



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

MONTHLY ECONOMIC REPORT

NOVEMBER, 2001

HIGHLIGHTS

- The Post-Monsoon season rainfall upto 14 November 2001 was normal/excess in 71 per cent of meteorological sub-divisions.
- Foodgrains stocks 58.28 million tonnes as on October 1, 2001.
- Overall industrial growth 2.3 per cent in April-September, 2001 as against 5.7 per cent in April-September, 2000.
- Core infrastructure sectors achieved an average growth rate of 1.8 per cent in April-September 2001 as against 7.0 per cent in April-September 2000.
- Money Supply (M3) growth was 8.4 per cent during March 31, 2001 to October 19, 2001, whereas annual growth rate for fortnight ended October 19, 2001 was 16.6 per cent. Net RBI Credit to Government increased by 1.7 per cent during March 31, 2001 to October 19, 2001.
- The annual inflation rate in terms of WPI (Base 1993-94) was 2.40 per cent for week ended November 3, 2001 compared to 7.61 per cent a year ago.
- Exports declined by 2.0 per cent in dollar terms in April-September, 2001 compared to an increase of 22.5 per cent in April-September, 2000. Imports increased by 1.8 per cent as against an increase of 13.3 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 October, 2001.
- Forex reserves (excluding Gold & SDRs) stood at \$42.31 billion at the end of October, 2001.

(Manoranjan Kumar)
Deputy Economic Adviser

AGRICULTURE

POST-MONSOON SEASON RAINFALL*

Number of Meteorological Sub-divisions							
	1996	1997	1998	1999	2000	1996-00+	2001
Excess/Normal	26	23	34	30	7	24	25
Deficient/Scanty/Nil	9	12	1	5	28	11	10
Total	35	35	35	35	35	35	35
+ Annual average	* (October-December)						

The Post-Monsoon season rainfall from October 1, 2001 to November 14, 2001 was normal/excess in 25 (71 per cent) meteorological sub-divisions and deficient/scanty in the remaining 10 (29 per cent). The annual average for 1996-2000 was normal/excess in 24 (69 per cent) meteorological sub-divisions and deficient/scanty in the remaining 11 (31 per cent).

PROCUREMENT

(Million Tonnes)

(1)	Full Marketing Year			Up to November 20		
	1998-99 (2)	1999-2000 (3)	2000-2001 (4)	2000(P) (5)	2001(P) (6)	% change Col. (6)/(5)
Rice (Oct-Sep)	11.85	17.27	19.11	7.94	7.95	0.1
Wheat (Apr-Mar)	12.65	14.15	16.36	16.35	20.63	26.2
Total	24.50	31.42	35.47	24.29	28.58	17.7

Wheat procurement up to November 20, 2001 in the current marketing year, (i.e., 2001-2002) was higher by 26.2 per cent stood 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 November 20, 2001) stood at 7.95 million tonnes was higher by 0.1 per cent than the level of 7.94 million tonnes during the corresponding period of 2000-01.

OFF-TAKE

(Million Tonnes)

	<u>April-Sept.</u>				
	1998-99(P)	1999-2000(P)	2000-2001(P)	2000-01	2001-02
Rice	11.83	12.42	10.22	5.26	5.88
Wheat	8.90	10.63	7.73	2.71	5.21
Total	20.73	23.05	17.95	7.97	11.09

Off-take from the Public Distribution System central pool during April-September, 2001-02 was 11.09 million tonnes which was higher by 39.21 per cent than the off-take of 7.97 million tonnes during April-September, 2000-01.

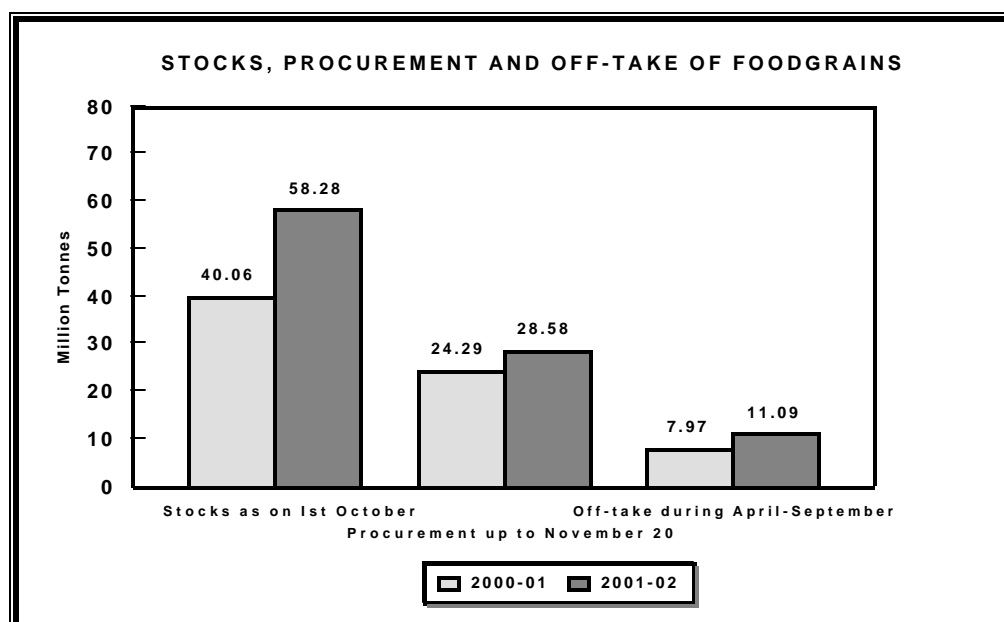
P- Provisional

STOCKS

(Million Tonnes)

	As on 1st Sept.		As on 1st October	
	2000	2001	2000	2001
Rice	13.47	21.57	13.21	21.45
Wheat	27.30	37.88	26.85	36.83
Total	40.77	59.45	40.06	58.28

Stocks of foodgrains as on 1st October, 2001 stood at 58.28 million tonnes which was higher by 45.5 per cent than the level at 40.06 million tonnes as on 1st October, 2000.

