



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

MONTHLY ECONOMIC REPORT

MAY, 2002

HIGHLIGHTS

- The Pre-monsoon season rainfall upto May 15, 2002 was normal/excess in 39 per cent of meteorological sub-divisions.
- Foodgrain stocks were at 50.95 million tonnes as on April 1, 2002.
- Overall industrial growth was 2.7 per cent in 2001-02 as against 5.0 per cent in 2000-01.
- Core infrastructure sectors achieved an average growth rate of 3.0 per cent in 2001-02 as against 5.1 per cent in 2000-01.
- Money Supply (M3) growth was 2.8 per cent during March 31, 2002 to April 19, 2002, whereas annual growth rate for fortnight ended April 19, 2002 was 14.1 per cent. Net RBI Credit to Government increased by 3.6 per cent during March 31, 2002 to April 19, 2002.
- The annual inflation rate in terms of WPI (Base 1993-94) was 1.56 per cent for week ended May 4, 2002 compared to 5.61 per cent a year ago.
- Exports decreased by 0.1 per cent in dollar terms in 2001-02 compared to an increase of 19.6 per cent in 2000-01. Imports increased by 1.1 per cent as against an increase of 0.8 per cent in corresponding period of last year.
- Rupee depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro in April, 2002.
- Forex reserves (excluding Gold & SDRs) stood at \$52.11 billion at the end of April, 2002.

(S. C. Sharma)
Economic Officer

AGRICULTURE

PRE-MONSOON SEASON RAINFALL*

	Number of Meteorological Sub-divisions						
	1997	1998	1999	2000	2001	1997-01+	2002
Excess/Normal	27	24	9	24	27	22	14
Deficient/Scanty/Nil	8	11	26	11	8	13	22
Total	35	35	35	35	35	35	36
+ Annual average	* (March-May)						

The Pre-monsoon season rainfall from March 1, 2002 to May 15, 2002 was normal/excess in 14 (39 per cent) meteorological sub-divisions and deficient/scanty in the remaining 22 (61 per cent). The annual average for 1997-2001 was normal/excess in 22 (63 per cent) meteorological sub-divisions and deficient/scanty in the remaining 13 (37 per cent).

PROCUREMENT

(Million Tonnes)

(1)	Full Marketing Year			Up to May 15		
	1999-2000 (2)	2000-01 (3)	2001-02 (4)	2001(P) (5)	2002(P) (6)	% change Col. (6)/(5)
Rice (Oct-Sep)	17.27	19.11	-	16.66	17.81	69
Wheat (Apr-Mar)	14.15	16.36	20.63	17.79	17.15	-3.6
Total	31.42	35.47	20.63	34.45	34.96	1.5

Wheat procurement up to May 15, 2002 in the current marketing year, (i.e., 2002-2003) was lower by 3.6 per cent at 17.15 million tonnes compared to 17.79 million tonnes in the corresponding period in 2001-02. Procurement of rice during the marketing year 2001-02 (up to May 15, 2002) stood at 17.81 million tonnes was higher by 6.9 per cent than the level of 16.66 million tonnes during the corresponding period of 2000-01.

OFF-TAKE

(Million Tonnes)

	April-March				
	1998-99(P)	1999-2000(P)	2000-2001(P)	2000-01	2001-02
Rice	11.83	12.42	10.22	10.22	15.12
Wheat	8.90	10.63	7.73	7.73	15.22
Total	20.73	23.05	17.95	17.95	30.34

P- Provisional

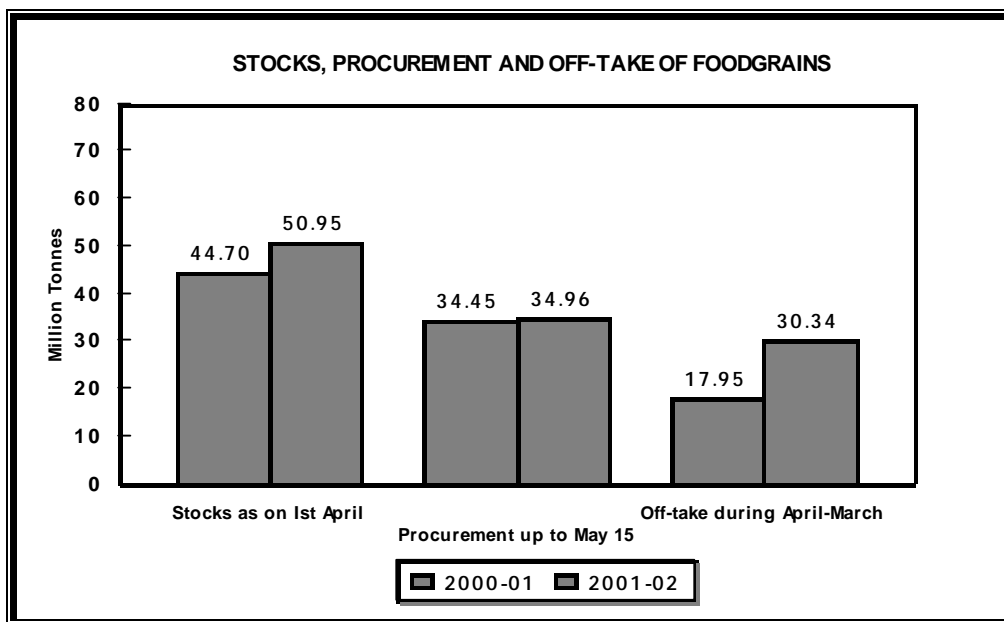
Off-take from the Public Distribution System during April-March, 2001-02 was 30.34 million tonnes which was higher by 69.03 per cent than the off-take of 17.95 million tonnes during April-March, 2000-01.

STOCKS

(Million Tonnes)

	As on 1st March		As on 1st April	
	2001	2002	2001	2002
Rice	23.23	25.97	23.19	24.91
Wheat	23.30	28.46	21.51	26.04
Total	46.53	54.43	44.70	50.95

Stocks of foodgrains as on 1st April, 2002 stood at 50.95 million tonnes which was higher by 14.0 per cent than the level at 44.70 million tonnes as on 1st April, 2001.



