

# **The Differential Effects of Financial Development on India's Industrial Performance**

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# Plan of Action

- Research Goals
- Basic Motivation
- Literature Review – key strands and gaps
- Empirical Framework
- Results
- Conclusions and Policy Prescriptions

# Research Goals

1. The paper examines the interactions between:
  - The New Credit Policy of Oct 1997,
  - Industrial disputes (**states**), and
  - Industrial dependence on external finance (**industries**)
2. The impacts of these interactions on industrial outcomes

# Basic Motivation

Table 1: Indian Economy: Some Indicators

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
<b>GDP Growth</b>	1.3	5.1	5.9	7.3	7.3	7.8	4.8	6.5	6.1	4.4	5.8	4.0
<b>Industrial Growth</b>	▼ -0.6	4	5.2	10.2	11.6	7.1	4.3	3.7	4.8	6.5	3.6	6.6
<b>Agricultural Growth</b>	▼ -1.85	6.22	4.1	5.1	▼ -1.1	10.1	▼ -2.8	6.9	▼ -0.10	▼ -0.40	6.5	▼ -8.0

*GDP is at factor cost*

*At 1993-94 prices*

*Source: Planning Commission of India*

- Troika of industrial constraints
  - 1991 reforms involved trade liberalisation and delicensing – extensive empirical work on these
  - Financial reforms commenced from 1993 – very little empirical work on this
- After reforms, banks became risk-averse
- Problems with effective financial intermediation

# Why Credit Policy?

- *Automatic monetisation* of government debt stopped in April 1997
- First major RBI policy announced by 'independent' RBI
- Stated goal of policy – fresh impetus to industrial sector
- Was shortly followed by massive increase in financial depth
- *Credit Policy and Financial Depth used interchangeably*

# Increased Financial Depth

Table 2: Net Resources Mobilised by Mutual Funds

(Rs. Crores)

Year	UTI *	Bank-sponsored MFs	FI-sponsored MFs	Private sector MFs	Sub-total of non-UTI MFs	(1)/(5)	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1990-91	4553	2352	604	–	2956	154%	7508
1991-92	8685	2140	427	–	2567	338%	11253
1992-93	11057	1204	760	–	1964	563%	13021
1993-94	9297	148	239	1560	1947	478%	11243
1994-95	8611	765	576	1322	2663	323%	11275
1995-96	-6314	113	235	133	481		-5833
1996-97	-3043	6	137	864	1007		-2037
1997-98	2875	237	203	749	1189	242%	4064
1998-99	170	-88	547	2067	2526	7%	2695
1999-00	4548	336	295	16937	17568	26%	22117
2000-01	322	248	1273	9292	10813	3%	11135
2001-02	-7284	863	407	16134	17404		10120
2002-03	-9434	1033	862	12122	14017		4583

\* For Unit Trust of India (UTI), data are gross values (with premium) of net sales under all domestic schemes.

Source: Handbook of Statistics on Indian Economy, Reserve Bank of India; columns 5-7 are author's own calculations.

# Contract Labour

- Indian labour laws highly rigid and restrictive; highly pro-labour and prone to abuse
- Labour reforms issue totally bypassed
- Contract labour increasingly used since 1982
- Use of CL to circumvent labour laws
- While CL's importance is widely accepted, its effects cannot be directly measured due to lack of data (data from 1998 onwards only)
- Measurement must be indirect, based on effects of industrial disputes

# Literature Review - Strands

- GDP actual/growth – Financial development
  - Operating channel is always capital-related, eg- productivity, increased lending, capital accumulation or utilisation, etc
- Industrial output/growth – Employment
- Capital and Labour as inputs in a production function
  - Typical application: estimation of TFP changes
- *No substantive link between Financial development and Employment*

*Little precedence of:*

- Capital and labour in a non-production fn. framework
- Constraints on K & L reduce their effective availability



# Literature Review - Gaps

- Most studies use data up till 1997; focus is on effects of 1991 reforms
- Do not account for differences in industrial characteristics

