

CHAPTER 3

STATE DOMESTIC PRODUCT

State Domestic Product (SDP), is the total value of goods and services produced during any financial year within the geographical boundaries of a state. Also called the state income, SDP is always calculated or estimated in monetary terms, and is instrumental in the evaluation of per capita income. It serves as an indicator for measuring economic prosperity of the State and to study the structural changes taking place in the economy. SDP estimates over a period of time reveal the extent and direction of the changes in the level of economic development. The Sectoral Composition of Gross State Value Added (GSVA) gives an idea about the relative position of different sectors in the economy over a period of time, which not only indicates the real structural changes taking place in the economy, but also facilitates in formulation of the plans for overall economic development. The major share of income of National Capital Territory of Delhi is from the service sector which is treated as the growth engine for fast developing states in the Indian Union.

2. Estimates at Current Prices

Gross State Domestic Product (GSDP) of Delhi at current prices estimated at ₹ 492424 crore, during 2014-15 showed a growth of 10.96 per cent over the preceding year. The Gross State Domestic Product of Delhi at current prices increased to ₹ 551963 crore during 2015-16 indicating a growth of 12.09 per cent. The advance estimate of Gross State Domestic Product of Delhi during 2016-17 is likely to attain a level of ₹ 622385 crore which is at a growth of 12.76 per cent over 2015-16. Net State Domestic Product (NSDP) of Delhi at current prices during 2014-15 was estimated at ₹ 447435 crore, recorded a growth of 10.57 per cent over the previous year. The Net State Domestic Product of Delhi at current prices increased at ₹ 501104 crore during 2015-16 which is at a growth of 11.99 per cent over the previous year. The advance estimate of NSDP of Delhi is likely to attain a level of ₹ 565655 crore which is estimated to grow at 12.88 per cent over 2015-16.

3. Estimates at Constant Prices (Base Year 2011-12)

- 3.1 Gross State Domestic Product of Delhi at constant prices recorded at ₹ 422920 crore, during 2014-15 showed a growth of 7.97 per cent over the preceding year. The Gross State Domestic Product of Delhi at constant prices increased to ₹ 460217 crore during 2015-16 indicating a growth of 8.82 per cent. The advance estimate of Gross State Domestic Product of Delhi at constant prices during 2016-17 recorded at ₹ 498217 crore at a growth of 8.26 per cent over 2015-16. Net State Domestic Product of Delhi at constant prices during 2014-15 was estimated at ₹ 382103 crore, recorded a growth of 7.53 per cent over the previous year. The Net State Domestic Product of Delhi at constant prices increased at ₹ 414964 crore during 2015-16 at a growth of 8.60 per cent over the previous year.

The advance estimate of NSDP of Delhi at constant prices calculated at ₹ 448529 crore which is estimated to grow at 8.09 per cent over 2015-16.

- 3.2 As a general phenomenon observed in most of the urban economies, Delhi is also showing same trend of higher share in Service Sector. The percentage distribution of Gross State Value Added (GSVA) of Delhi at 2011-12 prices showed a declining trend of agriculture and allied sector, marginal reduction in tertiary sector and an upward trend in secondary sector. More clearly, the percentage contribution of agriculture sector to GSVA of Delhi at 2011-12 prices reduced from 3.49 per cent in 2011-12 to 3.39 per cent in 2016-17. During the same period, the contribution of secondary sector to GSVA of Delhi at constant prices increased from 13.09 per cent to 14.89 per cent. On the contrary, the percentage contribution of Service Sector to the GSVA of Delhi at 2011-12 prices decreased from 83.42 per cent in 2011-12 to 81.72 per cent in 2016-17.
- 3.3 The information regarding the Gross State Domestic Product and Net State Domestic Product of Delhi during the last six years both at current and 2011-12 prices is presented in Statement 3.1.

