



Government of India  
Ministry of Finance  
Department of Economic Affairs  
Economic Division  
8(2) /Ec Dn/ 2003

# MONTHLY ECONOMIC REPORT

JANUARY, 2004

## HIGHLIGHTS

- The Winter season rainfall upto January 28, 2004 was normal/excess in 53 per cent of meteorological sub-divisions.
- Foodgrain stocks were 24.41 million tonnes as on January 1, 2004.
- Overall industrial growth was 6.2 per cent in April-November, 2003-04 as compared with 5.4 per cent in April-November, 2002-03.
- Core infrastructure sectors achieved an average growth rate of 4.2 per cent in April-November, 2003-04 as compared with 6.1 per cent in April-November, 2002-03.
- Broad money (M3) growth was 11.3 per cent during the period March 31, 2003 to January 9, 2004. Annual growth as on January 9, 2004 was 13.5 per cent.
- The annual inflation rate in terms of WPI (Base 1993-94) was 6.13 per cent for week ended January 17, 2004 compared with 4.42 per cent a year ago.
- Exports grew by 13.5 per cent in dollar terms in April-December, 2003-04 compared with 18.1 per cent in April-December, 2002-03. Imports increased by 24.9 per cent in April-December, 2003-04 compared with an increase of 15.1 per cent in April-December, 2002-03.
- Rupee depreciated against US Dollar, Pound Sterling, Euro and Japanese Yen in December, 2003.
- Forex reserves (excluding Gold & SDRs) stood at \$97.62 billion at the end of December, 2003.
- Tax revenue (net to Centre) during April-December, 2003-04, higher by 14.4 per cent over April-December, 2002-03.
- Fiscal deficit during April-December, 2003-04 is 60.2 per cent of the budget estimates as compared with 63.7 per cent in the corresponding period of last year.

(G. R. Reddy)  
Adviser

# AGRICULTURE

## WINTER SEASON RAINFALL\*

	Number of Meteorological Sub-divisions						
	1999	2000	2001	2002	2003	1999-03+	2004
Excess/Normal	8	11	9	16	5	10	19
Deficient/Scanty/Nil	28	25	27	20	31	26	17
<b>Total</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>
+ Annual average	* (January-February)						

The Winter season rainfall from January 1, 2004 to January 28, 2004 was normal/excess in 19 (53 per cent) meteorological sub-divisions and deficient/scanty in the remaining 17 (47 per cent). The annual average for 1999-2003 was normal/excess in 10 (27 per cent) meteorological sub-divisions and deficient/scanty in the remaining 26 (73 per cent).

## PROCUREMENT

(Million Tonnes)

(1)	Full Marketing Year			Up to February 3		% change Col. (6)/(5)
	2000-01 (2)	2001-02 (3)	2002-03 (4)	2003(P) (5)	2004(P) (6)	
Rice (Oct-Sep)	19.59	21.28	16.41	12.16	14.56	19.7
Wheat (Apr-Mar)	16.36	20.63	19.02	19.02	15.80	-16.9
<b>Total</b>	<b>35.95</b>	<b>41.91</b>	<b>35.43</b>	<b>31.18</b>	<b>30.36</b>	<b>-2.6</b>

Wheat procurement up to February 3, 2004 in the current marketing year, (i.e., 2003-2004) was lower by 16.9 per cent at 15.80 million tonnes compared with 19.02 million tonnes in the corresponding period in 2002-03. Procurement of rice during the marketing year 2003-04 (up to February 3, 2004) at 14.56 million tonnes was higher by 19.7 per cent than the level of 12.16 million tonnes during the corresponding period of 2002-03.

## OFF-TAKE

(Million Tonnes)

	2000-01(P)	2001-02(P)	2002-03(P)	April-December	
				2002-03	2003-04
Rice	10.42	15.32	24.64	18.54	18.12
Wheat	7.79	15.98	24.99	17.11	18.38
<b>Total</b>	<b>18.21</b>	<b>31.30</b>	<b>49.63</b>	<b>35.65</b>	<b>36.50</b>

P- Provisional

Off-take from the Public Distribution System during April-December, 2003-04 was 36.50 million tonnes, which was higher by 2.38 per cent than the off-take of 35.65 million tonnes during April-December, 2002-03.

# PUBLIC FINANCE

## UNION GOVERNMENT ACCOUNTS AT A GLANCE

Items	Budget Estimates 2003-04	April-December		Col 4 as % of BE 03-04	% change over	
		2002-03 (RS Crore)	2003-04		2002-03	2003-04 (Col 4/3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1. Revenue Receipts</b>	<b>253935</b>	<b>150488</b>	<b>170543</b>	<b>67.2</b>	<b>13.4</b>	<b>13.3</b>
Tax (net to Centre)	184169	103844	118795	64.5	22.2	14.4
Non Tax	69766	46644	51748	74.2	-2.2	10.9
<b>2. Capital Receipts</b>	<b>184860</b>	<b>105009</b>	<b>145760</b>	<b>78.8</b>	<b>3.9</b>	<b>38.8</b>
of which:						
Recovery of loans	18023	15618	51785	287.3	33.1	231.6
Other Receipts	13200	3122	1540	11.7	-	-
Borrowings and other liabilities	153637	86269	92435	60.2	-3.1	7.1
<b>3. Total Receipts (1+2)</b>	<b>438795</b>	<b>255497</b>	<b>316303</b>	<b>72.1</b>	<b>9.3</b>	<b>40.8</b>
<b>4. Non-Plan Expenditure (a+b)</b>	<b>317821</b>	<b>191025</b>	<b>239614</b>	<b>75.4</b>	<b>11.2</b>	<b>25.4</b>
(a) Revenue Account	289384	180472	194505	67.2	12.0	7.8
(b) Capital Account	28437	10553	45109	158.6	-0.9	327.5
<b>5. Plan Expenditure (i)+(ii)</b>	<b>120974</b>	<b>64472</b>	<b>76689</b>	<b>63.4</b>	<b>4.1</b>	<b>18.9</b>
(i) Revenue Account	76843	38034	49037	63.8	-0.2	28.9
(ii) Capital Account	44131	26438	27652	62.7	11.0	4.6
<b>6. Total Expenditure (4)+(5)=(a)+(b)</b>	<b>438795</b>	<b>255497</b>	<b>316303</b>	<b>72.1</b>	<b>9.3</b>	<b>23.8</b>
(a) Revenue Expenditure	366227	218506	243542	66.5	9.7	11.5
(b) Capital Expenditure	72568	36991	72761	100.3	7.3	96.7
<b>7. Revenue Deficit</b>	<b>112292</b>	<b>68018</b>	<b>72999</b>	<b>65.0</b>	<b>2.2</b>	<b>7.3</b>
<b>8. Fiscal Deficit</b>	<b>153637</b>	<b>86269</b>	<b>92435</b>	<b>60.2</b>	<b>-3.1</b>	<b>7.1</b>
<b>9. Primary Deficit</b>	<b>30414</b>	<b>12759</b>	<b>13848</b>	<b>45.5</b>	<b>-25.1</b>	<b>8.5</b>

Source : CGA, (Department of Expenditure) Ministry of Finance.