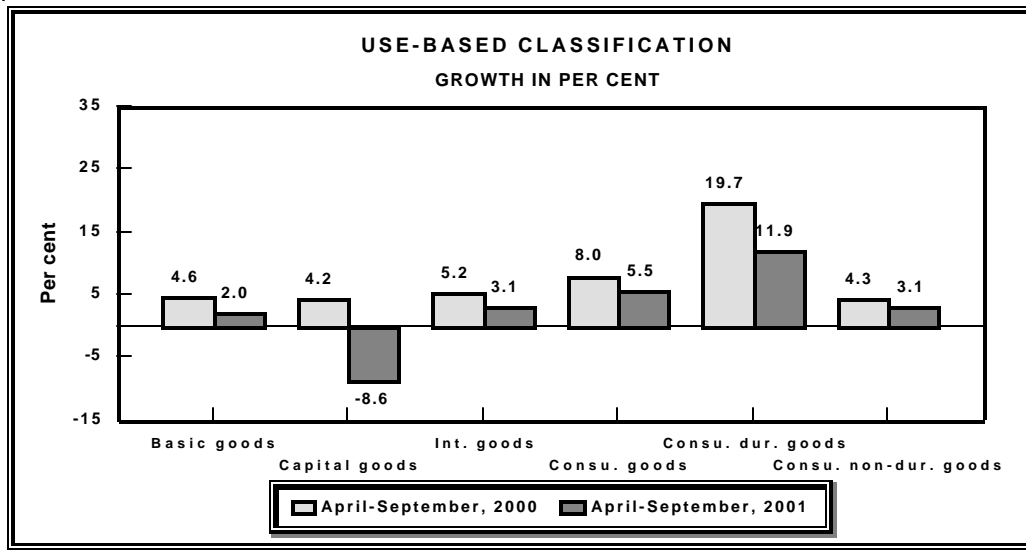
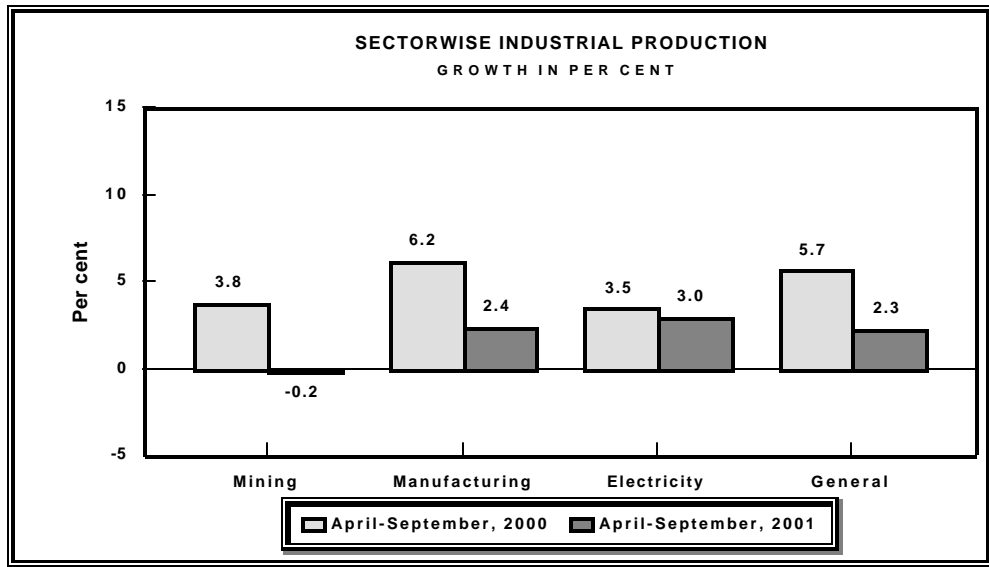


INDUSTRIAL PRODUCTION

SECTORWISE INDUSTRIAL PRODUCTION (Base = 1993-94 = 100)	<i>(Percentage change)</i>					
	1999-00/ 1998-99	2000-01/ 1999-00	Sept. '00/ Sept. '99	Sept. '01/ Sept. '00	<u>April-September</u> 2000-01 2001-02	
<u>General</u>	6.7	5.0	5.9	1.6	5.7	2.3
Mining & Quarrying	1.0	3.7	5.4	2.7	3.8	-0.2
Manufacturing	7.1	5.3	6.4	1.1	6.2	2.4
Electricity	7.3	4.0	2.2	4.1	3.5	3.0
<u>Use-Based Classification</u>						
Basic goods	5.5	3.9	4.2	3.8	4.6	2.0
Capital goods	6.9	1.8	3.6	-11.6	4.2	-8.6
Intermediate goods	8.8	4.7	4.4	2.2	5.2	3.1
Consumer goods	5.7	8.0	10.6	2.6	8.0	5.5
<u>Of which</u>						
Consumer Durables	14.1	14.5	14.2	18.8	19.7	11.9
Consumer non-Durables	3.2	5.8	9.3	-3.4	4.3	3.1

The overall growth rate of Industrial production during **April-September, 2001** at 2.3 per cent recorded a lower growth compared to 5.7 per cent in April-September, 2000. The growth in manufacturing sector, electricity generation and mining & quarrying during April-September, 2001 was 2.4%, 3.0% and (-)0.2% respectively as against 6.2%, 3.5% and 3.8% in April-September, 2000.

