



## Update on Indian Economy November 2009

### Economic Snapshot

Contents	Item	Units	October	October	September	(% ) Change	
			2009	2008	2008	[1]/[2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
- Editorial	WPI -Index*	1993-94=100	242.2	239.3	241.1	1.2	0.5
- Capital Market	WPI -Inflation**	Per cent	1.2	11.4	12.1		
- Infrastructure	Week ended		(10.10.09)	(11.10.08)	(06.09.08)		
- In India	IIP (93-94=100)	2 months lag	292.3	264.7	273	10.4	7.1
- Other Markets			(Aug 09)	(Aug 08)	(July 08)		
- Important	INR / US\$	Month End	47.22	49.25	46.94	-4.1	0.6
- Pronouncements	M3	Rs. '000 Cr.	5146.16	4314.12	4226.14	19.3	21.8
	[i] Agg. Deposits	Rs. '000 Cr.	4444.74	3710.41	3633.02	19.8	22.3
	[ii] Currency	Rs. '000 Cr.	701.42	603.71	593.12	16.2	18.3
		(Outstanding as on)	(09.10.09)	(10.10.08)	(12.09.08)		
	Call Money	% Range	2.00-4.40	5.00-23.00	5.25-11.00	-	-
	(Lendings)	Week ended	(16.10.09)	(10.10.08)	(12.09.08)		

Source: RBI Weekly Statistical Supplement Oct 30, 2009 & Economic & Political Weekly Oct 30, 2009

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

### Editorial

#### A) Domestic

End of the September usually signifies getting over of the monsoon season. By September 2009 out of 36 meteorological subdivisions, cumulative rainfall has been excess/normal in 13 sub-divisions (32 sub-divisions last year). The pick up in rainfall activity since mid-August 2009 has resulted in substantial improvement in the country's water reservoir level, though it continues to remain below last year's level. As on October 22, 2009, the total live water storage in the 81 major reservoirs of the country was 64.0 percent of the Full Reservoir Level (FRL) as against 72.0 percent during the corresponding period of the last year. In other words deficient monsoon has emerged as a key factor in dampening the pace of recovery in India's growth in the near-term. Despite some shortfall of 3.3 million tonne in kharif foodgrains in 2008-09 rabi foodgrains registered an increase of 6.4 million tone giving aggregate production of 233.9 million tonne.\*

Industrial production during the financial year 2009-10 has exhibited recovery from the slowdown of momentum witnessed during the second half of 2008-09. Since April 2009, the recovery has been more visible and industrial output clocked double digit growth in August 2009, which is the highest recorded since November 2007. Besides the recovery in industry growth has been **broad based** with acceleration in growth of all the three sectors, viz., mining, electricity and manufacturing.

\*RBI: Macroeconomic and Monetary Developments Second Quarter Review 2009-10, p 6

In the report released on October 21, 2009, the Prime Minister's Economic Advisory Council has forecast that the overall GDP growth for the financial year 2009-10 would be 6.5%. The report projects that the industrial and services sectors are likely to grow by 8.2% each. Given the respectable growth rate of 8.2% in services, the overall GDP growth rate could be even higher than 6.5% and close to 7.0%.

Unveiling his vision for 2020 at an Annual Leadership Conclave on October 30, 2009 the Prime Minister made a strong pitch for sustaining 9-10% economic growth per annum and said that destinies of India and its neighbours are "intrinsically linked".

## **B) International**

The global economy is showing signs of recovery but it will remain slow and gradual. For sustaining the recovery, it is important for a country to continue with a policy stimulus. As a follow-up of G-20 Summit on September 24 – 25, 2009 the Finance Ministers and Central Bank Governors met on November 6–7, 2009 in St. Andrews to discuss Global Economic Prospects and Principles for Policy Exit. In their view the global economy has returned to a positive growth. However, the downside risk could arise from premature exit of policy stimuli before a durable recovery.

International Monetary Fund (IMF) in its World Economic Outlook released in October 2009 has revised its forecast for the world economy from negative growth of 1.1% in 2009 to positive growth of 3.1% in 2010. This upward revision is subject to the full implementation of policy stimuli.

IMF has indicated that much of the global growth would take place in 2010, and it would be led by emerging economies particularly Asia. The growth forecast for India has been revised from 5.4% in 2009 to 6.4% in 2010 while for China the upward revision is from 8.5% in 2009 to 9.0% in 2010.

