



**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Economic Division**  
**8(2)/Ec Dn/ 2002**

# **MONTHLY ECONOMIC REPORT**

## **APRIL, 2002**

### **HIGHLIGHTS**

- The Pre-monsoon season rainfall upto April 10, 2002 was normal/excess in 44 per cent of meteorological sub-divisions.
- Foodgrain stocks were at 54.43 million tonnes as on March 1, 2002.
- Overall industrial growth was 2.6 per cent in April-February, 2001-02 as against 5.4 per cent in April-February, 2000-01.
- Core infrastructure sectors achieved an average growth rate of 2.7 per cent in April-February 2001-02 as against 5.6 per cent in April-February 2000-01.
- Money Supply (M3) growth was 14.2 per cent during March 31, 2001 to March 22, 2002, whereas annual growth rate for fortnight ended March 22, 2002 was 14.1 per cent. Net RBI Credit to Government decreased by 7.9 per cent during March 31, 2001 to March 22, 2002.
- The annual inflation rate in terms of WPI (Base 1993-94) was 1.25 per cent for week ended April 6, 2002 compared to 5.13 per cent a year ago.
- Exports increased by 0.1 per cent in dollar terms in April-February, 2001-02 compared to an increase of 20.6 per cent in April-February, 2000-01. Imports increased by 2.2 per cent as against an increase of 6.9 per cent in corresponding period of last year.
- Rupee depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro in March, 2002.
- Forex reserves (excluding Gold & SDRs) stood at \$51.05 billion at the end of March, 2002.

**(S. C. Sharma)**  
**Economic Officer**

# AGRICULTURE

## PRE-MONSOON SEASON RAINFALL\*

Number of Meteorological Sub-divisions							
	1997	1998	1999	2000	2001	1997-01+	2002
<b>Excess/Normal</b>	31	22	2	7	13	15	16
<b>Deficient/Scanty/Nil</b>	4	13	33	28	22	20	20
<b>Total</b>	35	35	35	35	35	35	36
+ Annual average		* (March-May)					

The Pre-monsoon season rainfall from March 1, 2002 to April 10, 2002 was normal/excess in 16 (44 per cent) meteorological sub-divisions and deficient/scanty in the remaining 20 (56 per cent). The annual average for 1997-2001 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 16		
	1999-2000 (2)	2000-01 (3)	2001-02 (4)	2001(P) (5)	2002(P) (6)	% change Col. (6)/(5)
Rice (Oct-Sep)	17.27	19.11	-	15.85	16.93	68
Wheat (Apr-Mar)	14.15	16.36	20.63	0.50	2.05	310.0
Total	31.42	35.47	20.63	16.35	18.98	16.1

Wheat procurement up to April 16, 2002 in the current marketing year, (i.e., 2002-2003) was higher by 310.0 per cent at 2.05 million tonnes compared to 0.50 million tonnes in the corresponding period in 2001-02. Procurement of rice during the marketing year 2001-02 (up to April 16, 2002) stood at 16.93 million tonnes was higher by 6.8 per cent than the level of 15.85 million tonnes during the corresponding period of 2000-01.

## OFF-TAKE

(Million Tonnes)

	<u>April-February</u>				
	1998-99(P)	1999-2000(P)	2000-2001(P)	2000-01	2001-02
Rice	11.83	12.42	10.22	9.22	12.81
Wheat	8.90	10.63	7.73	6.12	13.56
Total	20.73	23.05	17.95	15.34	26.37

P- Provisional

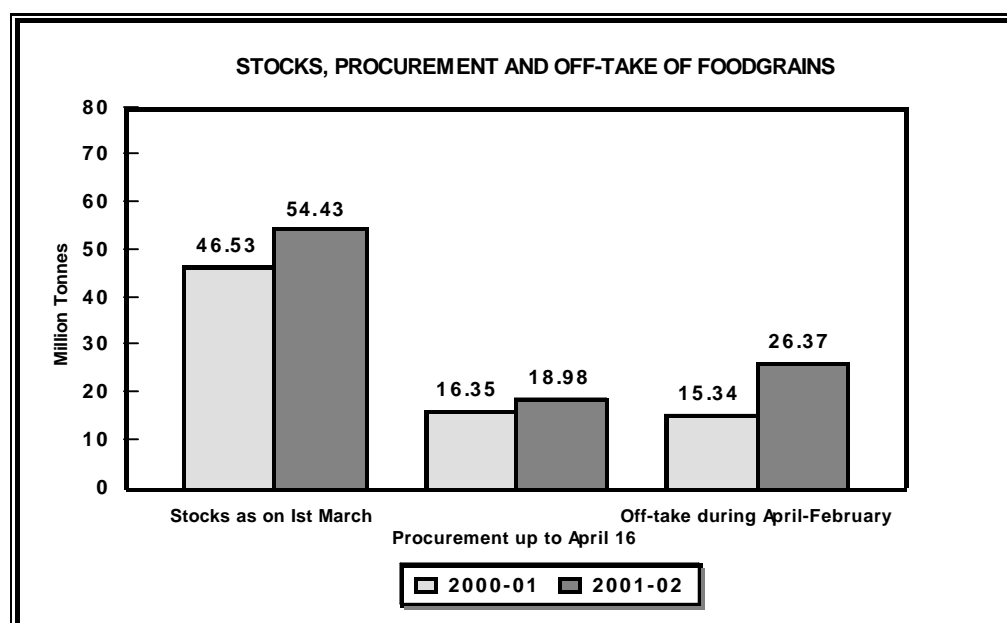
Off-take from the Public Distribution System during April-February, 2001-02 was 26.37 million tonnes which was higher by 71.89 per cent than the off-take of 15.34 million tonnes during April-February, 2000-01.

## STOCKS

(Million Tonnes)

	As on 1st February		As on 1st March	
	2001	2002	2001	2002
Rice	22.40	26.13	23.23	25.97
Wheat	24.11	30.21	23.30	28.46
Total	46.51	56.34	46.53	54.43

Stocks of foodgrains as on 1st March, 2002 stood at 54.43 million tonnes which was higher by 17.0 per cent than the level at 46.53 million tonnes as on 1st March, 2001.



