



## Update on Indian Economy March 2011

### Economic Snapshot

Contents	Item	Units	February	January	February	(% Change	
			2011	2011	2010	[1]/[2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
<b>-Editorial</b>	WPI -Index*	1993-94=100	145.9	144.1	134.8	1.2	8.2
<b>-Capital Market</b>	WPI -Inflation**	Per cent	8.2	8.4	8.6		
<b>-Union Budget of India 2011-2012</b>	Week ended		(Jan 2011)	(Dec 2010)	(Jan 10)		
<b>-Other Markets</b>	IIP (93-94=100)	2 months lag	353.6	317.9	331.7	11.23	6.60
			<b>(Dec 2010)</b>	<b>(Nov 2010)</b>	<b>(Dec 2009)</b>		
	INR / US\$	Month End	45.18	45.93	46.07	(1.63)	(1.93)
	M3	Rs. '000 Cr.	6239.39	6202.43	5339.41	0.60	16.86
	[i] Agg. Deposits	Rs. '000 Cr.	5351.27	5333.51	4597.31	0.33	16.40
	[ii] Currency	Rs. '000 Cr.	888.12	868.92	742.1	2.21	19.68
		(Outstanding as on)	(11.02.2011)	(31.12.2010)	(29.01.2010)		
	Call Money	% Range	5.00-7.05	4.00-7.95	1.00-3.40	-	-
	(Lendings)	Week ended	(11.02.2011)	(07.01.2011)	(05.02.2010)		

Source: RBI Weekly Statistical Supplement February 18, 2011 & Economic & Political Weekly February 19, 2011

\*All Commodities. \*\*Over the year.

### Editorial

#### A) Domestic

The 'advance estimates' for growth in real GDP have pegged it at 8.6% for the fiscal 2010-11. This is not an implausible projection considering the fact that the Q1, Q2 and Q3 GDP estimates place the GDP growth rates, for the respective quarters, at 8.9 %, 8.9% and 8.2%.

The matter of concern that has emerged during the current fiscal, however, is the declining contribution of the manufacturing sector in successive quarters. While to some extent this may be attributed to the 'base effect' / inaccuracy of initial estimates, an unusual development is the marked volatility in industrial output from month to month, as reflected in the Index of Industrial Production. We do not have a plausible explanation for this behaviour.

This matter, perhaps, needs more reflection on the part of policy makers. This is especially necessary in view of the fact that the Finance Minister has mentioned in his budget speech that the government aspires to improve the contribution of industrial output to GDP from 16 % to 25 % over the next decade.

There are, however, immediate concerns for growth in GDP in the next fiscal year, despite a relatively 'rosy' picture being envisaged in the pre-budget Economic Survey. The Survey feels confident that the next fiscal should log a GDP growth rate of 9% ( $\pm$  0.25%) considering recent trends in Savings / Investments and the Indian 'ICOR' value of 4. However, this 'confidence' is subject to caveats like good climatic conditions, absence of 'spikes' in crude oil prices and favourable evolution of performance in advanced economies. We tend to feel that the 'risks' may be greater in the ensuing fiscal year as compared to the situation at the start of the preceding fiscal.

## **B) International**

**(A) US GDP and Unemployment:** The real gross domestic product for the 4<sup>th</sup> quarter of 2010 (second estimate) increased at an annual rate of 2.8% as compared to 2.6% reported in the 3<sup>rd</sup> quarter as per figures released by Bureau of Economic Analysis on 25<sup>th</sup> February 2011. This improvement was largely due to a sharp downturn in imports, acceleration in private consumption expenditure, rise in exports and an upturn in residential fixed investment.

As a consequence, the overall real GDP growth rate during 2010 is now estimated to have improved by 2.8% compared to a decrease of 2.6% in 2009. Thus, the compression witnessed in the economy during 2009 has been more than recouped during 2010.

