



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

MONTHLY ECONOMIC REPORT

FEBRUARY, 2002

HIGHLIGHTS

- The Winter season rainfall upto 13 February 2002 was normal/excess in 57 per cent of meteorological sub-divisions.
- Foodgrain stocks were at 58.03 million tonnes as on January 1, 2002.
- Overall industrial growth 2.3 per cent in April-December, 2001 as against 5.8 per cent in April-December, 2000.
- Core infrastructure sectors achieved an average growth rate of 2.0 per cent in April-December 2001 as against 6.8 per cent in April-December 2000.
- Money Supply (M3) growth was 11.3 per cent during March 31, 2001 to January 25, 2002, whereas annual growth rate for fortnight ended January 25, 2002 was 14.4 per cent. Net RBI Credit to Government decreased by 0.9 per cent during March 31, 2001 to January 25, 2001.
- The annual inflation rate in terms of WPI (Base 1993-94) was 1.13 per cent for week ended February 2, 2002 compared to 8.62 per cent a year ago.
- Exports increased by 0.6 per cent in dollar terms in April-December, 2001 compared to an increase of 20.8 per cent in April-December, 2000. Imports increased by 0.3 per cent as against an increase of 9.2 per cent in corresponding period of last year.
- Rupee appreciated against Japanese Yen, stable against French Franc and depreciated against US Dollar, Pound Sterling, Deutsche Mark and Euro in January, 2002.
- Forex reserves (excluding Gold & SDRs) stood at \$46.56 billion at the end of January, 2002.

(S. C. Sharma)
Economic Officer

AGRICULTURE

WINTER SEASON RAINFALL*

Number of Meteorological Sub-divisions							
	1997	1998	1999	2000	2001	1997-01+	2002
Excess/Normal	16	9	18	16	8	13	20
Deficient/Scanty/Nil	19	26	17	19	27	22	15
Total	35	35	35	35	35	35	35
+ Annual average		* (January-February)					

The Winter season rainfall from January 1, 2002 to February 13, 2002 was normal/excess in 20 (57 per cent) meteorological sub-divisions and deficient/scanty in the remaining 15 (43 per cent). The annual average for 1997-2001 was normal/excess in 13 (38 per cent) meteorological sub-divisions and deficient/scanty in the remaining 22 (62 per cent).

PROCUREMENT

(Million Tonnes)

	Full Marketing Year			Up to February 19		
	1998-99 (1)	1999-2000 (2)	2000-2001 (3)	2001(P) (4)	2002(P) (5)	% change Col. (6)/(5) (6)
Rice (Oct-Sep)	11.85	17.27	19.11	14.13	14.72	42
Wheat (Apr-Mar)	12.65	14.15	16.36	16.35	20.63	26.2
Total	24.50	31.42	35.47	30.48	35.35	16.0

Wheat procurement up to February 19, 2002 in the current marketing year, (i.e., 2001-2002) was higher by 26.2 per cent 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 February 19, 2001) stood at 14.72 million tonnes was higher by 4.2 per cent than the level of 14.13 million tonnes during the corresponding period of 2000-01.

OFF-TAKE

(Million Tonnes)

	April-December				
	1998-99(P)	1999-2000(P)	2000-2001(P)	2000-01	2001-02
Rice	11.83	12.42	10.22	7.57	9.42
Wheat	8.90	10.63	7.73	4.35	9.56
Total	20.73	23.05	17.95	11.92	18.98

P- Provisional

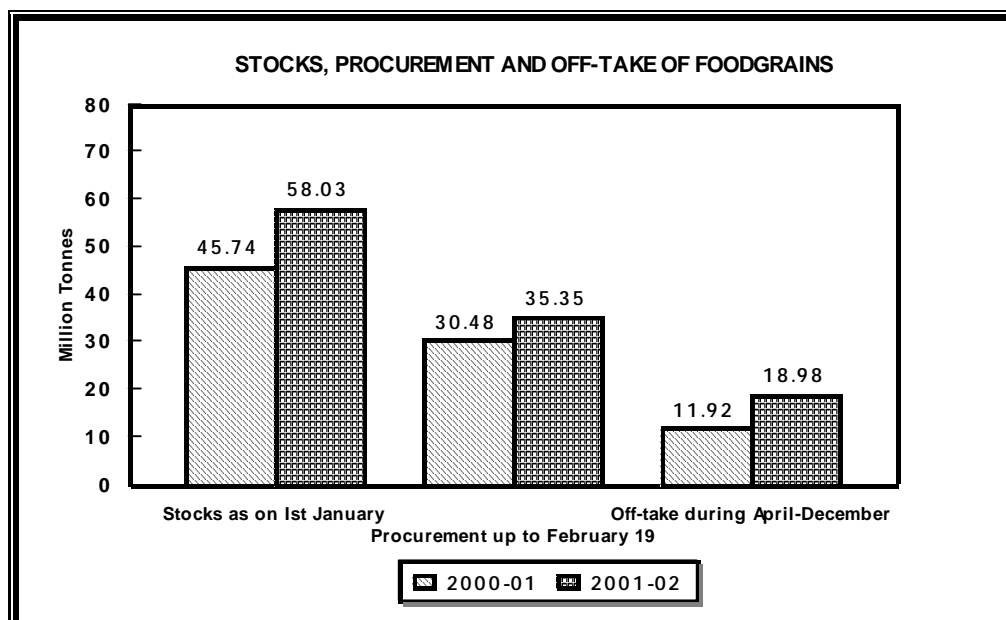
Off-take from the Public Distribution System central pool during April-December, 2001-02 was 18.98 million tonnes which was higher by 59.24 per cent than the off-take of 11.92 million tonnes during April-December, 2000-01.