Statement 3.1

GSDP & NSDP OF DELHI – CURRENT AND 2011-12 PRICES

(₹ Crore)

S. No.	Years	GSDP at market prices		NSDP at market prices	
		Current	Constant (2011-12)	Current	Constant (2011-12)
1.	2011-12 (R)	343767	343767	314619	314619
2.	2012-13 (R)	391238	366538	357251	334103
3.	2013-14 (R)	443783	391718	404664	355337
4.	2014-15 (1 st RE)	492424	422920	447435	382103
5.	2015-16 (1 st RE)	551963	460217	501104	414964
6.	2016-17 (AE)	622385	498217	565655	448529

Source: - Directorate of Economics and Statistics, Government of NCT of Delhi.

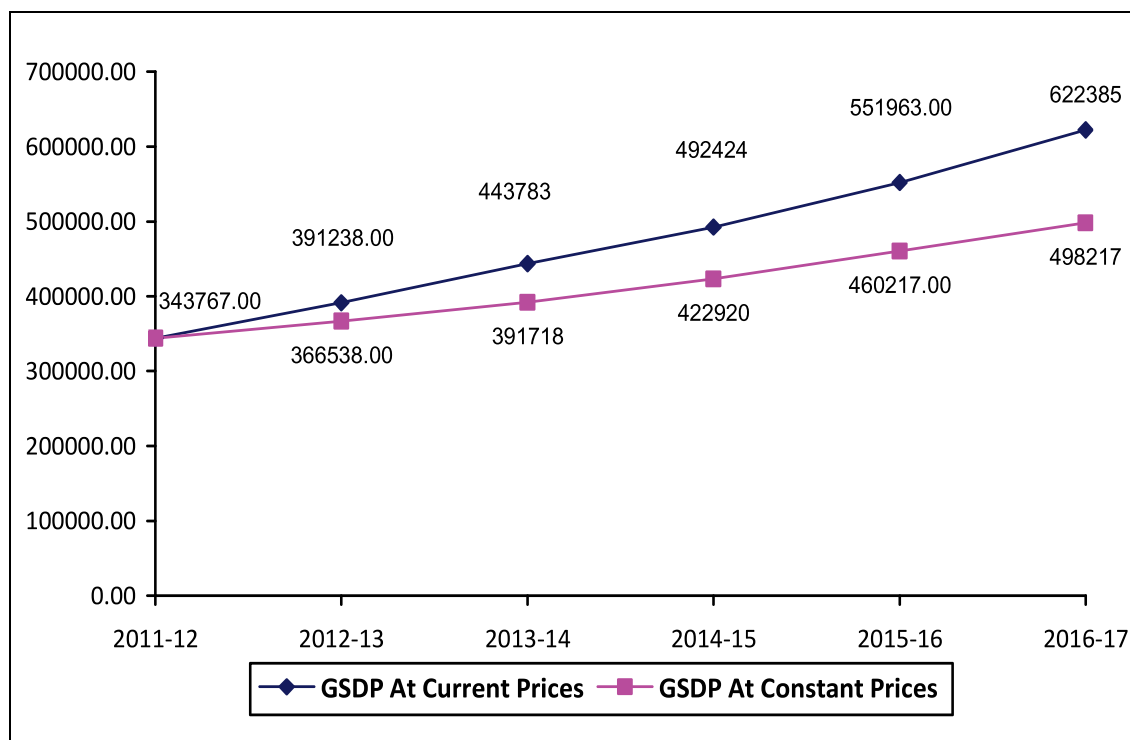
Note: (R) - Revised Estimates, (1st RE) – First Revised Estimates (AE) - Advance Estimates.

- 3.4 GSDP of Delhi, both at current and constant price (2011-12) is depicted in Chart 3.1

Chart 3.1

GSDP OF DELHI- CURRENT AND CONSTANT PRICES

(₹ Crore)



3.5 The percentage growth of GSDP and NSDP of Delhi during the last five years both at current and 2011-12 prices is presented in Statement 3.2.

Statement 3.2

GROWTH OF GSDP & NSDP OF DELHI – CURRENT AND CONSTANT PRICES

(In %)

S. No.	Years	GSDP at market prices		NSDP at market prices	
		Current	Constant (2011-12)	Current	Constant (2011-12)
1.	2012-13	13.81	6.62	13.55	6.19
2.	2013-14	13.43	6.87	13.27	6.36
3.	2014-15	10.96	7.97	10.57	7.53
4.	2015-16	12.09	8.82	11.99	8.60
5.	2016-17	12.76	8.26	12.88	8.09

Source: - Directorate of Economics and Statistics, Government of NCT of Delhi.

3.6 Brief Methodology to Estimate State Domestic Product

3.6.1 The Primary sector of the economy extracts or harvests products from the earth. The primary sector includes the production of raw materials and basic foods. Activities associated with the primary sector include agriculture (both subsistence and commercial), mining, forestry, farming, grazing, hunting and gathering, fishing, and mining & quarrying. The packaging and processing of the raw materials associated with this sector is also considered to be part of this sector. The estimates of GSVA for Agriculture , Forestry & Fishing are compiled by the production method except for the operation of government irrigation system, for which the income method is followed. Estimates of GSVA in Mining & Quarrying industry are compiled from the annual financial statement of the companies for non-departmental enterprise and private corporate enterprises, extracted from MCA21 database.

3.6.2 The secondary sector of the economy includes those economic sectors that create a finished, usable product: manufacturing, construction and electricity, gas & water supply. This sector generally takes the output of the primary sector and manufactures finished goods or where they are suitable for use by other businesses, for export, or sale to domestic consumers. For the purposes of estimation of GSVA, the entire manufacturing activities are classified into two broad segments, namely, Manufacturing-‘Organised Manufacturing’ and ‘Unorganised Manufacturing’. Estimates for Organised Manufacturing have been derived using the annual accounts of Non Departmental Enterprises (NDE), Private corporate sector from MCA data base and quasi-corporations as covered by ASI. The unorganised manufacturing consists of the household enterprises. The effective labour input method has been used for compilation category wise estimation of GVA of unincorporated manufacturing enterprises from the NSS 67th round Survey on Unincorporated Enterprises, 2010-11 and NSS 68th round Employment Unemployment Survey, 2011-12. The GSVA estimates in Electricity sub-sector are prepared using the income method. The estimates are based on the analysis of annual accounts of State Electricity Boards and other electricity undertakings located in the State. The estimates of GSVA in respect of Gas are compiled through the enterprise approach. The estimates of GSVA for water supply are compiled for the public and private sectors separately following the income method. The estimates of GSVA for Remediation and Other Utility Services have been compiled by aggregating the estimates for recycling, remediation, sewerage and other waste management services. The estimates of accounted construction for the entire economy are compiled first through the commodity flow approach. The estimates for private corporations are prepared using information on financial parameters of non-

government companies from MCA21 database provided by Ministry of Corporate Affairs.

3.6.3 The Tertiary Sector has a pivotal role in the Delhi's economic development and constitutes a major part of the economy of the State both in terms of employment potential and its contribution to the State Income. The sector covers a wide range of activities from the most sophisticated in the field of Information and Communication Technology to simple services pursued by the unorganized/informal sector workers, such as, vegetable sellers, hawkers, rickshaw pullers, etc. In terms of industrial categories, this sector inter-alia includes subsectors like Trade; Hotels and Restaurants; Transport; Storage; Communication; Financial Services; Real Estate, Ownership of Dwelling & Professional Services; Public Administration; and Other Services including Education, Medical and Health. The GSVA for Public Sector segment are obtained through economic analysis of annual reports/accounts. The estimates of Private corporate estimates have been compiled using MCA21 database and NSS Surveys results.

4. Per Capita Income

- 4.1 The per capita income of Delhi at current prices reached at the level of ₹ 273618 in 2015-16 as compared to ₹ 249004 in 2014-15 and ₹ 229518 in 2013-14. The advance estimate of per capita income of Delhi at current prices during 2016-17 estimated at ₹ 303073. The annual growth rate of per capita income of Delhi at current prices during the last five years (2013-17) was worked out at 11.42 per cent, 11.15 per cent, 8.49 per cent, 9.89 per cent and 10.76 per cent over the previous years respectively.
- 4.2 The per capita income of Delhi at constant prices estimated at ₹ 226583 in 2015-16 as compared to ₹ 212646 in 2014-15, registering a growth at 6.55 per cent. The advance estimate of per capita income of Delhi at constant prices during 2016-17 is estimated to reach at ₹ 240318.
- 4.3 Delhi's per capita income was almost three times of the national average, both at current and constant prices. The information regarding per capita income of Delhi and India during the last six years is presented in Statement 3.3.

Statement 3.3

PER CAPITA INCOME OF DELHI & INDIA DURING 2011-12 TO 2016-17

(In ₹)

YEAR	CURRENT PRICES (Base Year 2011-12)		CONSTANT PRICES (Base Year 2011-12)	
	DELHI*	ALL INDIA	DELHI*	ALL INDIA
2011-12 (R)	185343	63460	185343	63460
2012-13 (R)	206503	71011	193123	65568
2013-14 (R)	229518	79146	201541	68717
2014-15 (1 st RE)	249004	86513	212646	72712
2015-16 (1 st RE)	273618	94178	226583	77524
2016-17 (AE)	303073	103818	240318	82112

Source: -Directorate of Economics and Statistics, Government of NCT of Delhi.

Note: - (R) - Revised Estimates, (1st RE) – First Revised Estimates, (AE) - Advance Estimates.

* Projected on the basis of results of Population Census 2011 (Provided by CSO, Govt. of India).

- 4.4 It may be inferred from Statement 3.3 that the per capita income of Delhi at current prices increased from ₹ 185343 in 2011-12 to ₹ 303073 in 2016-17 recorded an annual compound growth rate at 10.34 per cent. During the same period the per capita income of Delhi at constant prices increased at 5.33 per cent per annum. The information regarding per capita income of Delhi and India during the last six years both at current and constant prices is depicted in Chart 3.2.1 and 3.2.2 respectively.