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

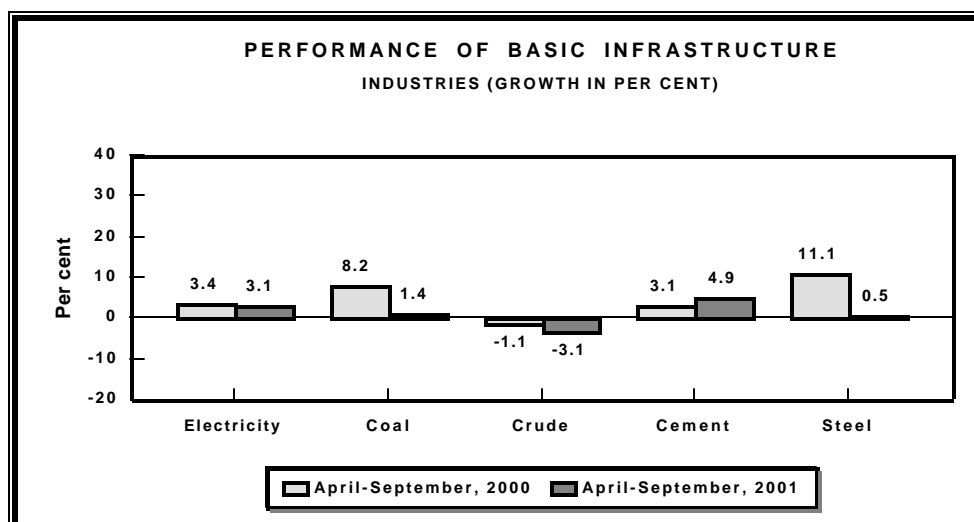


INFRASTRUCTURE INDUSTRIES

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	Sept. 2000	Sept. 2001	Full Year 2000-01	April-Sept.		Percentage change April-Sept.	
					2000-01	2001-02	2000-01/ 1999-00	2001-02/ 2000-01
Coal	Mn. Ton	22.9	25.1	308.9	139.9	141.9	8.2	1.4
Electricity Generation	Mn. Kwh	41224	42933	499450	245530	253154	3.4	3.1
Hydel	Mn. kw	8051	7472	74346	42350	40753	-2.8	-3.8
Thermal (including nuclear)	Mn. kw	33173	35461	425104	203180	212401	4.8	4.5
Crude petroleum	000 tons	2688	2710	32476	16211	15714	-1.1	-3.1
Petroleum Products	000 tons	8187	8351	96236	46899	48622	29.1	3.7
Finished steel	000 tons	2477.6	2616.4	30422.7	15090.3	15162.0	11.1	0.5
Cement	000 tons	7440	8764	99940	50030	52481	3.1	4.9
Average growth rate*	(%)	6.5	5.0	5.3	-	-	7.0	1.8
Cargo handled at major ports	Mn. Ton	22.44	22.85	280.97	136.79	138.89	3.0	0.7
Telecommunications								
a) Net switching capacity	000 lines	406.18	337.70	7146.07	1837.23	1624.49	57.5	-11.6
b) Net Tele. connections	000 nos	300.10	310.53	5924.79	1525.71	1291.04	47.1	-15.4
Revenue earning goods traffic on railways	Mn. Ton	36.28	39.05	473.25	228.74	231.62	5.7	1.3

* 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 poor performance during **April-September, 2001** as compared to April-September, 2000. During April-September, 2001 average growth rate was 1.8 per cent as compared to 7.0 per cent in April-September, 2000.



REVENUE EARNING GOODS TRAFFIC ON RAILWAYS

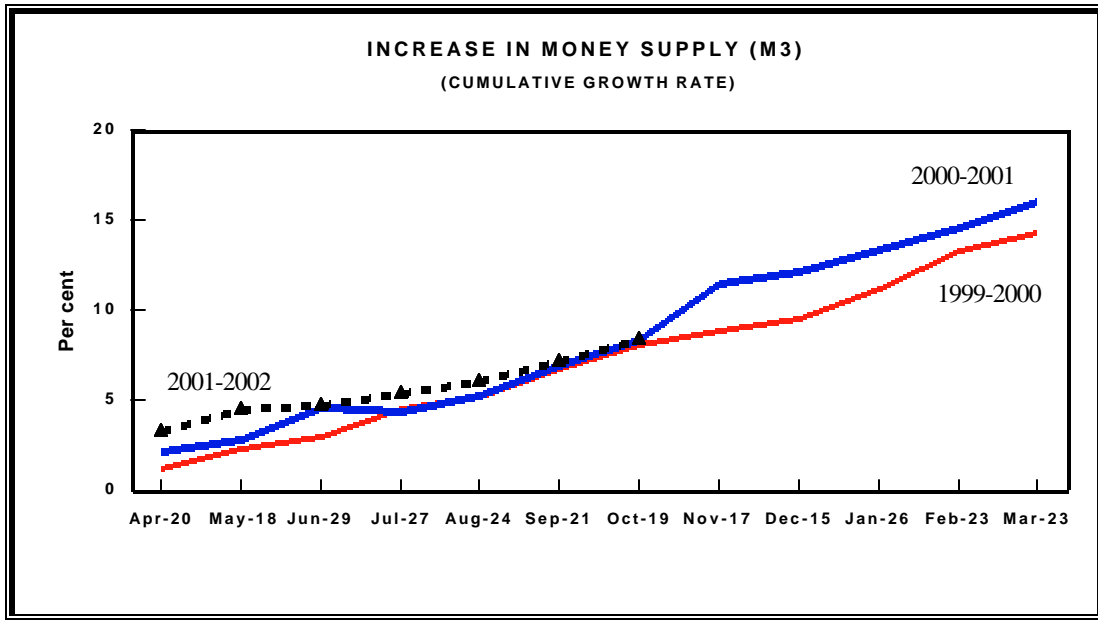
REVENUE EARNING GOODS TRAFFIC ON RAILWAYS							
Commodities	Million Tonnes					Percentage Change	
	Sept. 2000	Sept. 2001	Full Year 2000-01	April-Sept. 2000-01	April-Sept. 2001-02	Sept. 2001/2000	April-Sept. 2001-02/ 2000-01
Coal	17.24	18.14	222.75	109.06	107.96	5.2	-1.0
Raw material for Steel Plants	3.04	3.36	38.75	18.59	18.98	10.5	2.1
Pig Iron & Finished Steel From Steel Plants	0.91	0.98	11.51	5.56	5.49	7.7	-1.3
Iron Ore for Exports	1.14	1.25	14.58	6.61	7.30	9.6	10.4
Cement	3.03	3.42	42.84	21.23	21.78	12.6	2.6
Foodgrains	1.79	2.18	26.65	12.80	13.83	21.8	8.0
Fertilizers	2.55	2.52	27.14	13.64	13.56	-1.2	-0.6
POL	3.03	2.96	36.22	18.12	17.69	-2.3	-2.6
Balance other goods	3.55	4.24	52.81	23.13	25.03	19.4	8.2
Total	36.28	39.05	473.25	228.74	231.62	7.6	1.3

The revenue earning goods traffic handled by the Railways increased by 1.3 per cent during **April-September, 2001** as compared to 5.7 per cent in the corresponding period of the last year.