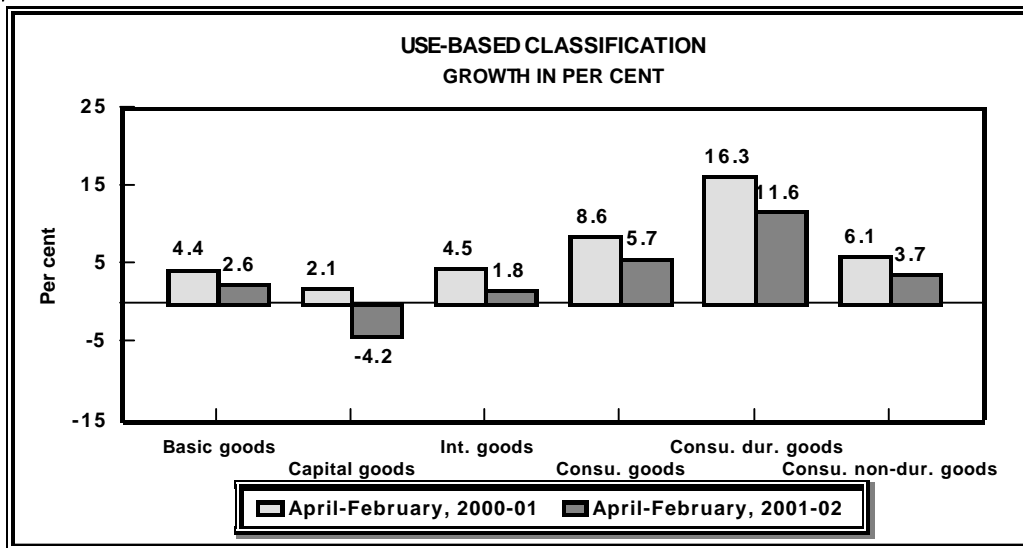
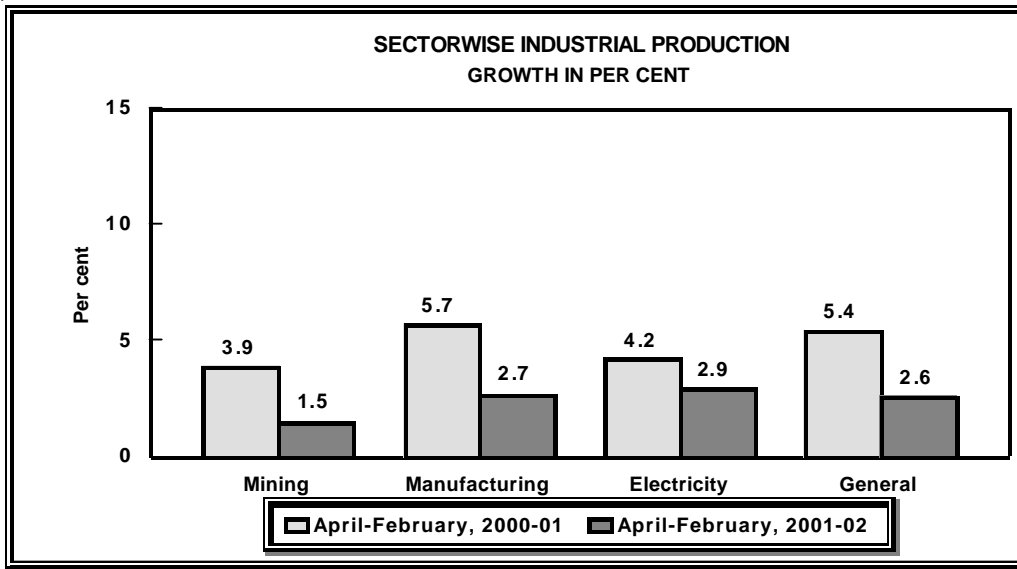
Note:- Procurement up to April 16, 2002

## INDEX OF INDUSTRIAL PRODUCTION

SECTORWISE INDEX OF INDUSTRIAL PRODUCTION <span style="float: right;">(Percentage change)</span>						
(Base = 1993-94 = 100)						
	1999-00/ 1998-99	2000-01/ 1999-00	Feb. '01/ Feb. '00	Feb. '02/ Feb. '01	<u>April-February</u>	
					2000-01	2001-02
<b><u>General</u></b>	6.7	5.0	3.0	2.3	5.4	2.6
Mining & Quarrying	1.0	3.7	-0.4	2.4	3.9	1.5
Manufacturing	7.1	5.3	3.6	2.3	5.7	2.7
Electricity	7.3	4.0	0.0	2.6	4.2	2.9
<b><u>Use-Based Classification</u></b>						
Basic goods	5.5	3.9	-0.9	3.8	4.4	2.6
Capital goods	6.9	1.8	-5.2	1.6	2.1	-4.2
Intermediate goods	8.8	4.7	2.8	0.1	4.5	1.8
Consumer goods	5.7	8.0	9.7	3.3	8.6	5.7
<b><u>Of which</u></b>						
Consumer Durables	14.1	14.5	12.9	3.7	16.3	11.6
Consumer non-Durables	3.2	5.8	8.7	3.2	6.1	3.7

The overall growth rate of Industrial production during **April-February, 2001-02** at 2.6 per cent recorded a lower growth compared to 5.4 per cent in April-February, 2000-01. The growth in manufacturing sector, electricity generation and mining & quarrying during April-February, 2001-02 was 2.7%, 2.9% and 1.5% respectively as against 5.7%, 4.2% and 3.9% in April-February, 2000-01.

As per the use-based classification, production in capital goods, during April-February, 2001-02, registered negative growth while basic goods, intermediate goods and consumer goods (both consumer durables and consumer non-durables) registered lower increases compared with April-February, 2000-01.