## **Capital Market Review**

The month of October, 2009 started with the BSE Sensex closing at 17,134.55 on October 01, 2009, and declining trend in the initial week going upto October 9, 2009. During this week BSE Sensex remained below the psychological level of 17,000 points. BSE Sensex gained momentum in the subsequent week pushing the index above 17,000. In the week preceding Diwali, a bullish trend was noticed and on the 'moorat' trading BSE Sensex surged to 17,322.82 on October 16, 2009, the highest in the month. The trend reversed after Diwali. Profit booking was noticed pulling BSE Sensex down below 17,000 and trend continued till end, from October 22 to October 30, 2009. Continuous selling pressure pulled BSE Sensex down to the lowest level of the month closing at 15,896.28 on October 30, 2009 (Friday). BSE Sensex closed at 15,896.28 on October 30, 2009, down by a massive 7.72% as compared to the levels of September 2009.

The Dalal Street saw a wave of concerns especially after Diwali, weak global markets, better than expected corporate results and expectation of tight monetary policy by RBI were to name a few. On the macroeconomic front, Index of Industrial Production for August 2009 was 10.4% (YoY), inflation for the week ended on October 17, 2009 stood at 1.52% and exports for the month of August 2009 declined by 19.4% to US \$ 14289 million.

Markets opened weak ahead of the announcement of Second Quarter Review of the Monetary Policy by RBI on October 27, 2009. The nervousness led discouragement among the investors as RBI hinted exit of accommodative monetary policy stance. Corporate results were better than expected; positive growth was registered primarily because of the improved operating margin. The beneficiaries of these were companies like Apollo Tyres, ITC and Hindustan Zinc. Apart from this, the performance of companies like Asian Paints, JSW Steel and TCS were supported by volume growth. There were few a disappointments like Jaiprakash Associates and Sesa Goa.

Among the Indices, BSE Auto, Bankex, Oil & Gas and Realty indices were the major losers while BSE FMCG registered positive growth on the bourses.

	October	September	October	September	(% ) Change		
	2009	2009	2008	2008	[1]/[2]	[1]/[3]	[2]/[4]
<b>Major Indices</b>	[1]	[2]	[3]	[4]	[5]	[6]	[7]
<b>BSE Sensex – Close</b>	15805.2 (30.10.09)	17126.84 (30.09.09)	9788.06 (31.10.08)	12860.43 (30.09.08)	-7.72	61.47	33.17
<b>Monthly High</b>	17493.17 (17.10.09)	17126.84 (30.09.09)	13055.67 (01.10.08)	15049.86 (02.09.08)	2.14	33.99	13.80
<b>Monthly Low</b>	15805.2 (30.10.09)	15398.33 (3.09.09)	8509.56 (27.10.08)	13102.18 (26.09.08)	2.64	85.73	17.52
<b>S&amp;P CNX Nifty –Close</b>	4711.71	5083.95	2885.6	3921.2	-7.32	63.28	29.65
<b>P/E Ratio : BSE – 30</b>	21.66	22.19	11.8	16.1	-2.39	83.56	37.83
<b>FII Investments (Equity+ Debt)</b>							
<b>Inflows – Rs. Cr.</b>	83352.8	78951.6	52286.6	73514.9	5.57	59.42	7.40
<b>Outflows – Rs. Cr.</b>	67380	58379	69492.2	78589.6	15.42	-3.04	-25.72
<b>Net – Rs. Cr.</b>	15972.8	20572.6	-17205.4	-5073.9	-22.36	-192.84	-505.46
<b>Cum. Net Inv–US\$ Mn. (Month End)</b>	76869.8	73441.5	58747.4	63012.5	4.67	30.85	16.55

The cumulative investment by FIIs stood at US\$ 76.87 billion in October 2009, as compared to US\$ 73.44 billion in end September, 2009; this showed an increase of US\$ 3.43 billion during the month.

