macroTRACK

HIGHLIGHTS

Prices

Asset Inflation

Bornali Bhandari and Farha Anis

The role of asset price inflation has gained prominence after the financial crisis of 2008 due to the role of sub-prime housing loans in the United States.

Agriculture

Small is Beautiful

Tarujyoti Buragohain

The relationship between land size and yield per unit of area cultivated has been intensely debated since the 1960s.
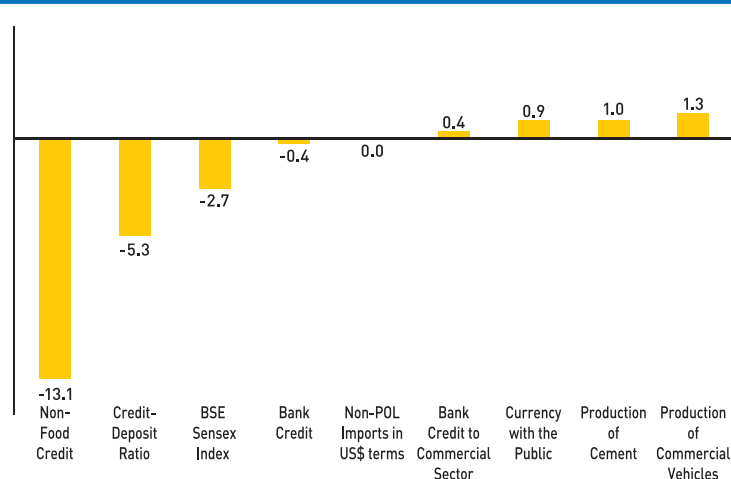
Health

Old and Lonely: Healthcare

Debasis Barik

The increasing size of the elderly population is a growing concern in almost all developing countries.

LEADING ECONOMIC INDICATORS: JUNE 2013

Economy is slowing down

Indicator	Value
Non-Food Credit	-13.1
Credit-Deposit Ratio	-5.3
BSE Sensex Index	-2.7
Bank Credit	-0.4
Non-POL Imports in US$ terms	0.0
Bank Credit to Commercial Sector	0.4
Currency with the Public	0.9
Production of Cement	1.0
Production of Commercial Vehicles	1.3

Asset Inflation

Likewise, average real gold inflation too has been higher at 13.6 per cent than consumer price inflation. Indeed it has been higher than real housing inflation (11%) as well during this period.

THE ROLE OF asset price inflation has gained prominence after the financial crisis of 2008 due to the role of sub-prime housing loans in the United States. In the developed world, the definition of assets mainly include investments in housing and equities. The definition of assets has been expanded to include gold in India.

In this article, we analyse the price movements of these three Indian assets – houses, equities and gold – for the period 2009–10:Q4 to 2012–13:Q1. The sample is restricted, as the Reserve Bank of India (RBI) has started collecting housing prices for nine cities only since 2008–09:Q4.

The period since 2009–10:Q4 is marked by volatility and uncertainty if one examines the peaks and the troughs of important macroeconomic variables. The GDP growth rate, after going up from 8.6 per cent in 2009–10:Q4 to a peak of 10.1 per cent in 2010–11:Q4, plunged to a low of 4.7 per cent in 2012–13:Q4.

Retail inflation has been sticky with the level significantly higher than the RBI comfort zone of five per cent (Table P.1). Average retail inflation, as measured by the change in the Consumer Price Index of Industrial Worker (Base Year 2001=100) on a year-on-year (yoy) basis, was 10.2 per cent during the period 2009–10:Q4 and 2012–13:Q1.

Nominal interest rates, measured by the 91–day Treasury bill rate, went up from 4.2 per cent in 2009–10:Q4 to 8.9 per cent in 2011–12:Q4, before coming down to eight per cent. However, real interest rates remained mostly negative throughout this period, except for the last two quarters of 2011–12, thanks to high inflation.

Returns on the BSE Sensex have also been volatile throughout this period as shown by the quarter-on-quarter changes in the Sensex.