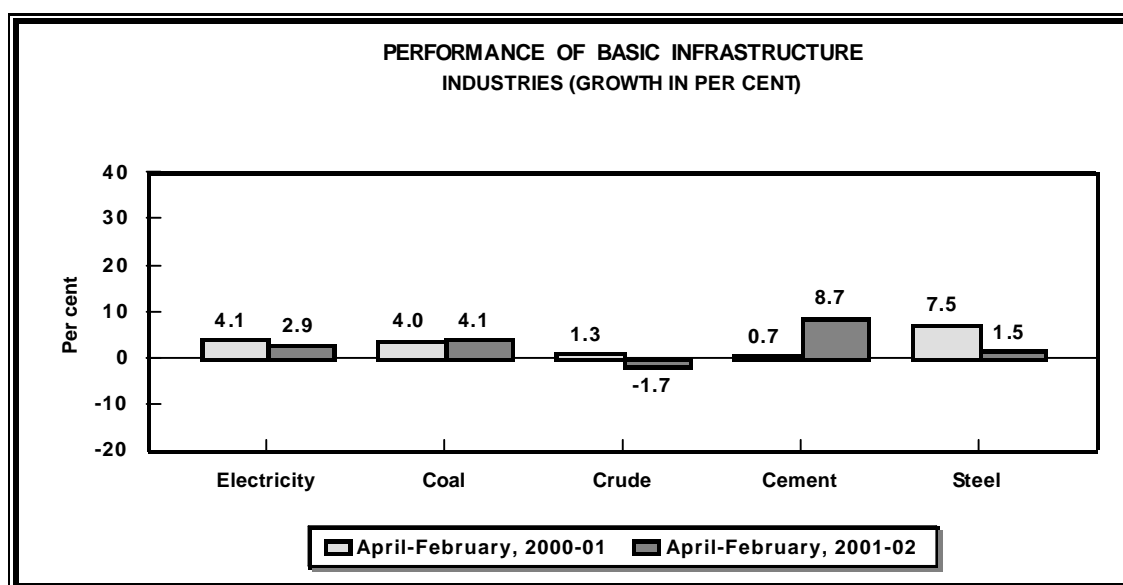


# INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES									
Industry/Infrastructure	Unit	February		Full Year		April-Feb.		Percentage change April-Feb.	
		2001	2002	2000-01		2000-01	2001-02	2000-01/ 1999-00	2001-02/ 2000-01
Coal	Mn. Ton	28.1	30.4	308.9	288.9	277.3	4.0	4.1	
Electricity Generation	Mn. Kwh	39694	40710	499450	455188	468476	4.1	2.9	
Hydel	Mn. kw	4778	4650	74346	69462	67548	-6.4	-2.8	
Thermal (including nuclear)	Mn. kw	34916	36060	425104	385726	400928	6.3	3.9	
Crude petroleum	000 tons	2425	2435	32476	29725	29221	1.3	-1.7	
Petroleum Products	000 tons	7924	7945	96236	87379	91273	21.6	4.5	
Finished steel	000 tons	2453	2590	30423	27640	28053	7.5	1.5	
Cement	000 tons	7740	9380	99940	89780	97550	0.7	8.7	
<b>Average growth rate*</b>	(%)	<b>-1.0</b>	<b>4.9</b>	<b>5.0</b>	-	-	<b>5.6</b>	<b>2.7</b>	
		<u>January</u>		<u>Full Year</u>		<u>April-Jan.</u>		<u>April-Jan.</u>	
Cargo handled at major ports	Mn. Ton	24.73	24.43	280.97	233.98	237.08	5.1	1.3	
Telecommunications									
a) Net switching capacity	000 lines	654.51	605.77	7146.07	3912.51	3619.25	15.5	-7.5	
b) Net Tele. connections	000 nos	619.25	637.59	5924.79	3473.70	3129.26	28.2	-9.9	
Revenue earning goods traffic on railways	Mn. Ton	41.57	45.01	473.25	389.40	402.27	5.0	3.3	

\* 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 mixed performance during **April-February, 2001-02** as compared to April-February, 2000-01. During April-February, 2001-02 average growth rate was 2.7 per cent as compared to 5.6 per cent in April-February, 2000-01.



## REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

(Million Tonnes)

REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	January		Full Year 2000-01	April-Jan.		Percentage Change	
	2001	2002		2000-01	2001-02	Jan. 2002/2001	April-Jan. 2001-02/ 2000-01
Coal	20.08	20.96	222.75	183.93	187.68	4.4	2.0
Raw material for Steel Plants	3.35	3.42	38.75	32.08	32.71	2.1	2.0
Pig Iron & Finished Steel From Steel Plants	0.97	1.07	11.51	9.53	9.67	10.3	1.5
Iron Ore for Exports	1.19	1.45	14.58	11.68	13.39	21.8	14.6
Cement	3.51	3.63	42.84	35.05	32.21	3.4	-8.1
Foodgrains	2.42	2.57	26.65	21.38	29.14	47.5	36.3
Fertilizers	2.13	2.43	27.14	23.41	23.10	14.1	-1.3
POL	2.99	3.17	36.22	30.00	29.75	6.0	-0.8
Balance other goods	4.93	5.31	52.81	42.34	44.62	7.7	5.4
<b>Total</b>	<b>57.57</b>	<b>45.01</b>	<b>473.25</b>	<b>389.40</b>	<b>402.27</b>	<b>8.3</b>	<b>3.3</b>

