



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

MONTHLY ECONOMIC REPORT

DECEMBER, 2000

HIGHLIGHTS

- The Post-monsoon rainfall upto 13 December 2000 was normal/excess in 11 per cent of meteorological sub-divisions.
- Foodgrains stocks 44.49 million tonnes as on November 1, 2000.
- Overall industrial growth 5.7 per cent in April-October, 2000.
- Core infrastructure sectors achieved an average growth rate of 6.7 per cent in April-September, 2000 compared with 6.4 per cent in April-September, 1999.
- Money Supply (M3) growth was 11.5 per cent during March 31, 2000 to November 17, 2000, whereas annual growth rate for fortnight ended November 17, 2000 was 16.6 per cent. Net RBI Credit to Government increased by 6.7 per cent during March 31, 2000 to November 17, 2000.
- The annual inflation rate in terms of WPI (Base 1993-94) was 7.5 per cent for week ended December 2, 2000 compared to 2.5 per cent a year ago.
- Exports increased by 20.5 per cent in dollar terms in April-October, 2000 compared to an increase of 10.0 per cent in April-October, 1999. Imports increased by 14.0 per cent.
- Rupee appreciated against Pound Sterling and depreciated against US Dollar, Deutsche Mark, French Franc, Japanese Yen and Euro in November, 2000.
- Forex reserves (excluding Gold & SDRs) stood at \$36.29 billion at the end of November, 2000.

(Manoranjan Kumar)
Deputy Economic Adviser

AGRICULTURE

POST-MONSOON RAINFALL*

	Number of Meteorological Sub-divisions						
	1995	1996	1997	1998	1999	1995-99+	2000
Excess/Normal	18	26	25	33	28	26	4
Deficient/Scanty/Nil	17	9	10	2	7	9	31
Total	35	35	35	35	35	35	35
+ Annual average	* (Oct.-Dec.)						

The Post-monsoon rainfall from October 1, 2000 to December 13, 2000 was normal/excess in 4 (11 per cent) meteorological sub-divisions and deficient/scanty in the remaining 31 (89 per cent). The annual average for 1995-99 was normal/excess in 26 (74 per cent) meteorological sub-divisions and deficient/scanty in the remaining 9 (26 per cent).

PROCUREMENT*

(Million Tonnes)

(1)	Full Marketing Year			Up to December 11		
	1997-98 (2)	1998-99 (3)	1999-2000 (4)	1999(P) (5)	2000(P) (6)	% change Col. (6)/(5)
Rice (Oct-Sep)	14.33	11.79	17.27	8.45	9.12	7.9
Wheat (Apr-Mar)	9.30	12.65	14.14	14.14	16.35	15.6
* Central pool						

Wheat procurement up to December 11, 2000 in the current marketing year, (i. e., 2000-2001) was higher by 15.6 per cent at 16.35 million tonnes compared to 14.14 million tonnes in the corresponding period in 1999-2000. Procurement of rice during the marketing year 2000-01 (up to December 11, 2000) at 9.12 million tonnes was higher by 7.9 per cent than the level of 8.45 million tonnes during the corresponding period of 1999-2000.

OFF-TAKE

(Million Tonnes)

	April-October			
	1998-99	1999-2000	1999-2000	2000-01(P)
Rice	11.83	12.06	6.89	5.70
Wheat	8.90	9.86	4.02	2.83
Total	20.73	21.92	10.91	8.53

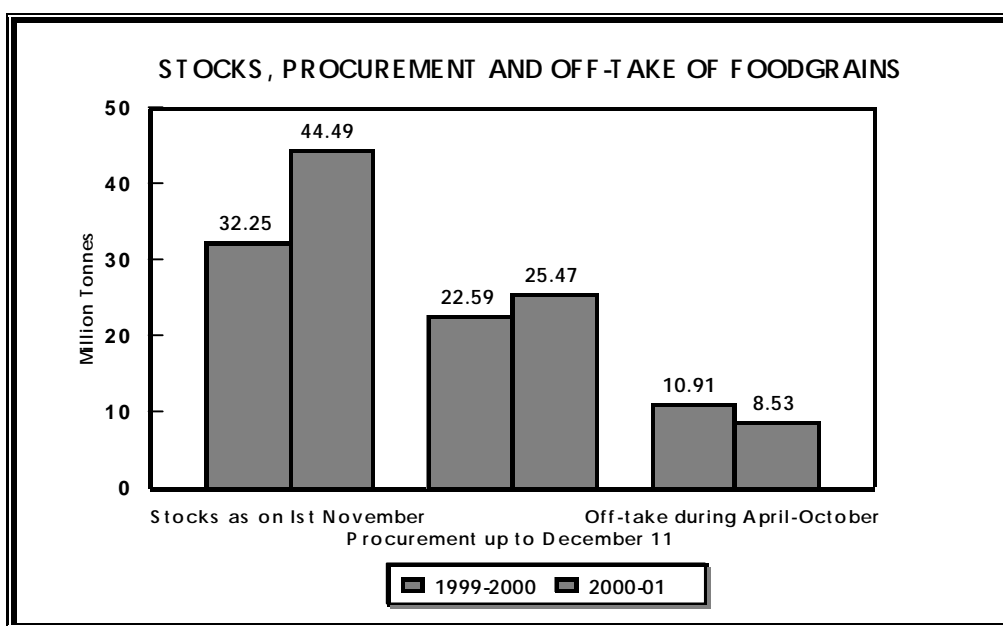
Off-take from the public distribution system central pool during April-October, 2000-01 was 8.53 million tonnes which was lower by 21.8 per cent than the off-take of 10.91 million tonnes during corresponding period of last year.

STOCKS

(Million Tonnes)

	As on 1st October		As on 1st November	
	1999	2000	1999	2000
Rice	8.82	13.21	12.78	17.99
Wheat	20.53	26.85	19.47	26.50
Total	29.35	40.06	32.25	44.49

Stocks of foodgrains as on 1st November, 2000 at 44.49 million tonnes which was higher by 38.0 per cent than the level at 32.25 million tonnes as on 1st November, 1999.

