



Government of India
Ministry of Finance
Department of Economic Affairs
Economic Division
8(2) /Ec Dn/ 2000

MONTHLY ECONOMIC REPORT

APRIL, 2000

HIGHLIGHTS

1. The pre-monsoon rainfall upto 5th April 2000 was normal/excess in 17 per cent of meteorological sub-divisions.
2. Foodgrains stocks 29.74 million tonnes as on March 1, 2000.
3. Overall industrial growth 7.9 per cent in April-February, 2000.
4. Core infrastructure sectors achieved an average growth rate of 7.6 per cent in April-January, 2000 compared with 2.1 per cent in April-January, 1999.
5. Money Supply (M3) growth was 14.0 per cent during March 31, 1999 to March 24, 2000, whereas annual growth rate for fortnight ended March 24, 2000 was also 14.0 per cent. Net RBI Credit to Government declined by 5.7 per cent during March 31, 1999 to March 24, 2000.
6. The annual inflation rate in terms of WPI (Base 1993-94) was 4.6 per cent for week ended April 8, 2000 compared to 4.3 per cent a year ago.
7. Exports increased by 11.1 per cent in dollar terms in April-February, 2000 compared to an increase of 1.6 per cent in April-February, 1999. Imports increased by 10.1 per cent.
8. Rupee appreciated against US Dollar, Pound Sterling, Deutsche Mark, French Franc and Euro and depreciated against Japanese Yen in March, 2000.
9. Forex reserves (excluding Gold & SDRs) stood at \$35.06 billion at the end of March, 2000.

(S. Lakshmanan)
Deputy Economic Adviser

AGRICULTURE

PRE-MONSOON RAINFALL*

	Number of Meteorological Sub-divisions						
	1995	1996	1997	1998	1999	1995-99+	2000
Excess/Normal	16	6	31	22	2	15	6
Deficient/Scanty/Nil	19	29	4	13	33	20	29
Total	35	35	35	35	35	35	35
+ Annual average	* (March-May)						

The pre monsoon rainfall from March 1, 2000 to April 5, 2000 was normal/excess in 6 (17 per cent) meteorological sub-divisions and deficient/scanty in the remaining 29 (83 per cent). The annual average for 1995-99 was normal/excess in 15 (43 per cent) meteorological sub-divisions and deficient/scanty in the remaining 20 (57 per cent).

PROCUREMENT*

(Million Tonnes)

(1)	Full Marketing Year			Up to April 24		% change Col. (6)/(5)
	1997-98 (2)	1998-99 (3)	1999-2000 (4)	1999(P) (5)	2000(P) (6)	
Rice (Oct-Sep)	14.33	11.79	-	9.75	14.46	48.3
Wheat (Apr-Mar)	9.30	12.65	14.14	7.35	4.69	-36.1
* Central pool						

Wheat procurement up to April 24, 2000 in the current marketing year, (i. e., 2000-2001) was lower by 36.1 per cent at 4.69 million tonnes compared to 7.35 million tonnes in the corresponding period in 1999-2000. Procurement of rice during the marketing year 1999-2000 (up to April 24, 2000) at 14.46 million tonnes was higher by 48.3 per cent than the level of 9.75 million tonnes during the corresponding period of 1998-99.

OFF-TAKE

(Million Tonnes)

	1997-98	1998-99	April-February	
			1998-99	1999-2000(P)
Rice	11.36	11.83	11.73	11.08
Wheat	7.76	8.90	8.82	8.53
Total	19.12	20.73	20.55	19.61

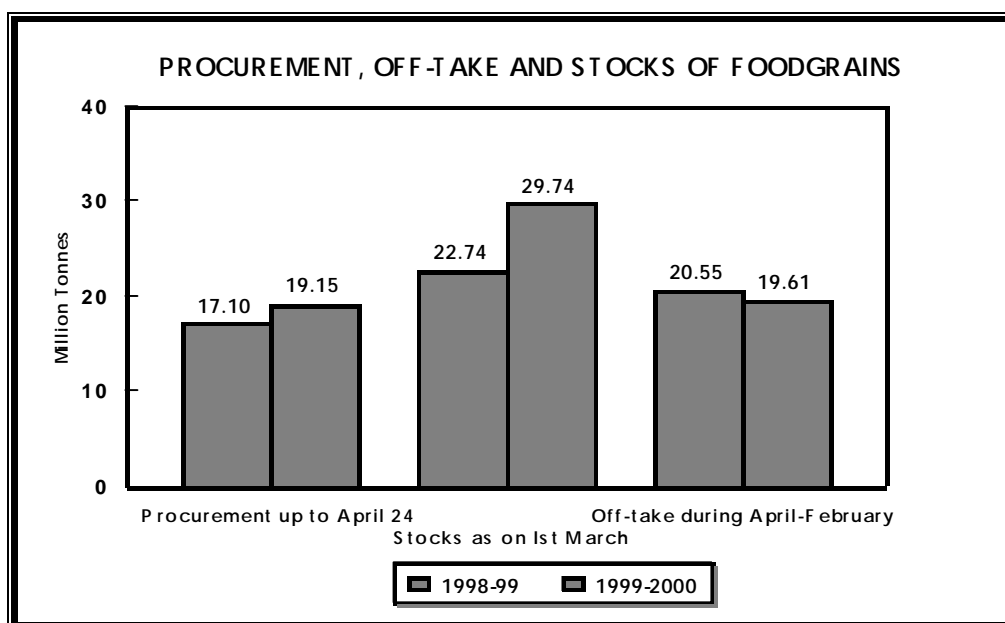
Off-take from the public distribution system central pool during April-February, 1999-2000 was 19.61 million tonnes which was lower by 4.6 per cent than the off-take of 20.55 million tonnes during corresponding period of last year.

STOCKS

(Million Tonnes)

	As on 1st Feb.		As on 1st March	
	1999	2000	1999	2000
Rice	12.13	15.49	11.97	15.23
Wheat	11.62	15.84	10.77	14.51
Total	23.75	31.33	22.74	29.74

Stocks of foodgrains as on 1st March, 2000 at 29.74 million tonnes was higher by 31 per cent than the level at 22.74 million tonnes as on 1st March, 1999.

