



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

MONTHLY ECONOMIC REPORT

MAY, 2001

HIGHLIGHTS

- The Pre-Monsoon season rainfall upto 9 May 2001 was normal/excess in 77 per cent of meteorological sub-divisions.
- Foodgrains stocks 44.70 million tonnes as on April 1, 2001.
- Overall industrial growth 4.9 per cent in 2000-01.
- Core infrastructure sectors achieved an average growth rate of 7.1 per cent in April-January, 2000-01 as against 9.0 per cent in the corresponding period of last year.
- Money Supply (M3) growth was 3.3 per cent during March 31, 2000 to April 20, 2001, whereas annual growth rate for fortnight April 20, 2001 was 17.3 per cent. Net RBI Credit to Government declined by 2.5 per cent during March 31, 2000 to April 20, 2001.
- The annual inflation rate in terms of WPI (Base 1993-94) was 5.4 per cent for week ended May 5, 2001 compared to 6.2 per cent a year ago.
- Exports increased by 19.8 per cent in dollar terms in 2000-01 compared to an increase of 10.8 per cent in 1999-2000. Imports increased by 0.3 per cent as against an increase of 17.3 per cent in corresponding period of last year.
- Rupee appreciated against Pound Sterling, Deutsche Mark, French Franc, Japanese Yen and Euro and depreciated against US Dollar in April, 2001.
- Forex reserves (excluding Gold & SDRs) stood at \$39.82 billion at the end of April, 2001.

(Manoranjan Kumar)
Deputy Economic Adviser

AGRICULTURE

PRE-MONSOON SEASON RAINFALL*

Number of Meteorological Sub-divisions							
	1996	1997	1998	1999	2000	1996-00+	2001
Excess/Normal	17	29	23	9	19	19	27
Deficient/Scanty/Nil	18	6	12	26	16	16	8
Total	35	35	35	35	35	35	35
+ Annual average		* (March-May)					

The Pre-Monsoon season rainfall from March 1, 2001 to May 9, 2001 was normal/excess in 27 (77 per cent) meteorological sub-divisions and deficient/scanty in the remaining 8 (23 per cent). The annual average for 1996-2000 was normal/excess in 19 (55 per cent) meteorological sub-divisions and deficient/scanty in the remaining 16 (45 per cent).

PROCUREMENT

(Million Tonnes)

	Full Marketing Year			Up to May 16		
	1998-99	1999-2000	2000-2001	2000(P)	2001(P)	% change Col. (6)/(5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rice (Oct-Sep)	11.85	17.27	16.74	14.79	16.74	13.2
Wheat (Apr-Mar)	12.65	14.15	16.36	14.32	18.05	26.0
Total	24.50	31.42	33.10	29.11	34.79	19.5

Note : Rice Procurement for full marketing year is available upto May 16, 2001

Wheat procurement up to May 16, 2001 in the current marketing year, (i.e., 2001-2002) was higher by 26.0 per cent at 18.05 million tonnes compared to 14.32 million tonnes in the corresponding period in 2000-2001. Procurement of rice during the marketing year 2000-01 (up to May 16, 2001) stood at 16.74 million tonnes was higher by 13.2 percent than the level of 14.79 million tonnes during the corresponding period of 1999-2000.

OFF-TAKE

(Million Tonnes)

	1998-99(P)	1999-2000(P)	2000-01(P)
Rice	11.83	12.71	10.22
Wheat	8.90	10.63	7.73
Total	20.73	23.34	17.95

Off-take from the public distribution system central pool during 2000-01 was 17.95 million tonnes which was lower by 23.11 per cent than the off-take of 23.34 million tonnes during 1999-2000.

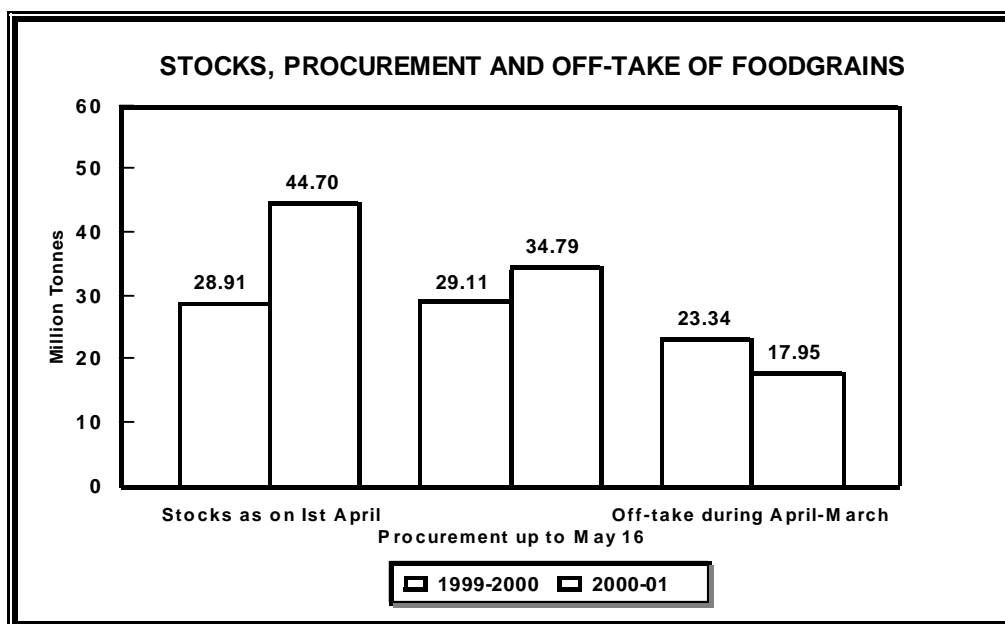
P- Provisional

STOCKS

(Million Tonnes)

	As on 1st March		As on 1st April	
	2000	2001	2000	2001
Rice	16.05	23.22	15.72	23.20
Wheat	14.40	23.30	13.19	21.50
Total	30.45	46.52	28.91	44.70

Stocks of foodgrains as on 1st April, 2001 stood at 44.70 million tonnes which was higher by 54.6 per cent than the level at 28.91 million tonnes as on 1st April, 2000.