Chart 3.2.1

PER CAPITA INCOME OF DELHI AND INDIA AT CURRENT PRICES

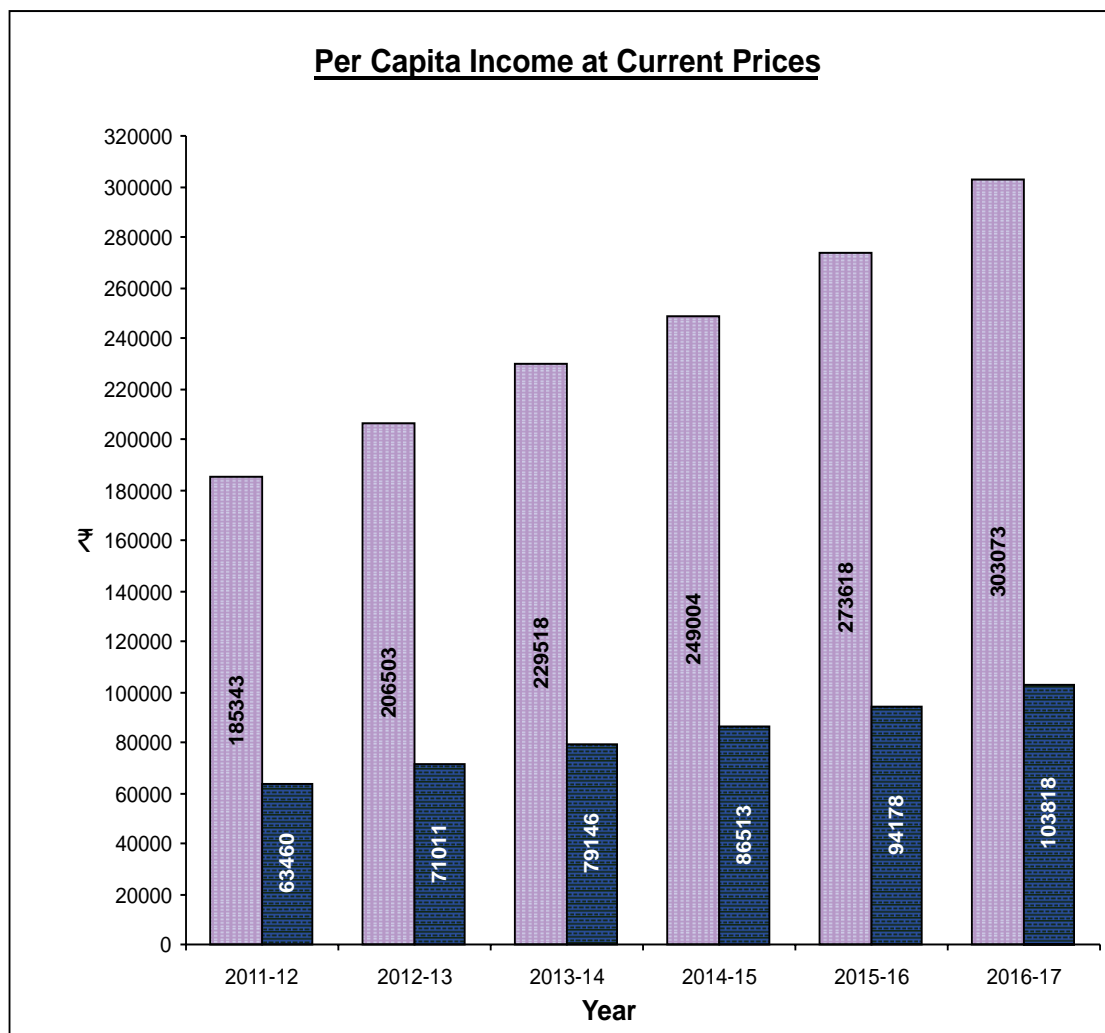
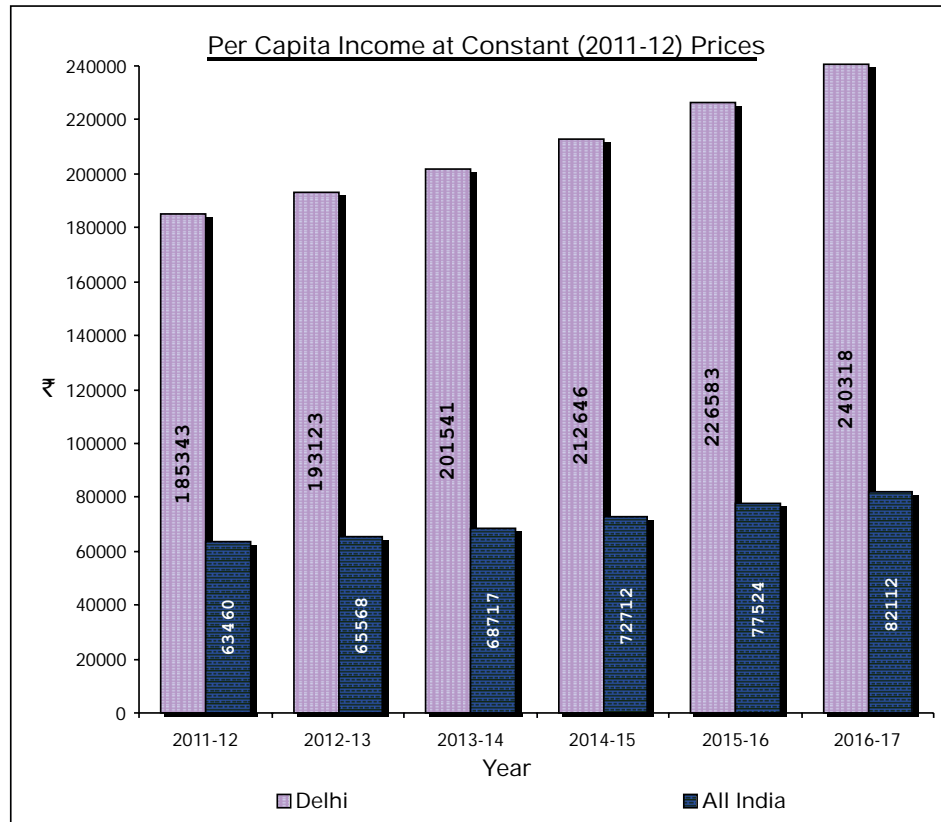