Note : (i) The figures of Railways have been netted as in Budget.

(ii) Un-audited.

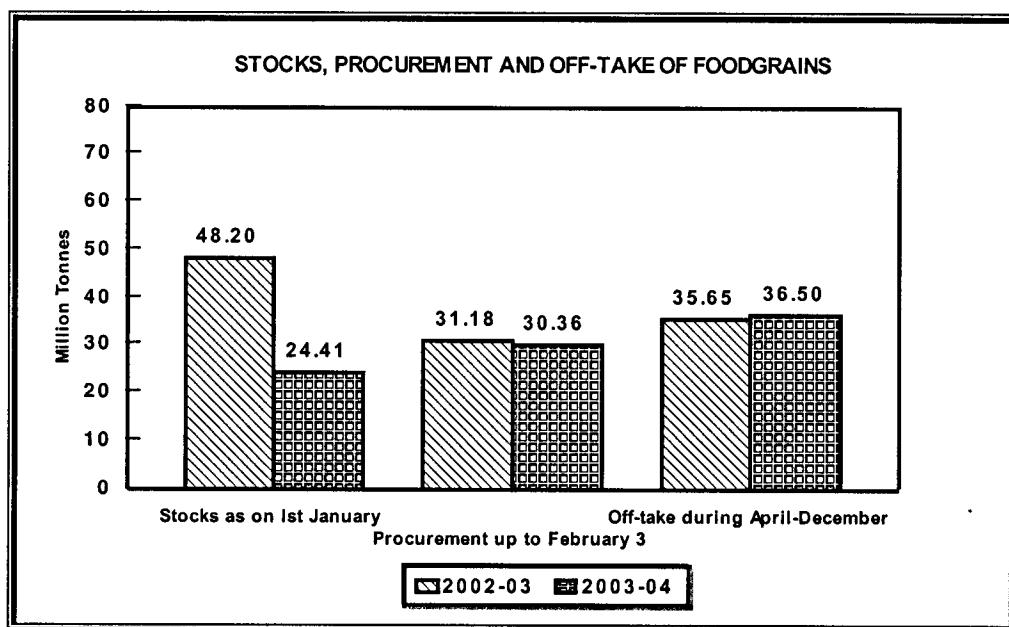
During April-December 2003-04 revenue receipts grew at more or less at the same rate as in the corresponding period last year. There is an increase of 7.1 per cent in fiscal deficit during April-December, 2003-04 over the level recorded in the corresponding period last year. However, as per cent of BE, fiscal deficit is lower at 60.2 per cent as compared with 63.7 per cent in the corresponding period last year.

# STOCKS

(Million Tonnes)

	As on 1st Dec.		As on 1st Jan.	
	2002	2003	2003	2004
Rice	20.27	10.87	19.37	11.73
Wheat	31.27	14.56	28.83	12.68
Total	51.54	25.43	48.20	24.41

Stocks of foodgrains as on 1st January, 2004 stood at 24.41 million tonnes which was lower by 49.4 per cent than the level at 48.20 million tonnes as on 1st January, 2003.



# INDEX OF INDUSTRIAL PRODUCTION

## SECTORWISE INDEX OF INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)

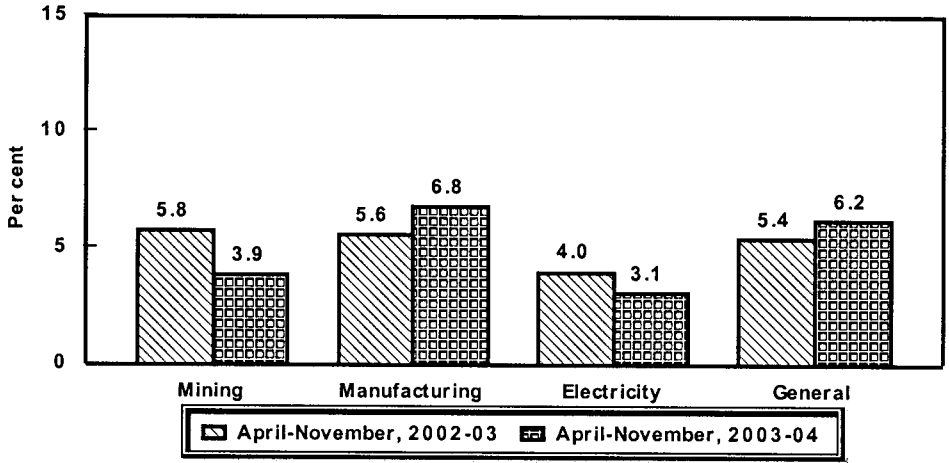
(Percentage change)

	2001-02/ 2000-01	2002-03/ 2001-02	Nov. '02/ Nov. '01	Nov. '03/ Nov. '02	<u>April-November</u>	
					2002-03	2003-04
<b><u>General</u></b>	2.7	5.8	4.1	7.4	5.4	6.2
Mining & Quarrying	1.2	5.8	3.7	4.1	5.8	3.9
Manufacturing	2.9	6.0	4.3	8.1	5.6	6.8
Electricity	3.1	3.2	3.5	4.3	4.0	3.1
<b><u>Use-Based Classification</u></b>						
Basic goods	2.6	4.8	3.4	5.3	4.8	4.5
Capital goods	-3.4	10.4	10.0	12.1	10.4	8.8
Intermediate goods	1.5	3.8	4.0	8.9	2.6	5.4
Consumer goods	6.0	7.2	3.5	6.9	7.5	8.1
<b><u>Of which</u></b>						
Consumer Durables	11.5	-6.4	-1.4	14.1	-5.9	7.6
Consumer non-Durables	4.1	12.3	5.2	4.7	12.9	8.2