## Key Papers:

- Aghion et al, *AER* (2008)
- Rajan and Zingales, *AER* (1998)

# ABRZ, AER 2008

- Differential effects of delicensing reforms, based on state labour regulations
  - 3-digit industrial data, data from 1980-97
  - Labour regulation variable based on Besley and Burgess (2004); the variable itself shows variation over time
- 
- My data from 1992-2002
  - Labour regulation has no variation; data modified as in Hassan et al (2007).
  - 2-digit data

# Rajan & Zingales, AER 1998

- Create a variable for industrial dependence on external finance
- Dependence on external finance only for capital investments, *not* working capital
- Reported credit offtake figures are equilibrium values
- Reflects technological considerations

# New Contributions

- Disaggregated effects of increased financial development
- Identifies constraints on Capital and Labour
  - How credit Policy interacts with constraints
- Alleviation of these constraints as *Operating Channels (OCs)*, and the relative importance these OCs
- Validates usefulness of contract labour

# Empirical Framework - Variables

$$y_{i,s,t} = \alpha_{i,s} + \eta_{i,t} + \beta_{s,t} + \theta(d_t)(dispute_{s,t}) + \gamma(d_t)(exdep_{i,t}) + \varphi tariff_{i,t} + \varepsilon_{i,s,t}$$

- $\alpha$ ,  $\eta$ ,  $\beta$  are fixed effects
- *Dispute*: a consolidated industrial dispute measure; mandays lost + labour regulation
- *Exdep*: industrial dependence on external finance
- *Tariff*: tariffs aggregated at 2-digit NIC level

**Table 4: Effects of Financial Depth**

	Log Output			Log GVA		Log GFCF	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Financial Depth Dummy (FDD)</b>	-0.26 (0.38)		-0.196 (0.348)	-1.61 (0.37)*		0.13 (0.59)	
<b>Log Tariff</b>	-0.56 (0.17)*	-0.38 (0.23)***	-0.907 (0.30)*	0.54 (0.20)*	-0.50 (0.26)***	-0.56 (0.48)	0.76 (0.47)
<b>FDD * Log Tariff</b>		-0.27 (0.06)*			-0.09 (0.11)		-0.008 (0.17)
<b>Mandays</b>	-4.67 (0.50)*	-3.59 (0.44) *		-4.69 (0.60)*	-3.82 (0.54)*	-5.52 (0.62)*	-4.51 (0.69)*
<b>FDD * Mandays</b>	1.50 (0.48)*	1.30 (0.36) *		1.43 (0.45)*	1.4 (0.35)*	0.64 (0.48)	0.47 (0.53)
<b>Industrial Dispute (Strong Pro-Emp * Mandays)</b>		-3.60 (0.66)*			-3.09 (0.66)*		-2.02 (1.36)
<b>Industrial Dispute (Pro-Emp * Mandays)</b>		-3.46 (0.83)*			-2.48 (1.1)**		-3.77 (1.49)**
<b>Industrial Dispute (Pro-Worker * Mandays)</b>		-3.10 (0.71)*			-1.78 (0.89)**		-1.42 (1.40)
<b>Industrial Dispute (Strong Pro-Worker * Mandays)</b>		<b>-5.10 (1.45)*</b>			<b>-5.74 (1.7)*</b>		-3.16 (1.73)***
<b>FDD * Industrial Dispute (Strong Pro-Emp)</b>		-0.34 (0.43)			-0.19 (0.44)		0.55 (0.78)
<b>FDD * Industrial Dispute (Pro-Emp)</b>		-0.33 (0.55)			-0.22 (0.66)		1.24 (0.91)
<b>FDD * Industrial Dispute (Pro-Worker)</b>		-0.80 (0.49)			-1.85 (0.65)*		-0.98 (0.99)
<b>FDD * Industrial Dispute (Strong Pro-Worker)</b>		0.45 (0.50)			-0.15 (0.59)		1.71 (0.72)**
<b>FDD * Negative External Dependence</b>	-0.43 (0.23)**		0.07 (0.49)	0.82 (0.26)*	0.14 (0.23)	0.86 (0.40)**	0.34 (0.47)
<b>FDD * Moderate External Dependence</b>	-0.43 (0.18)**		-0.25 (0.12)**	0.30 (0.15)**	0.18 (0.19)	-0.41 (0.57)	-0.24 (0.32)
<b>FDD * High External Dependence</b>	<b>-1.06 (0.23)*</b>		<b>-0.83 (0.29)*</b>	0.29 (0.29)	-0.60 (0.30)**	-0.41 (0.55)	0.08 (0.55)
<b>Observations</b>	3119	3119	3119	3090	3090	3027	3027
<b>R-sq</b>	0.96	0.97	0.97	0.93	0.95	0.86	0.86