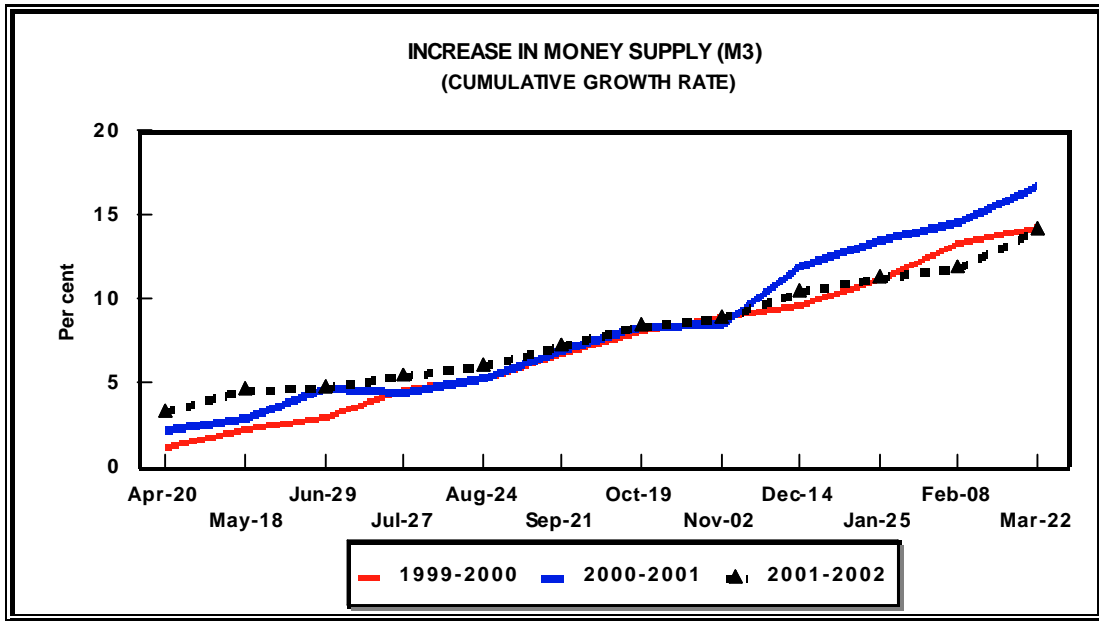
The revenue earning goods traffic handled by the Railways increased by 3.3 per cent during **April-January, 2001-02** as compared to 5.0 per cent in the corresponding period of the last year.

# MONEY AND BANKING

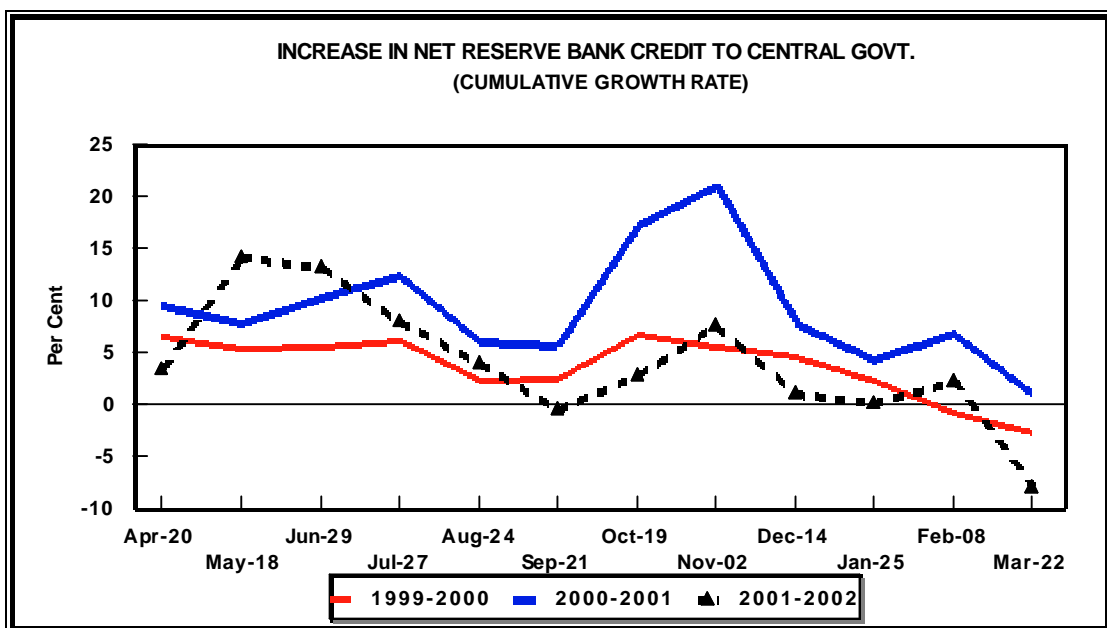
<b>VARIATIONS IN MONEY STOCK</b>						
	<b>Full Year Mar 31 '00 to Mar 31 '01</b>	<b>Mar 31 '01 to Mar 22 '02 (PR)</b>	<b>Full Year Mar 31 '00 to Mar 31 '01</b>	<b>Mar 31 '00 to Mar 23 '01 (P)</b>	<b>Mar 31 '01 to Mar 22 '02 (PR)</b>	<b>Mar 23 '01 to Mar 22 '02 (P)</b>
	<i>(Rs crore)</i>		<i>(per cent)</i>			
<b>M1 (I+II+IV)</b>	37995	41898	11.1	11.0	11.0	11.1
<b>M3(M1+ III)</b>	187409	186036	16.7	16.8	14.2	14.1
I. Currency with the public	20480	32510	10.8	12.0	15.5	14.3
II. Demand deposits with banks	16918	10317	11.3	10.4	6.2	7.0
III. Time deposits with banks	149414	144138	19.1	19.3	15.5	15.3
IV. Other deposits with RBI	596	-930	19.6	-22.3	-25.6	14.5
<b>Sources of change in M3</b>						
(1+2+3+4-5)						
1. Net Bank Credit to Govt (A+B)	71002	62725	16.1	14.0	12.2	14.3
<b>A. RBI's net credit to Govt</b>	5613	-12109	3.8	-2.5	-7.9	-2.0
To Central Govt	6705	-11650	4.8	1.1	-8.0	-4.6
To State Govts	-1092	-459	-12.9	-61.7	-6.2	113.4
B. Other bank credit to Govt	65389	74834	22.3	22.3	20.9	20.9
2. Bank credit to commercial sector	86652	82029	14.8	15.0	12.2	12.0
3. Net foreign exchange assets of banking sector <sup>b</sup>	44172	60918	21.5	20.9	24.4	25.0
4. Govt's currency liabilities to the public	776	872	16.9	16.9	16.3	16.3
5. Banking sector's net non-monetary liabilities other than time deposits	15192	20508	13.3	4.4	15.9	25.8
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, 2001 to March 22, 2002) money supply (M3) increased by 14.2 per cent which is lower than the 16.8 per cent in the corresponding period of 2000-01. Among its components, currency with the public showed a growth of 15.5 per cent as against 12.0 per cent in the corresponding period of last year. Demand deposits with banks showed a growth of 6.2 per cent as against an increase of 10.4 per cent in the corresponding period of last financial year. Time deposits with banks increased by 15.5 per cent as against 19.3 per cent in the corresponding period of last year. The annual growth of M3 as on March 22, 2002 stood at 14.1 per cent.