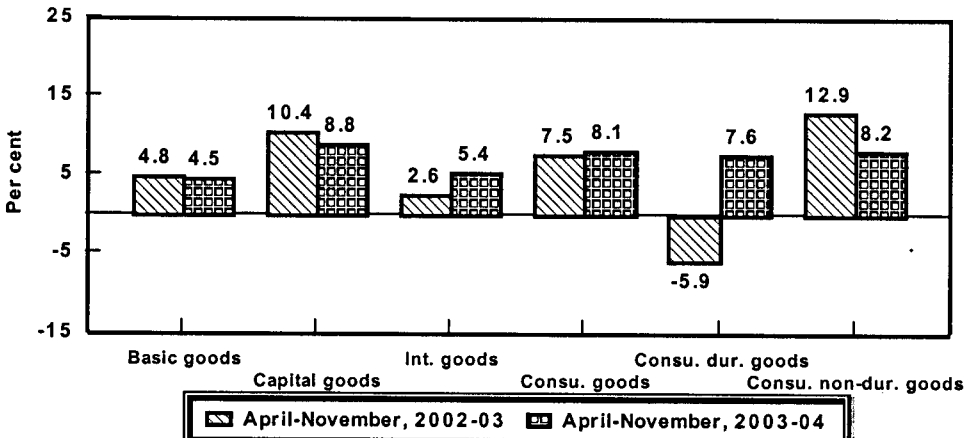
The overall growth rate of Industrial production during **April-November, 2003-04** was 6.2 per cent as compared to 5.4 per cent in April-November, 2002-03. The growth in mining & quarrying, manufacturing sector and electricity generation during April-November, 2003-04 was 3.9%, 6.8% and 3.1% respectively as against 5.8%, 5.6% and 4.0% in April-November, 2002-03.

As per the use-based classification, production in basic goods and capital goods registered lower increase and production in intermediate goods and consumer goods registered higher increase during April-November, 2003-04 compared with April-November, 2002-03.

**SECTORWISE INDUSTRIAL PRODUCTION  
GROWTH IN PER CENT**



**USE-BASED CLASSIFICATION  
GROWTH IN PER CENT**



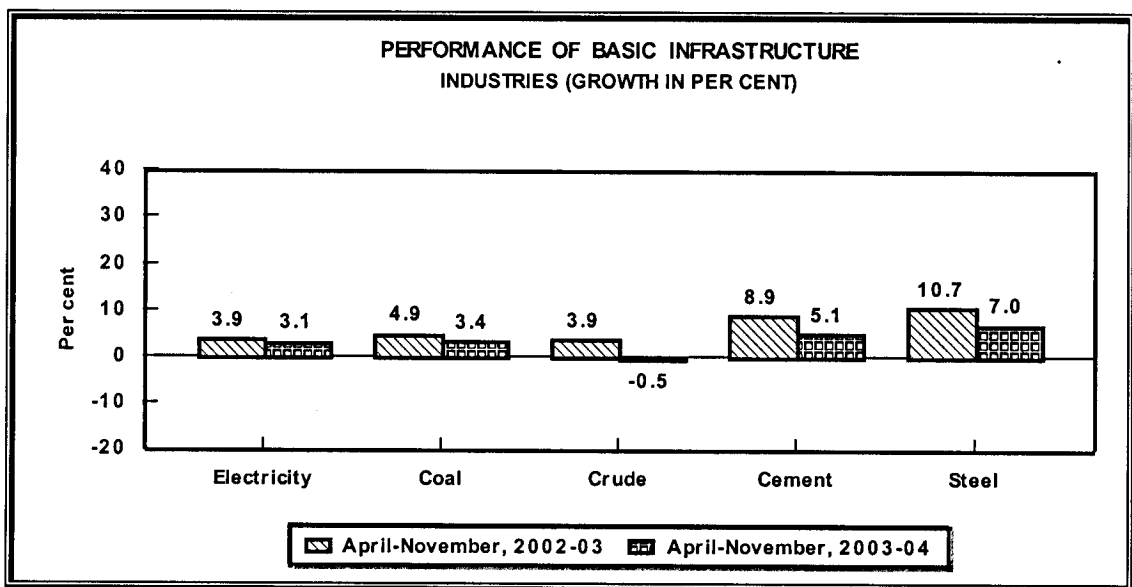
# INFRASTRUCTURE INDUSTRIES

## PRODUCTION IN INFRASTRUCTURE INDUSTRIES

Industry/Infrastructure	Unit	2002	Nov. 2003	Full Year 2002-03	April-Nov.		Percentage change April-Nov.	
					2002-03	2003-04	2002-03/ 2001-02	2003-04/ 2002-03
Coal	Mn tons	29.6	31.3	336.7	208.9	216.0	4.9	3.4
Electricity Generation	Mn kw	44098	45992	531430	351804	362747	3.9	3.1
Hydel	Mn kw	4505	6330	63773	47988	51768	-8.2	7.9
Thermal (including nuclear)	Mn kw	39593	39662	467657	303816	310979	6.1	2.4
Crude petroleum	000 tons	2718	2884	33074	22067	21966	3.9	-0.5
Petroleum Products	000 tons	8009	9609	104683	69021	73781	5.0	6.9
Finished steel	000 tons	2918	2996	34377	22372	23934	10.7	7.0
Cement	000 tons	9238	9599	116348	75328	79145	8.9	5.1
<b>Average growth rate*</b>	<b>(%)</b>	<b>3.9</b>	<b>5.2</b>	<b>5.2</b>	<b>-</b>	<b>-</b>	<b>6.1</b>	<b>4.2</b>
Cargo handled at major ports	Mn tons	25.81	28.52	313.23	203.18	218.11	8.0	7.3
Telecommunications								
a) Net switching capacity	000 lines	226.44	148.57	4477.63	2187.33	1264.75	-15.8	-42.2
b) Net Tele. connections	000 nos	234.56	668.33	3399.44	1638.84	6073.78	-21.5	270.6
Revenue earning goods traffic on railways	Mn tons	43.55	46.98	518.48	334.45	358.27	6.2	7.1

\* Weights as in IIP (Base: 1993-94) : Coal (3.2), Electricity generation (10.2), Crude oil (4.2), Refinery throughput (2.0), Finished steel (5.1) and Cement (2.0).

The six core infrastructure industries registered a deceleration in **April-November, 2003-04** as compared to April-November, 2002-03. During April-November, 2003-04 average growth rate was 4.2 per cent as compared to 6.1 per cent in April-November, 2002-03.



# REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

*(Million Tonnes)*

REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Nov.		Full Year	April-Nov.		Percentage Change	
	2002	2003		2002-03	2003-04	Nov. 2003/2002	April-Nov. 2003-04/ 2002-03
Coal	19.58	19.92	235.72	152.18	161.28	6.8	6.0
Raw material for Steel Plants	3.54	3.76	41.00	26.32	28.45	6.2	8.1
Pig Iron & Finished Steel From Steel Plants	1.12	1.11	13.14	8.15	9.03	-0.9	10.8
Iron Ore for Exports	1.32	2.82	16.66	9.56	16.46	113.6	72.2
Cement	3.73	3.81	46.21	30.10	31.42	2.1	4.4
Foodgrains	3.80	3.57	45.54	29.87	30.25	-6.1	1.3
Fertilizers	2.43	2.67	26.30	18.28	17.69	9.9	-3.8
POL	2.74	2.73	34.00	23.00	20.85	-0.4	-9.3
Balance other goods	5.29	5.59	59.91	36.99	42.94	5.7	16.1
<b>Total</b>	<b>43.55</b>	<b>46.98</b>	<b>518.48</b>	<b>334.45</b>	<b>358.27</b>	<b>7.9</b>	<b>7.1</b>

The revenue earning goods traffic handled by the Railways increased by 7.1 per cent during **April-November, 2003-04** as compared to 6.2 per cent in April-November, 2002-03.



# MONEY AND BANKING

## VARIATIONS IN MONEY STOCK

	Full Year Mar 31 '02 to Mar 31 '03	Mar 31 '03 to Jan 09 '04 (P)	Full Year Mar 31 '02 to Mar 31 '03	Mar 31 '02 to Jan 10 '03 (P)	Mar 31 '03 to Jan 09 '04 (P)	Jan 10 '03 to Jan 09 '04 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
<b>M3(M1+ III)</b>	226868	195765	15.1	13.0	11.3	13.5
I. Currency with the public	30189	34294	12.5	10.6	12.7	14.6
II. Demand deposits with banks	19403	24461	10.8	2.7	12.3	21.2
III. Time deposits with banks	176884	136248	16.4	15.3	10.9	12.0
IV. Other deposits with RBI	392	762	13.8	-4.0	23.5	46.4
<b>Sources of change in M3</b>						
<i>(1+2+3+4-5)</i>						
1. Net Bank Credit to Govt (A+B)	88494	45398	15.0	10.3	6.7	11.3
A. RBI's net credit to Govt	-31498	-72518	-20.7	-21.0	-60.1	-59.9
B. Other bank credit to Govt	119992	117916	27.4	21.1	21.2	27.4
2. Bank credit to commercial sector	146963	67144	19.3	14.0	7.4	12.5
3. Net foreign exchange assets of banking sector	82680	111583	26.6	23.2	28.3	31.9
4. Govt's currency liabilities to the public	705	169	11.1	9.1	2.4	4.2
5. Banking sector's net non-monetary liabilities other than time deposits	91976	28529	54.7	26.4	11.0	35.8

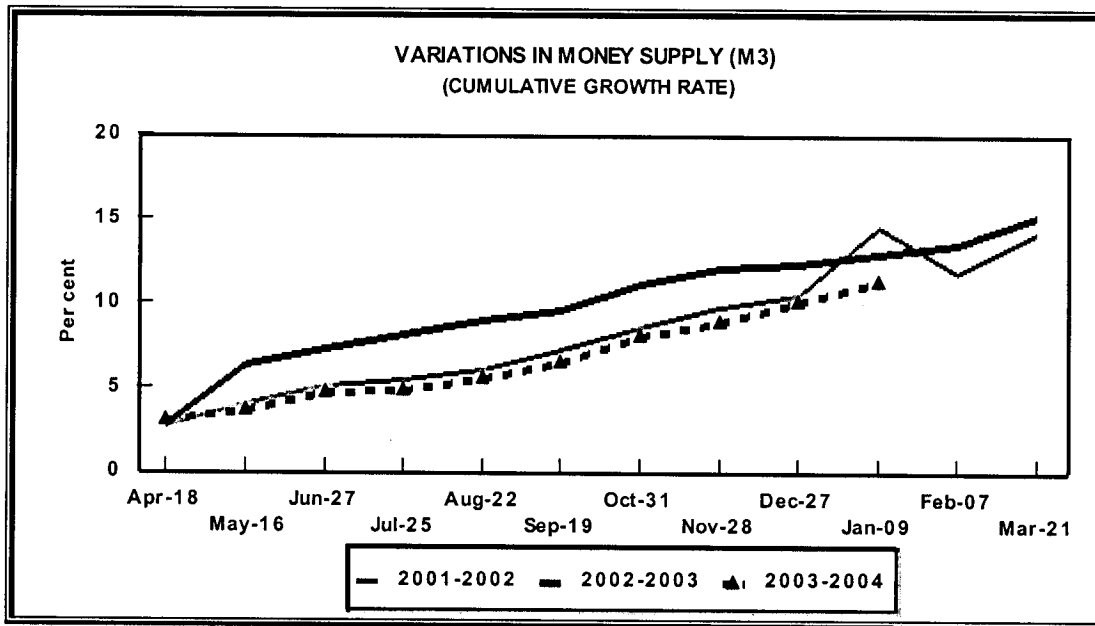
P : Provisional

Data since April 1999 are provisional.

Revised in line with the new accounting standards and consistent with the methodology suggested by the Working Group on Money Supply: Analytics and Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Government balances as on March 31, 2002 are after closure of accounts.

During the current financial year (i.e., March 31, 2003 to January 09, 2004) money supply (M3) increased by 11.3 per cent which is lower than 13.0 per cent (net of mergers, 10.8 per cent) recorded in the corresponding period of 2002-03. Among its components, currency with the public showed a growth of 12.7 per cent as against 10.6 per cent in the corresponding period of last year. Demand deposits with banks showed an increase of 12.3 per cent as against an increase of 2.7 per cent in the corresponding period of last financial year. Time deposits with banks increased by 10.9 per cent as against 15.3 per cent (net of mergers, 12.3 per cent) in the corresponding period of last financial year. The annual growth of M3 as on January 09, 2004 stood at 13.5 per cent as against 16.1 per cent (net of mergers, 13.9 per cent) in the corresponding period of the last year.



On the sources side, Net Bank Credit to Government recorded a growth of 6.7 per cent during the current financial year (i.e. March 31, 2003 to January 09, 2004) as against 10.3 per cent in the corresponding period of 2002-03. Bank credit to the commercial sector increased by 7.4 per cent as against an increase of 14.0 per cent in the corresponding period of last year. Net foreign exchange assets of banking sector increased by 28.3 per cent as against 23.2 per cent in the corresponding period of 2002-03.