The unemployment level is still high in the US with the number estimated at 14.5 million as of February 2011 compared to 15.9 million a year earlier. Gradual amelioration is visible when we examine the data released by Bureau of labour Statistics since the 4<sup>th</sup> quarter of 2010. The seasonally adjusted unemployment rate dropped from 9.7% in February 2010 to 8.9% in February 2011.

**(B) EU GDP and Unemployment:** Though there has been a marked recovery in the growth rate of real GDP in EU 27 countries during 2010 the GDP is yet to be restored to the 2008 level, However, considering the sustained positive trend during 2010 there is a likelihood that this improvement would continue in 2011 and the EU 27 prosperity levels might be restored back to the pre-crisis levels.

According to Eurostat figures released on 3<sup>rd</sup> March 2011, during the 4<sup>th</sup> quarter of 2010 EU 27 GDP grew at an annual rate of 2.1%. Overall, the real GDP of EU 27 logged a growth rate of 1.8% during 2010 as compared to a decline of 4.2% in 2009.

In terms of number of unemployed persons the situation in EU 27 countries appears to have marginally deteriorated, with the numbers increasing from 22.94 million as of January 2010 to 23.04 million as of January 2011.

During the year 2010 the seasonally adjusted unemployment rate in EU 27 remained sticky at around 9.6%. According to Eurostat data released on 1<sup>st</sup> March 2011 the unemployment rate in January 2011 stood at 9.5%, which was identical to that in January 2010.

**(C) Oil Prices:** During much of 2010 crude oil prices have remained relatively subdued ranging between USD 70 to 80 per barrel. However, in the last quarter of 2010, perhaps, due to sustained growth in the world economy, prices have been inching up and breached the USD 90 level by the year end. With the political turmoil in the Middle East and consequent disruption / fears of disruption in supplies, the year 2011 has seen the crude oil prices firm up beyond USD 100 per barrel. Though as yet it is not anticipated that the prices could spike up to the USD 140 per barrel level witnessed in the summer of 2008, it is feared by some that in such an eventuality another recession may well be triggered in the advanced economies particularly in Europe. Moreover, this would also impact inflation. For India, which is heavily dependent on oil imports, this is certainly one of the major risks to growth in the near future. Moreover, for India it is certainly time to revisit policy on encouraging the funding of its high current account deficit by 'long term' capital flows and stem the recent trend of an increasing proportion of funding via 'short term' inflows.

### **Capital Market Review**

The stock markets witnessed a 'sideward' trend during February 2011 with neither a clear downward nor a firm upward trend emerging. This, perhaps, reflected the uncertainties that currently shroud the global economy, 'policy deficit' in the domestic economy and the political instability in the oil rich Middle East.

During the month the market weakened considerably in alternate phases with both the BSE Sensex and S & P Nifty plummeting to levels that had not been witnessed since July 2010. However, after each 'dip' the market could not revert back to levels that had been attained in the last quarter of 2010.

The BSE Sensex commenced on 1<sup>st</sup> February, at 18022. After displaying a short-lived uptrend, it slipped sharply to 17463 on the 10<sup>th</sup>. After reviving up to 18507 by 17<sup>th</sup> February, it once again weakened to below the 18000 mark by 24<sup>th</sup> February. It was restored to above the 18000 level after the budget.

Commencing at 5417 on 1<sup>ST</sup> February, crossing the 5500 mark over the next couple of days, the S & P Nifty lost ground subsequently and saw a low of 5225 on 10<sup>th</sup> February. Though it revived to 5546 on 17<sup>th</sup> February, it weakened thereafter to 5263 on 24<sup>th</sup> February. It has strengthened to above the 5500 mark after the budget.