In contrast investment in gold and property (retail) has yielded positive real returns (not shown in tables). Housing inflation, for instance, has been consistently higher than retail inflation. Likewise, average real gold inflation too has been higher at 13.6 per cent than consumer price inflation. Indeed it has been higher than real housing inflation (11%) as well during this period. However, the lower standard deviation for real housing inflation (4.3)

Table P.1: Growth Rate, Inflation and Asset Inflation, 2009–10:Q4 to 2012–13:Q4

Quarter	Housing Price Index (HPI, Average 9 cities), % yoy	Hedonic Housing Price Index (Average 9 cities), % yoy*	Consumer Price Index, Industrial Worker Inflation Rate 2001=100 (% yoy)	GDP Factor Cost Growth Rate (%, yoy)	Gold Inflation Rate (% yoy)	91-day Treasury Bill Rate	91-day Real Treasury Bill Rate	BSE Sensex	BSE Sensex (% quarter on quarter)
2009–10:Q4	18.5	18.6	15.3	8.6	14.6	4.2	-11.1	16,772.0	0.1
2010–11:Q1	19.4	17.4	13.7	9.7	22.2	4.8	-8.8	17,401.7	3.8
2010–11:Q2	21.1	24.4	10.3	8.9	22.9	6.1	-4.2	18,636.0	7.1
2010–11:Q3	16.5	20.8	9.2	9.3	20.0	7.0	-2.2	20,020.7	7.4
2010–11:Q4	19.6	19.7	9.0	10.1	23.1	7.2	-1.8	18,532.0	-7.4
2011–12:Q1	21.2	23.3	8.9	7.5	23.1	7.8	-1.1	18,828.3	1.6
2011–12:Q2	19.0	16.6	9.2	6.5	36.2	8.4	-0.8	17,109.3	-9.1
2011–12:Q3	23.7	22.7	8.4	6.0	38.5	8.6	0.3	16,427.7	-4.0
2011–12:Q4	24.8	23.1	7.2	5.1	36.2	8.9	1.8	17,450.3	6.2
2012–13:Q1	24.1	22.5	10.1	5.4	32.5	8.4	-1.8	16,989.3	-2.6
2012–13:Q2	23.1	21.8	9.8	5.2	20.2	8.2	-1.6	17,809.7	4.8
2012–13:Q3	26.0	24.0	10.1	4.7	12.2	8.2	-1.9	19,090.7	7.2
2012–13:Q4	19.4	20.1	11.7	4.8	7.7	8.0	-3.7	19,197.7	0.6

Notes: 1. yoy means year-on-year.
2. *Hedonic methods are techniques for quality adjustments that are incorporated in the calculations of the price indices for segments like houses.
3. Real Treasury Bill Rate=Nominal Treasury Bill Rate – Consumer Price Industrial Worker Inflation Rate.
Sources: Reserve Bank of India, Labour Bureau, Ministry of Statistics and Programme Implementation.

than for gold (11) suggests that the former has been relatively steadier throughout this period. Post 2012–13:Q2, housing inflation has soared above gold.

What has caused this massive asset inflation in India? Was it lack of investment opportunities as the economy falters and inflation erodes financial returns? Or loss of faith in alternate forms of investment, given negative real returns on bank deposits and poor and volatile return on equity?

Correlation does not imply causation, but we analyse them to discern any co-movement between the various variables in this period. Housing inflation is found to have statistically significant correlations with key macro indicators such as inflation, real interest rate and GDP growth rate. There is a statistically significant negative correlation between hedonic housing price index and retail inflation (−0.5). Housing inflation (HPI, % yoy) is positively correlated with the real interest rate (0.5) and negatively correlated with the GDP factor cost growth rate (−0.7). Gold and retail inflation are correlated negatively (−0.6) and so is gold inflation and BSE Sensex (−0.6). Similar to housing, gold inflation and real interest rate is positively and significantly correlated (0.5). The real interest rate is significantly negatively correlated with retail inflation (−0.97) and the GDP factor cost growth rate (−0.5) for this period. This simple analysis suggests that housing price inflation is tied up with macroeconomic variables, but the causation is difficult to determine empirically for this short sample period.

Given that there is significant co-movement of housing price inflation with key macro indicators, we examine it further in a disaggregated fashion for the Housing Price Index (Table P.2). Delhi and Kolkata lead in housing inflation with average inflation 30 per cent and above between 2009–10:Q4 and 2012–13:Q4. Delhi (31%) had the highest average inflation rate between 2009–10:Q4 and 2012–13:Q4 followed by Kolkata, Mumbai, Lucknow, Ahmedabad, Jaipur, Chennai, and Bengaluru. Kanpur comes at the bottom with single-digit inflation.