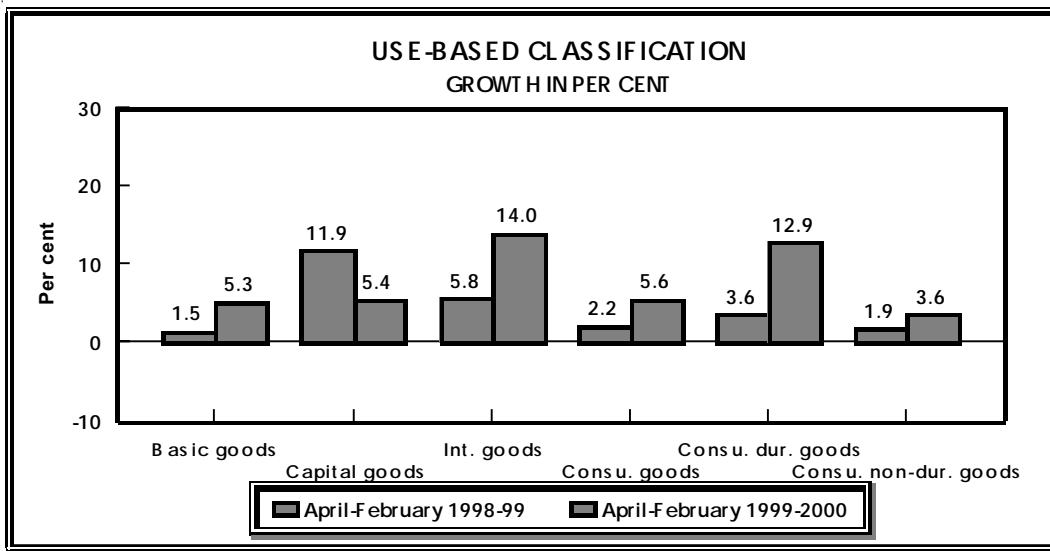
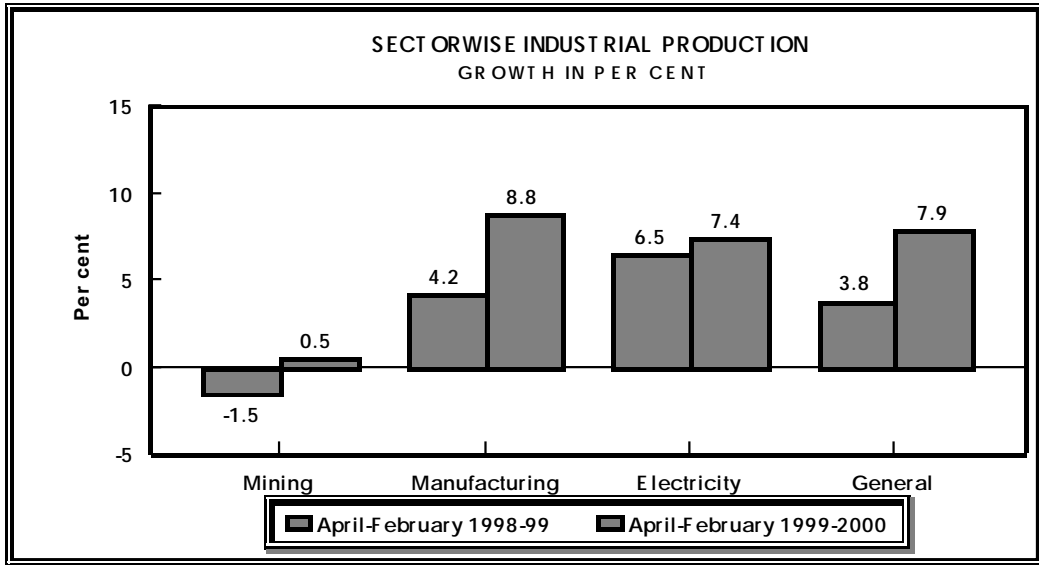


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)	<i>(Percentage change)</i>					
	1997-98/ 1996-97	1998-99/ 1997-98	Feb '99/ Feb '98	Feb '00/ Feb '99	<u>April-February</u>	
					1998-99	1999-00
<u>General</u>	6.6	4.0	3.9	11.0	3.8	7.9
Mining & Quarrying	5.9	-1.8	-5.4	4.3	-1.5	0.5
Manufacturing	6.7	4.4	4.9	12.0	4.2	8.8
Electricity	6.6	6.4	3.7	9.3	6.5	7.4
<u>Use-Based Classification</u>						
Basic goods	6.5	1.5	-1.3	8.9	1.5	5.3
Capital goods	5.3	12.6	11.5	-1.7	11.9	5.4
Intermediate goods	8.1	5.9	7.9	23.1	5.8	14.0
Consumer goods	5.7	2.4	3.7	6.5	2.2	5.6
<u>Of which</u>						
Consumer Durables	7.8	4.7	0.1	17.3	3.6	12.9
Consumer non-Durables	5.2	1.8	4.6	3.9	1.9	3.6

The overall growth rate of Industrial production in **April-February 1999-2000** was 7.9 per cent as compared to 3.8 per cent in April-February 1998-99. The production growth in manufacturing sector, electricity generation and mining & quarrying during April-February 1999-2000 was 8.8%, 7.4% and 0.5% as against 4.2%, 6.5% and (-)1.5% respectively in April-February 1998-99.

As per use-based classification, production during April-February, 1999-2000 registered higher increase over the corresponding period of 1998-99 in all sectors except capital goods, which recorded a lower growth of 5.4 per cent (11.9% in April-February 1998-99).

