



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

MONTHLY ECONOMIC REPORT

FEBRUARY, 2001

HIGHLIGHTS

- The Winter-season rainfall upto 7 February 2001 was normal/excess in 26 per cent of meteorological sub-divisions.
- Foodgrains stocks 45.74 million tonnes as on January 1, 2001.
- Overall industrial growth 5.7 per cent in April-December, 2000.
- Core infrastructure sectors achieved an average growth rate of 7.7 per cent in April-December, 2000 as against 9.1 per cent in the corresponding period of last year.
- Money Supply (M3) growth was 13.4 per cent during March 31, 2000 to January 26, 2001, whereas annual growth rate for fortnight ended January 26, 2001 was 16.1 per cent. Net RBI Credit to Government increased by 1.5 per cent during March 31, 2000 to January 26, 2001.
- The annual inflation rate in terms of WPI (Base 1993-94) was 8.57 per cent for week ended February 10, 2001 compared to 3.04 per cent a year ago.
- Exports increased by 20.4 per cent in dollar terms in April-December, 2000 compared to an increase of 10.4 per cent in April-December, 1999. Imports increased by 9.0 per cent.
- Rupee appreciated against US Dollar and Japanese Yen and depreciated against Pound Sterling, Deutsche Mark, French Franc and Euro in January, 2001.
- Forex reserves (excluding Gold & SDRs) stood at \$38.36 billion at the end of January, 2001.

(Manoranjan Kumar)
Deputy Economic Adviser

AGRICULTURE

WINTER SEASON RAINFALL*

Number of Meteorological Sub-divisions							
	1996	1997	1998	1999	2000	1996-00+	2001
Excess/Normal	13	17	7	18	16	14	9
Deficient/Scanty/Nil	22	18	28	17	19	21	26
Total	35	35	35	35	35	35	35
+ Annual average		* (January-February)					

The Winter season rainfall from January 1, 2001 to February 7, 2001 was normal/excess in 9 (26 per cent) meteorological sub-divisions and deficient/scanty in the remaining 26 (74 per cent). The annual average for 1996-2000 was normal/excess in 14 (41 per cent) meteorological sub-divisions and deficient/scanty in the remaining 21 (59 per cent).

PROCUREMENT*

(Million Tonnes)

(1)	Full Marketing Year			Up to February 14		
	1997-98 (2)	1998-99 (3)	1999-2000 (4)	2000(P) (5)	2001(P) (6)	% change Col. (6)/(5)
Rice (Oct-Sep)	14.33	11.85	17.27	12.49	13.89	11.2
Wheat (Apr-Mar)	9.30	12.65	14.15	14.14	16.35	15.6
* Central pool						

Wheat procurement up to February 14, 2001 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 February 14, 2001) at 13.89 million tonnes was higher by 11.2 per cent than the level of 12.49 million tonnes during the corresponding period of 1999-2000.

OFF-TAKE

(Million Tonnes)

	1998-99	1999-2000	April-December	
			1999-2000	2000-01(P)
Rice	11.83	12.06	9.18	7.42
Wheat	8.90	9.86	5.99	4.09
Total	20.73	21.92	15.17	11.51

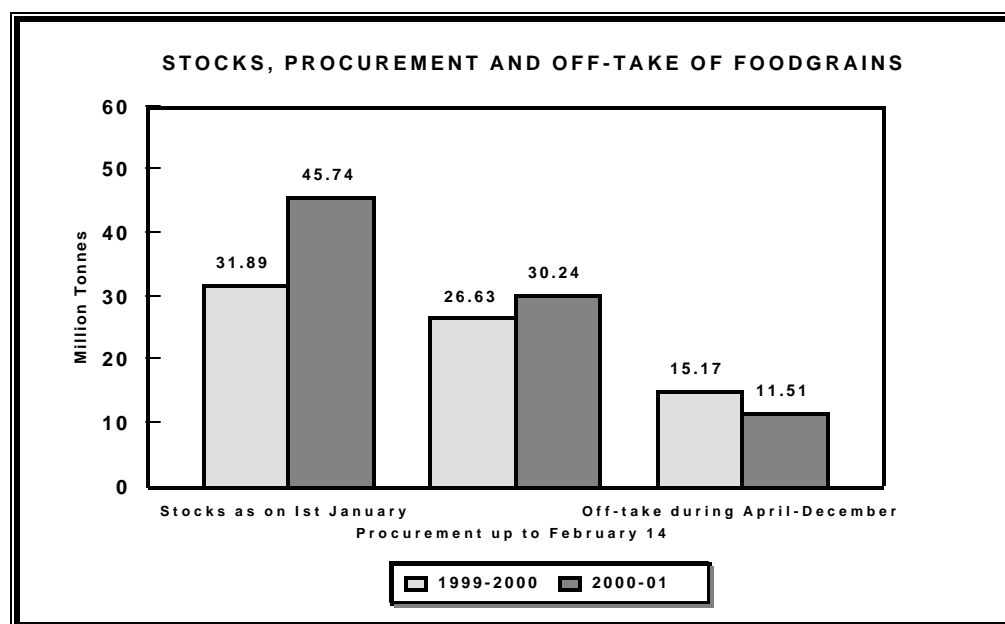
Off-take from the public distribution system central pool during April-December, 2000-01 was 11.51 million tonnes which was lower by 23.20 per cent than the off-take of 15.17 million tonnes during corresponding period of last year.

STOCKS

(Million Tonnes)

	As on 1st December		As on 1st January	
	1999	2000	2000	2001
Rice	13.36	19.52	14.72	20.70
Wheat	18.43	25.98	17.17	25.04
Total	31.79	45.50	31.89	45.74

Stocks of foodgrains as on 1st January, 2001 at 45.74 million tonnes which was higher by 43.4 per cent than the level at 31.89 million tonnes as on 1st January, 2000.

