

macroTRACK

JUNE

2013

MONTHLY REPORT

VOL. XV

NO. 6

HIGHLIGHTS

Household Behaviour

Savings

Prabir K Ghosh, Prabeer K Roy and Mythili Bhusnurmath

Indian households have always accounted for the major share of gross domestic savings. But, they seem to have lost the savings habit now.

Poverty

States' Barometer of Misery level

Poonam Munjal, Rachna Sharma and Mythili Bhusnurmath

Worldwide, when the economy takes a tumble, economic predictors turn to the numbers, comparing the downturn to past recessions.

Infrastructure

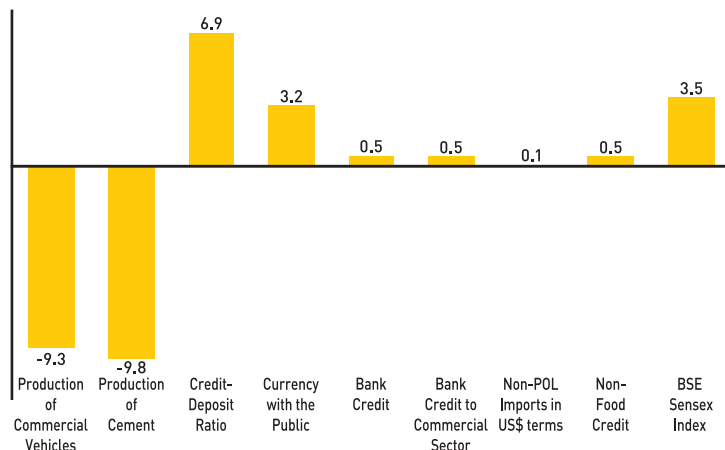
Decay of Railways

Bornali Bhandari

This article compares the decaying condition of Indian Railways with select countries around the world.

LEADING ECONOMIC INDICATORS: APRIL 2013

Uncertain economic outlook continues



Savings

When it comes to the different forms of financial assets, savings in bank deposits are the overwhelming favourite in both rural as well as urban areas, with rural households opting to hold 46.7 per cent of their financial assets in bank deposits and urban households following close behind at 44.6 per cent.

INDIAN HOUSEHOLDS HAVE always accounted for the major share of gross domestic savings. But, they seem to have lost the savings habit now. You can blame some of that on consumerism. But what explains the fall in the share of their savings in financial instruments? Received wisdom says persistently high inflation since 2009. Years of negative real returns from a host of financial instruments, especially bank deposits, has seen Indian households react in the only way they can – by turning to physical assets, typically gold.

According to the Reserve Bank of India (RBI), household savings declined from a high of 25.2 per cent in 2009–10 to 22.3 per cent in 2011–12. Worse, financial savings by households fell even more sharply to a paltry 8 per cent in 2011–12, down from 12 per cent in 2009–10 and 10.4 per cent in 2010–11 even as savings in physical assets rose steadily to touch 14.3 per cent in 2011–12, up from 13.1 per cent in 2010–11.

But savings in financial instruments are the bedrock of a modern financial system. Corporates seeking to raise both equity and debt and governments looking for ways to fund their deficits need finance. Typically, this need is met predominantly by savers willing to hold their savings in the form of financial instruments. What happens if, for whatever reasons, savers turn their face against financial instruments? In countries like India where households account for the major share of savings, the fallout can be disastrous. Not only are banks starved of lendable funds, but the resort to gold import also has adverse consequences for our balance of payments.

But are households across the country uniformly disenchanted with all financial assets? Or do certain financial assets find more favour than others? Is there a regional pattern to these preferences? Do factors such as literacy and the rural-urban divide play a role in determining people's choices? While some broad macro data is available, not much information is available regarding the distribution of savings by households at the disaggregated level – state-wise.

The NCAER's National Survey of Household Income and Expenditure (NSHIE) survey

2010–11 provides some interesting insights. First is the rural-urban divide. While the average household income in urban areas is almost twice that in rural areas, the average household investment in financial assets in urban areas is three times that in rural areas. When it comes to the different forms of financial assets, savings in bank deposits are the overwhelming favourite in both rural and urban areas, with rural households opting to hold 46.7 per cent of their financial assets in bank deposits and urban households following close behind at 44.6 per cent (Table H.1).

