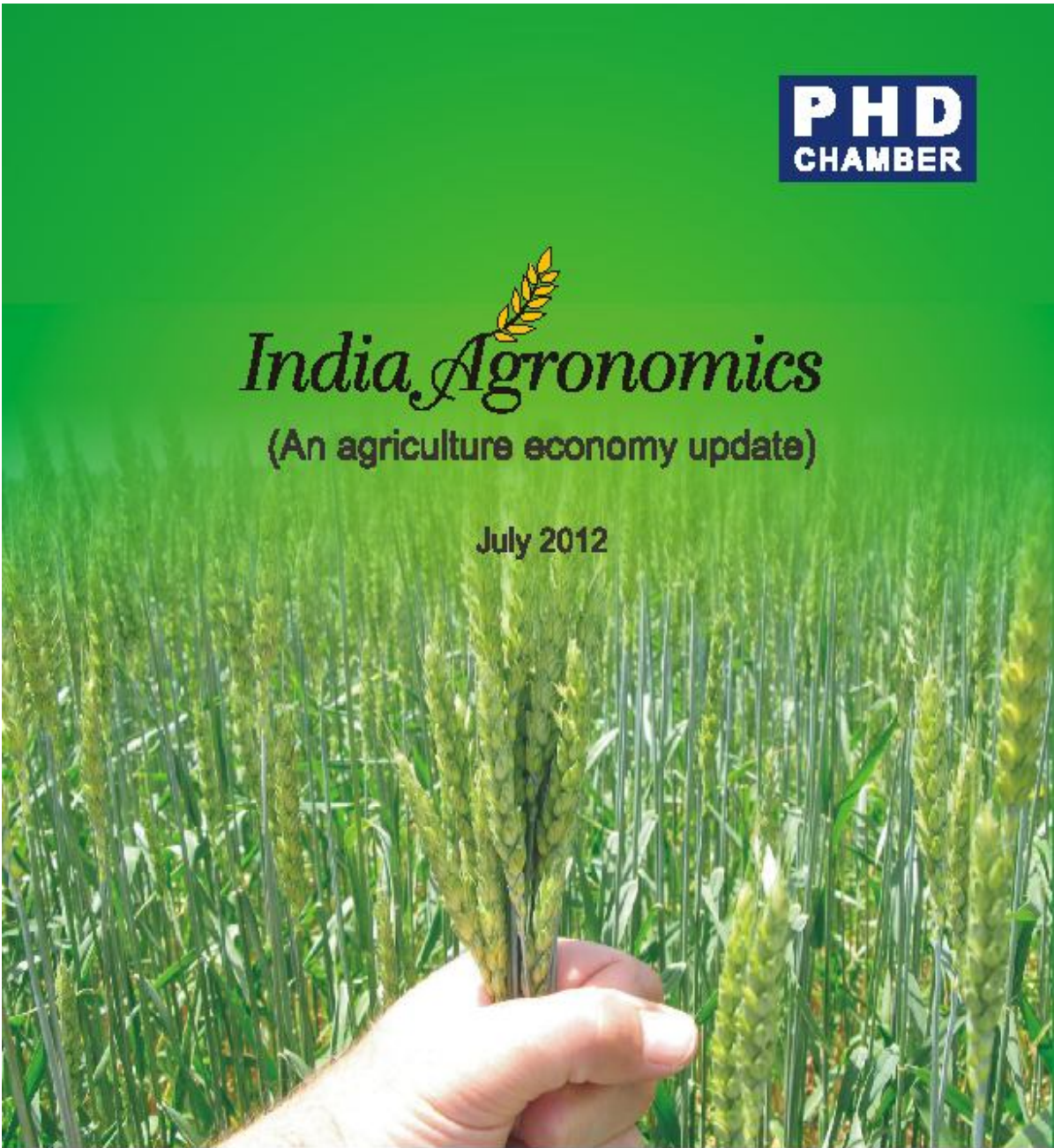


PHD
CHAMBER

India Agronomics
(An agriculture economy update)

July 2012



PHD Research Bureau
PHD CHAMBER OF COMMERCE AND INDUSTRY

India Agronomics (An agriculture economy update)

Agriculture in India has been a way of life and continues to be the single most important source of livelihood for the masses with more than 70% of the population depends on it directly or indirectly. Agricultural production has a significant impact on the overall economic growth, a key to the creation of demand in other sectors and vital in maintaining price stability in the economy. Since food is an important component in the basket of commodities used for measuring consumer price indices, it is necessary that food prices are maintained at reasonable levels to ensure food security and in this regard the role of agriculture in ensuring equitable access holds enormous significance.

Monsoon in India continue to influence crop production and productivity in a substantial way as merely 45% of India's gross cropped area is irrigated¹. The southwest monsoon rainfall accounts for about 75% of the precipitation received annually.