On the sources side, the Net Bank Credit to Government showed a growth of 12.2 per cent during the current financial year (i.e. March 31, 2001 to March 22, 2002) which is lower than that of 14.0 per cent increase in the same period of 2000-01. RBI's Net Credit to Central Government decreased by 8.0 per cent as against an increase of 1.1 per cent in 2000-01. Bank credit to the commercial sector increased by 12.2 per cent as against an increase of 15.0 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 24.4 per cent as compared with 20.9 per cent in the corresponding period of 2000-01.



## SCHEDULED COMMERCIAL BANKS

<b>SCHEDULED COMMERCIAL BANKS: VARIATION IN ASSETS AND LIABILITIES</b>						
	Full Year Mar 24,'00 to Mar 23,'01	Mar 23,'01 to Mar 22,'02 (PR)	Full Year Mar 24,'00 to Mar 23,'01	Mar 24,'00 to Mar 23,'01	Mar 23,'01 to Mar 22,'02 (P)	Mar 23,'01 to Mar 22,'02 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	75476	74398	17.3	17.3	14.5	14.5
Food credit	14300	13987	55.7	55.7	35.0	35.0
Non-food credit	61176	60411	14.9	14.9	12.8	12.8
2. Aggregate deposits	149273	137836	18.4	18.4	14.3	14.3
Demand deposits	15186	9129	11.9	11.9	6.4	6.4
Time deposits	134088	128707	19.5	19.5	15.7	15.7
3. Borrowings from RBI	-2595	-280	-40.0	-40.0	-7.2	-7.2
4. Cash reserves	2453	3263	3.9			
Cash in hand	328	405	6.1	6.1	7.2	7.2
Balances with RBI	2125	2858	3.7	3.7	4.8	4.8
5. Investments in Govt. and other approved securities	61215	68994	19.8	19.8	18.6	18.6
P = Provisional						

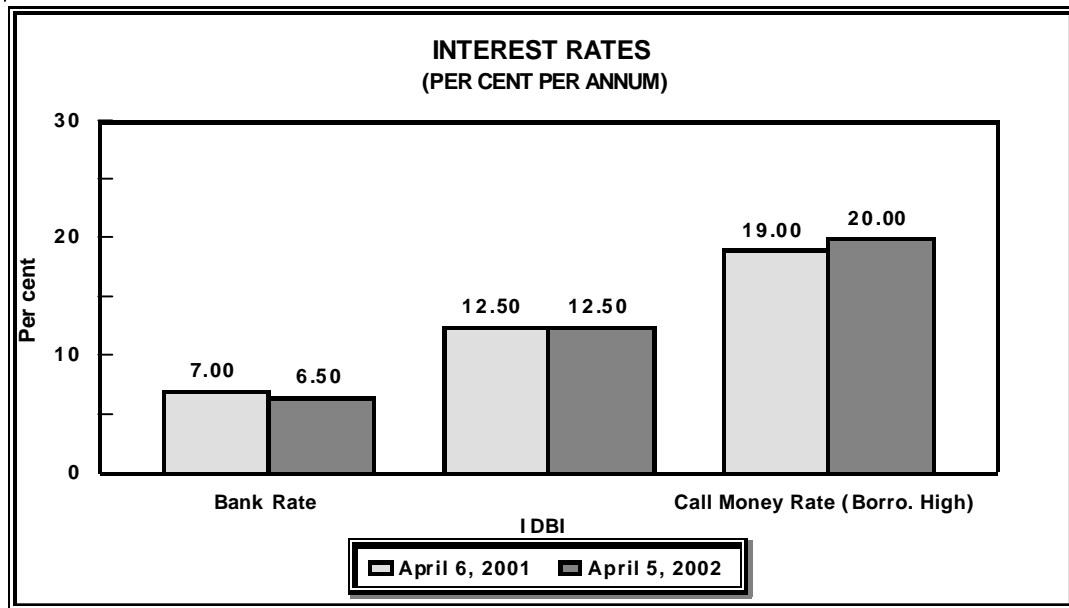
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 23, 2001 to March 22, 2002) showed a growth of 14.5 per cent as compared with an increase of 17.3 per cent in the corresponding period of last financial year. Food credit increased by 35.0 per cent while non-food credit increased by 12.8 per cent during this period.

## INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2001</i>	<i>2002</i>
	<i>Apr. 6</i>	<i>Apr. 5</i>
1	2	3
Bank Rate	7.00	6.50
I.D.B.I. <sup>1</sup>	12.50	12.50
Prime Lending Rate <sup>2</sup>	11.00-12.00	11.00-12.00
Deposit Rate <sup>3</sup>	8.50-10.00	7.00-8.50
Call Money Rate <sup>4</sup> (Low/High)		
-Borrowings	6.00/19.00	4.00/20.00
-Lendings	5.80/19.00	4.00/22.00

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 75-80 per cent of total transactions reported by major participants.

As on April 5, 2002, Prime Lending Rate ranged from 11.00 to 12.00 per cent same as on April 6, 2001. Deposit Rate ranged from 7.00 to 8.50 per cent as against 8.50 to 10.00 on the corresponding day of last year.