When it comes to the second most popular form of savings, there is a clear divergence between rural and urban areas, with rural households preferring insurance to savings in Provident Funds (PF), both employee PF and PPF (public provident funds), compared with urban households that seem to prefer the latter.

At first glance this might seem counter-intuitive. Insurance is a more complicated product than provident funds. But the apparent contradiction is, perhaps, explained by the medical insurance cover extended under programmes such as the *Rashtriya Swasthya Bima Yojna* (RSBY) in rural areas, while the larger share of the organised workforce in urban areas relative to rural areas explains why PF/PPF are the second-most popular form of savings in urban areas.

A state-wise comparison shows that households in Haryana and Rajasthan have a

Table H.1: Distribution of Investment (financial) by Household (%), 2011–12

Sources	Rural	Urban	All India
Cash at home	15.6	10.3	12.6
Bank deposit	46.9	44.1	45.3
Post office	3.8	2.0	2.8
PPF/PF	13.4	22.3	18.4
Stock market	1.8	3.6	2.8
Insurance	15.3	15.6	15.4
SHG/ Chit Fund	2.5	1.8	2.1
Other	0.8	0.3	0.5

Source: NCAER NSHIE 2011–12.

strong preference for bank deposits, with over 55 per cent of financial assets being held in bank deposits. In contrast, households in Kerala and Andhra Pradesh (AP) hold less than 30 per cent of their savings in bank deposits (Table H.2). These are both states that also have a strong network of bank branches; so, poor access to banks may not be the reason why bank deposits are less favoured. The reason, perhaps, lies in the relatively greater share of household savings going towards self-help groups (SHGs)/chit funds and the stock market.

As against the all-India average of just 2.1 per cent of household savings going to the chit funds, households in Kerala invested about one-fifth of their financial savings in SHGs/chit funds, while the comparable number for households in AP was 9.4 per cent. Again, households in AP and Kerala saved about 6.1 and 5.1 per cent, respectively, of their total financial savings in the stock market as against the all-India average of 2.8 per cent (Table H.2).

Households in Assam, particularly in rural areas, saved about one-fifth of their savings in the post office followed by West Bengal, which is 10.8 per cent. This may be due to the non-existence of other financial institutions or greater trust in government institutions.

Does literacy make a difference to how

households allocate their savings among different instruments? It would certainly seem so, with more literate households opting to keep less of their savings in the form of cash. Surprisingly, this inverse relationship seems more pronounced in rural than urban areas. The correlation coefficient is -0.66 in the former compared to -0.45 in the latter.

The correlation with stock market investments is much weaker. Higher literacy levels do not seem to be a factor in motivating people to invest in the stock market, though here again, in a rather counter-intuitive finding, the relationship seemed stronger in rural areas than in urban areas.

As might be expected, households in Gujarat are more engaged with the stock market than elsewhere in the country. The surprise, however, is that Gujarat, does not top the list of states in terms of the share of household savings in the stock market. It ranks third, well behind Tamil Nadu and AP. Maharashtra, the state that houses the financial capital, Mumbai, comes even further behind at number five. Contrary to the widespread belief that households in the South are conservative, three southern states – Tamil Nadu, AP and Kerala – figure in the list of top five states in terms of the share of household savings in both SHGs/chit funds and the stock market.

Again, households in AP and Kerala saved about 6.1 and 5.1 per cent, respectively, of their total financial savings in the stock market as against the all-India average of 2.8 per cent.

Table H.2: Distribution of Investment by Households' Financial Assets (%), 2011–12