	February	January	February	January	(% ) Change		
	2011	2011	2010	2010	[1]/[2]	[1]/[3]	[2]/[4]
<b>Major Indices</b>	[1]	[2]	[3]	[4]	[5]	[6]	[7]
BSE Sensex – Close	17823.40 (28.02.2011)	18327.76 (31.01.2011)	16429.55 (26.02.2010)	16357.96 (19.01.2010)	(2.75)	8.48	12.04
Monthly High	18,506.82 (17.02.2011)	20561.05 (03.01.2011)	16496.05 (03.02.2010)	17701.13 (06.01.2010)	(9.99)	12.19	16.16
Monthly Low	17,463.04 (10.02.2011)	18327.76 (31.01.2011)	15790.93 (05.02.2010)	16289.82 (27.01.2010)	(4.72)	10.59	12.51
S&P CNX Nifty –Close	5333.25	5505.90	4922.3	4882.05	(3.14)	8.35	12.78
P/E Ratio : BSE – 30	19.44	19.90	20.15	20.3	(2.31)	(3.52)	(1.97)
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	74854.40	83365.00	109256.8	78811.6	(10.21)	(31.49)	5.78
Outflows – Rs. Cr.	78124.50	78001.10	105394.4	70398.9	0.16	(25.87)	10.80
Net – Rs. Cr.	(3269.80)	5363.50	3892.5	8412.7	(160.96)	(184.00)	(36.25)
Cum. Net Inv–US\$ Mn. (Month End)	120023.60	120744.91	82867.8	81921.7	(0.60)	44.84	47.39

The cumulative investment by FIIs stood at US\$ 120.02 billion in February 2011, and this reflected an increase of US\$ 0.72 billion over the previous month.

### The Union Budget of India 2011-12

**Introduction:** In India, traditionally, presentation of the Union Budget has always been a time of ‘excitement’ and ‘anticipation’ as everyone expects policy change. However, as India increasingly moves towards a regime of ‘rule bound’ (institutional) budgetary governance and greater transparency such a ‘collective public emotion’ is, perhaps, somewhat misplaced and more a remnant of a ‘habit’ cultivated over years of budgetary dispensation that prided in springing ‘policy surprises’ rather than having in place a regime of long-term stability.

As the Fiscal Responsibility & Budget Management Act gets implemented and as a ‘stable’ direct tax regime / pan-India indirect tax regime gets into place with the ‘Direct Tax Code’ / ‘Goods and Services Tax’, ‘policy instability’ should get excised from India’s ‘collective public emotion’ and the budget might well, in future, become a ‘non-event’. The only aspects that, perhaps, need ‘institutionalisation’ are the regimes for long-term distribution of public expenditure and policies with respect to long-term / short-term capital movements.

The traditional ‘collective public emotion’ was very much present for the Union Budget of 2011-12. A major ‘driver’ for this was the ‘market’ belief that the reported fiscal improvement in the year 2010-11 was due to the ‘one-time’ bonanza in terms of revenues the government had received via the 3G auctions (telecom licenses) and as such ‘fiscal improvement’ would not be sustained in 2011-12 in the absence of similar revenues and government’s policy commitment of spending in ‘social sectors’. Prima facie, this ‘market expectation’ has been belied as the budget for 2011-12 reports further ‘fiscal improvement’ with the fiscal deficit to GDP ratio expected to drop to 4.6% from the current 5.1%.

The ‘market’ also expected a firmer time-table with regard to the implementation of the Direct Tax Code via enactment and the introduction of the Goods and Services Tax regime via resolution of differences with States followed by Constitutional amendment. As most often happens in India, both matters are in a state of ‘evolutionary limbo’, with ‘mini-steps’ being taken for the past few years, though there seems to be greater clarity now on the possible ‘end-point’.

Another ‘market’ expectation was with regard to a more liberal policy regime concerning India’s financial sector on ‘rumours’ of ‘pressure’ from advanced economies. Whether or not the latter aspect is accurate, the Finance Minister did announce the intention of moving forward with a slew of legislations. Of course, many of these had already been drafted over the past few years and it could not be said that the Finance Minister had sprung a surprise.