Table P.2 shows that different cities have different housing dynamics. However, other than Kanpur, all cities show strong trends of housing inflation. There is moderation in housing inflation in Mumbai, Delhi and Kanpur. Housing inflation in Delhi remains very high at 32.7 per cent in 2012–13:Q4, but it is lower than the 47 per cent in the previous quarter. Housing inflation in Kanpur has turned negative since 2012–13:Q2, whereas it has remained stagnant in Lucknow and Ahmedabad. The rest of the cities show an upturn in housing prices. The southern cities of Bengaluru and Chennai have seen an increasing trend in housing inflation. It is relatively low in Bengaluru at 5.5 per cent in 2012–13:Q4, but it is higher than the 1.2 per cent in the previous quarter. Housing inflation in Chennai has increased from 13.7 per cent in 2012–13:Q2 to 26.5 per cent in 2012–13:Q4. The cities of Kolkata and Jaipur continue to see very strong housing inflation. Housing inflation in Jaipur has doubled from 9.7 per cent in 2012–13:Q3 to 18 per cent in 2012–13:Q4. From the trough of (−)7.9 per cent in 2011–12:Q4, housing inflation in Kolkata has gone up steadily and was at 63.2 per cent in 2012–13:Q4.

In sum, while the economy has been sliding downwards, asset inflation has been soaring for most of the period between 2009–10:Q4 and 2012–13:Q4. This has implications for both growth and equity.

Housing inflation is found to have statistically significant correlations with key macro indicators such as inflation, real interest rate and GDP growth rate.

Table P.2: House Price Index (HPI) by City (% yoy)

Quarter	Mumbai	Delhi	Bengaluru	Ahmedabad	Lucknow	Kolkata	Chennai*	Jaipur	Kanpur
2009–10:Q4	36.4	9.5	-1.5	24.3	12.5	7.5	18.2	42.5	20.2
2010–11:Q1	23.3	21.1	0.3	15.5	12.8	16	43.8	46.3	5.3
2010–11:Q2	20	15	0.3	23.4	8.4	45.7	61.7	32.8	12.7
2010–11:Q3	17.9	11.7	3.9	9.8	17.2	45.3	10.9	32.1	17
2010–11:Q4	26.3	23.4	15.4	3.5	24.7	59.9	-9.6	8.9	12.9
2011–12:Q1	33.9	25	12.4	30	27.8	34.3	-23.1	11.2	13.7
2011–12:Q2	31.1	31.8	13.8	26.6	23.9	1.8	-16.1	10.3	6.9
2011–12:Q3	20.3	51.4	39.6	33.4	25.9	-3.9	1.6	3.9	4.9
2011–12:Q4	30.4	44.4	23.7	37.7	21	-7.9	9.5	5.9	9.5
2012–13:Q1	21	42.2	19.9	15.9	20.2	30.1	25.9	6.7	7.1
2012–13:Q2	12.8	47.2	23.2	12.7	31.3	42.7	13.7	7.6	-1.8
2012–13:Q3	29.7	47	1.2	9.3	28.6	59.6	24	9.7	-16.4
2012–13:Q4	10.6	32.7	5.5	9.2	28.9	63.2	26.5	18	-21.4

Note: * Chennai Index is based on both residential and commercial properties.
Source: Reserve Bank of India.

Small is Beautiful

The total number of rural operational holdings in India increased from 88.9 million in 1980–81 to 13,776 million in 2010–11.

THE RELATIONSHIP BETWEEN land size and yield per unit of area cultivated has been intensely debated since the 1960s. A.K. Sen (1962, 1964) was the first economist to establish a positive relationship between small land holdings with crop productivity per unit of land[1]. His studies provided significant evidence that crop productivity per unit of land decreases with increases in land size. These studies provided strong support for land reforms, land ceilings and various other policies to support small and holders and, consequently, promote agricultural growth. A recent study by Chand *et al*. (2011) has shown that crop productivity is inversely related to land size; the smaller the land size, the higher the crop productivity per unit of land[2]. This study also suggests that productivity of Indian agriculture will rise significantly, if land inequality is reduced in favour of smaller size holdings. This article attempts to assess the trend of land trade in favour of small landholdings and how it is critical for the non-farm population in India.

According to the latest statistics, 40 per cent of the world's population depends on agriculture for its livelihood[3]. Of the 525 million farms worldwide, 85 per cent are small farmers who cultivate less than two hectares of land. China has the largest share (37%) of small land holdings in the world, followed by India (22%).
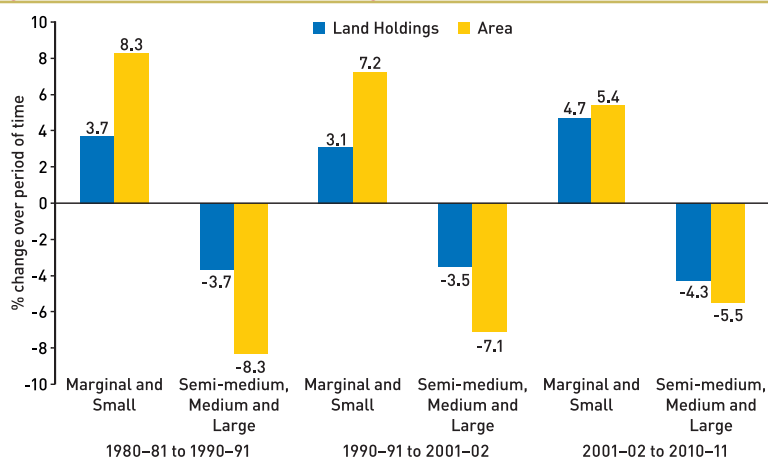
The total number of rural operational holdings in India increased from 88.9 million in 1980–81 to 13,776 million in 2010–11. The operational holdings increased among the 'small and marginal' farmers, who cultivate less than two hectares (ha) of land, from 66 million, (74.5%) in 1980–81 to 117 million (84.9%) in 2010–11, while the share of the 'semi-medium, medium and large' farmers decreased (Figure A.1). This trend is consistent through the past three decades from the 1980s. Over time, the growth of small land holdings has slowed. The growing population and the inability of the non-agricultural sector to absorb the additional workforce have led to the sub-division of operational holdings.

The area under operational holdings between 1980–81 and 2010–11 shows an inverse-U trend. It increased from 163.8 million hectares (mha) in 1980–81 to 165 mha in 1990–91, thereafter declining to 159 mha in 2010–11 (Table A.1).

There is a significant decline in the share of area operated by 'semi-medium, medium and large' farmers. It declined by −8.3, −7.1 and −5.5 per cent during the periods of 1980–81 to 1990–91, 1990–91 to 2001–02 and 2001–02 to 2010–2011, respectively. This decline in operated area has been matched by an increase in the share of area among 'small and marginal' farmers during the same period. As a consequence, the average size of holdings has also decreased, from 1.8 ha to 1.2 ha during the same period (Table A.1).

Increased small land holdings plays a positive role in food grain productivity. The agricultural

Figure A.1: Trend of Operational Holdings and Area in India, 1980–81 to 2010–11

Note: Data are available every five years. The growth rate is calculated between the years mentioned to assess decadal changes.
Source: Situation Assessment surveys of Farmers, NSSO 59th round, Report No.497 and Agriculture Statistics At glance Various Issues.

1. Sen, A.K. 1962. An Aspect of Indian Agriculture. *The Economic Weekly*, 14 (4–6).
   _____. 1964. Size of Holdings and Productivity. *The Economic Weekly*, 16 (5–7).
2. Chand, R., P. P. A. Lakshmi and A. Singh. 2011. Farm Size and Productivity: Understanding the Strengths of Smallholders and Improving their Livelihoods. *Economic & Political Weekly Supplement*, 46 (26 & 27), June 25.
3. Global Report. 2012. Agriculture at Crossroads: Findings and Recommendations for Future Farming. Global Report of International Assessment of Agricultural Knowledge, Science and Technology for Development.

productivity of a farm depends on the extent of use of yield-enhancing inputs, such as irrigation facilities, fertilisers, quality of seeds, crop intensity grown at the farm, etc. The overall area under irrigation increased from 29.7 per cent in 1980–81 to 47.8 per cent in 2010–11. Fertiliser consumption has also gone up, from 31.8 kilogram (kg) per ha in 1980–81 to 146.3 kg per ha in 2010–2011. As a consequence, the production of food grain has increased by 89 per cent between 1980–81 and 2010–2011. The average yield per ha increased from 1,023 kg in 1980–81 to 1,930 kg in 2010–11.

Table A.1 shows that per ha agricultural output is inversely related to farm size. The lower the farm size, the higher the agricultural output per ha and vice versa. The agricultural output (per ha) was 12,168 kg, 4,731 kg, 4,047 kg, 3,257 kg and 1,797 kg for marginal, small, semi-medium, medium and large farmers, respectively in 2005. These support previous empirical evidence that the smallest farms, i.e., farms of sizes less than 1 ha, have the highest productivity in terms of output per ha.

The critical issue is which category of farmers supplies the most agricultural output for use by the non-farm population. There is an intuition that a small group of large farmers supplies a relatively larger proportion of their product to the increasing non-farm population. However, there is a tendency among farmers with 'small and marginal holdings' to optimise returns from a small piece of land for self-consumption as well as for sale of a portion of the output to meet other expenses. The situation assessment surveys of farmers provide data on sales of agricultural output by land size of farmers. All farmers are selling more than 50 per cent of their agricultural output with the percentage of output sold positively related to the size of farms. As per the latest data in 2005, marginal farmers sold 51 per cent of their output and large farmers sold 80 per cent of their output. However, the percentage share of total sales of agricultural output is negatively related to the size of the farms. Therefore, 41 per cent of total agricultural output sold comes from 66 per cent of farmers who are marginal. And 5.3 per cent of total sales come from large farmers who are one per cent of the total farmers.

