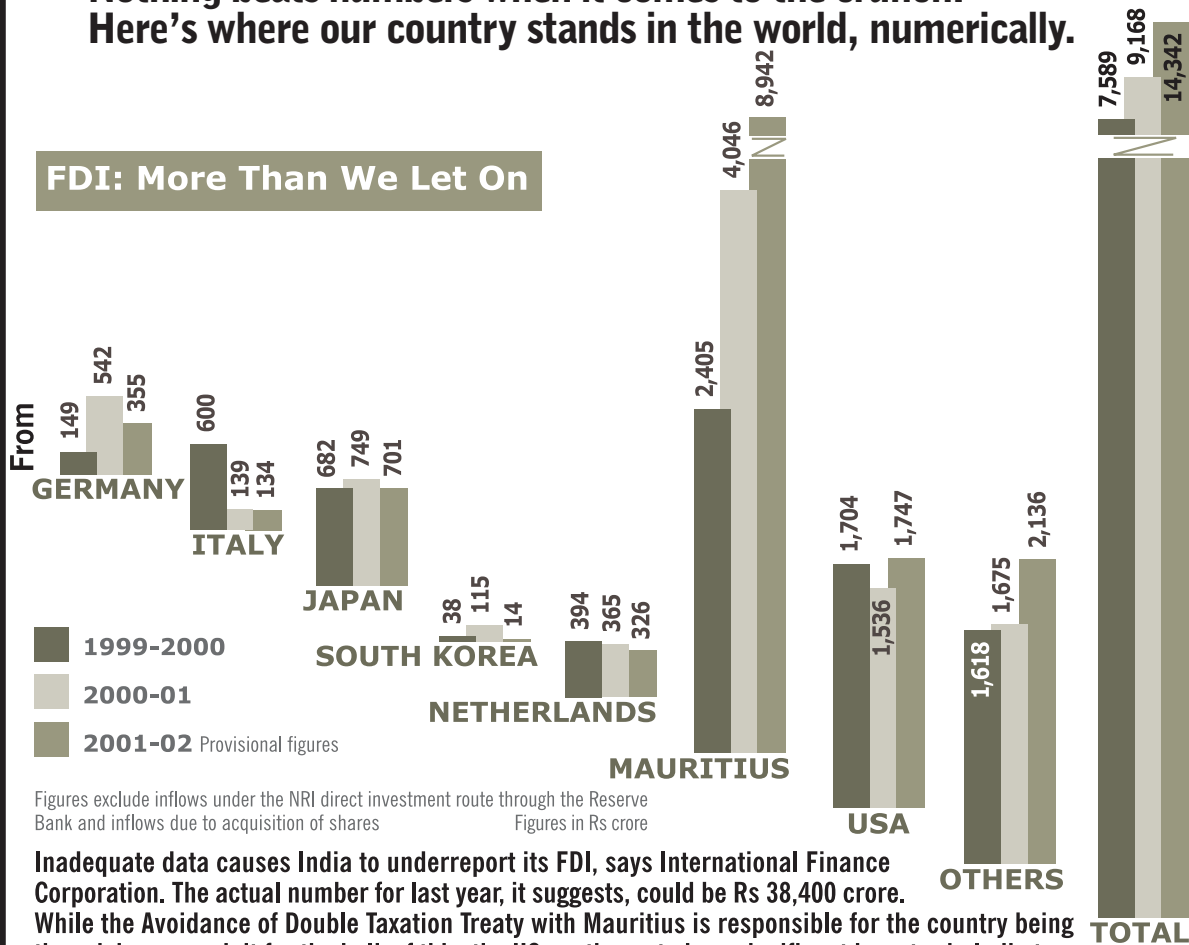


India's Competitiveness In Numbers

Nothing beats numbers when it comes to the crunch. Here's where our country stands in the world, numerically.