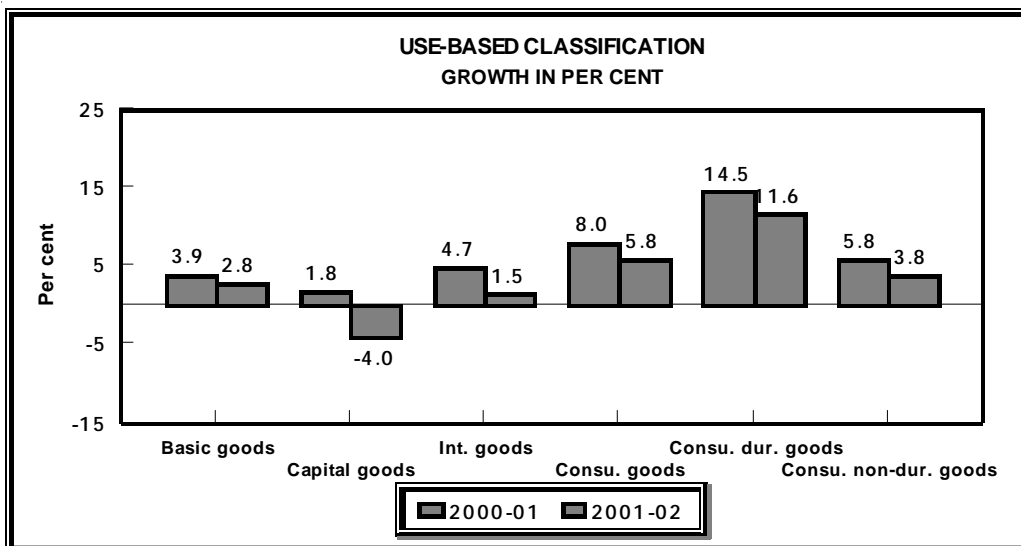
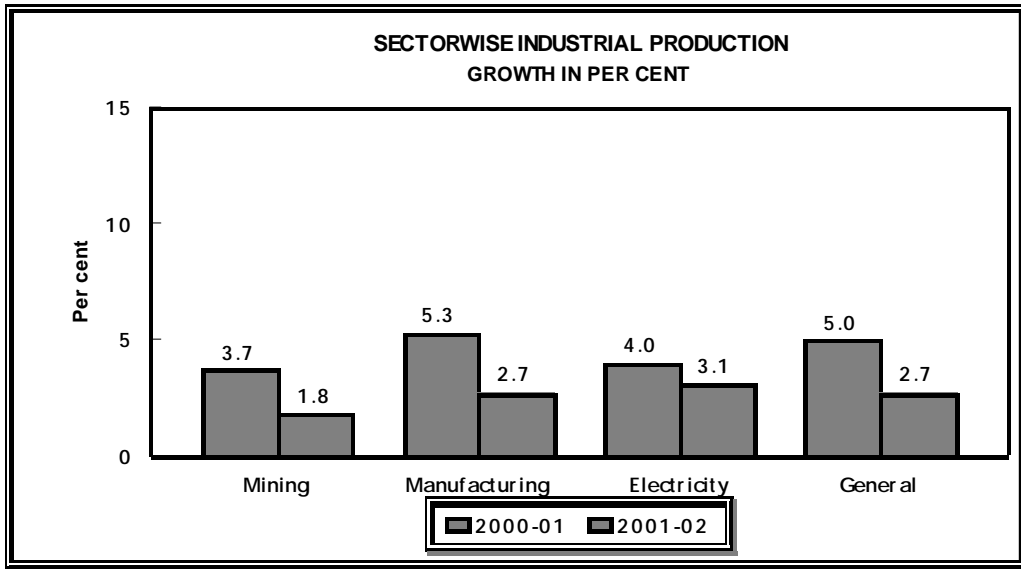
Note:- Procurement up to May 15, 2002

INDEX OF INDUSTRIAL PRODUCTION

SECTORWISE INDEX OF INDUSTRIAL PRODUCTION						<i>(Percentage change)</i>
(Base = 1993-94 = 100)						
	2000-01/ 1999-00	2001-02/ 2000-01	Mar. '01/ Mar. '00	Mar. '02/ Mar. '01	<u>April-March</u>	
					2000-01	2001-02
<u>General</u>	5.0	2.7	2.3	2.4	5.0	2.7
Mining & Quarrying	3.7	1.8	1.3	3.0	3.7	1.8
Manufacturing	5.3	2.7	2.6	2.0	5.3	2.7
Electricity	4.0	3.1	1.7	5.2	4.0	3.1
<u>Use-Based Classification</u>						
Basic goods	3.9	2.8	-0.3	3.7	3.9	2.8
Capital goods	1.8	-4.0	-1.1	-1.0	1.8	-4.0
Intermediate goods	4.7	1.5	6.7	-1.9	4.7	1.5
Consumer goods	8.0	5.8	2.6	6.1	8.0	5.8
<u>Of which</u>						
Consumer Durables	14.5	11.6	-0.2	9.7	14.5	11.6
Consumer non-Durables	5.8	3.8	3.6	4.9	5.8	3.8

The overall growth rate of Industrial production during **2001-02** at 2.7 per cent recorded a lower growth compared to 5.0 per cent in 2000-01. The growth in mining & quarrying, manufacturing sector and electricity generation during 2001-02 was 1.8%, 2.7% and 3.1% respectively as against 3.7%, 5.3% and 4.0% in 2000-01.

As per the use-based classification, production in capital goods during 2001-02, registered negative growth while basic goods, intermediate goods and consumer goods (both consumer durables and consumer non-durables) registered lower increase compared with 2000-01.

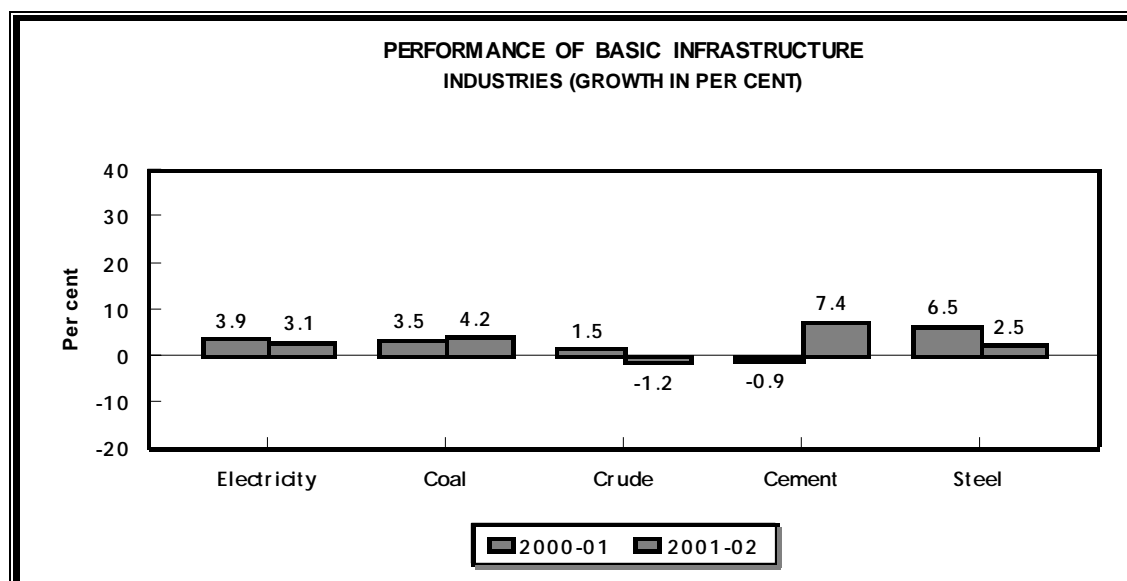


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	March		Full Year		Percentage change		
		2001	2002	2000-01	2001-02	2000-01/ 1999-00	2001-02/ 2000-01	
Coal	Mn. Ton	31.5	32.7	309.6	322.6	3.5	4.2	
Electricity Generation	Mn. Kwh	44360	46676	499548	515271	3.9	3.1	
Hydel	Mn. kw	5019	6402	74481	73992	-7.6	-0.7	
Thermal (including nuclear)	Mn. kw	39341	40274	425067	441279	6.3	3.8	
Crude petroleum	000 tons	2703	2807	32427	32030	1.5	-1.2	
Petroleum Products	000 tons	8824	8542	96203	99815	20.3	3.8	
Finished steel	000 tons	2653	2799	30321	31066	6.5	2.5	
Cement	000 tons	9740	10725	99520	106900	-0.9	7.4	
Average growth rate*	(%)	0.4	4.6	-	-	5.1	3.0	
		<u>February</u>	<u>Full Year</u>	<u>April-Feb.</u>	<u>April-Feb.</u>			
Cargo handled at major ports	Mn. Ton	22.35	23.59	280.97	256.92	260.65	4.4	1.5
Telecommunications								
a) Net switching capacity	000 lines	827.31	851.31	7146.07	4739.83	4691.76	13.2	-1.0
b) Net Tele. connections	000 nos	804.50	800.30	5924.79	4278.2	3708.36	26.5	-13.3
Revenue earning goods traffic on railways	Mn. Ton	38.71	42.09	473.25	428.11	444.36	4.1	3.8

* 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 in **2001-02** as compared to 2000-01. During 2001-02 average growth rate was 3.0 per cent as compared to 5.1 per cent in 2000-01.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

(Million Tonnes)

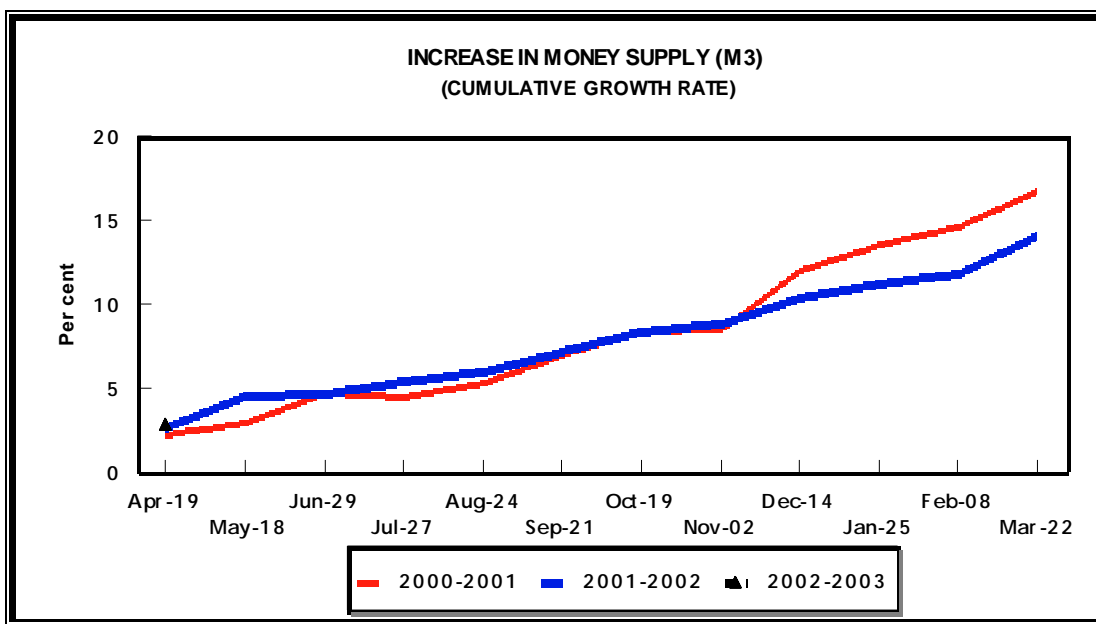
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	February		Full Year 2000-01	April-Feb.		Percentage Change	
	2001	2002		2000-01	2001-02	Feb. 2002/2001	April-Feb. 2001-02/ 2000-01
Coal	18.32	19.96	222.75	202.97	207.66	9.0	2.3
Raw material for Steel Plants	3.13	3.12	38.75	35.21	35.83	-0.3	1.8
Pig Iron & Finished Steel From Steel Plants	0.84	1.05	11.51	10.36	10.72	25.0	3.5
Iron Ore for Exports	1.33	1.07	14.58	13.04	14.47	-19.5	11.0
Cement	3.24	3.76	42.84	38.30	39.59	16.0	3.4
Foodgrains	2.28	3.47	26.65	23.69	28.97	52.2	22.3
Fertilizers	1.89	2.04	27.14	25.29	25.13	7.9	-0.6
POL	2.89	2.68	36.22	32.85	32.40	-7.3	-1.4
Balance other goods	4.79	4.94	52.81	46.40	49.59	3.1	6.9
Total	38.71	42.09	473.25	428.11	444.36	8.7	3.8

The revenue earning goods traffic handled by the Railways increased by 3.8 per cent during **April-February, 2001-02** as compared to 4.1 per cent in the corresponding period of the last year.

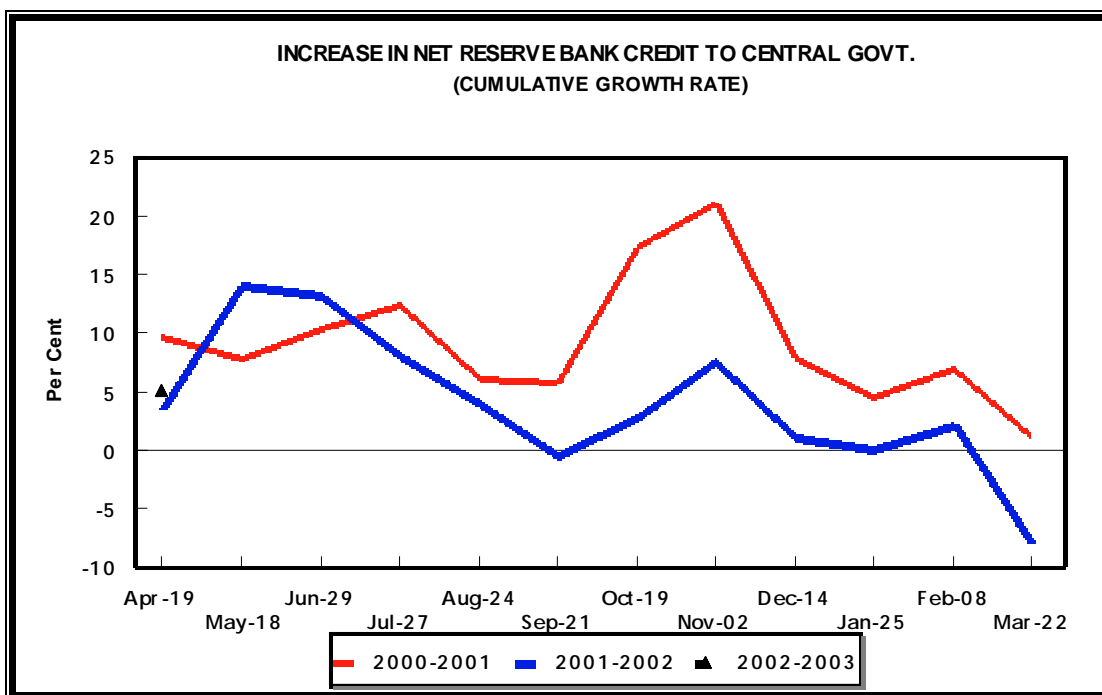
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '01 to Mar 31 '02	Mar 31 '02 to Apr 19 '02 (PR)	Full Year Mar 31 '01 to Mar 31 '02	Mar 31 '01 to Apr 20 '01 (P)	Mar 31 '02 to Apr 19 '02 (PR)	Apr 20 '01 to Apr 19 '02 (P)
	<i>(Rs crore)</i>			<i>(per cent)</i>		
M1 (I+II+IV)	41753	12144	11.0	3.3	2.9	10.6
M3(M1+ III)	183912	42384	14.0	2.7	2.8	14.1
I. Currency with the public	31890	10558	15.2	5.2	4.4	14.3
II. Demand deposits with banks	10647	2106	6.4	1.2	1.2	6.4
III. Time deposits with banks	142160	30240	15.2	2.5	2.8	15.6
IV. Other deposits with RBI	-784	-520	-21.6	-13.1	-18.3	-26.2
Sources of change in M3						
<i>(1+2+3+4-5)</i>						
1. Net Bank Credit to Govt (A+B)	75853	13146	14.8	3.8	2.2	13.1
A. RBI's net credit to Govt ^a	594	5631	0.4	2.0	3.6	2.0
To Central Govt	-506	7332	-0.3	3.5	5.0	1.2
To State Govts	1100	-1700	15.0	-26.2	-20.1	24.4
B. Other bank credit to Govt	75259	7515	21.0	4.6	1.7	17.8
2. Bank credit to commercial sector	74991	13365	11.0	0.2	1.8	12.8
3. Net foreign exchange assets of banking sector ^b	64913	5177	26.0	1.2	1.6	26.5
4. Govt's currency liabilities to the public	872	0	16.3	1.1	0.0	15.0
5. Banking sector's net non-monetary liabilities other than time deposits	32716	-10696	24.6	-8.7	-6.4	27.7
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, 2002 to April 19, 2002) money supply (M3) increased by 2.8 per cent which is slightly higher than the 2.7 per cent in the corresponding period of 2001-02. Among its components, currency with the public showed a growth of 4.4 per cent as against 5.2 per cent in the corresponding period of last year. Demand deposits with banks showed a growth of 1.2 per cent same as in the corresponding period of last financial year. Time deposits with banks increased by 2.8 per cent as against 2.5 per cent in the corresponding period of last year. The annual growth of M3 as on April 19, 2002 stood at 14.1 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 2.2 per cent during the current financial year (i.e. March 31, 2002 to April 19, 2002) which is lower than that of 3.8 per cent increase in the same period of 2001-02. RBI's Net Credit to Central Government increased by 5.0 per cent as against an increase of 3.5 per cent in 2001-02. Bank credit to the commercial sector increased by 1.8 per cent as against an increase of 0.2 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 1.6 per cent as compared with 1.2 per cent in the corresponding period of 2001-02.