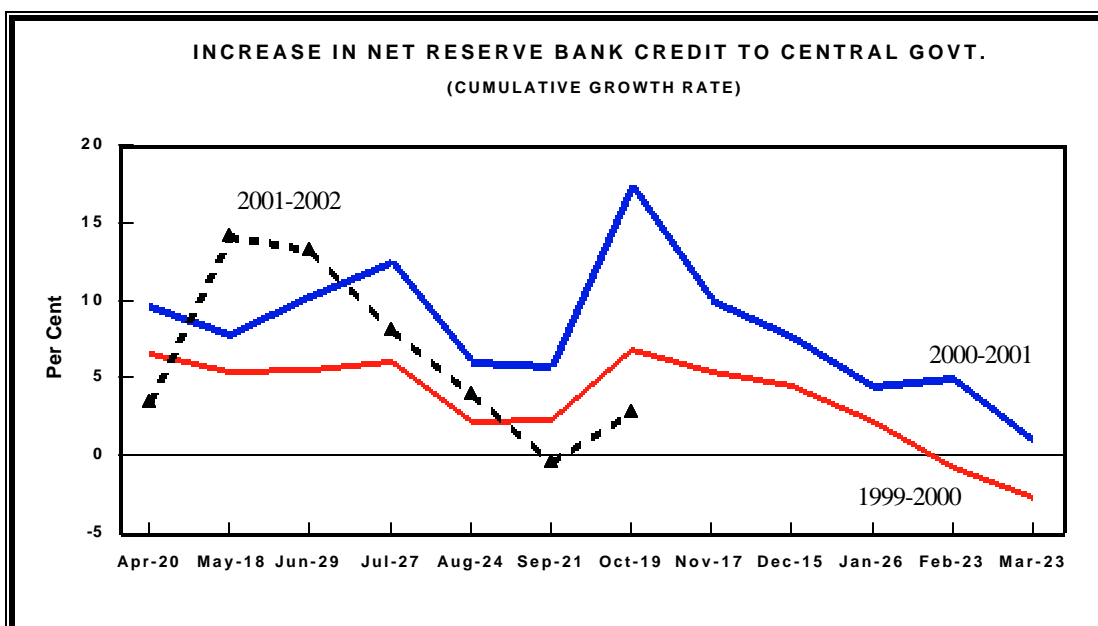
MONEY AND BANKING

VARIATIONS IN MONEY STOCK						
	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '01 to Oct 19 '01 (PR)	Full Year Mar 31 '00 to Mar 31 '01	Mar 31 '00 to Oct 20 '00 (P)	Mar 31 '01 to Oct 19 '01 (PR)	Oct 20 '00 to Oct 19 '01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
M1 (I+II+IV)	37995	10958	11.1	4.0	2.9	9.9
M3(M1+ III)	187409	109526	16.7	8.4	8.4	16.6
I. Currency with the public	20480	12863	10.8	5.9	6.1	11.0
II. Demand deposits with banks	16918	-1663	11.3	1.7	-1.0	8.4
III. Time deposits with banks	149414	98568	19.1	10.3	10.6	19.4
IV. Other deposits with RBI	596	-242	19.6	0.2	-6.7	11.4
Sources of change in M3						
<i>(1+2+3+4+5)</i>						
1. Net Bank Credit to Govt (A+B)	71002	51732	16.1	11.0	10.1	15.1
A. RBI's net credit to Govt ^a	5613	2668	3.8	13.3	1.7	-6.8
To Central Govt	6705	4268	4.8	17.4	2.9	-8.2
To State Govts	-1092	-1600	-12.9	-55.0	-21.8	51.3
B. Other bank credit to Govt	65389	49064	22.3	9.8	13.7	26.6
2. Bank credit to commercial sector	86652	36413	14.8	7.3	5.4	12.7
3. Net foreign exchange assets of banking sector ^b	44172	19544	21.5	1.4	7.8	29.2
4. Govt's currency liabilities to the public	776	347	16.9	10.1	6.5	13.1
5. Banking sector's net non-monetary liabilities other than time deposits	15192	-1489	13.3	0.3	-1.2	11.7
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, 2001 to October 19, 2001) money supply (M3) increased by 8.4 per cent which is same as in the corresponding period of 2000-01. Among its components, currency with the public showed a growth of 6.1 per cent as against 5.9 per cent in the corresponding period of last year. Demand deposits with banks showed a decline of 1.0 per cent as against an increase of 1.7 per cent in the corresponding period of last financial year. Time deposits with banks increased by 10.6 per cent as against 10.3 per cent in the corresponding period of last year. The annual growth of M3 as on October 19, 2001 stood at 16.6 per cent.



On the sources side, the Net Bank Credit to Government showed a growth of 10.1 per cent during the current financial year (i.e. March 31, 2001 to October 19, 2001) which is lower than that of 11.0 per cent increase in the same period of 2000-01. RBI's Net Credit to Central Government increased by 2.9 per cent as against an increase of 17.4 per cent in 2000-01. Bank credit to the commercial sector increased by 5.4 per cent as against an increase of 7.3 per cent in the same period of last year. Net foreign exchange assets of banking sector increased by 7.8 per cent as compared with 1.4 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 Oct 19,'01 (PR)	Full Year Mar 24,'00 to Mar 23,'01	Mar 24,'00 to Oct 20,'00	Mar 23,'01 to Oct 19,'01 (P)	Oct 20,'00 to Oct 19,'01 (P)
	<i>(Rs crore)</i>		<i>(per cent)</i>			
1. Bank credit	75476	32692	17.3	9.7	6.4	13.8
Food credit	14300	10289	55.7	31.7	25.7	48.6
Non-food credit	61176	22403	14.9	8.3	4.8	11.2
2. Aggregate deposits	149273	86682	18.4	9.5	9.0	17.8
Demand deposits	15186	-269	11.9	2.8	-0.2	8.7
Time deposits	134088	86951	19.5	10.7	10.6	19.4
3. Borrowings from RBI	-2595	727	-40.0	-4.1	18.7	-25.7
4. Cash reserves	2453	13469	3.9	24.1	20.7	1.0
Cash in hand	328	1309	6.2	9.3	23.1	19.6
Balances with RBI	2125	12160	3.7	25.4	20.4	-0.5
5. Investments in Govt. and other approved securities	61215	45385	19.8	8.2	12.3	24.3
P = Provisional						