FDI: More Than We Let On



Inadequate data causes India to underreport its FDI, says International Finance Corporation. The actual number for last year, it suggests, could be Rs 38,400 crore. While the Avoidance of Double Taxation Treaty with Mauritius is responsible for the country being the origin, or conduit for the bulk of this, the US continues to be a significant investor in India too.

Forex Reserves: Up There, And It Helps

Work elsewhere, save in India. Thanks to higher interest rates, it makes sense for NRIs to save in India. Expectedly, NRI money constitutes a chunk of India's booming forex reserves. With Rs 3,21,600 crore in its treasury in November 2002, India is among the emerging market economies with the highest reserves.

	Gold	SDRs	Foreign Currency Assets	Foreign Exchange Reserves	Reserve Position in Fund	Outstanding Use of IMF Credit
MAR. 93	16,224	86	30,883	47,194	1,420	23,035
MAR. 94	19,574	518	72,326	92,419	1,435	24,192
MAR. 95	20,976	34	99,883	1,20,893	1,589	20,640
MAR. 96	21,893	394	81,811	1,04,098	1,488	11,395
MAR. 97	19,459	96	1,07,362	1,26,830	1,397	6,302
MAR. 98	16,277	48	1,24,680	1,40,962	1,358	3,187
MAR. 99	14,208	384	1,41,706	1,55,952	3,182	1,378
MAR. 00	14,275	192	1,68,278	1,82,573	3,158	125
MAR. 01	13,080	96	1,89,859	2,02,949	2,957	0
MAR. 02	14,626	480	2,45,035	2,59,708	2,928	0

Figures in Rs crore

External Debt: Lower Now But Still Not Safe

	1999-00	2000-01	2001-02
External Assistance (net)	16,502	17,789	15,552
ECB	22,838	36,792	28,786
IMF	1,282	125	0
NRI Deposits (interest payments)	8,362	7,963	7,464
Rupee Debt Servicing	52,397	65,630	54,293
Total Current Receipts	3,23,866	3,79,214	3,84,682
Debt Service Ratio	77	81	67

Figures in Rs crore

Source: Reserve Bank of India

ECB: External Commercial Borrowings

India's external debt at the end of March 2002 was a whopping Rs 4,70,880 crore. The figure declined by 1.6 per cent in the course of the year making the World Bank classify India "a less indebted country". Is this figure sustainable? Well, the external debt to GDP ratio declined from 22.3 per cent at the end of March 2001 to 20.8 per cent at the end of March 2002. Better, but not there yet.