Finally, a major expectation in the ‘market’ was the announcement of a ‘policy regime’ with respect to encouraging ‘long-term capital flows’ in view of ‘balance of payments’ developments over the past year. This is, perhaps, not entirely the domain of the Ministry of Finance, with other ministries also involved in ‘policy crafting’ and for cogent institutions to emerge in this area would require greater inter-ministerial co-ordination. Therefore, the Finance Minister’s lack of clarity on this aspect reflected that adequate ‘groundwork’ had not been done in this area. Consequentially, what seemed to be emphasized in the Finance Minister’s speech was the liberalization of rules with respect to short-term capital flows rather than a new set of institutions that would bolster inflows of ‘very long term’ capital into India.

### The budget numbers:

(Rs. Crore)						
Item	2009-10 (Provisional) Rs.	2010-11 (Budget Est.) Rs.	2010-11 (Revised Est.) Rs.	2010-12 (Budget Est.) Rs.	Growth 2010-11	Rate (%) 2010-12
<b>Revenues</b>	<b>572811</b>	<b>682212</b>	<b>783833</b>	<b>789882</b>	36.84	0.77
- Tax Revenue	456536	534094	563685	664457	23.47	17.88
- Non-Tax Revenue	116275	148118	220148	125425	89.33	-43.03
<b>Capital Inflows</b>	<b>451676</b>	<b>426537</b>	<b>432743</b>	<b>467837</b>	-4.19	8.11
- Non-Debt	33194	45129	31745	55020	-4.37	73.32
- Debt	418482	381408	400998	412817	-4.18	2.95
<b>Total Non-debt Resources</b>	<b>606005</b>	<b>727341</b>	<b>815578</b>	<b>844902</b>	34.58	3.60
<b>Expenditure</b>	<b>1024487</b>	<b>1108749</b>	<b>1216576</b>	<b>1257729</b>	18.75	3.38
- Revenue Expenditure	911809	958724	1053677	1097162	15.56	4.13
- Capital Expenditure	112678	150025	162899	160567	44.57	-1.43
<b>Revenue Deficit</b>	<b>338998</b>	<b>276512</b>	<b>269844</b>	<b>307280</b>		
	(5.2)	(4.0)	(3.4)	(3.4)		
<b>Fiscal Deficit</b>	<b>418482</b>	<b>381408</b>	<b>400998</b>	<b>412827</b>		
	(6.4)	(5.5)	(5.1)	(4.6)		

There is marked contrast in budgetary numbers when we compare the budget figures for 2011-12 and the revised estimates for 2010-11 as reflected in the table on the preceding page. As may be observed there is an extremely modest increase in percentage terms in both revenues as well as overall expenditure, which makes the budgetary numbers a bit implausible. However, considering the fact that Tax Revenues have been projected to grow by 17.88% compared to 23.47% last year, there may be a 'hidden' margin in terms of these revenues, which could, to some extent, take care of a higher growth rate of expenditure than projected. Most commentators have pointed out that the expenditure appears to have been 'understated', especially estimates of subsidies and outlays on employment programmes like NREGA, where the wages have now been indexed. As such, some feel that the fiscal deficit may not turn out to be as the government has projected.

**Fiscal Deficit:** The budget has projected a marginal rise in the fiscal deficit. As a consequence of the modest increase its ratio to GDP is projected to decline to 4.6% during 2011-12 compared to 5.1% in the preceding fiscal. Should these projections materialise it would be beneficial for the growth of the economy as more resources would be available to the private sector. Another consequence would be an appreciation in the value of long-term government securities and a reduction in interest rates of long-term government paper.

The Finance Minister has also announced that the Fiscal Responsibility and Budget Management Act (2003) would be amended to lay down a 'fiscal road map' for the next five years so that a fiscal deficit ratio of 3% could be attained by the Union government by 2014-15.

**Important Fiscal Decisions:** The Direct Tax Code committing the government to a stable direct tax policy regime in the long-term would be finalised for enactment during the year 2011-12 and implemented effective from April, 1, 2012.