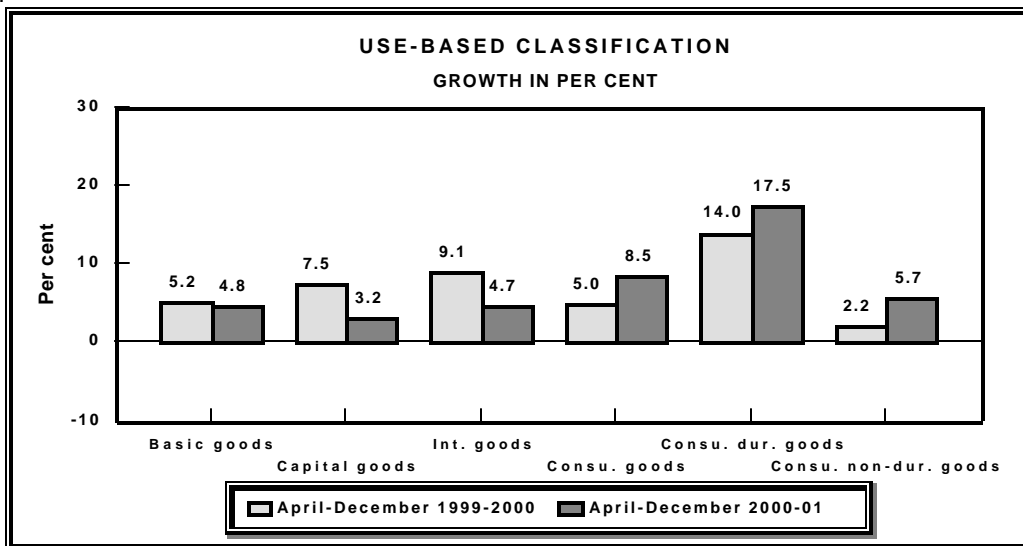
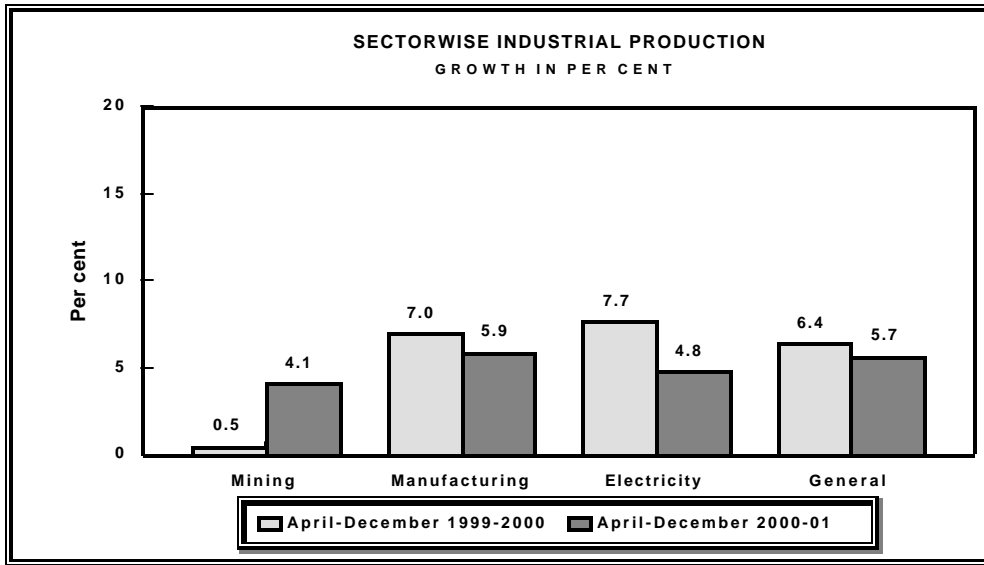


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)	<i>(Percentage change)</i>					
	1998-99/ 1997-98	1999-00/ 1998-99	Dec. '99/ Dec. '98	Dec. '00/ Dec. '99	<u>April-December</u>	
					1999-00	2000-01
General	4.1	6.6	8.1	3.4	6.4	5.7
Mining & Quarrying	-0.8	1.0	0.7	3.6	0.5	4.1
Manufacturing	4.4	7.1	9.3	3.3	7.0	5.9
Electricity	6.5	6.6	5.2	3.8	7.7	4.8
<u>Use-Based Classification</u>						
Basic goods	1.6	5.3	5.2	2.1	5.2	4.8
Capital goods	12.6	6.9	2.9	1.6	7.5	3.2
Intermediate goods	6.1	8.8	12.1	3.3	9.1	4.7
Consumer goods	2.2	5.7	9.4	5.3	5.0	8.5
<u>Of which</u>						
Consumer Durables	5.6	14.2	21.1	6.3	14.0	17.5
Consumer non-Durables	1.2	3.2	6.4	4.9	2.2	5.7

The overall growth rate of Industrial production in **April-December, 2000** at 5.7 per cent recorded a lower growth compared to 6.4 per cent in April-December, 1999. The growth in manufacturing sector, electricity generation and mining & quarrying during April-December, 2000 was 5.9%, 4.8% and 4.1% respectively as against 7.0%, 7.7% and 0.5% in the corresponding period of last year..