STOCKS

(Million Tonnes)

	As on 1st December		As on 1st January	
	2000	2001	2001	2002
Rice	19.53	25.10	20.70	25.62
Wheat	25.97	34.00	25.04	32.41
Total	45.50	59.10	45.74	58.03

Stocks of foodgrains as on 1st January, 2002 stood at 58.03 million tonnes which was higher by 26.9 per cent than the level at 45.74 million tonnes as on 1st January, 2001.

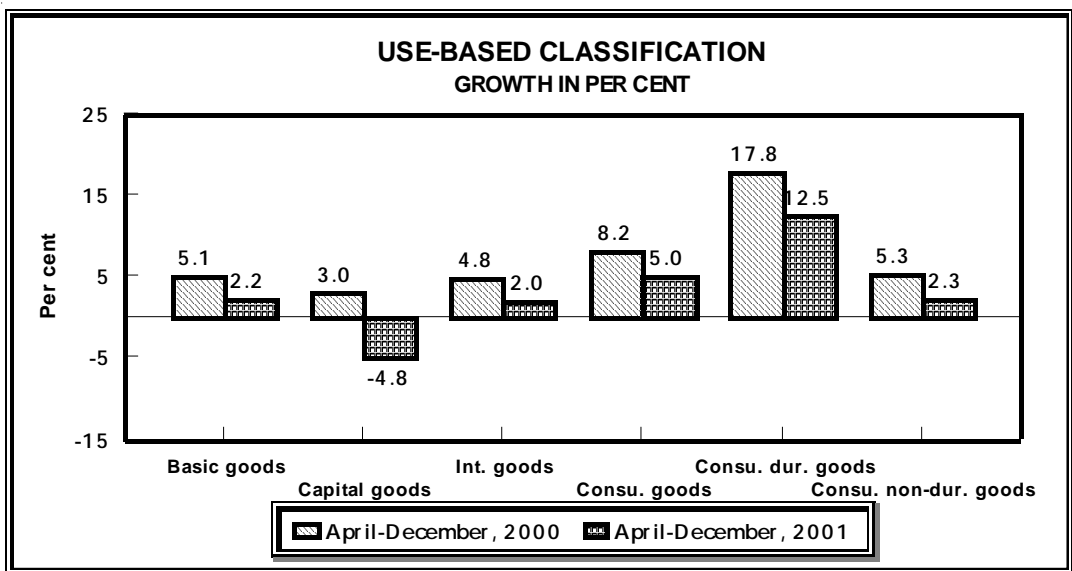
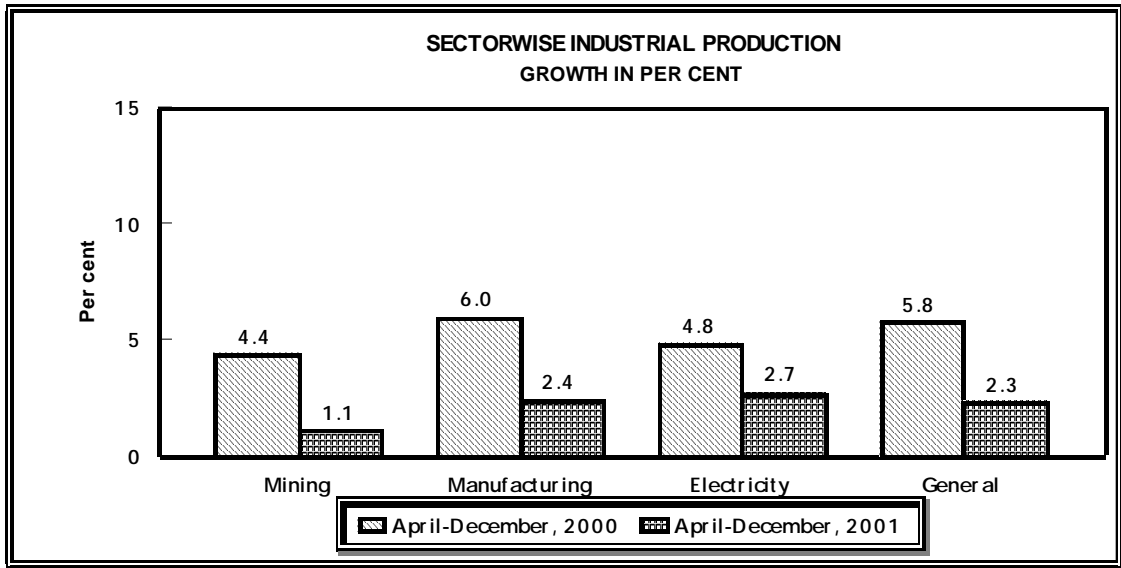


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)	<i>(Percentage change)</i>					
	1999-00/ 1998-99	2000-01/ 1999-00	Dec. '00/ Dec. '99	Dec. '01/ Dec. '00	<u>April-December</u>	
					2000-01	2001-02
<u>General</u>	6.7	5.0	3.6	1.6	5.8	2.3
Mining & Quarrying	1.0	3.7	4.0	0.5	4.4	1.1
Manufacturing	7.1	5.3	3.5	1.4	6.0	2.4
Electricity	7.3	4.0	4.2	3.8	4.8	2.7
<u>Use-Based Classification</u>						
Basic goods	5.5	3.9	3.5	2.0	5.1	2.2
Capital goods	6.9	1.8	2.2	-4.1	3.0	-4.8
Intermediate goods	8.8	4.7	3.8	1.1	4.8	2.0
Consumer goods	5.7	8.0	4.0	3.2	8.2	5.0
<u>Of which</u>						
Consumer Durables	14.1	14.5	7.9	8.5	17.8	12.5
Consumer non-Durables	3.2	5.8	2.8	1.5	5.3	2.3

The overall growth rate of Industrial production during **April-December, 2001** at 2.3 per cent recorded a lower growth compared to 5.8 per cent in April-December, 2000. The growth in manufacturing sector, electricity generation and mining & quarrying during April-December, 2001 was 2.4%, 2.7% and 1.1% respectively as against 6.0%, 4.8% and 4.4% in April-December, 2000.