1. IMD forecasts and actual rainfall scenario

The IMD has predicted normal rainfall during the 2012 southwest monsoon season. The country's rainfall is projected to be 99% of the LPA, with the model error of +/- five percent. The LPA for the country is 890 mm, which states that rainfall for the year 2012 would be between 846 mm to 916 mm. India has cumulatively received 899 mm rainfall in 2011 southwest monsoon season.

IMD's first forecast vis-à-vis actual rainfall

Year	IMD's 1 st forecast (% of LPA)	Actual rainfall (% of LPA)	Difference b/w forecast and actual rainfall
2001	98	92.9	-5.1
2002	101	79.4	-21.6
2003	96	102.1	6.1
2004	100	87.4	-12.6
2005	98	98.8	0.8
2006	93	99.4	6.4
2007	95	105	10
2008	99	98	-1
2009	96	77	-19
2010	98	102.5	4.5
2011	98	102.3	4.3
2012	98	78#	20

Source: PHD Research Bureau, compiled from CMIE, # Rainfall Distribution for the period 1st June-11th July 2012

2. Current status of monsoon

The seasonal rainfall during this year's monsoon² for the country as a whole has been 22% below the normal. The actual rainfall received for the period 1st June 2012 to 11th July 2012

¹ Data compiled from Centre for Monitoring Indian Economy.

² The seasonal rainfall pertains to the period from 1st June-11th July 2012

stands at 202.7 mm as against the normal rainfall of 261 mm. The cumulative seasonal rainfall was below the normal across all regions namely Northwest by (-) 36%, South Peninsula by (-) 27%, Central by (-) 22% and East & northeast by (-) 13%. Out of 36 meteorological subdivisions, the rainfall has been normal in 15, deficient in 17 and scanty in 04 sub-divisions. As far as area-wise distribution is concerned, 40% area of the country received normal rainfall, while remaining 48% area received deficient and 12% received scanty rainfall.

Rainfall distribution across regions (1st June-11th July 2012)

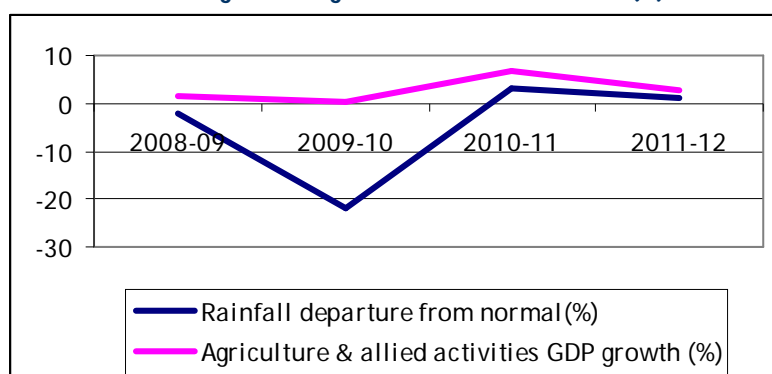
Regions	Actual Rainfall(mm)	Normal Rainfall (mm)	% Departure
Country as a whole	202.7	261.0	-22
Northwest India	85.8	133.7	-36
Central India	213.4	273.0	-22
South Peninsula	170.9	234.8	-27
East & northeast India	444.5	513.8	-13

Source: PHD Research Bureau, compiled from IMD

3. Monsoon vital for robust agriculture growth

Monsoon plays critical role in promoting agriculture growth, which is evident from robust agriculture growth in times of normal monsoon as against the period of scanty rainfall. Empirical evidence reveals that monsoon plays significant role for agricultural production. During the year with good rainfall (marginal departure at (-)7% from normal rainfall in 1992-93), the growth in crop production was robust at around 7%. However, during 2002-03, significant departure of rainfall from normal at (-) 19%, the crop production slipped to negative growth of (-) 18% and agriculture and allied activities GDP to de-growth of (-) 7.2%.

Monsoon vis-à-vis agriculture growth (%)



Source: PHD Research Bureau, compiled from various sources

Further, during 2009-10, with considerable departure of rainfall from normal level at (-) 22%, the crop production registered degrowth of (-) 6% and agriculture and allied activities growth was sluggish at 0.4%.