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

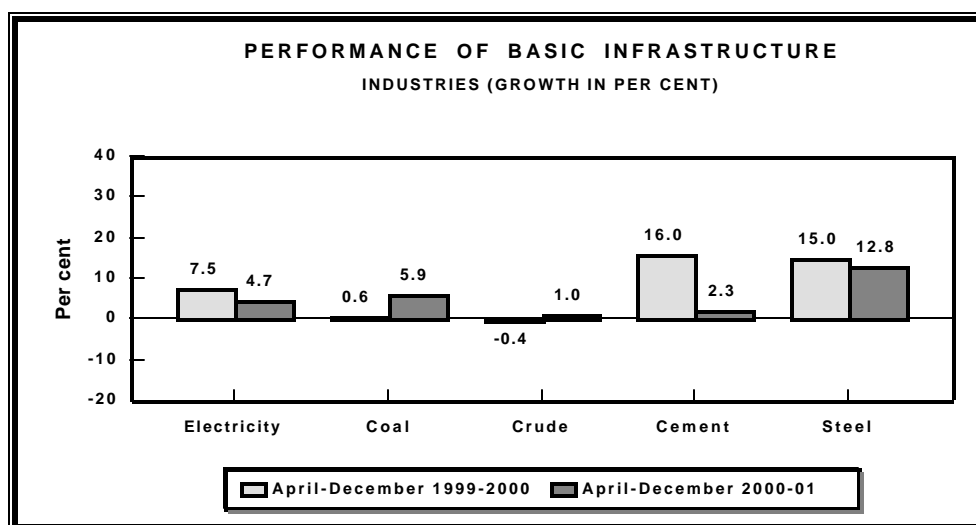


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	Percentage change April-Dec.						
		December 1999	December 2000	Full Year 1999-00	April-Dec. 1999-00	April-Dec. 2000-01	1999-00/ 1998-99	2000-01/ 1999-00
Coal	Mn. Ton	28.6	28.6	299.7	207.4	219.7	0.6	5.9
Electricity Generation	Mn. Kwh	41141	42701	480224	355703	372561	7.5	4.7
Hydel	Mn. kw	6117	5159	80523	63224	59816	-2.1	-5.4
Thermal (including nuclear)	Mn. kw	35024	37542	399701	292479	312745	9.9	6.9
Plant Load Factor	Percent	68.9	71.8	67.3	65.8	67.7	-	-
Crude petroleum	000 tons	2663	2708	31998	24291	24525	-0.4	1.0
Petroleum Products	000 tons	7313	7832	79936.5	56810	71544	22.0	25.9
Finished steel	000 tons	2494.5	2602.7	28140.2	20786.5	23446.4	15.0	12.8
Cement	000 tons	8570	7542	100390	72570	74250	16.0	2.3
Average growth rate*	(%)	8.1	2.2	8.0	-	-	9.1	7.7
Cargo handled at major ports	Mn. Ton	23.70	25.63	271.87	201.43	209.22	9.2	3.9
Telecommunications								
a) Net switching capacity	000 lines	701.99	575.58	6717.32	2769.19	3258.01	60.9	17.7
b) Net Tele. connections	000 nos	522.41	536.11	4917.66	2199.94	2854.45	33.4	29.8
Revenue earning goods traffic on railways	Mn. Ton	40.23	41.14	456.31	330.67	347.83	8.0	5.2

* 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) and Cement (2.0).

The core infrastructure sectors registered mixed performance during **April-December, 2000** as compared to the corresponding period of the last year. In this period average growth rate was 7.7 per cent as compared to 9.1 per cent in the corresponding period of last year.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

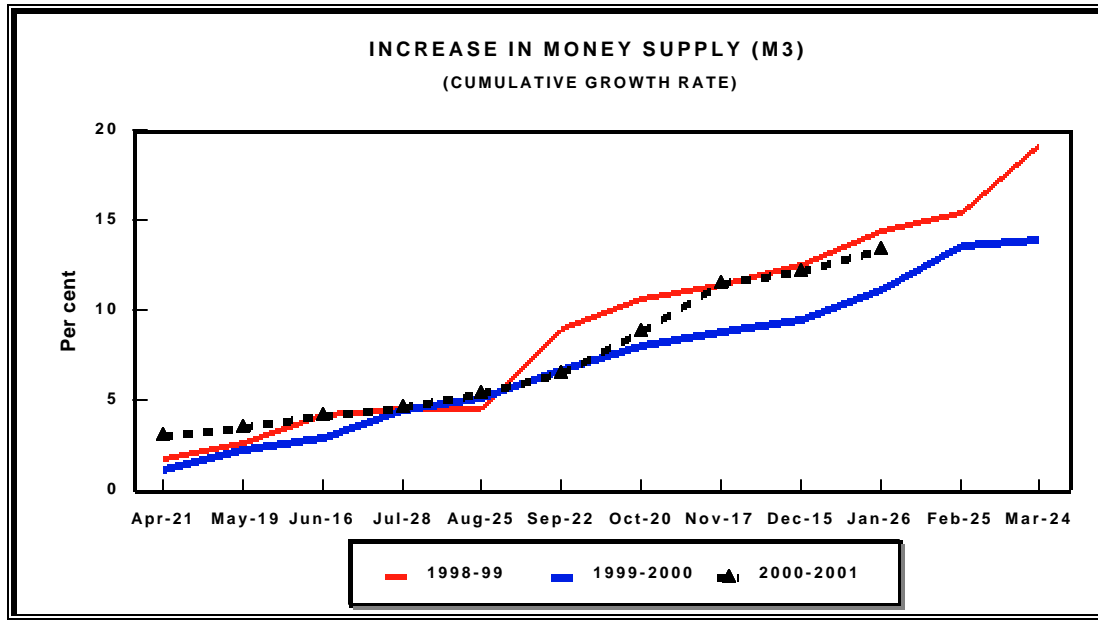
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	December 1999	December 2000	Full Year 1999-00	April-Dec. 1999-00	April-Dec. 2000-01	Dec. 2000/1999	April-Dec. 2000-01/1999-00
Coal	17.90	19.48	209.93	152.48	163.85	8.8	7.5
Raw material for Steel Plants	3.45	3.35	37.48	27.55	28.73	-2.9	4.3
Pig Iron & Finished Steel From Steel Plants	1.07	0.98	11.76	8.54	8.56	-8.4	0.2
Iron Ore for Exports	1.26	1.34	12.32	8.75	10.49	6.3	19.9
Cement	3.88	3.23	43.57	31.24	31.54	-16.8	1.0
Foodgrains	2.67	2.19	31.04	22.22	18.96	-18.0	-14.7
Fertilizers	3.00	2.39	31.04	24.44	21.28	-20.3	-12.9
POL	2.72	3.14	34.39	25.12	27.01	15.4	7.5
Balance other goods	4.28	5.04	44.78	30.33	37.41	17.8	23.3
Total	40.23	41.14	456.31	330.67	347.83	2.3	5.2

The revenue earning goods traffic handled by the Railways increased by 5.2 per cent during **April-December, 2000**. 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.