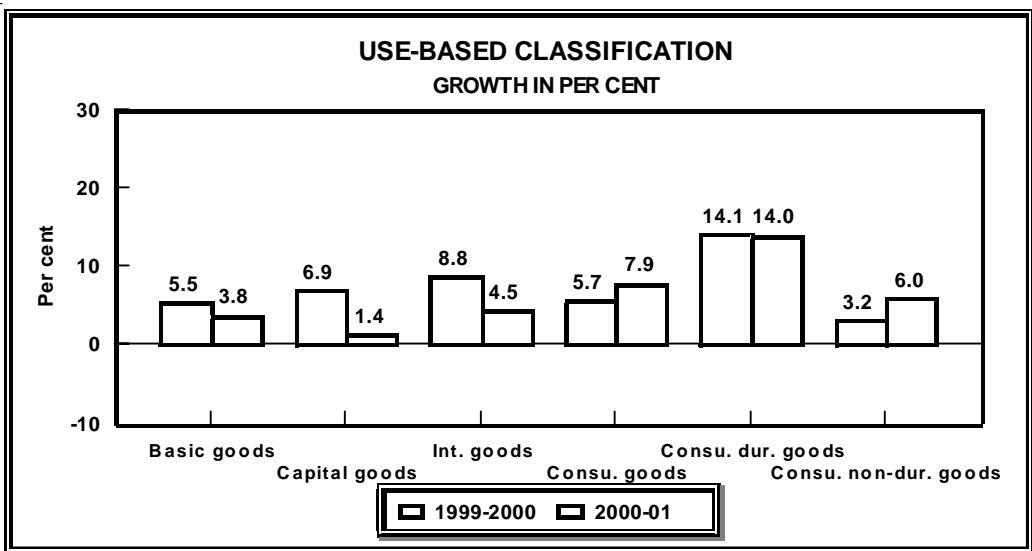
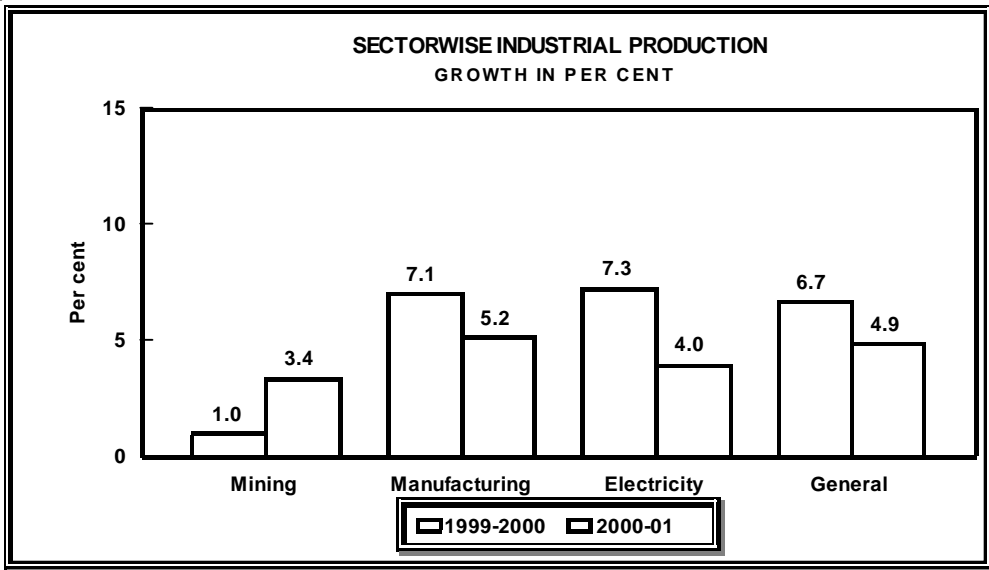
Note:-Procurement of foodgrains upto May 16 in the year 2000-2001.

INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION					<i>(Percentage change)</i>	
(Base = 1993-94 = 100)						
	1998-99/ 1997-98	1999-00/ 1998-99	Mar. '00/ Mar. '99	Mar. '01/ Mar. '00	1999-00	2000-01
General	4.1	6.7	8.3	1.3	6.7	4.9
Mining & Quarrying	-0.8	1.0	2.9	-1.6	1.0	3.4
Manufacturing	4.4	7.1	9.0	1.6	7.1	5.2
Electricity	6.5	7.3	6.7	1.5	7.3	4.0
Use-Based Classification						
Basic goods	1.6	5.3	7.3	-1.4	5.5	3.8
Capital goods	12.6	6.9	9.8	-4.3	6.9	1.4
Intermediate goods	6.1	8.8	7.3	5.3	8.8	4.5
Consumer goods	2.2	5.7	9.5	2.6	5.7	7.9
Of which						
Consumer Durables	5.6	14.1	18.0	-2.4	14.1	14.0
Consumer non-Durables	1.2	3.2	6.8	4.5	3.2	6.0

The overall growth rate of Industrial production in **2000-01** at 4.9 per cent recorded a lower growth compared to 6.7 per cent in 1999-2000. The growth in manufacturing sector, electricity generation and mining & quarrying during 2000-01 was 5.2%, 4.0% and 3.4% respectively as against 7.1%, 7.3% and 1.0% in 1999-2000.

As per the use-based classification, production in consumer goods (only non-durables) during 2000-01 registered higher increase while basic goods, capital goods, intermediate goods and consumer durables registered lower increase compared with 1999-2000.

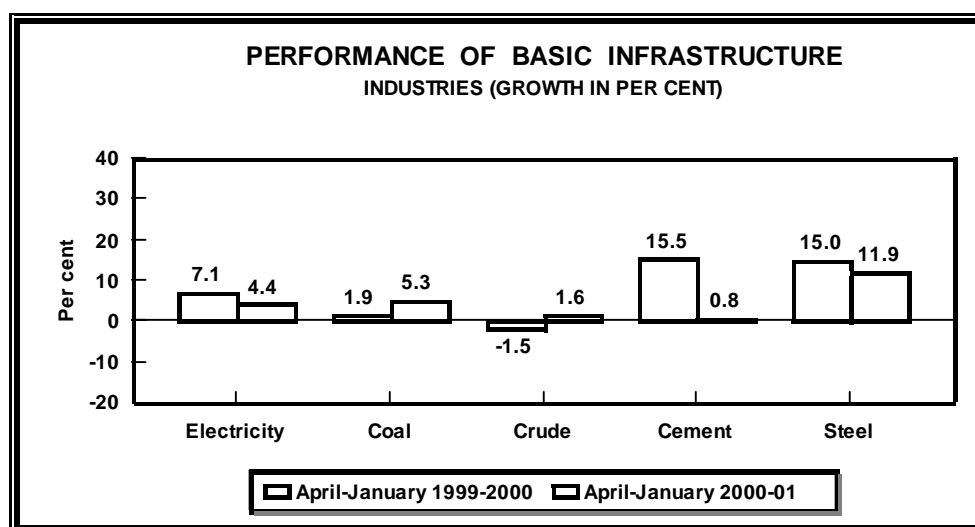


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit						Percentage change April-Jan.	
		January 2000	January 2001	Full Year 1999-00	April-Jan. 1999-00	April-Jan. 2000-01	1999-00/ 1998-99	2000-01/ 1999-00
Coal	Mn. Ton	30.0	30.4	299.7	237.1	250.1	1.9	5.3
Electricity Generation	Mn. Kwh	41707	42297	480224	397410	415036	7.1	4.4
Hydel	Mn. kw	5734	4815	80523	68958	64632	-2.4	-6.3
Thermal (including nuclear)	Mn. kw	35973	37482	399701	328452	350404	9.3	6.7
Plant Load Factor	Per cent	70.7	71.9	67.3	66.3	68.1	-	-
Crude petroleum	000 tons	2613	2821	31998	26908	27346	-1.5	1.6
Petroleum Products	000 tons	7444	8137	79936.5	64254	79478	23.7	23.7
Finished steel	000 tons	2524	2649	28140	23312	26096	15.0	11.9
Cement	000 tons	9100	7987	100390	81700	82317	15.5	0.8
Average growth rate*	(%)	8.1	2.4	8.0	-	-	9.0	7.1
Cargo handled at major ports	Mn. Ton	21.12	24.67	271.87	222.60	233.91	7.8	5.1
Telecommunications								
a) Net switching capacity	000 lines	618.81	654.51	6717.32	3388.00	3912.51	56.4	15.5
b) Net Tele. connections	000 nos	509.40	619.25	4917.66	2709.34	3473.70	34.2	28.2
Revenue earning goods traffic on railways	Mn. Ton	40.25	41.57	456.31	370.92	389.40	8.0	5.0

* 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 core infrastructure sectors registered mixed performance during **April-January, 2000-01** as compared to the corresponding period of the last year. In this period average growth rate was 7.1 per cent as compared to 9.0 per cent in the corresponding period of last year.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

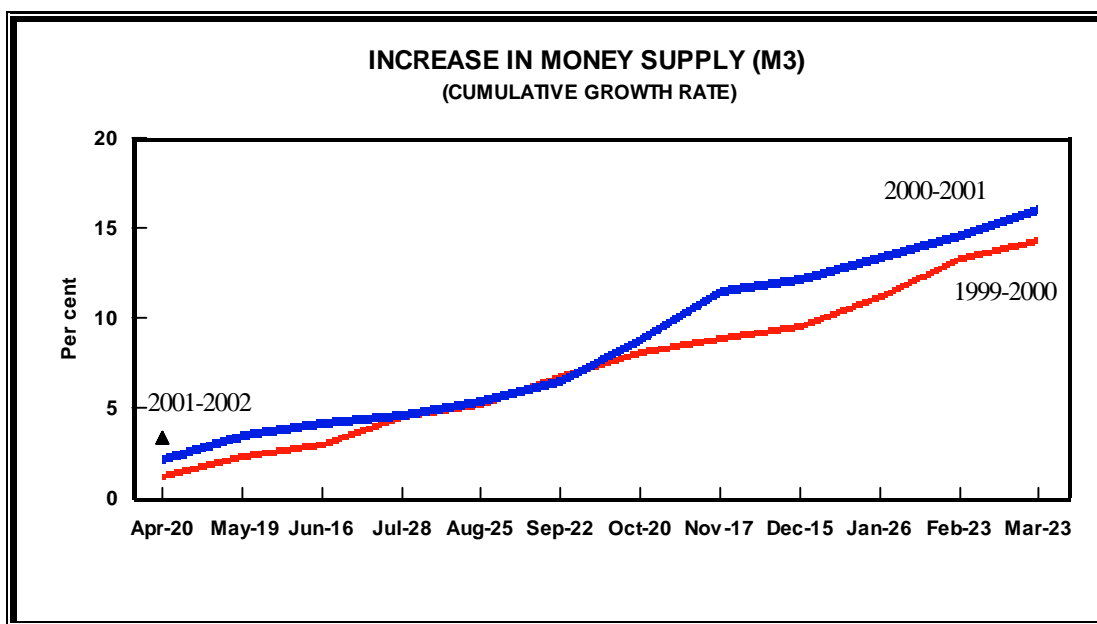
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	January 2000	2001	Full Year 1999-00	April-Jan. 1999-00	2000-01	Jan. 2000/1999	April-Jan. 2000-01/ 1999-00
Coal	18.55	20.08	209.93	171.06	183.91	8.2	7.5
Raw material for Steel Plants	3.45	3.35	37.48	30.99	32.08	-2.9	3.5
Pig Iron & Finished Steel From Steel Plants	1.08	0.96	11.76	9.64	9.53	-11.1	-1.1
Iron Ore for Exports	1.07	1.19	12.32	9.83	11.69	11.2	18.9
Cement	4.02	3.51	43.57	35.26	35.05	-12.7	-0.6
Foodgrains	2.81	2.42	31.04	25.04	21.41	-13.9	-14.5
Fertilizers	2.33	2.12	31.04	26.73	23.40	-9.0	-12.5
POL	2.64	3.99	34.39	27.75	29.99	13.3	8.1
Balance other goods	4.30	4.95	44.78	34.62	42.34	15.1	22.3
Total	40.25	41.57	456.31	370.92	389.40	3.3	5.0

The revenue earning goods traffic handled by the Railways increased by 5.0 per cent during **April-January, 2000-01**. The increase was on account of goods traffic on railways for iron ore for exports, coal, raw material for steel plants, POL and balance other goods.

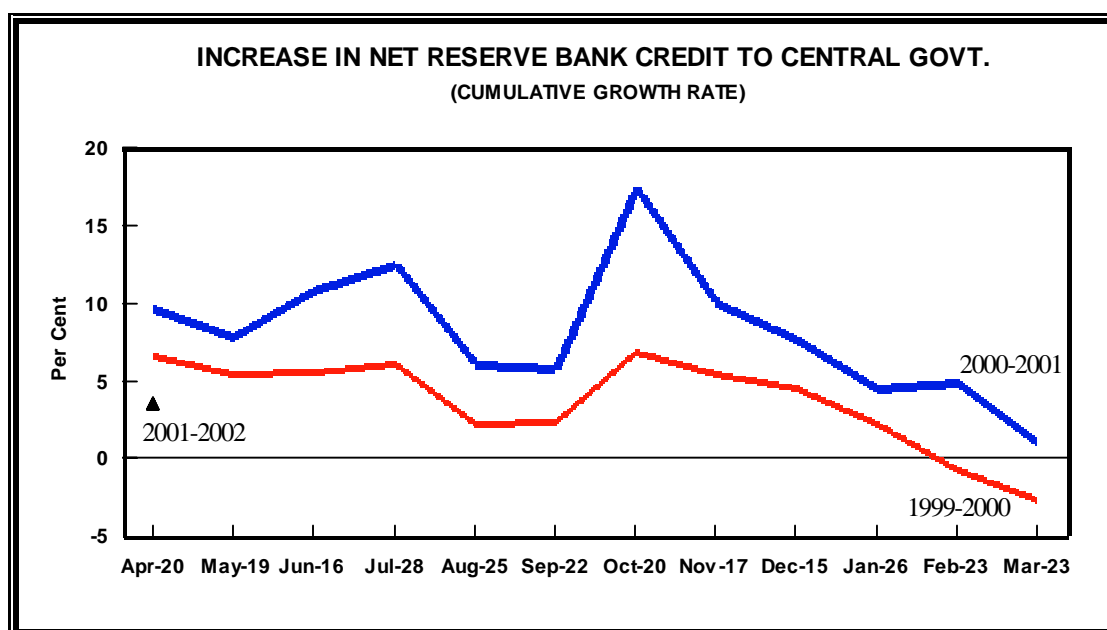
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '01 to Apr 20 '01 (PR)	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '00 to Apr 21 '00 (P)	Mar 31 '01 to Apr 20 '01 (PR)	Apr 21 '00 to Apr 20 '01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
M1 (I+II+IV)	36448	16643	10.7	2.5	4.4	12.8
M3(M1+ III)	181634	42711	16.2	2.2	3.3	17.3
I. Currency with the public	20367	10978	10.8	5.3	5.2	10.7
II. Demand deposits with banks	14870	6155	9.9	-1.1	3.7	15.4
III. Time deposits with banks	145186	26069	18.6	2.1	2.8	19.4
IV. Other deposits with RBI	1211	-491	39.0	0.2	-11.4	22.9
Sources of change in M3						
<i>(1+2+3+4-5)</i>						
1. Net bank credit to Govt (A+B)	71644	19566	16.2	4.5	3.8	15.0
A. RBI's net credit to Govt ^a	7292	3784	4.9	7.1	2.5	-1.1
To Central Govt	9023	5067	6.5	9.7	3.5	-1.1
To State Govts	-1732	-1283	-20.5	-36.1	-19.1	0.6
B. Other bank credit to Govt	64352	15782	22.0	3.1	4.4	23.5
2. Bank credit to commercial sector	83814	9939	14.3	-0.2	1.5	16.2
3. Net foreign exchange assets of banking sector ^b	38672	3060	18.8	0.4	1.3	19.8
4. Govt's currency liabilities to the public	643	0	15.1	8.7	0.0	5.9
5. Banking sector's net non-monetary liabilities other than time deposits	13140	-10146	11.5	-4.5	-8.1	5.4
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 April 20, 2001) money supply (M3) increased by 3.3 per cent as against an increase of 2.2 per cent in the corresponding period of 2000-2001. Among its components, currency with the public showed a growth of 5.2 per cent as against 5.3 per cent in the corresponding period of last year. Demand deposits with banks showed an increase of 3.7 per cent as against a decline of 1.1 per cent in the corresponding period of last financial year. Time deposits with banks increased by 2.8 per cent as against an increase of 2.1 per cent in the corresponding period of last year. The annual growth of M3 as on April 20, 2001 stood at 17.3 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 3.8 per cent during the current financial year (i.e. March 31, 2001 to April 20, 2001) which is lower than that of 4.5 per cent increase in the same period of 2000-01. RBI's Net Credit to Central Government increased by 3.5 per cent as against an increase of 9.7 per cent in 2000-01. Bank credit to the commercial sector increased by 1.5 per cent as against a decline of 0.2 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 1.3 per cent as compared with 0.4 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 Apr 20,'01 (PR)	Full Year Mar 24,'00 to Mar 23,'01	Mar 24,'00 to Apr 21,'00	Mar 23,'01 to Apr 20,'01 (P)	Apr 21,'00 to Apr 20,'01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	73124	10191	16.8	1.9	2.0	16.9
Food credit	14300	-3884	55.7	-0.8	-9.7	41.7
Non-food credit	58824	14074	14.3	2.0	3.0	15.4
2. Aggregate deposits	144663	31847	17.8	2.5	3.3	18.7
Demand deposits	13416	6911	10.5	-0.1	4.9	16.1
Time deposits	131248	24936	19.1	3.0	3.1	19.2
3. Borrowings from RBI	-2595	1947	-40.0	-21.9	50.0	15.3
4. Cash reserves	2453	9731	3.9	13.0	14.9	5.7
Cash in hand	328	-9	6.2	0.1	-0.2	5.8
Balances with RBI	2125	9740	3.7	14.2	16.4	5.7
5. Investments in Govt. and other approved securities	60889	16151	19.7	2.7	4.4	21.7
P = Provisional						

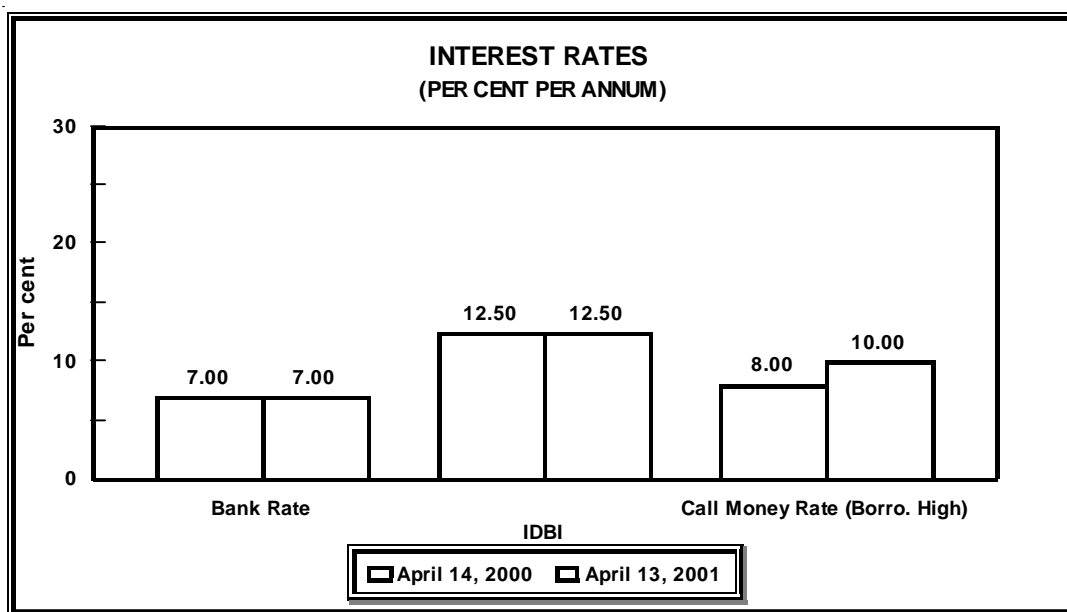
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 23, 2001 to April 20, 2001) showed a growth of 2.0 per cent as compared with an increase of 1.9 per cent in the corresponding period of last financial year. Food credit declined by 9.7 per cent while non-food credit increased by 3.0 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2000</i>	<i>2001</i>
1	<i>Apr. 14</i>	<i>Apr. 13</i>
	2	3
Bank rate	7.00	7.00
I.D.B.I. ¹	12.50	12.50
Prime Lending Rate ²	11.25-11.75	11.00-12.00
Deposit Rate ³	8.00-10.00	8.50-10.00
Call Money Rate ⁴ (Low/High)		
-Borrowings	2.50/8.00	6.00/10.00
-Lendings	5.00/8.70	6.80/9.00

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 April 13, 2001, Prime Lending Rate was 11.00 to 12.00 per cent while on April 14, 2000 it was 11.25 to 11.75. Deposit Rate ranged from 8.50 to 10.00 per cent as against 8.00 to 10.00 per cent in the same period of last year.

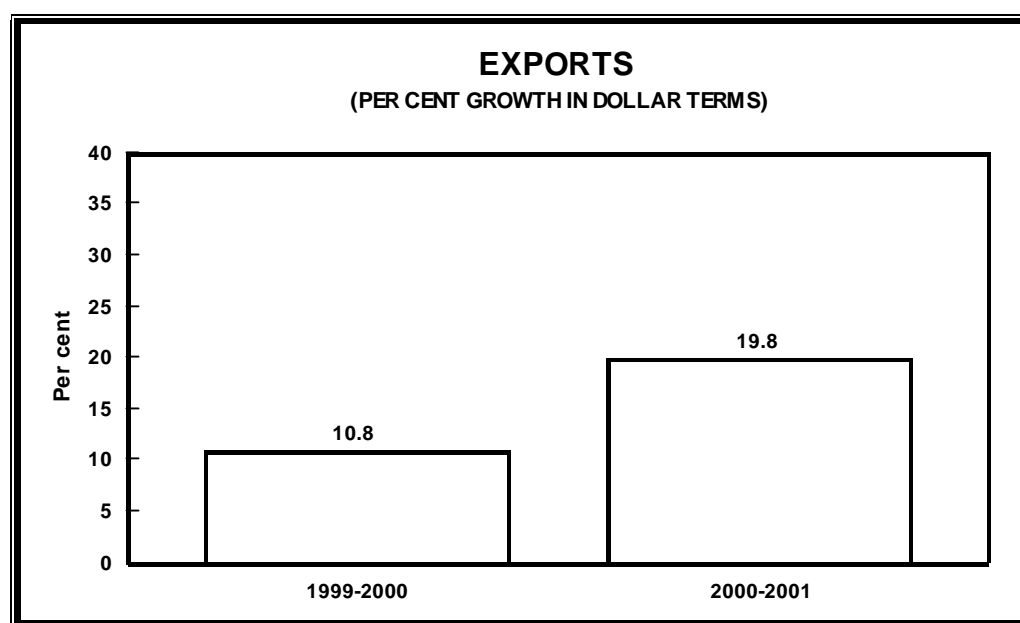


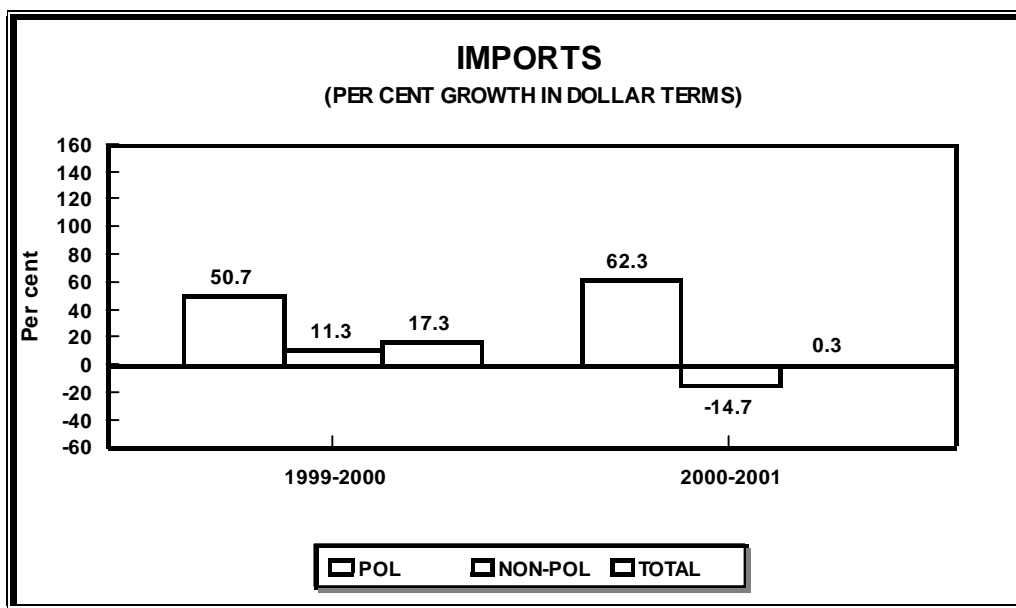
EXTERNAL SECTOR

FOREIGN TRADE

FOREIGN TRADE*					
Item	1998-99(R)	1999-00(R)	2000-01(P)	1999-00(R)	2000-01(P)
	<i>Rs. Crore</i>			<i>% change</i>	
Exports	139752	159561	201674	14.2	26.4
Imports	178332	215528	227572	20.9	5.6
POL	26919	41796	71511	55.3	71.1
Non-POL	151413	173732	156060	14.7	-10.2
Trade Balance	-38580	-55967	-25897	-	-
	<i>Million Dollar</i>			<i>% change</i>	
Exports	33218	36805	44104	10.8	19.8
Imports	42389	49710	49843	17.3	0.3
POL	6399	9645	15653	50.7	62.3
Non-POL	35990	40064	34190	11.3	-14.7
Trade Balance	-9171	-12904	-5739	-	-
P = Provisional, R = Revised					

Exports in dollar terms during **2000-01** increased by 19.8 per cent as compared to an increase of 10.8 per cent during 1999- 2000. Imports increased by 0.3 per cent as against an increase of 17.3 per cent in last year. Imports of POL increased by 62.3 per cent as against 50.7 per cent in 1999- 2000.



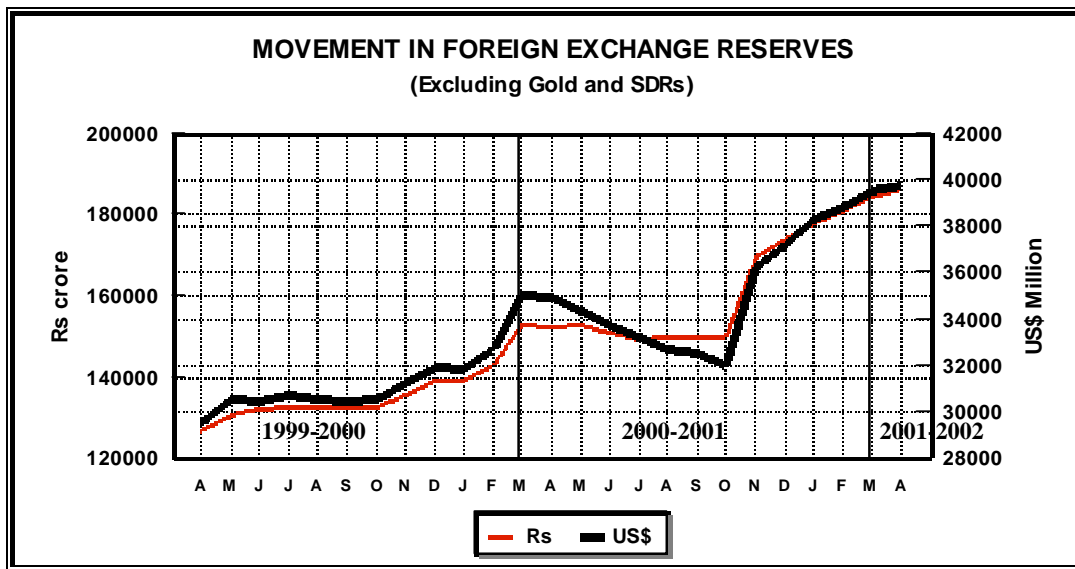


FOREIGN EXCHANGE RESERVES

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

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$39554 million at the end of 2000-2001. These reserves have increased by \$267 million and stood at \$39821 million at the end of April, 2001.