This finding suggest that it is critical to support small and marginal farmers and find ways to increase their efficiency and productivity.

The lower the farm size, the higher the agricultural output per hectare and vice versa.

Table A.1: Area, Operational Holdings, Productivity, Irrigation, Fertiliser Consumption and Production of Foodgrains, 1980–81 to 2010–11

	1980–81		1990–91		2001–02		2010–11	
	% of Holdings	% of Area	% of Holdings	% of Area	% of Holdings	% of Area	% of Holdings	% of Area
Marginal (less than 1 ha)	56.4	12.1	59.4	15.1	62.3	18.7	67.0	22.2
Small (1.0 to 2.0 ha)	18.1	14.1	18.8	17.4	19.0	20.2	17.9	22.1
Semi- medium (2.0 to 4.0 ha)	14.0	21.2	13.1	23.2	11.8	24.0	10.1	23.6
Medium (4.0 to 10.0 ha)	9.1	29.6	7.1	27.0	5.5	24.0	4.3)	21.2
Large (10.0 ha and above)	2.4	23.0	1.6	17.3	1.0	13.2	0.7	10.9
Average size (in ha)	1.84		1.57		1.33		1.16	
Number of holdings (in million)	88.9		1,06.6		1,19.9		1,37.8	
Area operated (in million hectare)	1,63.8		1,65.5		1,59.4		1,59.2	
Yield (in kg/ hectare foodgrain)	1,023		1,380		1,734		1,930	
Area under irrigation (%)	29.7		35.1		43.0		47.8	
Fertiliser consumption (kg/hectare)	31.8		69.7		91.5		146.3	
Production of food grain (in million tonnes)	129.6		176.4		212.9		244.8	

Farm Size, Output and Sales, 2005								
	Average size (in hectares)	No. of farmer households (in lakh)	Output per hectare (kg)	Total Output (in lakh tonnes)	Output per Farmer Household (kg)	Sale of Output per Farmer Household (kg)	Per cent of total sales per farmer household	Per cent of total sales
Marginal (less than 1 ha)	0.40	589.1	12,168	28,670	4,867	2,497	51.3	40.8
Small (1.0 to 2.0 ha)	1.4	160.6	4,731	10,789	6,718	4,385	65.3	19.5
Semi- medium (2.0 to 4.0 ha)	2.7	93.5	4,047	10,292	11,008	7,260	66.0	18.8
Medium (4.0 to 10.0 ha)	5.8	42.6	3,257	8,057	18,922	13,149	69.4	15.5
Large (10.0 ha and above)	17.1	7.8	1,797	2,384	30,763	24,751	80.4	5.3
	1.3	893.5	3,769	60,193	5,013	3,158	63.0	100

Source: Situation assessment surveys of Farmers, NSSO 59th round; Report No. 497 and Agriculture Statistics at a Glance, various issues.

Old and Lonely: Healthcare

The presence of the spouse has a significantly positive influence on treatment-seeking in old age.

THE INCREASING SIZE of the elderly population is a growing concern in almost all the developing countries*. In developing countries the transition to an ageing population seems to outpace economic and infrastructure development. Due to insufficient support system, ageing in developing countries results into very poor health and low economic status.

Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness, disablement, etc. The coverage of existing schemes like the Indira Gandhi National Old Age Pension Scheme (IGNOAPS) for senior citizens belonging to 'below poverty line' (BPL) household are very poor. Inadequacy of old age homes and special geriatric care units forces Indian elderly to depend almost entirely on their family and relatives for health and well-being.

Living with family members during the old age is a common practice in India. Usually, the younger family members take care of the economic, social, emotional and health needs of elderly members. Whereas, the elderly look after their grandchildren and help in household chores; they also transfer their life savings and property to their children and make themselves dependent on family members, especially on children.
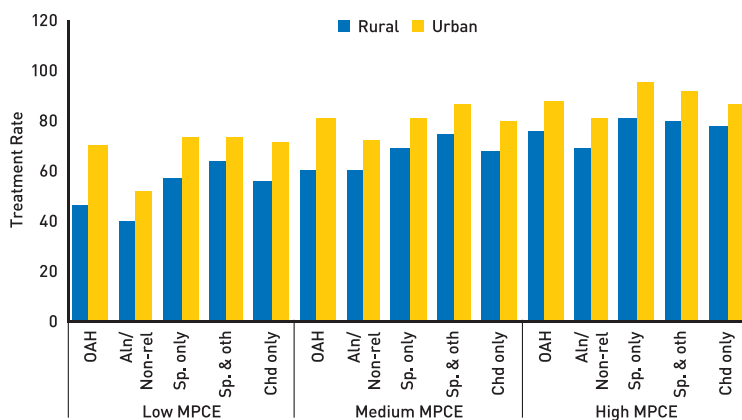
People suffer from numerous health problems in their old age, most of which are chronic in nature. The poor nutritional intake due to poverty among the elderly from BPL households makes them more vulnerable than their richer counterparts. Using National Sample Survey data (2004–05), an attempt has been made to understand if living arrangements make any difference in treatment-seeking among these elderly in rich and poor households.

