



Government of India
Ministry of Finance
Department of Economic Affairs
Economic Division
8(2) /Ec Dn/ 2001

MONTHLY ECONOMIC REPORT

DECEMBER, 2001

HIGHLIGHTS

- 1 The Post-Monsoon season rainfall upto 12 December 2001 was normal/excess in 69 per cent of meteorological sub-divisions.
- 1 Foodgrains stocks 62.30 million tonnes as on November 1, 2001.
- 1 Overall industrial growth 2.2 per cent in April-October, 2001 as against 5.9 per cent in April-October, 2000.
- 1 Core infrastructure sectors achieved an average growth rate of 2.0 per cent in April-November 2001 as against 6.4 per cent in April-November 2000.
- 1 Money Supply (M3) growth was 8.9 per cent during March 31, 2001 to November 2, 2001, whereas annual growth rate for fortnight ended November 2, 2001 was 16.9 per cent. Net RBI Credit to Government increased by 6.2 per cent during March 31, 2001 to November 2, 2001.
- 1 The annual inflation rate in terms of WPI (Base 1993-94) was 2.21 per cent for week ended December 8, 2001 compared to 8.49 per cent a year ago.
- 1 Exports declined by 2.9 per cent in dollar terms in April-October, 2001 compared to an increase of 20.9 per cent in April-October, 2000. Imports increased by 3.1 per cent as against an increase of 11.5 per cent in corresponding period of last year.
- 1 Rupee appreciated against US Dollar, Pound Sterling, Deutsche Mark, French Franc Japanese Yen and Euro in November, 2001.
- 1 Forex reserves (excluding Gold & SDRs) stood at \$44.02 billion at the end of November, 2001.

(Manoranjan Kumar)
Deputy Economic Adviser

AGRICULTURE

POST-MONSOON SEASON RAINFALL*

Number of Meteorological Sub-divisions							
	1996	1997	1998	1999	2000	1996-00+	2001
Excess/Normal	26	25	33	28	4	23	24
Deficient/Scanty/Nil	9	10	2	7	31	12	11
Total	35	35	35	35	35	35	35
+ Annual average		* (October-December)					

The Post-Monsoon season rainfall from October 1, 2001 to December 12, 2001 was normal/excess in 24 (69 per cent) meteorological sub-divisions and deficient/scanty in the remaining 11 (31 per cent). The annual average for 1996-2000 was normal/excess in 23 (66 per cent) meteorological sub-divisions and deficient/scanty in the remaining 12 (34 per cent).

PROCUREMENT

(Million Tonnes)

	Full Marketing Year			Up to December 13		
	1998-99 (1)	1999-2000 (2)	2000-2001 (3)	2000(P) (4)	2001(P) (5)	% change Col. (6)/(5)
Rice (Oct-Sep)	11.85	17.27	19.11	9.24	9.12	-1.3
Wheat (Apr-Mar)	12.65	14.15	16.36	16.35	20.63	26.2
Total	24.50	31.42	35.47	25.59	29.75	16.3

Wheat procurement up to December 13, 2001 in the current marketing year, (i.e., 2001-2002) was higher by 26.2 per cent stood at 20.63 million tonnes compared to 16.35 million tonnes in the corresponding period in 2000-2001. Procurement of rice during the marketing year 2001-02 (up to December 13, 2001) stood at 9.12 million tonnes was lower by 1.3 per cent than the level of 9.24 million tonnes during the corresponding period of 2000-01.

OFF-TAKE

(Million Tonnes)

	<u>April-Oct.</u>				
	1998-99(P)	1999-2000(P)	2000-2001(P)	2000-01	2001-02
Rice	11.83	12.42	10.22	5.99	6.95
Wheat	8.90	10.63	7.73	3.06	6.58
Total	20.73	23.05	17.95	9.05	13.54

Off-take from the Public Distribution System central pool during April-October, 2001-02 was 13.54 million tonnes which was higher by 49.49 per cent than the off-take of 9.05 million tonnes during April-October, 2000-01.

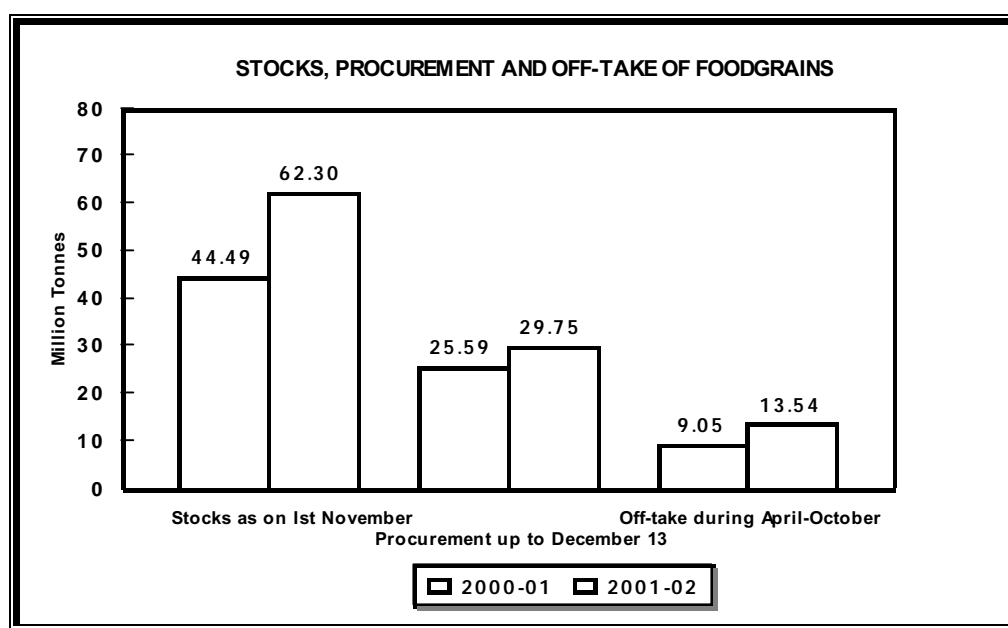
P- Provisional

STOCKS

(Million Tonnes)

	As on 1st Oct.		As on 1st Nov.	
	2000	2001	2000	2001
Rice	13.21	21.45	17.99	26.50
Wheat	26.85	36.83	26.50	35.80
Total	40.06	58.28	44.49	62.30

Stocks of foodgrains as on 1st November, 2001 stood at 62.30 million tonnes which was higher by 40.0 per cent than the level at 44.49 million tonnes as on 1st November, 2000.