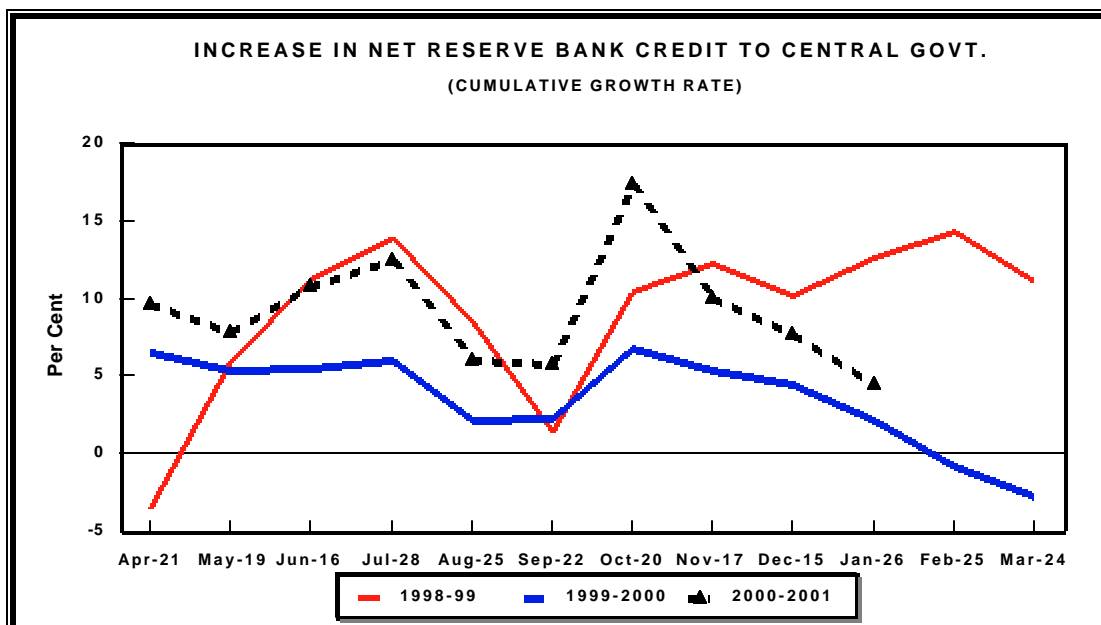
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '99 to Mar 31 '00	Mar 31 '00 to Jan 26 '01 (PR)	Full Year Mar 31 '99 to Mar 31 '00	Mar 31 '99 to Jan 28 '00 (P)	Mar 31 '00 to Jan 26 '01 (PR)	Jan 28 '00 to Jan 26 '01 (P)
	(Rs crore)		(per cent)			
M1 (I+II+IV)	31492	19798	10.2	7.0	5.8	8.9
M3(M1+ III)	136182	150129	13.9	11.2	13.4	16.1
I. Currency with the public	19761	16486	11.7	12.4	8.7	8.1
II. Demand deposits with banks	12418	3842	9.1	1.1	2.6	10.7
III. Time deposits with banks	104689	130330	15.6	13.1	16.8	19.3
IV. Other deposits with RBI	-687	-529	-18.1	-17.4	-17.0	-17.7
Sources of change in M3 (1+2+3+4-5)						
1. Net bank credit to Govt (A+B)	55077	51939	14.2	13.0	11.8	13.0
A. RBI's net credit to Govt ^a	-4275	2173	-2.8	-0.7	1.5	-0.7
To Central Govt	-5587	6360	-3.8	2.2	4.5	-1.6
To State Govts	1312	-4187	18.4	-60.7	-49.6	51.6
B. Other bank credit to Govt	59352	49766	25.3	21.9	17.0	20.3
2. Bank credit to commercial sector	82548	72353	16.6	10.7	12.5	18.6
3. Net foreign exchange assets of banking sector ^b	27795	31672	15.6	5.9	15.4	25.9
4. Govt's currency liabilities to the public	416	644	10.8	16.5	15.1	9.5
5. Banking sector's net non-monetary liabilities other than time deposits	29654	6479	35.6	5.1	5.7	36.3
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 January 26, 2001) money supply (M3) increased by 13.4 per cent as against an increase of 11.2 per cent in the corresponding period of 1999-2000. Among its components, currency with the public showed a growth of 8.7 per cent as against 12.4 per cent in the corresponding period of last year. Demand deposits with banks showed an increase of 2.6 per cent as against an increase of 1.1 per cent in the corresponding period of last financial year. Time deposits with banks has gone up by 16.8 per cent as against an increase of 13.1 per cent in the corresponding period of last year. This reflected the inclusion of Rs. 25,662 crore in the time deposits of banks from the India Millennium Deposits (IMDs) in November, 2000. The annual growth of M3 as on January 26, 2001 stood at 16.1 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 11.8 per cent during the current financial year (i.e. March 31, 2000 to January 26, 2001) which is lower than that of 13.0 per cent increase in the same period of 1999-2000. RBI's Net Credit to Central Government increased by 4.5 per cent as against an increase of 2.2 per cent in 1999-2000. Bank credit to the commercial sector increased by 12.5 per cent as against an increase of 10.7 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 15.4 per cent as compared with 5.9 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 Jan 26,'01 (PR)	Full Year Mar 26,'99 to Mar 24,'00	Mar 26,'99 to Jan 28,'00	Mar 24,'00 to Jan 26,'01 (P)	Jan 28,'00 to Jan 26,'01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	67121	63628	18.2	12.6	14.6	20.3
Food credit	8875	13387	52.8	54.9	52.1	50.0
Non-food credit	58246	50241	16.5	10.6	12.2	18.3
2. Aggregate deposits	99320	122166	13.9	11.0	15.0	18.0
Demand deposits	9943	4614	8.5	1.7	3.6	10.5
Time deposits	89376	117552	15.0	12.9	17.1	19.3
3. Borrowings from RBI	3597	-392	24.3	53.7	-6.0	37.1
4. Cash reserves	-5161	13931	-7.6	-5.4	22.2	19.3
Cash in hand	968	215	22.2	15.3	4.0	10.3
Balances with RBI	-6129	13716	-9.6	-6.8	23.9	20.1
5. Investments in Govt. and other approved securities	54349	46299	21.3	18.7	15.0	17.5
P = Provisional						