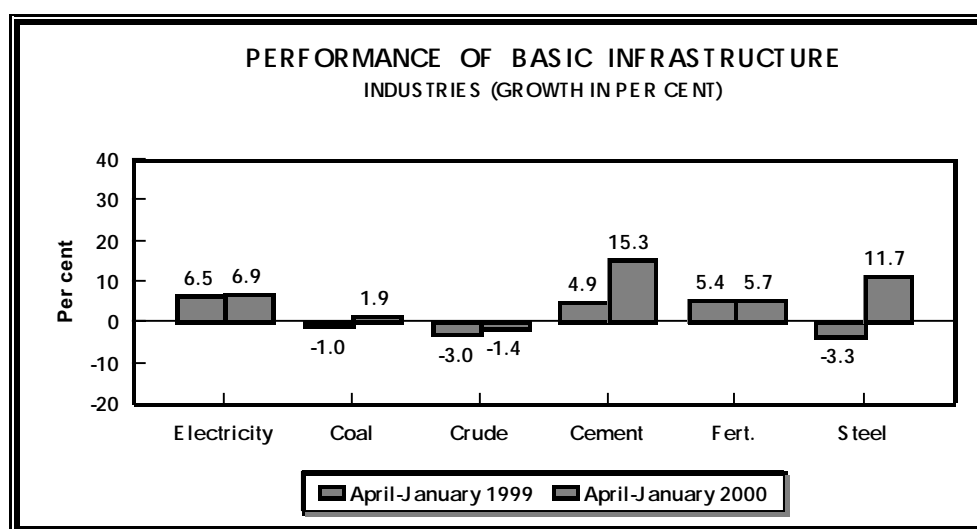


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit						Percentage change April-Jan.	
		January 1998	January 1999	Full Year 1999	April-Jan. 1998-99	April-Jan. 1999-00	1998-99/ 1997-98	1999-00/ 1998-99
Coal	Mn. Ton	26.65	29.99	290.03	233.03	237.44	-1.0	1.9
Electricity Generation	Mn. Kwh	40309	41149	448406	371082	396643	6.5	6.9
Hydel	Mn. kw	6125	5579	82619	70684	68822	12.6	-2.6
Thermal (including nuclear)	Mn. kw	34184	35370	365787	300398	327821	5.2	9.1
Plant Load Factor	Per cent	70.6	70.4	64.6	63.5	66.1	-	-
Crude petroleum	000 tons	2917	2621	32909	27307	26915	-3.0	-1.4
Petroleum Products	000 tons	5775	7968	68560	55861	69031	3.2	23.6
Finished steel	000 tons	2193.2	2382.6	24055.9	20274.0	22649.8	-3.3	11.7
Cement	000 tons	8170	9070	87840	70710	81550	4.9	15.3
Fertilizers	000 tons	1232.3	1238.4	13547.9	11406.3	12052.4	5.4	5.7
Average growth rate*	(%)	1.5	4.5	2.5	2.1	7.6	-	-
Cargo handled at major ports	Mn. Ton	22.21	21.12	251.68	206.47	222.54	0.1	7.8
Telecommunications								
a) Net switching capacity	000 lines	444.82	618.81	4789.9	2165.56	3388.0	49.9	56.4
b) Net Tele. connections	000 nos	369.68	509.4	3792.0	2019.34	2709.34	24.6	34.2
Revenue earning goods traffic on railways	Mn. Ton	37.15	40.25	420.91	343.40	370.92	-2.5	8.0

* Weights in IIP (Base: 1993-94) are indicated in the brackets, Electricity generation (10.2), Coal (3.2), Finished steel (5.1), Crude oil (4.2), Refinery throughput (2.0), Cement (2.0) and Fertilisers (2.1).

During **April-January, 1999-2000** core infrastructure industries had good performance. During this period average growth rate was 7.6 per cent as against 2.1 per cent during the corresponding period of last year.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

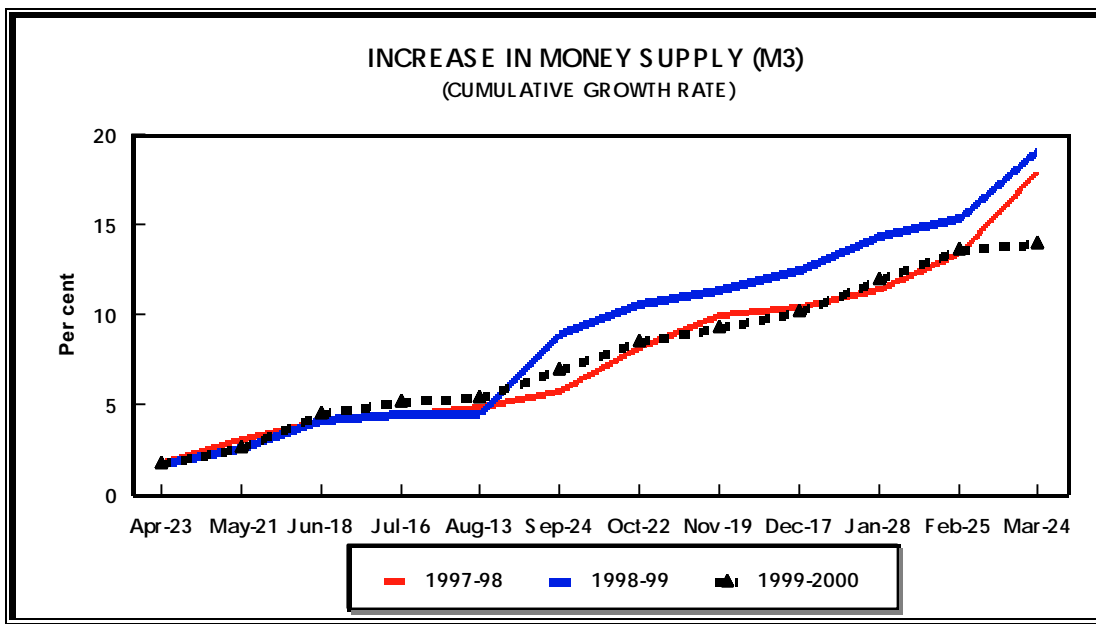
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	January		Full Year	April-Jan.		Jan.	April-Jan.
	1998	1999	1998-99	1998-99	1999-00	1999/1998	1999-00/ 1998-99
Coal	16.94	18.55	197.59	162.42	170.99	9.5	5.3
Raw material for Steel Plants	3.01	3.45	36.12	30.09	30.99	14.6	3.0
Pig Iron & Finished Steel From Steel Plants	0.88	1.07	10.81	8.78	9.47	21.6	7.9
Iron Ore for Exports	0.59	1.07	11.48	9.22	9.81	81.4	6.4
Cement	3.43	4.02	36.75	29.07	35.26	17.2	21.3
Foodgrains	2.78	2.81	27.74	22.02	25.04	1.1	13.7
Fertilizers	2.47	2.34	27.69	23.19	26.73	-5.3	15.3
POL	2.96	2.64	33.07	27.12	27.77	-10.8	2.4
Balance other goods	4.09	4.30	39.66	31.49	34.86	5.1	10.7
Total	37.15	40.25	420.91	343.40	370.92	8.3	8.0

The revenue earning goods traffic handled by the Railways increased by 8.0 per cent during **April-January, 2000** as compared to a negative growth of 2.5 per cent in the corresponding period of last year. The increase was on account of rail traffic for cement, coal, foodgrains, fertilizers, raw material for steel plants, pig iron & finished steel from steel plants, POL and balance other goods.