# Key Results – Table 4

- Industrial disputes reduce output in labour-neutral states
- Disputes further reduce output in pro-worker and pro-business states – **unusual!!**
- Financial depth mitigates effect of disputes; Improvement is uniform across states
- Validates key result of Aghion et al (2008)
- *Contract labour use as an operating channel*

# Key Results – Table 4

- High dependence industries fare worse
- Indirect channel more prominent than direct one
- Increased financial depth has no effect on industrial dispute mitigation or on capital formation

**Table 5: Average Growth Rates by Industry Category**

<b>Category</b>	<b>92-02</b>	<b>92-97</b>	<b>98-02</b>	<b>Difference</b>
<b>Low</b>	8.8%	10.3%	6.9%	-3.4%
<b>Negative</b>	4.6%	6.0%	3.0%	-3.0%
<b>Moderate</b>	6.5%	9.1%	3.4%	-5.7%
<b>High</b>	10.1%	13.4%	6.1%	-7.3%



# Employment-Finance Link

- Can a legitimate Employment-Finance link be made?
  - Finance facilitating increased employment and hence increased output
- R Glenn Hubbard, JEL (1998), provides theoretical link
- “Under certain assumptions, one can extend the results for investment demand to employment demand”
- “...firms may need to raise external financing to finance the labour input.”

# Employment-Finance Link

- Increased access to finance can increase employment
- Can Hubbard's theoretical link be extended to contract labour (a subset of employment)?
- Has increased financial depth facilitated greater use of contract labour?
- The stylised fact about increased contract labour use is well accepted
- If so, then this increased use is another operating channel through which finance affects output

Table 6: Effects of Mandays Lost

Log Output

	(1)	(2)	(3)	(4)
Financial Depth Dummy (FDD)	0.15 (0.17)	-0.76 (0.24) *	-0.66	(0.33)**
Log Tariff	-0.0003 (0.21)	-0.78 (0.14) *	0.70	(0.35)**
Mandays	-2.38 (0.71)*	-3.37 (0.51) *	-4.55 (0.52)*	-5.33 (0.47)*
FDD * Mandays		1.15 (0.25) *	1.67 (0.46)*	0.93 (0.35)*
Industrial Dispute (Strong Pro-Emp * Mandays)	-3.66 (0.71)*	-3.43 (0.66) *		
Industrial Dispute (Pro-Emp * Mandays)	-3.55 (0.86)*	-3.11 (0.80) *		
Industrial Dispute (Pro-Worker * Mandays)	-3.82 (0.85)*	-3.74 (0.69) *		
Industrial Dispute (Strong Pro-Worker * Mandays)	<b>-5.17</b> <b>(1.65)*</b>	<b>-4.75</b> <b>(1.50) *</b>		
Low External Dependence * Mandays (LEDM)	--- X ---	--- X ---	--- X ---	<b>0.78</b> <b>(0.28)*</b>
Negative External Dependence * Mandays (NEDM)	-1.09 (0.44)	0.07 (0.43)	0.35 (0.44)	1.13 (0.37)*
Moderate External Dependence * Mandays (MEDM)	<b>-1.17</b> <b>(0.38)*</b>	<b>-1.08</b> <b>(0.33) *</b>	<b>-0.78</b> <b>(0.28)*</b>	--- X ---
High External Dependence * Mandays (HEDM)	-1.03 (0.53)**	-0.69 (0.41) **	-0.92 (0.52)**	-0.14 (0.46)
FDD * LEDM			--- X ---	<b>0.73</b> <b>(0.30)**</b>
FDD * NEDM			<b>-1.51</b> <b>(0.48)*</b>	<b>-0.77</b> <b>(0.36)**</b>
FDD * MEDM			<b>-0.73</b> <b>(0.30)**</b>	--- X ---
FDD * HEDM			-0.62 (0.51)	0.11 (0.43)
Observations	3119	3119	3119	3119
R-sq	0.96	0.97	0.95	0.95

Table 6 (contd)

	<u>Log GVA</u>			<u>Log GFCF</u>		
	(5)	(6)	(7)	(8)	(9)	(10)
Financial Depth Dummy (FDD)	-0.30 (0.23)	-0.65 (0.26)**			-0.96 (0.53)***	-1.47 (0.45)*
Log Tariff	0.45 (0.19)**	.031 (0.36)		0.76 (0.48)	-0.37 (0.79)	0.06 (0.62)
FDD * Log Tariff				-0.002 (0.11)		
Mandays	-3.43 (0.62)*	-4.49 (0.58)*	-5.84 (0.51)*	-4.82 (0.79)*	-5.74 (0.70)*	-6.98 (0.99)*
FDD * Mandays	1.06 (0.28)*	1.49 (0.45)*	1.57 (0.54)*	0.74 (0.41)***	0.82 (0.56)	0.70 (0.73)
Industrial Dispute (Strong Pro-Emp * Mandays)	-2.99 (0.67)*			-2.13 (1.25)***		
Industrial Dispute (Pro-Emp * Mandays)	-2.46 (1.04)**			-3.80 (1.38)*		
Industrial Dispute (Pro-Worker * Mandays)	-3.24 (0.89)*			-2.20 (1.35)		
Industrial Dispute (Strong Pro-Worker * Mandays)	<b>-5.68</b> <b>(1.68)*</b>			-2.25 (1.69)		
Low External Dependence * Mandays (LEDM)	--- X ---	--- X ---	1.34 (0.64)**	--- X ---	--- X ---	1.23 (0.70)***
Negative External Dependence * Mandays (NEDM)	-0.24 (0.51)	-0.10 (0.60)	1.23 (0.71)***	0.75 (0.72)	0.92 (0.73)	2.16 (0.93)**
Moderate External Dependence * Mandays (MEDM)	<b>-1.51</b> <b>(0.46)*</b>	<b>-1.18</b> <b>(0.42)*</b>	0.16 (0.67)	<b>-1.24</b> <b>(0.63)***</b>	<b>-1.23</b> <b>(0.70)***</b>	--- X ---
High External Dependence * Mandays (HEDM)	-0.48 (0.51)	<b>-1.34</b> <b>(0.64)**</b>	--- X ---	0.79 (0.73)	0.49 (0.85)	1.73 (1.03)***
FDD * LEDM		--- X ---	-0.07 (0.58)		--- X ---	<b>-0.12</b> <b>(0.67)</b>
FDD * NEDM		<b>-1.04</b> <b>(0.54)***</b>	<b>-1.12</b> <b>(0.58)</b>		-1.26 (0.90)	-1.14 (1.01)
FDD * MEDM		-0.80 (0.34)**	-0.87 (0.56)		<b>-0.12</b> <b>(0.67)</b>	--- X ---
FDD * HEDM		0.07 (0.58)	--- X ---		-0.10 (0.88)	0.01 (1.04)
Observations	3090	3090	3090	3027	3027	3027

# Key Results – Table 6

- Industrial disputes cause greater disruption in moderate & high-dependence industries
- Regardless of industry category, disputes have the worst effect in West Bengal
- As with Table 4, the incremental negative effect in pro-business states is unexpected
- Financial depth benefits all industries
- But greatest benefit for low dependence industries, then for moderate ones. No consistent impact on high dependence ones.

# Key Results – Table 7

- Do tariff reductions benefit output, and does financial depth enhance these benefits?
- Early results were inconclusive
- Greatest benefit likely for industries most dependent on imported inputs, but lack of data prevents direct testing
- Financial constraint: superior embodied technology more costly
- Control variable: low-dependence industries

Table 7: Effects of Tariff Reductions

	<u>Log Output</u>		<u>Log GFCF</u>	
	(1)	(2)	(3)	(4)
Financial Depth Dummy (FDD)	-0.31 (0.35)		-0.77 (0.46)***	
Log Tariff		-0.81 (0.36)**		2.32 (0.20)*
FDD * Log Tariff		-0.26 (0.10)**		0.20 (0.19)
Mandays	-3.59 (0.44)*		-4.51 (0.69)*	
FDD * Mandays	1.30 (0.36)*		0.47 (0.53)	
Negative External Dependence * Tariffs (NEDT)	0.05 (0.48)	0.25 (0.36)	1.64 (0.56)*	-0.41 (0.52)
Moderate External Dependence * Tariffs (MEDT)	-1.06 (0.39)*	-0.11 (0.20)	1.87 (0.77)**	-0.005 (0.47)
High External Dependence * Tariffs (HEDT)	-0.76 (0.46)***	<i>dropped</i>	<i>dropped</i>	<i>dropped</i>
FDD * NEDT	0.02 (0.06)	0.05 (0.11)	0.05 (0.14)	-0.08 (0.16)
FDD * MEDT	-0.19 (0.09)**	-0.14 (0.05)**	0.37 (0.17)**	-0.12 (0.10)
FDD * HEDT	-0.46 (0.11)*	-0.39 (0.08)*	-0.31 (0.10)*	-0.13 (0.11)

Observations

R-sq

# Key Results – Table 7

- Log Tariff: effect on low-dependence industries
- Column 1: FDD effect insignificant
  - Relative to low-dep. industries, moderate and high-dependence industries gain from lower tariffs
- Column 2: low dependence industries gain from both tariff reductions and FDD
- Both specifications: moderate and high dependence industries gain even more from tariff cuts *after* FDD
- $FDD * HEDT > 2(FDD * MEDT)$



# Conclusions & Policy Implications

- Paper brings together K&L in a non-production fn framework
- Address constraints on effective amounts of K,L
- Increased financial depth appears to alleviate working capital constraints, but not capital financing constraints
- Negative direct effects overwhelm positive indirect effects – policies to address this gap
- Before 1997, risk aversion reduced bank lending. Increased depth fails to address this

# Caveats

- Cannot isolate the residual effects of delicensing
- Contract labour link may be tenuous
- Cannot be conclusively proved *or* disproved
- This study represents an effort that can be expanded over time, with more data
- Future work, with additional variables:
  - Import intensity of inputs
  - Industry concentration ratios
  - FDI inflows by state/industry

Thank you!

**Sectoral Deployment of Non-Food Bank Credit\***

Rs.

Year	Priority Sector	of which		Industry (M/L)**	Non-food Gross Bank Credit#	(2)/(6)	(5)/(6)	% Δ in (2)	% Δ in (5)	% Δ in (6)
		Agriculture	SSI							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(11)	(12)	(9)
<b>1990-91</b>	42915	16750	17181	44508	113513					
<b>1991-92</b>	45425	18157	18150	47090	121335	37.4%	38.8%	6%	6%	6.9%
<b>1992-93</b>	49832	19963	20026	58636	140396	35.5%	41.8%	10%	25%	15.7%
<b>1993-94</b>	53880	21208	22617	57865	145950	36.9%	39.6%	8%	-1%	4.0%
<b>1994-95</b>	64161	23983	27638	74672	184710	34.7%	40.4%	19%	29%	26.6%
<b>1995-96</b>	73329	27044	31884	93053	222069	33.0%	41.9%	14%	25%	20.2%
<b>1996-97</b>	84880	31442	35944	102604	251394	33.8%	40.8%	16%	10%	13.2%
<b>1997-98</b>	99507	34869	43508	117530	287798	34.6%	40.8%	17%	15%	14.5%
<b>1998-99</b>	114611	39634	48483	130516	325196	35.2%	40.1%	15%	11%	13.0%
<b>1999-00</b>	131827	44381	52814	147319	375127	35.1%	39.3%	15%	13%	15.4%
<b>2000-01</b>	154414	51922	56002	162837	429162	36.0%	37.9%	17%	11%	14.4%
<b>2001-02</b>	175259	60761	57199	172324	482749	36.3%	35.7%	13%	6%	12.5%
<b>2002-03</b>	211609	73518	60394	235168	620055	34.1%	37.9%	21%	36%	28.4%
<b>2003-04</b>	263834	90541	65855	247210	728422	36.2%	33.9%	25%	5%	17.5%
<b>2004-05</b>	345627	122370	76144	290186	931466	37.1%	31.2%	31%	17%	27.9%
<b>Mean</b>						<b>35.4%</b>	<b>38.6%</b>	<b>16.2%</b>	<b>14.8%</b>	<b>16.4%</b>