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

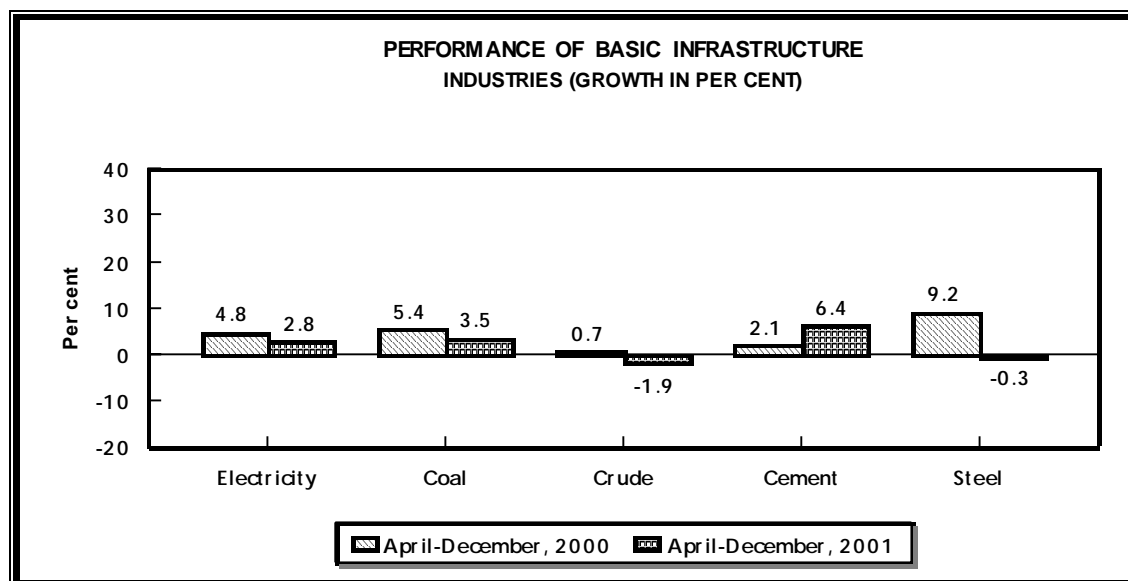


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit						<u>Percentage change</u> <u>April-Dec.</u>	
		December 2000	December 2001	Full Year 2000-01	April-Dec. 2000-01	April-Dec. 2001-02	2000-01/ 1999-00	2001-02/ 2000-01
Coal	Mn. Ton	28.8	29.5	308.9	218.7	226.4	5.4	3.5
Electricity Generation	Mn. Kwh	44477	42879	499450	372738	383118	4.8	2.8
Hydel	Mn. kw	5160	5385	74346	59814	57639	-5.4	-3.6
Thermal (including nuclear)	Mn. kw	37719	39092	425104	312924	325479	3.6	7.4
Crude petroleum	000 tons	2780	2812	32476	24470	24015	0.7	-1.9
Petroleum Products	000 tons	8138	8852	96236	71528	74564	25.9	4.2
Finished steel	000 tons	2551.8	2645.3	30422.7	22662.0	20602.9	9.2	-0.3
Cement	000 tons	7610	8730	99940	74150	78897	2.1	6.4
Average growth rate*	(%)	2.7	4.2	5.3	-	-	6.8	2.0
		<u>October</u>	<u>Full Year</u>		<u>April-Oct.</u>			
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-December, 2001** as compared to April-December, 2000. During April-December, 2001 average growth rate was 2.0 per cent as compared to 6.8 per cent in April-December, 2000.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

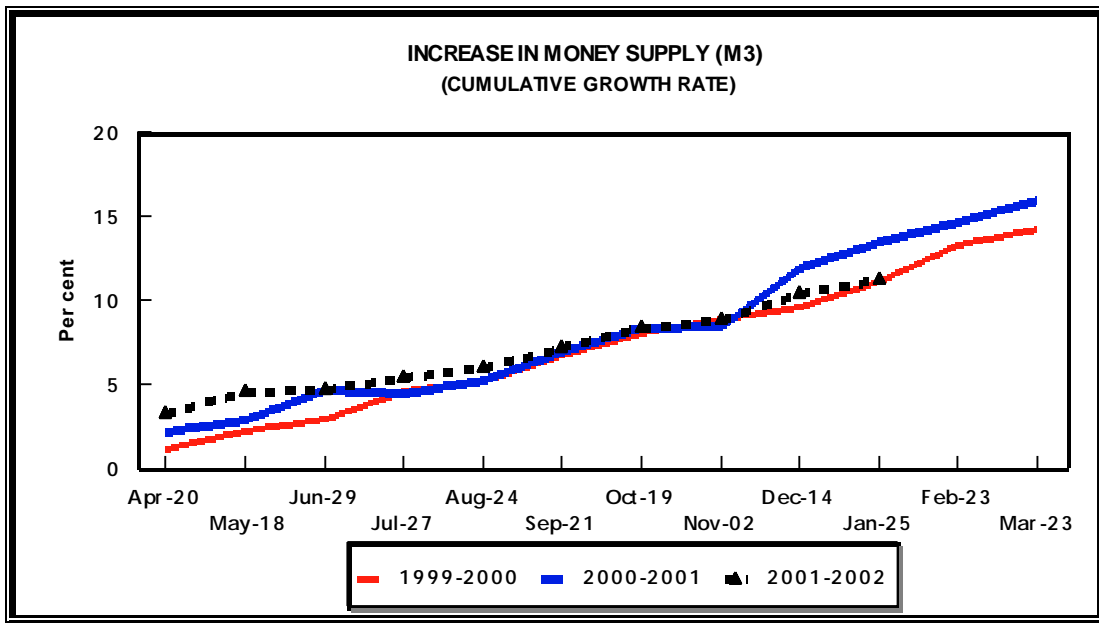
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	Oct. 2000	2001	Full Year 2000-01	April-Oct. 2000-01 2001-02		Oct. 2001/2000	April-Oct. 2001-02/ 2000-01
Coal	18.14	19.48	222.75	127.21	127.44	7.4	0.2
Raw material for Steel Plants	3.38	3.50	38.75	21.95	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.