States	Cash at home	Bank deposit	Post office	PPF/PF	Stock market	Insurance	SHG/ Chit Fund	Other
Jammu & Kashmir	11.75	43.70	0.02	32.80	1.74	9.70	0.29	0.00
Himachal Pradesh	14.93	50.62	0.27	24.84	0.00	9.34	0.00	0.00
Punjab	12.44	53.52	0.32	14.90	1.70	16.97	0.05	0.09
Uttaranchal	7.31	51.37	3.80	26.63	1.43	7.88	0.42	1.14
Haryana	13.01	56.79	0.41	17.92	1.51	10.35	0.01	0.00
Delhi	11.97	48.42	0.03	19.30	4.20	13.35	2.36	0.38
Rajasthan	13.18	55.83	2.75	13.72	0.37	13.36	0.70	0.07
Uttar Pradesh	13.99	51.46	1.33	14.55	0.46	17.30	0.57	0.34
Bihar	21.79	44.67	0.48	13.71	0.88	17.33	0.04	1.10
Assam	11.30	35.91	16.30	21.63	0.20	14.65	0.01	0.00
West Bengal	11.06	44.51	7.25	15.57	2.19	18.80	0.31	0.31
Jharkhand	10.72	38.28	2.25	22.06	0.61	18.70	1.67	5.71
Orissa	14.80	38.34	3.98	20.69	2.08	18.79	0.90	0.42
Chhattisgarh	19.13	42.33	0.21	18.08	0.21	19.98	0.01	0.07
Madhya Pradesh	13.75	46.89	2.98	21.29	0.61	13.54	0.80	0.13
Gujarat	18.02	47.50	2.61	12.24	5.41	13.72	0.36	0.14
Maharashtra	8.37	43.69	2.45	23.65	3.88	15.97	1.61	0.38
Andhra Pradesh	16.15	28.29	3.49	17.28	6.06	15.71	9.43	3.58
Karnataka	15.67	49.13	3.17	11.71	3.80	15.38	1.12	0.02
Kerala	7.76	28.11	2.53	14.29	5.10	20.66	21.41	0.14
Tamil Nadu	14.82	33.55	2.21	21.38	6.72	17.31	3.57	0.45
Other States	8.77	48.87	1.40	23.61	1.31	15.79	0.19	0.06
NE States	11.14	46.14	7.90	26.23	0.51	6.66	1.08	0.34
All-India	12.64	45.29	2.77	18.41	2.79	15.44	2.12	0.53

Source: NCAER NSHIE 2011–12.

States' Barometer of Misery level

Apart from the unemployment rate and food inflation, we took into account the poverty ratio and access to healthcare to construct a composite index, i.e., the Modified Misery Index.

WORLDWIDE, WHEN THE economy takes a tumble, economic predictors turn to the numbers, comparing the downturn to past recessions. The first and immediate impact of the tumble in the world's economy gets reflected immediately in some of the major stock market indices. And in long run, major economic indicators such as the unemployment rate, inflation and gross domestic product (GDP) are monitored and opined upon. For the common man, employment and inflation are indications of welfare.

During the 1960s, Arthur Okun, economic advisor to United States President Lyndon B. Johnson constructed an index that represented the economic health of the country, and called it the 'Misery Index'. It was defined as a measure of economic well-being for a specific economy, which was computed by adding the unemployment rate and the inflation rate for a given period. An increasing/decreasing index over the period meant worsening/improving economic environment for the people in the economy. Although, it is a crude approximation of well-being, it is based on the assumption that a high rate of unemployment and inflation create economic and social costs for a country and are the most proximate cause of human unhappiness. Hence, the term, 'Misery Index.' Some analysts also argue that the rate of crime and the misery index correlate strongly.

Over the years, many economists, credit rating agencies and researchers have used Okun's Misery Index with minor modifications to explain the performance of their sectors over different periods. The recent economic and political turmoil in India, with low GDP growth and high inflation and a need to evaluate ourselves, especially now when the nation is gearing up for the next general elections, prompted us to use the Misery Index with slight modifications to suit India and see how the different states of the country have performed from 2004–05 to 2010–11. After all, a country that is home to a third of the world's poor must, almost by definition, have a large number of people who are at least in terms of economic well-being pretty miserable.

