



## Update on Indian Economy

April 2006

### Economic Snapshot

Contents	Item	Units	March	February	March	(% Change	
			2006	2006	2005	[1] / [2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
- Editorial	WPI -Index*	1993-94=100	197.5	196.6	189.4	0.46	4.3
- Capital Market	WPI -						
- Industry : Steel	Inflation**	Per cent	4.3	4.0	5.2	-	-
- Other Markets		Week ended	11.3.06	11.02.06	12.03.05		
- Important Policy Pronouncements	IIP (93-94=100)	2 months lag	237.3	231.1	220.3	2.68	7.72
			<b>(Jan 06)</b>	<b>(Dec 05)</b>	<b>(Jan 05)</b>		
	INR / US\$	Month End	44.61	44.44	43.75	0.38	1.97
	M3	Rs. '000 Cr.	2624.12	2580.00	2265.33	1.71	15.84
	[i] Agg. Deposits	Rs. '000 Cr.	2203.79	2168.55	1907.87	1.63	15.51
	[ii] Currency	Rs. '000 Cr.	420.33	411.45	357.46	2.16	17.59
		(Outstanding as on)	(17.03.06)	(17.02.06)	(18/03/05)		
	Call Money (Lendings)	% Range	3.00-7.25	5.00-7.50	0.60-6.25	-	-
		Week ended	17.3.06	17.02.06	18/3/2005		

Source: RBI Weekly Statistical Supplement, 3 and 31 March 2006 and April 2, 2005 & Central Statistical Organisation, Govt. of India \*All Commodities. \*\*Over the year.

### Editorial

#### A) Domestic

According to the data released recently by the Commerce Ministry, exports during first eleven months (April-February) were US\$ 88.7 billion representing an increase of 26.3% the overall level of US\$ 70.2 billion in the corresponding period of 2004-05. Imports at US\$ 126.03 billion registered an increase of 33.0% overall level of US\$ 95.0 billion in the first eleven months of 2004-05. Of the total oil imports at 39.7 billion had showed an increase of 49.4% over the level of US\$ 26.6 billion in the first 11 months 11 2004-05. The non oil imports were US\$ 86.7 billion as compared to US\$ 68.4 billion in 2004-05. Consequently the trade deficit amounted of US\$ 35.5 billion in the current fiscal as compared to US\$ 24.7 billion in 2004-05. The spurt in the trade deficit were as much as US\$ 12.8 billion is largely due to the sharp increase in the oil imports followed by raw material which is used in export production. Since export growth at 26.3% reflected robustness in the economy and therefore increase in the trade deficit is not a cause for concern.

Further for the fiscal year exports as a spectral reach closes to US\$ 100 billion. Further the present order of export growth during the fiscal 2005-06 is likely to fortify the GDP growth of 8.1% as estimated in the recently released economy survey.

## **B) International**

On the issue of global financial stability and exchange rate policies a panel discussion was organized on February 02, 2006 by the American Enterprise Institute. In that US Treasury Undersecretary for International Affairs Tim Adams asked that the IMF should raise tough questions : is the exchange rate regime appropriate? He urged IMF to conduct special consultations with countries whose exchange rate seems to be out of line and mentioned that such consultation were held only twice (Sweden in 1982 and Korea in 1987) Venture to say that the US could start the ball rolling by requesting special consultation for itself mainly to examine the US current account deficit and possibly the exchange rate of misalignment. It will be necessary for the IMF to look at the issue from a global perception and explicitly address the level of Asian exchange rate. Further IMF Managing Director Rodrigo de Rato emphasized in his speech at the University of California the next day that the global imbalance should be seen “as a shared responsibility by governments in systemically important countries. He called on the United States to increase domestic saving and on China and other Asian countries to allow more flexibility in their exchange rate regimes and to undertake broader policy reforms to boost domestic demand. The key challenge is to unwind global imbalances gradually he said and to do this, it is important to abandon the pretense that global imbalances don't matter or will cure themselves.