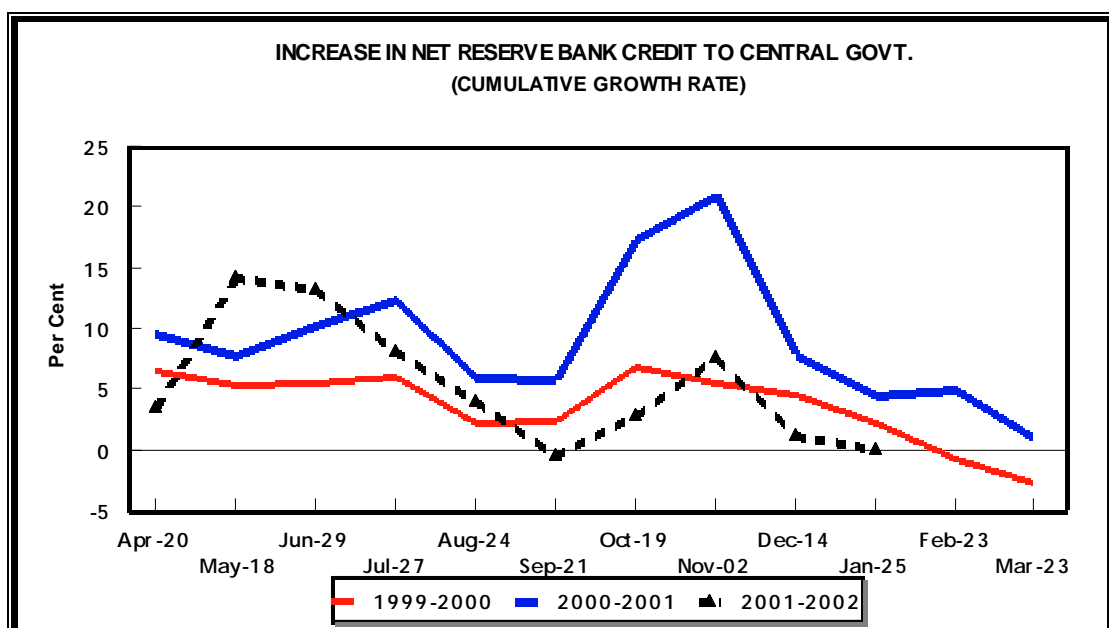
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '01 to Jan 25 '02 (PR)	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '00 to Jan 26 '01 (P)	Mar 31 '01 to Jan 25 '02 (PR)	Jan 26 '01 to Jan 25 '02 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
M1 (I+II+IV)	37995	20752	11.1	5.5	5.5	11.1
M3(M1+ III)	187409	147962	16.7	13.5	11.3	14.4
I. Currency with the public	20480	23269	10.8	8.8	11.1	13.2
II. Demand deposits with banks	16918	-1413	11.3	2.0	-0.8	8.2
III. Time deposits with banks	149414	127210	19.1	17.1	13.7	15.6
IV. Other deposits with RBI	596	-1104	19.6	-27.9	-30.4	15.5
Sources of change in M3						
<i>(1+2+3+4-5)</i>						
1. Net Bank Credit to Govt (A+B)	71002	65719	16.1	12.4	12.8	16.6
A. RBI's net credit to Govt ^a	5613	-1417	3.8	1.5	-0.9	1.3
To Central Govt	6705	97	4.8	4.5	0.1	0.3
To State Govts	-1092	-1514	-12.9	-49.6	-20.6	37.2
B. Other bank credit to Govt	65389	67136	22.3	17.9	18.7	23.2
2. Bank credit to commercial sector	86652	62122	14.8	12.8	9.2	11.2
3. Net foreign exchange assets of banking sector ^b	44172	35127	21.5	15.6	14.1	19.8
4. Govt's currency liabilities to the public	776	549	16.9	14.1	10.2	13.0
5. Banking sector's net non-monetary liabilities other than time deposits	15192	15554	13.3	8.9	12.0	16.6
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 January 25, 2002) money supply (M3) increased by 11.3 per cent which is lower than the 13.5 per cent in the corresponding period of 2000-01. Among its components, currency with the public showed a growth of 11.1 per cent as against 8.8 per cent in the corresponding period of last year. Demand deposits with banks showed a decline of 0.8 per cent as against an increase of 2.0 per cent in the corresponding period of last financial year. Time deposits with banks increased by 13.7 per cent as against 17.1 per cent in the corresponding period of last year. The annual growth of M3 as on January 25, 2002 stood at 14.4 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 12.8 per cent during the current financial year (i.e. March 31, 2001 to January 25, 2002) which is slightly higher than that of 12.4 per cent increase in the same period of 2000-01. RBI's Net Credit to Central Government increased by 0.1 per cent as against an increase of 4.5 per cent in 2000-01. Bank credit to the commercial sector increased by 9.2 per cent as against an increase of 12.8 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 14.1 per cent as compared with 15.6 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 Jan 25,'02 (PR)	Full Year Mar 24,'00 to Mar 23,'01	Mar 24,'00 to Jan 26,'01	Mar 23,'01 to Jan 25,'02 (P)	Jan 26,'01 to Jan 25,'02 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	75476	57390	17.3	14.8	12.4	13.7
Food credit	14300	14689	55.7	52.1	36.7	39.9
Non-food credit	61176	42701	14.9	12.4	9.1	11.5
2. Aggregate deposits	149273	113540	18.4	15.1	11.8	15.0
Demand deposits	15186	-414	11.9	3.1	-0.3	8.3
Time deposits	134088	113954	19.5	17.3	13.9	16.1
3. Borrowings from RBI	-2595	75	-40.0	-6.0	1.9	-34.9
4. Cash reserves	2453	9331	3.9	48.5	10.1	-16.8
Cash in hand	328	596	6.2	2.7	10.5	14.2
Balances with RBI	2125	8735	3.7	23.9	14.7	-4.0
5. Investments in Govt. and other approved securities	61215	60763	19.8	15.4	16.4	17.9
P = Provisional						

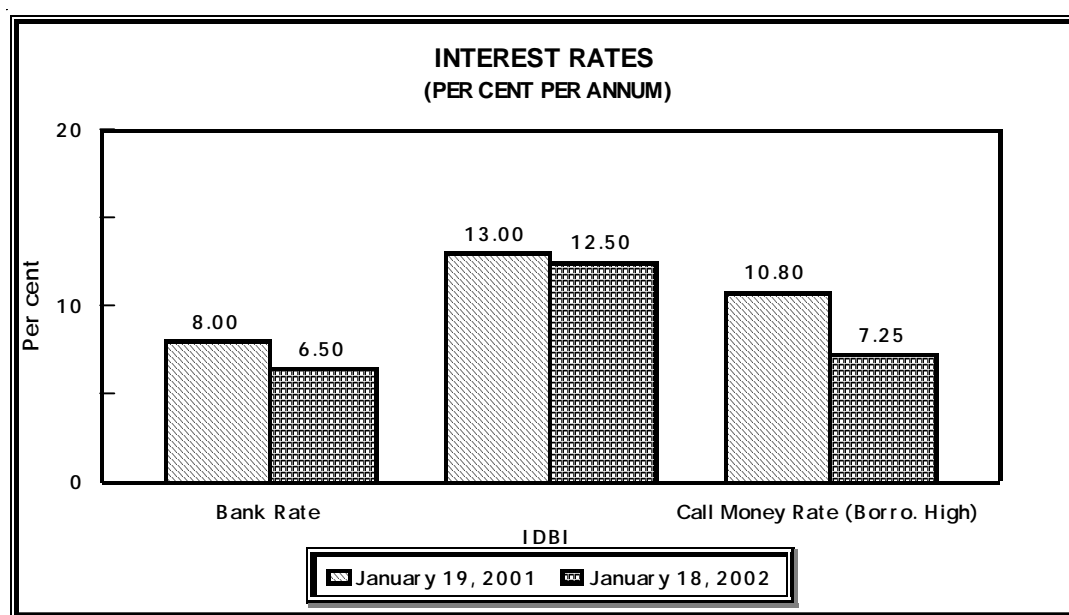
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 23, 2001 to January 25, 2002) showed a growth of 12.4 per cent as compared with an increase of 14.8 per cent in the corresponding period of last financial year. Food credit increased by 36.7 per cent while non-food credit increased by 9.1 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2001</i>	<i>2002</i>
1	<i>Jan. 19</i>	<i>Jan. 18</i>
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	7.50-8.50
Call Money Rate ⁴ (Low/High)		
-Borrowings	8.50/10.80	4.50/7.25
-Lendings	9.20/12.50	4.50/7.20

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 January 18, 2002, Prime Lending Rate was 11.00 to 12.00 per cent while on January 19, 2001 it was 12.00 to 12.50. Deposit Rate ranged from 7.50 to 8.50 per cent as against 8.50 to 10.00 on the corresponding day of last year.