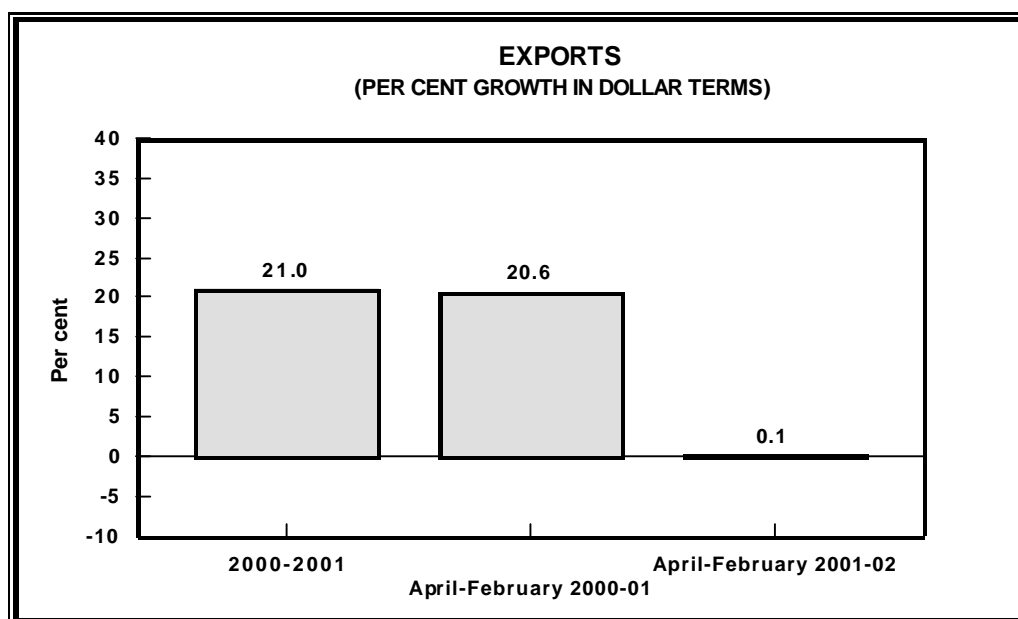
# EXTERNAL SECTOR

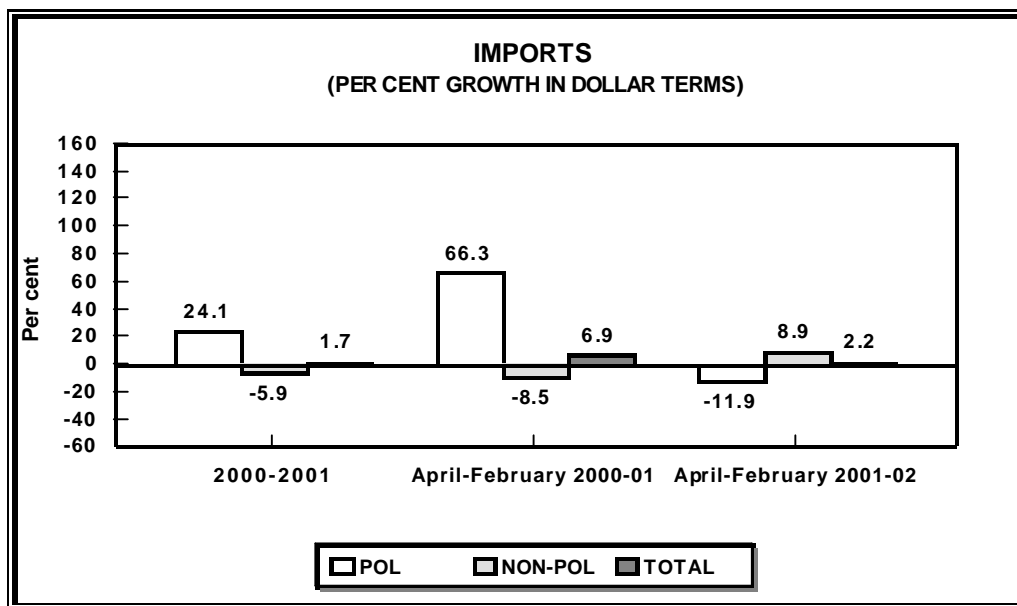
## FOREIGN TRADE

FOREIGN TRADE*						
Item	1999-00(R)	2000-01(R)	April-Feb.		April-Feb.	
			2000-01(R)	2001-02(P)	2000-01	2001-02
<i>Rs. Crore</i>				<i>% change</i>		
Exports	159561	203571	181267	189300	27.0	4.4
Imports	215236	230873	207624	221306	12.6	6.6
POL	54649	71497	66603	61270	75.1	-8.0
Non-POL	160587	159376	141021	160036	-3.6	13.5
Trade Balance	-55675	-27302	-26357	-32006	-	-
<i>Million Dollar</i>				<i>% change</i>		
Exports	36822	44560	39726	39750	20.6	0.1
Imports	49671	50536	45500	46516	6.9	2.2
POL	12611	15650	14606	12873	66.3	-11.9
Non-POL	37060	34886	30894	33643	-8.5	8.9
Trade Balance	-12849	-5976	-5774	-6766	-	-

P = Provisional, R = Revised

Exports in dollar terms during **April-February, 2001-02** increased by 0.1 per cent as compared to an increase of 20.6 per cent during April-February, 2000-01. Imports increased by 2.2 per cent as against an increase of 6.9 per cent in last year. Imports of POL declined by 11.9 per cent as against an increase of 66.3 per cent in April-February, 2000-01.