### **Capital Market Review**

During the month of March 2006, the Sensex rose from 10,370.24 on February 28, 2006 to 11,279.96 on March 31, 2006 reflecting an increase of 909.72 points. During the month, the index with the some modulations moved close to the figure of 10,000 but touched an all time of 11,307.04 on March 30, 2006. The market participants remained bullish and did not entertain the negative carried on by a small segment of people. Basically, it was the small investors who did not expect the market to reach such a high level. Majority of the investors remained positive against the return on year to year basis from the equity worked out to around 54% followed by Korea at 31% and China at 25%. SEBI which is a regulator for the capital market is likely to introduce laws which will allow the defendant accused of violating SEBI laws to admit the guilt and by this have fines and penalties reduced. If this proposal is agreed the Indian Securities laws would have moved closer to the security laws similar to that of other countries like that of UK and USA.

Mutual Fund in general collected a record amount of Rs.12,802 crore and the total Assets of Under Management of the Mutual Fund industry increased by 4.56% to Rs.2,17,471 crore. Not only this, the Reliance Mutual Fund is reported to have mobilized Rs.5,700 crore to its new fund offering. The Foreign Institutional Investors (FIIs) continue to remain as net buyers of Indian equities amounting to Rs.6,430 crore during the month of March 2006. Also the Mutual Funds and Domestic Financial Institutions which were net sellers for some recent times turned net buyers. The present bull run has confined itself mainly to important stocks because majority of the stocks have not participated in the current rally, indicating that the current bull has not been broad based.

The Indian market remained volatile particularly when the sensex started crawling towards 11000 and even higher, and this implies that the small investors have to remain cautious because the corrections could happen any time during the next 4-5 weeks.

	Mar	Feb	Mar	Feb	(% Change		
	2006	2006	2005	2005	[1] / [2]	[1] / [3]	[2] / [4]
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
<b>Major Indices</b>							
BSE Sensex – Close	11,279.96 (31.03.06)	10370.24 (28.02.06)	6605.04	6713.86	8.77	70.78	54.46
Monthly High	11,307.04 (30.03.06)	10422.65 (28.02.06)	6618.08	6721.08	8.49	70.85	68.23
Monthly Low	10,508.85 (08.03.06)	9742.58 (03.02.06)	6468.52	6545.94	7.87	62.46	48.83
S&P CNX Nifty –Close	3402.55	3067.45	1772.85	2060.90	10.92	91.93	48.84
P/E Ratio : BSE – 30	20.92	19.02	15.61	16.11	9.99	34.02	18.06
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	53162.4	35670.7	28443.8	24360.40	49.04	86.90	46.43
Outflows – Rs. Cr.	46731.9	28234.8	20517	15151.2	65.51	127.77	86.35
Net – Rs. Cr.	6430.4	7436.2	7926.6	9209.4	(13.53)	(18.88)	(19.25)
Cum. Net Inv–US\$ Mn. (Month End)	44956.3	43808.5	35925.7	34113	2.62	25.14	28.42

The FIIs cumulative net investment in end-March 2006 amounted to US\$ 45.0 billion, up from US\$ 43.8 billion in end-February 2006. The stocks of companies which can be considered for investments even at present high level are : **Reliance Petroleum, Tata Chemicals, Tata Motors and RPG Transmission.**

### Industry : Steel

#### **I. Overview**

The iron and steel industry in India started nearly 100 years ago in Jamshedpur. The Tata Iron and Steel Company (TISCO), started under the aegis of the pioneering Indian entrepreneur Sir Jamshedji Tata who was the icon of the nationalistic pride during the colonial period.

India is endowed with essential raw materials such as iron ore and coal. The industry has widespread forward and backward linkages with the rest of the economy. The founding fathers of India's Five Year Plans treated the steel sector as one of the primary vehicles for economic development and therefore a priority sector. The steel industry rose to commanding heights of the economy through large-scale capacity creation in the public sector. Since then it has passed through various phases of changing domestic and external policy environment. The industry as a whole has responded well to the emerging compulsions of the changing times and has survived well with impressive achievements.

#### **II. Planning Era**

In the initial years of economic planning the State stepped in as a regulator and a guide to reconcile the interests of the producers and consumers of this vital economic input. It also protected the industry from the vagaries of the international market. The change came in

the nineties of the 20th century with liberalisation of the Indian iron and steel industry. The environment of globalization and competitive market orientation combined well with the formidable legacy of a rich experience in the art and craft of steel making acquired over four decades of controlled growth gave a push to the industry. The private sector led the resurgence from the front. The decade following the deregulation of the Indian steel sector saw the largest additions to capacity. The new entrepreneurs showed extreme pragmatism and foresight in the selection of technology. As a result, the Indian steel industry today can boast of some of the latest in the state-of-the art technologies in use globally.