## SCHEDULED COMMERCIAL BANKS

### SCHEDULED COMMERCIAL BANKS: VARIATION IN ASSETS AND LIABILITIES

	Full Year Mar 22,'02 to Mar 21,'03	Mar 21,'03 to Jan 09,'04 (P)	Full Year Mar 22,'02 to Mar 21,'03	Mar 22,'02 to Jan 10,'03 (P)	Mar 21,'03 to Jan 09,'04 (P)	Jan 10,'03 to Jan 09,'04 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	139492	62774	23.7	17.9	8.6	13.9
Food credit	-4499	-12943	-8.3	-7.1	-26.2	-27.1
Non-food credit	143991	75717	26.9	20.5	11.1	17.1
2. Aggregate deposits	177493	156539	16.1	14.5	12.2	13.7
Demand deposits	17241	25073	11.3	3.8	14.7	23.0
Time deposits	160252	131466	16.9	16.3	11.8	12.4
3. Investments in Govt. and other approved securities	109277	110323	24.9	19.5	20.1	25.6
Governments securities	112241	107392	27.3	21.5	20.5	26.3
Other approved securities	-2964	2931	-10.9	-10.2	12.1	11.2

P : Provisional

Data since April 1999 are provisional.

Revised in line with the new accounting standards and consistent with the methodology suggested by the Working Group on Money Supply: Analytics and Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Bank credit by the scheduled commercial banks during the current financial year (i.e. March 21, 2003 to January 09, 2004) showed an increase of 8.6 per cent as against an increase of 17.9 per cent (net of mergers, 10.4 per cent) in the corresponding period of last financial year. Food credit recorded a negative growth of 26.2 per cent as compared with a decline of 7.1 per cent in the corresponding period of the last year. Non-food credit recorded an increase of 11.1 per cent as compared with an increase of 20.5 per cent (net of mergers, 12.2 per cent) in the corresponding period of the last year.

## INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2003</i>		<i>2004</i>
	<i>Jan. 17</i>	<i>Jan. 16</i>	<i>Jan. 16</i>
1	2	3	3
Bank Rate	6.25		6.00
I.D.B.I. <sup>1</sup>	12.50		12.50
Prime Lending Rate <sup>2</sup>	10.75-11.50		10.25-11.00
Deposit Rate <sup>3</sup>	5.50-6.25		5.00-5.50
Call Money Rate <sup>4</sup> (Low/High)			
-Borrowings	4.00/7.50		3.50/4.50
-Lendings	4.50/7.50		3.50/4.60

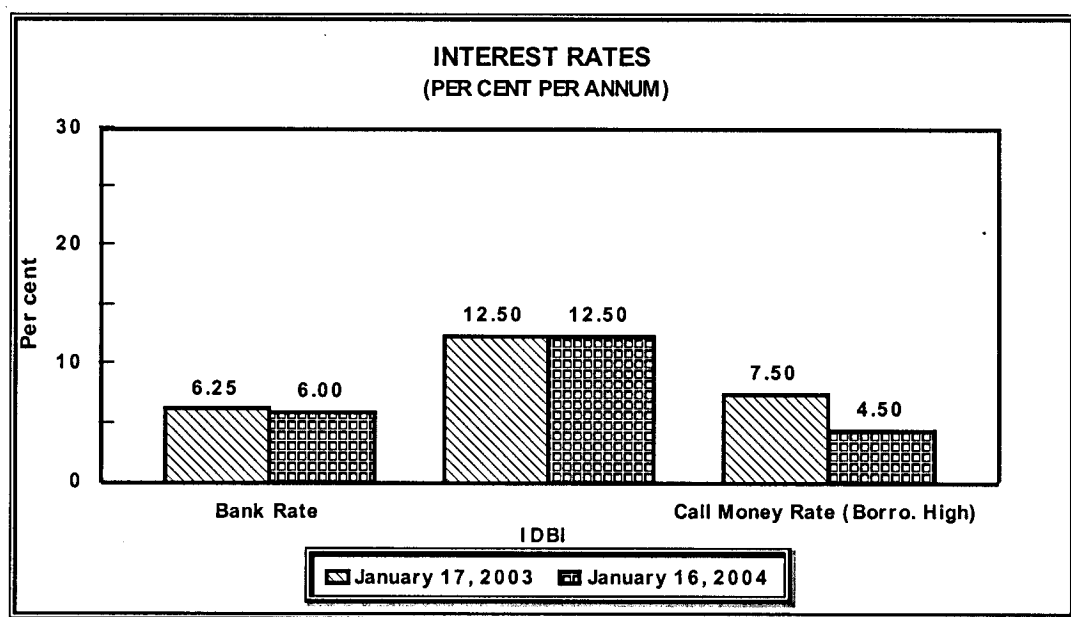
1. Minimum Term Lending Rate (MTLR).

2. Prime Lending Rate relates to five major Banks.

3. Deposit Rate relates to major banks for term deposits of more than one year maturity.

4. Call money rates are based on data covering 90-95 per cent of total transactions reported by major participants.

As on January 16, 2004, Prime Lending Rate ranged from 10.25 to 11.00 per cent as against 10.75 to 11.50 per cent on January 17, 2003. Deposit Rate ranged from 5.00 to 5.50 per cent as against 5.50 to 6.25 per cent on the corresponding day of last year.



## INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	2003	2004
	<i>Jan. 17</i>	<i>Jan. 16</i>
1	2	3
Bank Rate	6.25	6.00
I.D.B.I. <sup>1</sup>	12.50	12.50
Prime Lending Rate <sup>2</sup>	10.75-11.50	10.25-11.00
Deposit Rate <sup>3</sup>	5.50-6.25	5.00-5.50
Call Money Rate <sup>4</sup> (Low/High)		
-Borrowings	4.00/7.50	3.50/4.50
-Lendings	4.50/7.50	3.50/4.60

