4.5 per cent to 5.0 per cent with immediate effect.

As per the expectation of RBI, these measures will:

- contain inflation and anchor inflationary expectations without disrupting growth.
- reduce the volatility in overnight call money rates, thereby strengthening the monetary transmission mechanism.
- continue the process of normalisation of the monetary policy instruments.

Broad money (M_3) (up to September 24, 2010) increased by 4.9 per cent as compared to 6.8 per cent during the corresponding period of the last year. The year-on-year growth, as on September 24, 2010 was 14.7 per cent as compared to 19.5 per cent last year.

Table 8 : 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	Sept. 24	2009-10	2010-11	2009	2010
M_3	55,99,762	58,72,194	6.8	4.9	19.5	14.7
Components (i+ii+iii+iv)						
(i) Currency with the Public	7,68,033	8,26,213	4.2	7.6	18.3	19.2
(ii) Demand Deposits with Banks	7,22,739	6,80,963	4.3	-5.8	11.3	10.9
(iii) Time Deposits with Banks	41,05,151	43,61,019	7.8	6.2	21.3	14.5
(iv) "Other" Deposits with Reserve Bank	3,839	3,999	-26.9	4.2	-25.4	-1.8
Sources (i+ii+iii+iv-v)						
(i) Net Bank Credit to Government (a+b)	16,67,096	17,51,050	15.1	5.0	52.0	19.1
(a) Reserve Bank	2,11,586	2,06,761				
(b) Other Banks	14,55,511	15,44,289	18.0	6.1	39.4	7.7
(ii) Bank Credit to Commercial Sector (a+b)	34,92,781	36,73,461	3.3	5.2	12.3	17.9
(a) Reserve Bank	1,328	1,325	-	-	-	-
(b) Other Banks	34,91,453	36,72,136	3.4	5.2	12.0	18.3
(iii) Net Foreign Exchange Assets of Banking Sector*	12,81,469	13,41,857	0.7	4.7	-0.5	-1.5
(iv) Government's Currency Liabilities to the Public	11,270	11,761	5.5	4.4	9.9	10.9
(v) Banking Sector's Net Non-Monetary Liabilities	8,52,854	9,05,936	-2.7	6.2	0.2	8.3
of which :						
Net Non-Monetary Liabilities of RBI	3,01,615	3,47,996	4.4	15.4	16.0	-14.1
* : 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 (M_0) during the financial year 2010-11 (up to September 24, 2010) showed an increase of 1.6 per cent as compared to deterioration of 2.3 per cent in the corresponding period of the previous year. The year-on-year variation

revealed an increase of 21.7 per cent as on September 24, 2010, compared to deterioration of 0.9 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 September 24, 2010 as compared to an increase of 2.6 per cent in the same period last year. The y-o-y growth rate of NFA, as on September 24, 2010 was (-) 1.0 per cent as compared to deterioration of 2.7 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year (September 24, 2010), Bank credit increased by 5.5 per cent as compared to increase of 3.6 per cent during the corresponding period of last year.

The Non-Food credit during this period recorded an increase of 5.6 per cent as compared to an increase of 3.9 per cent during the corresponding period of last year. The aggregate deposits with Scheduled Commercial Banks recorded an increase of 4.8 per cent (as on September 24, 2010) as against an increase of 7.4 per cent in the corresponding period of last year.

Items	Outstanding as on (Rs. crore)		Percentage Variation			
			Financial year so far		Year on Year	
	26-Mar- 10	Sept. 24, 2010	2010- 11	2009- 10	2009	2010
1. Bank credit	3240399	3382928	1.8	4.3	13.2	19.8
Non-Food credit	3191909	3372059	3.9	5.6	13.3	19.1
2. Aggregate deposits	4486574	4690703	6.6	4.4	20.1	14.8
3. Investments in Govt. and other approved securities	1166410	1458819	15.5	5.3	34.5	8.3

Item / Week Ended	2009	2010
	September 25	September 24
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	7.50-8.00
Deposit Rate ⁽³⁾	6.50-7.75	6.75-7.75
Call Money Rate (Low / High) ⁽⁴⁾		
- Borrowings	1.50 /4.25	4.00/6.40
- Lendings	1.50/4.25	4.00/6.40

(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 September 24, 2010, Bank Rate was 6.00 per cent. Call money rates (borrowing & lending) were in the range of 4.00/6.40 per cent as compared with 1.50 /4.25 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports, in US dollar terms and customs basis, during August 2010 increased by 22.5 per cent and imports increased by 32.2 per cent over August 2009. Oil imports increased by 12.4 per cent and non-oil imports increased by 41.1 per cent during August 2010 over August 2009.