Chart 3.2.2



PER CAPITA INCOME OF DELHI AND INDIA AT CONSTANT PRICES

- 4.5 The growth rate of per capita income of Delhi and national level both at current and constant prices is presented in Statement 3.4.

Statement 3.4

**GROWTH RATE OF PER CAPITA INCOME OF DELHI AND INDIA
FROM 2012-13 TO 2016-17**

(Per cent)

SI No.	Years	Delhi		India	
		Current	Constant (2011-12)	Current	Constant (2011-12)
1.	2012-13	11.42	4.20	11.9	3.3
2.	2013-14	11.15	4.36	11.5	4.8
3.	2014-15	8.49	5.51	9.3	5.8
4.	2015-16	9.89	6.55	8.9	6.6
5.	2016-17	10.76	6.06	10.2	5.9

Source: - Directorate of Economics and Statistics, Government of NCT of Delhi.

5. Sectoral Composition of GSVA

- 5.1 As a general phenomenon what is observed in most of urbanized cities in the world. Delhi is also showing the same result, that is the major contribution of income from the service sector. The analysis of sector-wise growth in the Gross State Value Added also clearly reveals this fact. The contribution of primary sector (comprising of agriculture, livestock, forestry, fishing, mining & quarrying) to the total GSVA is continuously showing a deteriorating trend during the last six years. The contribution from secondary sector showed an increasing trend during the last six years. The composition of GSVA at current and constant prices (2011-12) in three different sectors viz, agriculture, secondary and service sectors of Delhi during 2011-17 is presented in Statement 3.5.

Statement 3.5

SECTORAL COMPOSITION OF GSVA (at Basic Prices) IN DELHI- CURRENT AND CONSTANT (2011-12) PRICES

(₹ Crore)

S. No.	Years	Primary		Secondary		Tertiary		Total	
		₹ Crore	%	₹ Crore	%	₹ Crore	%	₹ Crore	%
1.	2011-12								
	a. Current	10583.50	3.49	39681.17	13.09	252936.96	83.42	303201.63	100.00
	b. Constant	10583.50	3.49	39681.17	13.09	252936.96	83.42	303201.63	100.00
2.	2012-13								
	a. Current	10036.08	2.92	48498.28	14.17	283903.96	82.91	342438.33	100.00
	b. Constant	9214.45	2.87	45327.53	14.12	266474.72	83.01	321016.71	100.00
3.	2013-14								
	a. Current	12714.12	3.28	54263.47	14.07	318776.23	82.65	385753.81	100.00
	b. Constant	11194.87	3.29	48015.46	14.08	281727.01	82.63	340937.33	100.00
4.	2014-15								
	a. Current	12143.45	2.82	57693.50	13.41	360395.54	83.77	430232.49	100.00
	b. Constant	11110.70	3.01	49321.96	13.34	309482.33	83.65	369914.99	100.00
5.	2015-16								
	a. Current	14233.70	2.97	69234.45	14.40	397367.62	82.63	480835.78	100.00
	b. Constant	13833.28	3.46	56998.84	14.30	327730.89	82.24	398563.01	100.00
6.	2016-17								
	a. Current	15750.64	2.90	80648.96	14.84	446980.16	82.26	543379.76	100.00
	b. Constant	14682.89	3.39	64268.14	14.89	352735.59	81.72	431686.62	100.00