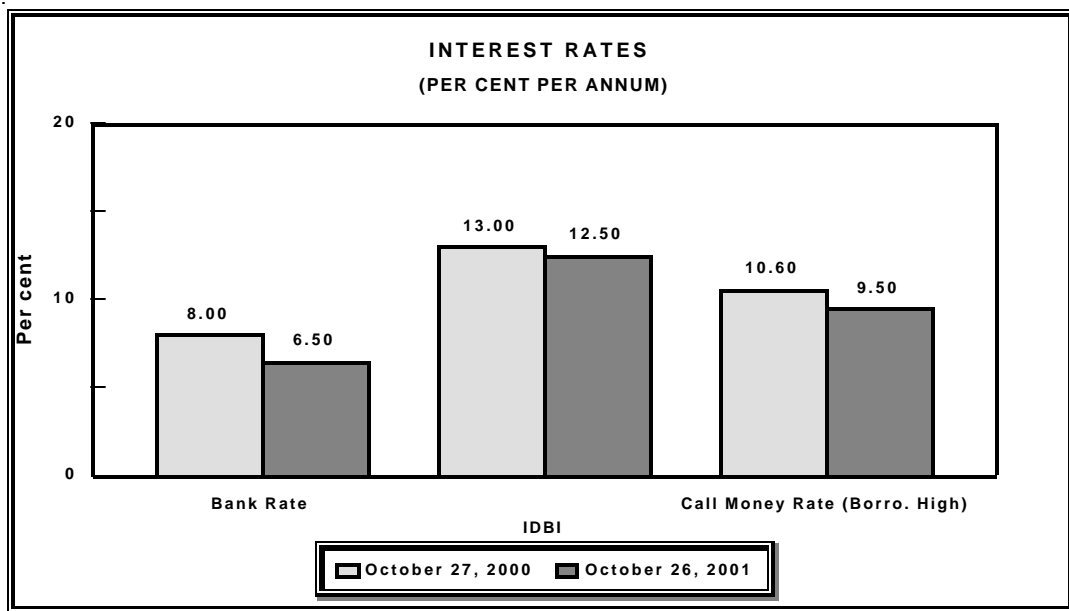
Bank credit by the scheduled commercial banks during the current financial year so far (i.e. March 23, 2001 to October 19, 2001) showed a growth of 6.4 per cent as compared with an increase of 9.7 per cent in the corresponding period of last financial year. Food credit increased by 25.7 per cent while non-food credit increased by 4.8 per cent during this period.

INTEREST RATES (PER CENT PER ANNUM)

<i>Item/ Week ended</i>	<i>2000</i> <i>Oct. 27</i>	<i>2001</i> <i>Oct. 26</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	8.00-9.00
Call Money Rate ⁴ (Low/High)		
-Borrowings	7.00/10.60	4.76/9.50
-Lendings	7.50/10.30	4.76/8.15

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 October 26, 2001, Prime Lending Rate was 11.00 to 12.00 per cent while on October 27, 2000 it was 12.00 to 12.50. Deposit Rate ranged from 8.00 to 9.00 per cent as against 8.50 to 10.00 on the corresponding day of last year.