Table 11: Exports and imports (in US dollar million)					
Item	2008-09 (Apr.-Mar)	2009-10 (Apr.-Mar)	August- 09	August- 10	% Change in August 2010
Exports	185295	178662	13586	16644	22.5
Imports	303696	286823	22449	29679	32.2
Oil imports	93667	87121	6936	7795	12.4
Non-Oil imports	210029	199702	15513	21884	41.1
Trade balance	-118401	-108161	-8863	-13035	-

Source: Provisional data as per the Press Note of the Ministry of Commerce and Industry

Foreign Currency Assets

Table 12: Foreign Currency Assets				
	Amount		Variation	
	Rs. crore	US\$ Million	Rs. crore	US\$ Million
At the end of			(over last year)	
March, 2006	647327	145108	54206	9537
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

Source: RBI.

Exchange rate: The rupee appreciated by 1.1 against US Dollar, 1.8 against Pound Sterling and 0.2 per cent against Japanese Yen and depreciated by 0.2 per cent against Euro in the month of September 2010 over August 2010.

Table 13: Rupees per unit of foreign currency*				
	US Dollar	Pound Sterling	Japanese Yen	Euro
March, 2007	44.0260	85.6763	0.3754	58.2684
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

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

External assistance and debt service payments: Gross external aid in April-September 2010 at Rs. 20781.41 crore shows an increase of 61.31 per cent, compared to Rs. 12882.75 crore in April- September 2009. Net disbursement was Rs. 14328.91 crore in April- September 2010 compared to Rs. 6726.33 crore in April- September 2009. Net transfers were Rs. 12698.88 crore in April- September 2010 compared to Rs. 4622.50 crore in April- September 2009.

Table 14: External Assistance and Debt Service Payments				
				(Rs. in crore)
	September 2010	During the Financial year 2010-11	September 2009	During the Financial year 2009-10
External Assistance (Government Account)				
1) Gross Disbursement	1,719.58	17,861.96	2,874.04	8,760.39
2) Repayments	1,013.73	5,873.54	940.71	5,491.32
3) Interest Payments	201.25	1,386.42	256.24	1,771.04
4) Net Disbursement (1-2)	705.85	11,988.42	1,933.33	3,269.07
5) Net Transfers (4-3)	504.60	10,602.00	1,677.09	1,498.03
External Assistance (Non-Government Account)				
1) Gross Disbursement	42.57	2,136.92	529.46	3,215.68
2) Repayments	15.34	578.96	19.34	665.10
3) Interest Payments	20.08	243.61	27.02	332.79
4) Net Disbursement (1-2)	27.23	1,557.96	510.12	2,550.58
5) Net Transfers (4-3)	7.15	1,314.35	483.10	2,217.79
Government Grants				
1) Gross Disbursement	320.14	720.35	131.00	866.55
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)	320.14	720.35	131.00	866.55
5) Net Transfers (4-3)	320.14	720.35	131.00	866.55
Non-Government Grants				
1) Gross Disbursement	0.00	62.18	0.58	40.13
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	62.18	0.58	40.13
5) Net Transfers (4-3)	0.00	62.18	0.58	40.13
Grand Total				
1) Gross Disbursements	2,082.29	20,781.41	3,535.08	12,882.75
2) Repayments	1,029.07	6,452.50	960.05	6,156.42
3) Interest Payments	221.33	1,630.03	283.26	2,103.83
4) Net Disbursement (1-2)	1,053.22	14,328.91	2,575.03	6,726.33
5) Net Transfers (4-3)	831.89	12,698.88	2,291.77	4,622.50

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 15 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	5.44	3.90	1.09	8.62	3.10	8.35
PRIMARY ARTICLES	20.12	12.67	8.32	10.63	17.45	8.99	18.37
<i>Food articles</i>	14.34	14.09	9.41	13.92	15.71	12.26	19.94
FUEL AND POWER	14.91	7.96	5.35	-8.09	11.06	-1.35	8.62
MANUFACTURED PDT.	64.97	2.18	1.59	0.16	4.59	2.21	4.57

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 16).