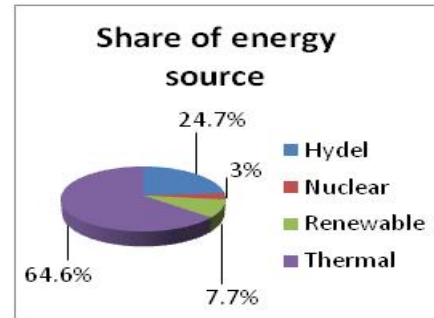
## **Overview of the Infrastructure Sector in India**

### **Introduction**

The Infrastructure sector in India is traversing through one of its most interesting phases today. If we look at our growth pattern over the past few years, we will realize how important it is for a country to have a strong infrastructure to enable growth and development. It is imperative that the nation prepares itself for the future and the next anticipated growth curve. Infrastructure projects, such as urban public transport systems (like metros flyovers, and world class airports), expressways and superior quality highways will enable us achieve our dreams – however, these projects need to be envisioned with a long term perspective. There is a huge opportunity for other allied sectors to participate in the infrastructure sector’s growth across India.

## Power

India is the fifth largest power producer in the world with overall installed capacity of 152148.4 MW. Majority of the power is generated from Thermal sources, that is 64.6%, followed by hydro sources, which is 24.7% and Nuclear plants and other renewable sources contribute 3.0% and 7.7% respectively to the total Generation Capacity. (Source: Ministry of Power) Nuclear Power Generation programme in India has become vibrant after Indo-US deal and is open for global players. The other factor looking bright and promising is the renewable energy source. Presently they are contributing only 7.7% in total installed capacity. But with the advent of new technology and in light of global warming government has realized the importance of harnessing energy from greener sources.

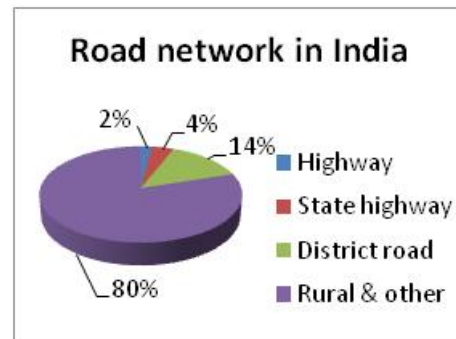


Source: Ministry of Power, As on August 2009

There is a huge gap in demand and supply of power, additionally plagued by the losses in transmission and distribution. India would need to speed up the power generation projects as well as make sure that proper transmission and distribution systems are in place so that the AT&C losses and theft could be minimized.

## Roads

India has an extensive road network of 3.3 million km – the second largest in the world. Rural roads share a massive 80% of the total road network while the highways and expressways together contribute around 2 % only. (Source: National Highway Authority of India)



Source: National Highway Authority of India

Similarly, the road networks across the country need to be expanded and the existing networks need to be overhauled, so that our nation can race ahead on the fast lane of growth. Allocation for the National Highways Development Programme being increased by 23 percent, Jawaharlal Nehru National Urban Renewal Mission by 87 percent, and Accelerated Power Development and Reform Programme by 160 percent are a definite welcome signal from the government for renewed growth across the board.

## Airports

India has 454 airports and airstrips; of these, 16 are designated international airports. Airport Authority of India (AAI) owns and operates 97 airports. Rapid economic growth, increase in trade and investments has led to continuous passenger traffic, both in domestic and international airports. However, the existing airports do not fulfill the demand. There is urgent need for modernizing the existing airports to accommodate increased passenger traffic.

Greenfield airports are required in Tier II & Tier III cities where government of India has been promoting trade and investments.

## Ports

India has 12 major ports and 187 minor ports along 7,517 km long Indian coastline. Of the 12 major ports, 11 ports are run by Port Trusts while the port at Ennore is a corporation under the Central Government. Around 519 million tons of cargo was handled by major ports in 2007-08. A Large number of foreign trades take place through the maritime route. The New Foreign Trade Policy of 2009-14 aims at doubling the foreign trade volume, hence large investments would be required to improve and modernize the ports to facilitate increased trade.

Government of India dominated maritime activity in the past. Policy direction is oriented to encouraging the private sector to take the lead in port development and operations.

## Telecom

India is the fifth largest Telecom services market in the world. As per the TRAI report, 130 million new customers were added in 2008-09 and total telephone users were 479.07 million as of June 2009. The Indian telecom market has both public and private sector companies with CDMA and GSM wireless networks.

## Business Climate in India

Majority of the infrastructure development is carried out by the government of India. Largely, public sector companies are involved in undertaking such projects. General model for the government of India is to keep the control of activities under Public Sector Company and contract for work is assigned to private sector.