The results suggest that treatment-seeking is the highest among the elderly who reside with a spouse and other members of the family and is the lowest among those who live alone or with other non-relatives in both rural and urban areas. Treatment-seeking is higher among the elderly living with only a spouse or in the family in the presence/absence of the spouse compared with their counterparts (Figure H.1).

The presence of the spouse has a significantly positive influence on treatment-seeking in old age. The elderly living alone or with non-relatives are neglected most in terms of treatment-seeking during an illness. Females are less likely to seek treatment than their male counterparts in poor households, but gender has no significant effect in middle and high 'monthly per capita expenditure' households. The elderly belonging to a scheduled tribe household are less likely to seek treatment during illness than their counterparts in every economic setting.

Living with a spouse and family in the later stage of life is advantageous in Indian society. However, the economically dependent and females continue to suffer without treatment in poor households. Though the existing IGNOAPS focuses on the elderly in poor households, its low coverage is an obstacle to the desired outcomes. Again, the significant rural-urban differential may be due to the limited availability of healthcare services. Policy needs to place greater emphasis on the well-being of females in these poor households.

Figure H.1: Treatment Rate among Elderly from Various Living Arrangements within Same Economic Status of the Household, 2004–05

Notes: 1. Treatment rate is defined as the percentage of ailing elderly (above 60 years) who seek treatment.
2. MPCE: Monthly per-capita expenditure.
3. OAH – Alone as an inmate of old age home/ with other relatives; Aln/Non-rel - Alone or with other non-relatives; Sp. Only – Spouse only; Sp. &oth – Spouse and other members; Chd. Only – Without spouse but with children.
Source: NSS 60th Round (25.0 Sub-round)

* This article is partially based on a paper presented at the 25th IUSSP population conference, Busan, South Korea by the author.
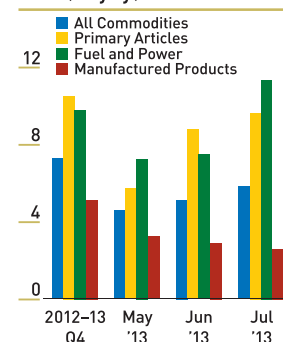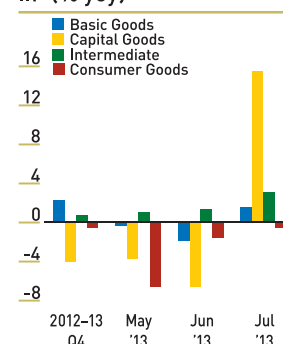
Select Economic Indicators

WPI (% yoy)

IIP (% yoy)

External Trade (% yoy)