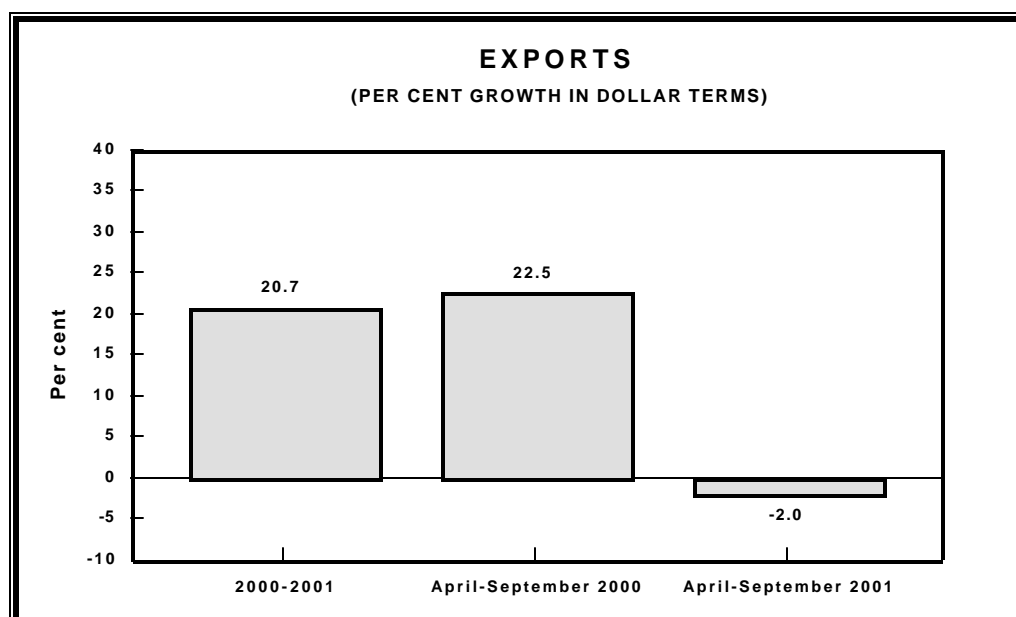
EXTERNAL SECTOR

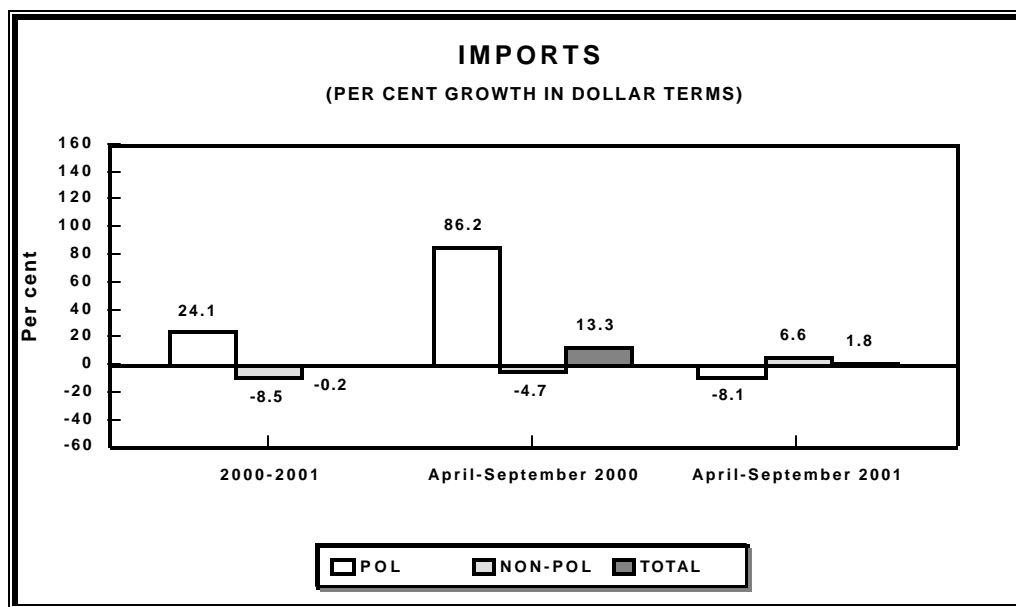
FOREIGN TRADE

FOREIGN TRADE*						
Item	1999-00(R)	2000-01(R)	April-Sept.		April-Sept.	
			2000-01(P)	2001-02(P)	2000-01	2001-02
<i>Rs. Crore</i>				<i>% change</i>		
Exports	159095	202510	95827	98774	27.1	3.1
Imports	215529	226774	113993	122138	17.5	7.1
POL	54649	71497	37168	35938	93.1	-3.3
Non-POL	160880	155277	76825	86200	-1.2	12.2
Trade Balance	-56433	-24264	-18166	-23364	-	-
<i>Million Dollar</i>				<i>% change</i>		
Exports	36715	44328	21386	20968	22.5	-2.0
Imports	49738	49639	25469	25931	13.3	1.8
POL	12611	15650	8301	7630	86.2	-8.1
Non-POL	37127	33989	17168	18301	-4.7	6.6
Trade Balance	-13023	-5311	-4083	-4963	-	-

P = Provisional, R = Revised

Exports in dollar terms during **April-September, 2001** declined by 2.0 per cent as compared to an increase of 22.5 per cent during April-September, 2000. Imports increased by 1.8 per cent as against an increase of 13.3 per cent in last year. Imports of POL declined by 8.1 per cent as against an increase of 86.2 per cent in April-September, 2000.



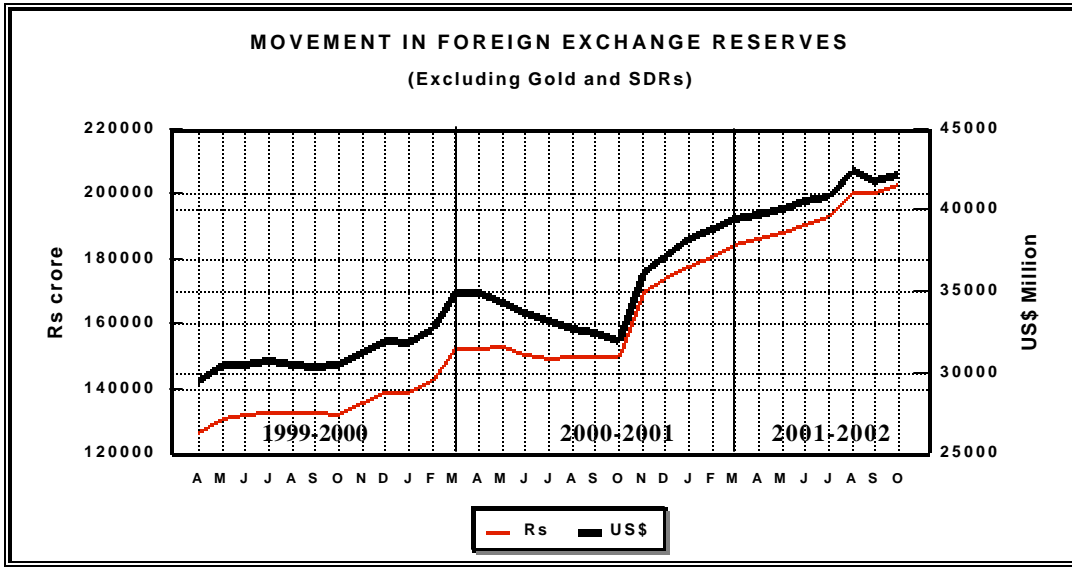


FOREIGN EXCHANGE RESERVES

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, 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

* Provisional

Foreign Exchange Reserves (excluding Gold & SDRs), were \$39554 million at the end of 2000-2001. These reserves have increased by \$2755 million and stood at \$42309 million at the end of October, 2001.

