

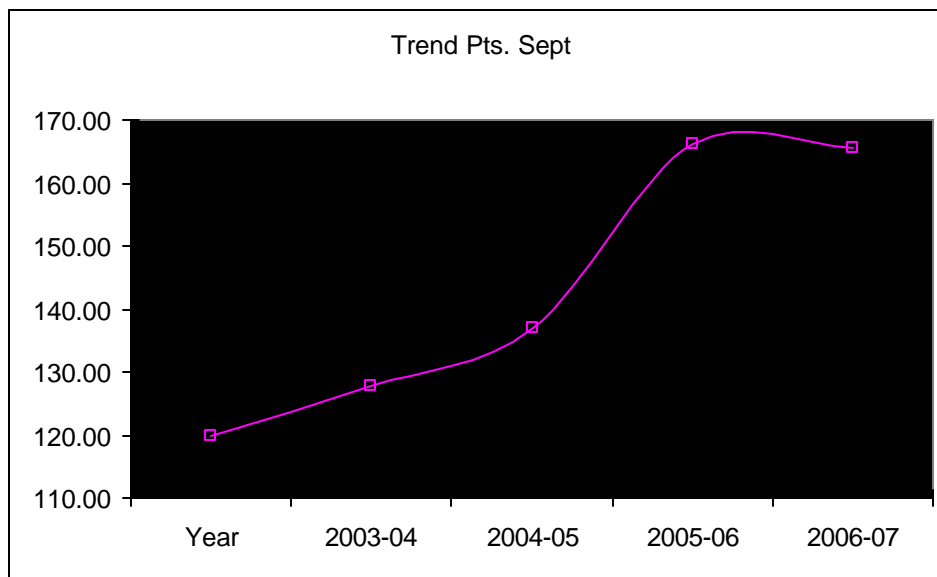
IRFI Chart for September 2007

The IRFI stood at 165.54 for the month of September 2007. There has been a marginal fall of 0.49 from September 2006 when the Index stood at 166.03. The decrease in percentage of the RFI in September over September 2007 was 0.24%. Overall the All India rates for the month ending September have been stable.

IRFI TRENDS FOR September :

Even though the monsoons have receded, flood like situations continued in many parts of Eastern and North east India. This has impacted freight rates. Another notable feature during the month was that food articles rose by 0.2% due to higher prices of fruit and vegetables, condiments and spices, barley and wheat.

The Ex-Delhi and Ex-Mumbai Rates saw a Hike of 0.57% and 01.99 % respectively and Ex- Kolkatta and Ex-Chennai rates saw a fall of 2.39% and 0.02 respectively.



1. Economy:

India's annual economic growth could reach a sustainable 10 per cent and be spread more evenly across the country if it pursues ambitious and wide-ranging reforms, says a new OECD report. The message, in a nutshell is, India needs more economic reforms to widen the benefits from growth.

In its Economic Survey of India, the OECD says market-based reforms since the 1980s have helped reduce poverty and average incomes are expected to double within the next decade. Economic growth is currently running at a sustainable eight percent a year. India is now the world's third largest economy behind the US and China when measured in terms of real prices and purchasing power.

2. Manufacturing:

Indian manufacturing activity indicates that economic conditions remained buoyant. The ABN Amro Bank purchasing managers index (PMI) rose to 59.1 from 57.9 in August.

3. Services:

The Service sector continued to grow during the second quarter (April-September) this year as compared to a year earlier with cellular services recording the highest growth of 80 per cent followed by housing finance at 34 per cent and software services at 20 per cent.

4. Auto

The woes continue for the Indian two wheeler industry. Sales of two-wheelers, the entry level for motor transport in the country and the main mode of commuting, fell 9.5% in the half year to 3.46 million units, compared with 3.82 million in the comparable period a year ago.

Vehicle Sales volume declined 5.95% year-on-year (Y-o-Y) in the April-September period, with some 4.58 million vehicles sold, compared with 4.87 million in the year-ago period, according to data from the Society of Indian Automobile Manufacturers (SIAM).

The Indian Auto industry is still plagued by high interest rates and invariably high input cost, with an appreciating rupee adding to the woes.

In the commercial vehicles segment growth has slowed down to 2.9% in the first half of this fiscal, compared with a 37% Y-o-Y surge in April-September last year. Leading truck manufacturers in the country have increased prices in the ranges between Rs 6,000 and Rs 30,000, depending upon the type of the vehicle.

5. Transport:

A strong economy, rising incomes, and a vibrant market have given a huge boost to the transport sector, which is the fastest growing energy-consuming sector in India. These trends have made a case for bio fuels in India, strengthened by the huge dependence on oil imports.

A new report from Frost & Sullivan, that provides a strategic analysis of the Indian bio fuels industry, reveals that the market is an emerging one and has a long way to go before it catches up with global competitors.

The railways are looking at increasing the load capacity of wagons. This will be achieved by increasing the number of wagons in a freight train to 58. At the same time, the design of covered wagons has also been modified to hold 65 tones instead of the existing 58 tones.

Forecast for October: The increase in the RFI in October 2006 over October 2005 was 20.49%, and a small hike of 1.32% over September 06. The RFI for October 2007 is expected to register a marginal increase over last month.

Sales are expected to pick up as the festivals are considered auspicious for buying new goods and durables. It is also the season for marriages, which will again see a spurt in purchasing.

October Chart:

