



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

MONTHLY ECONOMIC REPORT

JUNE, 2000

HIGHLIGHTS

1. The pre-monsoon rainfall upto 17th May 2000 was normal/excess in 69 per cent of meteorological sub-divisions.
2. Foodgrains stocks 36.58 million tonnes as on May 1, 2000.
3. Overall industrial growth 12.2 per cent in April, 2000.
4. Core infrastructure sectors achieved an average growth rate of 7.8 per cent in 1999-2000 compared with 2.4 per cent in 1998-99.
5. Money Supply (M3) growth was 3.6 per cent during March 31, 2000 to May 19, 2000, whereas annual growth rate for fortnight ended May 19, 2000 was 15.1 per cent. Net RBI Credit to Government increased by 3.4 per cent during March 31, 2000 to May 19, 2000.
6. The annual inflation rate in terms of WPI (Base 1993-94) was 6.4 per cent for week ended June 3, 2000 compared to 3.0 per cent a year ago.
7. Exports increased by 30.0 per cent in dollar terms in April, 2000 compared to an increase of 2.1 per cent in April, 1999. Imports increased by 43.6 per cent.
8. Rupee appreciated against Pound Sterling, Deutsche Mark, French Franc, Japanese Yen and Euro and depreciated against US Dollar in May, 2000.
9. Forex reserves (excluding Gold & SDRs) stood at \$34.39 billion at the end of May, 2000.

(M. C. Singhi)

Additional Economic Adviser

AGRICULTURE

PRE-MONSOON RAINFALL*

| | Number of Meteorological Sub-divisions | | | | | | |
|-----------------------------|--|------|------|------|------|----------|------|
| | 1995 | 1996 | 1997 | 1998 | 1999 | 1995-99+ | 2000 |
| Excess/Normal | 21 | 13 | 27 | 27 | 12 | 20 | 24 |
| Deficient/Scanty/Nil | 14 | 22 | 8 | 8 | 23 | 15 | 11 |
| Total | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| + Annual average | * (March-May) | | | | | | |

The pre monsoon rainfall from March 1, 2000 to May 17, 2000 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 1995-99 was normal/excess in 20 (57 per cent) meteorological sub-divisions and deficient/scanty in the remaining 15 (43 per cent).

PROCUREMENT*

(Million Tonnes)

| (1) | Full Marketing Year | | | Up to June 5 | | % change Col. (6)/(5) |
|-----------------|---------------------|----------------|------------------|----------------|----------------|--------------------------|
| | 1997-98 (2) | 1998-99 (3) | 1999-2000 (4) | 1999(P) (5) | 2000(P) (6) | |
| Rice (Oct-Sep) | 14.33 | 11.79 | - | 10.84 | 15.62 | 44.1 |
| Wheat (Apr-Mar) | 9.30 | 12.65 | 14.14 | 14.10 | 15.69 | 11.3 |
| * Central pool | | | | | | |

Wheat procurement up to June 5, 2000 in the current marketing year, (i. e., 2000-2001) was higher by 11.3 per cent at 15.69 million tonnes compared to 14.10 million tonnes in the corresponding period in 1999-2000. Procurement of rice during the marketing year 1999-2000 (up to June 5, 2000) at 15.62 million tonnes was higher by 44.1 per cent than the level of 10.84 million tonnes during the corresponding period of 1998-99.

OFF-TAKE

(Million Tonnes)

| | 1998-99 | 1999-2000 | April | |
|-------|---------|-----------|-----------|------------|
| | | | 1999-2000 | 2000-01(P) |
| Rice | 11.83 | 12.06 | 0.83 | 0.62 |
| Wheat | 8.90 | 9.86 | 0.40 | 0.22 |
| Total | 20.73 | 21.92 | 1.23 | 0.84 |

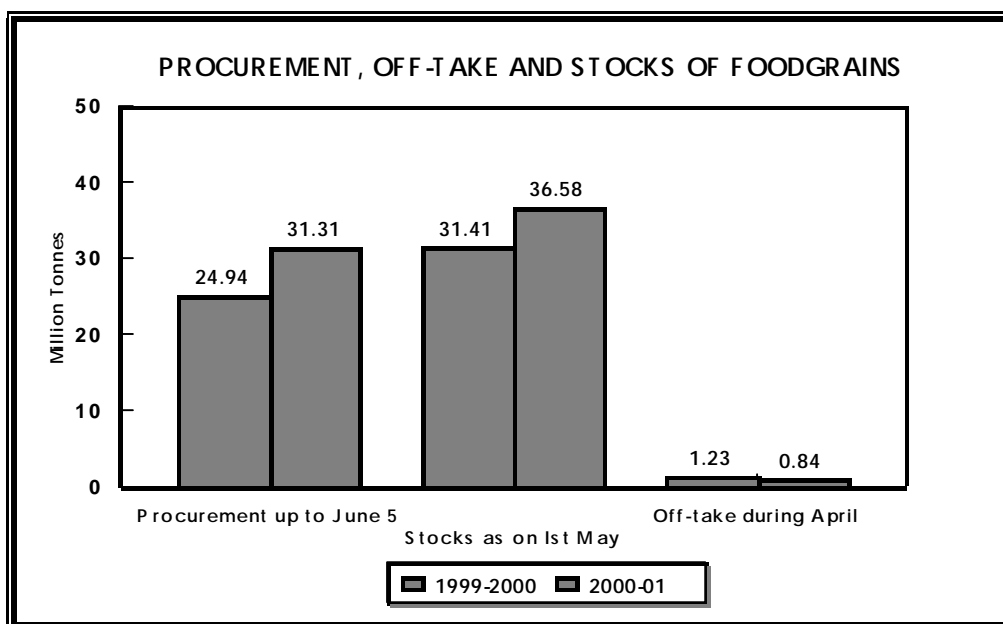
Off-take from the public distribution system central pool during April, 2000-01 was 0.84 million tonnes which was lower by 31.7 per cent than the off-take of 1.23 million tonnes during corresponding period of last year.

STOCKS

(Million Tonnes)

| | As on 1st April | | As on 1st May | |
|-------|-----------------|-------|---------------|-------|
| | 1999 | 2000 | 1999 | 2000 |
| Rice | 11.74 | 14.93 | 11.66 | 15.06 |
| Wheat | 9.92 | 13.08 | 19.75 | 21.52 |
| Total | 21.66 | 28.01 | 31.41 | 36.58 |

Stocks of foodgrains as on 1st May, 2000 at 36.58 million tonnes was higher by 16.5 per cent than the level at 31.41 million tonnes as on 1st May, 1999.

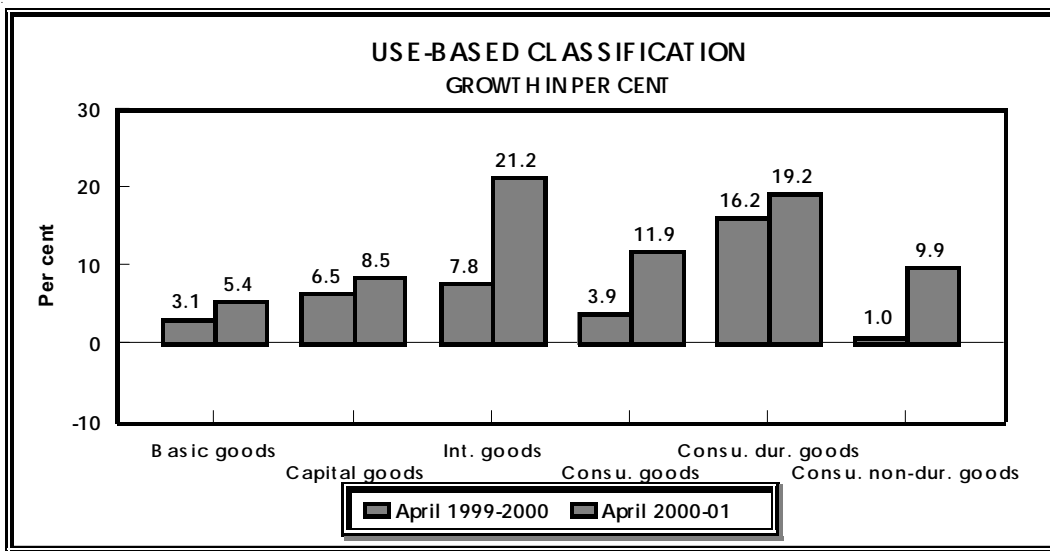
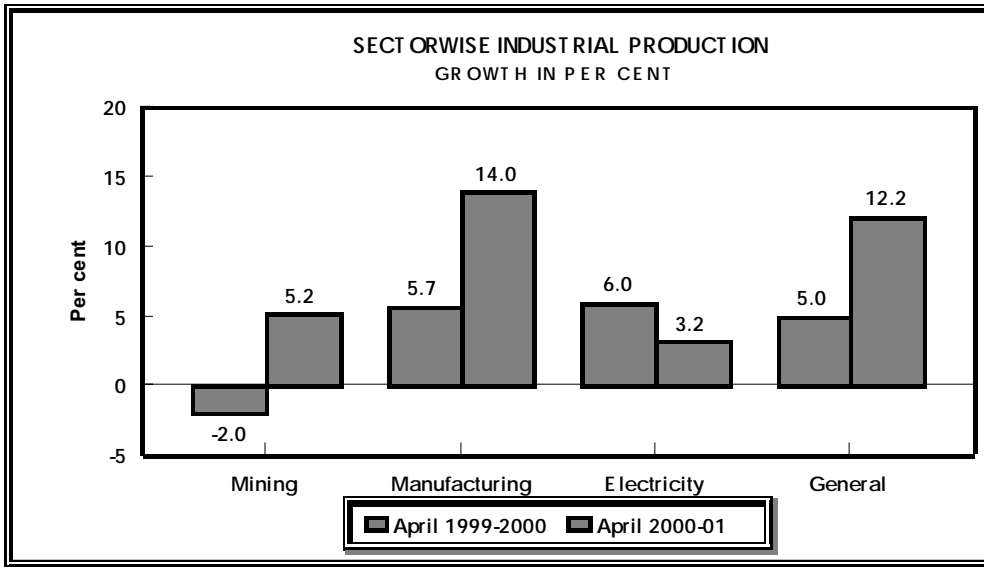


INDUSTRIAL PRODUCTION

| SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100) | <i>(Percentage change)</i> | | | |
|--|----------------------------|---------------------|---------------------|---------------------|
| | 1998-99/ 1997-98 | 1999-00/ 1998-99 | Apr '99/ Apr '98 | Apr '00/ Apr '99 |
| <u>General</u> | 3.9 | 8.3 | 5.0 | 12.2 |
| Mining & Quarrying | -1.7 | 0.7 | -2.0 | 5.2 |
| Manufacturing | 4.3 | 9.3 | 5.7 | 14.0 |
| Electricity | 6.5 | 6.6 | 6.0 | 3.2 |
| <u>Use-Based Classification</u> | | | | |
| Basic goods | 1.4 | 5.2 | 3.1 | 5.4 |
| Capital goods | 11.8 | 5.2 | 6.5 | 8.5 |
| Intermediate goods | 5.9 | 15.2 | 7.8 | 21.2 |
| Consumer goods | 2.4 | 5.9 | 3.9 | 11.9 |
| <u>Of which</u> | | | | |
| Consumer Durables | 4.7 | 13.4 | 16.2 | 19.2 |
| Consumer non-Durables | 1.8 | 3.9 | 1.0 | 9.9 |

The overall growth rate of Industrial production in **April, 2000** was 12.2 per cent as compared to 5.0 per cent in April, 1999. The production growth in manufacturing sector, electricity generation and mining & quarrying during April, 2000 was 14.0%, 3.2% and 5.2% as against 5.7%, 6.0% and (-) 2.0% respectively.

As per use-based classification, production in all sectors during April, 2000 registered higher increase over the corresponding month of last year.

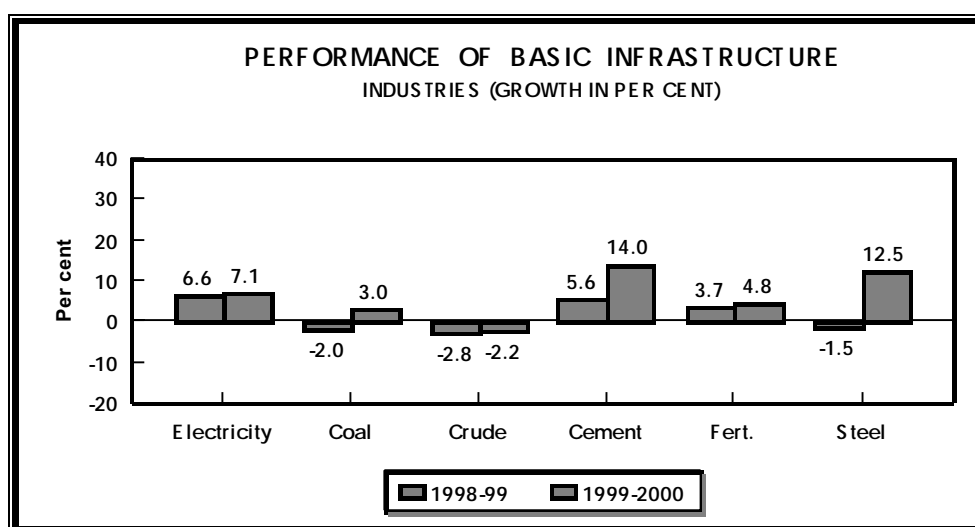


INFRASTRUCTURE INDUSTRIES

| PRODUCTION IN INFRASTRUCTURE INDUSTRIES | | | | | | Percentage change | |
|--|------------|-------------|------------|------------|------------|---------------------|---------------------|
| Industry/Infrastructure | Unit | March | | Full Year | | 1998-99/ 1997-98 | 1999-00/ 1998-99 |
| | | 1999 | 2000 | 1998-99 | 1999-00 | | |
| Coal | Mn. Ton | 31.70 | 33.23 | 290.15 | 298.98 | -2.0 | 3.0 |
| Electricity Generation | Mn. Kwh | 40847 | 43123 | 448367 | 480011 | 6.6 | 7.1 |
| Hydel | Mn. kw | 6426 | 6316 | 82690 | 80533 | 10.9 | -2.6 |
| Thermal (including nuclear) | Mn. kw | 34421 | 36808 | 365677 | 399478 | 5.7 | 9.2 |
| Plant Load Factor | Per cent | 71.3 | 72.2 | 64.6 | 67.3 | - | - |
| Crude petroleum | 000 tons | 2818 | 2633 | 32722 | 32005 | -2.8 | -2.2 |
| Petroleum Products | 000 tons | 6860 | 8690 | 68538 | 85894 | 5.2 | 25.3 |
| Finished steel | 000 tons | 2356.4 | 2469.7 | 24740.3 | 27820.8 | -1.5 | 12.5 |
| Cement | 000 tons | 9260 | 10040 | 87910 | 100240 | 5.6 | 14.0 |
| Fertilizers | 000 tons | 1133.6 | 1132.0 | 13620.7 | 14273.9 | 3.7 | 4.8 |
| Average growth rate* | (%) | -0.3 | 0.8 | 2.4 | 7.8 | - | - |
| Cargo handled at major ports | Mn. Ton | 23.98 | 25.35 | 251.72 | 271.87 | 0.1 | 8.0 |
| Telecommunications | | | | | | | |
| a) Net switching capacity | 000 lines | 1992.43 | 2531.17 | 4789.9 | 6717.32 | 36.1 | 40.2 |
| b) Net Tele. connections | 000 nos | 1278.50 | 1536.09 | 3792.0 | 4917.66 | 16.4 | 29.7 |
| Revenue earning goods traffic on railways | Mn. Ton | 41.83 | 44.86 | 420.92 | 456.31 | -2.0 | 8.4 |

* 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).

Core infrastructure industries had mixed performance in **1999-2000**. In this period average growth rate was 7.8 per cent as against 2.4 per cent in the last year.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

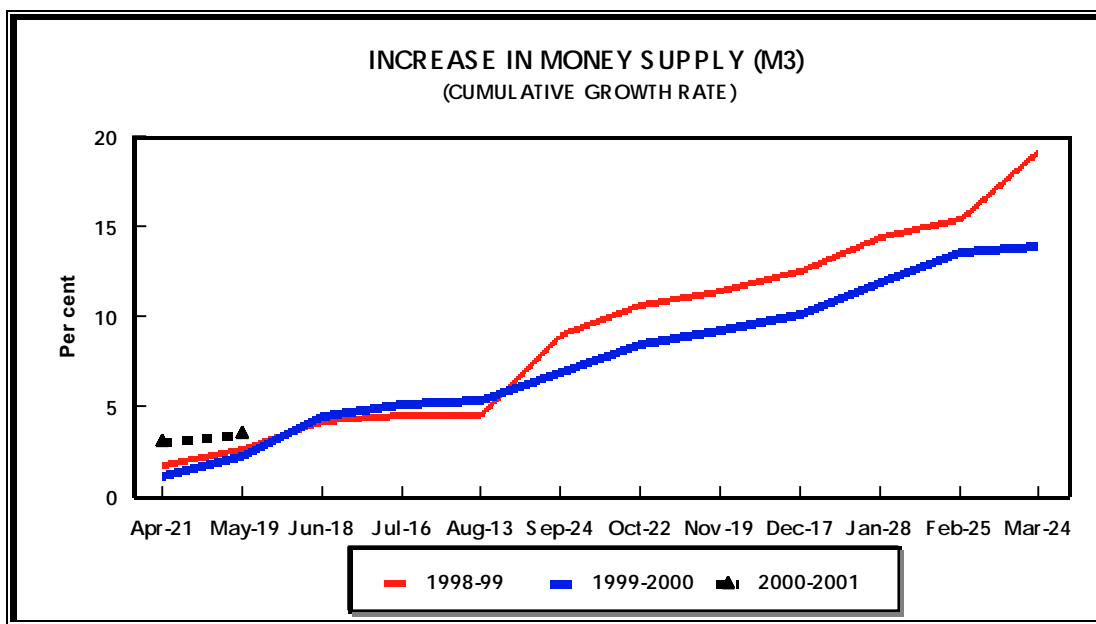
| REVENUE EARNING GOODS TRAFFIC ON RAILWAYS | | | | | | |
|---|----------------|--------------|-------------------|-------------------|-------------------|-----------------|
| Commodities | Million Tonnes | | | | Percentage Change | |
| | March 1999 | March 2000 | Full Year 1998-99 | Full Year 1999-00 | March 2000/1999 | 1999-00/1998-99 |
| Coal | 18.82 | 20.42 | 197.60 | 209.93 | 8.5 | 6.2 |
| Raw material for Steel Plants | 3.29 | 3.36 | 35.91 | 37.48 | 2.1 | 4.4 |
| Pig Iron & Finished Steel From Steel Plants | 1.16 | 1.27 | 10.97 | 11.76 | 9.5 | 7.2 |
| Iron Ore for Exports | 1.16 | 1.23 | 11.48 | 12.32 | 6.0 | 7.3 |
| Cement | 4.29 | 4.52 | 36.75 | 43.57 | 5.4 | 18.6 |
| Foodgrains | 3.06 | 3.14 | 27.56 | 31.04 | 2.6 | 12.6 |
| Fertilizers | 2.23 | 2.21 | 27.77 | 31.04 | -0.9 | 11.8 |
| POL | 3.27 | 3.30 | 32.99 | 34.39 | 0.9 | 4.2 |
| Balance other goods | 4.55 | 5.41 | 39.89 | 44.78 | 18.9 | 12.3 |
| Total | 41.83 | 44.86 | 420.92 | 456.31 | 7.2 | 8.4 |

The revenue earning goods traffic handled by the Railways increased by 8.4 per cent during **1999-2000** as compared to a negative growth of 2.0 per cent in the corresponding period of last year. The increase was on account of rail traffic for cement, coal, foodgrains, fertilizers, raw material for steel plants, pig iron & finished steel from steel plants, POL and balance other goods.

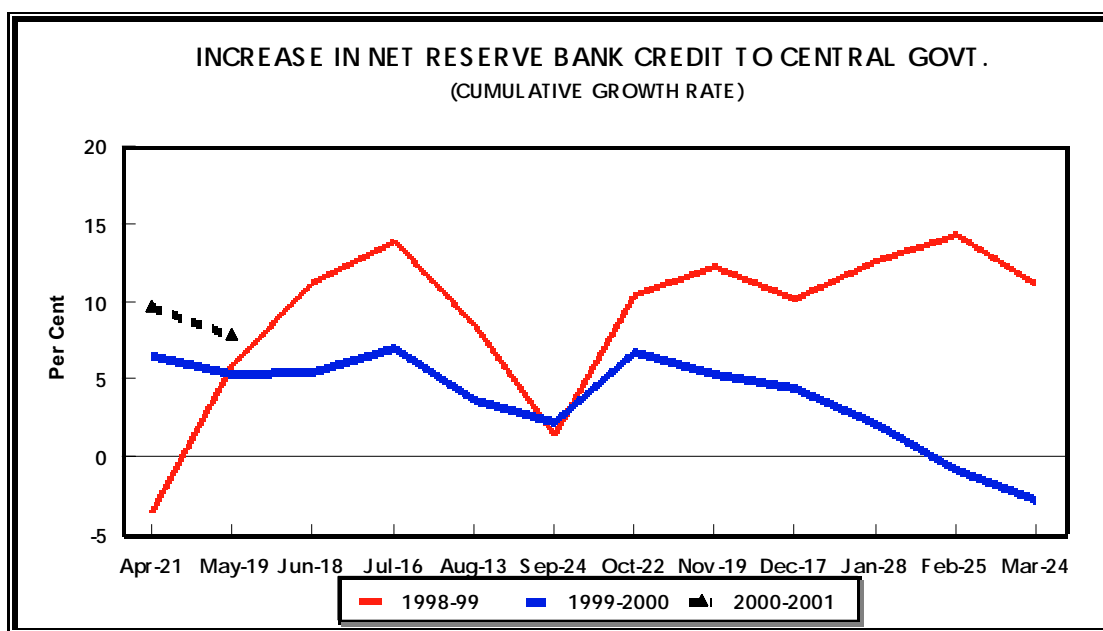
MONEY AND BANKING

| VARIATIONS IN MONEY STOCK | | | | | | |
|--|---|--|---|---|--|---|
| | Full Year Mar 31 '99 to Mar 31 '00 | Mar 31 '00 to May 19 '00 (PR) | Full Year Mar 31 '99 to Mar 31 '00 | Mar 31 '99 to May 21 '99 (P) | Mar 31 '00 to May 19 '00 (PR) | May 21 '99 to May 19 '00 (P) |
| | <i>(Rs crore)</i> | | <i>(per cent)</i> | | | |
| M1 (I+II+IV) | 30976 | 12352 | 10.0 | 1.6 | 3.6 | 12.3 |
| M3(M1+ III) | 133074 | 40358 | 13.6 | 2.3 | 3.6 | 15.1 |
| I. Currency with the public | 20349 | 13699 | 12.0 | 9.5 | 7.2 | 9.8 |
| II. Demand deposits with banks | 11318 | -711 | 8.3 | -7.6 | -0.5 | 16.7 |
| III. Time deposits with banks | 102098 | 28006 | 15.2 | 2.6 | 3.6 | 16.4 |
| IV. Other deposits with RBI | -691 | -636 | -18.2 | -21.3 | -20.5 | -17.4 |
| Sources of change in M3 | | | | | | |
| <i>(1+2+3+4-5)</i> | | | | | | |
| 1. Net bank credit to Govt (A+B) | 54536 | 23497 | 14.1 | 4.8 | 5.3 | 14.7 |
| A. RBI's net credit to Govt ^a | -4275 | 5115 | -2.8 | 1.7 | 3.4 | -1.2 |
| To Central Govt | -5587 | 11077 | -3.8 | 5.4 | 7.9 | -1.5 |
| To State Govts | 1312 | -5962 | 18.4 | -73.1 | -70.7 | 29.1 |
| B. Other bank credit to Govt | 58811 | 18382 | 25.1 | 6.8 | 6.3 | 24.5 |
| 2. Bank credit to commercial sector | 81125 | 8576 | 16.4 | -0.6 | 1.5 | 18.8 |
| 3. Net foreign exchange assets of banking sector ^b | 17655 | -1461 | 10.0 | 2.8 | -0.8 | 6.1 |
| 4. Govt's currency liabilities to the public | 348 | 0 | 9.0 | 2.1 | 0.0 | 6.9 |
| 5. Banking sector's net non-monetary liabilities other than time deposits | 20591 | -9746 | 24.6 | -2.0 | -9.4 | 15.3 |
| 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 May 19, 2000) money supply (M3) increased by 3.6 per cent as against an increase of 2.3 per cent in the corresponding period of 1999-2000. Among its components, currency with the public showed a growth of 7.2 per cent as against 9.5 per cent in the corresponding period of last year. Demand deposits with banks declined by 0.5 per cent than that of 7.6 per cent in the corresponding period of last financial year. Time deposits with banks has gone up by 3.6 per cent as against an increase of 2.6 per cent in the corresponding period of last year. The annual growth of M3 as on May 19, 2000 stood at 15.1 per cent.



On the sources side, the Net Bank Credit to Government showed a higher growth of 5.3 per cent during the current financial year (i.e. March 31, 2000 to May 19, 2000) as compared to 4.8 per cent during the same period of 1999-2000. RBI's Net Credit to Central Government increased by 7.9 per cent against an increase of 5.4 per cent in 1999-2000. Bank credit to the commercial sector increased by 1.5 per cent in contrast to a decline of 0.6 per cent in the same period of last year. Net foreign exchange assets of banking sector declined by 0.8 per cent as against an increase of 2.8 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 May 19,'00 (PR) | Full Year Mar 26,'99 to Mar 24,'00 | Mar 26,'99 to May 21,'99 | Mar 24,'00 to May 19,'00 (P) | May 21,'99 to May 19,'00 (P) |
| | <i>(Rs crore)</i> | | <i>(per cent)</i> | | | |
| 1. Bank credit | 65345 | 8853 | 17.7 | -0.4 | 2.0 | 20.7 |
| Food credit | 8875 | 4602 | 52.8 | 29.6 | 17.9 | 39.0 |
| Non-food credit | 56469 | 4252 | 16.0 | -1.9 | 1.0 | 19.5 |
| 2. Aggregate deposits | 96040 | 26270 | 13.5 | 0.8 | 3.2 | 16.1 |
| Demand deposits | 8853 | -28 | 7.5 | -8.3 | -0.0 | 17.2 |
| Time deposits | 87187 | 26297 | 14.6 | 2.7 | 3.8 | 15.9 |
| 3. Borrowings from RBI | 3597 | 3850 | 124.3 | 71.4 | 59.3 | 108.5 |
| 4. Cash reserves | -5810 | 7895 | -8.6 | 2.6 | 12.7 | 0.4 |
| Cash in hand | 319 | 571 | 7.3 | 2.2 | 12.2 | 17.8 |
| Balances with RBI | -6129 | 7324 | -9.6 | 2.7 | 12.8 | -0.8 |
| 5. Investments in Govt. and other approved securities | 54326 | 17240 | 21.3 | 6.0 | 5.6 | 20.9 |
| P = Provisional | | | | | | |

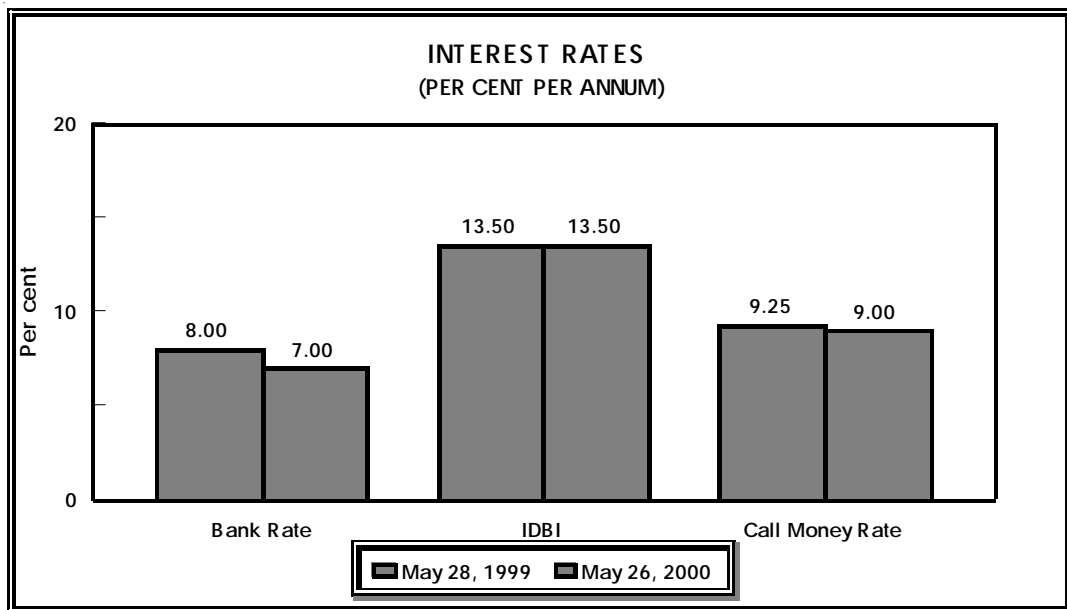
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 24, 2000 to May 19, 2000) showed a growth of 2.0 per cent in contrast to a decline of 0.4 per cent in the corresponding period of last financial year. Food credit increased by 17.9 per cent while non-food credit increased by 1.0 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

| <i>Item/ Week ended</i> | <i>1999</i> | <i>2000</i> |
|---|----------------|----------------|
| 1 | <i>May. 28</i> | <i>May. 26</i> |
| | 2 | 3 |
| Bank rate | 8.00 | 7.00 |
| I.D.B.I. ¹ | 13.50 | 13.50 |
| Prime Lending Rate ² | 12.00-12.50 | 11.25-11.75 |
| Deposit Rate ³ | 8.00-10.50 | 8.00-9.50 |
| Call Money Rate ⁴ (Low/High) | 7.85/9.25 | 7.00/9.00 |

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 May 26, 2000, Prime Lending Rate was 11.25 to 11.75 per cent as against 12.00 to 12.50 per cent on May 28, 1999. As on May 26, 2000, Deposit Rate ranged from 8.00 to 9.50 percent against 8.00 to 10.50 per cent as on May 28, 1999.

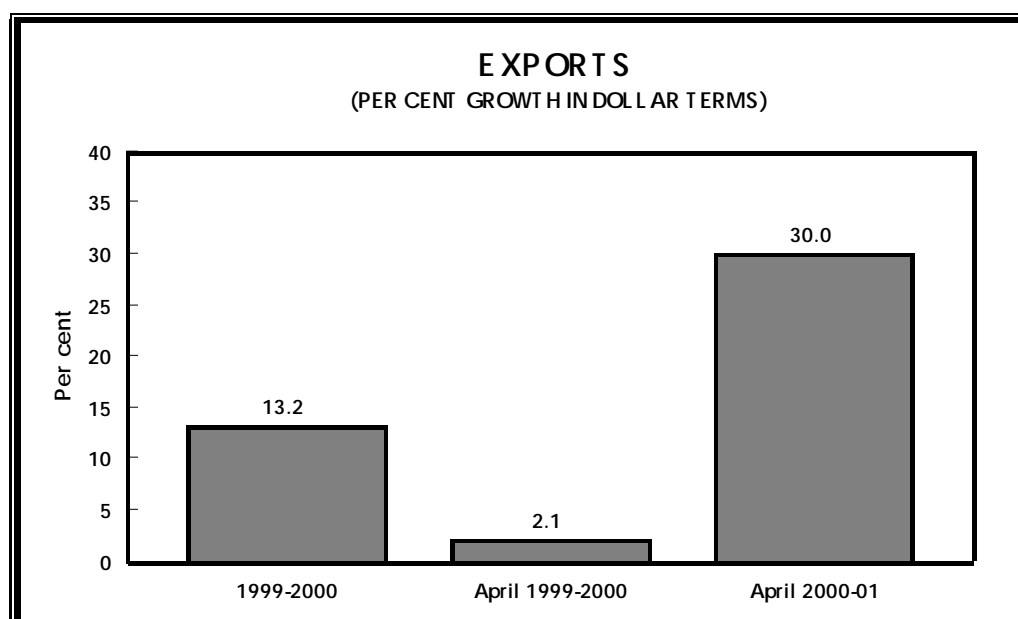


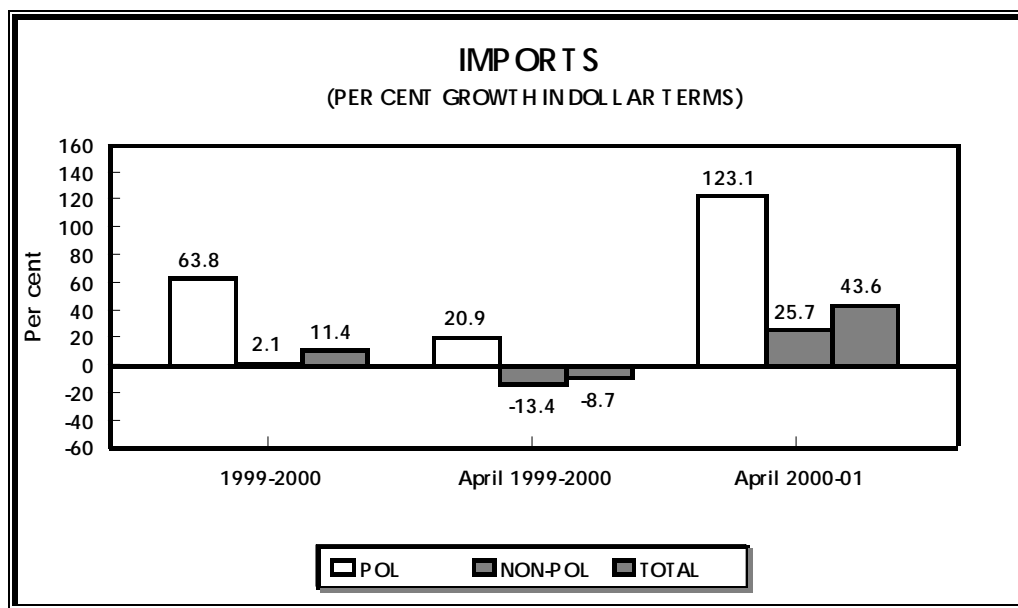
EXTERNAL SECTOR

FOREIGN TRADE

| FOREIGN TRADE* | | | | | | |
|---------------------------|------------|------------|-----------------|---------|---------|---------|
| Item | 1998-99(R) | 1999-00(P) | April | | April | |
| | | | 1999-00 | 2000-01 | 1999-00 | 2000-01 |
| <i>Rs. Crore</i> | | | <i>% change</i> | | | |
| Exports | 139752 | 162925 | 11245 | 14936 | 10.0 | 32.8 |
| Imports | 178332 | 204583 | 13483 | 19781 | -1.6 | 46.7 |
| POL | 26919 | 45421 | 2480 | 5652 | 30.2 | 127.9 |
| Non-POL | 151413 | 159161 | 11003 | 14129 | -6.7 | 28.4 |
| Trade Balance | -38580 | -41658 | -2238 | -4845 | - | - |
| <i>Million Dollar</i> | | | <i>% change</i> | | | |
| Exports | 33218 | 37599 | 2632 | 3423 | 2.1 | 30.0 |
| Imports | 42389 | 47212 | 3156 | 4533 | -8.7 | 43.6 |
| POL | 6399 | 10482 | 581 | 1295 | 20.9 | 123.1 |
| Non-POL | 35990 | 36730 | 2575 | 3238 | -13.4 | 25.7 |
| Trade Balance | -9171 | -9613 | -524 | -1110 | - | - |
| * Figures are provisional | | | | | | |

Exports in dollar terms during **April, 2000-01** increased by 30.0 per cent as compared to an increase of 2.1 per cent during April, 1999-2000. Imports increased by 43.6 per cent as against a decline of 8.7 per cent in corresponding period last year. Imports of POL increased by 123.1 per cent as against an increase of 20.9 per cent in last year.



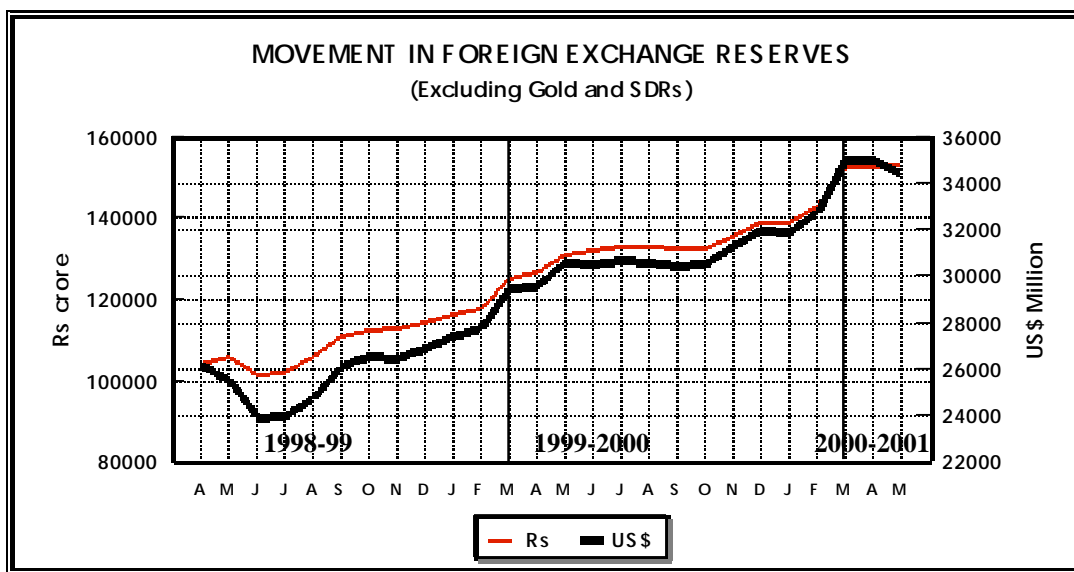


FOREIGN EXCHANGE RESERVES

| FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs) | | | | |
|---|--------------------------|------------|-------------------------|------------|
| At the end of | Amount | | Variation | |
| | Rs Crore | \$ Million | Rs Crore | \$ Million |
| | | | <i>(Over last Year)</i> | |
| 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 |

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$ 35058 million at the end of 1999-2000. These reserves have decreased by \$666 million and stood at \$34392 million at the end of May, 2000.



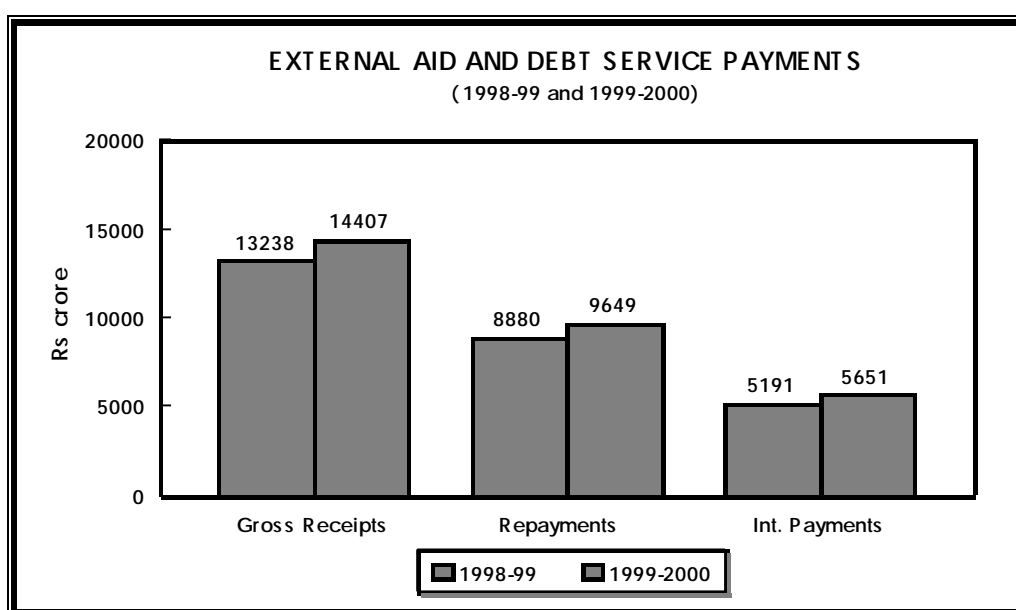
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS

(Rs Crore)

| | Receipts | | Repayment of Principal | | Payment of Interest | |
|--|--------------|--------------|------------------------|-------------|---------------------|-------------|
| | 1998-99 | 1999-00 | 1998-99 | 1999-00 | 1998-99 | 1999-00 |
| Loans- Govt. A/C | 9029 | 9960 | 8095 | 8714 | 4364 | 4508 |
| Grants- Govt. A/C | 895 | 1064 | - | - | - | - |
| Total | 9924 | 11024 | 8095 | 8714 | 4364 | 4508 |
| Non-Govt. loans | 3314 | 3383 | 785 | 935 | 827 | 1143 |
| Grand Total | 13238 | 14407 | 8880 | 9649 | 5191 | 5651 |
| | (3147) | (3325) | | | | |
| Net Flows (net of repayment) | 4358 | 4758 | - | - | - | - |
| Net Transfers (net of repayment and interest payments) | -833 | -893 | - | - | - | - |

Note: Figures in brackets are in terms of million US \$

Gross external aid in **April-March, 2000** at Rs 14407 crore was 8.8 per cent higher than that of Rs 13238 crore in April-March, 1999. Net aid flows (net of repayments) amounted to Rs 4758 crore as against Rs 4358 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 893 crore as against Rs (-) 833 crore in the corresponding period of last year.



EXCHANGE RATES

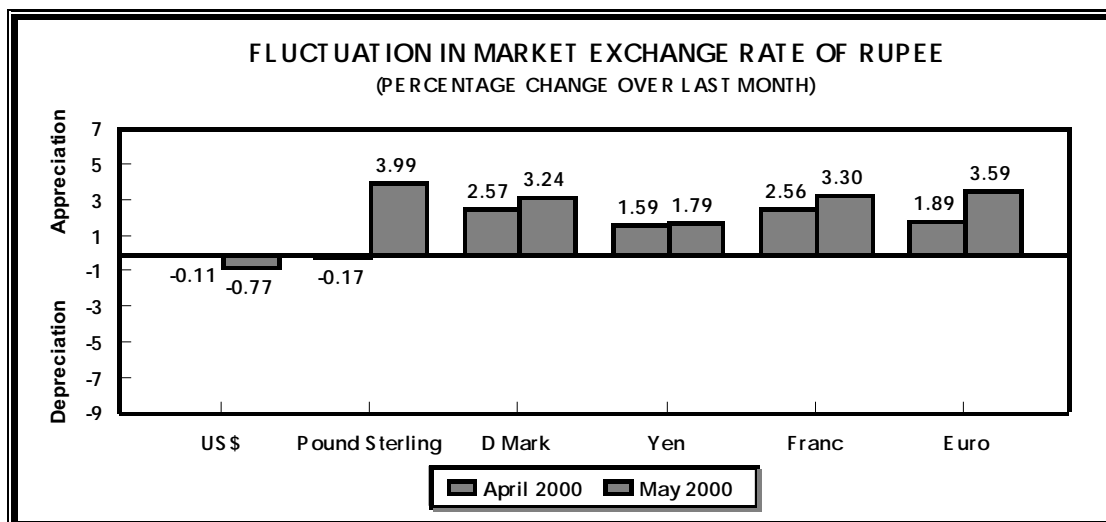
Rupees Per Unit of Foreign Currency

(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 | 99.33 |
| 2000-2001 | | | | | | | | |
| April | 43.64 | 69.05 | 21.00 | 0.4142 | 6.26 | 41.30 | 81.79 | 100.23 |
| May | 43.98 | 66.40 | 20.34 | 0.4069 | 6.06 | 39.87 | 82.76 | 102.27 |

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



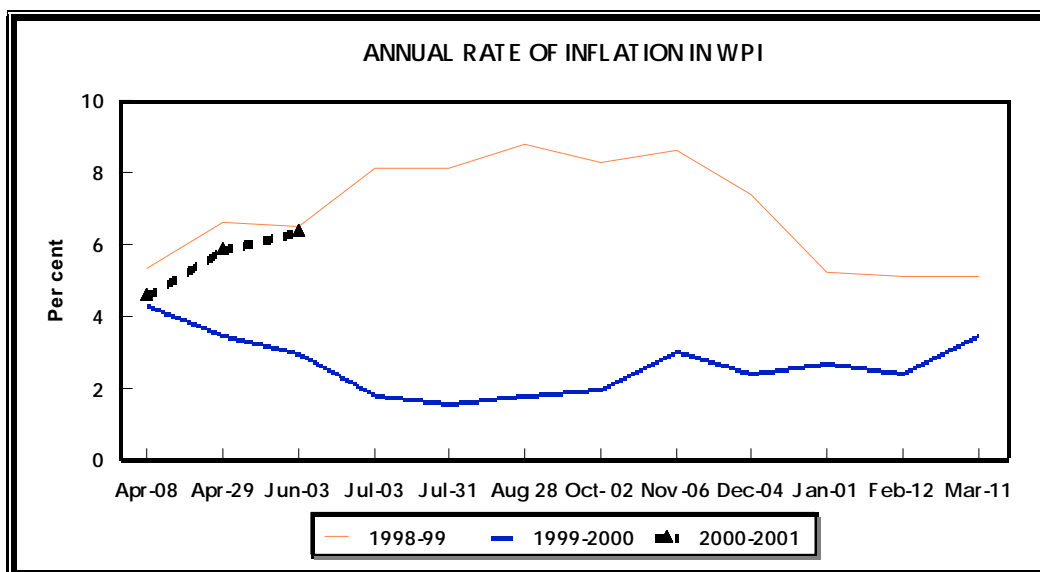
INFLATION

WHOLESALE PRICE INDEX

| WHOLESALE PRICES (Base 1993-94) | | | | | | |
|-----------------------------------|------------|---------------------------|--------------|----------------------------------|--------------|--|
| Items/Groups | Weight (%) | Per cent Variation During | | | | |
| | | MONTH | | YEAR (point to point) | | |
| | | (ending 3.6.2000) | | (ending 3.6.2000) ^(P) | | |
| | | Last Year | Current Year | Last Year | Current Year | |
| All Commodities | 100.00 | 0.3 | 0.4 | 3.0 | 6.4 | |
| <u>Food Items</u> | 27.53 | 0.0 | 0.9 | 4.0 | 4.5 | |
| Food Articles (primary) | 17.39 | 0.9 | 2.0 | 5.3 | 8.7 | |
| Foodgrains | 7.92 | 1.5 | 0.7 | 22.1 | 3.3 | |
| Food Products | 10.14 | -1.4 | -0.8 | 2.0 | -1.6 | |
| <u>Non Food Items</u> | 72.47 | 0.5 | 0.2 | 2.7 | 7.2 | |
| Raw materials* | 14.91 | -0.1 | 0.5 | -0.8 | -1.0 | |
| Fuel, Power, Light and Lubricants | 10.66 | 0.5 | 0.0 | 3.0 | 26.3 | |
| Manufactured Products | 46.90 | 0.5 | 0.2 | 3.1 | 2.3 | |

* Comprises primary non-food articles and minerals. P = Provisional

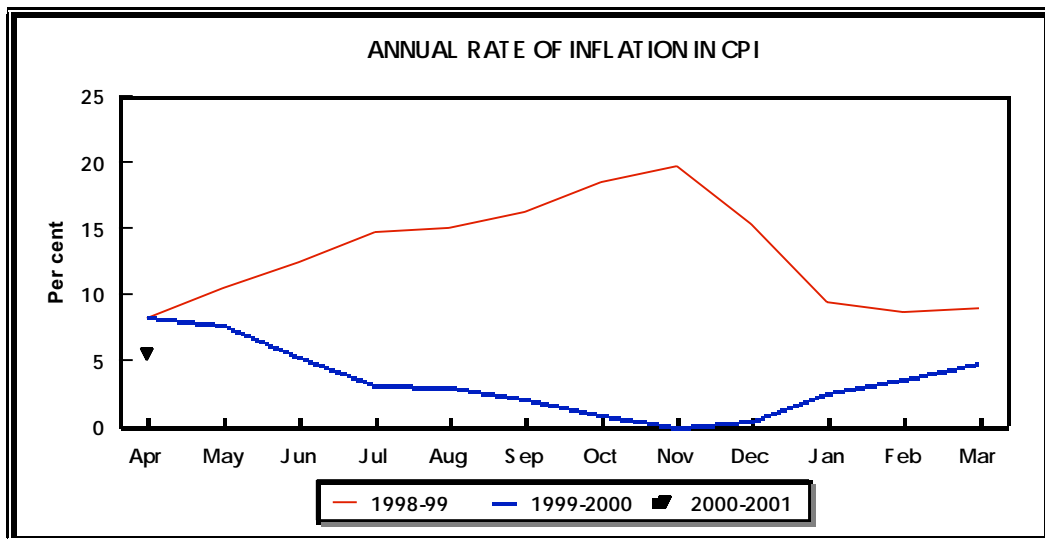
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 6.4 per cent for week ended June 3, 2000 compared to 3.0 per cent a year ago. This rate was contributed by an increase of 4.5 per cent in Food Items, 26.3 per cent increase in Fuel, Power and Lubricants and 2.3 per cent increase in Manufactured Products as against 4.0 per cent, 3.0 per cent and 3.1 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

| CONSUMER PRICE INDEX AND INFLATION RATE | | |
|---|----------------------------------|----------------------------------|
| | 1999-2000 (Up to April, 1999) | 2000-2001 (Up to April, 2000) |
| | <i>Per cent</i> | |
| Annual Inflation | 8.4 | 5.5 |
| Financial Year Inflation (%) | 0.2 | 0.9 |
| Last Month (% change) | 0.2 | 0.9 |
| Level of Index | 415 | 438 |
| Average of Index for 12 months ending April | 416.33 | 429.75 |

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for April, 2000 which stood at 438 has increased by 0.9 per cent over the previous month's level and increased by 5.5 per cent over April, 1999.



EMPLOYMENT AND UNEMPLOYMENT

(Thousand)

| EMPLOYMENT EXCHANGE STATISTICS | | | | |
|---|---------|-------------------|---------------|------------|
| | January | | April-January | |
| | 1999 | 2000* | 1998-99 | 1999-2000* |
| 1. No. of applicants on Live Register at the end of the month | 40127 | 40432 | 40127 | 40432 |
| 2. No. of registrations/re-registrations | 491.0 | 487.0 | 5393.0 | 5159.7 |
| 3. Placements effected | 17.1 | 13.0 | 185.6 | 177.5 |
| | | <i>(per cent)</i> | | |
| 4. Placements (3) as percentage of the registrations (2) | 3.48 | 2.67 | 3.44 | 3.44 |
| * Provisional | | | | |

The number of applicants on the Live Register of Employment Exchanges at the end of **January**, 2000 was 404 lakh, higher by 0.8 per cent as compared to the corresponding period of the previous year. The number of registrations during **January**, 2000 was lower by 0.81 per cent than that in **January**, 1999. The Placements as percentage of registrations during **January**, 2000 was 2.67 as against 3.48 in **January**, 1999. The total placements effected during 1999-2000 (April-January) was 1.78 lakh as compared to 1.86 lakh in the corresponding period of 1998-99.