With regard to Indirect Taxes and the proposal to implement the Goods and Services Tax, the first step in terms of introducing a Constitutional Amendment Bill would be taken in the current year. However, it is uncertain as to whether or not the new indirect tax regime would be implemented.

Government has taken a policy decision to move towards a regime of direct cash subsidies to the poor the modalities of which have to be worked out.

Government will disinvest to the extent of Rs 40000 crore during 2011-12, ensuring that its holdings in public sector undertakings do not fall below 51%.

**Legislations in the financial sector :** The following legislations have been proposed which will pave the way for further opening up / consolidation of the sector :

- i) The Insurance Laws (Amendment) Bill, 2008;
- ii) The Life Insurance Corporation (Amendment) Bill, 2009;
- iii) The revised Pension Fund Regulatory and Development Authority Bill, first introduced in 2005

- iv) Banking Laws Amendment Bill, 2011;
- v) Bill on Factoring and Assignment of Receivables;
- vi) The State Bank of India (Subsidiary Banks Laws) Amendment Bill, 2009; and
- vii) Bill to amend RDBFI Act 1993 and SARFAESI Act 2002.

**Important Outlays:** An outlay of Rs 214000 crore for infrastructure has been provided for in the year 2011-12. Proposal for Tax Free bonds for the infrastructure sector has also been mooted. The capital expenditure outlay amounts to Rs 164415 crore. Another important outlay is that of Rs 160887 crore for the social sector covering education and programmers for the poor. With respect to the social sectors an important decision has been to link wages under MNREGA employment Programme to the Consumer Index. Further the outlay may increase if the National Food Security Bill is enacted.

**Taxation Proposals:** The following important direct / indirect proposals have been made-

- Exemption limit for individual Tax payers raised to Rs 160000/-
- Very Senior Citizens of 80 years and above to have exemption limit of Rs 500000
- For Corporates-
  - Surcharge on domestic companies reduced from 7.5% to 5%
  - Minimum Alternative Tax raised from 18% to 18.5%
- Attract foreign funds for infrastructure development by
  - Permitting creation of special vehicles in the form of notified infrastructure debt funds
  - Reduced withholding tax rate of 55 on interest payment on borrowing of these funds
  - Exempt income of Fund from tax
- Greater tax incentives for innovation
- Standard rate of Central Excise Duty of 10%
- Tax exemption from Central excise duty to be phased out over the next two years for the 370 exempt items
- Lower rate of central excise duty raised from 4% to 5%
- Rationalization of customs duty rates with respect to ASEAN countries.
- Concessional import / excise duties for certain agro industries, certain items in the manufacturing sector and environmental friendly products.
- While the service tax has been maintained at 10%, tax has been extended to certain new services.

**Impact of Budget Proposals on the Markets:** The stock markets appear to have reacted favourably to the budget with the key indices showing recovery as compared to February 2011. Moreover, the government debt market trading has taken place on expected lines with interest rates on long term debt declining.

**Conclusion:** From the viewpoint of fiscal responsibility the budget is a positive exercise. However, many analysts feel that the projections particularly with regard to expenditure are not credible. We would wait and watch how the fiscal situation evolves. Moreover, we would also watch out for changes in Foreign Direct Investment Policy the government is currently reviewing, which is vital from the perspective of long term macroeconomic stability.

### Other Markets

#### Debt Market

The month of January 2011 there were 21 new corporate debt issues for a total volume of Rs.9,105.10 crore. The largest debt issue was for Rs.2,500 crore by Tata Steel Ltd. for the longest tenor of 20 years. Debt issues for instruments with maturity of more than 10 years amounted to Rs.5,031.10 crore while shorter-term maturity of less than 5 years amounted to Rs.8 crore only. The highest spread of AAA-rated corporate bond over GSec was observed for instruments with 1 year maturity at 204 bps and the lowest spread was observed for 10 year maturity instrument at 63 bps. Particularly spreads in January were lower than even November levels for instruments with maturity of 5,6,8,9 and 10 years.