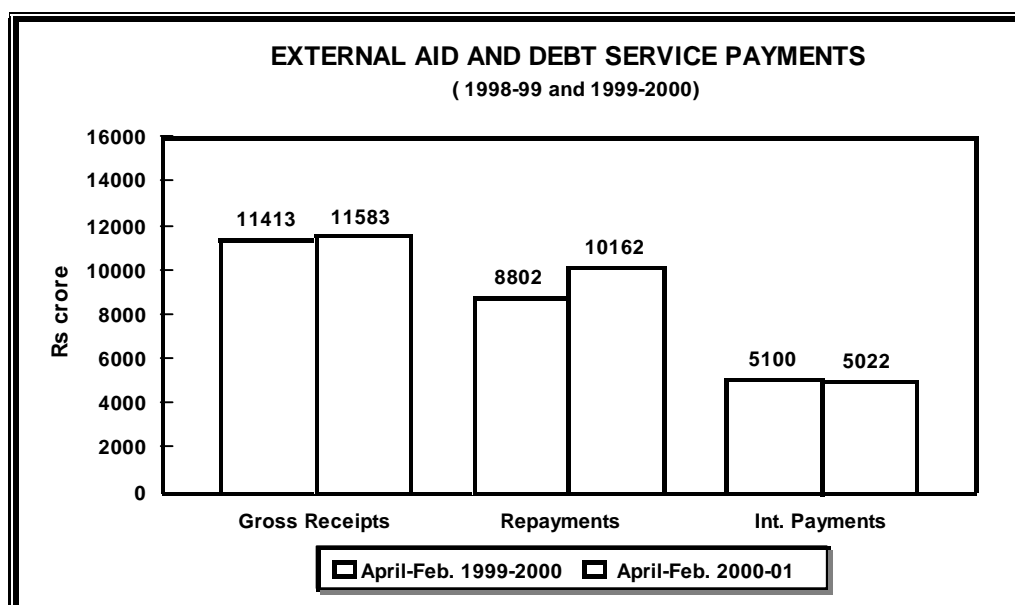
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(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	7708	9342	7968	9132	4056	3878
Grants- Govt. A/C	842	666	-	-	-	-
Total	8550	10008	7968	9132	4056	3878
Non-Govt. loans	2863	1575	834	1030	1044	1144
Grand Total	11413	11583	8802	10162	5100	5022
	(2635)	(2540)				
Net Flows (net of repayment)	2611	1421	-	-	-	-
Net Transfers (net of repayment and interest payments)	-2489	-3601	-	-	-	-

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

Gross external aid in **April-February 2000-01** at Rs 11583 crore was 1.5 per cent higher than that of Rs 11413 crore in April-February 1999-2000. Net aid flows (net of repayments) amounted to Rs 1421 crore as against Rs. 2611 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 3601 crore as against Rs (-) 2489 crore in the corresponding period of last year.



EXCHANGE RATES

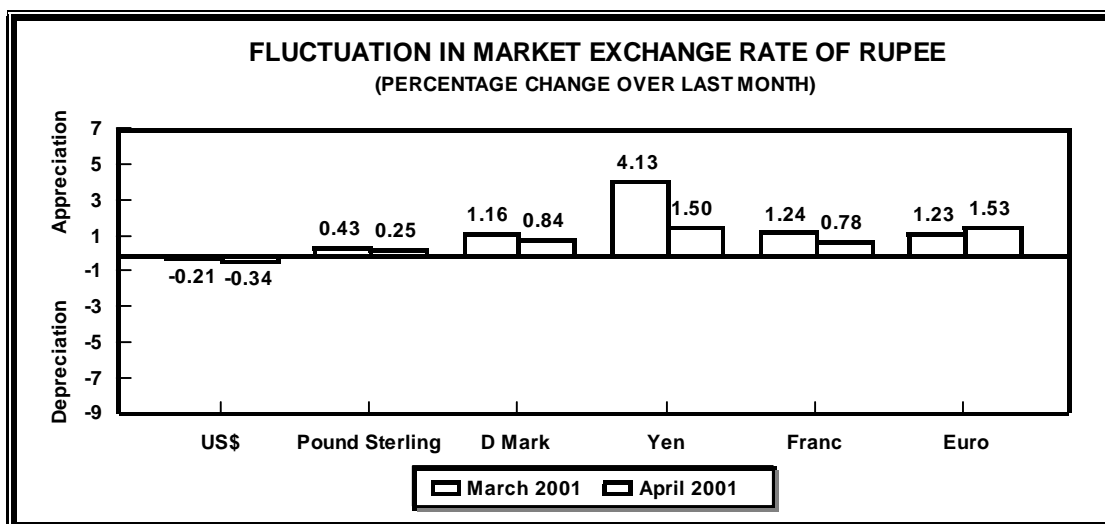
Rupees Per Unit of Foreign Currency

(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 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	100.07
2001-2002								
April	46.78	67.22	21.46	0.3789	6.40	41.80	80.59	101.54