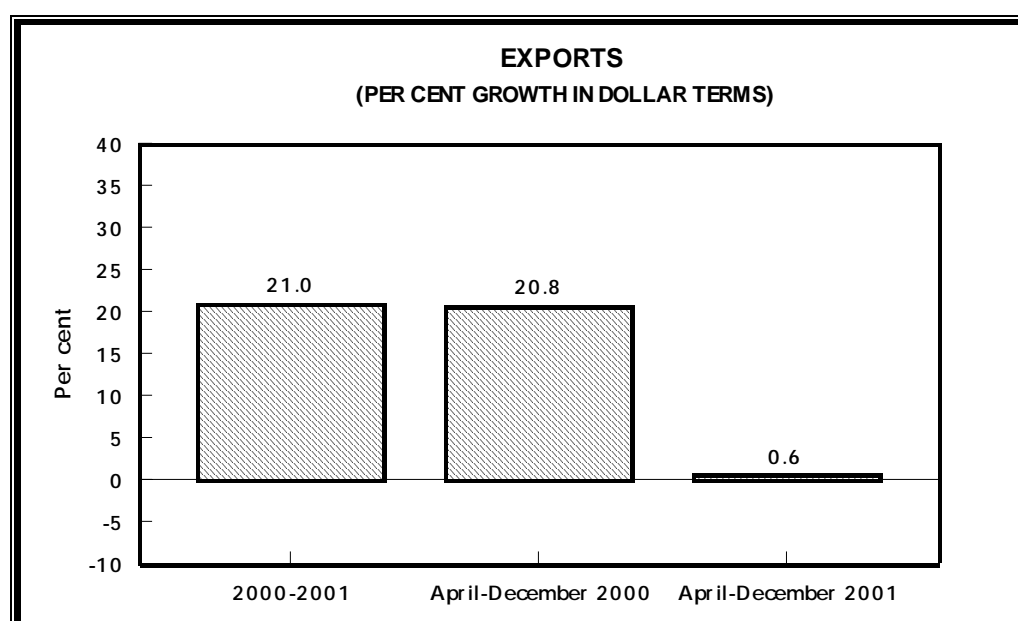


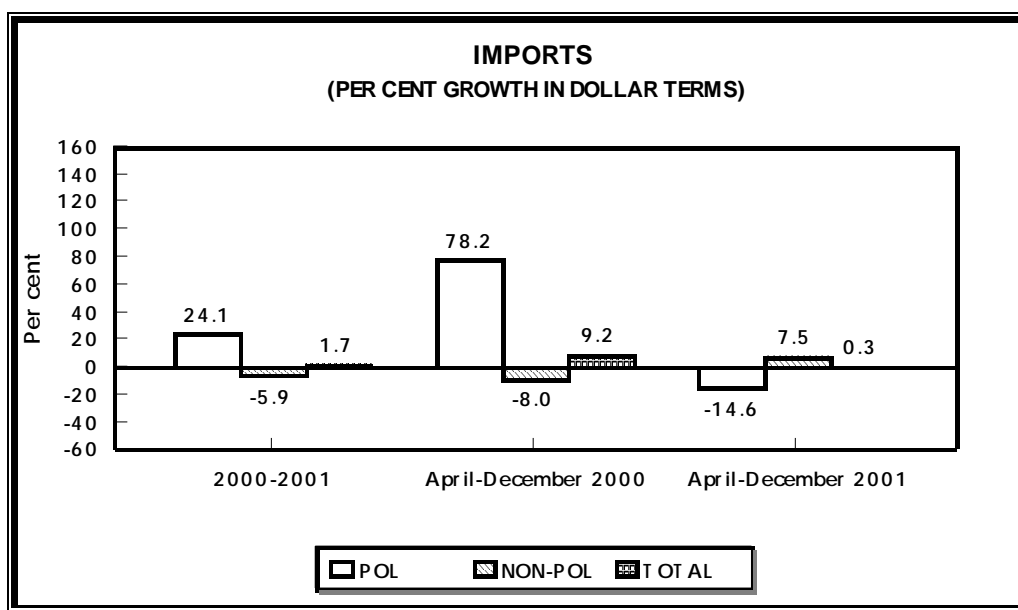
EXTERNAL SECTOR

FOREIGN TRADE

FOREIGN TRADE*						
Item	1999-00(R)	2000-01(R)	April-Dec.		April-Dec.	
			2000-01(R)	2001-02(P)	2000-01	2001-02
<i>Rs. Crore</i>				<i>% change</i>		
Exports	159561	203571	147017	154445	26.8	5.1
Imports	215236	230873	173851	181753	14.7	4.5
POL	54649	71497	56512	50364	87.1	-10.9
Non-POL	160587	159376	117339	131389	-3.3	12.0
Trade Balance	-55675	-27302	-26834	-27308	-	-
<i>Million Dollar</i>				<i>% change</i>		
Exports	36822	44560	32366	32572	20.8	0.6
Imports	49671	50536	38242	38362	9.2	0.3
POL	12611	15650	12450	10627	78.2	-14.6
Non-POL	37060	34886	25792	27735	-8.0	7.5
Trade Balance	-12849	-5976	-5877	-5790	-	-
P = Provisional, R = Revised						

Exports in dollar terms during **April-December, 2001** increased by 0.6 per cent as compared to an increase of 20.8 per cent during April-December, 2000. Imports increased by 0.3 per cent as against an increase of 9.2 per cent in last year. Imports of POL declined by 14.6 per cent as against an increase of 78.2 per cent in April-December, 2000.



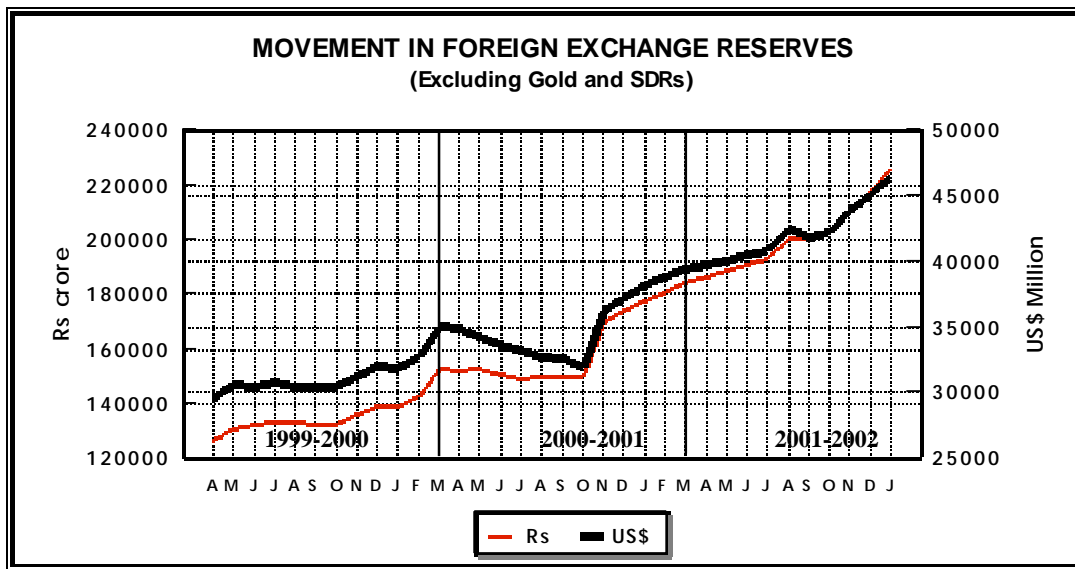


FOREIGN EXCHANGE RESERVES

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
December	218021	45251	6752	1227
January*	226195	46561	8174	1310

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$39554 million at the end of 2000-2001. These reserves have increased by \$7007 million and stood at \$46561 million at the end of January, 2002.