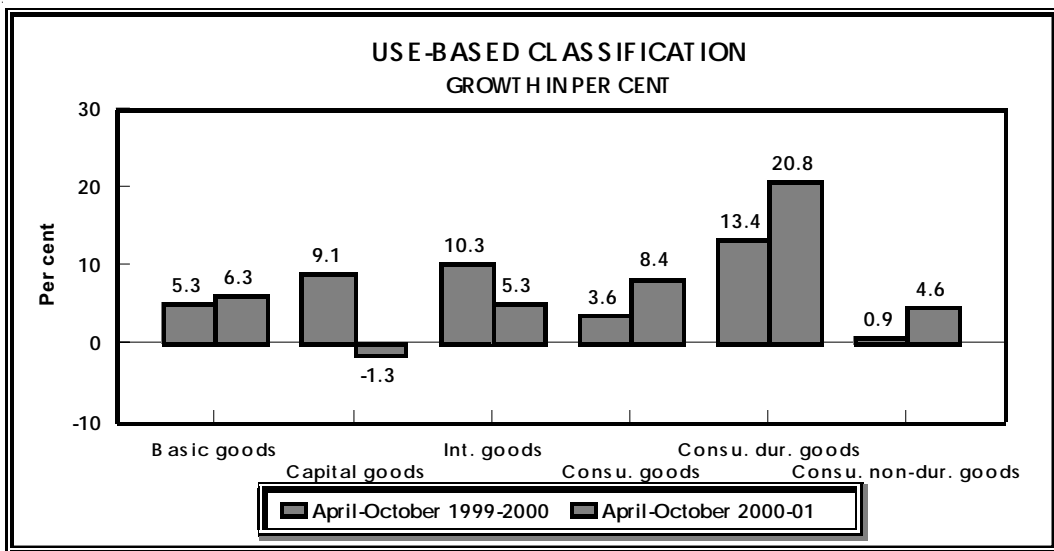
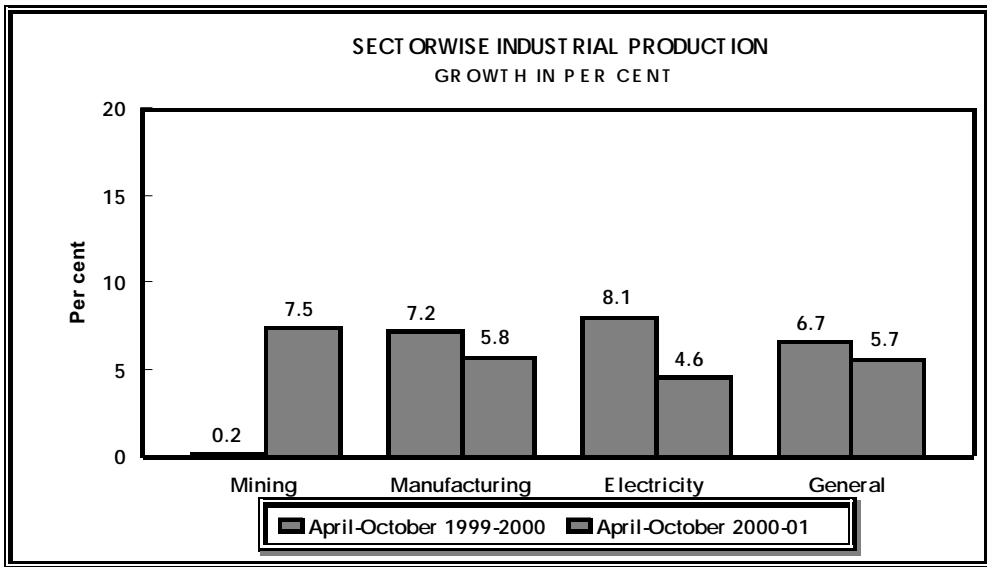


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)	<i>(Percentage change)</i>					
	1998-99/ 1997-98	1999-00/ 1998-99	Oct. '99/ Oct. '98	Oct. '00/ Oct. '99	<u>April-October</u>	
					1999-00	2000-01
<u>General</u>	3.8	8.1	8.4	6.6	6.7	5.7
Mining & Quarrying	-1.7	0.8	-1.9	10.3	0.2	7.5
Manufacturing	4.1	9.2	9.4	5.6	7.2	5.8
Electricity	6.5	6.1	9.9	11.5	8.1	4.6
<u>Use-Based Classification</u>						
Basic goods	1.4	5.1	5.4	10.3	5.3	6.3
Capital goods	11.5	5.4	4.7	-1.7	9.1	-1.3
Intermediate goods	5.9	15.4	13.9	3.5	10.3	5.3
Consumer goods	1.8	5.4	7.7	8.9	3.6	8.4
<u>Of which</u>						
Consumer Durables	4.5	13.3	9.0	17.1	13.4	20.8
Consumer non-Durables	1.2	3.2	7.4	6.2	0.9	4.6

The overall growth rate of Industrial production in **April-October, 2000** was 5.7 per cent as compared to 6.7 per cent in April-October, 1999. The production growth in manufacturing sector, electricity generation and mining & quarrying during April-October, 2000 was 5.8%, 4.6% and 7.5% as against 7.2%, 8.1% and 0.2% respectively.

As per use-based classification, production in basic goods, consumer goods (both durables and non-durables) during April-October, 2000 registered higher increase while in capital goods and intermediate goods recorded negative and lower increase respectively over the corresponding period of last year.