SCHEDULED COMMERCIAL BANKS

SCHEDULED COMMERCIAL BANKS: VARIATION IN ASSETS AND LIABILITIES						
	Full Year Mar 23,'01 to Mar 22,'02	Mar 22,'02 to Apr 19,'02 (PR)	Full Year Mar 23,'01 to Mar 22,'02	Mar 23,'01 to Apr 20,'01	Mar 22,'02 to Apr 19,'02 (P)	Apr 20,'01 to Apr 19,'02 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	74398	11808	17.3	0.8	2.0	16.0
Food credit	13987	-1495	55.7	-9.7	-2.8	45.4
Non-food credit	60411	13303	14.9	1.6	2.5	13.8
2. Aggregate deposits	137836	32180	18.4	2.8	2.9	14.5
Demand deposits	9129	2448	11.9	1.3	1.6	6.8
Time deposits	128707	29732	19.5	3.0	3.1	15.8
3. Borrowings from RBI	-280	-94	-40.0	50.0	-2.6	-39.7
4. <i>Cash reserves</i>						
Cash in hand	405	299	6.1	3.6	4.9	8.6
Balances with RBI	2858	12979	3.7	16.4	20.8	8.8
5. Investments in Govt. and other approved securities	68994	6224	19.8	4.4	1.4	15.2
P = Provisional						

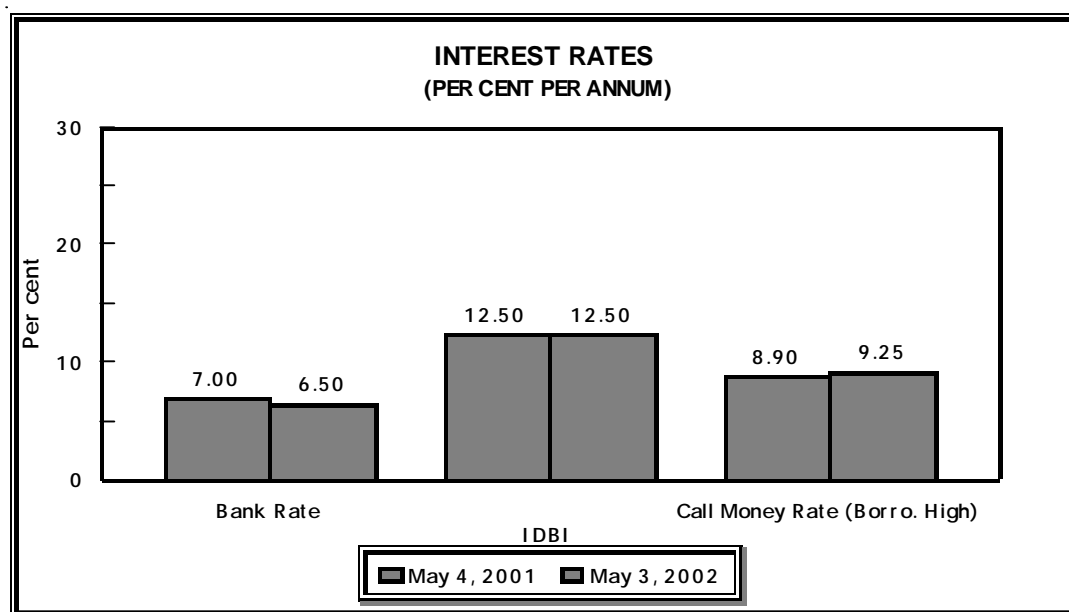
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 22, 2002 to April 19, 2002) showed a growth of 2.0 per cent as compared with an increase of 0.8 per cent in the corresponding period of last financial year. Food credit decreased by 2.8 per cent while non-food credit increased by 2.5 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2001</i>	<i>2002</i>
1	<i>May 4</i>	<i>May 3</i>
1	2	3
Bank Rate	7.00	6.50
I.D.B.I. ¹	12.50	12.50
Prime Lending Rate ²	11.00-12.00	11.00-12.00
Deposit Rate ³	8.00-9.50	7.00-8.50
Call Money Rate ⁴ (Low/High)		
-Borrowings	6.00/8.90	3.54/9.25
-Lendings	6.80/8.60	3.54/10.00

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 May 3, 2002, Prime Lending Rate ranged from 11.00 to 12.00 per cent same as on May 4, 2001. Deposit Rate ranged from 7.00 to 8.50 per cent as against 8.00 to 9.50 on the corresponding day of last year.