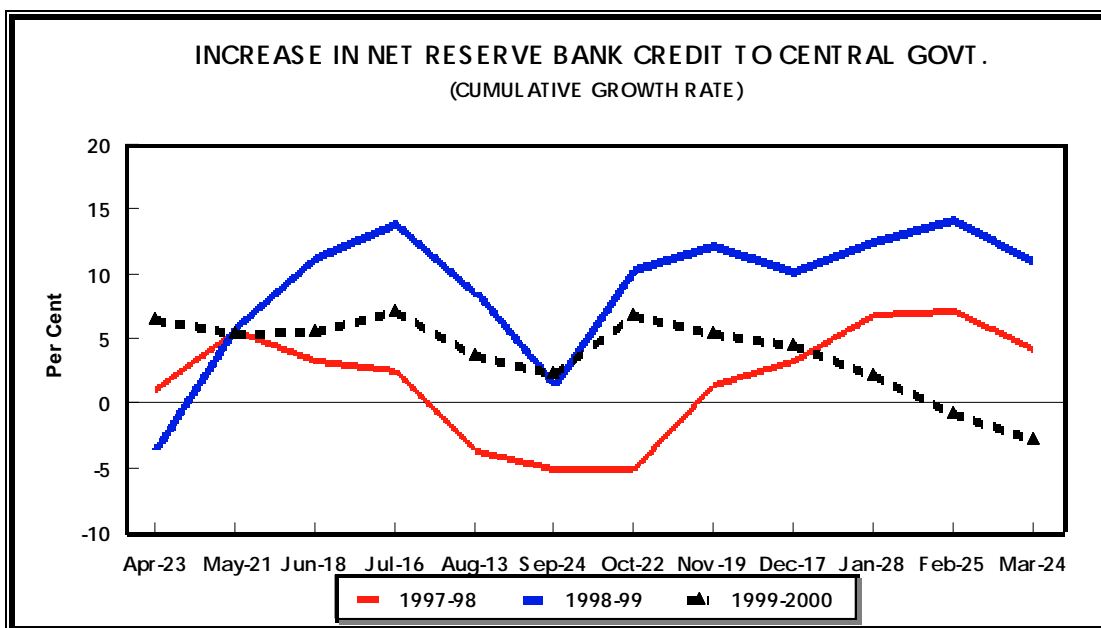
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '98 to Mar 31 '99	Mar 31 '99 to Mar 24 '00 (PR)	Full Year Mar 31 '98 to Mar 31 '99	Mar 31 '98 to Mar 26 '99 (P)	Mar 31 '99 to Mar 24 '00 (PR)	Mar 26 '99 to Mar 24 '00 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
M1 (I+II+IV)	40957	34686	15.3	15.6	11.2	10.9
M3(M1+ III)	157301	136784	19.2	19.2	14.0	14.0
I. Currency with the public	23391	24023	16.1	17.0	14.2	13.3
II. Demand deposits with banks	17310	11318	14.6	13.9	8.3	8.9
III. Time deposits with banks	116344	102098	21.0	20.9	15.2	15.4
IV. Other deposits with RBI	255	-655	7.2	16.5	-17.3	-23.9
Sources of change in M3						
(1+2+3+4-5)						
1. Net bank credit to Govt (A+B)	56238	50106	17.0	16.3	13.0	13.7
A. RBI's net credit to Govt ^a	17379	-8705	12.9	10.9	-5.7	-4.1
To Central Govt	11799	-3933	8.8	11.1	-2.7	-4.7
To State Govts	5580	-4771	361.6	-4.3	-67.0	59.3
B. Other bank credit to Govt	38859	58811	19.9	19.9	25.1	25.1
2. Bank credit to commercial sector	61486	75614	14.2	13.2	15.3	16.3
3. Net foreign exchange assets of banking sector ^b	38683	15386	28.0	24.9	8.7	11.4
4. Govt's currency liabilities to the public	494	348	14.7	14.7	9.0	9.0
5. Banking sector's net non-monetary liabilities other than time deposits	-401	4671	-0.5	-13.7	5.6	21.8
P Provisional						
PR Partially revised						
a. Includes special securities						
b. Inclusive of appreciation in the value of gold following its re-valuation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on RBI's net non-monetary liabilities.						

During the current financial year so far (i.e., March 31, 1999 to March 24, 2000) money supply (M3) increased by 14.0 per cent as against an increase of 19.2 per cent in the corresponding period of 1998-99. Among its components, currency with the public showed a growth of 14.2 per cent as against 17.0 per cent in the corresponding period of last year. Demand deposits with banks increased by 8.3 per cent as against an increase of 13.9 per cent in the corresponding period of last financial year. Time deposits with banks has gone up by 15.2 per cent as against an increase of 20.9 per cent in the corresponding period of last year. The annual growth of M3 as on March 24, 2000 stood at 14.0 per cent.



On the sources side, the Net Bank Credit to Government showed a lower growth of 13.0 per cent during the current financial year (i.e. March 31, 1999 to March 24, 2000) as compared to 16.3 per cent during the same period of 1998-99. RBI's Net Credit to Central Government showed a decline of 2.7 per cent against an increase of 11.1 per cent in 1998-99. Bank credit to the commercial sector increased by 15.3 per cent as against 13.2 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 8.7 per cent as against a higher increase of 24.9 per cent in the corresponding period of 1998-99.