	Name of the Issuer	Duration	Rating	Amount (Rs. Crore)	Type of Instrument
<b>I.</b>	<b>Bank :</b>				
1.	Indian Overseas Bank	15 years	AA+	967	Bonds/NCD
2.	IDBI Bank Ltd.	15 years	AA+	856.10	Bonds/NCD
3.	National Bank for Agriculture and Rural Development (NABARD)	3 years	AAA	500	Bonds/NCD
4.	EXIM Bank of India	5 years	AAA	85	Bonds/NCD
<b>II.</b>	<b>Financial Service Institutions :</b>				
1.	Power Finance Corporation Ltd.	7, 10 years	AAA	1,363	Bonds/NCD
2.	Housing Development Finance Corp. Ltd.	2 years	AAA	500	Bonds/NCD
		1 year		190	
		10 years		400	
		5 years		105	
3.	Infrastructure Development Finance Co. Ltd. (IDFC)	15 years	AAA	208	Bonds/NCD
4.	Karnataka State Financial Corp.	10.08 years	AA-(SO)	100	Bonds/NCD
5.	LIC Housing Finance Ltd.	10 years	AAA	107	Bonds/NCD
		2 years		315	
<b>III.</b>	<b>Public Sector Company :</b>				
1.	Tata Steel Ltd.	20 years	AA+	2,500	Bonds/NCD
2.	National Thermal Power Corporation (NTPC)	10 years	AAA	300	Bonds/NCD
3.	MRF Ltd.	3, 4,5 years	AAA	200	Bonds/NCD
4.	Rajasthan Rajya Vidyut Prasaran Nigam Ltd.	18 years	A(SO)	200	Bonds/NCD
5.	Reliance Capital Ltd.	5 years	AAA	4	Bonds/NCD
		5 years		5	
6.	The Great Eastern Shipping Co.Ltd.	12 years	AAA	100	Bonds/NCD
		12 years		100	

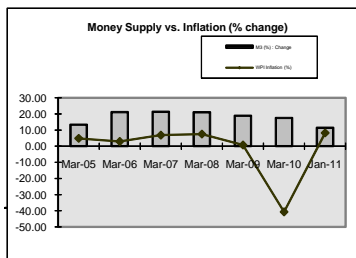
(Sources: Credit Analysis & Research Ltd., February, 2011)

## Call Money Market

The call money rate on February 4, 2011 in respect of borrowings ranged between 5.00% and 7.05% as compared to the rates of 1.00% - 3.40% on February 5, 2010 (i.e. a year ago) reflecting that there was hardening of interest rates. The average daily turnover in the call money market was Rs. 7,858 crore for the week ending February 4, 2011 and this daily turnover increased to Rs.8,885 crore on February 11, 2011.

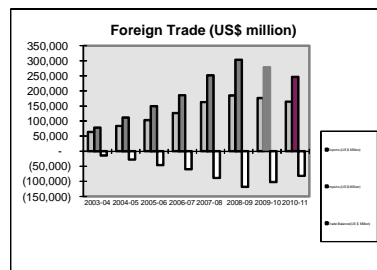
## Foreign Exchange Market

The exchange rate (RBI reference rate) on February 11, 2011 was Rs.45.76 per US dollar as compared to Rs.45.59 per US dollar on February 7, 2011, that is, a week ago; this reflected a nominal appreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 6.16% on February 11, 2011 as compared to a premium of 6.36% on February 7, 2011 (a week ago), which reflects that supply of dollars is likely to become relatively soft in the forthcoming weeks. The market rate (buying) was Rs. 45.18 per US dollar on February 28, 2011. The foreign currency assets were US\$ 269.37 billion on February 11, 2011, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 298.7 billion. From end-March 2010, the foreign exchange reserves registered an increase of US\$ 19.606 billion upto February 11, 2011.