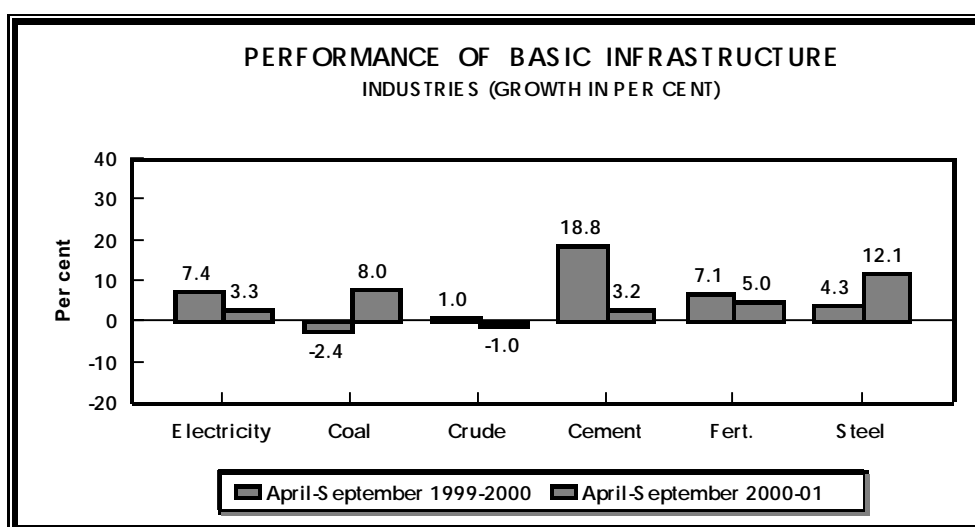


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	Sept. 1999	Sept. 2000	Full Year 1999-00	April-Sept.		Percentage change April-Sept.	
					1999-00	2000-01	1999-00/ 1998-99	2000-01/ 1999-00
Coal	Mn. Ton	20.70	22.81	298.98	128.99	139.37	-2.4	8.0
Electricity Generation	Mn. Kwh	40321	41089	480011	237508	245384	7.4	3.3
Hydel	Mn. kw	8656	8078	80533	43592	42366	-2.0	-2.8
Thermal (including nuclear)	Mn. kw	31665	33011	399478	193916	203018	9.8	4.7
Plant Load Factor	Per cent	65.1	63.9	67.3	66.0	66.3	-	-
Crude petroleum	000 tons	2674	2682	32005	16387	16224	1.0	-1.0
Petroleum Products	000 tons	7173	8980	85894	39062	50466	19.1	29.2
Finished steel	000 tons	2242.4	2611.3	27820.8	13478.0	15108.9	4.3	12.1
Cement	000 tons	7190	7428	100240	48510	50082	18.8	3.2
Fertilizers	000 tons	1212.9	1272.6	14273.9	6936.5	7281.9	7.1	5.0
Average growth rate*	(%)	10.3	7.1	7.8	-	-	6.4	6.7
Cargo handled at major ports	Mn. Ton	22.43	22.52	271.87	133.85	137.99	7.9	3.1
Telecommunications								
a) Net switching capacity	000 lines	416.61	406.17	6717.32	1166.76	1837.23	30.4	57.5
b) Net Tele. connections	000 nos	241.97	300.10	4917.66	1036.91	1525.71	13.4	47.1
Revenue earning goods traffic on railways	Mn. Ton	34.65	36.28	456.31	216.39	228.74	7.6	5.7

* 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).

The core infrastructure sectors have mixed performance during **April-September, 2000** as compared to the corresponding period of the last year. In this period average growth rate was 6.7 per cent as against 6.4 per cent in the same period last year.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

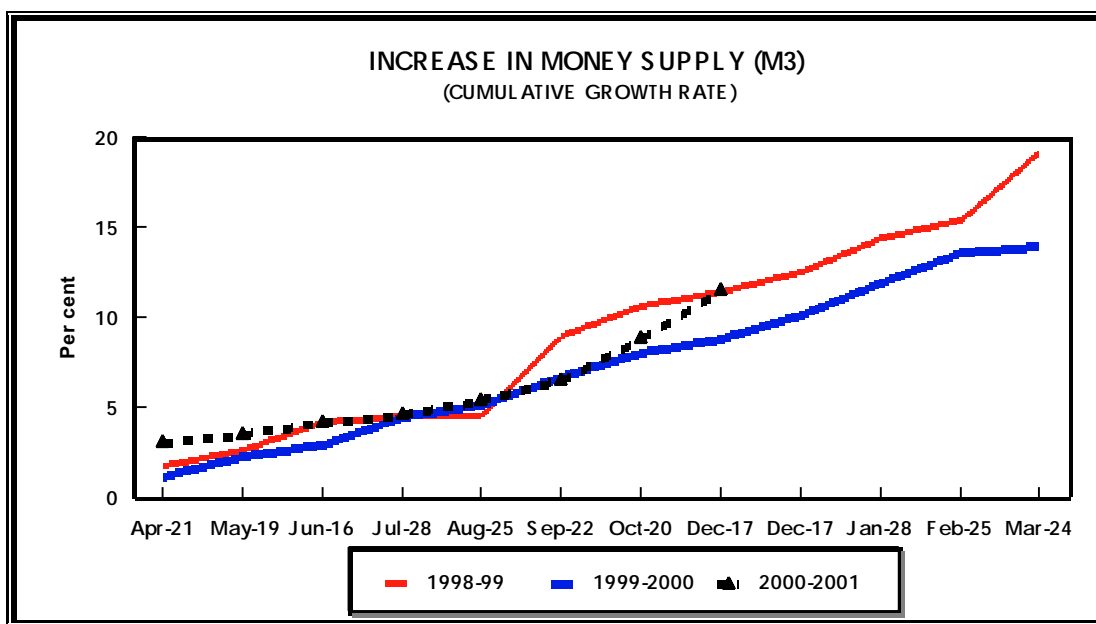
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	September 1999	September 2000	Full Year 1999-00	April-Sept. 1999-00	April-Sept. 2000-01	Sept. 2000/1999	April-Sept. 2000-01/ 1999-00
Coal	15.36	17.16	209.93	101.00	108.96	11.7	7.7
Raw material for Steel Plants	3.09	3.04	37.48	17.80	18.59	-1.6	4.4
Pig Iron & Finished Steel From Steel Plants	0.92	0.91	11.76	5.52	5.56	-1.1	0.7
Iron Ore for Exports	0.97	1.14	12.32	5.31	6.61	17.5	24.5
Cement	3.02	3.03	43.57	20.33	21.23	0.3	4.4
Foodgrains	2.83	1.79	31.04	14.89	12.80	-36.7	-14.0
Fertilizers	2.92	2.55	31.04	15.23	13.64	-12.7	-10.4
POL	2.68	3.03	34.39	16.81	18.12	13.1	7.8
Balance other goods	2.86	3.63	44.78	19.29	23.23	26.9	20.4
Total	34.65	36.28	456.31	216.39	228.74	4.7	5.7

The revenue earning goods traffic handled by the Railways increased by 5.7 per cent during **April-September, 2000** as compared to 7.6 per cent in the corresponding period of last year. The increase was on account of goods traffic on railways for iron ore for exports, cement, coal, raw material for steel plants, pig iron & finished steel from steel plants, POL and balance other goods.