SCHEDULED COMMERCIAL BANKS

SCHEDULED COMMERCIAL BANKS: VARIATION IN ASSETS AND LIABILITIES				
	Full Year Mar 27,'98 to Mar 26,'99	Mar 26,'99 to Mar 24,'00 (P)	Full Year Mar 27,'98 to Mar 26,'99	Mar 26,'99 to Mar 24,'00 (P)
		<i>(Rs crore)</i>		<i>(per cent)</i>
1. Bank credit	44758	65345	13.8	17.7
Food credit	4331	8875	34.7	52.8
Non-food credit	40427	56469	13.0	16.0
2. Aggregate deposits	115540	96040	19.3	13.5
Demand deposits	14910	8853	14.5	7.5
Time deposits	100630	87187	20.3	14.6
3. Borrowings from RBI	2499	3597	632.7	124.3
4. Cash reserves	6604	-5810	10.8	-8.6
Cash in hand	754	319	20.9	7.3
Balances with RBI	5850	-6129	10.1	-9.6
5. Investments in Govt. and other approved securities	35890	54326	16.4	21.3
P = Provisional				

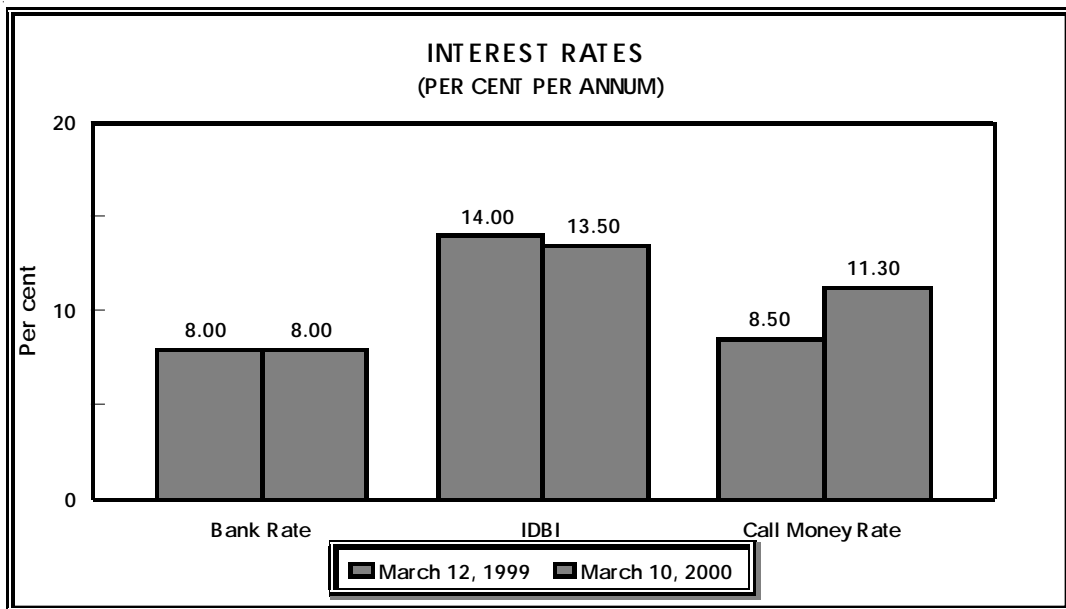
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 26, 1999 to March 24, 2000) showed a growth of 17.7 per cent as against 13.8 per cent in the corresponding period of last financial year. Food credit increased by 52.8 per cent while non-food credit increased by 16.0 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>1999</i> <i>Mar. 12</i>	<i>2000</i> <i>Mar. 10</i>
1	2	3
Bank rate	8.00	8.00
I.D.B.I. ¹	14.00	13.50
Prime Lending Rate ²	12.00-13.00	12.00-12.50
Deposit Rate ³	9.00-11.50	8.50-10.50
Call Money Rate ⁴ (Low/High)	7.00/8.50	6.50/11.30

1. Medium Term Lending Rate (MTLR).
2. Prime Lending Rate relates to five major Banks.
3. Deposit Rate relates to five major banks for term deposits of more than one year maturity.
4. Inter-Bank Call Money Rates as reported by DFHI.

As on March 10, 2000, Prime Lending Rate was 12.00 to 12.50 per cent as against 12.00 to 13.00 per cent on March 12, 1999. As on March 10, 2000, Deposit Rate ranged from 8.50 to 10.50 percent against 9.00 to 11.50 per cent as on March 12, 1999.