	Mar-05	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Jan-11
M3 (Rs. Crore)	2,253,938	2,729,535	3,310,278	4,006,722	4,764,019	5,599,762	6,239,385
M3 (%) : Change	13.30	21.10	21.27	21.04	18.90	17.54	11.42
WPI (Index) All Commodities\$	189	196.6	210	225.7	227.3*	134.8**	145.9***
WPI Inflation (%)	4.83	2.91	6.82	7.48	0.71	-40.70	8.20

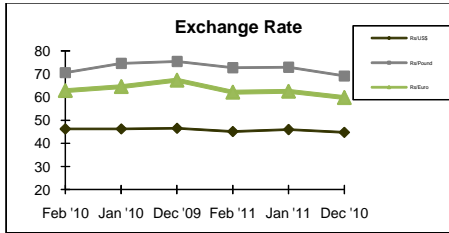
Source: RBI Bulletin March 2009; WSS: February 18, 2010 \$S1993-94=100; year/month-end. \* January 2009 \*\* January 2010 \*\*\* January 2011



During the Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Dec-10
Exports (US \$ Million)	63,843	83,536	103,091	126,361	163,132	185,295	176,574	164,707	22,500
Imports (US \$ Million)	78,149	111,517	149,166	185,749	251,654	303,696	278,681	246,724	25,130
Trade Balance (US \$ Million)	(14,306)	(27,981)	(46,075)	(59,388)	(88,522)	(118,401)	(102,106)	(82,017)	(2,630)

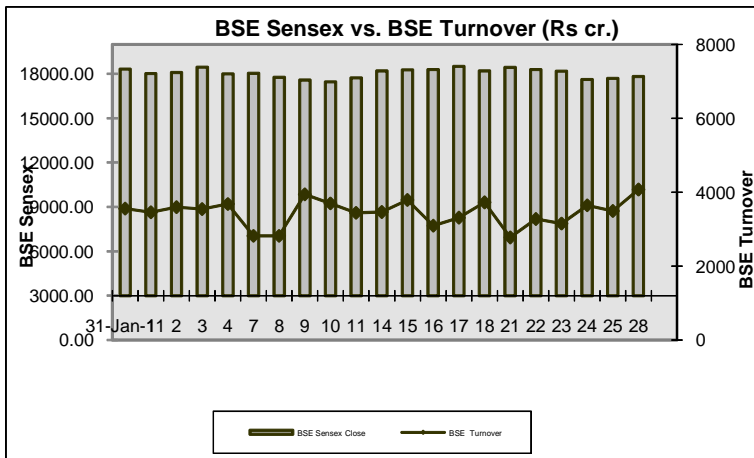
Source: Ministry of Commerce Revised figures for 2001-02 to 2007-08 (April-March)

\*DGCI&S data for April 2008 to March 2009 (Provisional)



	2009-10			2010-11		
	Feb '10	Jan '10	Dec '09	Feb '11	Jan '11	Dec '10
Rupee/US\$	46.23	46.29	46.56	45.18	45.95	44.81
Rupee/Pound	70.66	74.62	75.48	72.78	72.95	69.28
Rupee/Euro	62.81	64.55	67.36	62.15	62.54	59.81

Figures are for month-end



Feb 2011	BSE Sensex Close	BSE Turnover (Rs.crore)
31-Jan-11	18,327.76	3560
1	18,022.22	3456
2	18,090.62	3595
3	18,449.31	3544
4	18,008.15	3686
7	18,037.19	2823
8	17,775.70	2824
9	17,592.77	3942
10	17,463.04	3700
11	17,728.61	3445
14	18,202.20	3466
15	18,273.80	3792
16	18,300.90	3094
17	18,506.82	3314
18	18,211.52	3724
21	18,438.31	2776
22	18,296.16	3276
23	18,178.33	3157
24	17,632.41	3648
25	17,700.91	3492
28	17,823.40	4072