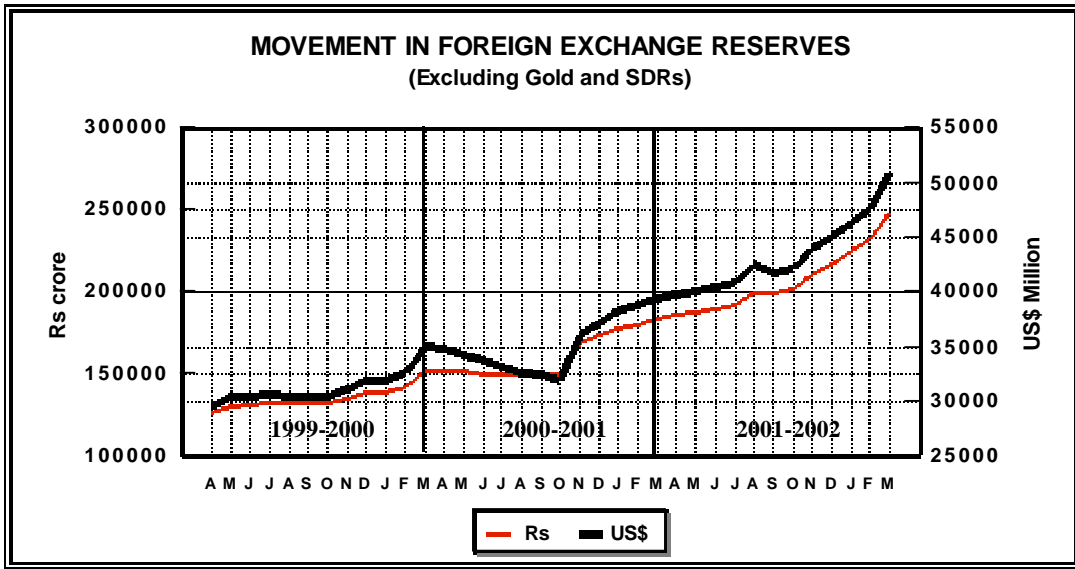




## FOREIGN EXCHANGE RESERVES

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, 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
March, 2001	184482	39554	31558	4496
<b>2001-2002</b>			<i>(Over last Month)</i>	
April	186601	39821	2119	267
May	188762	40171	2161	350
June	191226	40652	2464	481
July	193122	40950	1896	298
August	200561	42537	7439	1587
September	200762	41948	201	(-) 589
October	202957	42309	2195	361
November	211269	44024	8312	1715
December	218021	45251	6752	1227
January	226195	46561	8174	1310
February	232892	47714	6697	1153
March*	249118	51049	16226	3335
* Provisional				

Foreign Exchange Reserves (excluding Gold & SDRs), were \$39554 million at the end of 2000-2001. These reserves have increased by \$11495 million and stood at \$51049 million at the end of March, 2002.



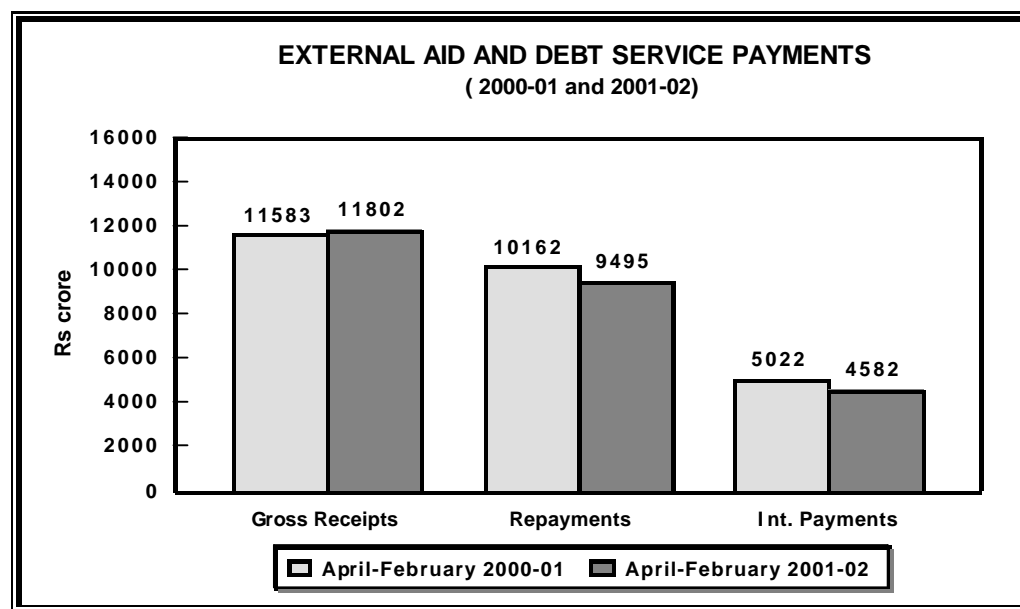
## EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS\*

(Rs Crore)

	Receipts		Repayment of Principal		Payment of Interest	
	2000-01	2001-02	2000-01	2001-02	2000-01	2001-02
Loans- Govt. A/C	9342	9247	9132	8405	3878	3844
Grants- Govt. A/C	666	921	-	-	-	-
Total	10008	10168	9132	8405	3878	3844
Non-Govt. loans	1575	1634	1030	1090	1144	738
<b>Grand Total</b>	<b>11583</b>	<b>11802</b>	<b>10162</b>	<b>9495</b>	<b>5022</b>	<b>4582</b>
	(2540)	(2480)				
Net Flows (net of repayment)	1421	2307	-	-	-	-
Net Transfers (net of repayment and interest payments)	-3601	-2275	-	-	-	-

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

Gross external aid in **April-February 2001-02** at Rs 11802 crore was 1.9 per cent higher than that of Rs 11583 crore in April-February 2000-01. Net aid flows (net of repayments) amounted to Rs 2307 crore as against Rs 1421 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 2275 crore as against Rs (-) 3601 crore in the corresponding period of last year.