### III. Globalization of Steel

Globalization led to manifold expansion in the marketing opportunities for the Indian producers and now India has emerged as a net exporter of steel. Production for export has become an integral part of the profit-maximizing and loss-minimizing business activity. In contrast, the domestic market experienced setback due to slow growth in construction and other capital formation/investment. Most worrying was the threat posed by narrow national interests, leading to non-tariff barriers imposed on the Indian exporters of steel. Now the industry has successfully made the transition from a controlled to a market-driven economic regime. As a result of increased spending on construction and consumer durables both at home and in South East Asia, Japan, the USA and some parts of the Euro zone, there are signs of revival both in the domestic and international steel market. The performance of the Indian steel industry as early as in 1999-2000 was seen as if it was exports that had critical role to play in the industry's revival rather than the domestic demand. But situation has now changed because of the large projects being undertaken in India. The domestic demand is picking up rapidly which is a good sign for the future of Indian steel industry.

### IV. National Steel Policy

Government of India has come out with the National Steel Policy – 2005. The long-term goal of which is that India should have modern and efficient steel industry of world standards, catering to diversified steel demand; the focus will be to achieve global competitiveness not only in terms of cost but also in terms of quality and product-mix, efficiency and productivity. The present level of indigenous production during the 2004-05 is 38 MT and also the chance to increase production over 100 MT per annum by 2019-20. Present consumption of steel (Production plus import minus export) is 36 MT in 2004-05 and production for 2019-20 on compounded annual growth for production, imports, exports and consumption stated in the policy document as :

**Table 1 : Production, Imports, Exports and Consumption of Steel**

	<b>Production</b>	<b>Imports</b>	<b>Exports</b>	<b>Consumption</b>
<b>2019-20</b>	110	6	26	90
<b>2004-05</b>	38	2	4	36
<b>CAGR*</b>	7.3%	7.1%	13.3%	6.9%

Notes: \*Compounded Annual Growth Rate

While the country has rich endowments of iron ore and non-coking coal, and has cheap labour, this advantage is neutralized considerably by low material and energy efficiency, poor quality, poor productivity, and high cost of coking coal, power, freight and finance. The policy for making the critical inputs available to the industry is outlined in the following paragraphs.

Critical Inputs : In order to support steel production of 110 MT by 2019-20 at 100 percent capacity utilization, the required quantities of critical inputs such as iron ore, coking and non-coking coal can be seen in Table 2 below.

The projected requirements are based on the assumption that new capacities will be 60 percent through the Blast Furnace (BF) route, 33 percent through the Sponge Iron – Electric Arc Furnace (EAF) route and 7 percent through other routes.

**Table 2 : Critical Inputs of Steel Production**

*(in million tonne)*

	<b>Iron Ore</b>	<b>Coking Coal</b>	<b>Non-Coking Coal</b>
<b>2019-20</b>	190	70	26
<b>2004-05</b>	54	27	13

## V. Exports

At the centre stage of this steel growth scenario is the sharp rise in exports. The estimates of the Joint Plant Committee put the exports for the year 1999-2000 at nearly 3 million ton - a record by itself. Of that, 2.67 million tonne were of finished steel and 0.32 million tonne of semi finished products. In addition, the country exported about 0.3 million tonne of pig iron and some sponge iron. The policy of SWOT Analysis of the Industry which is indicated in the table form below and this lays down the broad road map of the industry :

## VI. Swot Analysis

**Table 3 : SWOT Analysis of the Steel Industry**

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"> <li>1. Availability of iron ore and coal</li> <li>2. Low labour wage rates</li> <li>3. Abundance of quality manpower</li> <li>4. Mature production base</li> </ol>	<ol style="list-style-type: none"> <li>1. Unscientific mining</li> <li>2. Low productivity</li> <li>3. Coking coal import dependence</li> <li>4. Low R&amp;D investments</li> <li>5. High cost of debt</li> <li>6. Inadequate infrastructure</li> </ol>
<b>Opportunities</b>	<b>Threats</b>
<ol style="list-style-type: none"> <li>1. Unexplored rural market.</li> <li>2. Growing domestic demand</li> <li>3. Exports</li> <li>4. Consolidation</li> </ol>	<ol style="list-style-type: none"> <li>1. China becoming net exporter.</li> <li>2. Protectionism in the West</li> <li>3. Dumping by competitors</li> </ol>

This is no mean achievement although it was backed by the strong global prices, despite the hurdles in the form of a series of trade cases in major markets in the developed world involving some of the most important items like plates, hot rolled coils and wire rods.

### **VII. Indian Steel Scenario**

An analysis of Steel Scenario Yearbook 2002-03 indicated that total finished steel production stood at 33.99 million tonne. The total apparent consumption of finished steel stood at 30 million tonne during the same period. Indian finished steel exports reached a record level of 4.68 million tonne. Flat products were the main export items, within which GP sheets, HR coils and plates formed the major constituents. Long items exports constituted mainly of bars and rods. According to the DGCIS data (valuewise), iron & steel exports in the year 2002-03 were 106% higher than that of 2001-02, primarily due to increases in exports to Asia and America. Exports to China increased dramatically. While exports to other Asian countries like Nepal, Taiwan, Bangladesh and Indonesia also shot up by more than 100% in the year 2002-03 as compared to the year 2001-02. China was thus the single largest importer of Indian iron and steel, while exports to USA increased by 2.4 times during the same period. Other prominent markets in 2004 comprised UAE, Hong Kong and Italy. Indian Iron & steel imports declined by 2.3% during 2002-03 where flat items imports formed nearly 90% of total imports. The import penetration also witnessed a declining trend.

As far as investments were concerned, during the period from 1995-1996 to 2001-02, the absolute amount of credit advanced to steel industry showed an upward trend except for the year 1999-00, when long term credit dominated. During 2002-03, majority of prominent steel players registered a rise in sales and exports, which helped some of them to post net profits as compared to the previous years.

### **VIII. Prices**

After a period of inactivity the steel sector is back in the news. All was quiet when steel prices were falling. In the last one month steel prices have been showing some signs of recovery. Prices in domestic market increased by 4-5% at the beginning of the month of March 2006.

Recently, Chinese players announced price increase of 7% for the next quarter, increase by Baosteel in China is an indicator of how things are expected to move in the global markets. Indian steel prices are expected to show a similar trend. These price hikes would help steel companies sustain growth in FY 2006-07. Prices for raw material like iron ore and coal are also expected to see some increase but overall performance would be an improvement over FY 2005-06.

### **IX. Recent Developments**

London based tycoon LN Mittal made a bid for steel major Arcelor which is being opposed and that it is reported Luxembourg proposes to bring in changes in law shortly. Lakshmi Mittal's bid for euro 18.6 billion (US\$ 23 billion) for hostile take over bid on January 27, 2006 for Arcelor, Europe's steel "industry champion", reminds the US 19<sup>th</sup> century industrialist Andrew Carnegie's daring and impudence. Arcelor, paradoxically, is

the creation of the French socialists as a response to the steel industry's worst ever crisis that hit the business in 1974. Mittal's steel empire stretches from Canada and Trinidad and Tobago, to Kazakhstan and Indonesia, a blend of intelligent acquisitions and turnaround of former public sector steel companies and unwanted private sector steel assets amidst large global overcapacity. Mittal Steel is planning to bring about a historic merger which will catalyse a change in the face of the world steel industry.

### **Other Markets**

#### **Debt Market**

In a major relaxation of the Press Note 13 norms of August 2005, the finance ministry on Friday said unlisted non-profit-making companies which had accessed FCCBs, ADR / GDRs under May 1998 guidelines, would not have to comply with the condition of compulsory listing with domestic stock exchanges immediately. Such companies will have to comply with mandatory domestic listing condition within three years of making profits.