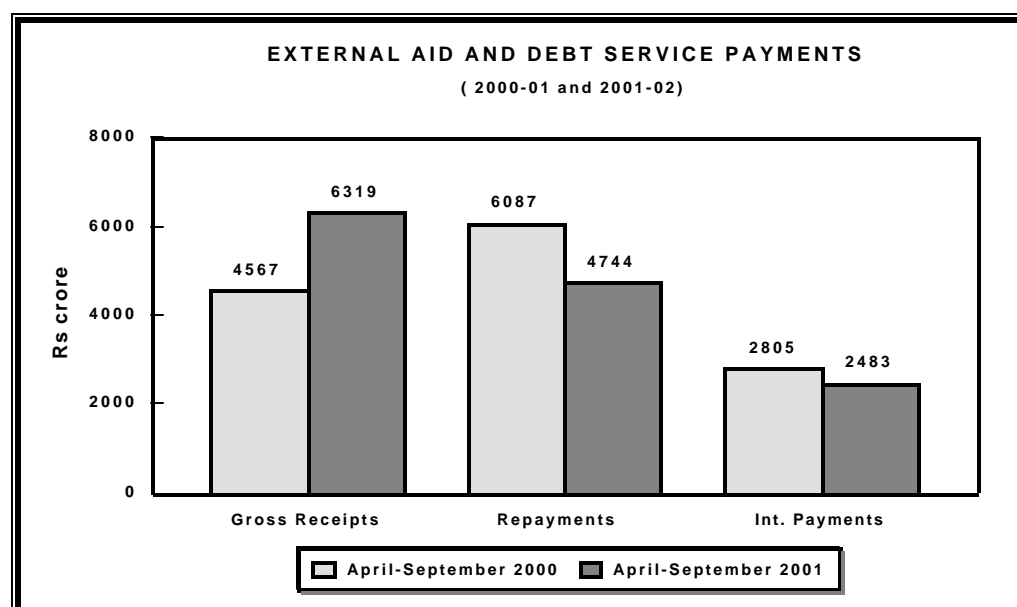


EXTERNAL AID RECEIPTS AND DEBT SERVICE PAYMENTS*

(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	3861	4992	5489	4356	2175	2113
Grants- Govt. A/C	240	492	-	-	-	-
Total	4101	5484	5489	4356	2175	2113
Non-Govt. loans	466	835	598	388	630	370
Grand Total	4567	6319	6087	4744	2805	2483
	(1020)	(1342)				
Net Flows (net of repayment)	-1520	1575	-	-	-	-
Net Transfers (net of repayment and interest payments)	-4325	-908	-	-	-	-
* April-September						
Note: Figures in brackets are in terms of million US \$						

Gross external aid in **April-September 2001** at Rs 6319 crore was 38.4 per cent higher than that of Rs 4567 crore in April-September 2000. Net aid flows (net of repayments) amounted to Rs 1575 crore as against Rs (-) 1520 crore. Net aid transfers (net of repayments and interest payments) was Rs (-) 908 crore as against Rs (-) 4325 crore in the corresponding period of last year.



EXCHANGE RATES

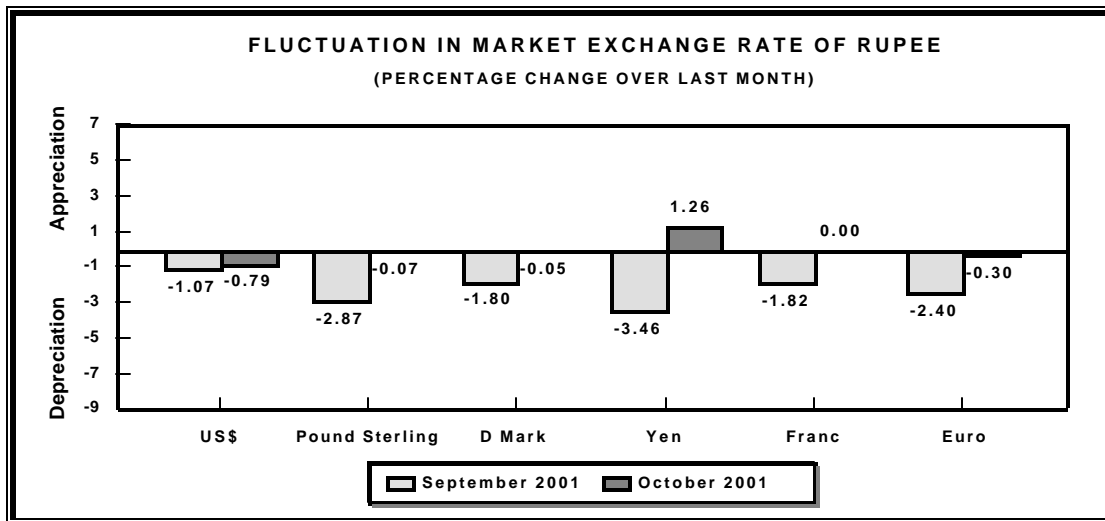
Rupees Per Unit of Foreign Currency

(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 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	80.68	101.16
May	46.92	66.92	21.02	0.3853	6.27	41.05	80.62	101.31
June	47.00	65.89	20.46	0.3842	6.10	40.16	81.19	102.48
July	47.14	66.65	20.74	0.3784	6.18	40.55	80.96	102.82
August	47.13	67.69	21.77	0.3873	6.49	42.37	79.61	102.33
September	47.64	69.69	22.17	0.4012	6.61	43.41	78.08	101.37
October	48.02	69.74	22.18	0.3962	6.61	43.54	77.95	101.89

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 October, 2001 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 September, 2001. NEER moved down and REER moved up in October, 2001 as compared with the last month.