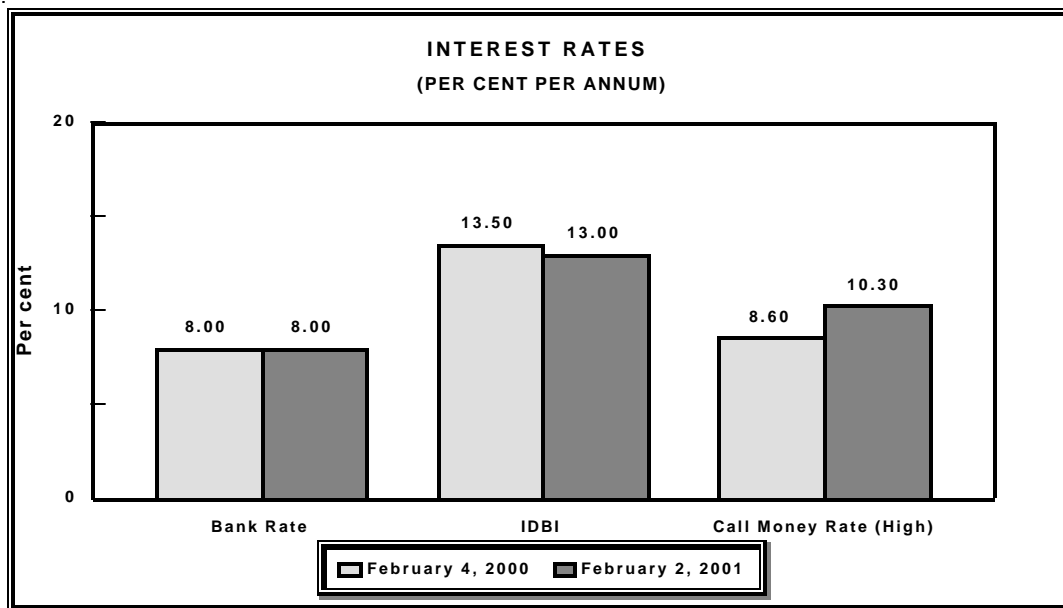
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 24, 2000 to January 26, 2001) showed a growth of 14.6 per cent as compared with an increase of 12.6 per cent in the corresponding period of last financial year. Food credit increased by 52.1 per cent while non-food credit increased by 12.2 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2000</i>	<i>2001</i>
	<i>Feb. 4</i>	<i>Feb. 2</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	7.90/8.60	7.30/10.30
-Lendings		8.80/11.10

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 February 2, 2001, Prime Lending Rate was 12.00 to 12.50 per cent same as on February 4, 2000. Deposit Rate ranged from 8.50 to 10.00 per cent as against 8.00 to 10.50 per cent in the same period of last year.