	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	-	13.68	13.68
June-10	10.28	13.73	-	13.02	13.02
July-10	10.02	11.25	-	11.02	11.24
Aug-10	8.51	9.88	-	9.65	9.66
Sep-10	8.62	-	-	-	-

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

Table 17: Select World Commodity price

Commodity	Unit	Annual Averages		Monthly Averages				Y-o-Y variation in prices (%)			
		Jan-Dec	Jan-Dec	Dec -09	Mar -10	Jun -10	Sep -10	Dec -09	Mar -10	Jun -10	Sep -10
Energy		2004	2008	2009	2010	2010	2010				
Coal, Australia	\$/mt	53	128	83	94	98	95	5.7	54.7	37.6	40.3
Crude oil, avg, spot	\$/bbl	38	97	75	79	75	76	81.1	70.0	8.1	11.4
Crude oil, Brent	\$/bbl	38	98	75	79	75	78	79.6	69.2	9.1	14.9
Crude oil, Dubai	\$/bbl	33	94	75	77	74	75	84.1	69.8	6.9	10.8
Natural gas, US	\$/mmbtu	6	9	5	4	5	4	-7.4	8.7	26.0	31.8
Agriculture				72							
Coffee, robusta	c/kg	79	232	154	148	170	179	-15.3	-11.9	4.2	10.1
Tea, auctions (3), average	c/kg	169	242	297	262	272	308	54.4	19.7	-2.3	-2.5
Coconut oil	\$/mt	661	1224	768	921	993	1284	3.8	47.4	32.9	83.2
Groundnut oil	\$/mt	1161	2131	1192	1380	1342	1253	-17.0	13.7	16.3	11.9
Palm oil	\$/mt	471	948	792	832	798	906	57.5	39.1	9.9	34.4
Palmkernel oil	\$/mt	648	1129	829	995	1051	1268	49.6	69.5	41.8	80.1
Soybean meal	\$/mt	241	428	401	329	338	393	33.7	-4.4	-24.3	-7.5
Soybean oil	\$/mt	616	1257	935	915	859	1033	26.7	25.9	-4.1	22.1
Maize	\$/mt	112	223	165	159	153	206	4.0	-3.3	-14.9	36.9
Rice, Thailand, 5%	\$/mt	225	647	591	502	440	477	11.1	-14.6	-23.4	-8.0
Wheat, US, HRW	\$/mt	157	326	206	191	158	272	-6.3	-17.3	-38.6	42.2
Wheat US SRW	\$/mt	144	275	206	190	183	276	15.2	3.4	-9.5	74.5
Oranges	\$/mt	858	1108	1014	955	1201	1031	33.1	12.8	47.2	0.0
Sugar, world	c/kg	16	28	52	41	35	50	100.3	39.3	-3.3	-2.4
Raw Materials											
Logs, Malaysia	\$/cum	197	292	265	250	261	311	-18.9	-13.4	-6.6	10.7
Plywood	c/sheets	465	648	557	557	567	575	-13.8	-2.4	0.7	2.6
Woodpulp	\$/mt	641	821	731	814	897	918	16.0	51.3	58.6	39.6
Cotton A Index	c/kg	137	158	168	189	205	231	37.1	66.6	51.5	63.5
Rubber, US	c/kg	148	284	310	357	371	376	100.9	120.7	97.8	51.2
Rubber, Singapore	c/kg	130	261	280	334	357	353	132.8	133.3	112.9	62.7
Fertilizers											
DAP	\$/mt	221	967	360	476	448	519	-11.6	29.5	61.3	63.7
Phosphate rock	\$/mt	41	346	90	105	125	125	-74.3	-33.3	29.0	38.9
Potassium chloride	\$/mt	125	570	399	313	319	338	-48.3	-64.1	-55.5	-21.3
Urea, E. Europe,	\$/mt	175	493	261	279	229	319	15.9	5.0	-3.4	36.3
Metals and Minerals											
Aluminum	\$/mt	1716	2573	2180	2206	1931	2162	46.3	65.1	22.7	17.9
Copper	\$/mt	2866	6956	6982	7463	6499	7709	127.3	99.0	29.6	24.4
Gold	\$/toz	409	872	1135	1113	1233	1271	39.0	20.5	30.4	27.5
Iron ore	c/dmtu	38	136	101	101	167	205	-28.2	-28.2	65.4	103.1
Lead	c/kg	89	209	233	217	170	218	141.8	75.3	1.8	-0.9
Nickel	\$/mt	13823	21111	17066	22461	19389	22643	76.2	131.6	29.6	29.6
Silver	c/toz	669	1500	1764	1715	1853	2061	71.0	30.8	26.4	25.0
Steel cr coilsheet	\$/mt	607	966	700	775	850	850	-36.4	-13.9	21.4	21.4
Steel hr coil sheet	\$/mt	503	883	600	675	750	750	-40.0	-15.6	25.0	25.0
Tin	c/kg	851	1851	1555	1755	1732	2270	38.3	64.4	15.6	52.7
Zinc	c/kg	105	187	238	228	174	215	115.9	87.0	11.9	14.2