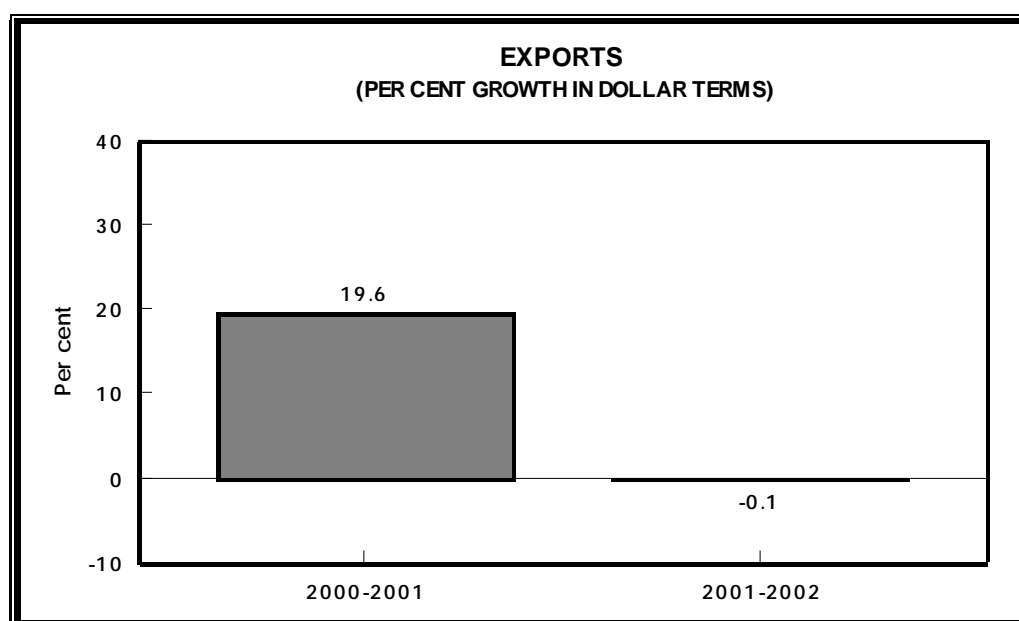


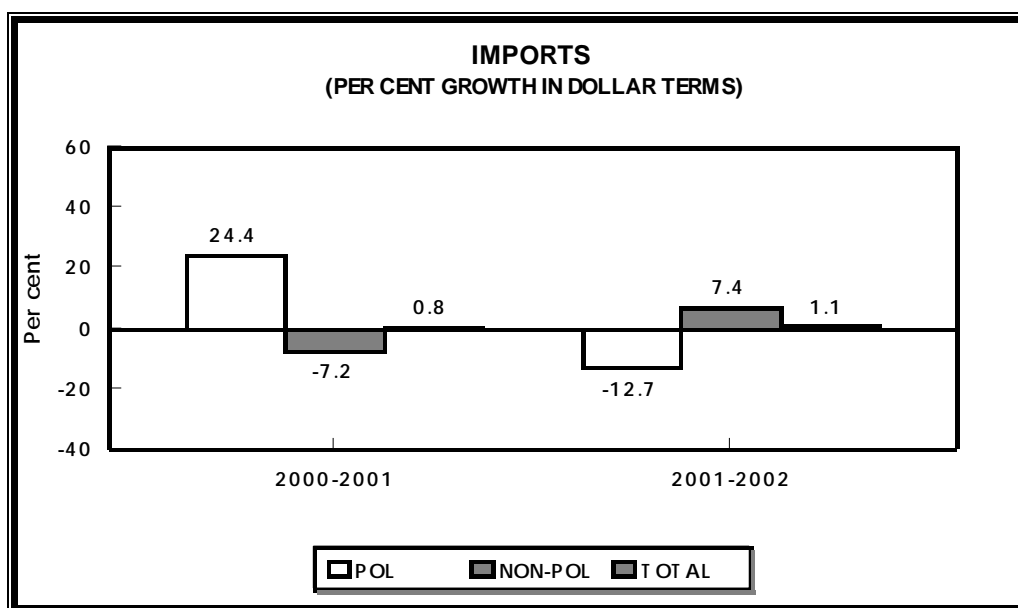
EXTERNAL SECTOR

FOREIGN TRADE

FOREIGN TRADE*				
Item	2000-01(PR)	2001-02(R)	2000-01	2001-02
	<i>Rs. Crore</i>		<i>% change</i>	
Exports	203571	210011	27.6	3.2
Imports	230873	241478	7.1	4.6
POL	71558	65190	31.1	-8.9
Non-POL	159314	176288	-1.0	10.7
Trade Balance	-27302	-31467	-	-
	<i>Million Dollar</i>		<i>% change</i>	
Exports	44035	43999	19.6	-0.1
Imports	50113	50654	0.8	1.1
POL	15664	13669	24.4	-12.7
Non-POL	34450	36985	-7.2	7.4
Trade Balance	-6078	-6656	-	-
P = Provisional, PR = Partially Revised				

Exports in dollar terms in **2001-02** decreased by 0.1 per cent as compared to an increase of 19.6 per cent in 2000-01. Imports increased by 1.1 per cent as against an increase of 0.8 per cent in last year. Imports of POL declined by 12.7 per cent as against an increase of 24.4 per cent in 2000-01.



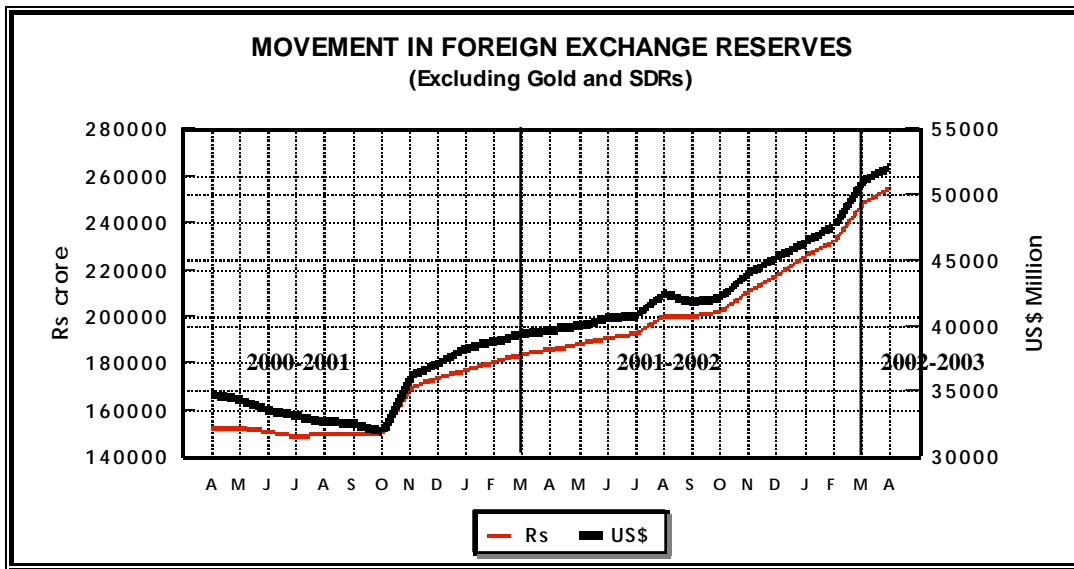


FOREIGN EXCHANGE RESERVES

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD AND SDRs)				
At the end of	Amount		Variation	
	Rs Crore	\$ Million	Rs Crore	\$ Million (Over last Year)
March, 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
March, 2002	249118	51049	64636	11495
2002-2003			<i>(Over last Month)</i>	
April*	255166	52107	6048	1058

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$51049 million at the end of 2001-2002. These reserves have increased by \$1058 million and stood at \$52107 million at the end of April, 2002.