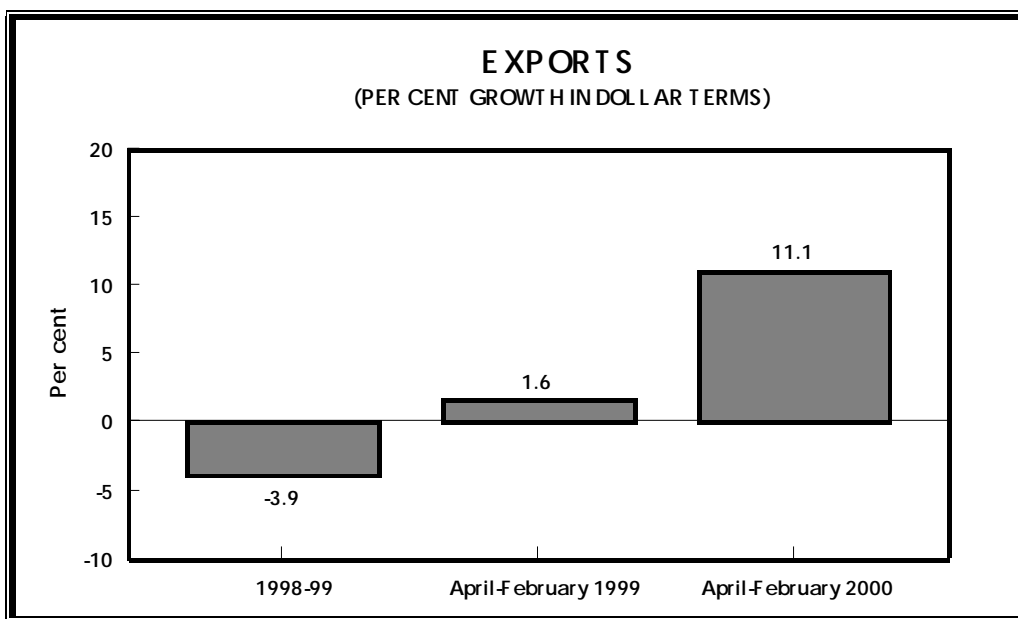


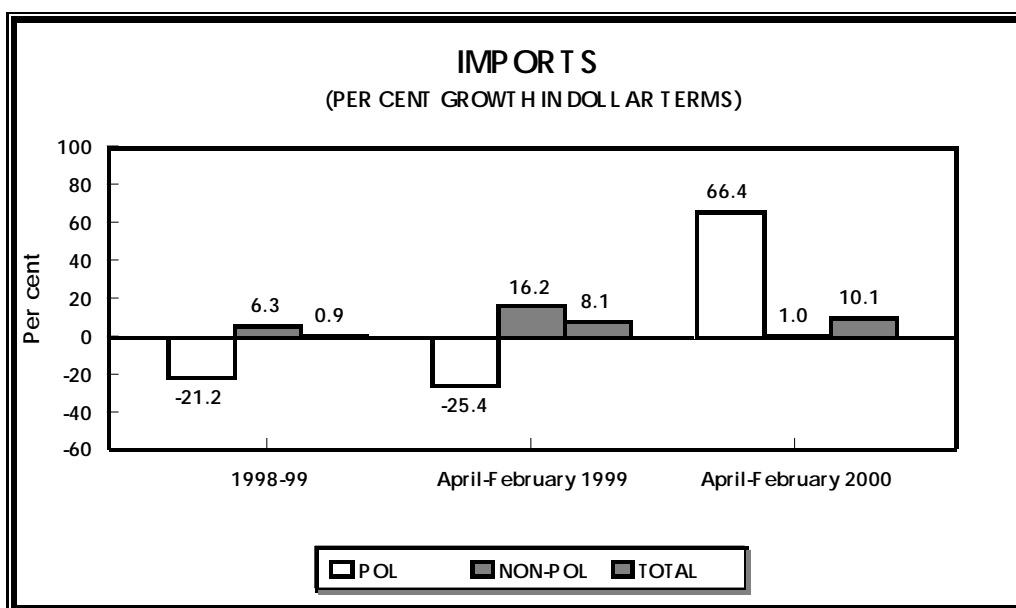
EXTERNAL SECTOR

FOREIGN TRADE

FOREIGN TRADE*						
Item	1997-98(R)	1998-99(P)	April-February		April-Feb 99/	April-Feb 00/
			1999	2000	April-Feb 98	April-Feb 99
			<i>Rs. Crore</i>		<i>% change</i>	
Exports	130100	141604	126084	144341	15.6	14.5
Imports	154176	176099	160283	181967	22.6	13.5
POL	30341	27064	22215	38078	-15.1	71.4
Non-POL	123835	149034	138088	143889	32.1	4.2
Trade Balance	-24076	-34495	-34198	-37626	-	-
			<i>Million Dollar</i>		<i>% change</i>	
Exports	35006	33659	29983	33317	1.6	11.1
Imports	41484	41858	38159	42002	8.1	10.1
POL	8164	6433	5285	8792	-25.4	66.4
Non-POL	33320	35425	32874	33210	16.2	1.0
Trade Balance	-6478	-8199	-8176	-8686	-	-
* Figures are provisional						

Exports in dollar terms during **April-February, 2000** increased by 11.1 per cent as compared to an increase of 1.6 per cent during April-February, 1999. Imports increased by 10.1 per cent as against 8.1 per cent during April-February, 1999. Imports of POL increased by 66.4 per cent as against a decline of 25.4 per cent last year.

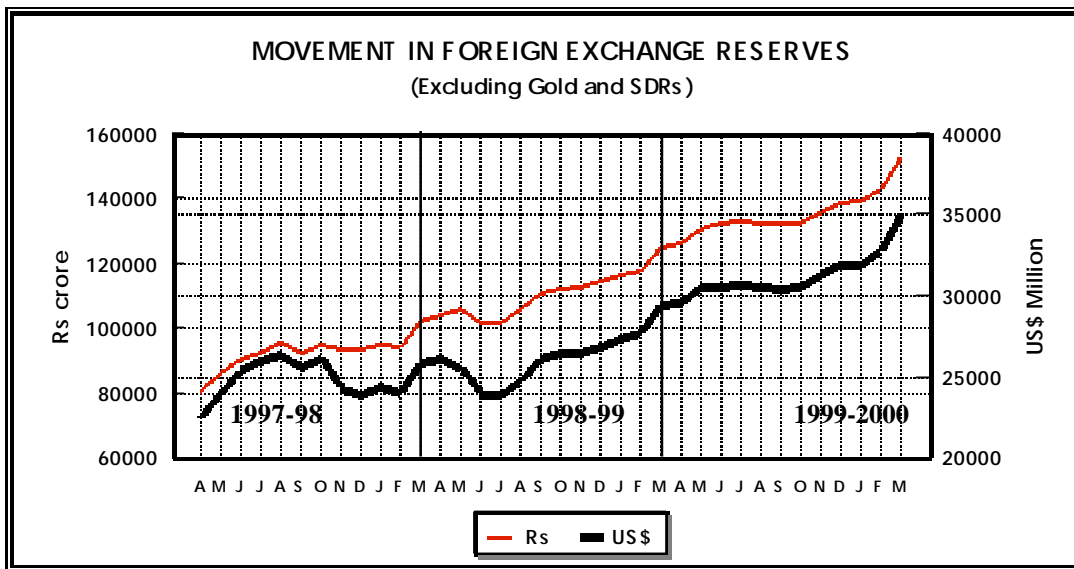




FOREIGN EXCHANGE RESERVES

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)				
At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore	\$ Million (Over last Year)
March, 1993	20140	6434	5562	803
March, 1994	47287	15068	27147	8634
March, 1995	66006	20809	18719	5741
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
1999-2000			<i>(Over last Month)</i>	
April	126794	29611	1382	89
May	131153	30615	4359	1004
June	132505	30559	1352	-56
July	133161	30760	656	201
August	133054	30601	-107	-159
September	132946	30485	-108	-116
October	132770	30578	-176	93
November	135948	31317	3178	739
December	139134	31992	3186	675
January	139389	31941	255	-51
February*	143018	32795	3629	854
March*	152924	35058	9906	2263
* Provisional				

Foreign Exchange Reserves (excluding Gold & SDRs), were \$ 29522 million at the end of 1998-99. These reserves have increased by \$5536 million and stood at \$35058 million at the end of March, 2000.