Key Sector	Major Public Sector Player
Roads	National Highway Authority of India
Power	State Electricity Boards, public sector units
Ports	Port Trust of India
Airports	Airports Authority of India
Telecom	Public sector and Private sector are involved

## Government Initiatives in promoting infrastructure development

### I. Introduction of Public Private Partnership

Government of India has been promoting PPP in infrastructure sector as there are constraints on investments. PPP would allow private player to invest in infrastructure projects and government will act as a regulator. Government of India has approved proposals amounting to US \$ 26.77 billion in infrastructure development across various segments like highways, roads, ports and power.

Proposals granted under PPP	
Sector	US \$ million
Highways	23195.65
Ports	793.12
Power	1830.32
Road	950.65
Total	26769.74

*Source: PPPIndia, As on Oct 21, 2009*

### II. FDI norms

100% FDI is allowed through Automatic route except for aviation sector where FIPB approval is required for investment beyond 74% for existing airports. For Greenfield Airports, 100% FDI is permissible through Automatic route.

### III. Tax Holidays

Tax holidays for ten years are available for any infrastructure development projects subject to compliance of prescribed rules under section 80-IA of Income Tax Act, 1961.

## Other Markets

### Debt Market

The primary issuance market witnessed fair amount of activities. Rural Electrification Corporation Ltd. remained the biggest issuer with an issue size of Rs. 2,447.5 crore followed by Power Grid Corporation of India Ltd. with an issue of Rs. 2,392.5 crore.

Name of the Issuer	Duration	Rating	Amount (Rs. Crore)	Type of Instrument
<b>i. Banks</b>				
Indian Overseas Bank	15 yrs	AA+	510	Bonds/NCD
IDBI Bank Ltd.	15 yrs	AA	500	Upper Tier II Bonds
Punjab National Bank	15 yrs	AAA	500	Bonds/NCD
State Bank of Hyderabad	15 yrs	AAA	475	Bonds/NCD
National Housing Bank	3 yrs	AAA	250	Bonds/NCD
<b>ii. Financial Services Institution</b>				
Power Finance Corporation Ltd	3 & 5 yrs	AAA	431.1	Bonds/NCD
Infrastructure Development Finance Company Ltd.	-	AAA	259	Bonds/NCD
LIC Housing Finance Ltd	15 months	AAA	200	Bonds/NCD
Cholamandalam DBS Finance Ltd	63 months	AA-	100	Bonds/NCD
L&T Infrastructure Finance Company Ltd	20 months	AA	100	Bonds/NCD
Cholamandalam DBS Finance Ltd	3 yrs	AA-	50	Bonds/NCD
ICICI Home Finance Company Ltd	2 yrs	AAA	80	Bonds/NCD
Infrastructure Development Finance Company Ltd.	10 yrs	AAA	75	Bonds/NCD
Sundaram Finance Ltd	-	AA+	25	Bonds/NCD
<b>iii. Non-Financial Services Institutions</b>				
Rural Electrification Corporation Ltd	3 yrs, 10 yrs	AAA	2,447.50	Bonds/NCD
Power Grid Corporation of India Ltd	15 yrs	AAA	2,392.50	Bonds/NCD
HCL Technologies Ltd.	5 yrs	AA+	500	Bonds/NCD
Steel Authority of India	15 yrs	AAA	150	Bonds/NCD
Kesoram Industries Ltd	-	AA	100	Bonds/NCD
Alembic Ltd	3 yrs	AA	25	Bonds/NCD

(Sources: Credit Analysis & Research Ltd., October, 2009)

### Call Money Market

The call money rate on October 16, 2009 in respect of borrowings ranged between 2.20% and 4.40% as compared to the rates of 5.5% - 11.32% on October 17, 2008 (i.e. a year ago) reflecting that there was greater liquidity in the market leading to softening of interest rates. The average daily turnover in the call money market was Rs.8,807 crore for the week ending October 16, 2009 and this rose to Rs 9,480 crore on October 23, 2009.