While the Index, as constructed by Okun, might serve as a reasonable approximation in the developed world, extending it to a developing country like India is likely to miss other dimensions that have a huge effect on well-being, such as access to healthcare and percentage of the population below the poverty line. Hence, a modified misery index, taking into account these additional dimensions, was created. In constructing the modified misery index (MMI), we took the lead from the standard misery index (except that inflation is replaced by food inflation, which hits the common man much faster), but introduced two indicators that could be considered to represent the level of misery. Hence, apart from the unemployment rate and food inflation, we took into account the poverty ratio and access to healthcare to construct the MMI. These are transformed into unit-free indices by normalising them using the 'distance from best and worst performers' method, as used in the original human development index (HDI). Indices for the first three parameters, that is, unemployment rate, food inflation and poverty ratio, were generated using the methodology $(\text{actual} - \text{minimum}) / (\text{maximum} - \text{minimum})$, taking the actual data on these indicators. The index for the fourth parameter – access to health services – was generated using data on the number of primary health centres in state, which is a measure of access to health services and is inversely related with misery; this means that the higher this value, the lower the level of misery. Hence, the index for this parameter was generated using the methodology $(\text{maximum} - \text{actual}) / (\text{maximum} - \text{minimum})$. The composite index is the sum of all four indices so that the value of MMI lies between 0 and 4. However, none of the states' MMI is exactly 0 or 4, indicating that none of the states has the lowest or highest value for the four indicators.

According to this exercise, Uttar Pradesh had the highest misery index in 2004–05 but was overtaken by Jharkhand in 2011–12, thanks to moderation in food inflation (Table P.1). The

least ‘miserable’ state in 2004–05, Tamil Nadu, also ceded its place to Andhra Pradesh in 2011–12. Surprisingly, the state that made the greatest strides in reducing misery is Odisha (Figure P.1), which heads the list, moving six places up in the league tables followed by Punjab and Andhra Pradesh, which moved up five places each. Odisha’s dramatic improvement can be attributed to the fall in unemployment rate from 7.3 per cent in 2004–05 to 3.0 per cent in 2011–12 even as the poverty ratio fell from 57.2 per cent to 32.6 per cent, albeit this is still above the national average of 21.9 per cent.

The worst performing states over the period were Madhya Pradesh, Chhattisgarh and Delhi. From occupying the 17th position in 2004–05, with only two states (Jammu & Kashmir and Tamil Nadu) better off, Madhya Pradesh slipped to 10th position in 2011–12. Although the extent of misery did not show a significant increase, the state’s rank vis-a-vis other states changed dramatically, making it the worst performing state.

Chhattisgarh and Delhi showed a sharp increase in their MMI, with Chhattisgarh slipping five places and Delhi four places. While Chhattisgarh’s fall can be attributed to a rise in unemployment and high food inflation, despite the success of its much-touted public distribution system, and high poverty rate, Delhi slipped on account of high food inflation.

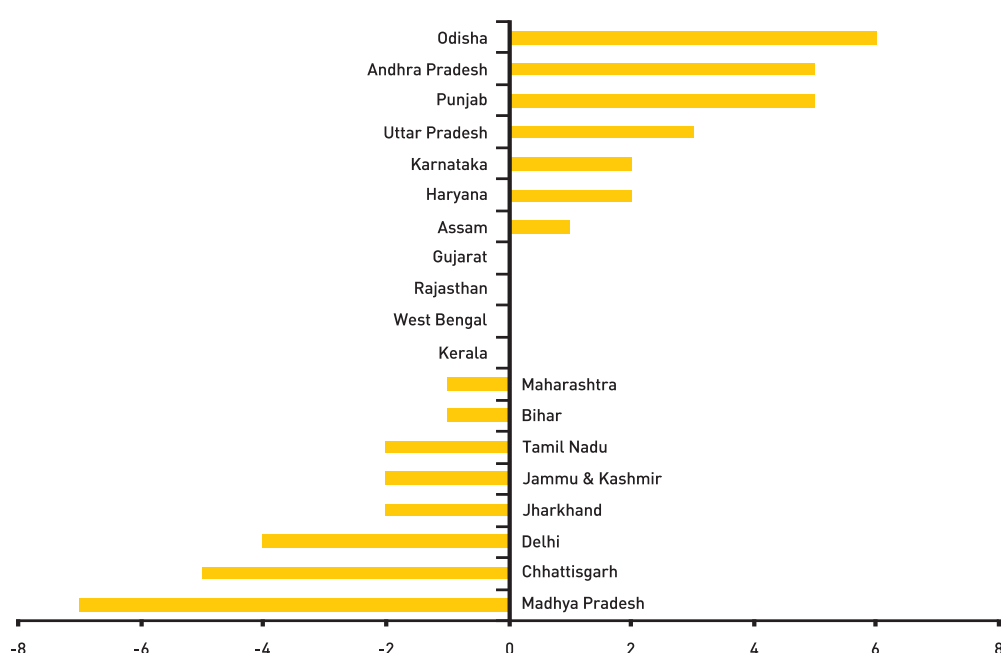
Table P.1: State ranks based on Modified Misery Index, 2011–12