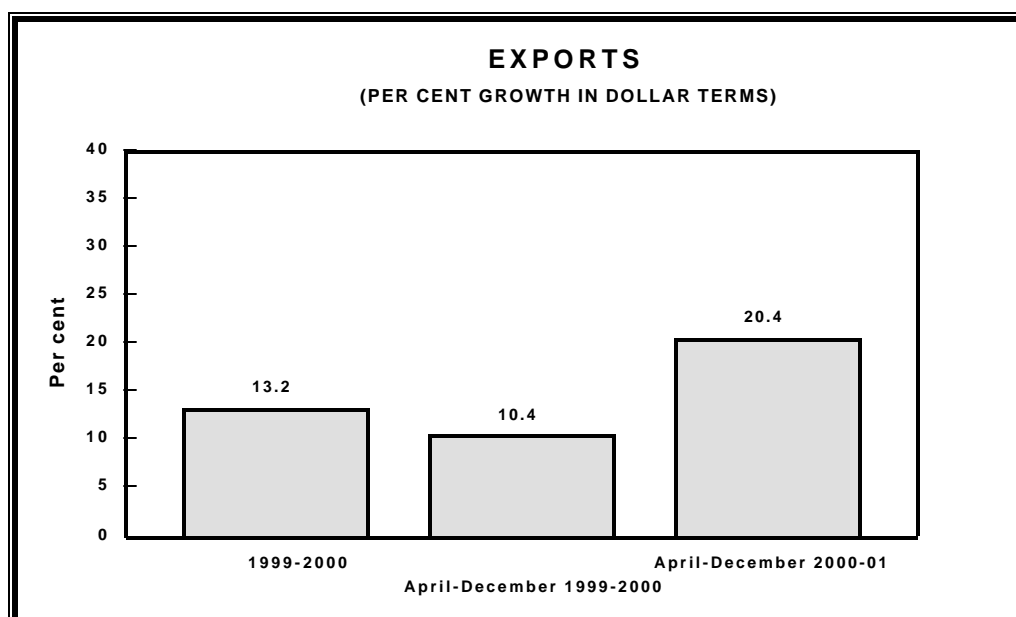
EXTERNAL SECTOR

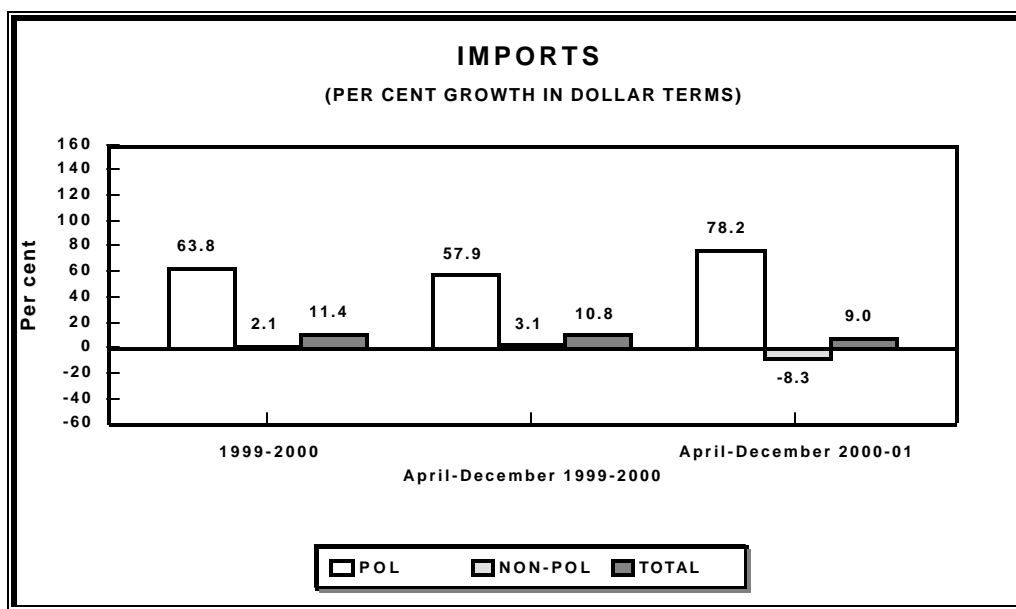
FOREIGN TRADE

FOREIGN TRADE*						
Item	1998-99(R)	1999-00(P)	April-Dec.		April-Dec.	
			1999-00	2000-01	1999-00	2000-01
<i>Rs. Crore</i>				<i>% change</i>		
Exports	139752	162925	115926	146552	13.8	26.4
Imports	178332	204583	151514	173116	14.4	14.3
POL	26919	45421	30210	56512	62.8	87.1
Non-POL	151413	159161	121304	116604	6.5	-3.9
Trade Balance	-38580	-41658	-35588	-26563	-	-
<i>Million Dollar</i>				<i>% change</i>		
Exports	33218	37599	26794	32266	10.4	20.4
Imports	42389	47212	35016	38150	10.8	9.0
POL	6399	10482	6985	12450	57.9	78.2
Non-POL	35990	36730	28031	25700	3.1	-8.3
Trade Balance	-9171	-9613	-8222	-5884	-	-

* Figures are provisional

Exports in dollar terms during **April-December, 2000-01** increased by 20.4 per cent as compared to an increase of 10.4 per cent during April-December, 1999-2000. Imports increased by 9.0 per cent as against an increase of 10.8 per cent in corresponding period last year. Imports of POL increased by 78.2 per cent as against an increase of 57.9 per cent in last year.



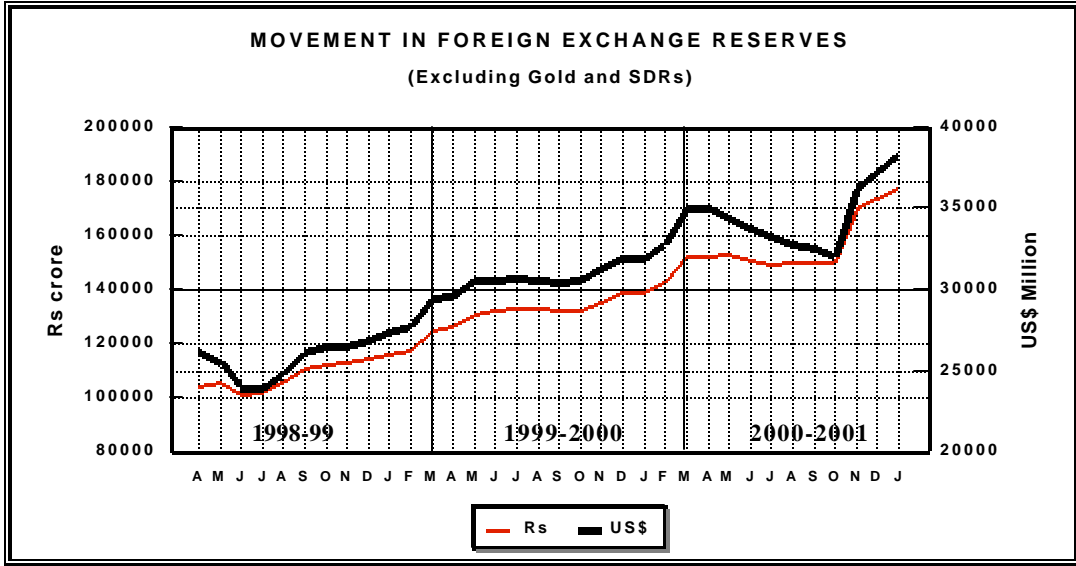


FOREIGN EXCHANGE RESERVES

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)				
At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore	\$ 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
December	174207	37264	4245	978
January*	178032	38361	3825	1097

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$ 35058 million at the end of 1999-2000. These reserves have increased by \$3303 million and stood at \$38361 million at the end of January, 2001.