In the bond market, sentiment was cautious ahead of the Rs.8,000 crore Government securities auction to be held between April 3 and 12. the trade volume was not more than Rs.1,000 crore. Dealers said that with the implementation of the FRBM (Fiscal Responsibility and Budget Management) Act on April 1, the devolvement would be on primary dealers and not RBI in the case of few bids for the auction. Traders are not taking position ahead of the announcement of the auction.. The bearish trend is likely to continue until the annual credit policy on April 18, 2006.

#### **Call Money Market**

The call money market rate on March 10, 2006 in respect of borrowings ranged between 5.00% and 7.40% as compared to 3.50% and 5.00% on March 11, 2005 i.e. a year ago. A month ago, the rates were 5.25% - 7.50% on February 10, 2006 reflecting that there was a nominal softening of the rate during the month. The average daily turnover in the call money market was Rs.8,735 crore for the week ending March 10, 2006 and this daily turnover rose to Rs.8,830 crore in the week ending March 17, 2006.

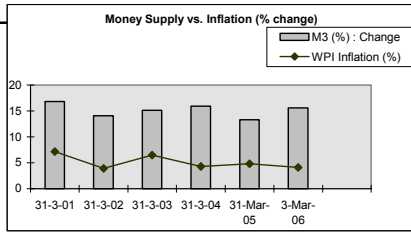
#### **Foreign Exchange Market**

The exchange rate (RBI reference rate) on March 17, 2006 was Rs.44.42 per US dollar as compared to Rs.44.53 per US dollar on March 13, 2006. This reflected a nominal appreciation of the rupee vis-a-vis US dollar over the week. Further, the six month forward premia was 2.47% on March 17, 2006 as compared to a premium of 2.72% on March 13, 2006 (a week ago), and this reflects that supply of dollars is likely to rise in the forthcoming months. The foreign currency asset were US \$ 139.65 billion on March 17, 2006, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 146.16 billion. From end-March 2005, the foreign exchange reserves registered a rise of US\$ 4.65 billion. The market rate (buying) was Rs.44.64 per US dollar on March 31, 2006.

### Important Policy Pronouncements

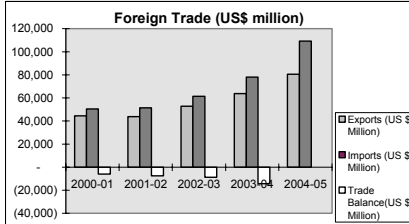
On March 27, The Reserve Bank of India announced liberalized regulatory regime for overseas investment by Indian companies. Briefly these are :

- Indian companies can provide all forms of guarantees subject to overall prescribed ceiling for overseas investment of 200% of their networth. At present only promoter companies are allowed to offer guarantee on behalf of their wholly owned subsidiaries (WOS) and joint ventures (JVs) under the automatic route. However all other guarantees require a prior RBI approval.
- Indian companies have been allowed to disinvest, without prior RBI approval, where the JV / WOS is listed in overseas stock exchange, and the Indian companies is also listed in India and has net worth of not less than Rs.100 crore, and in case the promoters is an unlisted company and the overseas investment does not exceed US\$ 10 million.
- Proprietary entities can also set up joint ventures (JVs) and subsidiaries abroad without prior RBI approval.
- To enable recognized star exporters where exports exceed Rs.15 crore in a year, and have a good track record, the proprietary / unregistered partnerships are also allowed to set up JV/WOS outside India without prior RBI approval. However, the amount of disinvestment must not exceed 10% of the average of the past 3 years exports or 200% of the net owned funds whichever is **lower**.
- In August 2005, all listed companies were advised by SEBI to maintain minimum public holding of 25% within the next two years on a continuous listing basis. However, recently, the companies having marketing capitalization of Rs.1000 crore or more and having 2 crores shares as public holding would be exempted from the above requirement of having minimum public holding of 25% on continuous listing basis.
- Maharashtra government in its budget 2006-07 has reduced stamp duty on sales and purchase of securities by brokers on self own account from 20 paise to 10 paise for every Rs.10,000/- and waived duty on transaction in government securities on principal to principal basis. However, payment of stamp duty on sales and purchase of securities to brokers residing outside the state have been given exemption.