	Rank 2004–05	Rank 2011–12	Difference in rank
Uttar Pradesh	1	4	3
Odisha	2	8	6
Jharkhand	3	1	-2
Bihar	4	3	-1
Kerala	5	5	0
West Bengal	6	6	0
Chhattisgarh	7	2	-5
Assam	8	9	1
Punjab	9	14	5
Haryana	10	12	2
Delhi	11	7	-4
Maharashtra	12	11	-1
Rajasthan	13	13	0
Andhra Pradesh	14	19	5
Gujarat	15	15	0
Karnataka	16	18	2
Madhya Pradesh	17	10	-7
Jammu & Kashmir	18	16	-2
Tamil Nadu	19	17	-2

Source: NCAER NSHIE 2011–12.

Surprisingly, the state that made the greatest strides in reducing misery is Odisha, which heads the list, moving six places up in the league tables followed by Punjab and Andhra Pradesh, which moved up five places each.

Figure P.1: Difference in ranks of states in 2011–12 vs 2004–05



Source: NCAER NSHIE 2011–12.

Decay of Railways

Canada (6.9%) and the United Kingdom (UK, 6.6%) experienced higher CAGR growth in railway network between 2001 and 2011 than either China (1.2%) or India (0.1%).

THIS ARTICLE COMPARES the decaying condition of Indian Railways with select countries around the world. India had the second largest railway network in the world in 1980 in terms of total route-kilometre (rkm) at 61,240 rkm as per the earliest available internationally comparable data from the World Development Indicators. The latest available data for the year 2011 shows that rail lines in India had barely increased to 63,974 rkm. In contrast, China had 49,940 rkm in 1980, which increased to 66,239 rkm in 2011.

Table I.1 shows the top 10 countries with the largest rail networks in the world. Japan is at 14th position but is included in this table because it carries the second largest number of passengers. In 2011, India had the fourth largest railway network behind the United States (US), Russia and China. Further, Canada (6.9%) and the United Kingdom (UK, 6.6%) experienced higher (compound annual growth rate, CAGR) growth in railway network between 2001 and 2011 than either China (1.2%) or India (0.1%). When we measure density in terms of route-km per 1,000

square km or route-km per 1,000 persons, India is ahead of China but below the North American and European countries reported in Table I.1.

Goods transported and passengers carried have grown at a CAGR of 6.2 and 7.9 per cent, respectively, between 2001 and 2011 in India. Clearly, the railway network is overburdened. Further, India is choosing to move both passengers and freight by railways.

What are India's choices moving forward? India has to plan, design and invest in a smart and sustainable transport system. On the supply side, India needs to assess the most economical way of transporting passengers and freight both in terms of economic and environmental costs. On the demand side, it needs regular transport surveys to understand passenger and freight movements, both inter and intra regions. If railway transport is found to be more cost effective, India needs to build that into the transport system so that people are encouraged to use it. India can adapt appropriate global best practices including technologies, marketing techniques and financing.

Table I.1: Selected International Comparisons of Railways, 2011

Country	Rail lines (total route-km) 2011#	Total Route-km per 1,000 square km, 2011	Total Route-km per 1,000 people, 2011	Compound Annual Growth Rate between 2001 and 2011	Railways, goods transported (million ton-km)+	Railways, passengers carried (million passenger-km)@
United States	228,513	25.0	0.7	3.8	2,524,585	9,518
Russia	85,292	5.2	0.6	-0.1	2,127,212	139,842
China	66,239	7.1	0.05	1.2	2,562,635	815,699
India	63,974	21.5	0.1	0.1	625,723	978,508
Canada	58,345	6.4	1.7	6.9	254,069	2,886
Germany	33,708	96.7	0.4	-0.7	111,980	79,228
France	33,608	61.4	0.5	1.3	23,242	88,064
United Kingdom	31,471	130.1	0.5	6.6	19,230	62,729
Brazil	29,817	3.5	0.2	0.3*	267,700	N.A.
Mexico	26,704	13.7	0.2	0.03*	69,185	449
Japan	20,035	55.0	0.2	-0.1	20,255	244,591

Notes: # Route-km is the distance taken by a particular mode of transport, and in railways, "rail lines are the length of railway route available for train service, irrespective of the number of parallel tracks" (WDI).