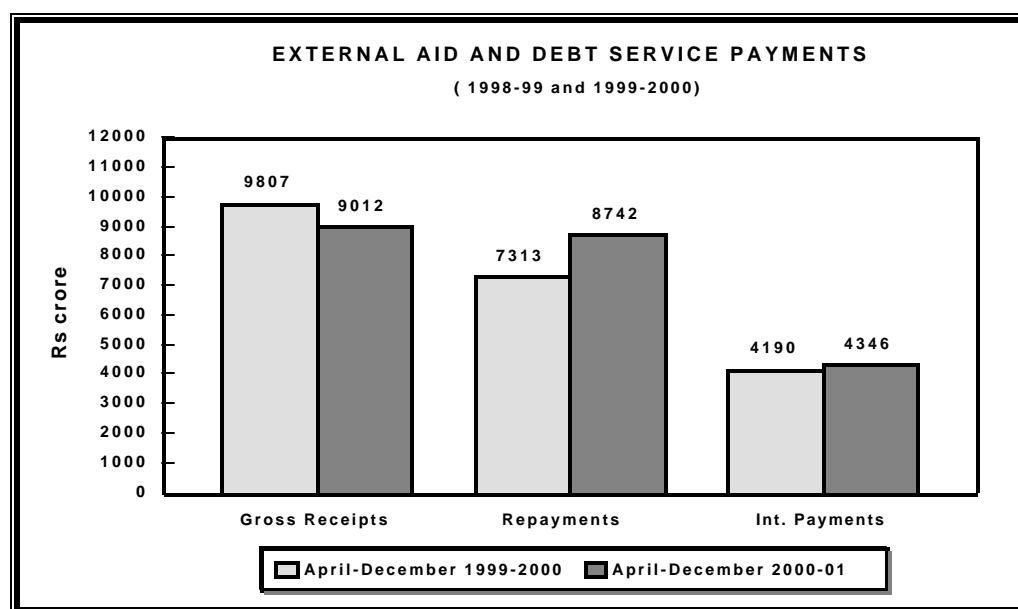


EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(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	6569	7119	6608	7842	3258	3313
Grants- Govt. A/C	650	547	-	-	-	-
Total	7219	7666	6608	7842	3258	3313
Non-Govt. loans	2588	1346	705	900	932	1033
Grand Total	9807	9012	7313	8742	4190	4346
	(2268)	(1985)				
Net Flows (net of repayment)	2494	270	-	-	-	-
Net Transfers (net of repayment and interest payments)	-1696	-4076	-	-	-	-
* April-December						
Note: Figures in brackets are in terms of million US \$						

Gross external aid in **April-December, 2000** at Rs 9012 crore was 8.1 per cent lower than that of Rs 9807 crore in April-December, 1999. Net aid flows (net of repayments) amounted to Rs 270 crore as against Rs 2494 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 4076 crore as against Rs (-) 1696 crore in the corresponding period of last year.



EXCHANGE RATES

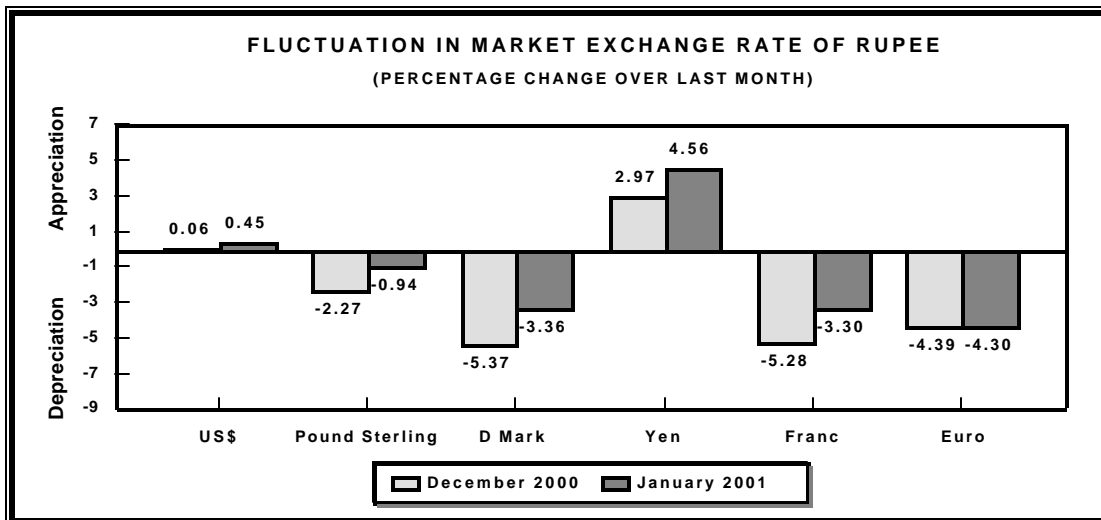
Rupees Per Unit of Foreign Currency

(Market Rate^a)

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country NEER Base 1995=100	5 Country REER
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	99.89
May	43.98	66.40	20.34	0.4069	6.06	39.87	82.91	101.10
June	44.69	67.46	21.66	0.4209	6.46	42.41	80.52	97.92
July	44.78	67.59	21.44	0.4153	6.39	42.14	80.76	98.42
August	45.68	68.02	21.18	0.4230	6.31	41.38	79.97	97.79
September	45.89	65.76	20.61	0.4297	6.15	39.93	80.54	99.60
October	46.34	67.34	20.19	0.4276	6.02	39.71	80.14	99.52
November	46.78	66.73	20.44	0.4297	6.10	40.03	79.66	99.12
December	46.75	68.28	21.60	0.4173	6.44	41.87	79.04	97.47
January	46.54	68.93	22.35	0.3991	6.66	43.75	78.97	97.02

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 January, 2001 appreciated against US Dollar and Japanese Yen and depreciated against Pound Sterling, Deutsche Mark, French Franc and Euro compared to average market rate during December, 2000. Both NEER and REER moved down in January, 2001 as compared with the last month.