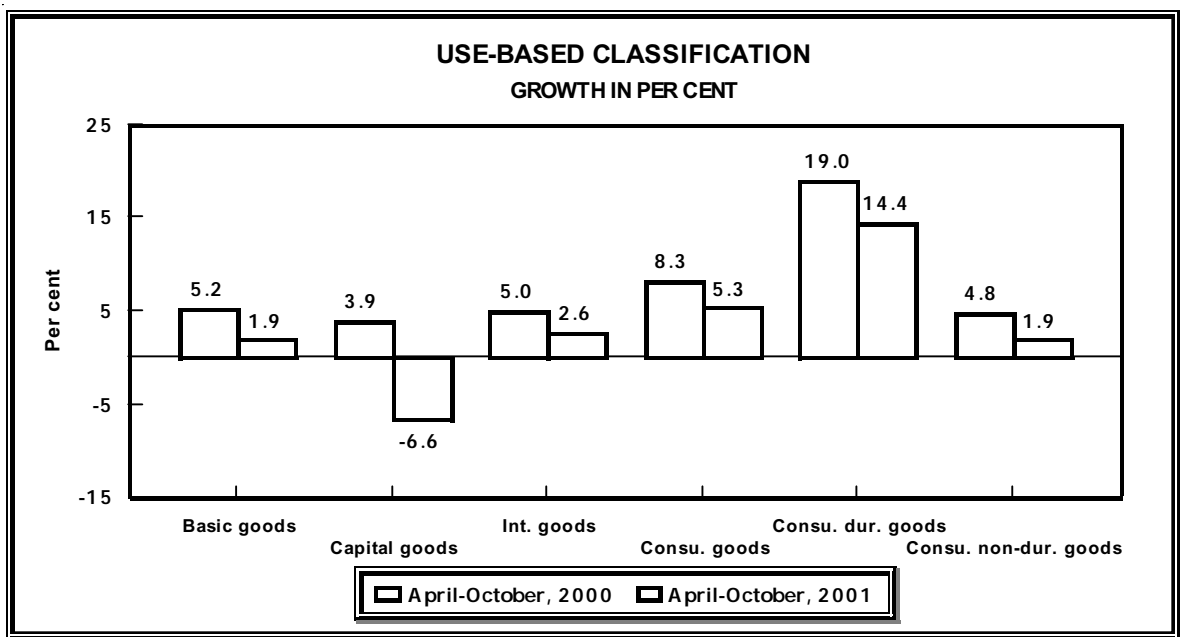
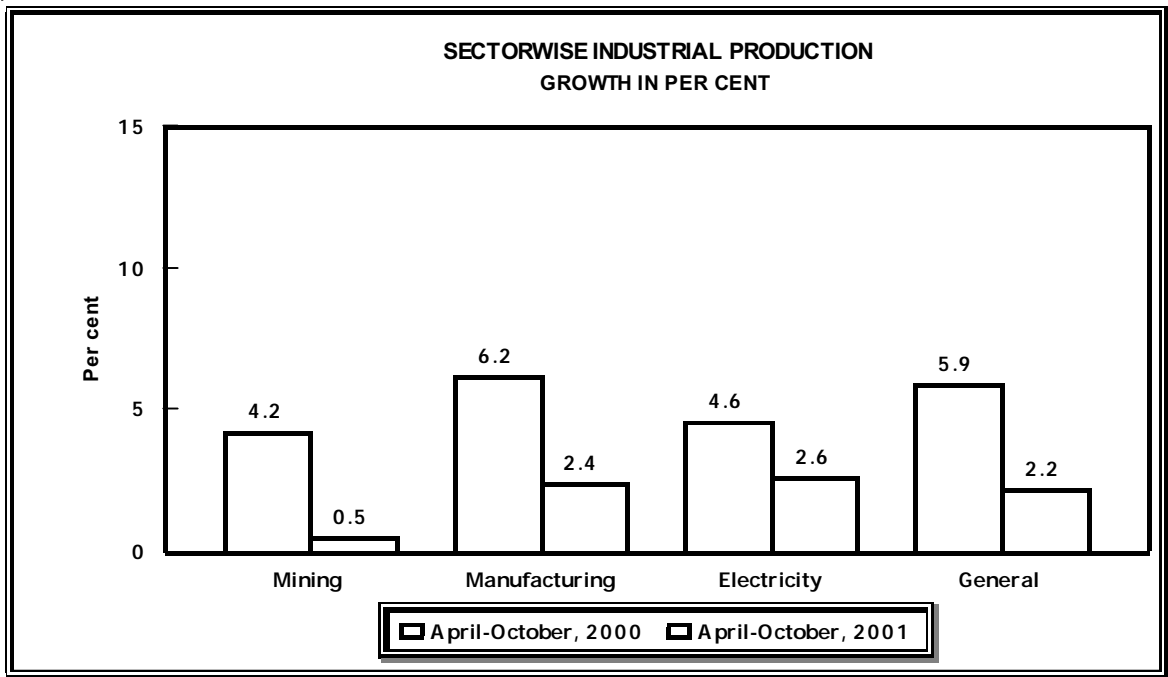


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION					<i>(Percentage change)</i>	
<i>(Base = 1993-94 = 100)</i>						
	1999-00/ 1998-99	2000-01/ 1999-00	Oct. '00/ Oct. '99	Oct. '01/ Oct. '00	<u>April-October</u>	
					2000-01	2001-02
<u>General</u>	6.7	5.0	6.8	1.9	5.9	2.2
Mining & Quarrying	1.0	3.7	6.6	2.4	4.2	0.5
Manufacturing	7.1	5.3	6.2	2.2	6.2	2.4
Electricity	7.3	4.0	11.5	-0.6	4.6	2.6
<u>Use Based Classification</u>						
Basic goods	5.5	3.9	8.8	0.7	5.2	1.9
Capital goods	6.9	1.8	2.1	-0.2	3.9	-6.6
Intermediate goods	8.8	4.7	3.3	1.0	5.0	2.6
Consumer goods	5.7	8.0	9.8	5.2	8.3	5.3
<u>Of which</u>						
Consumer Durables	14.1	14.5	15.2	28.0	19.0	14.4
Consumer non-Durables	3.2	5.8	7.8	-3.2	4.8	1.9

The overall growth rate of Industrial production during **April-October, 2001** at 2.2 per cent recorded a lower growth compared to 5.9 per cent in April-October, 2000. The growth in manufacturing sector, electricity generation and mining & quarrying during April-October, 2001 was 2.4%, 2.6% and 0.5% respectively as against 6.2%, 4.6% and 4.2% in April-October, 2000.