\* This is a summarised table containing only relevant information. The full table is available from the RBI website

\*\* Medium / Large

# Includes data from Wholesale Trade (other than food procurement) and Other Sectors, neither of which are shown here for brevity

Source: Handbook of Monetary Statistics of India, Reserve Bank of India

### Deployment of Bank Credit to Selected Industries (% Change)

Industry	1992	1993	1994	1995	1996	1997	1998*	1999	2000	2001	2002	2003	2004
Iron and Steel	12%	55%	-21%	49%	26%	38%	35%	16%	3%	3%	3%	40%	-6%
Electricity	13%	8%	1%	39%	36%	30%	33%	46%	9%	15%	9%	20%	26%
Chemicals, Dyes, Paints etc.	7%	22%	-1%	28%	29%	-6%	18%	10%	18%	3%	8%	22%	-4%
ii) Petro-Chemicals	-10%	54%	-21%	0%	119%	18%	54%	61%	30%	-1%	9%	16%	-7%
Petroleum	-65%	2195%	-48%	174%	143%	123%	82%	-10%	63%	29%	-2%	30%	-17%
Computer Software								21%	37%	20%	36%	57%	16%
<b>Infrastructure</b>								<b>88%</b>	<b>22%</b>	<b>57%</b>	<b>30%</b>	<b>78%</b>	<b>42%</b>
i) Power								<b>203%</b>	<b>56%</b>	<b>60%</b>	<b>41%</b>	<b>104%</b>	<b>31%</b>
ii) Telecommunications								11%	-12%	83%	9%	45%	45%
iii) Roads and Ports								<b>270%</b>	<b>26%</b>	<b>25%</b>	<b>41%</b>	<b>58%</b>	<b>67%</b>
<b>Industry overall</b>	<b>6%</b>	<b>21%</b>	<b>2%</b>	<b>27%</b>	<b>22%</b>	<b>11%</b>	<b>16%</b>	<b>11%</b>	<b>12%</b>	<b>9%</b>	<b>5%</b>	<b>29%</b>	<b>6%</b>

\* 1998 is the first year for which data shows bank credit going to Infrastructure industries; 1999 is therefore the first year for which growth in credit can be calculated for these industries

The almost 2200% increase in credit for the petroleum sector in 1993 seems to be an anomaly, and could even possibly be an error; but this is in the official statistics