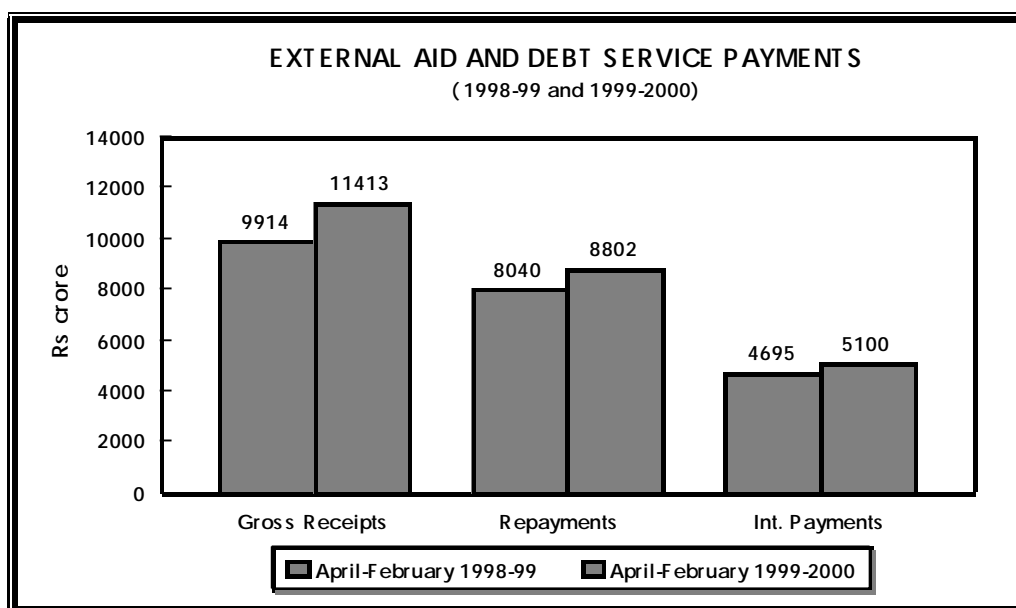
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS

(Rs Crore)

	Receipts*		Repayment of Principal*		Payment of Interest*	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Loans- Govt. A/C	6272	7708	7380	7968	3875	4056
Grants- Govt. A/C	802	842	-	-	-	-
Total	7074	8550	7380	7968	3875	4056
Non-Govt. loans	2840	2863	660	834	820	1044
Grand Total	9914	11413	8040	8802	4695	5100
	(2359)	(2637)				
Net Flows (net of repayment)	1874	2611	-	-	-	-
Net Transfers (net of repayment and interest payments)	-2821	-2489	-	-	-	-

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

Gross external aid in **April-February, 2000** at Rs 11413 crore was 15.1 per cent higher than that of Rs 9914 crore in April-February, 1999. Net aid flows (net of repayments) amounted to Rs 2611 crore as against Rs 1874 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 2489 crore as against Rs (-) 2821 crore in the corresponding period of last year.



EXCHANGE RATES

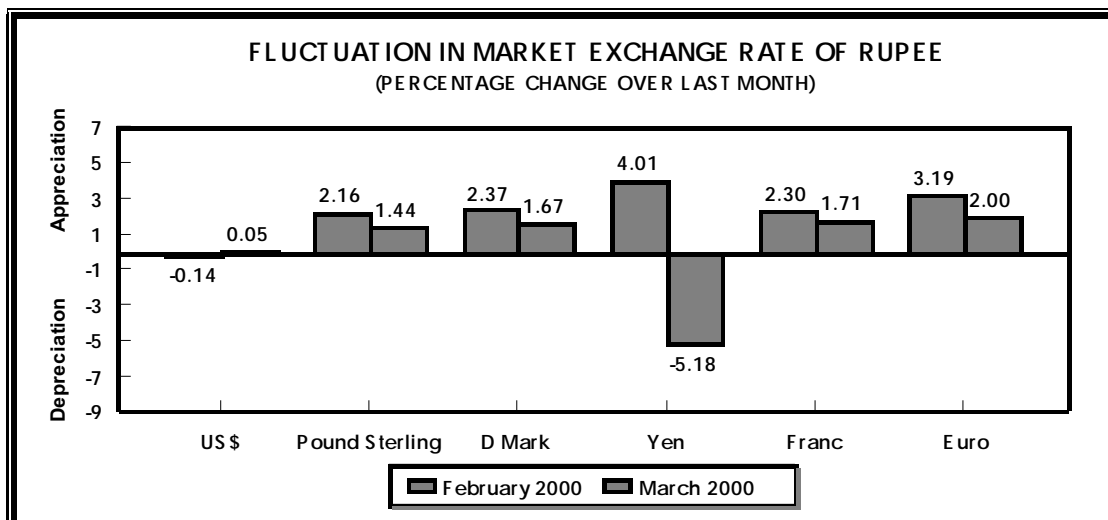
Rupees Per Unit of Foreign Currency

(Market Rate^a)

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country NEER	5 Country REER
Base 1995=100								
March 1996	34.39	52.55	23.29	0.3250	6.80		97.13	98.04
March 1997	35.87	57.69	21.15	0.2923	6.29	-	97.74	104.88
March 1998	39.50	65.62	21.64	0.3067	6.45	-	90.42	103.19
March 1999	42.45	68.77	23.58	0.3548	7.03	46.24	83.14	101.17
1999-2000								
April	42.73	68.77	23.37	0.3570	6.97	45.78	82.97	101.30
May	42.77	69.07	23.23	0.3511	6.93	45.49	83.25	101.57
June	43.14	68.86	22.96	0.3572	6.85	44.80	82.98	101.29
July	43.29	68.13	22.73	0.3618	6.78	44.83	82.78	100.97
August	43.46	69.83	23.58	0.3834	7.03	46.11	80.97	99.33
September	43.53	70.61	23.34	0.4065	6.96	45.73	80.14	98.75
October	43.45	72.00	23.82	0.4097	7.10	46.54	79.50	99.13
November	43.40	70.48	22.82	0.4141	6.80	44.93	80.31	99.02
December	43.49	70.18	22.43	0.4239	6.69	44.01	80.31	98.69
January	43.55	71.43	22.42	0.4150	6.68	44.29	80.26	98.38
February	43.61	69.92	21.90	0.3990	6.53	42.92	81.54	98.77
March	43.59	68.93	21.54	0.4208	6.42	42.08	81.71	98.88

a. FEDAI Rates
 @ Came into operation w.e.f. 1.1.1999
 * The rates for these foreign currencies are the average of week end rates reported in the Financial Times, London since exchange rates for the currencies are not quoted in India from Jan. 1,1999.

The average market exchange rate of the Rupee during March, 2000 appreciated against US Dollar, Pound Sterling, Deutsche Mark, French Franc and Euro and depreciated against Japanese Yen compared to average market rate during February, 2000. Both NEER and REER moved up in March, 2000 as compared with the last month.