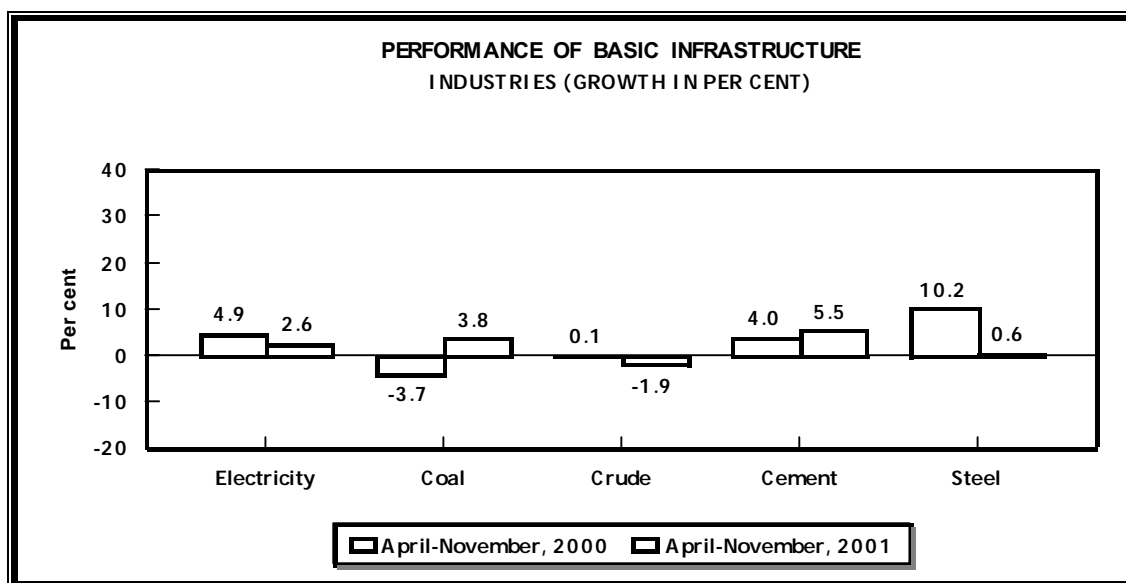
As per the use-based classification, production in capital goods, during April-October, 2001, registered negative growth while basic goods, intermediate goods and consumer goods (both consumer durable and consumer non-durable) registered lower increase compared with April-October, 2000. In the month of October, consumer durables registered a growth of 28.0%, higher than that in October last year (15.2%).



INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	Percentage change						
		November 2000	November 2001	Full Year 2000-01	April-Nov. 2000-01 2001-02		2000-01/ 1999-00	2001-02/ 2000-01
Coal	Mn. Ton	25.9	29.0	308.9	190.8	198.0	-3.7	3.8
Electricity Generation	Mn. Kwh	41600	42299	499450	329859	338345	4.9	2.6
Hydel	Mn. kw	5768	5355	74346	54654	52025	-4.3	-4.8
Thermal (including nuclear)	Mn. kw	35832	36944	425104	275205	286320	6.9	4.0
Crude petroleum	000 tons	2707	2724	32476	21658	21236	0.1	-1.9
Petroleum Products	000 tons	7832	8417	96236	63390	65889	28.1	3.9
Finished steel	000 tons	2584.7	2603.6	30422.7	20110.2	20226.6	10.2	0.6
Cement	000 tons	8190	8840	99940	66540	70171	4.0	5.5
Average growth rate*	(%)	7.4	3.4	5.3	-	-	6.4	2.0
		October	Full Year	April-Oct.				
Cargo handled at major ports	Mn. Ton	23.61	24.31	280.97	161.54	163.06	3.1	0.9
Telecommunications								
a) Net switching capacity	000 lines	384.53	498.73	7146.07	2221.76	2123.22	48.6	-4.4
b) Net Tele. connections	000 nos	340.42	311.80	5924.79	1866.13	1602.54	44.4	-14.1
Revenue earning goods traffic on railways	Mn. Ton	38.77	41.48	473.25	267.51	273.10	5.9	2.1
* 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 mixed performance during **April-November, 2001** as compared to April-November, 2000. During April-November, 2001 average growth rate was 2.0 per cent as compared to 6.4 per cent in April-November, 2000.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