Rainfall behaviour, Agriculture GDP vis-à-vis Change in crop production

Year	Rainfall (in mm)			Change in crop production (%)	Agriculture & allied activities GDP growth (%)	Share of agriculture and allied activities in GDP (%)
	Actual	Normal	Departure (%)			
1992-93	838	899	-7	7	6.7	30.69
1993-94	890	909	-2	3	3.3	30.01
1994-95	968	907	7	4	4.7	29.53
1995-96	879	905	-3	-6	-0.7	27.34
1996-97	878	906	-3	11	9.9	27.83
1997-98	885	909	-3	-3	-2.6	26.00
1998-99	904	904	0.1	5	6.3	25.91
1999-00	885	903	-2	3	2.7	24.99
2000-01	847	902	-6	-6	-0.2	23.89
2001-02	829	901	-8	8	6.3	23.99
2002-03	742	912	-19	-18	-7.2	21.43
2003-04	906	903	0.3	22	10	21.72
2004-05	843	893	-6	-7	0.05	19.03
2005-06	923	893	4	5	5.14	18.27
2006-07	888	892	-0.5	4	4.16	17.36
2007-08	980	892	10	6	5.8	16.80
2008-09	873	892	-2	-1	1.6	15.71
2009-10	690	890	-22	-6	0.4	14.62
2010-11	913	890	3	12	6.6	14.36
2011-12	899	890	1	3	2.8	14.01

Source: PHD Research Bureau, compiled from various sources

4. Sowing progress sluggish

The sowing of Kharif crops such as jute and mesta, sugarcane, summer pulses rice, coarse cereals, oilseeds, cotton, is in progress. Under Jute & Mesta about 8.03 lakh hectare has been sown as compared to 8.53 lakh hectare in the corresponding period of 2011-12 as on 15th June 2012. As per latest data available as on 6th July 2012, the sowing of Kharif crops such as rice, coarse cereals, oilseeds and cotton has started, however, the area covered under these crops is well below normal, mainly due to delay in progress of the monsoon.

Area coverage is lagging behind by 10.8 lakh hectare under rice, 11.6 lakh hectare under coarse cereals, 2.1 lakh hectare under pulses and 2.2 lakh hectare under oilseeds as compared to the area covered up to the corresponding period last year. However, the area covered under sugarcane and cotton is higher by 2.3 lakh hectare and 2.1 lakh hectare respectively.

5. Agri growth forecast

The growth in crop production is estimated with historic relationship between deviations from normal rainfall and agriculture output. The seasonal rainfall during this year's monsoon for the country³ as a whole has been 22% below the normal and thus, the historic relationship suggest

³ Rainfall distribution pertains to the period of 1st June-11th July 2012

that crop production could decline by around 6% during current fiscal. However, the growth in allied activities, which contributes about 30% in the overall agriculture and allied activities output, is expected to grow by around 7-8% during current fiscal and it will be able to compensate about 2.4% in India's agriculture and allied activities⁴ output growth during FY2013. Hence it is expected that agriculture and allied activities would degrow by about (-) 1.8% during current fiscal⁵ and can have a marginal impact on GDP by 0.12 percentage points during the same period. However, the growth outlook may change if monsoon behaviour improves in the coming times.

Distribution of agriculture and allied activities in agriculture GDP (2012-13)

Component	Share in agriculture & allied activities GDP	Y-O-Y growth	Contribution in % points
Agriculture-crop production	70	(-) 6%	-4.2
Agriculture-allied activities	30	7-8%	2.4
Total	100		(-)1.8[^]

Source: PHD Research Bureau, compiled from various sources

Note: Data pertains to FY2012-13, [^] The current forecast for the agriculture and allied activities is entirely based on the current status of monsoon; however these forecasts may change with monsoon behavior, going forward.

6. Role of allied activities critical to achieve higher agriculture growth

Animal husbandry, dairying and fisheries is critical part of Indian agriculture and has turned out to be an important source of income for millions of rural families. India ranks first in global milk production and contributes about 5-10% to agriculture and allied activities GDP. The milk production in India went up from 17 million tonnes in 1950-51 to 121.84 million tonnes in 2010-11. In addition, the poultry sector encompasses a range of farming systems from highly industrialized and export-oriented at one end to backyard, small and marginal model, addressing livelihood issues at the other end.

Fisheries is an important component of allied activities and fish production has increased from 3.8 million tonnes in 1990-91 to 8.29 million tonnes in 2010-11. Fishing, aquaculture, and allied activities have provided livelihood to over 14 million people in 2010-11, apart from being a major foreign exchange earner and contributes about 5-10% to agriculture and allied activities GDP.

Livestock sector contributes about 15-20% to agriculture and allied activities GDP. Thus, to boost its growth, adequate availability of feed and fodder for livestock is very vital for increasing milk production and sustaining the ongoing genetic improvement programme. Green fodder shortage in the country is estimated at about 34% and in this regard the Ministry of Agriculture has been implementing a modified centrally sponsored Fodder and Feed Development Scheme since 2010 to supplement the efforts of the states to improve fodder production⁶.

7. Minimum Support Price for Kharif crops revised upwards

The Minimum Support Prices (MSPs) for Kharif Crops of 2012-13 season has been approved by the cabinet committee on economic affairs. The MSP of paddy (Common) has been fixed at

⁴ The current forecast for the agriculture and allied activities is entirely based on the current status of monsoon; however these forecasts may change with monsoon behavior, going forward.