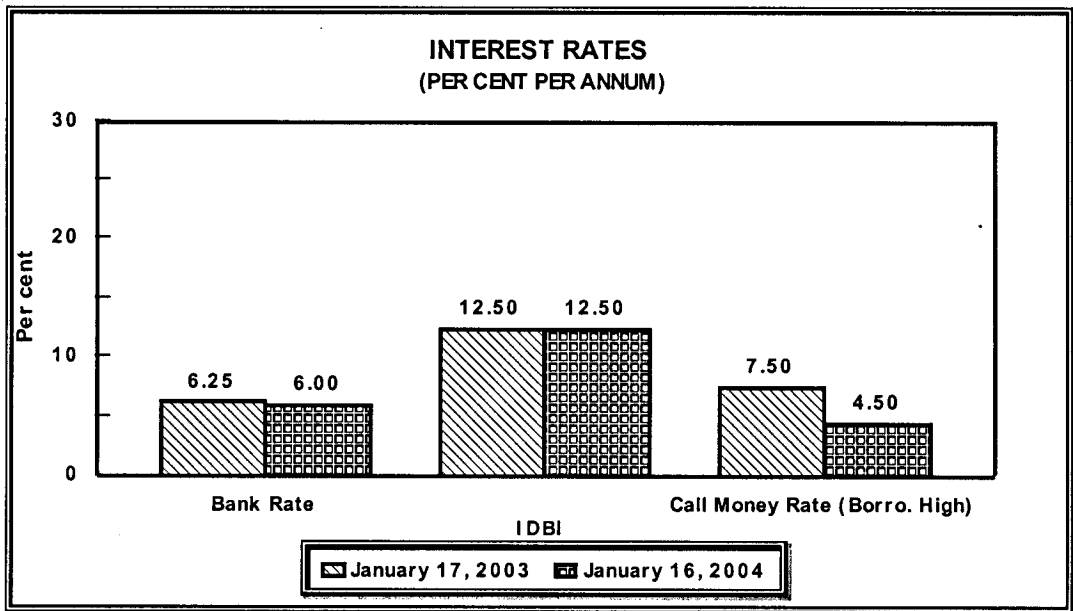
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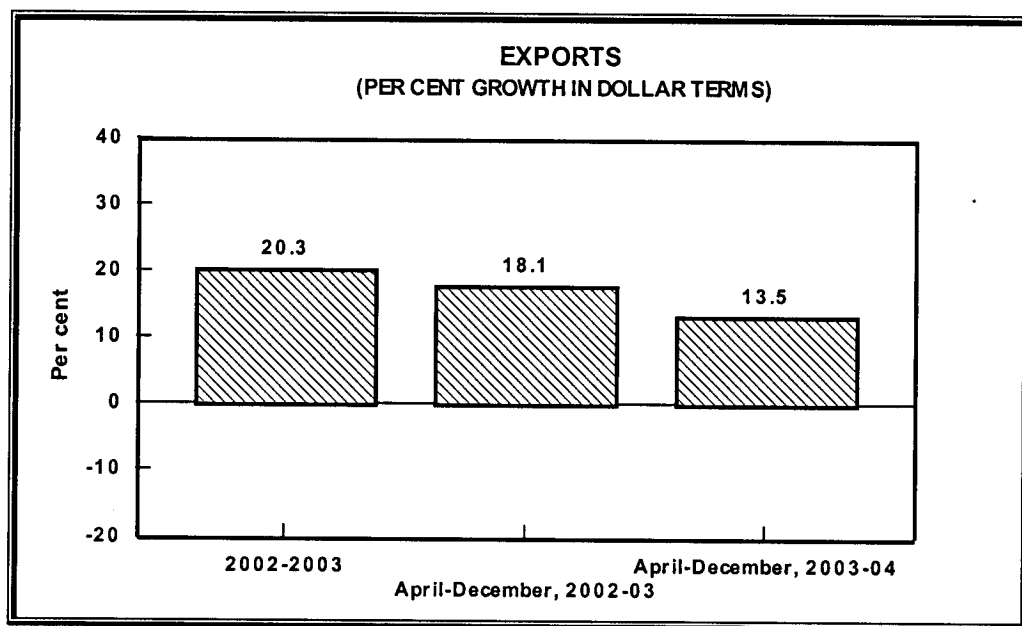
# EXTERNAL SECTOR

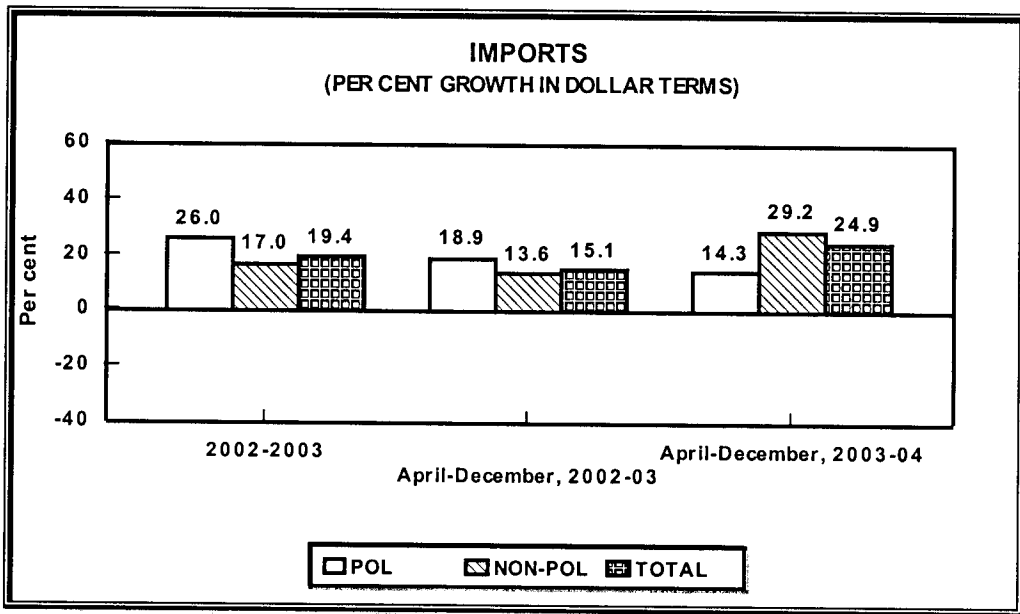
## FOREIGN TRADE

FOREIGN TRADE*						
Item	2001-02(R)	2002-03(R)	April-Dec.		April-Dec.	
			2002-03	2003-04	2002-03	2003-04
<i>Rs. Crore</i>				<i>% change</i>		
Exports	209018	255137	181738	195780	21.1	7.7
Imports	245200	297206	214262	254047	18.0	18.6
POL	66770	85367	62060	67399	21.9	8.6
Non-POL	178430	211839	152202	186648	16.5	22.6
Trade Balance	-36182	-42069	-32524	-58267	-	-
<i>Million Dollar</i>				<i>% change</i>		
Exports	43827	52719	37394	42433	18.1	13.5
Imports	51413	61412	44096	55058	15.1	24.9
POL	14000	17640	12768	14593	18.9	14.3
Non-POL	37413	43773	31328	40465	13.6	29.2
Trade Balance	-7586	-8693	-6702	-12625	-	-

R = Revised

Exports in dollar terms in **April-December, 2003-04** increased by 13.5 per cent as compared to an increase of 18.1 per cent in April-December, 2002-03. Imports increased by 24.9 per cent as against an increase of 15.1 per cent in last year. Imports of POL increased by 14.3 per cent in April-December, 2003-04 as against an increase of 18.9 per cent in corresponding period last year.