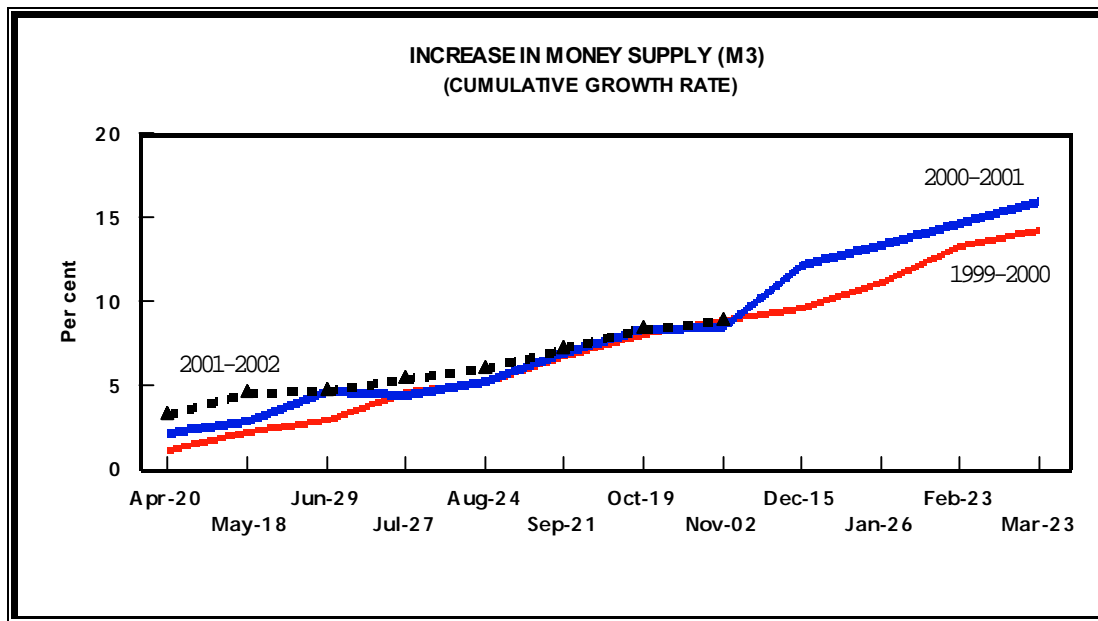
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	Oct.		Full Year	April-Oct.		Oct.	April-Oct.
	2000	2001	2000-01	2000-01	2001-02	2001/2000	2001-02/ 2000-01
Coal	18.14	19.48	222.75	127.21	127.44	7.4	0.2
Raw material for Steel Plants	3.38	3.50	38.75	21.95	22.49	3.6	2.5
Pig Iron & Finished Steel From Steel Plants	1.03	1.07	11.51	6.61	6.54	3.9	-1.1
Iron Ore for Exports	1.01	1.43	14.58	7.60	8.73	41.6	14.9
Cement	3.42	3.64	42.84	24.66	25.42	6.4	3.1
Foodgrains	1.95	2.65	26.65	14.73	16.48	35.9	11.9
Fertilizers	2.65	2.29	27.14	16.35	15.83	-13.6	-3.2
POL	2.86	2.97	36.22	20.98	20.67	3.8	-1.5
Balance other goods	4.33	4.45	52.81	27.42	29.50	2.8	7.6
Total	38.77	41.48	473.25	267.51	273.10	7.0	2.1

The revenue earning goods traffic handled by the Railways increased by 2.1 per cent during **April-October, 2001** as compared to 5.9 per cent in the corresponding period of the last year .

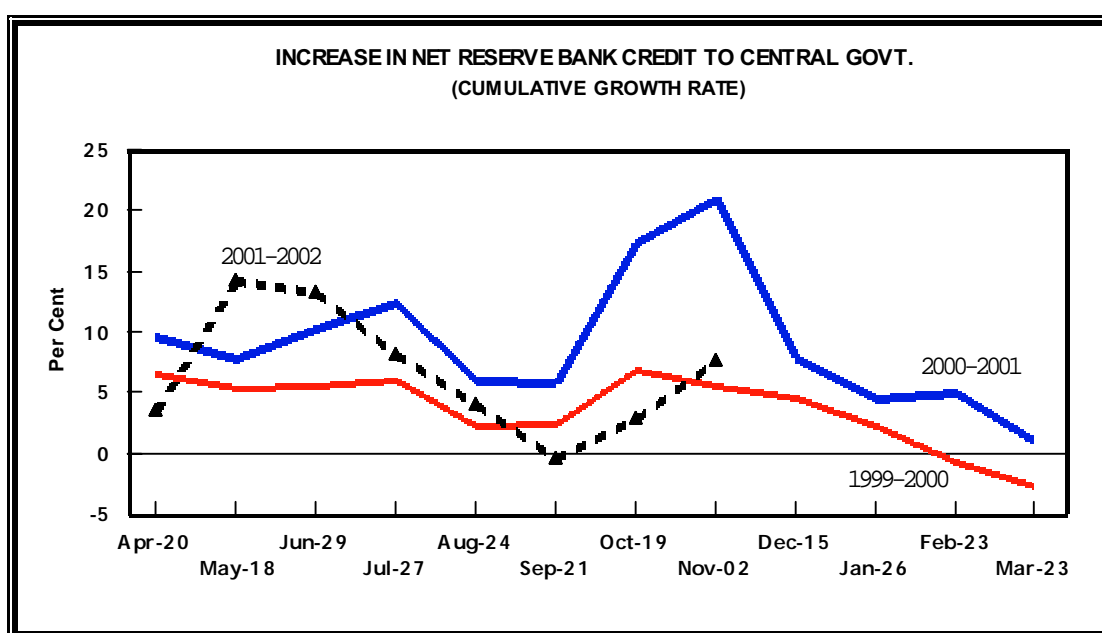
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '01 to Nov 02 '01 (PR)	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '00 to Nov 03 '00 (P)	Mar 31 '01 to Nov 02 '01 (PR)	Nov 03 '00 to Nov 02 '01 (P)
	(Rs crore)		(per cent)			
M1 (I+II+IV)	37995	14783	11.1	4.4	3.9	10.6
M3(M1+ III)	187409	116246	16.7	8.6	8.9	16.9
I. Currency with the public	20480	16043	10.8	8.5	7.7	10.0
II. Demand deposits with banks	16918	-1051	11.3	-0.5	-0.6	11.2
III. Time deposits with banks	149414	101463	19.1	10.5	10.9	19.6
IV. Other deposits with RBI	596	-208	19.6	-5.9	-5.7	19.8
Sources of change in M3						
(1+2+3+4-5)						
1 Net Bank Credit to Govt (A+B)	71002	59420	16.1	12.2	11.6	15.5
A. RBI's net credit to Govt ^a	5613	9528	3.8	17.6	6.2	-6.2
To Central Govt	6705	11268	4.8	21.1	7.7	-6.8
To State Govts	-1092	-1741	-12.9	-42.0	-23.7	14.6
B. Other bank credit to Govt	65389	49892	22.3	9.5	13.9	27.3
2 Bank credit to commercial sector	86652	37688	14.8	7.6	5.6	12.6
3 Net foreign exchange assets of banking sector ^b	44172	21434	21.5	1.8	8.6	29.6
4 Govt's currency liabilities to the public	776	347	16.9	10.1	6.5	13.1
5 Banking sector's net non-monetary liabilities other than time deposits	15192	-11237	13.3	2.0	-22.5	13.6
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 November 2, 2001) money supply (M3) increased by 8.9 per cent which is higher than the 8.6 per cent in the corresponding period of 2000-01. Among its components, currency with the public showed a growth of 7.7 per cent as against 8.5 per cent in the corresponding period of last year. Demand deposits with banks showed a decline of 0.6 per cent as against a decline of 0.5 per cent in the corresponding period of last financial year. Time deposits with banks increased by 10.9 per cent as against 10.5 per cent in the corresponding period of last year. The annual growth of M3 as on November 2, 2001 stood at 16.9 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 11.6 per cent during the current financial year (i.e. March 31, 2001 to November 2, 2001) which is lower than that of 12.2 per cent increase in the same period of 2000-01. RBI's Net Credit to Central Government increased by 7.7 per cent as against an increase of 21.1 per cent in 2000-01. Bank credit to the commercial sector increased by 5.6 per cent as against an increase of 7.6 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 8.6 per cent as compared with 1.8 per cent in the corresponding period of 2000-01.