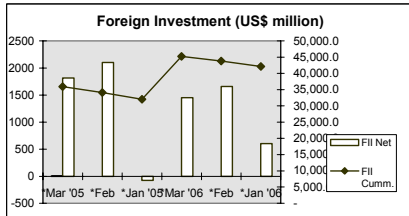
	31-3-01	31-3-02	31-3-03	31-3-04	31-Mar-05	3-Mar-06
<b>M3 (Rs. Crore)</b>	13,13,220	14,98,355	17,25,222	20,03,102	22,53,938	26,05,731
<b>M3 (%) : Change</b>	16.82	14.1	15.14	15.95	13.30	15.61
<b>WPI (Index) All Commodities#@</b>	155.7	161.8	172.30	180.30	189	196.8
<b>WPI Inflation (%)</b>	7.16	3.92	6.49	4.29	4.83	4.13

Source: RBI Bulletin February 2006; WSS: March 24, 2006 \*#1993-94 = 100 @ year/month-end; \*March 04, 2006



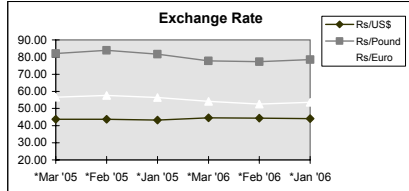
During the Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06*
<b>Exports (US \$ Million)</b>	44,560	43,827	52,719	63,843	80,540	88,760
<b>Imports (US \$ Million)</b>	50,537	51,413	61,412	78,149	109,173	126,336
<b>Trade Balance (US \$ Million)</b>	(5,977)	(7,586)	(8,693)	(14,306)	(28,633)	(37,576)

Source: RBI Bulletin, February 2006 : Revised figures for 2000-01 to 2004-05 \*DGI&S data for April-February (Press Release) March 14, 2006



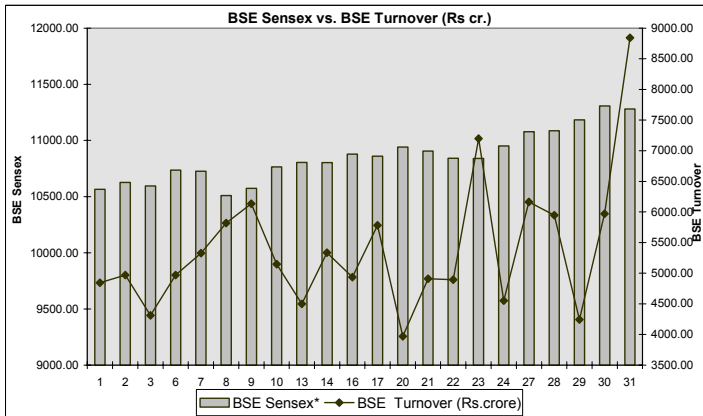
	2004-05 (US\$ million)			2005-06 (US\$ million)		
	*Mar '05	*Feb '05	*Jan '05	*Mar '06	*Feb '06	*Jan '06
<b>FII Net</b>	1,812.5	2,100.9	(74.8)	1,450.2	1,659.5	603.4
<b>FII Cum.</b>	35,925.7	34,113.0	32,012.4	45,258.7	43,808.5	42,148.9

Source: SEBI - Diff. in total figures are due to rounding off.

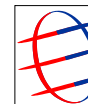


	2004-05			2005-06		
	*Mar '05	*Feb '05	*Jan '05	*Mar '06	*Feb '06	*Jan '06
<b>Rs/US\$</b>	43.75	43.71	43.34	44.61	44.43	44.13
<b>Rs/Pound</b>	82.09	83.98	81.73	77.80	77.31	78.52
<b>Rs/Euro</b>	56.58	57.64	56.44	54.20	52.63	53.63

Figures are for month-end



Mar 2006	BSE Sensex* Close	BSE Turnover (Rs.crore)
1	10565.47	4844.00
2	10626.78	4969.00
3	10595.43	4312.00
6	10735.36	4968.00
7	10725.67	5328.00
8	10508.85	5818.00
9	10573.54	6137.00
10	10765.16	5146.00
13	10803.71	4500.00
14	10801.72	5336.00
16	10878.74	4936.00
17	10860.04	5782.00
20	10941.11	3970.00
21	10905.20	4910.00
22	10841.35	4896.00
23	10840.59	7197.00
24	10950.30	4552.00
27	11079.02	6163.00
28	11086.03	5946.00
29	11183.48	4242.00
30	11307.04	5969.00
31	11279.96	8844.00