⁵ Ibid

⁶ Economic Survey 2011-12, Government of India

Rs.1250 per quintal and of Paddy (Grade A) at Rs.1280 per quintal, which represents an increase of Rs.170 per quintal over the last year's MSPs.

The MSPs of jowar (Hybrid) and ragi have been raised to Rs.1500 per quintal providing an increase of Rs.520 and Rs.450 per quintal respectively. The MSPs of bajra and maize each have been raised by Rs.195 per quintal and fixed at Rs.1175 per quintal each. The MSP of jowar (Maldandi) has also been raised by Rs.520 per quintal over the last year's MSP and fixed at Rs.1520 per quintal. The MSP of urad has been raised from Rs.3300 per quintal to Rs.4300 per quintal.

Minimum Support Price of various crops (2012-13)

Crop	MSP (Rs/ Quintal)		
	Old	Revised	Change (%)
Paddy Common	1080	1250	15.74
Paddy Grade- A	1110	1280	15.32
Jowar (Hybrid)	980	1500	53.06
Ragi	1050	1500	42.86
Bajra	980	1175	19.90
Maize	980	1175	19.90
Jowar (Maldandi)	1000	1520	52.00
Urad	3300	4300	30.30
Ground nut (In shell)	2700	3700	37.04
Sunflower seed	2800	3700	32.14
Sesamum	3400	4200	23.53
Nigerseed	2800	3500	25.00
Soyabean (Black)	1650	2200	33.33
Soyabean (Yellow)	1690	2240	32.54
Cotton (Medium staple)	2800	3600	28.57
Cotton (Long staple)	3300	3900	18.18

Source: PHD Research Bureau, compiled from Ministry of Agriculture.

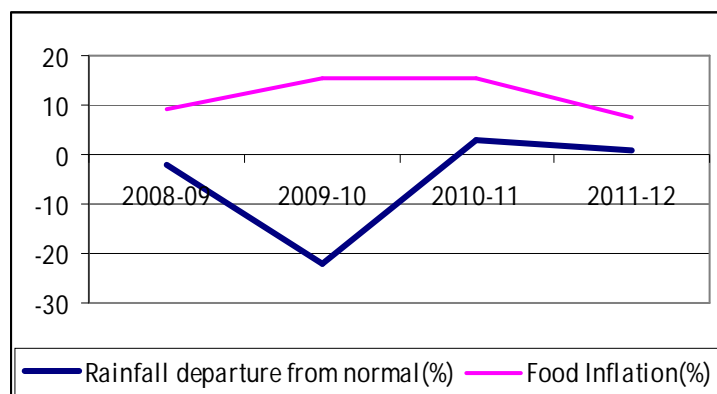
The MSPs of groundnut-in-shell, sunflowerseed, sesamum and nigerseed have been increased by Rs.1000, Rs.900, Rs.800 and Rs.600 per quintal over the last year's MSPs and have been fixed at Rs.3700, Rs.3700, Rs.4200 and Rs.3500 per quintal, respectively. The MSPs of soyabean (Black) and soyabean (Yellow) have been increased by Rs.550 per quintal each over the last year's MSPs and fixed at Rs.2200, Rs.2240 per quintal respectively. MSP of cotton (Medium Staple) has been raised from Rs.2800 to Rs.3600 per quintal and cotton (Long Staple) has been raised from Rs.3300 to Rs.3900.

8. Monsoon vis-à-vis food inflation

The food inflation over the recent years has remained high despite higher crop production vis-à-vis good rainfall, which contributes to the fact that the consumption patterns have undergone major shift during the recent times. During 2009-10, the rainfall was (-) 22% below normal, the food inflation was above 15%. However, during 2010-11 and 2011-12, when rainfall was above 3% and 1% from normal levels respectively, the food inflation still hovers in higher trajectory of more than 7%. This could be attributed to the fact that, despite good monsoon and higher crop production, the country is constrained by supply side bottlenecks hindering the process of

distribution and creating scarcity. Another reason may be attributed to increased demand for protein based items such as milk, egg, fish, meat, etc and other perishables.

Monsoon vis-à-vis food inflation (%)



Source: PHD Research Bureau, compiled from various sources

9. Wheat procurement inches up

The all India progressive procurement of wheat for the marketing season has scaled to 377.47 lakh tonnes during 2012-13 (as on 29th June 2012) from 277.55 lakh tonnes upto the corresponding period of last year. Punjab has led the procurement by 128.31 lakh tonnes wheat followed by Haryana 86.65 lakh tonnes and Madhya Pradesh 84.93 lakh tonnes. Uttar Pradesh has also procured significant quantity i.e 49.82 lakh tonnes.