SCHEDULED COMMERCIAL BANKS

SCHEDULED COMMERCIAL BANKS : VARIATION IN ASSETS AND LIABILITIES						
	Full Year Mar 24, '00 to Mar 23, '01	Mar 23, '01 to Nov 02, '01 (PR)	Full Year Mar 24, '00 to Mar 23, '01	Mar 24, '00 to Nov 03, '00	Mar 23, '01 to Nov 02, '01 (P)	Nov 03, '00 to Nov 02, '01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1 Bank credit	75476	34500	17.3	9.8	6.7	14.1
Food credit	14300	12084	55.7	36.8	30.2	48.1
Non-food credit	61176	22416	14.9	8.1	4.8	11.4
2 Aggregate deposits	149273	89986	18.4	9.2	9.3	18.5
Demand deposits	15186	243	11.9	0.2	0.2	11.9
Time deposits	134088	89742	19.5	10.9	10.9	19.6
3 Borrowings from RBI	-2595	2510	-40.0	-9.3	64.4	8.8
4 Cash reserves	2453	16894	3.9	30.0	25.9	4.7
Cash in hand	328	425	6.2	11.0	7.5	2.8
Balances with RBI	2125	16469	3.7	26.3	27.7	4.8
5 Investments in Govt. and other approved securities	61215	46160	19.8	7.9	12.5	24.9
P = Provisional						

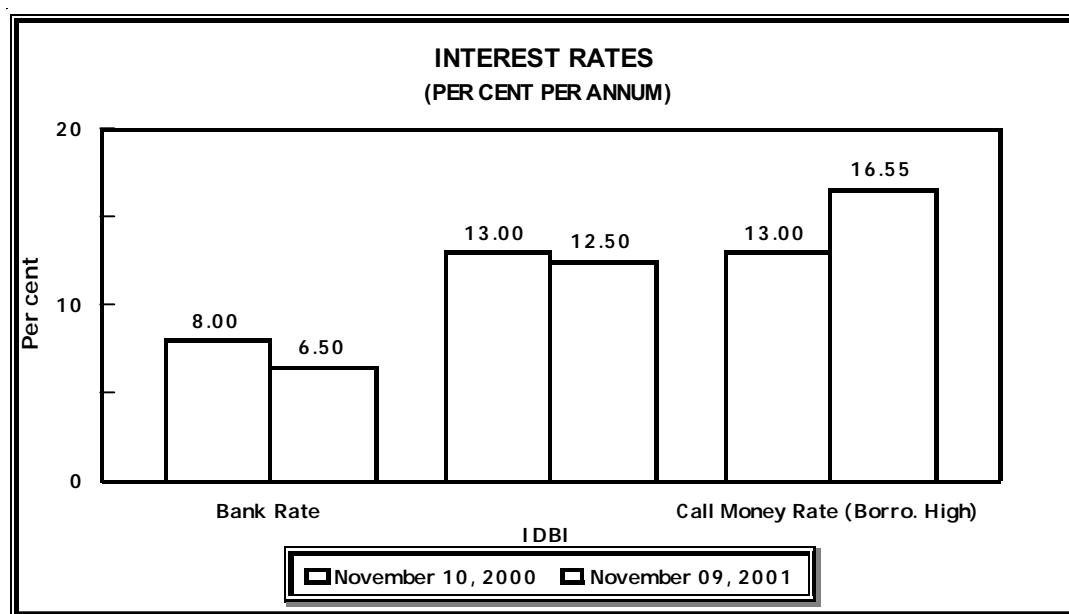
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 23, 2001 to November 2, 2001) showed a growth of 6.7 per cent as compared with an increase of 9.8 per cent in the corresponding period of last financial year. Food credit increased by 30.2 per cent while non-food credit increased by 4.8 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

Item/ Week ended	2000	2001
	Nov. 10	Nov. 09
1	2	3
Bank rate	8.00	6.50
I.D.B.I. ¹	13.00	12.50
Prime Lending Rate ²	12.00-12.50	11.00-12.00
Deposit Rate ³	8.50-10.00	8.00-9.00
Call Money Rate ⁴ (Low/High)		
-Borrowings	8.00/13.00	3.73/16.55
-Lendings	8.80/13.00	4.58/16.50

1. Minimum Term Lending Rate (MILR).
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 November 9, 2001, Prime Lending Rate was 11.00 to 12.00 per cent while on November 10, 2000 it was 12.00 to 12.50. Deposit Rate ranged from 8.00 to 9.00 per cent as against 8.50 to 10.00 on the corresponding day of last year.



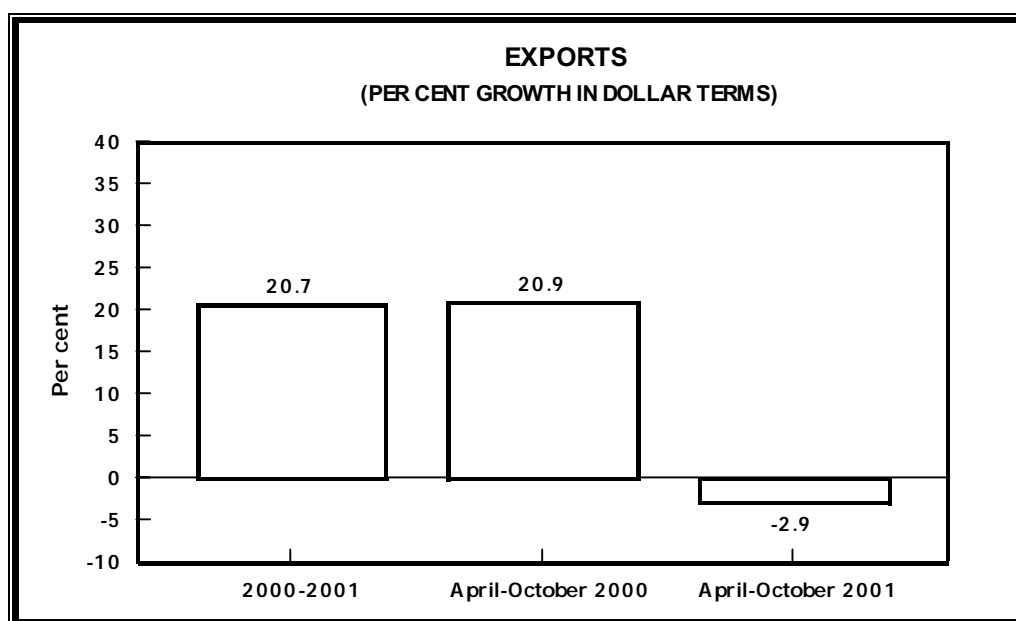
EXTERNAL SECTOR

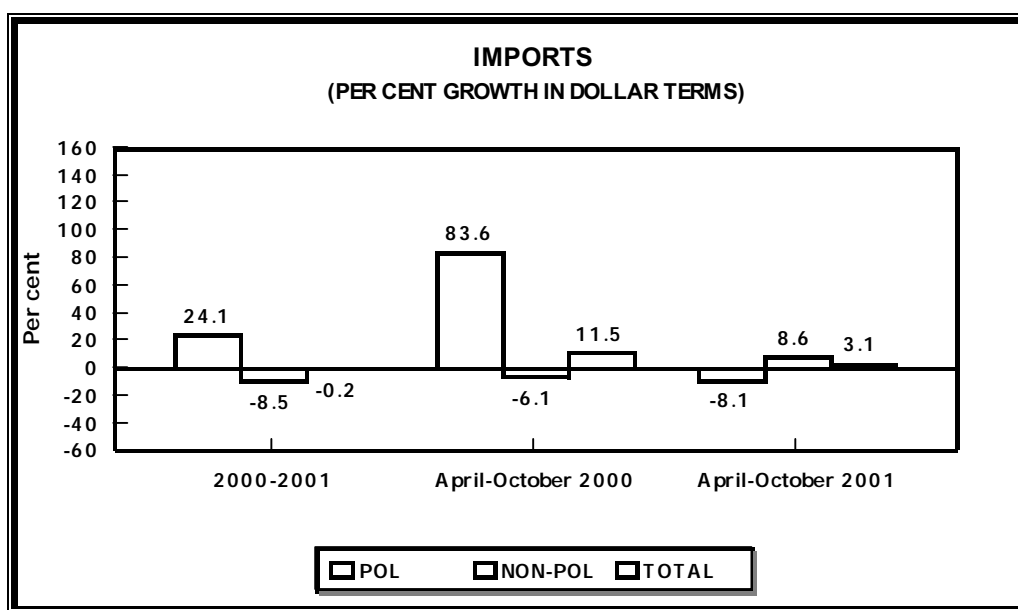
FOREIGN TRADE

FOREIGN TRADE*						
Item	1999-00(R)	2000-01(R)	April-Oct.		April-Oct.	
			2000-01(P)	2001-02(P)	2000-01	2001-02
	<i>Rs. Crore</i>				<i>% change</i>	
Exports	159095	202510	113062	115174	26.0	1.9
Imports	215529	226774	133221	144248	16.1	8.3
POL	54649	71497	43574	42018	91.2	-3.6
Non-POL	160880	155277	89647	102230	-2.5	14.0
Trade Balance	-56433	-24264	-20159	-29075	-	-
	<i>Million Dollar</i>				<i>% change</i>	
Exports	36715	44328	25105	24382	20.9	-2.9
Imports	49738	49639	29618	30542	11.5	3.1
POL	12611	15650	9683	8896	83.6	-8.1
Non-POL	37127	33989	19935	21646	-6.1	8.6
Trade Balance	-13023	-5311	-4513	-6160	-	-

P = Provisional, R = Revised

Exports in dollar terms during **April-October, 2001** declined by 2.9 per cent as compared to an increase of 20.9 per cent during April-October, 2000. Imports increased by 3.1 per cent as against an increase of 11.5 per cent in last year. Imports of POL declined by 8.1 per cent as against an increase of 83.6 per cent in April-October, 2000.



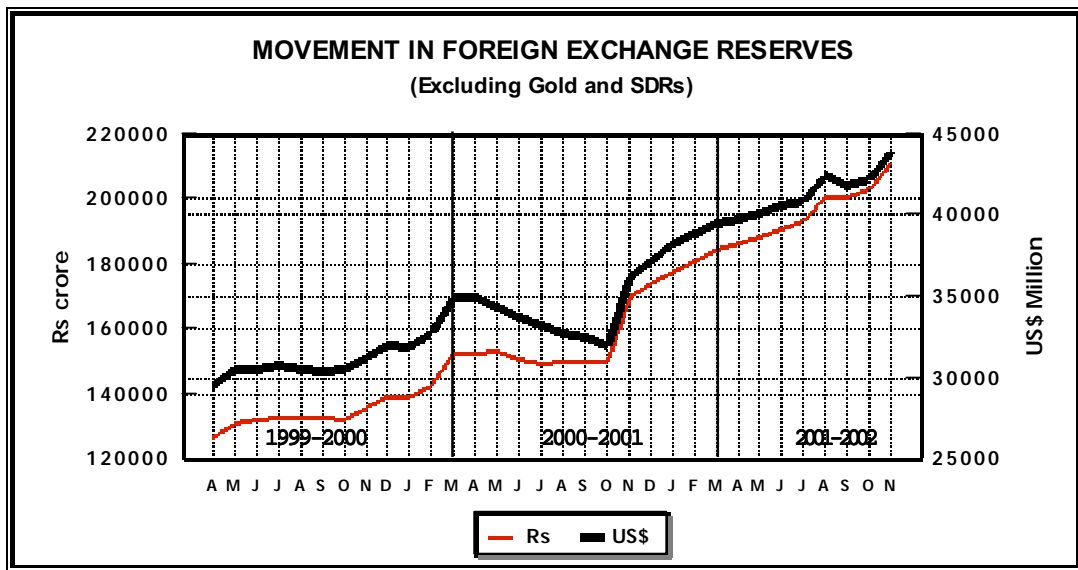


FOREIGN EXCHANGE RESERVES

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)				
At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore	\$ Million (Over last Year)
March, 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
2001-2002	<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

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$39554 million at the end of 2000-2001. These reserves have increased by \$4470 million and stood at \$44024 million at the end of November, 2001.



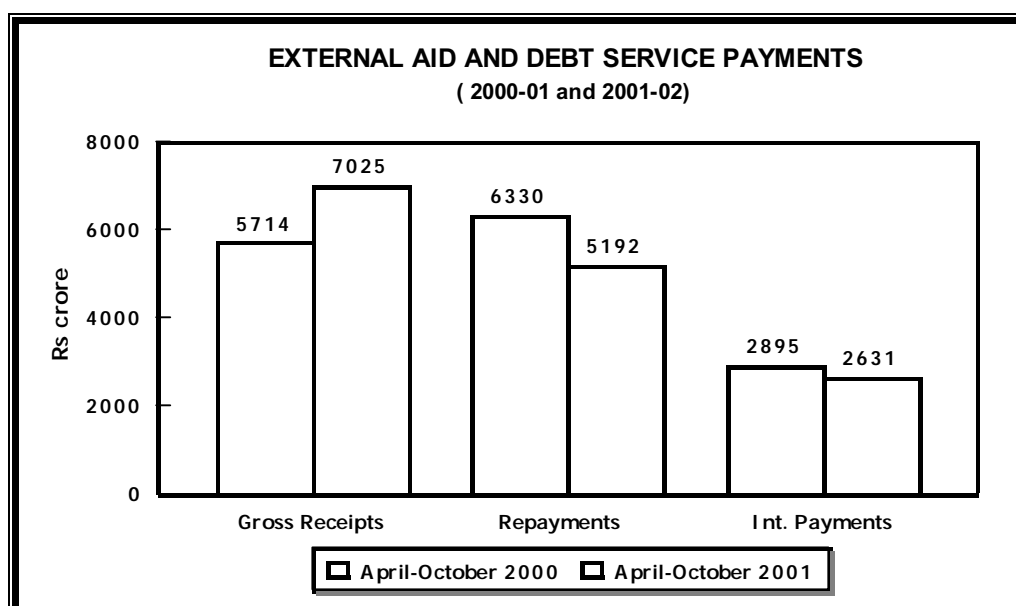
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS *

(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	4752	5520	5707	4791	2246	2256
Grants- Govt. A/C	263	537	-	-	-	-
Total	5015	6057	5707	4791	2246	2256
Non-Govt. loans	699	968	623	401	649	375
Grand Total	5714	7025	6330	5192	2895	2631
	(1270)	(1487)				
Net Flows (net of repayment)	-616	1833	-	-	-	-
Net Transfers (net of repayment and interest payments)	-780	-798	-	-	-	-

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

Gross external aid in **April-October 2001** at Rs 7025 crore was 22.9 per cent higher than that of Rs 5714 crore in April-October 2000. Net aid flows (net of repayments) amounted to Rs 1833 crore as against Rs (-) 616 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 798 crore as against Rs (-) 780 crore in the corresponding period of last year.



EXCHANGE RATES

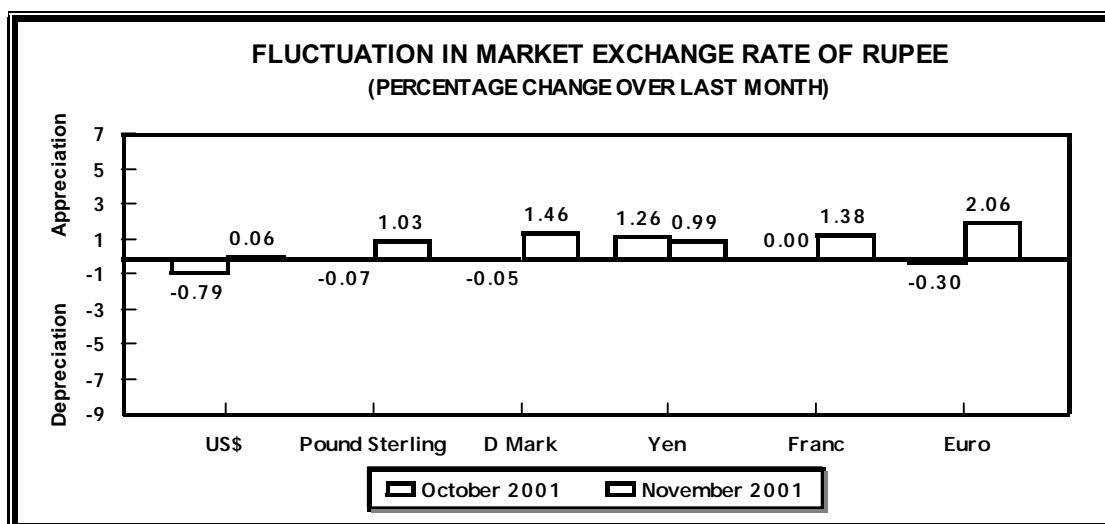
Rupees Per Unit of Foreign Currency

(Market Rate^a)

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country	
							NEER Base 1995=100	REER Base 1995=100
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
2001-2002								
April	46.78	67.22	21.46	0.3789	6.40	41.80	80.69	101.31
May	46.92	66.92	21.02	0.3853	6.27	41.05	80.68	101.42
June	47.00	65.89	20.46	0.3842	6.10	40.16	81.19	102.75
July	47.14	66.65	20.74	0.3784	6.18	40.55	80.96	103.09
August	47.13	67.69	21.77	0.3873	6.49	42.37	79.67	101.67
September	47.64	69.69	22.17	0.4012	6.61	43.41	78.08	99.81
October	48.02	69.74	22.18	0.3962	6.61	43.54	77.92	101.15
November	47.99	69.03	21.86	0.3923	6.52	42.66	78.50	102.86

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, 2001 appreciated against US Dollar, Pound Sterling, Deutsche Mark, Japanese Yen, French Franc and Euro compared to average market rate during October, 2001. NEER and REER moved up in November, 2001 as compared with the last month.



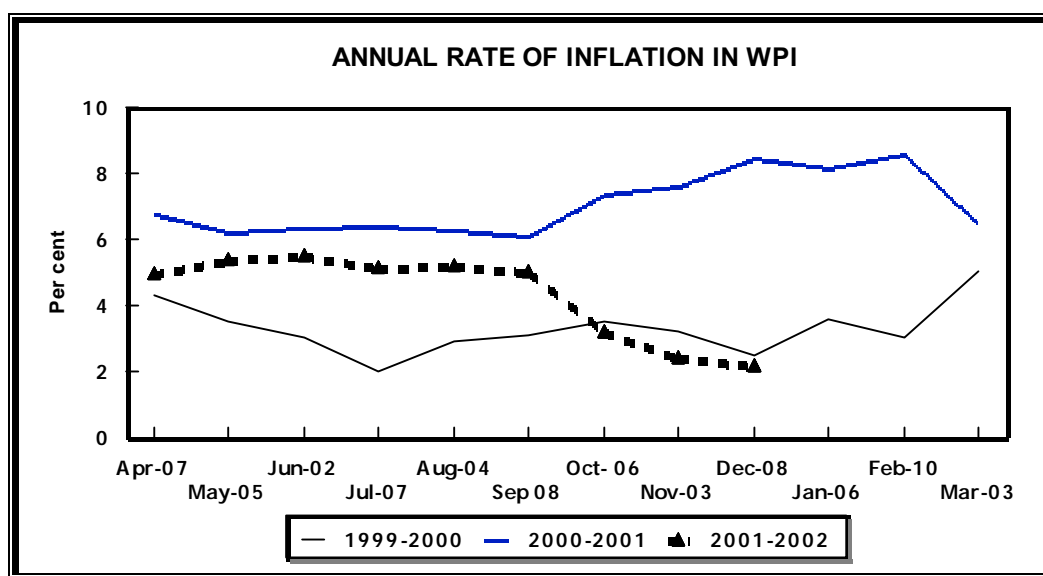
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	W eight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 8.12.2001)		(ending 8.12.2001) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.25	0.00	8.49	2.21
I Primary articles	22.03	0.12	0.65	4.36	3.94
I Fuel, Power, Light and Lubricants	14.23	-1.36	-0.69	30.32	5.55
III Manufactured Products	63.75	0.84	-0.07	4.20	0.35

P = Provisional

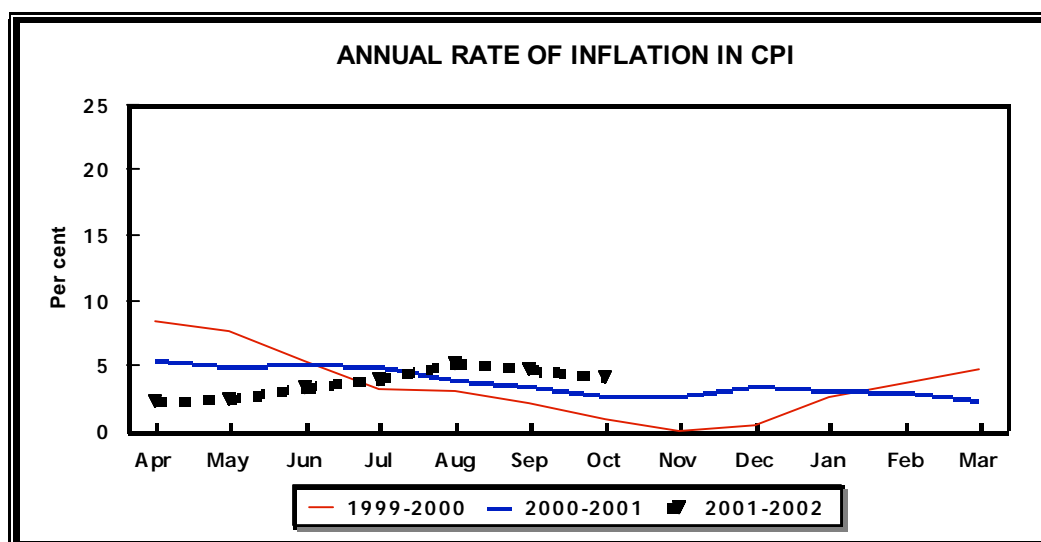
The annual rate of inflation based on **Wholesale Price Index** (WPI) stood at 2.21 per cent for week ended December 8, 2001 compared to 8.49 per cent a year ago. This rate was contributed by an increase of 3.94 per cent in Primary articles, 5.55 per cent increase in Fuel, Power and Lubricants and 0.35 per cent increase in Manufactured Products as against an increase of 4.36 per cent, 30.32 per cent and 4.20 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE			
	2000-2001 (Up to October, 2000)		2001-2002 (Up to October, 2001)
	<i>Per cent</i>		
Annual Inflation	2.7		4.2
Financial Year Inflation (%)	3.5		5.2
Last Month (% change)	1.1		0.6
Level of Index	449		468
Average of Index for 12 months ending October	438.75		453.92

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for October, 2001 which stood at 468 increased by 0.6 per cent over the previous month's level and increased by 5.2 per cent over October, 2000.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS					
		August		April-August	
		2000	2001*	2000-01	2001-02*
1	Nb. of applicants on Live Register at the end of the month	414.28	422.72	414.28	422.72
2	Nb. of registrations/re-registrations	5.73	6.28	30.04	29.76
3	Placements effected	0.15	0.13	0.69	0.63
<i>(per cent)</i>					
4	Placements (3) as percentage of the registrations (2)	2.62	2.07	2.30	2.12
* Provisional					

The number of applicants on the Live Register of Employment Exchanges at the end of **August**, 2001 was 422.72 lakh, higher by 2.04 per cent as compared to the corresponding period of the previous year. The number of registrations during **August**, 2001 was 6.28 lakh higher by 9.6 percent in **August**, 2000. The Placements as percentage of registrations during **August**, 2001 was 2.07 as against 2.62 in **August**, 2000. The total placements effected during 2001-02 (April-August) was 0.63 lakh as compared to 0.69 lakh in the corresponding period of 2000-01. Placements constituted 2.12 percent of registrations in 2001-02 compared with 2.30 percent in 2000-01.