### Foreign Exchange Market

The exchange rate (RBI reference rate) on October 23, 2009 was Rs.46.45 per US dollar as compared to Rs.46.27 per US dollar on October 16, 2009, that is, a week ago; this reflected a nominal depreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 3.32% on October 23, 2009 as compared to a premium of 3.37% on October 16, 2009 (a week ago), which reflects that supply of dollars is likely to become relatively easy in the forthcoming weeks. The foreign currency assets were US\$ 268.35 billion on October 23, 2009, and inclusive of gold, SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 285.52 billion. From end-March 2009, the foreign exchange reserves registered an increase of US\$ 33.54 billion upto October 23, 2009. The market rate (buying) was Rs. 47.22 per US dollar on October 30, 2009.

## Important Policy Pronouncements

### Review of Monetary Policy 2009-10 by RBI: Second Quarter

Dr. D Subbarao, Governor, Reserve Bank of India announced Second Quarter Review of Monetary Policy 2009-10 on October 27, 2009. The Policy document was supported by Macroeconomic and Monetary Developments: Second Quarter Review 2009-10. Highlights of the Policy are:

#### I. Output

Economic growth in the first quarter of 2009-10 was 6.1% signaling a slight recovery over last two quarters of the previous year, which was 5.8%. The outlook in the second quarter shows concern of slowdown as deficient monsoon and low kharif output may adversely affect the output growth. However, growth in the Industrial sector reflects recovery. Index of Industrial Production for the month of August 2009 grew by 10.4%, and for the period April – August 2009 was 5.8% as against 1.7% and 4.8% during the same period of the previous year, respectively. Activities in the Services sector, mainly, construction and telecommunications has accelerated but external demand driven services continued to decline.

#### II. Inflation

The trend of negative inflation growth sustained for 13 consecutive weeks moved into positive trajectory in the month of September 2009. The headline inflation measured by WPI grew by modest 1.51% for the week ended on October 17, 2009. The major cause of concern is the soaring food prices, which have increased by 14.4% (year-on-year). The First Quarter Review in July 2009 projected inflation to be 5.0% by end March 2010. However, WPI has already increased by 5.95% in the current financial year. Keeping in view the global commodity prices and the demand-supply balance in the domestic market, **the projection for WPI is kept at 6.5% with upward biased.**

### III. Overall Assessment

In response to the global financial crisis, RBI adopted accommodative monetary policy stance after September 2008. The aim of the accommodative Monetary Policy stance of the RBI was to ensure ample liquidity and credit flows to the productive sectors of the economy. Since the global economy is showing signs of recovery timely exit from the policy stimulus is needed and consistent with the other important objectives of price stability and fiscal sustainability.

### IV. Policy Stance

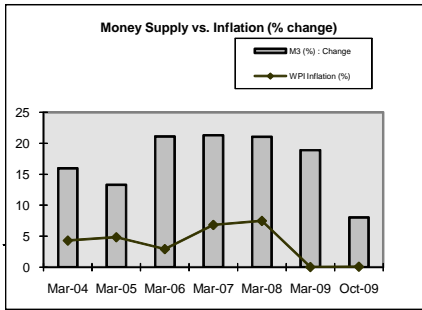
On the basis of the above overall assessment, the stance of monetary policy for the remaining period of 2009-10 will be as follows:

- Keep a vigil on the trends in inflation and be prepared to respond swiftly and effectively through policy adjustments to stabilise inflation expectations.
- Monitor the liquidity situation closely and manage it actively to ensure that credit demands of productive sectors are adequately met while also securing price stability and financial stability.
- Maintain a monetary and interest rate regime consistent with price stability and financial stability, and supportive of the growth process.

### V. Monetary measures

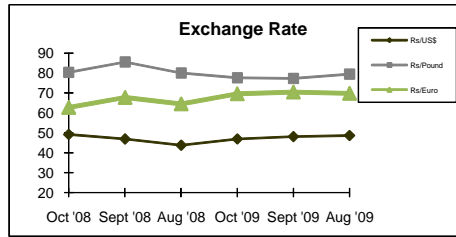
1. **Bank Rate:** The Bank Rate has been retained unchanged at 6.0 per cent.
2. **Repo Rate:** The repo rate under the Liquidity Adjustment Facility (LAF) has been retained unchanged at 4.75 per cent.
3. **Reverse Repo Rate:** The reverse repo rate under the LAF has been retained unchanged at 3.25 per cent.
4. The Reserve Bank has the flexibility to conduct repo/reverse repo auctions at a fixed rate or at variable rates as circumstances warrant.
5. The Reserve Bank retains the option to conduct overnight or longer term repo/reverse repo under the LAF depending on market conditions and other relevant factors. The Reserve Bank will continue to use this flexibly including the right to accept or reject tender(s) under the LAF, wholly or partially, so as to make efficient use of the LAF in daily liquidity management.
6. **Cash Reserve Ratio:** The cash reserve ratio (CRR) of scheduled banks has been retained unchanged at 5.0 per cent of their net demand and time liabilities (NDTL).
7. **Statutory Liquidity Ratio:** The Statutory Liquidity Ratio (SLR) for scheduled commercial banks has been increased from 24% to 25%. This implies restoration to earlier level of 25 per cent of their NDTL, but this will become effective from the fortnight beginning November 7, 2009.
8. Scheduled Commercial Banks are currently maintaining SLR investments at 27.6 per cent of their NDTL, net of LAF collateral securities, and 30.4 per cent of NDTL, inclusive of LAF collateral securities. As such, the increase in the SLR will not impact the liquidity position of the banking system and credit to the private sector.