* Compound Annual Growth Rate calculated over six years between 2005 and 2011 due to unavailability of data.

+ Railways, goods transported (million ton-km): Goods transported by railway is the volume of goods transported by railway, measured in metric tons times kilometres travelled.

@ Railways, passengers carried (million passenger-km): Passengers carried by railway is the number of passengers transported by rail times kilometres travelled.

Source: World Development Indicators.

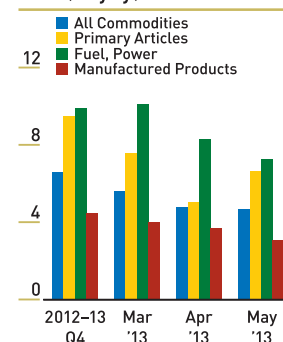
Select Economic Indicators

PERCENTAGE VARIATION (YOY)*

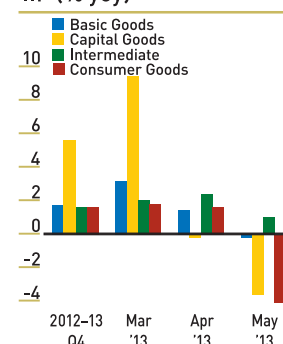
	2011-12	2012-13	2012-13	2012-13	2012-13	2013	2013	2013	
			Q1	Q2	Q3	Q4	MAR	APR	MAY
INDEX NUMBER OF WHOLESALE PRICES									
All Commodities	8.9	7.3	7.5	7.9	7.3	6.6	5.7	4.8	4.7
Primary Articles	9.8	9.8	9.9	10.3	9.3	9.6	7.6	5.1	6.7
Fuel, Power	14.0	10.5	11.9	9.7	10.6	10.0	10.2	8.3	7.3
Manufactured Products	7.3	5.4	5.3	6.2	5.5	4.5	4.1	3.7	3.1
Basic Goods	10.8	7.7	9.8	10.6	7.4	3.5	1.7	1.9	2.4
Capital Goods	2.9	2.8	2.5	2.9	2.8	2.9	3.0	3.5	3.1
Intermediate	10.9	6.7	6.1	5.7	6.7	8.0	7.8	6.4	5.2
Consumer Goods	8.0	6.3	6.0	6.7	6.8	5.8	5.3	4.9	4.2
Consumer Durables	10.1	6.1	8.4	6.7	5.1	4.4	3.8	2.8	1.5
Consumer Non-durables	7.3	6.4	5.2	6.7	7.3	6.2	5.7	5.6	5.0
CPI Industrial Workers	8.4	10.4	10.1	9.8	10.1	11.7	11.4	10.2	10.7
CPI Agricultural Labourers	8.2	10.0	7.9	9.1	10.5	12.6	12.6	12.3	12.7
INDUSTRY									
IIP General	2.9	1.1	-0.3	0.4	2.1	2.2	3.5	1.5	-2.5
IIP Mining	-2.0	-2.3	-1.5	-0.7	-3.0	-3.8	-2.1	-3.4	-5.9
IIP Electricity	8.2	4.0	6.4	2.8	4.4	2.3	3.5	4.2	6.2
IIP Manufacturing	3.0	1.3	-0.8	0.2	2.5	3.1	4.3	1.8	-3.2
IIP Basic Goods	5.5	2.5	3.3	2.2	2.5	1.8	3.2	1.4	-0.3
IIP Capital Goods	-4.0	-6.0	-20.1	-8.1	-1.2	5.7	9.6	-0.3	-3.7
IIP Intermediate	-0.6	1.6	0.8	1.5	2.5	1.6	2.1	2.5	1.1
IIP Consumer Goods	4.4	2.4	3.9	1.4	2.7	1.7	1.8	1.7	-6.6
IIP Consumer Durables	2.6	2.0	8.0	0.1	3.1	-2.8	-4.9	-9.6	-18.3
IIP Consumer Non-durables	5.9	2.8	0.6	2.6	2.4	5.0	7.3	11.3	3.8
Coal Production	1.3	3.7	8.0	10.8	1.5	-1.7	0.3	3.1	-3.3
Electricity Generation	8.1	4.0	6.7	2.9	4.4	2.2	3.5	3.5	6.2
Steel	10.3	2.5	3.4	1.7	2.0	3.0	6.6	1.9	4.0