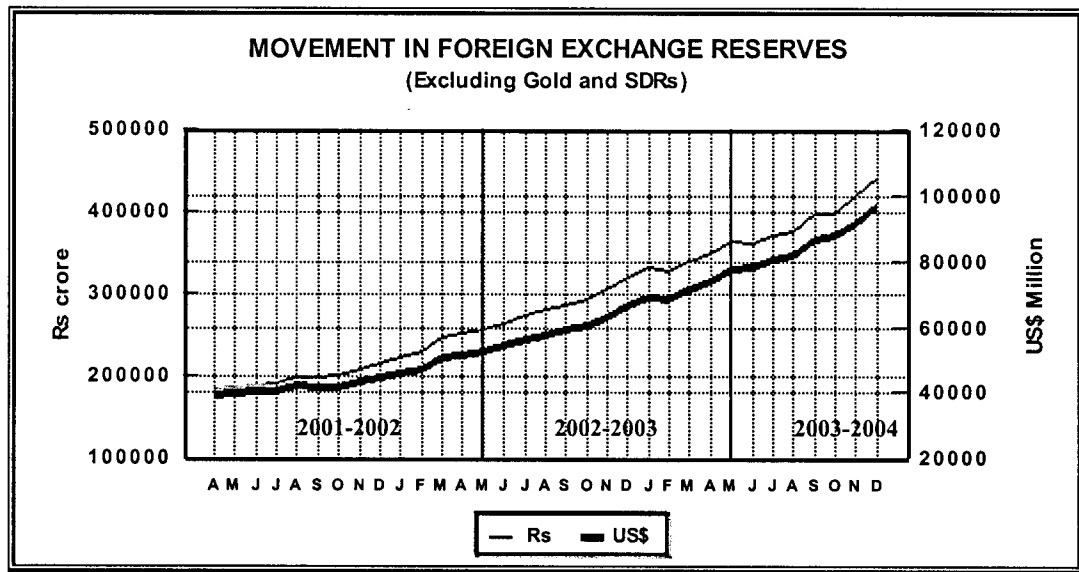
## FOREIGN EXCHANGE RESERVES

### FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)

At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore	\$ Million
			<i>(Over last Year)</i>	
March, 1996	58446	17044	-7560	-3765
March, 1997	80368	22367	21922	5323
March, 1998	102507	25975	22139	3608
March, 1999	125412	29522	22905	3547
March, 2000	152924	35058	27512	5536
March, 2001	184482	39554	31558	4496
March, 2002	249118	51049	64636	11495
March, 2003	341476	71890	92358	20841
<b>2003-2004</b>			<i>(Over last Month)</i>	
April	351589	74253	10113	2363
May	366516	77932	14927	3679
June	365001	78546	-1515	614
July	373499	80949	8498	2403
August	378829	82624	5330	1675
September	399870	87213	21041	4589
October	401872	88674	2002	1461
November	423328	92148	21456	3474
December*	445232	97617	21904	5469

\* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$71890 million at the end of 2002-03. These reserves have increased by \$25727 million and stood at \$97617 million at the end of December, 2003.





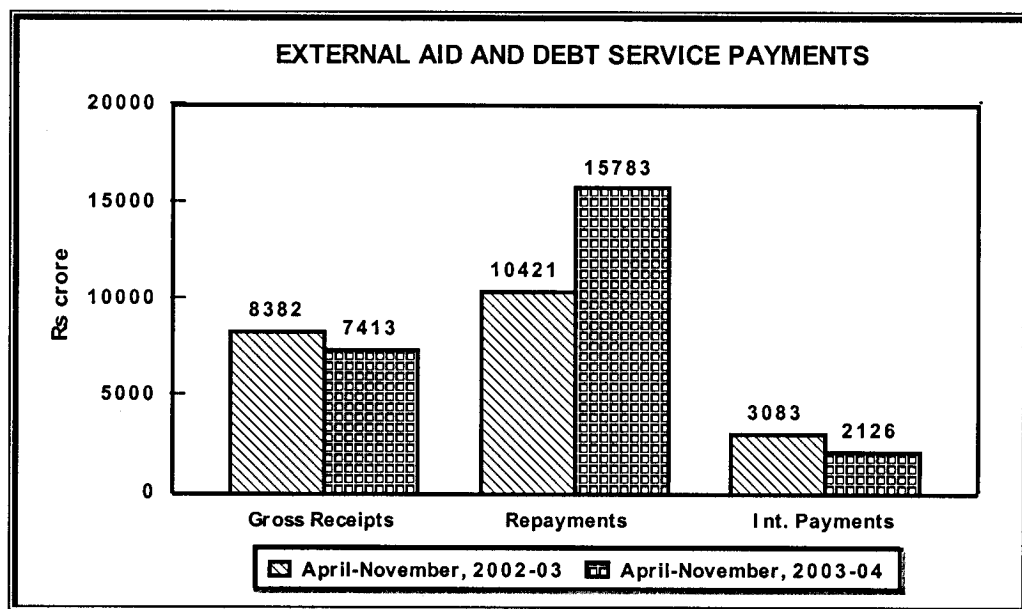
# EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS\*

(Rs Crore)

	Receipts		Repayment of Principal		Payment of Interest	
	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04
Loans- Govt. A/C	6347	6091	6668	14489	2520	1961
Grants- Govt. A/C	474	493	-	-	-	-
<b>Total</b>	<b>6821</b>	<b>6584</b>	<b>6668</b>	<b>14489</b>	<b>2520</b>	<b>1961</b>
Non-Govt. loans	1495	765	3753	1294	563	165
Grants-Non-Govt.	66	64	-	-	-	-
<b>Grand Total</b>	<b>8382</b>	<b>7413</b>	<b>10421</b>	<b>15783</b>	<b>3083</b>	<b>2126</b>
	(1722)	(1602)	(2142)	(3412)	(634)	(459)
Net Flows (net of repayment)	-2039	-8370	-	-	-	-
Net Transfers (net of repayment and interest payments)	-5123	-10496	-	-	-	-

\* April-November  
 Note: Figures in brackets are in terms of million US \$

Gross external aid during **April-November, 2003-04** at Rs 7413 crore was 11.6 per cent lower than that of Rs 8382 crore during April-November, 2002-03. Net aid flows (net of repayments) amounted to Rs (-)8370 crore as against Rs (-)2039 crore in the corresponding period of the last year. Net aid transfers (net of repayments and interest payments) was Rs (-)10496 crore as against Rs (-)5123 crore in the corresponding period of last year.