## EXCHANGE RATES

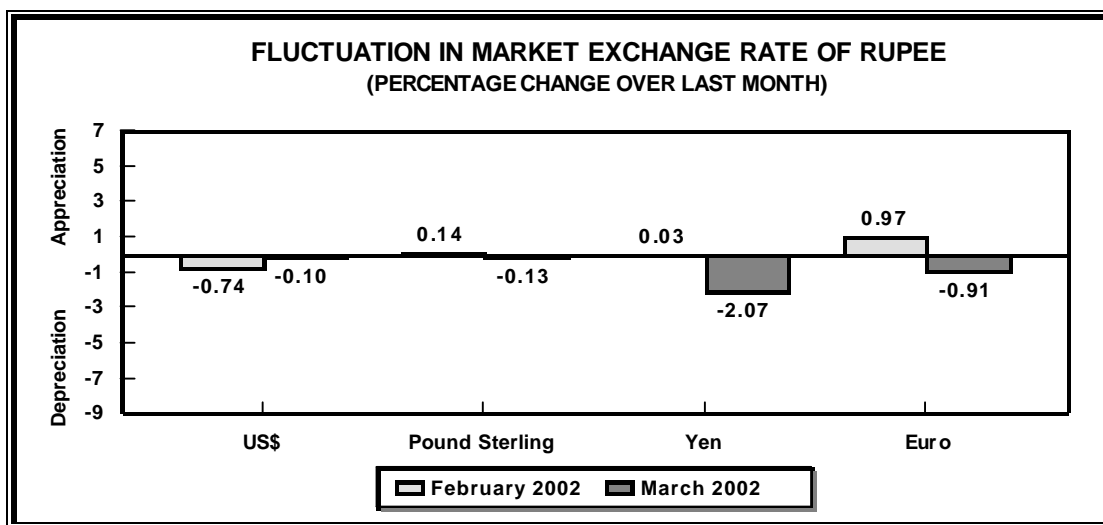
### Rupees Per Unit of Foreign Currency

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

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country NEER Base 1995=100	5 Country REER
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
March 2000	43.59	68.93	21.54	0.4208	6.42	42.08	81.75	99.39
March 2001	46.62	67.39	21.64	0.3846	6.45	42.44	80.23	99.92
<b>2001-2002</b>								
April	46.78	67.22	21.46	0.3789	6.40	41.80	80.69	101.33
May	46.92	66.92	21.02	0.3853	6.27	41.05	80.68	101.41
June	47.00	65.89	20.46	0.3842	6.10	40.16	81.19	102.73
July	47.14	66.65	20.74	0.3784	6.18	40.55	80.97	103.49
August	47.13	67.69	21.77	0.3873	6.49	42.37	79.68	102.01
September	47.64	69.69	22.17	0.4012	6.61	43.41	78.09	100.28
October	48.02	69.74	22.18	0.3962	6.61	43.54	77.93	101.51
November	47.99	69.03	21.86	0.3923	6.52	42.66	78.50	102.42
December	47.92	68.98	21.82	0.3761	6.51	42.75	79.13	103.86
January	48.33	69.38	21.83	0.3647	6.51	42.77	79.19	104.16
February	48.69	69.28	21.68	0.3646	6.46	42.36	79.08	104.62
March	48.74	69.37	--	0.3723	--	42.75	78.59	104.57

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, 2002 depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro compared to average market rate during February, 2002. Both NEER and REER moved down in March, 2002 as compared with the last month.





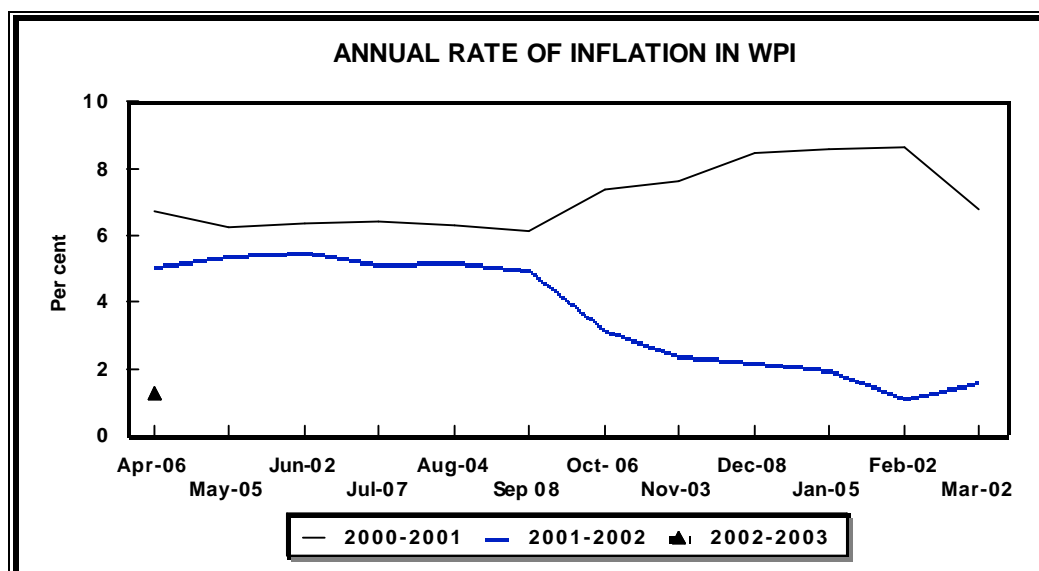
# INFLATION

## WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 6.4.2002)		(ending 6.4.2002) <sup>(P)</sup>	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.38	0.12	5.13	1.25
I Primary articles	22.03	1.55	0.83	0.55	3.48
II Fuel, Power, Light and Lubricants	14.23	-0.04	-0.86	15.03	3.86
III Manufactured Products	63.75	0.14	0.14	3.89	-0.55

P = Provisional

The annual rate of inflation based on **Wholesale Price Index** (WPI) stood at 1.25 per cent for week ended April 6, 2002 compared to 5.13 per cent a year ago. This rate was contributed by an increase of 3.48 per cent in Primary articles, 3.86 per cent increase in Fuel, Power and Lubricants and 0.55 per cent decrease in Manufactured Products as against an increase of 0.55 per cent, 15.03 per cent and 3.89 per cent respectively, on the corresponding date of last year.



## CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	2000-2001 (Up to February, 2001)	2001-2002 (Up to February, 2002)
	<i>Per cent</i>	
Annual Inflation	3.0	5.2
Financial Year Inflation (%)	2.1	4.7
Last Month (% change)	-0.4	-0.2
Level of Index	443	466
Average of Index for 12 months ending February	443.25	461.42

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for February, 2002 which stood at 466 decreased by 0.2 per cent over the previous month's level and increased by 5.2 per cent over February, 2001.