Foreign Non Direct Investment: No Growth In Sight

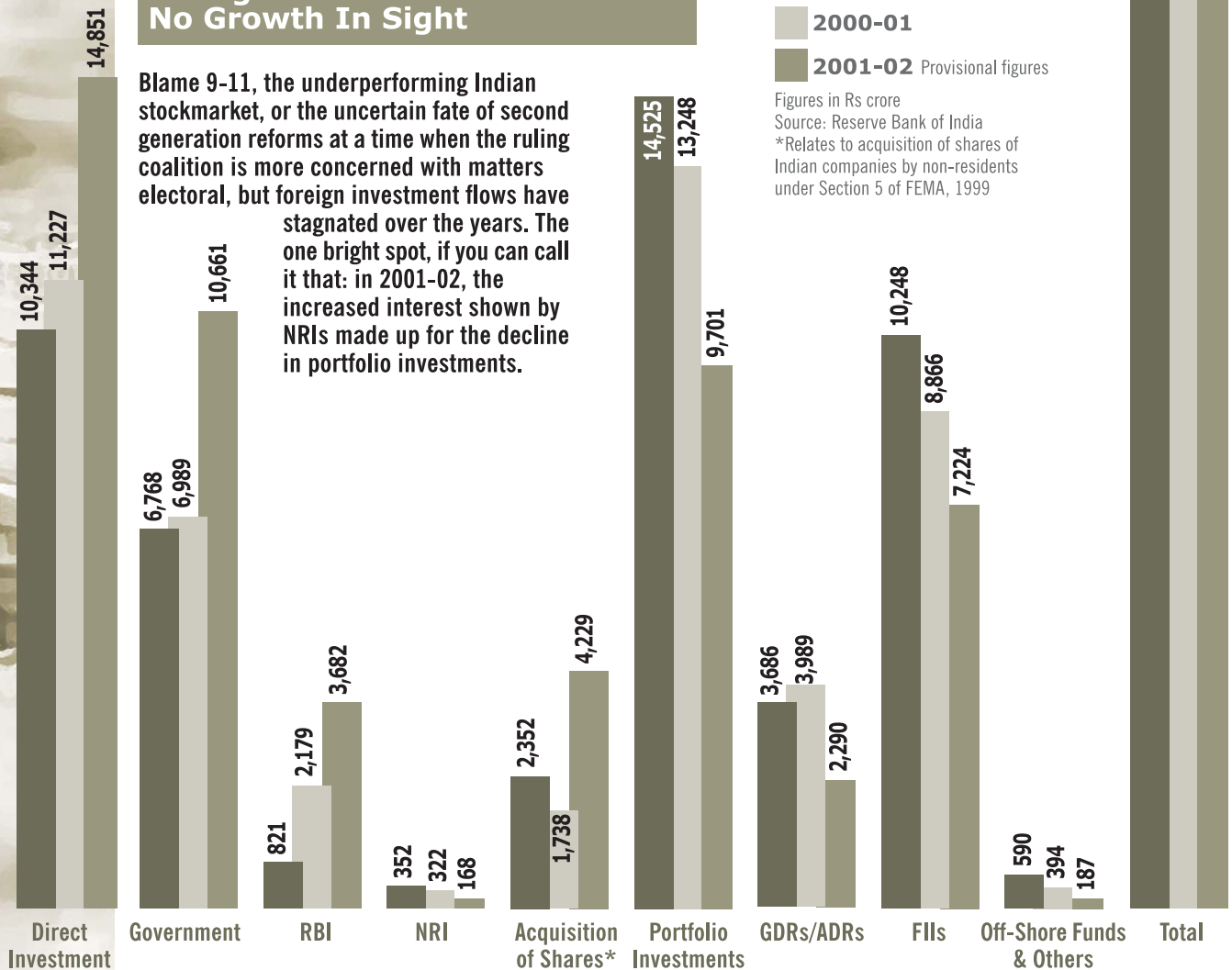
Blame 9-11, the underperforming Indian stockmarket, or the uncertain fate of second generation reforms at a time when the ruling coalition is more concerned with matters electoral, but foreign investment flows have stagnated over the years. The one bright spot, if you can call it that: in 2001-02, the increased interest shown by NRIs made up for the decline in portfolio investments.

1999-2000
2000-01
2001-02 Provisional figures

Figures in Rs crore

Source: Reserve Bank of India

*Relates to acquisition of shares of Indian companies by non-residents under Section 5 of FEMA, 1999



The Centre's Receipts: Oops!

	2000-01	2001-02 Budget Estimate	2001-02 Revised Estimate
Total Receipts	3,25,611	3,75,223	3,64,436
Revenue Receipts	1,92,624	2,31,745	2,12,572
Tax Revenue (net)	1,36,916	1,63,031	1,42,348
Non-tax Revenue	55,708	68,714	70,224
Capital Receipt	1,32,987	1,43,478	1,51,864
Disinvestment	2,125	12,000	5,000
Corporation Tax	35,696	44,200	39,058
Income Tax	31,764	40,600	34,438
Customs Duty	47,542	54,822	43,170
Union Excise Duty	68,526	81,720	74,520

Figures in Rs crore
Source: Reserve Bank of India Annual Report (2001-02)

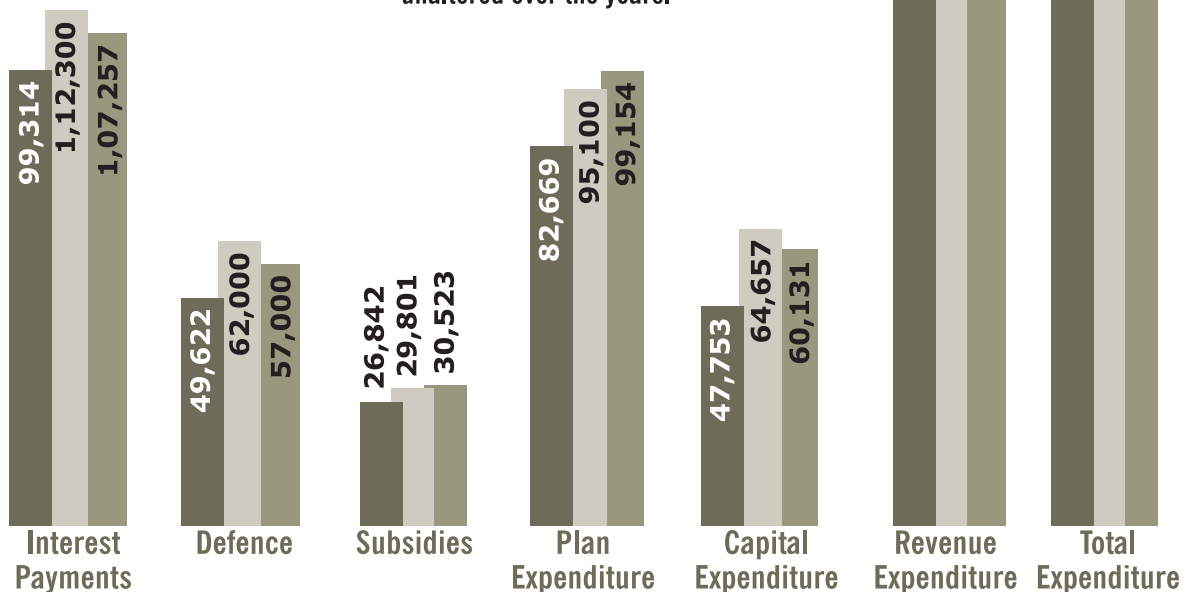
We'll try to keep this short and painless. In 2001-02, the gross fiscal deficit overshot budget estimates by 13.2 per cent. And the revenue deficit, according to revised estimates, exceeded budget estimates by 16.4 per cent. Lax collection of direct and indirect taxes haven't helped. Put it down as a simple mismanagement of finances.

■ 2001-02 REVISED ESTIMATE
■ 2001-02 BUDGET ESTIMATE
■ 2000-01

Figures in Rs crore

Centre's Expenditure: Little And Late

We'd love to cheer the Rs 10,787 crore difference (for the better) between the revised estimates and the budget estimates of expenditure for 2001-02 — achieved on the strength of cuts in interest payments, defence expenditure, and grants to states. But fact is, the centre's expenditure has remained largely unaltered over the years.



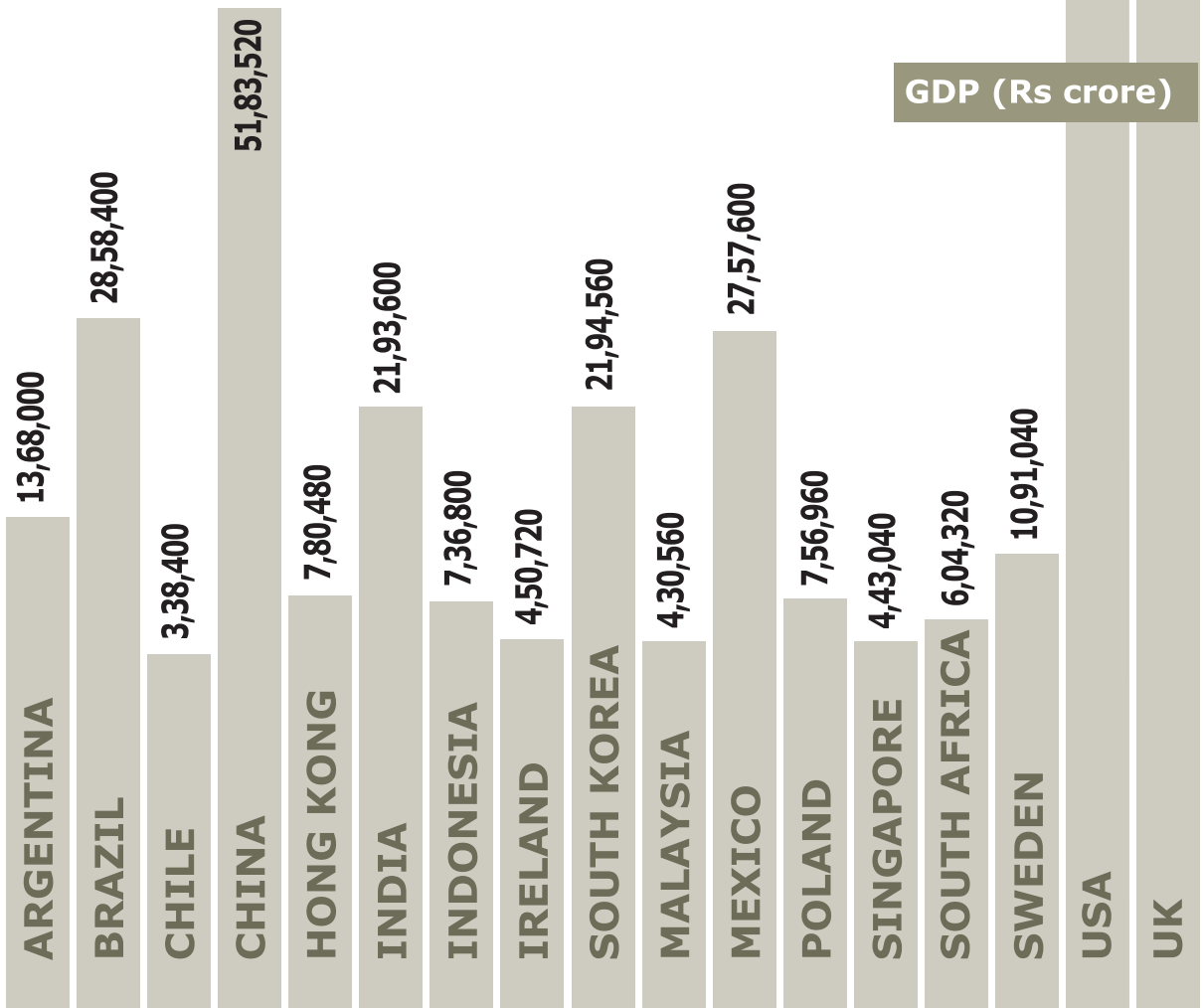
**CAN
INDIA
WIN?**

Key Indicators: Mixed Results

	GDP Growth (%)	Agriculture (%)	Industry (%)	Manufacturing (%)	Services (%)	FDI (Rs crore)	Portfolio Equity (Rs crore)	Reserves including gold (Rs crore)	Total Debt (Rs crore)
Argentina	-0.5	-2.5	-3.2	-3.0	0.5	55,992	2,160	1,20,730	7,01,625
Brazil	5.0	3.0	5.0	n.a.	3.9	1,57,339	24,077	1,58,438	11,42,174
Chile	5.4	5.2	4.5	4.3	5.4	17,640	86	70,795	1,17,494
China	7.9	2.4	9.6	9.7	7.8	1,84,315	10,651	8,24,462	7,19,040
Hong Kong	10.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,16,288	n.a.
India	3.9	-0.2	6.3	6.7	4.8	11,112	10,162	1,97,083	4,75,498
Indonesia	4.8	1.7	5.5	6.2	5.3	-21,840	1,819	1,40,894	6,80,654
Ireland	11.5	n.a.	n.a.	n.a.	n.a.	1,09,334	n.a.	25,958	n.a.
South Korea	8.8	0.1	11.3	15.4	7.6	44,558	37,363	4,62,005	6,45,202
Malaysia	8.3	0.6	15.3	21.0	3.1	7,968	2,602	1,43,251	2,00,626
Mexico	6.9	2.1	6.6	7.1	7.4	63,772	n.a.	1,70,482	7,21,382
Poland	4.0	-6.8	6.8	n.a.	n.a.	44,842	4,181	1,31,851	3,05,093
Singapore	9.9	-1.5	10.2	15.2	9.8	30,672	n.a.	3,84,634	n.a.
South Africa	3.1	3.8	2.3	3.6	3.6	4,613	4,147	36,970	1,19,333
Sweden	3.6	-0.3	5.0	n.a.	3.3	1,06,200	n.a.	79,195	n.a.
USA	4.2	n.a.	n.a.	n.a.	n.a.	13,80,864	n.a.	6,16,320	n.a.
UK	3.1	-1.4	1.5	n.a.	3.7	6,43,075	n.a.	2,31,326	n.a.

Source: World Development Report 2002.
n.a.: Not Available

All the figures are for the year 2000



Debt Sanctioned By FIs: A Different Story

ALL-INDIA DEVELOPMENT BANKS

	1999-2000		2000-01		2001-02	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
IDBI	26,966.50	17,059.40	26,832.60	17,476.90	15,867.90	11,012.50
IFCI	2,080	3,272.10	1,766.50	2,156.80	777.60	1074.40
ICICI	43,522.80	25,837.70	55,815.20	31,665	36,229.10	25,831
SIDBI	10,264.70	6,936.70	10,820.60	6,441.40	9,025.50	5,919
IIBI	2,338.10	1,439.60	2,102.30	1,709.80	1,321.90	1,068
Total	85,172.10	54,570.30	97,337.20	59,449.50	63,222	44,905

SPECIALISED FINANCIAL INSTITUTIONS

	1999-2000		2000-01		2001-02	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
IVCF	8.10	11.90	3.60	3.30	3	4.10
ICICI Venture	155.90	136.20	229.90	189.60	774	778.30
TFCI	82.40	111.70	105.60	60.60	95.40	86.30
Total	246.40	259.80	339.10	253.50	872.40	868.90

INVESTMENT INSTITUTIONS

	1999-2000		2000-01		2001-02	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
LIC	6,825	5,634	10,867	7,095	6,741.50	8,914.20
UTI	6,845	5,162.10	6,770	4,599.90	991	1,269.60
GIC	2,141.70	1,967.60	1,046.80	1,097.90	1,505	1,465.50
Total	15,812.20	12,764	18,684.10	12,792.80	9,237	11,649

GRAND TOTAL

SANCTIONED **DISBURSED**

Source: RBI's report on Financial Institutions

Figures in Rs crore

One would expect the debt sanctioned by financial institutions to be indicative, over a period of time, of the level of industrial activity in the country, albeit with a lead time. In India, though, the only thing these debts are indicative of is the parlous position of these institutions themselves: the slowdown in the economy has meant good corporates aren't keen on debt. Worse, many of the FIs' old debts have turned Non Performing Assets. Still, the new Securitisation Bill could provide these institutions some succour.

1,01,230.70

1,16,360.40

67,594.10

72,495.80

73,332.21

57,423.40

1999-2000

1999-2000

2000-01

2000-01

2001-02

2001-02

Longevity: An Opportunity

Today, courtesy the reduction in infant mortality, and our growing population, India is still a country of the young. Most developed countries are, in contrast, grey economies. Twenty years hence, India will still remain a country of the young (59 per cent of its population will be between 15 and 60 years of age).