VI. The Third Quarter Review of Monetary Policy for 2009-10 will be undertaken on January 29, 2010.



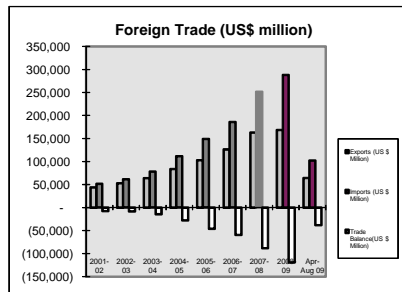
	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08	Mar-09	Oct-09
<b>M3 (Rs. Crore)</b>	2,003,102	2,253,938	2,729,535	3,310,278	4,006,722	4,764,019	5,146,157
<b>M3 (%): Change</b>	15.95	13.30	21.10	21.27	21.04	18.90	8.02
<b>WPI (Index) All India</b>	180.30	189	196.6	210	225.7*	227.3**	241.9***
<b>WPI Inflation (%)</b>	4.29	4.83	2.91	6.82	7.47	0.01	0.06

Source: RBI Bulletin March 2009; W-\$\$1993-94=100; year/month-end; \* March 31, 2008 \*\* March 07, 2009 \*\*\*October 3, 2009



	2008-09			2009-10		
	Oct '08	Sept '08	Aug '08	Oct '09	Sept '09	Aug '09
<b>Rs/US\$</b>	49.25	46.94	43.79	46.98	48.13	48.74
<b>Rs/Pound</b>	80.36	85.57	80.05	77.66	77.34	79.47
<b>Rs/Euro</b>	62.84	67.79	64.56	69.65	70.5	69.87

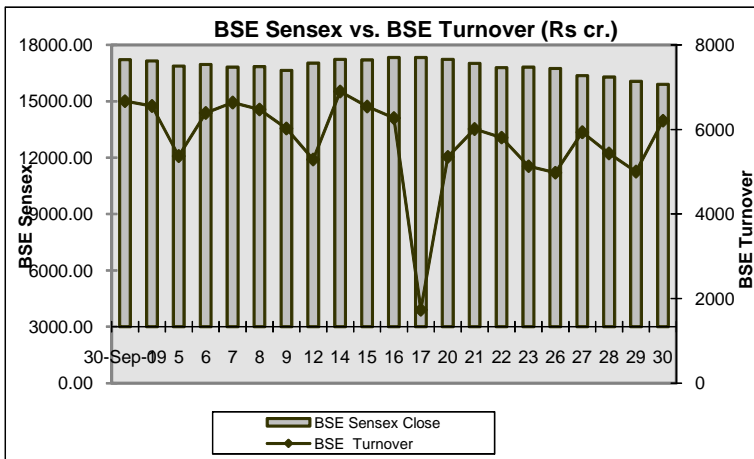
Figures are for month-end



During the Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Apr-Aug 09
<b>Exports (US \$ Million)</b>	43,827	52,719	63,843	83,536	103,091	126,361	163,132	168,704	64,129
<b>Imports (US \$ Million)</b>	51,413	61,412	78,149	111,517	149,166	185,749	251,654	287,759	102,300
<b>Trade Balance (US \$ Mill)</b>	(7,586)	(8,693)	(14,306)	(27,981)	(46,075)	(59,388)	(88,522)	(119,055)	(38,171)