### Annexure 1 : Select International Economic Indicators for Developed Industrialised Countries And India

Country	3-Month Money Mkt		CPI		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2005	Real Rate (Short-term) (1-3)	Currency unit per Euro 22.03.06
	As on 22.03.06	A Year ago	3- Month	A Year ago	As on 22.03.06	A Year ago			
	1	2	3	4	5	6	7	8	9
Euro-11	2.74	2.14	2.30	2.10	0.83	0.77	-2.90	0.44	1.00
			Feb						
U. S. A.	4.79	2.90	3.60	3.00	1.00	1.00	-3.70	1.19	1.21
			Feb						
Britain	4.55	4.91	2.00	1.60	0.57	0.53	-3.10	2.53	0.69
			Feb						
Japan	0.04	0.02	0.50	-0.10	117.00	106.00	-6.50	-0.46	141.00
			Jan						
Sweden	1.95	1.96	0.60	0.70	7.75	7.01	1.20	1.35	9.37
			Feb						
Switzerland	1.21	0.75	1.40	1.40	1.30	1.19	-1.60	-0.19	1.57
			Feb						
India*	6.60	5.28	4.37#	4.00	44.42	43.81	-3.80	2.23	53.52
	(Mar 14, 06)	(Feb 18, 05)		(2004-05 over 2003-04)	(Mar 17, 06)	(Dec 24, 04)	(2006-07)		

Source: The Economist London: March 25th-31st 2006

For India, RBI Bulletin, February 2006

# CPI - (IW) January 2006 over January 2005 (RBI Bulletin, March 2006)

\*RPI Inflation rate 2.4% in January 2006

For India, RBI Weekly Statistical Supplement, (WSS), March 24, 2006 and Union Budget 2006-07

### Annexure 2 : Important Indicators for Select Emerging Market Countries

Country	GDP	Industrial Production	Consumer Prices	Short-term Interest Rates	Foreign Exchange Reserves*	Exchange Rate			Trade Balance	Current Account
	% change on earlier year			% p. a.	US \$ Billion	per US\$		per Euro	Latest 12 Months \$ Billion	
	1	2	3	4	5	22.03.06	22.03.06 a year ago	22.03.06	9	10
China	9.9	16.2	0.9	2.40	818.9	8.03	8.28	9.67	102.6	128.5
									Feb	H1
Hongkong	7.6	5.9	1.6	4.41	125.7	7.76	7.80	9.35	-9.7	21.0
									Jan	Q3
India	7.6	8.3	4.4	6.59	136.6	44.50	43.70	53.61	-38.0	-18.3
									Feb	Q3
Indonesia	4.9	-15.4	17.9	13.69	33.3	9088.0	9406.0	10449.40	29.1	0.7
									Jan	Q3
Malaysia	5.2	2.6	3.2	3.47	70.7	3.69	3.80	4.45	26.8	18.7
									Jan	Q2
Singapore	8.7	1.3	1.2	3.44	120.2	1.62	1.64	1.95	30.6	33.2
									Feb	Q4
South Korea	5.3	6.4	2.3	4.26	215.9	974.0	1009.0	1173.49	19.3	15.7
									Feb	Jan
Taiwan	6.4	4.4	1.0	1.68	257.0	32.60	31.40	39.28	7.6	16.4
									Feb	Q4
Thailand	4.7	5.8	5.6	4.95	51.7	38.90	38.70	46.87	-7.5	-2.3
									Jan	Jan

Source: The Economist London: March 25th-31st 2006

\*Excluding Gold and SDRs

@For India, RBI WSS, March 24, 2006

Note: Quotes for currency units per Euro in Col. 8 are derived one.

**The Research Group : Prof. Poonam Kumar & Dr. D.K. Bhatia**  
**For research queries contact –**  
**Mega Ace Consultancy [India] Private Limited,**  
**B-68, Mittal Tower, Nariman Point, Mumbai 400 021**  
**Tel : +91-22-2281 2298**  
**Fax: +91-22-2281 2305**  
**Url: [www.mega-ace.com](http://www.mega-ace.com)**  
**April 07<sup>th</sup> 2006**