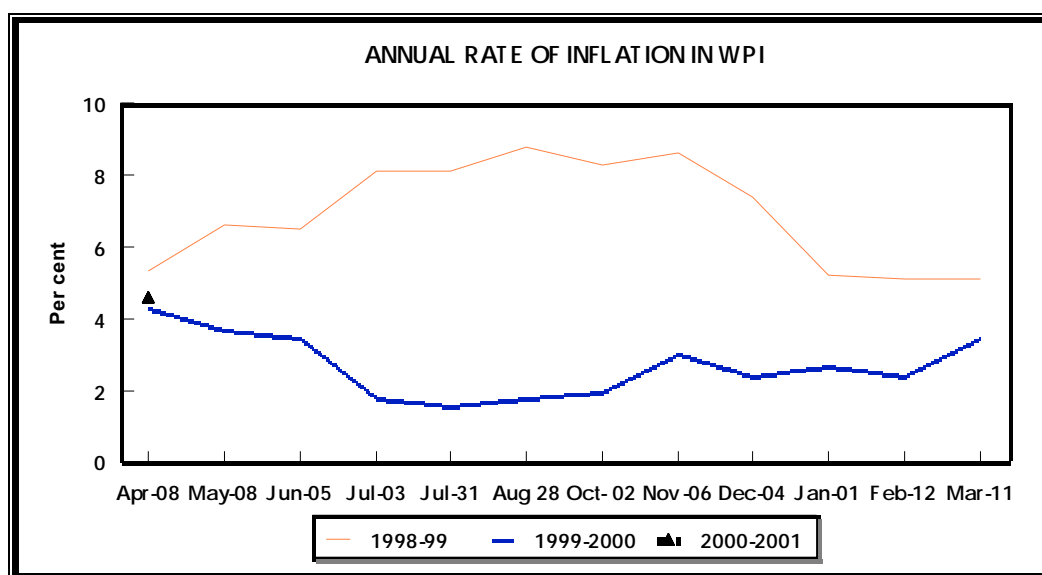
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 8.4.2000)		(ending 8.4.2000) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.5	1.4	4.3	4.6
<u>Food Items</u>	27.53	2.5	2.1	8.3	4.1
Food Articles (primary)	17.39	4.4	3.4	10.7	5.9
Foodgrains	7.92	0.6	0.4	20.5	4.7
Food Products	10.14	-0.9	-0.2	4.2	0.8
<u>Non Food Items</u>	72.47	-0.3	0.9	3.4	3.3
Raw materials*	14.91	-1.0	-0.4	4.0	-5.5
Fuel, Power, Light and Lubricants	10.66	0.2	3.3	2.4	13.8
Manufactured Products	46.90	-0.1	0.7	3.5	3.4

* Comprises primary non-food articles and minerals. P = Provisional

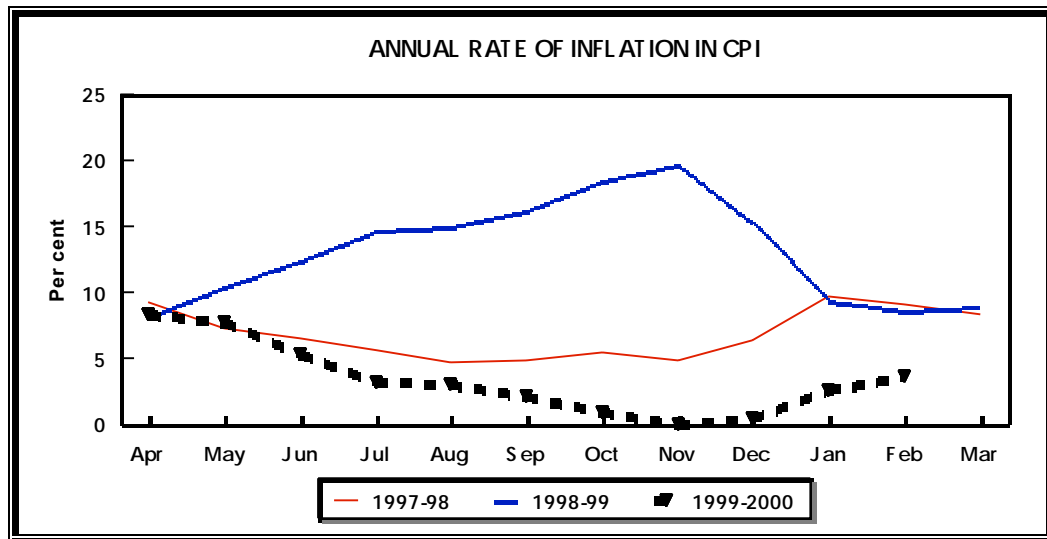
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 6.4 per cent for week ended April 8, 2000 compared to 4.3 per cent a year ago. This rate was contributed by an increase of 4.1 per cent in Food Items, 13.8 per cent increase in Fuel, Power and Lubricants and 3.4 per cent increase in Manufactured Products as against 8.3 per cent, 2.4 per cent and 3.5 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	1998-99 (Up to February, 1999)	1999-00 (Up to February, 2000)
	<i>Per cent</i>	
Annual Inflation	8.6	3.6
Financial Year Inflation (%)	9.2	3.9
Last Month (% change)	-1.2	-0.2
Level of Index	415	430
Average of Index for 12 months ending February	410.83	426.17

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for February, 2000 which stood at 430 has declined by 0.2 per cent over the previous month's level and increased by 3.6 per cent over February, 1999.



EMPLOYMENT AND UNEMPLOYMENT

(Thousand)

EMPLOYMENT EXCHANGE STATISTICS				
	December		April-December	
	1998	1999*	1998-99	1999-2000*
1. No. of applicants on Live Register at the end of the month	40090	40371	40090	40371
2. No. of registrations/ re-registrations	550.1	499.0	4902.0	4672.7
3. Placements effected	23.2	25.0	168.5	164.5
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	4.22	5.01	3.43	3.52
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **December**, 1999 was 404 lakh, higher by 0.7 per cent as compared to the corresponding period of the previous year. The number of registrations during **December**, 1999 was lower by 9.29 per cent than that in **December**, 1998. The Placements as percentage of registrations during **December**, 1999 was 5.01 as against 4.22 in **December**, 1998. The total placements effected during 1999-2000 (April-December) was 1.65 lakh as compared to 1.69 lakh in the corresponding period of 1998-99.