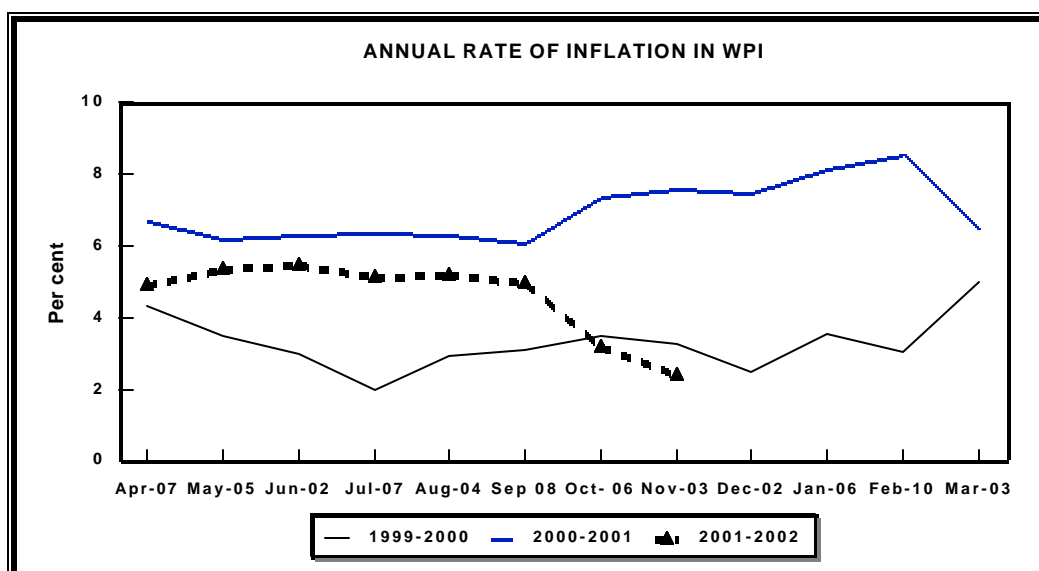
INFLATION

WHOLESALE PRICE INDEX

WHOLESALE PRICES (Base 1993-94)					
Items/Groups	Weight (%)	Per cent Variation During			
		MONTH		YEAR (point to point)	
		(ending 3.11.2001)		(ending 3.11.2001) ^(P)	
		Last Year	Current Year	Last Year	Current Year
All Commodities	100.00	0.64	-0.12	7.61	2.40
I Primary articles	22.03	1.54	-0.35	2.35	2.60
II Fuel, Power, Light and Lubricants	14.23	1.01	0.00	31.70	4.68
III Manufactured Products	63.75	0.21	-0.07	3.19	1.48

P = Provisional

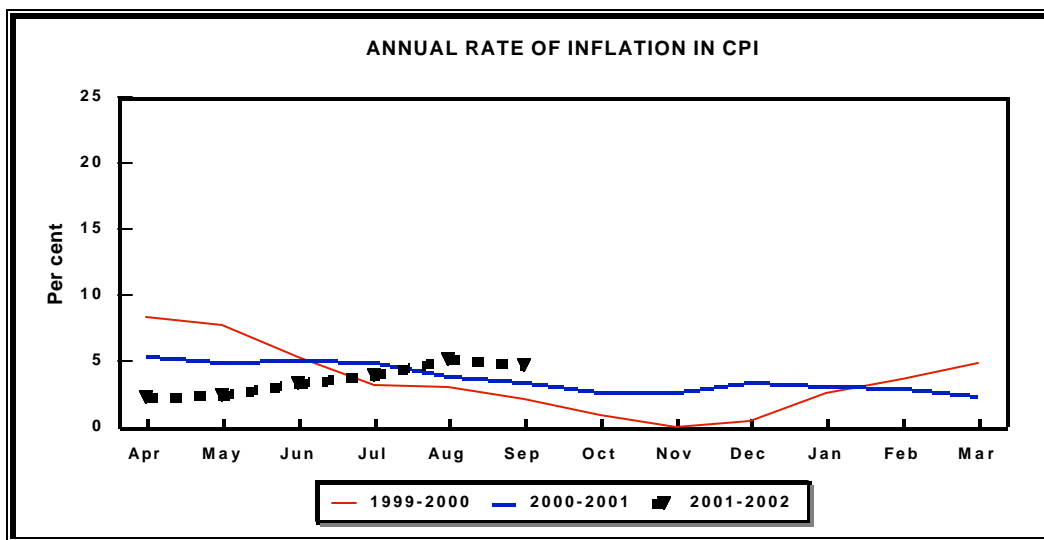
The annual rate of inflation based on **Wholesale Price Index (WPI)** stood at 2.40 per cent for week ended November 3, 2001 compared to 7.61 per cent a year ago. This rate was contributed by an increase of 2.60 per cent in Primary articles, 4.68 per cent increase in Fuel, Power and Lubricants and 1.48 per cent increase in Manufactured Products as against an increase of 2.35 per cent, 31.70 per cent and 3.19 per cent respectively, on the corresponding date of last year.



CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND INFLATION RATE		
	2000-2001 (Up to September, 2000)	2001-2002 (Up to September, 2001)
	<i>Per cent</i>	
Annual Inflation	3.5	4.7
Financial Year Inflation (%)	2.3	4.5
Last Month (% change)	0.2	-0.2
Level of Index	444	465
Average of Index for 12 months ending September	437.75	452.33

The All India **Consumer Price Index for Industrial Workers** (CPI-IW) for September, 2001 which stood at 465 decreased by 0.2 per cent over the previous month's level and increased by 4.7 per cent over September, 2000.



EMPLOYMENT EXCHANGE STATISTICS

(Lakhs)

EMPLOYMENT EXCHANGE STATISTICS				
	March		April-March	
	2000	2001*	1999-00	2000-01*
1. No. of applicants on Live Register at the end of the month	403.14	412.32	403.14	412.32
2. No. of registrations/re-registrations	3.11	3.11	58.89	58.12
3. Placements effected	0.16	0.14	2.10	2.80
		<i>(per cent)</i>		
4. Placements (3) as percentage of the registrations (2)	5.14	4.50	3.57	4.82
* Provisional				

The number of applicants on the Live Register of Employment Exchanges at the end of **March**, 2001 was 412.32 lakh, higher by 2.3 per cent as compared to the corresponding period of the previous year. The number of registrations during **March**, 2001 was 3.11 lakh same as in **March**, 2000. The Placements as percentage of registrations during **March**, 2001 was 4.50 as against 5.14 in **March**, 2000. The total placements effected during 2000-01 (April-March) was 2.80 lakh as compared to 2.10 lakh in the corresponding period of 1999-2000. Placements constituted 4.82 per cent of registrations in 2000-01 compared with 3.57 per cent in 1999-2000.