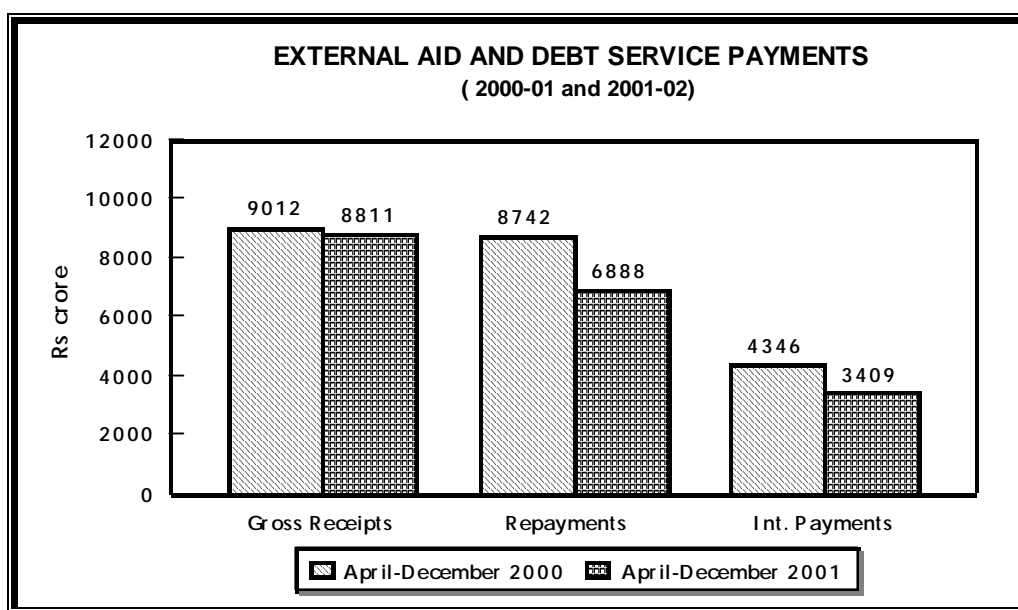
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(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	7119	6906	7842	6474	3313	3026
Grants- Govt. A/C	547	672	-	-	-	-
Total	7666	7578	7842	6474	3313	3026
Non-Govt. loans	1346	1233	900	414	1033	383
Grand Total	9012	8811	8742	6888	4346	3409
	(1985)	(1859)				
Net Flows (net of repayment)	270	1923	-	-	-	-
Net Transfers (net of repayment and interest payments)	-4076	-1486	-	-	-	-

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

Gross external aid in **April-December 2001** at Rs 8811 crore was 2.2 per cent lower than that of Rs 9012 crore in April-December 2000. Net aid flows (net of repayments) amounted to Rs 1923 crore as against Rs 270 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 1486 crore as against Rs (-) 4076 crore in the corresponding period of last year.



EXCHANGE RATES

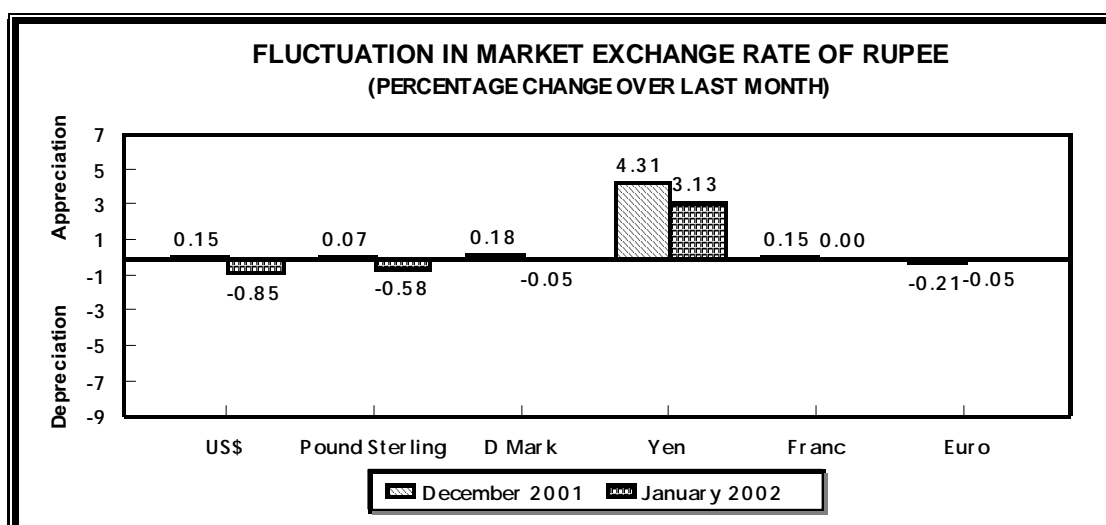
Rupees Per Unit of Foreign Currency

(Market Rate^a)

Month	US Dollar	Pound Sterling	Deutsche Mark*	Japanese Yen	French Franc*	Euro@	5 Country NEER	5 Country REER
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	101.33
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	103.31
August	47.13	67.69	21.77	0.3873	6.49	42.37	79.68	102.12
September	47.64	69.69	22.17	0.4012	6.61	43.41	78.09	100.27
October	48.02	69.74	22.18	0.3962	6.61	43.54	77.93	101.82
November	47.99	69.03	21.86	0.3923	6.52	42.66	78.54	103.66
December	47.92	68.98	21.82	0.3761	6.51	42.75	79.16	105.48
January	48.33	69.38	21.83	0.3647	6.51	42.77	79.19	106.15

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, 2002 appreciated against Japanese Yen, stable against French Franc and depreciated against US Dollar, Pound Sterling, Deutsche Mark and Euro compared to average market rate during December, 2001. NEER and REER moved up in January, 2002 as compared with the last month.