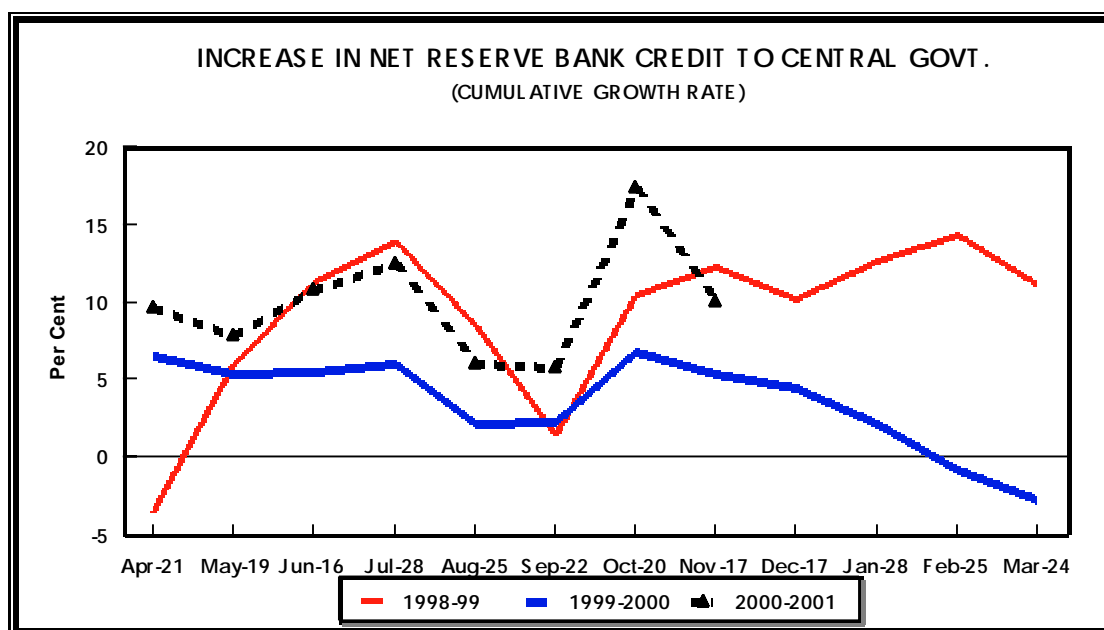
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '99 to Mar 31 '00	Mar 31 '00 to Nov 17 '00 (PR)	Full Year Mar 31 '99 to Mar 31 '00	Mar 31 '99 to Nov 19 '99 (P)	Mar 31 '00 to Nov 17 '00 (PR)	Nov 19 '99 to Nov 17 '00 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
M1 (I+II+IV)	31492	16361	10.2	3.9	4.8	11.2
M3(M1+ III)	136182	128143	13.9	8.9	11.5	16.6
I. Currency with the public	19761	16576	11.7	12.5	8.8	8.0
II. Demand deposits with banks	12418	-298	9.1	-6.3	-0.2	16.3
III. Time deposits with banks	104689	111783	15.6	11.2	14.4	18.9
IV. Other deposits with RBI	-687	83	-18.1	-13.5	2.7	-2.8
Sources of change in M3						
<i>(1+2+3+4-5)</i>						
1. Net bank credit to Govt (A+B)	55077	50669	14.2	12.2	11.5	13.5
A. RBI's net credit to Govt ^a	-4275	9860	-2.8	2.9	6.7	0.7
To Central Govt	-5587	14155	-3.8	5.5	10.1	0.4
To State Govts	1312	-4234	18.4	-49.2	-50.2	16.1
B. Other bank credit to Govt	59352	40749	25.3	18.3	13.9	20.7
2. Bank credit to commercial sector	82548	49273	16.6	5.6	8.5	19.9
3. Net foreign exchange assets of banking sector ^b	27795	7714	15.6	2.6	3.8	16.9
4. Govt's currency liabilities to the public	416	7	10.8	10.1	0.2	0.8
5. Banking sector's net non-monetary liabilities other than time deposits	29654	-20481	35.6	-8.4	-18.1	21.1
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, 2000 to November 17, 2000) money supply (M3) increased by 11.5 per cent as against an increase of 8.9 per cent in the corresponding period of 1999-2000. Among its components, currency with the public showed a growth of 8.8 per cent as against 12.5 per cent in the corresponding period of last year. Demand deposits with banks showed a decline of 0.2 per cent than that of 6.3 per cent in the corresponding period of last financial year. Time deposits with banks has gone up by 14.4 per cent as against an increase of 11.2 per cent in the corresponding period of last year. The annual growth of M3 as on November 17, 2000 stood at 16.6 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 11.5 per cent during the current financial year (i.e. March 31, 2000 to November 17, 2000) which is lower than that of 12.2 per cent increase in the same period of 1999-2000. RBI's Net Credit to Central Government increased by 10.1 per cent as against an increase of 5.5 per cent in 1999-2000. Bank credit to the commercial sector increased by 8.5 per cent as against an increase of 5.6 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 3.8 per cent as compared with 2.6 per cent in the corresponding period of 1999-2000.



SCHEDULED COMMERCIAL BANKS

SCHEDULED COMMERCIAL BANKS: VARIATION IN ASSETS AND LIABILITIES						
	Full Year Mar 26,'99 to Mar 24,'00	Mar 24,'00 to Nov 17,'00 (PR)	Full Year Mar 26,'99 to Mar 24,'00	Mar 26,'99 to Nov 19,'99	Mar 24,'00 to Nov 17,'00 (P)	Nov 19,'99 to Nov 17,'00 (P)
	<i>(Rs crore)</i>			<i>(per cent)</i>		
1. Bank credit	67121	44628	18.2	7.0	10.2	21.8
Food credit	8875	9743	52.8	39.2	37.9	51.4
Non-food credit	58246	34885	16.5	5.4	8.5	19.9
2. Aggregate deposits	99320	101333	13.9	8.1	12.5	18.5
Demand deposits	9943	555	8.5	-7.0	0.4	17.1
Time deposits	89376	100779	15.0	11.0	14.7	18.8
3. Borrowings from RBI	3597	-867	124.3	31.1	-13.4	48.2
4. Cash reserves	-5161	8933	-7.6	-3.5	14.2	9.3
Cash in hand	968	393	22.2	7.4	7.4	22.1
Balances with RBI	-6129	8540	-9.6	-4.2	14.9	8.4
5. Investments in Govt. and other approved securities	54349	37604	21.3	16.2	12.2	17.2
P = Provisional						

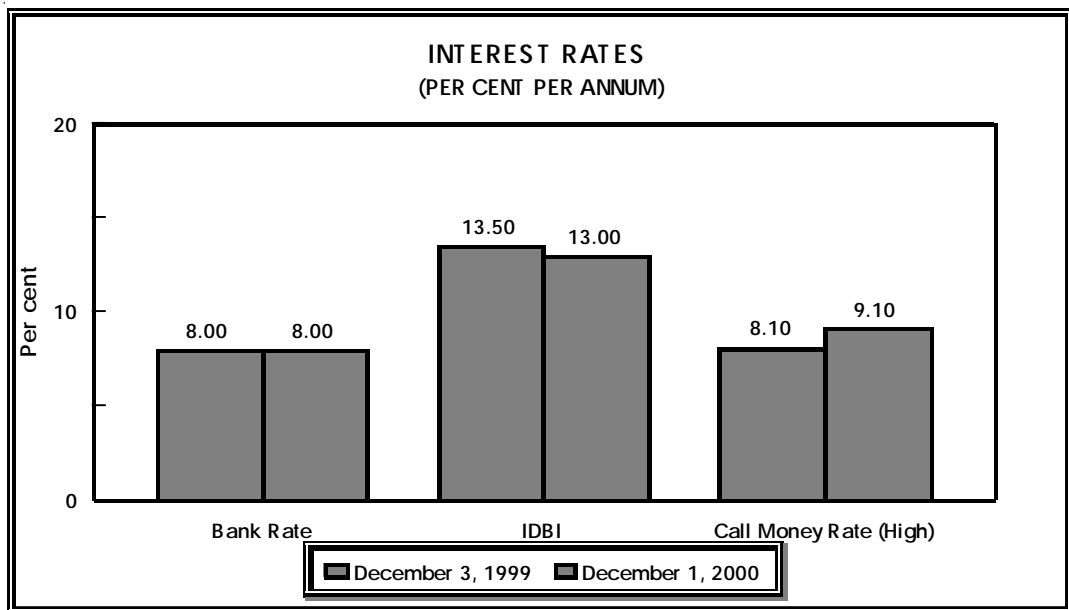
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 24, 2000 to November 17, 2000) showed a growth of 10.2 per cent as compared with an increase of 7.0 per cent in the corresponding period of last financial year. Food credit increased by 37.9 per cent while non-food credit increased by 8.5 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>1999</i>	<i>2000</i>
1	<i>Dec. 3</i>	<i>Dec. 1</i>
1	2	3
Bank rate	8.00	8.00
I.D.B.I. ¹	13.50	13.00
Prime Lending Rate ²	12.00-12.50	12.00-12.50
Deposit Rate ³	8.00-10.50	8.50-10.00
Call Money Rate ⁴ (Low/High)		
-Borrowings	4.25/8.10	7.00/9.10
-Lendings		7.00/9.50

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 December 1, 2000, Prime Lending Rate was 12.00 to 12.50 per cent same as on December 3, 1999. Deposit Rate ranged from 8.50 to 10.00 per cent against 8.00 to 10.50 per cent in the same period of last year.

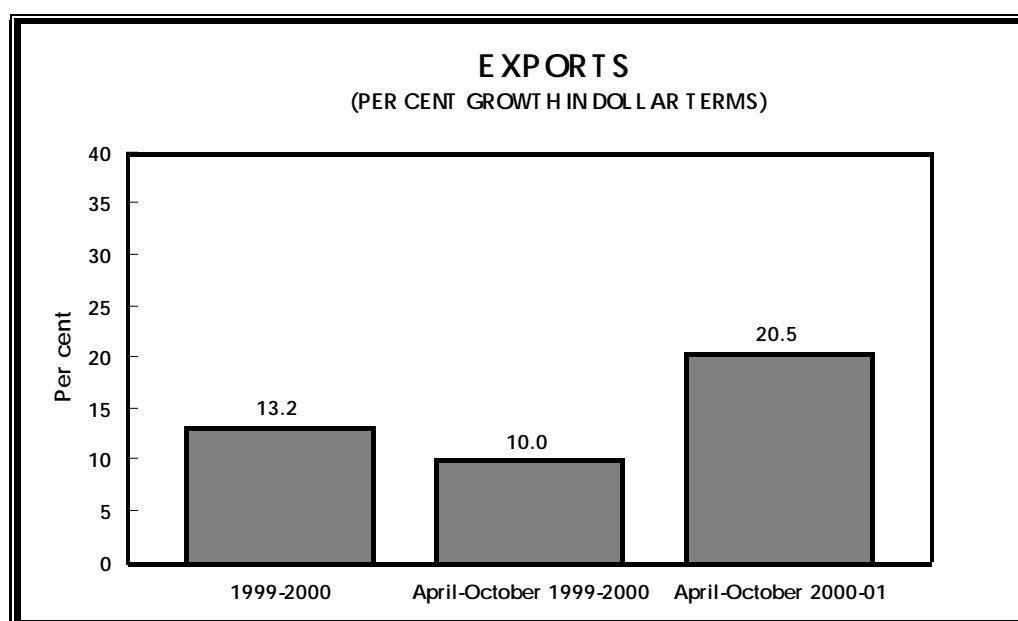


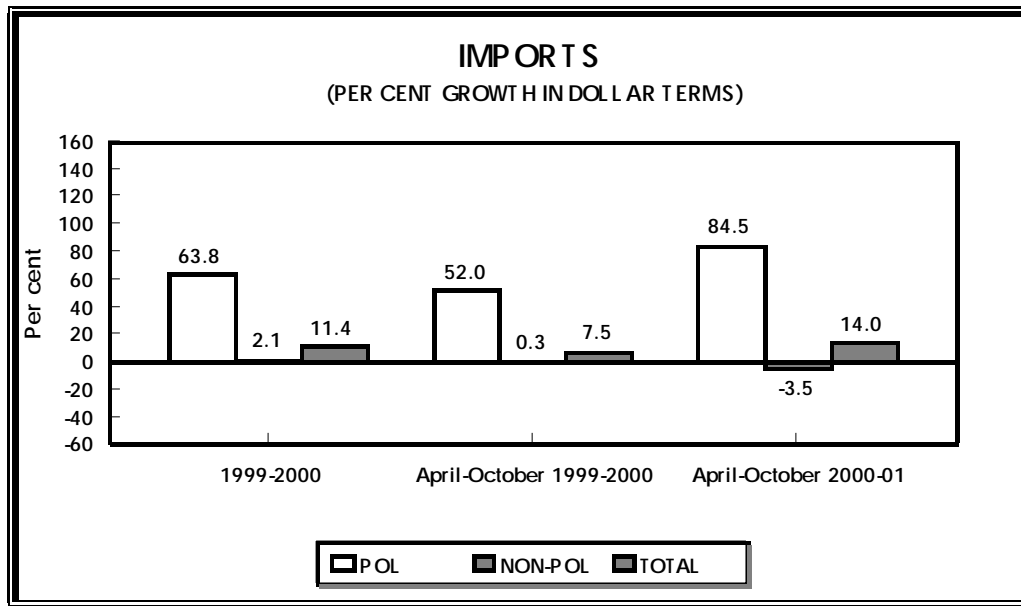
EXTERNAL SECTOR

FOREIGN TRADE

FOREIGN TRADE*						
Item	1998-99(R)	1999-00(P)	April-Oct.		April-Oct.	
			1999-00	2000-01	1999-00	2000-01
<i>Rs. Crore</i>			<i>% change</i>			
Exports	139752	162925	89697	122646	13.7	25.6
Imports	178332	204583	114746	136129	11.3	18.6
POL	26919	45421	22485	43798	57.1	92.2
Non-POL	151413	159161	91961	92331	3.8	0.4
Trade Balance	-38580	-41658	-25048	-23483	-	-
<i>Million Dollar</i>			<i>% change</i>			
Exports	33218	37599	20757	25014	10.0	20.5
Imports	42389	47212	26553	30270	7.5	14.0
POL	6399	10482	5275	9733	52.0	84.5
Non-POL	35990	36730	21278	20537	0.3	-3.5
Trade Balance	-9171	-9613	-5796	-5256	-	-
* Figures are provisional						

Exports in dollar terms during **April-October, 2000-01** increased by 20.5 per cent as compared to an increase of 10.0 per cent during April-October, 1999-2000. Imports increased by 14.0 per cent as against an increase of 7.5 per cent in corresponding period last year. Imports of POL increased by 84.5 per cent as against an increase of 52.0 per cent in last year.



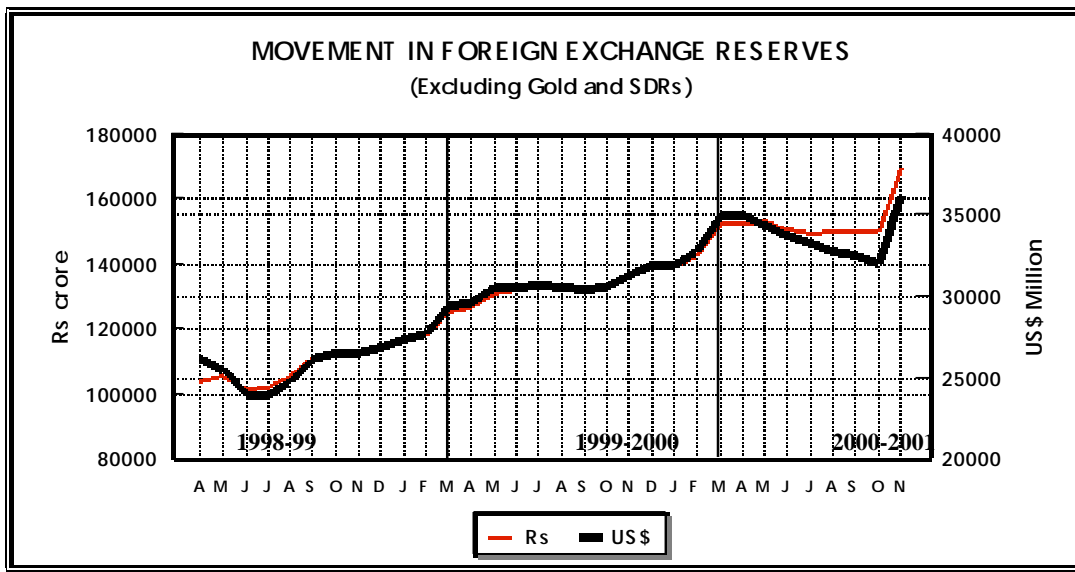


FOREIGN EXCHANGE RESERVES

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)				
At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore (Over last Year)	\$ 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
2000-2001			<i>(Over last Month)</i>	
April	152779	34993	-145	-65
May	153322	34392	543	-601
June	150901	33774	-2421	-618
July	149811	33299	-1090	-475
August	150163	32787	352	-512
September	150195	32602	32	-185
October	150185	32091	-10	-511
November*	169962	36286	19777	4195

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$ 35058 million at the end of 1999-2000. These reserves have increased by \$1228 million and stood at \$36286 million at the end of November, 2000.

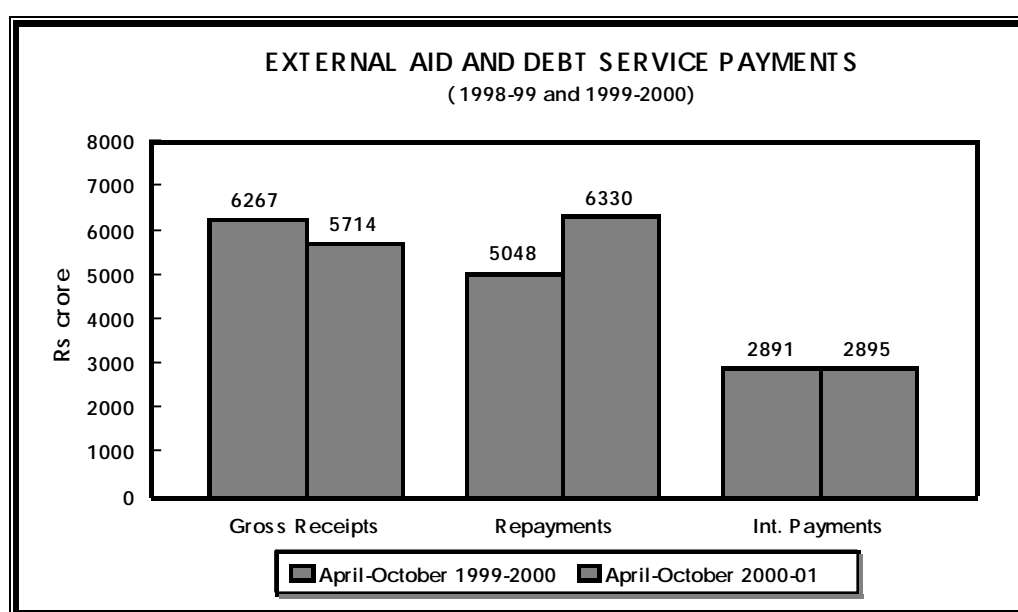


EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(Rs Crore)

	Receipts		Repayment of Principal		Payment of Interest	
	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01
Loans- Govt. A/C	4539	4752	4588	5707	2306	2246
Grants- Govt. A/C	336	263	-	-	-	-
Total	4875	5015	4588	5707	2306	2246
Non-Govt. loans	1392	699	460	623	585	649
Grand Total	6267	5714	5048	6330	2891	2895
	(1451)	(1270)				
Net Flows (net of repayment)	1219	-616	-	-	-	-
Net Transfers (net of repayment and interest payments)	-1672	-3511	-	-	-	-
* April-October						
Note: Figures in brackets are in terms of million US \$						

Gross external aid in **April-October, 2000** at Rs 5714 crore was 8.8 per cent lower than that of Rs 6267 crore in April-October, 1999. Net aid flows (net of repayments) amounted to Rs (-) 616 crore as against Rs 1219 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 3511 crore as against Rs (-) 1672 crore in the corresponding period of last year.



EXCHANGE RATES

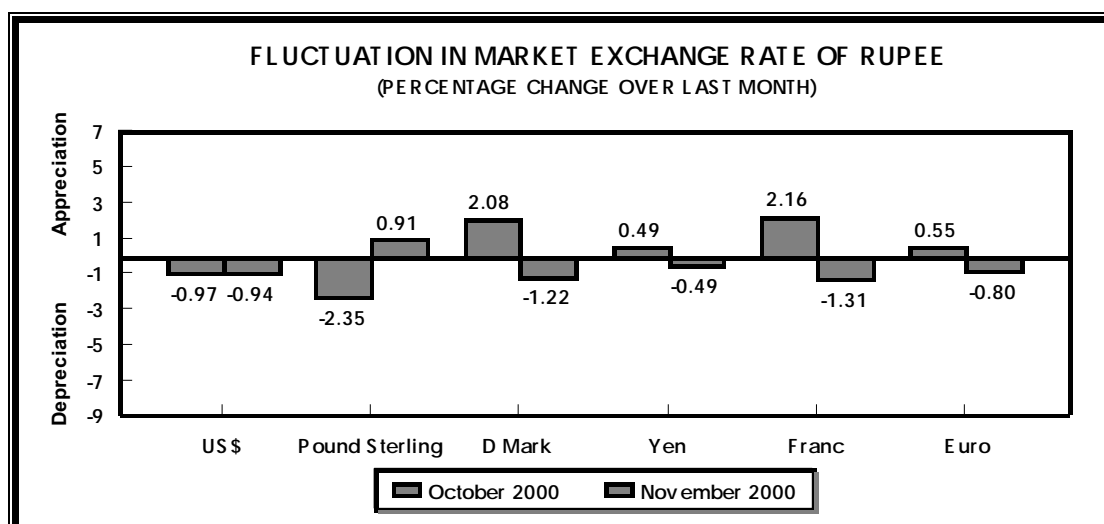
Rupees Per Unit of Foreign Currency

(Market Rate^a)

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country NEER Base 1995=100	5 Country REER Base 1995=100
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
March 2000	43.59	68.93	21.54	0.4208	6.42	42.08	81.75	99.39
2000-2001								
April	43.64	69.05	21.00	0.4142	6.26	41.30	81.79	100.87
May	43.98	66.40	20.34	0.4069	6.06	39.87	82.91	101.86
June	44.69	67.46	21.66	0.4209	6.46	42.41	80.52	98.59
July	44.78	67.59	21.44	0.4153	6.39	42.14	80.76	99.18
August	45.68	68.02	21.18	0.4230	6.31	41.38	79.97	98.49
September	45.89	65.76	20.61	0.4297	6.15	39.93	80.54	99.32
October	46.34	67.34	20.19	0.4276	6.02	39.71	80.14	100.34
November	46.78	66.73	20.44	0.4297	6.10	40.03	79.68	99.90

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 November, 2000 appreciated against Pound Sterling and depreciated against US Dollar, Deutsche Mark, French Franc, Japanese Yen and Euro compared to average market rate during October, 2000. Both NEER and REER moved down in November, 2000 as compared with the last month.