**Annexure 1 : Select International Economic Indicators for Developed Industrialised Countries And India**

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2010	Real Rate (Short-term) (1-3)	Currency unit per Euro 16.02.2011	Balance Latest :12 months		Col 11 as Percentage of GDP 2010
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 16.02.2011	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
Euro-11	1.09	3.29	2.4	1.00	0.74	0.73	-6.2	-1.31	1.00	0.3	-61.4	-0.5
			Jan							Dec	Nov	
U. S. A.	0.26	3.61	1.5	2.70	1.00	1.00	-8.9	-1.24	1.35	-646.5	-460.5	-3.3
			Dec							Dec	Q3	
Britain	0.80	3.92	4.0	3.40	0.62	0.64	-10.1	-3.2	0.84	-150.4	-41.5	-2.1
			Jan							Dec	Q3	
Japan	0.16	1.34	nil	-1.70	83.90	90.90	-7.5	0.2	113.38	91.2	194.8	3.4
			Dec							Dec	Dec	
Sweden	2.21	3.43	2.50	0.60	6.45	7.19	-1.3	-0.29	8.72	10.5	28.1	6.6
			Jan							Dec	Q3	
Switzerland	0.17	1.82	0.3	1.00	0.97	1.08	-0.3	-0.13	1.31	18.9	83.2	11.9
			Jan							Dec	Q3	
India	7.14	8.27	9.7	14.90	45.50	46.10	-5.1	-2.56	61.49	-115.8	-53.1	-2.7
			Dec							Dec	Q3	

Source : The Economist London: February 19th-25th, 2011

Figures in Column 9 are derived.

**Annexure 2 : Important Economic Indicators for Select Emerging Market Countries**

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2010	Real Rate (Short-term) (1-3)	Currency unit per Euro 16.02.2011	Balance Latest :12 months		Col 11 as Percentage of GDP 2010
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 16.02.2011	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
China	4.77	4.05	4.9	1.5	6.59	6.83	-2.2	-0.13	8.91	176.8	316.3	5.5
			Jan							Jan	Q3	
Hongkong	0.23	2.81	3.1	1.3	7.79	7.77	2.9	-2.87	10.53	-43.1	14.8	10.1
			Dec							Dec	Q3	
Indonesia	9.45	4.95	7.0	3.7	8,895.00	9,270.00	-0.8	2.45	12,020.27	22.1	8.7	1.0
			Jan							Dec	Q3	
Malaysia	3.01	3.14	2.2	1.1	3.05	3.39	-5.6	0.81	4.12	34.1	28.4	12.5
			Dec							Dec	Q3	
Singapore	0.44	2.57	4.6	-0.5	1.28	1.41	-0.7	-4.16	1.73	41.1	41.7	18.5
			Dec							Dec	Q3	
South Korea	3.11	4.71	4.1	3.1	1,120.00	1,142.00	-2.0	-0.99	1,513.51	44.9	28.2	3.9
			Jan							Jan	Dec	
Taiwan	1.18	1.38	1.1	0.3	29.40	32.10	-1.8	0.08	39.73	9.9	41.9	8.7
			Jan							Jan	Q3	
Thailand	2.45	3.63	3.0	4.1	30.70	33.10	-0.2	-0.55	41.49	14.0	14.8	3.9
			Jan							Dec	Dec	
Brazil	11.17	6.16	6.0	4.6	1.67	1.84	-2.3	5.17	2.26	20.9	-47.5	-2.4
			Jan							Jan	Dec	
Venezuela	14.52	6.55	28.9	26.9	5.30	na	-5.7	-14.38	7.16	28.9	16.9	7.5
			Jan							Q3	Q3	
India	7.14	8.27	9.7	14.90	45.50	46.10	-5.1	-2.56	61.49	-115.8	-53.1	-2.7
			Dec							Dec	Q3	

Source : The Economist London: February 19th-25th, 2011

Figures in Column 9 are derived.

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