Source: World Bank - The Pink Sheet

FISCAL SITUATION

- As a proportion of budget estimate, fiscal deficit during April-August 2010-11 was 39.7 per cent and revenue deficit was 36.3 per cent. The lower levels reflect one-off nature of growth in non-tax revenue (from auction of telecom spectrum).

Trends in Central Government Finances : April-August 2010

	Budget	April-August		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	157,198	290,799	25.6	42.6	-2.7	85.0
Gross tax revenue	746,651	168,276	214,295	26.2	28.7	-11.6	27.3
Tax (net to Centre)	5,34,094	106,837	138,500	22.5	25.9	-14.8	29.6
Non Tax	148,118	50,361	152,299	35.9	102.8	39.6	202.4
2. Capital Receipts	426,537	186,125	156,904	45.8	36.8	57.6	-15.7
of which:							
Recovery of loans	5,129	1,822	3,361	43.1	65.5	57.1	84.5
Other Receipts	40,000	2,013	2,118	179.7	5.3		
Borrowings and other liabilities	381,408	182,290	151,425	45.5	39.7	56.0	-16.9
3. Total Receipts (1+2)	1,108,749	343,323	447,703	33.6	40.4	22.8	30.4
4. Non-Plan Expenditure (a)+(b)	735,657	245,275	311,249	35.3	42.3	27.1	26.9
(a) Revenue Account	643,599	228,189	273,620	36.9	42.5	22.8	19.9
of which:							
Interest payments	248,664	72,133	85,621	32.0	34.4	9.6	18.7
Major Subsidies	108,667	54,193	54,737	51.3	50.4	4.7	1.0
Pensions	42,840	16,341	19,922	46.7	46.5	56.4	21.9
(b) Capital Account	92,058	17,086	37,629	22.2	40.9	137.7	120.2
5. Plan Expenditure (i)+(ii)	373,092	98,048	136,454	30.2	36.6	13.2	39.2
(i) Revenue Account	315,125	84,094	117,531	30.2	37.3	14.2	39.8
(ii) Capital Account	57,967	13,954	18,923	29.8	32.6	7.1	35.6
6. Total Expenditure (4)+(5)=(a)+(b)	1,108,749	343,323	447,703	33.6	40.4	22.8	30.4
(a) Revenue Expenditure	958,724	312,283	391,151	34.8	40.8	20.4	25.3
(b) Capital Expenditure	150,025	31,040	56,552	25.1	37.7	53.6	82.2
7. Revenue Deficit	276,512	155,085	100,352	54.9	36.3	58.4	-35.3
8. Fiscal Deficit	381,408	182,290	151,425	45.5	39.7	56.0	-16.9
9. Primary Deficit	132,744	110,157	65,804	62.8	49.6	115.8	-40.3

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