PERCENTAGE VARIATION (YOY)*

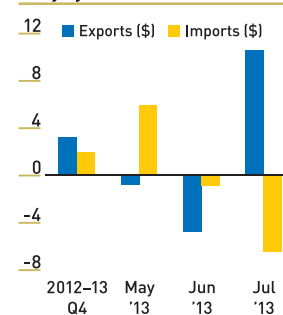|	2011–12	2012–13	2012–13 Q1	2012–13 Q2	2012–13 Q3	2012–13 Q4	2013 MAY	2013 JUN	2013 JUL
INDEX NUMBER OF WHOLESALE PRICES									
All Commodities	8.9	7.4	7.5	7.5	7.8	7.3	4.6	5.2	5.9
Primary Articles	9.8	9.8	9.9	10.2	9.4	10.5	5.7	8.8	9.7
Fuel, Power	14.0	10.3	11.9	10.6	10.8	9.8	7.3	7.5	11.4
Manufactured Products	7.3	5.4	5.3	5.5	6.3	5.1	3.3	2.9	2.6
Basic Goods	10.8	7.7	9.8	9.8	10.0	6.1	1.3	0.8	0.5
Capital Goods	2.9	2.8	2.5	3.0	2.8	2.8	3.5	3.0	2.7
Intermediate	10.9	6.7	6.1	5.4	6.8	5.4	5.4	7.0	10.1
Consumer Goods	8.0	6.3	6.0	5.9	7.0	6.4	4.4	4.0	3.1
Consumer Durables	10.1	6.1	8.4	8.3	5.8	5.0	1.4	0.3	0.0
Consumer Non-durables	7.3	6.4	5.2	5.1	7.4	6.9	5.4	5.2	4.1
CPI Industrial Workers	8.4	10.4	10.1	10.0	9.7	10.8	10.7	11.1	10.8
CPI Agricultural Labourers	8.2	10.0	7.9	8.1	9.5	11.3	12.7	12.8	12.8
INDUSTRY									
IIP General	2.9	1.1	-0.3	0.1	3.2	0.3	-2.5	-1.8	2.8
IIP Mining	-2.0	-2.3	-1.5	-1.8	0.5	-3.4	-5.9	-4.6	-2.5
IIP Electricity	8.2	4.0	6.4	5.8	3.8	4.7	6.2	0.0	5.2
IIP Manufacturing	3.0	1.3	-0.8	-0.3	3.5	0.4	-3.2	-1.7	3.2
IIP Basic Goods	5.5	2.5	3.3	3.0	3.4	2.4	-0.3	-1.9	1.5
IIP Capital Goods	-4.0	-6.0	-20.1	-15.3	-4.4	-4.0	-3.7	-6.6	15.6
IIP Intermediate	-0.6	1.6	0.8	1.5	4.6	0.7	1.1	1.3	3.1
IIP Consumer Goods	4.4	2.4	3.9	2.9	5.7	-0.5	-6.6	-1.5	-0.5
IIP Consumer Durables	2.6	2.0	8.0	6.4	5.3	-2.6	-18.3	-10.1	-8.9
IIP Consumer Non-durables	5.9	2.8	0.6	0.0	6.1	1.0	3.8	6.2	7.0
Coal Production	1.3	3.7	8.0	6.7	14.2	-0.6	-3.3	-3.0	1.2
Electricity Generation	8.1	4.0	6.7	5.8	3.8	4.7	6.2	-1.2	5.2
Steel	10.3	2.5	3.4	3.0	-0.3	4.3	4.0	3.4	7.0
Cement	6.7	8.4	12.5	9.3	9.8	6.7	2.4	2.3	0.8
Crude Oil	1.0	-0.6	-0.6	-0.3	-0.9	0.5	-2.4	-0.6	-2.3
Petroleum Refinery	3.1	15.8	23.5	25.2	21.2	7.3	5.5	2.3	5.1
MONEY & BANKING									
M3	15.8	13.5	14.3	14.5	13.7	12.6	13.4	12.5	12.4
Net Bank Credit to Central Government	21.8	18.5	22.1	21.1	20.3	16.2	14.4	15.3	15.4
RBI Credit to Central Government	69.6	33.5	49.0	47.9	45.7	20.6	16.4	19.5	22.5
Bank Credit to Commercial Sector	18.7	16.8	18.2	18.1	16.5	16.5	15.1	13.1	14.2
Bank Credit	18.7	16.6	18.1	17.9	16.3	16.5	15.7	13.7	14.9
Food Credit	33.0	36.6	57.0	44.9	35.0	30.3	12.2	4.5	3.4
Non-Food Credit	18.5	16.3	17.4	17.4	16.0	16.2	15.8	13.9	15.1
Bank Rate (%)	9.7	35.8	50.0	50.0	50.0	50.0	9.0	9.0	9.0
PLR (%)	8.1	1.0	11.3	6.0	-2.0	-2.4	10.3	10.3	10.1
Auc 91 dtb (%)	8.5	-3.3	6.9	0.5	-3.8	-6.4	8.3	8.2	8.1
EXTERNAL SECTOR									
Exports ($)	22	-1.8	-3.9	-8.5	0.7	3.2	-0.7	-4.8	10.6
Imports ($)	32	0.29	-5.0	-0.7	6.4	1.9	6.0	-0.8	-6.4
Trade Balance ($ million)*	-183356	-190336	-42978	-48842	-55257	-45887	-20054	-12160	-12478
Foreign Currency Assets ($ million)*	260069	292647	256958	259958	262014	292647	258509	255278	252051
Exchange Rate (Rs/$)	5.1	13.4	19.9	22.6	14.6	6.1	1.2	4.3	7.8
Exchange Rate (Rs/Pound)	7.8	12.3	17.8	18.5	14.7	8.7	-2.8	3.8	4.9
FISCAL (CENTRE)									
Total Receipt	-5.0	16.6	22.9	13.7	5.2	20.8	-0.6	15.2	18.2
Revenue Receipt	-4.8	16.2	30.6	14.9	5.8	18.4	-2.2	14.7	17.6
Tax Revenue	10.3	17.3	32.8	15.7	7.7	16.1	-4.4	16.6	12.8
Non-Tax Revenue	-43.9	10.8	16.3	10.8	-1.7	35.8	15.6	-2.3	33.0
Total Expenditure	8.3	8.5	19.3	21.4	12.1	3.2	12.1	36.6	10.5
Plan Expenditure	9.6	0.2	2.5	5.8	23.9	-1.8	40.0	12.2	25.7
Non-Plan Expenditure	7.7	12.5	27.3	29.0	7.2	5.2	0.2	49.4	6.2
Fiscal Deficit (Rs crore)*	509731	489890	190460	146444	67795	85191	87079	82132	77786
Revenue Deficit (Rs crore)*	384722	363459	152712	110572	34753	65422	58334	65607	66903
CAPITAL MARKETS									
BSE-SENSEX	-6.4	4.7	-9.8	-8.4	7.6	20.3	21.8	11.3	12.2
Market Capitalisation	-7.1	2.6	-11.0	-10.3	4.6	21.0	14.5	3.7	2.2
All India Net FII Investment (Rs crore)*	87083	168367	-494	44618	55877	68366	28138	-44162	-17233