Source: Handbook of Monetary Statistics of India, Reserve Bank of India

**INDUSTRY-WISE DEPLOYMENT OF BANK CREDIT (% change)**

	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Coal</b>	29%	7%	38%	34%	4%	3%	17%	41%	39%	1%	-8%	36%
<b>Mining</b>								1400%	39%	-9%	5%	22%
<b>Iron and Steel</b>	16%	12%	55%	-21%	49%	26%	38%	35%	16%	3%	3%	3%
<b>Other Metals and Metal</b>	21%	4%	16%	19%	9%	15%	33%	-2%	14%	6%	1%	2%
<b>All Engineering</b>	<b>11%</b>	<b>7%</b>	<b>15%</b>	<b>0%</b>	<b>24%</b>	<b>21%</b>	<b>-11%</b>	<b>1%</b>	<b>-6%</b>	<b>7%</b>	<b>1%</b>	<b>3%</b>
<i>of which :</i>												
<b>Electronics</b>	45%	12%	11%	8%	41%	49%	-11%	-5%	9%	5%	3%	12%
<b>Electricity</b>	-8%	13%	8%	1%	39%	36%	30%	33%	46%	9%	15%	9%
<b>Cotton Textiles</b>	11%	5%	9%	3%	23%	29%	6%	16%	12%	12%	13%	-11%
<b>Jute Textiles</b>	0%	-3%	5%	18%	22%	21%	-10%	101%	-22%	6%	-6%	-13%
<b>Other Textiles</b>	14%	6%	17%	6%	34%	18%	24%	10%	13%	8%	-8%	12%
<b>Sugar</b>	-1%	41%	40%	9%	115%	12%	-23%	16%	13%	15%	22%	7%
<b>Tea</b>	6%	8%	19%	18%	20%	19%	-38%	26%	-20%	25%	2%	-7%
<b>Food Processing</b>	15%	2%	15%	13%	54%	26%	18%	13%	15%	26%	6%	15%
<b>Vegetable Oils (including</b>	24%	4%	13%	6%	13%	28%	25%	17%	18%	9%	-3%	-5%
<b>Tobacco and Tobacco</b>	3%	41%	34%	-16%	37%	18%	-7%	15%	-7%	-1%	-3%	-11%
<b>Paper and Paper Products</b>	10%	1%	6%	9%	26%	8%	9%	6%	7%	7%	10%	8%
<b>Rubber and Rubber</b>	8%	9%	10%	1%	31%	11%	4%	39%	-21%	2%	6%	2%
<b>Chemicals, Dyes, Paints etc.</b>	<b>14%</b>	<b>7%</b>	<b>22%</b>	<b>-1%</b>	<b>28%</b>	<b>29%</b>	<b>-6%</b>	<b>18%</b>	<b>10%</b>	<b>18%</b>	<b>3%</b>	<b>8%</b>
<i>of which :</i>												
<b>i) Fertilisers</b>	22%	4%	26%	-10%	8%	27%	12%	23%	23%	28%	14%	4%
<b>ii) Petro-Chemicals</b>	0%	-10%	54%	-21%	0%	119%	18%	54%	61%	30%	-1%	9%
<b>iii) Drugs and</b>	-3%	14%	16%	10%	27%	29%	55%	42%	2%	7%	-5%	19%
<b>Cement</b>	7%	10%	12%	10%	24%	15%	10%	30%	10%	32%	6%	10%
<b>Leather and Leather</b>	7%	9%	1%	17%	44%	23%	-2%	11%	3%	5%	4%	3%
<b>Gems and Jewellery</b>	2%	5%	25%	22%	20%	18%	11%	14%	17%	31%	22%	-2%
<b>Construction</b>	21%	2%	17%	7%	22%	-9%	35%	6%	-3%	7%	16%	26%
<b>Petroleum</b>	-61%	-65%	2195%	-48%	174%	143%	123%	82%	-10%	63%	29%	-2%
<b>Automobiles including</b>									9%	29%	9%	1%
<b>Computer Software</b>									21%	37%	20%	36%
<b>Infrastructure</b>									<b>88%</b>	<b>22%</b>	<b>57%</b>	<b>30%</b>
<b>i) Power</b>									203%	56%	60%	41%
<b>ii) Telecommunications</b>									11%	-12%	83%	9%
<b>iii) Roads and Ports</b>									270%	26%	25%	41%
<b>Industry overall</b>	<b>15%</b>	<b>6%</b>	<b>21%</b>	<b>2%</b>	<b>27%</b>	<b>22%</b>	<b>11%</b>	<b>16%</b>	<b>11%</b>	<b>12%</b>	<b>9%</b>	<b>5%</b>