Cement	6.7	8.4	12.5	7.0	6.9	7.2	8.3	5.2	2.4
Crude Oil	1.0	-0.6	-0.6	-1.0	0.5	-1.3	0.2	-1.2	-2.4
Petroleum Refinery	3.1	15.8	23.5	23.1	10.3	6.8	5.6	6.1	5.5
MONEY & BANKING									
M3	15.8	13.5	14.3	13.9	12.7	13.2	13.8	12.8	13.4
Net Bank Credit to Central Government	21.8	18.5	22.1	20.2	17.8	14.7	14.1	12.4	14.4
RBI Credit to Central Government	69.6	33.5	49.0	48.0	30.1	14.7	10.2	17.2	16.4
Bank Credit to Commercial Sector	18.7	16.8	18.2	17.0	16.5	15.5	14.2	14.5	15.1
Bank Credit	18.7	16.6	18.1	16.8	16.4	15.5	14.1	14.5	15.7
Food Credit	33.0	36.6	57.0	35.3	33.8	24.8	18.6	17.9	12.2
Non-food Credit	18.5	16.3	17.4	16.4	16.1	15.3	14.0	14.5	15.8
Bank Rate (%)	9.7	35.8	50.0	50.0	50.0	5.0	-10.5	-5.6	-8.3
PLR (%)	8.1	1.0	11.3	-0.8	-2.4	-3.0	-3.9	-3.8	-2.7
Auc 91 dtb (%)	34.3	-3.3	6.9	-2.8	-5.5	-10.4	-11.1	-7.9	-12.9
EXTERNAL SECTOR									
Exports (\$)	21.8	-1.4	-3.9	-8.5	-2.6	8.9	7.0	1.6	-1.1
Imports (\$)	32.3	1.2	-5.7	0.0	6.7	3.8	-2.9	11.0	7.0
Trade Balance (\$ million)*	-15280	-16124	-42217	-49603	-57921	-43744	-10315	-17787.4	-20143.6
Foreign Currency Assets (\$ million)*	276636	264592	806172	773972	782377	812584	292647	264028	258509.4
Exchange Rate (Rs/\$)	5.1	13.4	19.9	20.4	6.5	8.0	8.0	5.1	1.2
Exchange Rate (Rs/Pound)	7.8	12.3	17.8	16.9	8.9	6.6	2.9	0.5	-2.8
FISCAL (CENTRE)									
Total Receipt	-5.0	16.6	22.9	7.4	16.4	21.9	18.3	-60.7	-0.6
Revenue Receipt	-4.8	16.2	30.6	8.2	13.8	19.6	22.5	-58.7	-2.2
Tax Revenue	10.3	17.3	32.8	7.5	14.9	21.5	22.3	-79.0	-4.4
Non-Tax Revenue	-43.9	10.8	16.3	11.1	7.4	11.1	23.5	20.4	15.6
Total Expenditure	8.3	8.5	19.3	13.2	-0.1	4.0	-0.8	15.9	12.1
Plan Expenditure	9.6	0.2	2.5	24.4	-6.0	-13.3	-28.1	80.8	40.0
Non-Plan Expenditure	7.7	12.5	27.3	8.9	2.9	13.0	21.0	3.7	0.2
Fiscal Deficit (Rs crore)*	42478	40824	190460	146444	67795	85191	-17469	93612	87079
Revenue Deficit (Rs crore)*	32060	30288	152712	110572	34753	65422	-32653	86534	58334
CAPITAL MARKETS									
BSE-SENSEX	-6.4	4.7	-9.8	4.1	16.2	10.0	8.2	12.6	21.8
Market Capitalisation	-7.1	2.6	-11.0	0.3	16.6	6.8	2.1	6.9	14.5
All India Net FII Investment (Rs crore)*	7257	14031	-494	44618	55877	68366	14919	10749	28138

* Actuals where indicated.