Progressive procurement of wheat (Lakh tonnes)

State	Total Procurement in marketing season 2011-12(April-March)	Progressive procurement as on 29 th June 2012	
		In marketing season 2011-12	In marketing season 2012-13
Punjab	109.58	109.53	128.31
Haryana	69.28	68.82	86.65
Uttar Pradesh	34.61	32.82	49.82
Madhya Pradesh	49.65	49.05	84.93
Rajasthan	13.03	12.79	19.09
All-India	283.35	277.55	377.47

Source: PHD Research Bureau, compiled from Ministry of Agriculture, Government of India

10. Rice procurement scale upwards

The all India progressive procurement of rice for the marketing season has also increased to 342.47 lakh tonnes as on 29th June 2012 from 306.41 lakh tonnes upto the corresponding period of last year. The procurement of rice has inched upwards for states like Chhattisgarh, Haryana, Kerala, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal. On the other hand, Andhra Pradesh, Maharashtra, Punjab and Uttaranchal have posted a decline in the progressive procurement of rice.

Progressive procurement of rice**(Lakh tonnes)**

State	Total Procurement in marketing season 2010-11 (Oct-Sep)	Progressive procurement as on 29 th June 2012	
		In marketing season 2010-11	In marketing season 2011-12
Andhra Pradesh	96.10	82.18	73.16
Chhattisgarh	37.39	30.22	41.14
Haryana	16.87	16.59	19.81
Kerala	2.63	2.60	3.72
Maharashtra	3.08	2.05	1.58
Orissa	24.76	21.56	26.96
Punjab	86.35	86.35	77.31
Tamil Nadu	15.83	13.55	15.96
Uttar Pradesh	24.66	23.52	33.45
Uttaranchal	4.22	3.96	3.65
West Bengal	13.10	9.89	17.19
All-India	340.94	306.41	342.47

Source: PHD Research Bureau, compiled from Ministry of Agriculture, Government of India

11. Recent agri-agro developments**North-eastern states to receive Rs. 100 Crore under NFSM for promotion of rice cultivation**

--All the eight north-eastern states, including Sikkim, are being covered under NFSM-rice this year which would help in self-sufficiency in rice production. Under NFSM-rice, states are given assistance for a large number of activities including seed distribution, soil management, pest control, machines & tools, training and field demonstrations. It will also help the states in becoming self-sufficient in rice production.

Delay in monsoon may cause groundwater levels to dip below last year's marks

—A delay in monsoon in northwestern and central parts of India, could result in fall in the water table in these regions as compared to last year's levels. The ground water levels in northwestern states during the pre-monsoon period (April-June) last year, was estimated at 10-20 metres below ground level and the near absence of rains in these regions since October could result in a further decline in these levels.

The water table in northwestern parts of the country, including Punjab, Haryana, Rajasthan and some areas of Gujarat, has been falling at a fast pace. This could result in trouble for millions of farmers in India's primary foodgrain growing regions, as about 80% of the arable land in Punjab, Haryana and western Uttar Pradesh is irrigated.

ISMA lowers sugar output for 2012-13—The Indian Sugar Mills Association (ISMA) has forecast an output of 25 million tonnes⁷ for 2012-13 as against the projected 26 million tonne sugar output projected by Industry body for the current season. The lower forecast despite higher cane acreage is contributed to the fact that of inadequate rains impacting yields and recovery in key states of Maharashtra and Karnataka. The Agriculture Ministry indicates that sugarcane has been planted on 52.22 lakh hectares in 2012-13 seasons, which is about 2.30 lakh hectares more than previous year's 49.92 lakh hectares.

⁷ The period starting October 2012-13

Weak monsoon impacts hydropower generation--Power rates scaled up in energy exchanges and have increased above Rs. 7 per unit in most parts of the country. The rates have also shot up to Rs. 12 per unit in the southern states as weak monsoon has raised demand while electricity supply remains unsteady due to fuel scarcity and uncertain hydropower generation.

Falling soyabean crop area disappointing--The acreage in Madhya Pradesh, the largest producer of soyabean by July 4, 2012 was barely a fifth of what it was last year and is raising concerns due to delay in monsoon. Since soyabean prices have more than doubled during the last six months, the industry is waiting for a good rainfall in July to ensure adequate supply of the affordable raw material. In case the price rises further, it will have impact on consumer budgets through more expensive cooking oil, chicken and eggs. The sowing of Soyabean was completed over 4.26 lakh hectare in MP till July 4 2012 as against 23 lakh hectare during the same period last year.

Quality seeds available in abundance for Kharif Season—As a result of high priority to production and promotion of quality seed, the availability of quality seed has been above the requirement for the present Kharif season of 2012-13, existing at about 142 lakh quintals of quality seeds of major crops available in the country, which is about 12 lakh quintals more than the projected requirement of 129.64 lakh quintals.