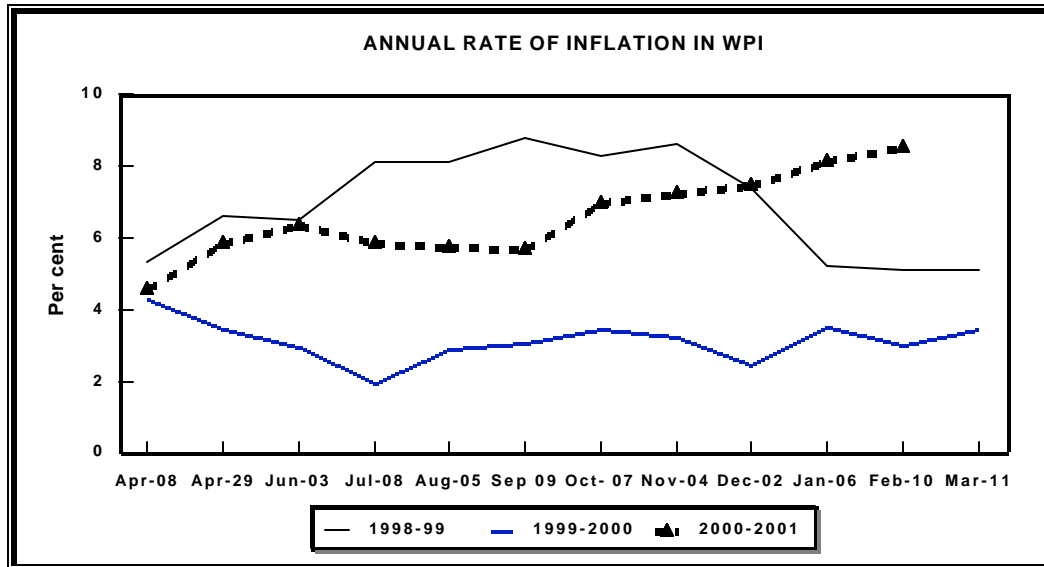
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 10.2.2001)		(ending 10.2.2001) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.00	0.38	3.04	8.57
I Primary articles	22.03	0.13	-0.12	0.85	3.87
II Fuel, Power, Light and Lubricants	14.23	0.06	1.61	10.74	31.71
III Manufactured Products	63.75	0.00	0.14	2.00	4.06

P = Provisional

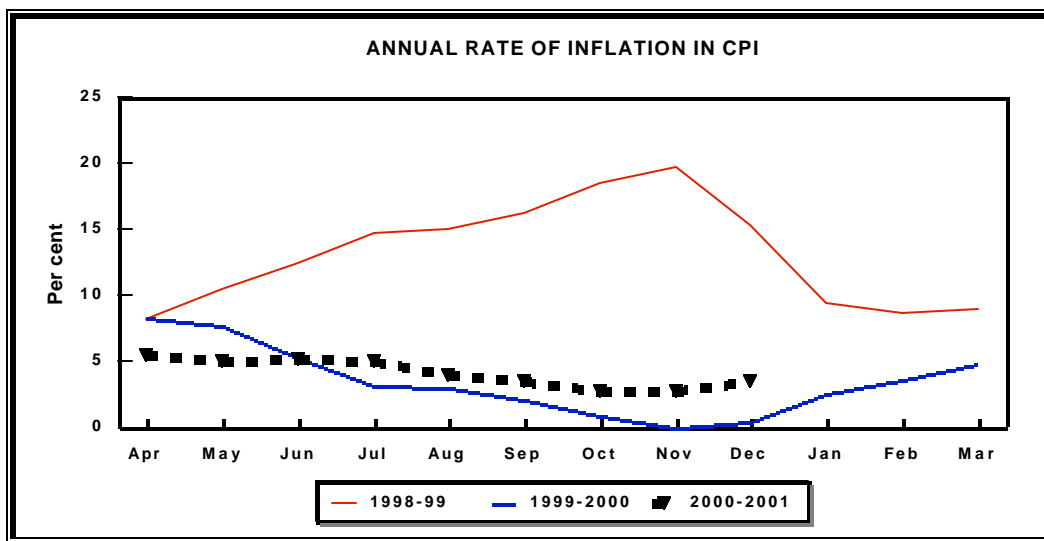
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 8.57 per cent for week ended February 10, 2001 compared to 3.04 per cent a year ago. This rate was contributed by an increase of 3.87 per cent in Primary articles, 31.71 per cent increase in Fuel, Power and Lubricants and 4.06 per cent increase in Manufactured Products as against an increase of 0.85 per cent, 10.74 per cent and 2.00 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	1999-2000 (Up to December, 1999)	2000-2001 (Up to December, 2000)
	<i>Per cent</i>	
Annual Inflation	0.5	3.5
Financial Year Inflation (%)	13.4	7.7
Last Month (% change)	-1.6	-0.9
Level of Index	431	446
Average of Index for 12 months ending December	424.00	441.00

The All India **Consumer Price Index for Industrial Workers (CPI-IW)** for December, 2000 which stood at 446 declined by 0.9 per cent over the previous month's level and increased by 3.5 per cent over December, 1999.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	October		April-October	
	1999	2000*	1999-00	2000-01*
1. No. of applicants on Live Register at the end of the month	406.97	413.72	406.97	413.72
2. No. of registrations/re-registrations	4.37	3.76	37.47	38.92
3. Placements effected	0.13	0.14	1.21	1.00
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	3.07	3.72	3.22	2.57
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **October**, 2000 was 413.72 lakh, higher by 1.7 per cent as compared to the corresponding period of the previous year. The number of registrations during **October**, 2000 was lower by 14.0 per cent than in **October**, 1999. The Placements as percentage of registrations during **October**, 2000 was 3.72 as against 3.07 in **October**, 1999. The total placements effected during 2000-01 (April-October) was 1.0 lakh as compared to 1.21 lakh in the corresponding period of 1999-2000.