	Life Expectancy At Birth (in years)		Infant Mortality Rate (per 1,000 live births)	
	1970-75	1995-00	1970	2000
ARGENTINA	67.1	72.9	59	18
BRAZIL	59.5	67.2	95	32
CHILE	63.4	74.9	76	10
CHINA	63.2	69.8	85	32
HONG KONG	72	79.1	n.a.	n.a.
INDIA	50.3	62.3	127	69
INDONESIA	49	65.1	104	35
IRELAND	71.3	76.1	20	6
SOUTH KOREA	62.6	74.3	43	5
MALAYSIA	63	71.9	46	8
MEXICO	62.4	72.2	79	25
POLAND	70.4	72.8	25	8
SINGAPORE	69.5	77.1	22	4
SOUTH AFRICA	53.7	56.7	80	55
SWEDEN	74.7	79.3	13	4
USA	71.5	76.5	20	7
UK	72	77.2	18	6

n.a.: Not Available

Literacy: Mere Sign-writers

First, we create a definition of literacy (the ability to sign one's name) that would embarrass most semi-literates. And then, despite that, we boast literacy rates far below that of other developing countries. Our adult literacy rate (57.2 per cent) is worrying, but it is our youth literacy rate (72.6 per cent) that is downright alarming.

	Adult Literacy Rate (% age 15 & above)		Youth Literacy Rate (% age 15-24)	
	1985	2000	1985	2000
ARGENTINA	95.1	96.8	97.8	98.6
BRAZIL	78.4	85.2	88.8	92.5
CHILE	93	95.8	97.5	98.8
CHINA	71.9	84.1	93.1	97.8
HONG KONG	87.8	93.5	97.7	99.2
INDIA	45.2	57.2	60	72.6
INDONESIA	74.7	86.9	92.6	97.7
IRELAND	n.a.	n.a.	n.a.	n.a.
SOUTH KOREA	94.5	97.8	99.8	99.8
MALAYSIA	76.4	87.5	92.7	97.6
MEXICO	85.3	91.4	93.9	97
POLAND	99.4	99.7	99.8	99.8
SINGAPORE	85.6	92.3	98.2	99.7
SOUTH AFRICA	78.9	85.3	86.8	91.3
SWEDEN	n.a.	n.a.	n.a.	n.a.
USA	n.a.	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.

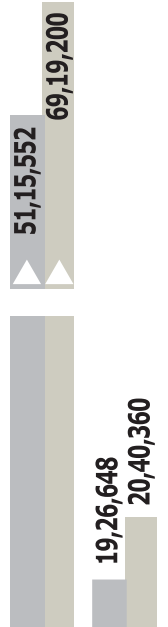
Source: Human Development Report 2002

Savers Inc.: Not Quite

People love to mention how we are a country of savers. Truth be told, India doesn't compare too favourably with developing countries like China, Mexico, or South Korea, or developed countries like the United Kingdom in terms of savings. Still, in this day and age when consumption is universally recognised as the driver of growth, the level of savings may not really matter.

Figures in Rs crore for year 2000
n.a.: Not Available
Source: World Development Report 2002

Country	Gross Domestic Savings (Rs crore)
Argentina	60,309
Brazil	2,89,252
Chile	66,502
China	20,87,154
Hong Kong	2,53,567
India	4,46,970
Indonesia	1,80,514
Ireland	n.a.
South Korea	6,54,068
Malaysia	2,02,403
Mexico	5,55,311
Poland	1,66,658
Singapore	2,19,088
South Africa	85,431
Sweden	2,64,110
USA	n.a.
UK	11,56,276



True, India is sitting on some \$67 billion of gold and dollars but its healthy balance of payment position has not prevented Standard & Poor's from relegating India's internal debt to junk status. Indeed, the unsustainability of India's internal debt could, when things turn bad, make the balance of payment crisis of 1991-92 look like a high school picnic.

Balance Of Payment: Not Quite Enough

Exports Imports Current Account Balance
Figures in Rs crore for year 2000
Source: World Development Report 2002