# EXCHANGE RATES

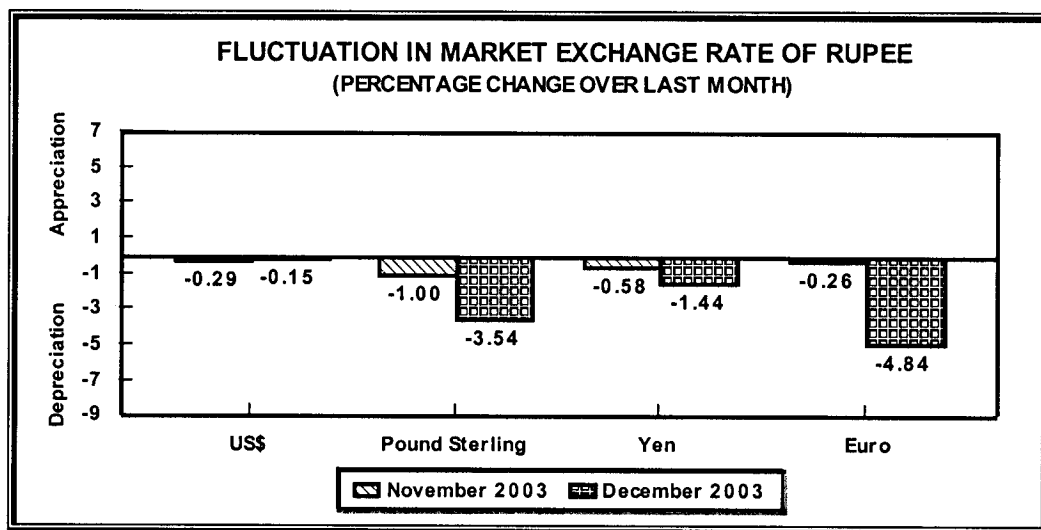
Rupees Per Unit of Foreign Currency

(Market Rate<sup>a</sup>)

Month	US Dollar	Pound Sterling	Japanese Yen	Euro	5 Country NEER Base 1995=100	5 Country REER
March 2001	46.62	67.39	0.3846	42.44	82.00	102.89
March 2002	48.74	69.37	0.3723	42.75	80.60	104.98
March 2003	47.64	75.44	0.4015	51.52	75.27	100.01
<b>2003-2004</b>						
April	47.38	74.61	0.3951	51.52	-	-
May	47.08	76.41	0.4011	54.51	-	-
June	46.71	77.56	0.3948	54.53	-	-
July	46.23	75.12	0.3896	52.59	-	-
August	45.93	73.22	0.3867	51.19	-	-
September	45.85	73.70	0.3977	51.38	-	-
October	45.39	76.12	0.4145	53.12	-	-
November	45.52	76.89	0.4169	53.26	-	-
December	45.59	79.71	0.4230	55.97	-	-

a. FEDAI Rates

The average market exchange rate of the Rupee during December, 2003 depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro compared to average market rate during November, 2003.



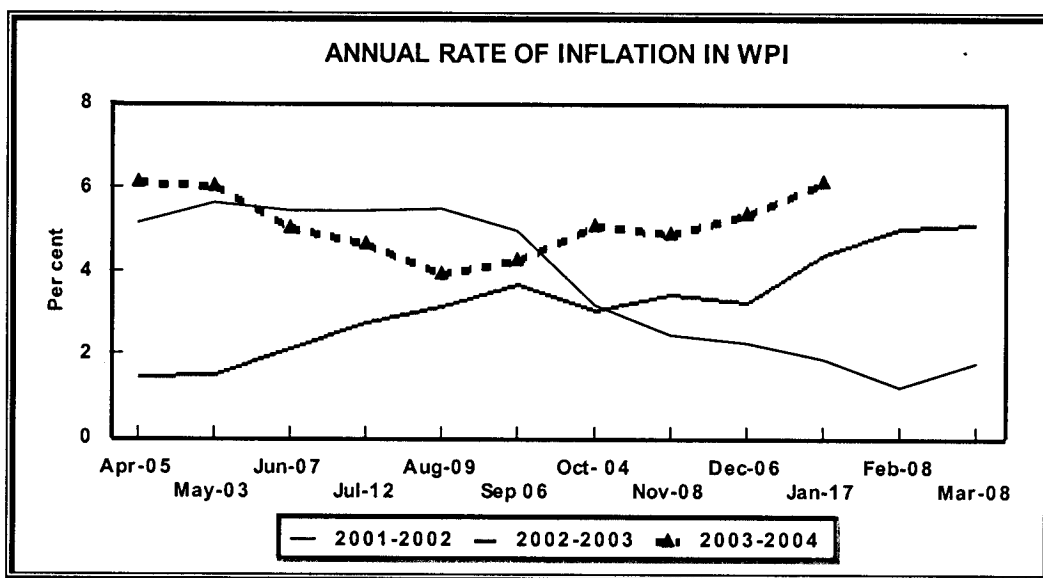
# INFLATION

## WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)						
Items/Groups	Weight (%)	Per cent Variation During				
		MONTH		YEAR (point to point)		
		Last Year	Current Year	(ending 17.1.2004) <sup>(P)</sup>		
		Last Year	Current Year	Last Year	Current Year	
All Commodities	100.00	0.48	0.96	4.42	6.13	
I Primary articles	22.03	0.17	1.56	5.44	4.64	
II Fuel, Power, Light and Lubricants	14.23	1.26	1.90	6.38	8.44	
III Manufactured Products	63.75	0.40	0.38	3.40	5.83	

P = Provisional

The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 6.13 per cent for week ended January 17, 2004 compared to 4.42 per cent a year ago. This rate was contributed by an increase of 4.64 per cent in Primary articles, 8.44 per cent increase in Fuel, Power and Lubricants and 5.83 per cent increase in Manufactured Products as against an increase of 5.44 per cent, 6.38 per cent and 3.40 per cent respectively, on the corresponding date of last year.



# CONSUMER PRICE INDEX

## CONSUMER PRICE INDEX AND INFLATION RATE

	2002-03 (Up to Dec., 2002)	2003-04 (Up to Dec., 2003)
	<i>Per cent</i>	
Annual Inflation	3.2	3.7
Financial Year Inflation (%)	3.4	3.1
% change over Last Month	-1.0	-0.4
Level of Index	484	502
Average of Index for 12 months ending December	477.33	495.50

The All India **Consumer Price Index for Industrial Workers (CPI-IW)** for December, 2003 which stood at 502, recorded a negative change of 0.4 per cent over the previous month's level and increased by 3.7 per cent over December, 2002.