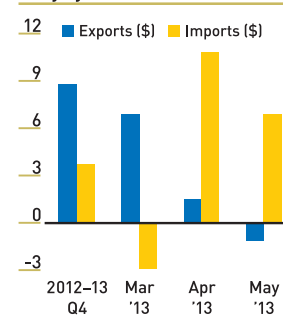
WPI (% yoy)



IIP (% yoy)



External Trade (% yoy)



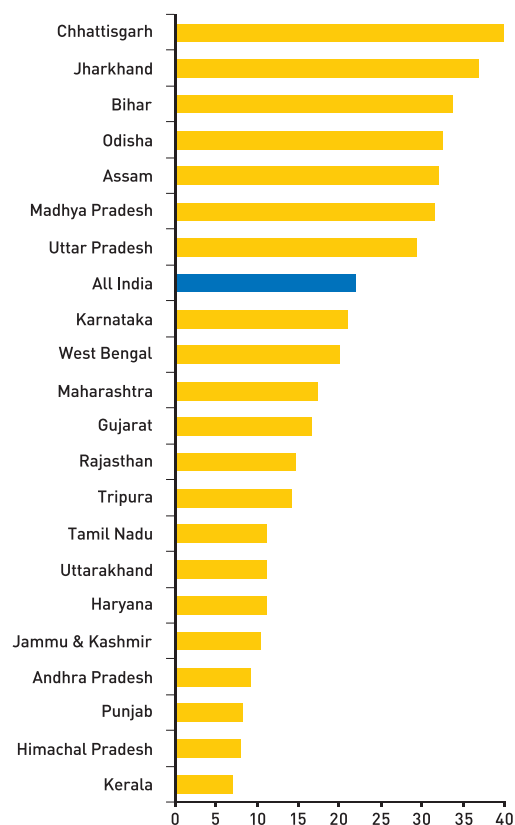
- **Headline inflation shows further weakening but primary articles' inflation has increased in May 2013 on a yoy basis.**
- **All round slowdown in industrial production on a yoy basis in May 2013.**
- **Negative growth in exports and slower growth in imports in May 2013 on a yoy basis.**

Percentage of Population Below Poverty Line by States – 2011-12 (Tendulkar Methodology)

STATES	RURAL	URBAN	TOTAL
Andhra Pradesh	10.96	5.81	9.2
Assam	33.89	20.49	31.98
Bihar	34.06	31.23	33.74
Chhattisgarh	44.61	24.75	39.93
Gujarat	21.54	10.14	16.63
Haryana	11.64	10.28	11.16
Himachal Pradesh	8.48	4.33	8.06
Jammu & Kashmir	11.54	7.2	10.35
Jharkhand	40.84	24.83	36.96
Karnataka	24.53	15.25	20.91
Kerala	9.14	4.97	7.05
Madhya Pradesh	35.74	21	31.65
Maharashtra	24.22	9.12	17.35
Odisha	35.69	17.29	32.59
Punjab	7.66	9.24	8.26
Rajasthan	16.05	10.69	14.71
Tamil Nadu	15.83	6.54	11.28
Tripura	16.53	7.42	14.05
Uttarakhand	11.62	10.48	11.26
Uttar Pradesh	30.4	26.06	29.43
West Bengal	22.52	14.66	19.98
All India	25.7	13.7	21.92

Source: Planning Commission, Press Release, Poverty estimates 2011-12.
http://planningcommission.nic.in/news/pre_pov2307.pdf

Percentage of Population below Poverty Line by States – 2011-12 (Tendulkar Methodology)



Quarterly Review

The *Quarterly Review* offers reports and seminars on the Indian economy. This service is provided by NCAER on an annual subscription basis. A large number of corporations, institutes, multilateral donor agencies, and embassies are among our subscribers.

The *Quarterly Review* comprises
 Comprehensive Review of the Economy on a Quarterly Basis
 Business Expectations Survey Report on a Quarterly Basis
 Quarterly Seminar on the State of the Economy

Please contact indpack@ncaer.org for details on subscription rates or write to
 Secretary, National Council of Applied Economic Research,
 11, I.P. Estate, New Delhi-110 002

Enquiries on subscription to *MacroTrack* may also be addressed to the address above.

Statistics: Himani Gupta; Secretarial Support: Sudesh Bala