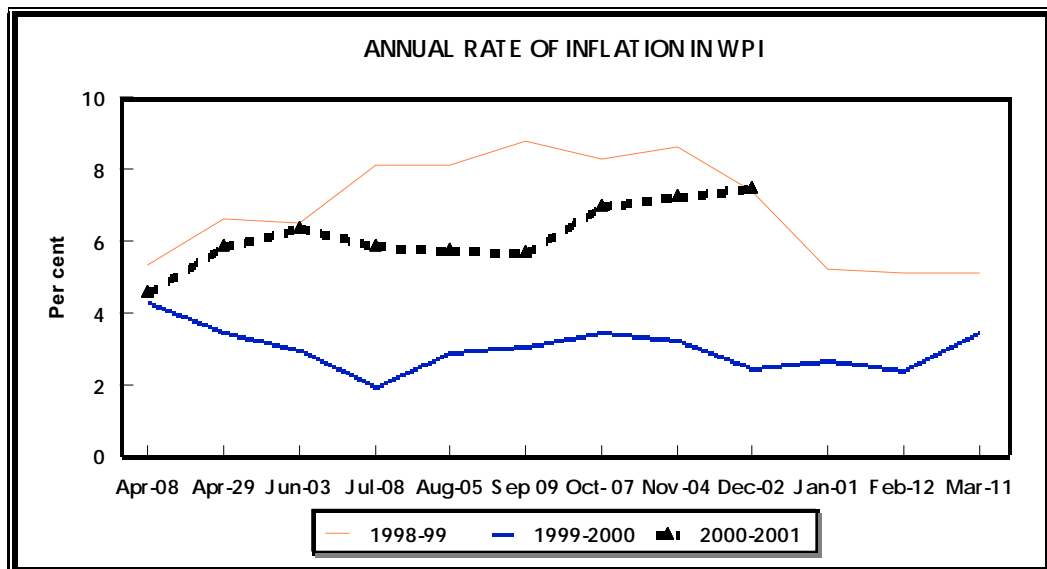
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 2.12.2000)		(ending 2.12.2000) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	-0.5	-0.4	2.5	7.5
I Primary articles	22.03	-2.6	-1.6	-4.4	2.7
II Fuel, Power, Light and Lubricants	14.23	0.0	-1.0	13.4	30.3
III Manufactured Products	63.75	0.1	0.4	2.8	3.2

P = Provisional

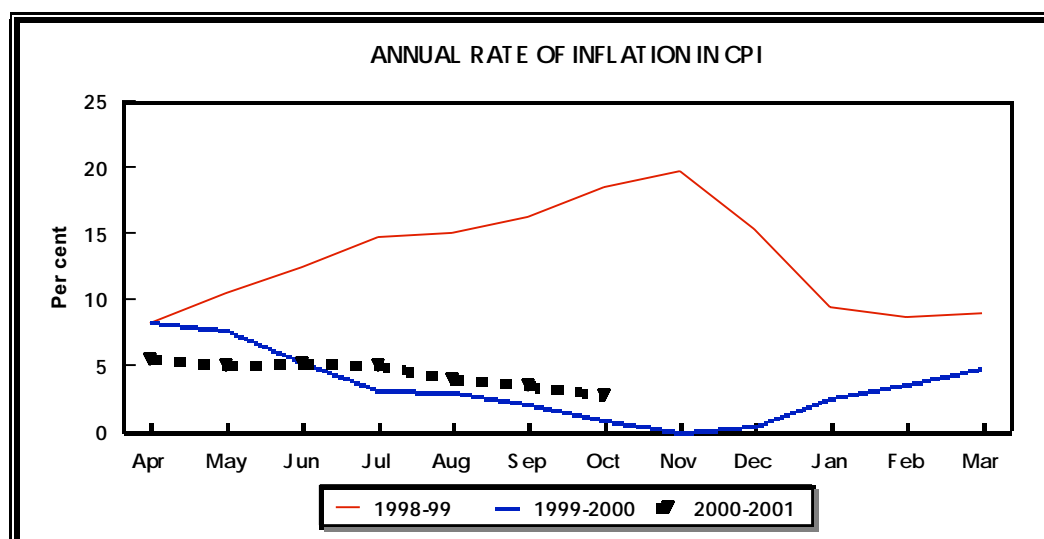
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 7.5 per cent for week ended December 2, 2000 compared to 2.5 per cent a year ago. This rate was contributed by an increase of 2.7 per cent in Primary articles, 30.3 per cent increase in Fuel, Power and Lubricants and 3.2 per cent increase in Manufactured Products as against a decline of 4.4 per cent, an increase of 13.4 per cent and 2.8 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	1999-2000 (Up to October, 1999)	2000-2001 (Up to October, 2000)
	<i>Per cent</i>	
Annual Inflation	0.9	2.8
Financial Year Inflation (%)	5.6	3.5
Last Month (% change)	1.9	1.1
Level of Index	437	449
Average of Index for 12 months ending October	423.83	438.75

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for October, 2000 which stood at 449 increased by 1.1 per cent over the previous month's level and increased by 2.8 per cent over October, 1999.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	August		April-August	
	1999	2000*	1999-00	2000-01*
1. No. of applicants on Live Register at the end of the month	410.93	414.28	410.93	414.28
2. No. of registrations/ re-registrations	5.60	5.73	28.87	30.04
3. Placements effected	0.18	0.15	0.88	0.69
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	3.13	2.62	3.06	2.30
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **August**, 2000 was 414.3 lakh, higher by 0.8 per cent as compared to the corresponding period of the previous year. The number of registrations during **August**, 2000 was higher by 2.3 per cent than that in **August**, 1999. The Placements as percentage of registrations during **August**, 2000 was 2.62 as against 3.13 in **August**, 1999. The total placements effected during 2000-01 (April-August) was 0.69 lakh as compared to 0.88 lakh in the corresponding period of 1999-2000.