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

\*DGCI&S data for April 2008 to March 2009(Provisional) : Economic & Political Weekly, October 23, 2009



October 2009	BSE Sensex Close	BSE Turnover (Rs.crore)
30-Sep-09	17216.84	6669
1	17134.55	6551
5	16866.41	5369
6	16958.54	6388
7	16806.66	6635
8	16843.54	6474
9	16642.66	6019
12	17026.67	5285
14	17231.11	6895
15	17195.20	6539
16	17322.82	6269
17	17326.01	1736
20	17223.01	5351
21	17009.17	6009
22	16789.74	5807
23	16810.81	5130
26	16740.5	4978
27	16353.4	5932
28	16283.49	5432
29	16052.72	5000
30	15896.28	6208



**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 2009	Real Rate (Short-term) (1-3)	Currency unit per Euro 15.07.09	Balance Latest :12 months		Col 11 as Percentage of GDP 2009
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 26.08.09	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	0.72	3.24	-0.3 Sep	3.60	0.67	0.77	-6.5	1.02	1.00	-13.7 Aug	-130.7 Jul	-1.0
U. S. A.	0.14	3.41	-1.3 Sep	4.90	1.00	1.00	-11.9	1.44	1.49	-574.7 Aug	-542.3 Q2	-3.0
Britain	0.6	3.71	1.1 Sep	5.20	0.60	0.62	-14.5	-0.5	0.90	-130.2 Aug	-50.6 Q2	-1.9
Japan	0.37	1.42	-2.2 Sep	2.10	90.80	99.40	-7.7	2.57	135.52	15.2 Aug	118.3 Aug	2.8
Sweden	0.15	3.24	-1.60 Sep	4.40	7.04	7.68	-3.8	1.75	10.51	13.1 Sep	29 Q2	6.8
Switzerland	0.26	1.96	-0.8 Oct	2.60	1.02	1.16	-1.3	1.06	1.52	17.2 Sep	26.1 Q2	8.5
India	3.23	7.67	11.6 Sep	9.80	47.10	47.50	-8	-8.37	70.30	-78.1 Sep	-26.6 Q2	-0.3

Source : The Economist London : November 7th-November 13th, 2009

Figures in Column 9 are derived.

\*\*RPI Inflation rate -1.2 in Jan.

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

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2009	Real Rate (Short-term) (1-3)	Currency unit per Euro 15.07.09	Balance Latest :12 months		Col 11 as Percentage of GDP 2009
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 26.08.09	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
China	1.79	3.81	-0.8 Sep	4.6	6.83	6.83	-3.4	2.59	10.19	250.6 Sep	364.4 Q2	6.1
Hongkong	0.17	2.11	0.5 Sep	3.1	7.75	7.75	-1.9	-0.33	11.57	-23.9 Sep	31.4 Q2	13.3
Indonesia	7.17	6.31	2.8 Sep	12.2	9510.00	10900.00	-2.6	4.37	14194.03	14.2 Sep	4.4 Q2	1.2
Malaysia	2.16	1.54	-2.0 Sep	8.2	3.42	3.53	-7.9	4.16	5.10	34.9 Aug	36.7 Q2	13.6
Singapore	0.50	2.5	-0.4 Sep	6.7	1.40	1.48	-3.2	0.9	2.09	18.4 Sep	21.4 Q2	16
South Korea	2.79	5.31	2 Oct	4.8	1179.00	1266.00	-4.5	0.79	1759.70	35.1 Nov	39.7 Sep	3.8
Taiwan	0.85	1.31	-1.8 Oct	2.4	32.50	32.80	-5	2.65	48.51	19.8 Sep	31.9 Q2	9.6
Thailand	1.35	3.55	-1 Sep	6.1	33.40	35.00	-5.7	2.35	49.85	15.4 Sep	14.5 Sep	5.8
Brazil	8.65	6.16	4.3 Sep	6.3	1.72	2.11	-3.2	4.35	2.57	26.5 Oct	-17.2 Sep	-0.8
Venezuela	14.50	6.55	28.7 Sep	36.0	5.55	4.93	-7.6	-14.2	8.28	18.5 Q2	10.3 Q2	0.7
India	3.23	7.67	11.6 Sep	9.8	47.10	47.50	-8	-8.37	47.10	-78.1 Sep	-26.6 Q2	-0.3

Source : The Economist London : November 7th-November 13th, 2009

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