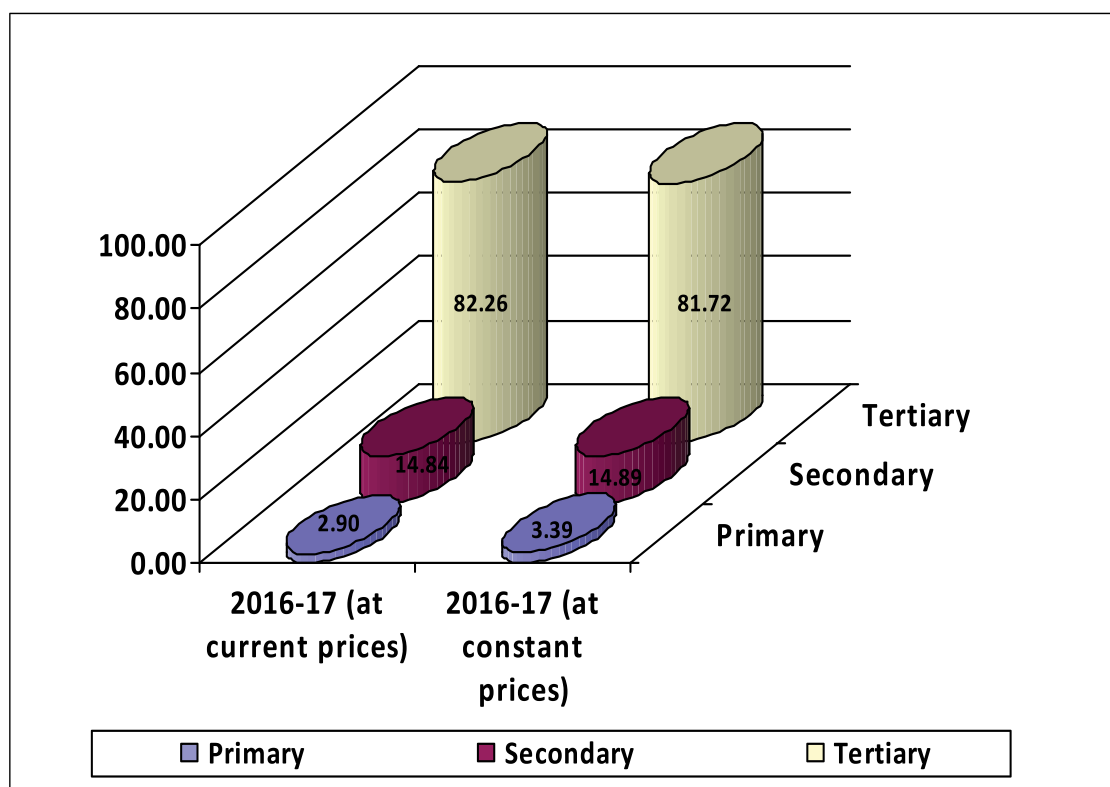
Source: -Directorate of Economics and Statistics, Government of NCT of Delhi.

- 5.2 As evident from Statement 3.5 that more than 80 per cent of income of Delhi was from service sector, less than 15 per cent from secondary sector and less than 4 per cent from the primary sector. More clearly, the contribution of primary sector was 3.49 per cent during 2011-12 has come down to 2.90 per cent in 2016-17 at current prices. Similarly, the contribution of tertiary sector recorded at 83.42 per cent in 2011-12 declined to 82.26 per cent in 2016-17 at current prices. Contrary to this, the contribution of secondary sector to income of Delhi enhanced from 13.09 per cent in 2011-12 to 14.84 per cent in 2016-17.
- 5.3 The sectoral composition of Gross State Value Added of Delhi during 2016-17 at current prices and constant prices (2011-12) is depicted in Chart 3.3.

Chart 3.3

SECTOR-WISE COMPOSITION OF GSDVA OF DELHI AT CURRENT PRICES

(In %)



- 5.4 Other statistical information pertaining to the Gross State Domestic Product of Delhi is presented in table 3.1 to table 3.4.