Production and availability of fertilizers during April 2012--The production of Urea was about 13 lakh MT against the target of around 14 lakh MT during April 2012 and the estimated production of DAP during the same month was about 3.27 lakh MT. During April 2012, about 15.53 lakh MT (both indigenous and imported) urea was dispatched to various states. Availability of urea during the month of April 2012 was about 19.24 lakh MT and its availability was satisfactory in all the states.

The availability of DAP and MOP during the month of April 2012 had been about 8.72 lakh MT and 2.43 lakh MT respectively, which was adequate to meet the demand of the states. Further, about 1.8 lakh MT of urea was imported from OMIFCO, Oman and about 3.02 lakh MT of DAP and 1.23 lakh MT of MOP was also imported into the country during the same period.

Agri, food & rural development ministries begin contingency planning--With delay in monsoon, the ministries of agriculture, food and rural development have all started putting in place contingency measures. As the agricultural sector bears the largest brunt in case of uneven rain, the ministry has started devising contingency plans with a focus on traditionally low-rain districts, to ensure the damage to crops is the least. The Rural development ministry expects job demand under MGNREGA to grow and assures states of adequate funds to meet extra job demand, while Food ministry adopts cautious approach on further foodgrain exports.

France poised to beat US in wheat exports —U.S. the biggest wheat shippers are poised to lose their advantage over French growers in export markets after the worst Midwest drought in more than a decade wilted grain crops and drove prices to a 10-month high. About four months ago, European crops were damaged by winter freezes and France, the world second largest exporter shipped about 32% less grain outside European Union in first 11 months of crop year. French output forecasts are now rising after ample rain as the US government cut its ratings for domestic grain crops.

12. Conclusions

Agriculture contributes about 15% of the Gross Domestic Product and performance of South-West monsoon is critical to the agriculture output of the country. The South-West monsoon contributes significantly to the irrigation process and it is also critical to the overall growth of the Indian economy as more than 70% of the country's population (directly and indirectly) depends on farming.

According to the latest information available the seasonal rainfall during this year's monsoon⁸ for the country as a whole has been 22% below the normal. The actual rainfall received for the period 1st June 2012 to 11th July 2012 stands at 202.7 mm as against the normal rainfall of 261 mm. The cumulative seasonal rainfall was below the normal across all regions namely Northwest by (-) 36%, South Peninsula by (-) 27%, Central by (-) 22% and East & northeast by (-) 13%. As far as area-wise distribution is concerned, 40% area of the country received normal rainfall, while remaining 48% area received deficient and 12% received scanty rainfall.

Weak monsoon performance impacts the economic scenario of the country through various demand and supply dynamics. As the agricultural output dips, water levels also goes down and the mortality rate of livestock and wildlife goes up significantly. The economy takes a hit as farm incomes falls, farm loan defaults, food prices accelerate, subsidies burden widens, fiscal scenario worsens, consumption demand declines, raw material to industry weakens and investments scenario depresses in various segments.

Food inflation is expected to accelerate on the back of a weak monsoon scenario coupled with a depreciating rupee as value of imported food items also becomes dearer. Prices of many essential items have gone up by more than 20% during the last few weeks. Prices of edible oil, pulses, sugar, vegetables, spices and grains have shown significant upward movement. Rise in international prices of soybean and sugar will also impact domestic price scenario going forward.

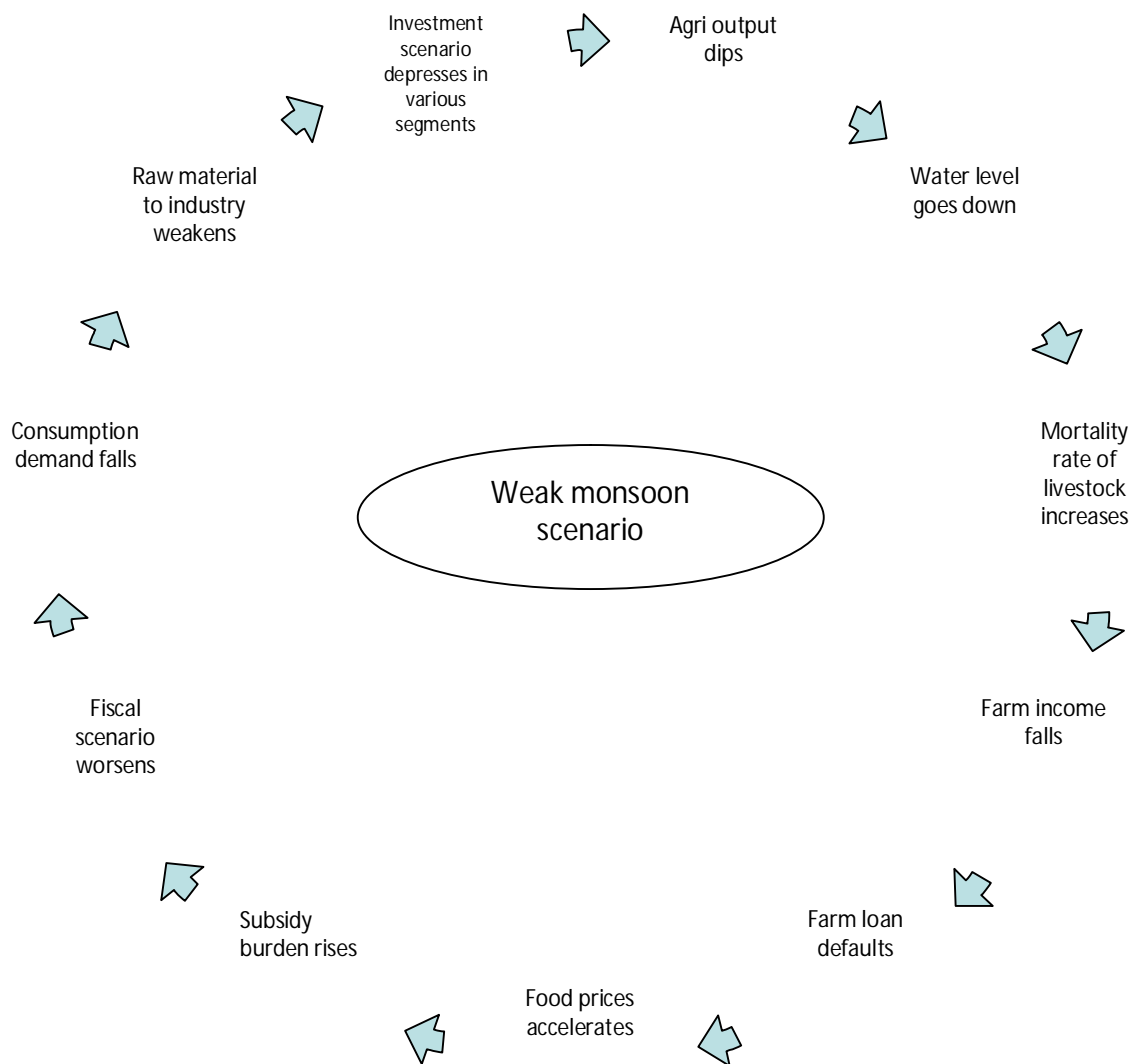
In a nutshell, the impact of monsoon in the farm economy in particular and overall economy in general is far reached. This fact draws from the large dependency in terms of livelihood generation at one end, raw material requirement for industries on the other and above all the total consumption demand in the economy. The deficient rainfall situation has impacted not only the agricultural output/ income, it is all set to create a slump in sale of consumer goods, due to a potential escalation in food prices and a cut in consumer spends.

Going ahead, agriculture needs to grow faster to put India's economic growth on a sustainable & higher growth trajectory. Indeed, agriculture presents a unique opportunity to promote 'all-inclusive-growth' due to its multiplier effect on the rural economy. Given the limited availability of land, the emerging demand will have to be met through productivity growth or yield increases with the help of technological upgradation and increasing irrigation area.

There is a significant scope to achieve desired output by increasing the irrigation area, which is currently about 45% of the sowing area. With an addition of 2%age point every year in the irrigation area, India can achieve a 60% irrigated area by 2020 and a better food security.

⁸ The seasonal rainfall pertains to the period from 1st June-11th July 2012

Weak monsoon impacts various segments of the economy



Source: PHD Research Bureau

Estimates of crop production**(Million tonnes)**

Crop	2011-12(Third advance estimates)	2010-11 (Final estimates)
Food grains	252.56	244.78
Rice	103.41	95.98
Wheat	90.23	86.87
Coarse cereals	41.91	43.68
Pulses	17.02	18.24
Tur	2.71	2.89
Gram	7.4	8.25
Urad	1.81	1.74
Moong	1.57	1.82
Oilseeds	30.06	32.48
Soyabean	12.24	12.66
Groundnut	6.95	7.54
Rapeseed & Mustard	6.96	7.67
Sugarcane	351.19	342.38
Cotton (million bales)	35.20	33

Source: PHD Research Bureau, compiled from Ministry of Agriculture

India Agronomics so far

S. No.	Category	FY2010	FY2011	FY2012
1	Rainfall (% of LPA)	102.5	102.3	78#
2	Agriculture growth rate (%)	0.4	6.6	2.8
3	Food grain production (Million Tonne)	218	245	252
4	Food grain growth rate(%)	-6	12	3
5	Area under cultivation (food grains)- Million Hectare	121.12	125.73	NA
6	Area under cultivation (Commercial crops)- Million Hectare	42.57	44.73	NA
7	Yield (food grains)- Kg/ Hectare	1798	1921	NA
8	Yield (commercial crops)- Kg/ Hectare			
8a	Oil seeds	955	1159	NA
8b	Sugarcane	66099	68595	NA
9	MSP (Rs/ Quintal)			
9a	Paddy common	950	1000	1080
9b	Coarse cereals	840	880	980
9c	Wheat	1100	1120	1285
9d	Arhar (Tur)	2300	3000	3200
9e	Moong	2760	3170	3500

Source: PHD Research Bureau, compiled from various sources

Note: NA: Not Available, # Rainfall Distribution for the period 1st June-11th July 2012.