* Actuals where indicated.

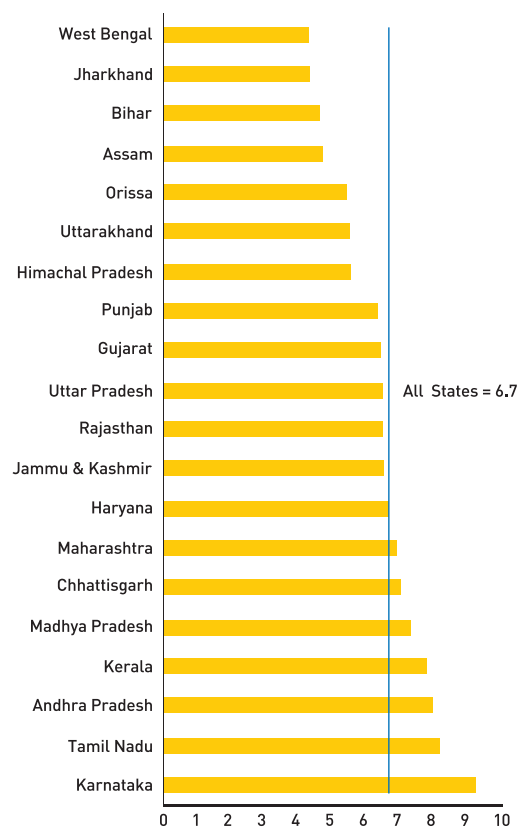- **The headline inflation rose to 5.9 per cent during July 2013 on a yoy basis driven by the increase in inflation of primary goods and fuel and power. The WPI manufactured goods moderated even further in July 2013 on a yoy basis.**

- **The yoy increase in IIP capital goods improved significantly. IIP basic and intermediate goods also showed improvement.**

- **The exports grew sharply to 10.6 per cent and imports declined by 6.4 per cent in July 2013 on a yoy basis.**

State-wise Own – Tax Revenue as % of Gross State Domestic Product (GSDP)

State-wise Own – Tax Revenue as per cent of Gross State Domestic Product (Average 2005–06 to 2009–10)

STATE	AVERAGE 2005–06 TO 2009–10	2010–11	2011–12 (BE)
Andhra Pradesh	7.9	7.91	8.80
Assam	4.7	6.8	5.1
Bihar	4.6	5.0	5.3
Chhattisgarh	7.0	7.6	7.6
Gujarat	6.4	6.9	7.3
Haryana	6.7	6.3	6.9
Himachal Pradesh	5.5	6.5	7.0
Jammu & Kashmir	6.5	6.1	7.1
Jharkhand	4.3	5.0	6.0
Karnataka	9.2	9.5	9.8
Kerala	7.8	8.1	8.9
Madhya Pradesh	7.3	8.2	7.8
Maharashtra	6.9	7.0	6.5
Orissa	5.4	5.8	6.0
Punjab	6.3	7.4	8.1
Rajasthan	6.5	6.1	5.8
Tamil Nadu	8.2	8.4	9.9
Uttar Pradesh	6.5	6.9	8.0
Uttarakhand	5.5	5.3	5.6
West Bengal	4.3	4.5	5.0
All States	6.7	7.0	7.4

Source: Data Table, Planning Commission.
http://planningcommission.gov.in/data/datatable/index.php?data=datatab

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