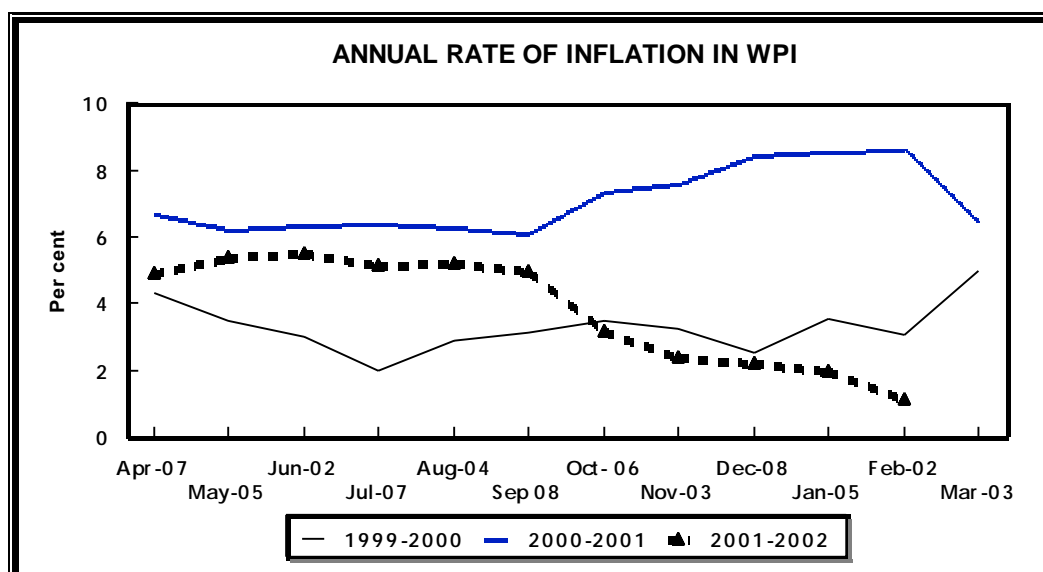
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 2.2.2002)		(ending 2.2.2002) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.25	-0.56	8.62	1.13
I Primary articles	22.03	-0.68	-1.13	2.82	3.24
II Fuel, Power, Light and Lubricants	14.23	2.66	-1.17	33.08	1.61
III Manufactured Products	63.75	-0.21	-0.07	4.28	0.14

P = Provisional

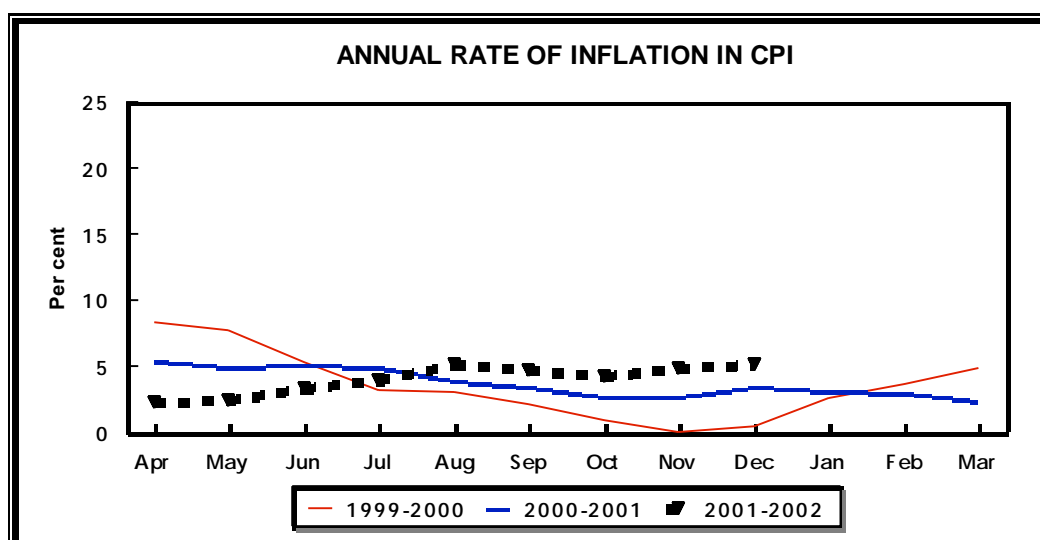
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 1.13 per cent for week ended February 2, 2002 compared to 8.62 per cent a year ago. This rate was contributed by an increase of 3.24 per cent in Primary articles, 1.61 per cent increase in Fuel, Power and Lubricants and 0.14 per cent increase in Manufactured Products as against an increase of 2.82 per cent, 33.08 per cent and 4.28 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE			
	2000-2001 (Up to December, 2000)		2001-2002 (Up to December, 2001)
		<i>Per cent</i>	
Annual Inflation	3.5		5.2
Financial Year Inflation (%)	2.8		5.4
Last Month (% change)	0.2		0.9
Level of Index	446		469
Average of Index for 12 months ending December	441.00		457.67

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for December, 2001 which stood at 469 increased by 0.9 per cent over the previous month's level and increased by 5.2 per cent over December, 2000.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	August		April-August	
	2000	2001*	2000-01	2001-02*
1. No. of applicants on Live Register at the end of the month	414.28	422.72	414.28	422.72
2. No. 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.