Economy so far July 2012...

Components	Growth/Rate
Gross Domestic Product* (FY2012)	
GDP at current market prices	Rs 8,232,652 cr
GDP at factor cost at constant prices	Rs 5,202,514 cr
GDP growth (YoY % change)* (FY2012)	
Nominal GDP-factor cost	15%
Real GDP-factor cost (constant prices)	6.5%
Agriculture, forestry & fishing	2.8%
Industry	3.8%
Manufacturing [^]	2.5%
Mining [^]	-0.9%
Electricity [^]	5.9%
Basic Goods [^]	4.1%
Intermediate Goods [^]	2.7%
Capital Goods [^]	-7.7%
Consumer Goods [^]	4.3%
Consumer Durables [^]	9.3%
Consumer Non-Durables [^]	0.1%
Construction	5.3%
Services	8.8%
Trade, hotels, transport & comm.	9.9%
Financing, Ins., Real Est. & Bus. Services	9.6%
Community, social & personal Services	5.8%
Infrastructure** (YoY % Δ) April- MayFY13	
Core Infrastructure Industries	4.2%
Crude Oil	-0.4%
Refinery products	1.8%
Coal	5.9%
Electricity	5.3%
Cement	20.3%
Finished Steel	5.8%
Fertilizer	-12.4%
Natural Gas	-11.1%
Demand side factors as % real GDP(Market prices) * (FY2012)	
Private final cons. expenditure	57.9%
Δ Private final cons. expenditure	5.51%
Government final cons. expenditure	11.2%
Δ Government final cons. expenditure	5.10%
Gross fixed capital formation	32.0%
Δ Gross fixed capital formation	5.48%
Monetary policy as on July,2012***	
Bank Rate	9.0%
SLR	24.0%
CRR	4.75%
Repo Rate	8.0%
Reverse Repo Rate	7.0%
Money Supply M3 YoY as on Jun 29, 2012****	13.2%
Credit Growth YoY as on May, 2012****	17.1%
Money market as on 12th July, 2012***	
Base Rate	10.0%-10.50%
Saving Bank Rate	4.0%
Deposit Rate	8.00% -9.25%
91 Day T-Bills (cut off at last auction)	8.22%
182 Day T-Bills (cut off at last auction)	8.26%
364 Day T-Bills (cut off at last auction)	8.06%
Call Money Rates as on March 11,2012	7.10% -8.20%
Balance of Payments***	
Trade Balance Q3 FY2012	US \$ (-)47.7 bn
Current Account Balance Q3 FY2012	US \$ (-)19.6 bn
Capital and Finance Account (Net Balance) Q3 FY2012	US \$ 8.2 bn
Capital Flows***	
FDI equity to India Apr-2012	US\$ 1857mn
External debt end- Dec (2011)	US \$334.9 bn
ECB's Apr-May FY2013	US\$ 6.1 bn
Foreign Exchange Reserves as on June22 nd 2012	US\$ 288.6bn
Fiscal Indicators	
Gross Fiscal Deficit (Centre - as a % of GDP) FY 12	4.6%
Revenue Deficit (Centre - as a % of GDP) FY 12	3.1%
Inflation** (YoY % growth)- May2012	
WPI of all commodities	7.55%
Primary articles	10.88%
Food Articles	10.74%
Non Food	8.47%
Fuel and power	11.53%
Manufacturing Inflation	5.02%
Consumer Price Inflation	10.36%
Foreign Trade@ April -MayFY13	
Exports	US \$ 50.13bn
Exports growth	-0.69%
Imports	US \$ 79.8 bn
Import Growth	-2.42%
Trade Balance	US\$-37.9 bn

Source: PHD Research Bureau, compiled from various sources.

Note: *CSO Revised estimates of National Income 2011-12;

[^] CSO's Quick estimates of IIP for May 2012;

** Office of the Economic Advisor, Govt. of India;

*** RBI;

@ Ministry of Commerce & Industry, Govt. of India, ^{^^}DIPP.

About the PHD Chamber

PHD Chamber is a vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest for over a century. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in States of Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and the Union Territory of Chandigarh.



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