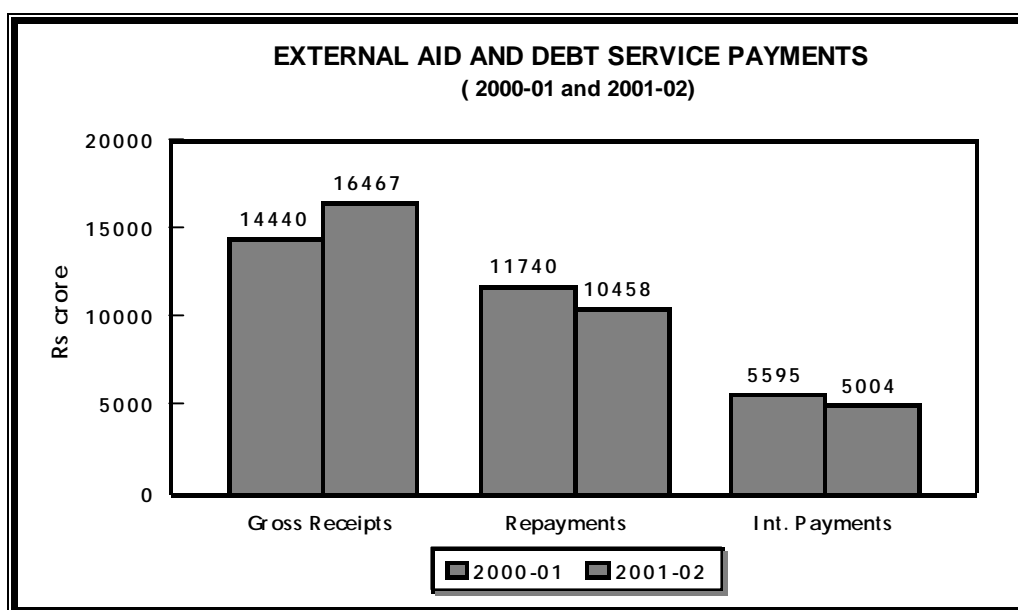
EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(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	11797	12800	9839	9189	4410	4187
Grants- Govt. A/C	731	1127	-	-	-	-
Total	12528	13927	9839	9189	4410	4187
Non-Govt. loans	1707	2446	1901	1269	1185	817
Grants-Non-Govt.	205	94				
Grand Total	14440	16467	11740	10458	5595	5004
	(3161)	(3453)				
Net Flows (net of repayment)	2700	6009	-	-	-	-
Net Transfers (net of repayment and interest payments)	-2895	1005	-	-	-	-

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

Gross external aid in **2001-02** at Rs 16467 crore was 14.0 per cent higher than that of Rs 14440 crore in 2000-01. Net aid flows (net of repayments) amounted to Rs 6009 crore as against Rs 2700 crore. Net aid transfers (net of repayments and interest payments) was Rs 1005 crore as against Rs (-) 2895 crore in the corresponding period of last year.



EXCHANGE RATES

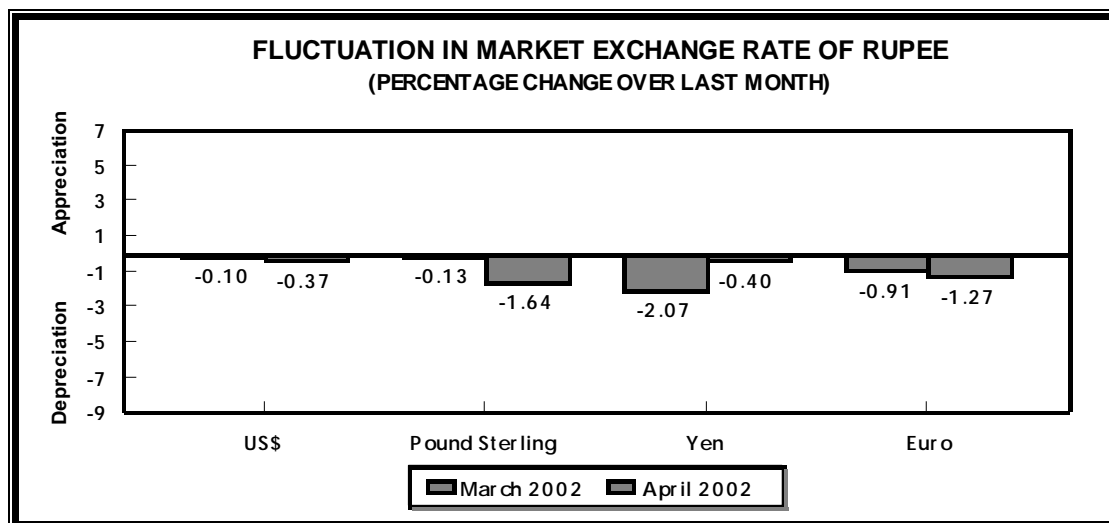
Rupees Per Unit of Foreign Currency

(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 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
March 2002	48.74	69.37	–	0.3723	–	42.75	78.58	102.63
2002-2003								
April	48.92	70.53	–	0.3738	–	43.30	77.98	102.13

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, 2002 depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro compared to average market rate during March, 2002. Both NEER and REER moved down in April, 2002 as compared with the last month.