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



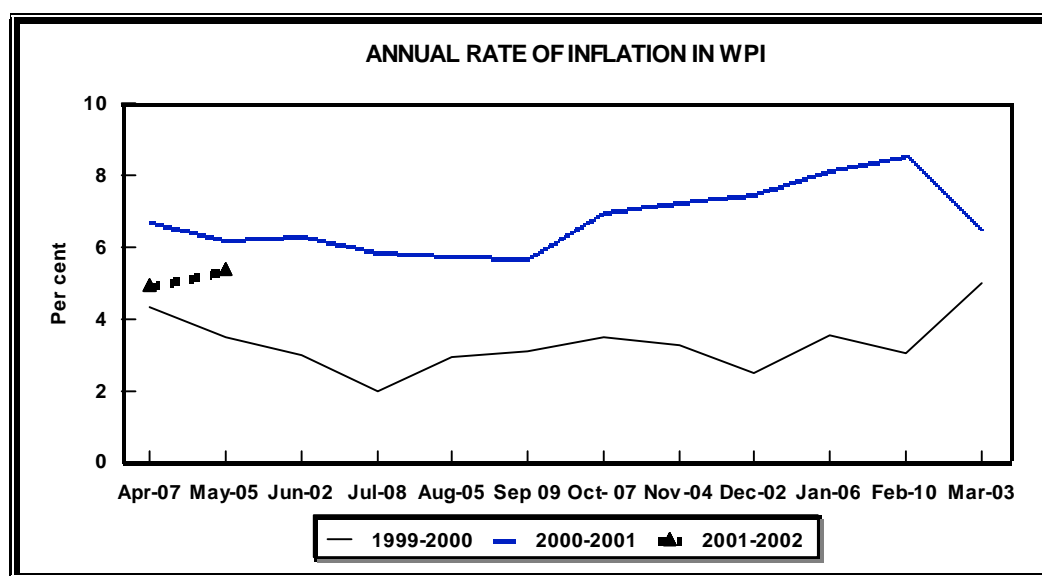
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 5.5.2001)		(ending 5.5.2001) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	-0.20	0.25	6.24	5.41
I Primary articles	22.03	-0.92	1.35	4.27	2.48
II Fuel, Power, Light and Lubricants	14.23	0.00	-0.22	26.87	15.03
III Manufactured Products	63.75	0.00	0.00	1.91	3.60

P = Provisional

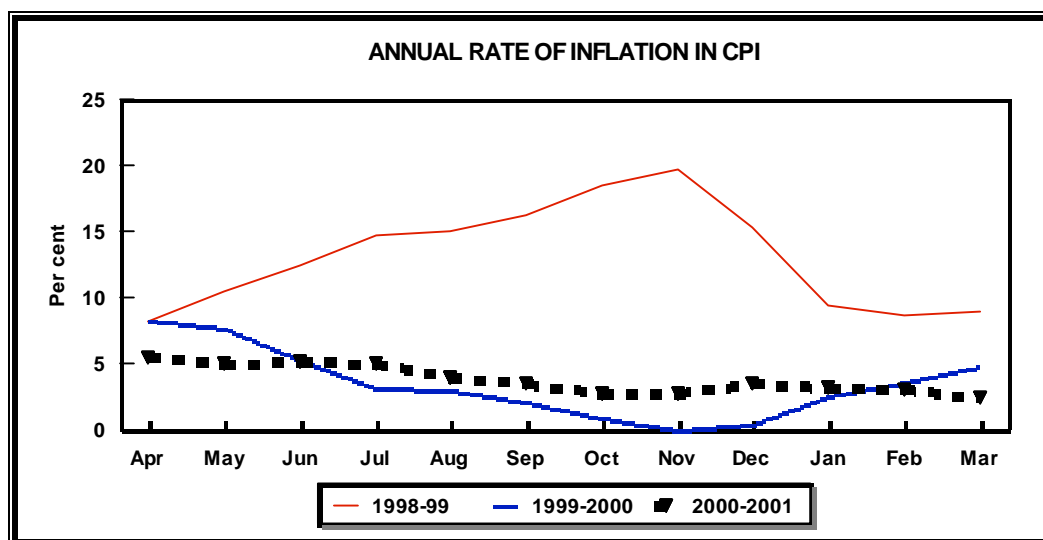
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 5.41 per cent for week ended May 5, 2001 compared to 6.24 per cent a year ago. This rate was contributed by an increase of 2.48 per cent in Primary articles, 15.03 per cent increase in Fuel, Power and Lubricants and 3.60 per cent increase in Manufactured Products as against an increase of 4.27 per cent, 26.87 per cent and 1.91 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	1999-2000 (Up to March, 2000)	2000-2001 (Up to March, 2001)
	<i>Per cent</i>	
Annual Inflation	4.8	2.5
Financial Year Inflation (%)	4.6	1.9
Last Month (% change)	-0.4	0.5
Level of Index	434	445
Average of Index for 12 months ending April	427.83	444.17

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for March, 2001 which stood at 445 increased by 0.5 per cent over the previous month's level and increased by 2.5 per cent over March, 2000.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	December		April-December	
	1999	2000*	1999-00	2000-01*
1. No. of applicants on Live Register at the end of the month	403.71	413.44	403.71	413.44
2. No. of registrations/re-registrations	4.99	4.90	46.72	48.26
3. Placements effected	0.25	0.16	1.65	1.31
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	5.01	3.27	3.52	2.71
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **December**, 2000 was 413.44 lakh, higher by 2.4 per cent as compared to the corresponding period of the previous year. The number of registrations during **December**, 2000 was lower by 1.8 per cent than in **December**, 1999. The Placements as percentage of registrations during **December**, 2000 was 3.27 as against 5.01 in **December**, 1999. The total placements effected during 2000-01 (April-December) was 1.31 lakh as compared to 1.65 lakh in the corresponding period of 1999-2000.