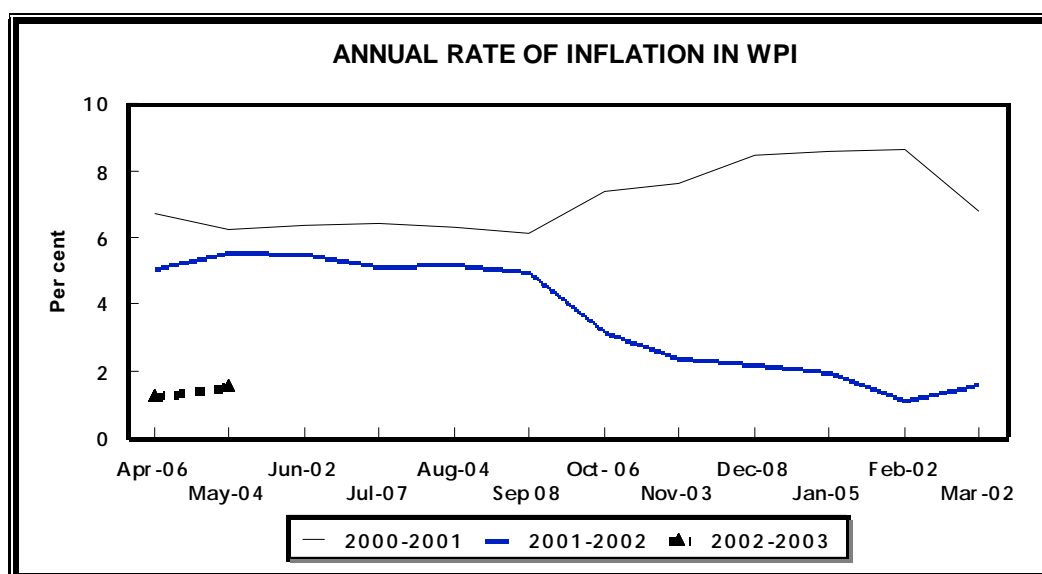
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(April over March)		(ending 4.5.2002) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.50	0.30	5.61	1.56
I Primary articles	22.03	1.08	1.08	2.98	1.93
II Fuel, Power, Light and Lubricants	14.23	0.00	0.69	15.03	3.86
III Manufactured Products	63.75	0.07	0.35	3.74	0.56

P = Provisional

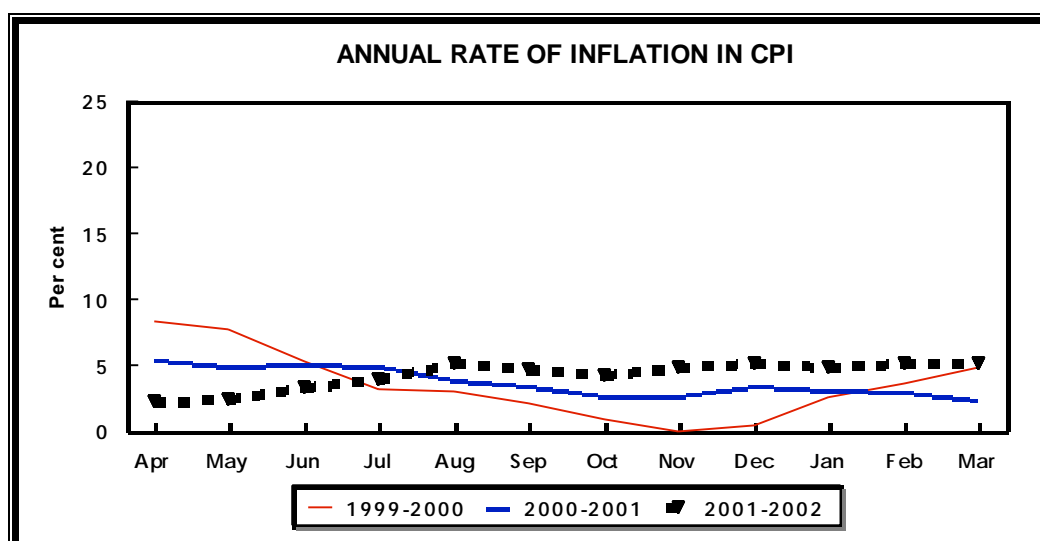
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 1.56 per cent for week ended May 4, 2002 compared to 5.61 per cent a year ago. This rate was contributed by an increase of 1.93 per cent in Primary articles, 3.86 per cent increase in Fuel, Power and Lubricants and 0.56 per cent increase in Manufactured Products as against an increase of 2.98 per cent, 15.03 per cent and 3.74 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	2000-2001 (Up to March, 2001)	2001-2002 (Up to March, 2002)
	<i>Per cent</i>	
Annual Inflation	2.5	5.2
Financial Year Inflation (%)	3.8	4.3
Last Month (% change)	0.9	0.4
Level of Index	445	468
Average of Index for 12 months ending March	444.17	463.33

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for March, 2002 which stood at 468 increased by 0.4 per cent over the previous month's level and increased by 5.2 per cent over March, 2001.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	January		April-January	
	2001	2002*	2000-01	2001-02*
1. No. of applicants on Live Register at the end of the month	413.11	420.73	413.11	420.73
2. No. of registrations/re-registrations	3.61	4.39	51.87	50.06
3. Placements effected	0.20	0.14	2.51	1.36
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	5.54	3.19	4.84	2.72
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **January**, 2002 was 420.73 lakh, higher by 1.84 per cent as compared to the corresponding period of the previous year. The number of registrations during **January**, 2002 was 4.39 lakh, higher by 21.6 percent as compared to **January**, 2001. The Placements as a percentage of registrations during **January**, 2002 were 3.19 as against 5.54 in **January**, 2001. The total placements effected during 2001-02 (April-January) were 1.36 lakh as compared to 2.51 lakh in the corresponding period of 2000-01. Placements constituted 2.72 percent of registrations in 2001-02 as against 4.84 percent in 2000-01.