

CHAPTER 2

STATE INCOME

ESTIMATES AT CURRENT PRICES

1. Delhi has a strong and vibrant economy. State Income (Net State Domestic Product) was estimated at Rs.47846 crores in 1999-00 at current prices, representing a growth of 11.8% over previous year (Table 2.1). As per quick estimates for 2000-01, NSDP is likely to touch Rs.52793 crores at current prices with 10.3% increase over previous year.
2. Gross State Domestic Product at current prices is estimated at Rs.57547 crores during 2000-01 indicating a growth of 9.9% over the previous year (Table 2.3).

ESTIMATES AT CONSTANT (1993-94) PRICES

3. State Income of Delhi (Net State Domestic Product) at constant (1993-94) prices was estimated at Rs.31875 crores during 1999-00, representing a real growth of 4.6% over the previous year in Delhi's economy. Real growth in NSDP is expected to be 4.2% in 2000-01 (Table 2.2)
4. Gross State Domestic Product at constant prices is estimated to touch Rs.36685 crores in 2000-01, implying a real growth of 4.5% over the previous year (Table 2.4). The real growth in Gross Domestic Product at National level during 2000-01 was recorded 4.0%. However growth rate of Delhi may go upward subsequent to receipt of actual data in respect of supra-regional sectors at constant prices from CSO.
5. The real sectoral growth of GSDP during 2000-01 is expected to be (-)3.3% in the primary sector, 6.5% in the secondary sector and 4.1% in the tertiary sector over previous year.
6. The statement below summarizes the growth picture in Delhi during the last three years :

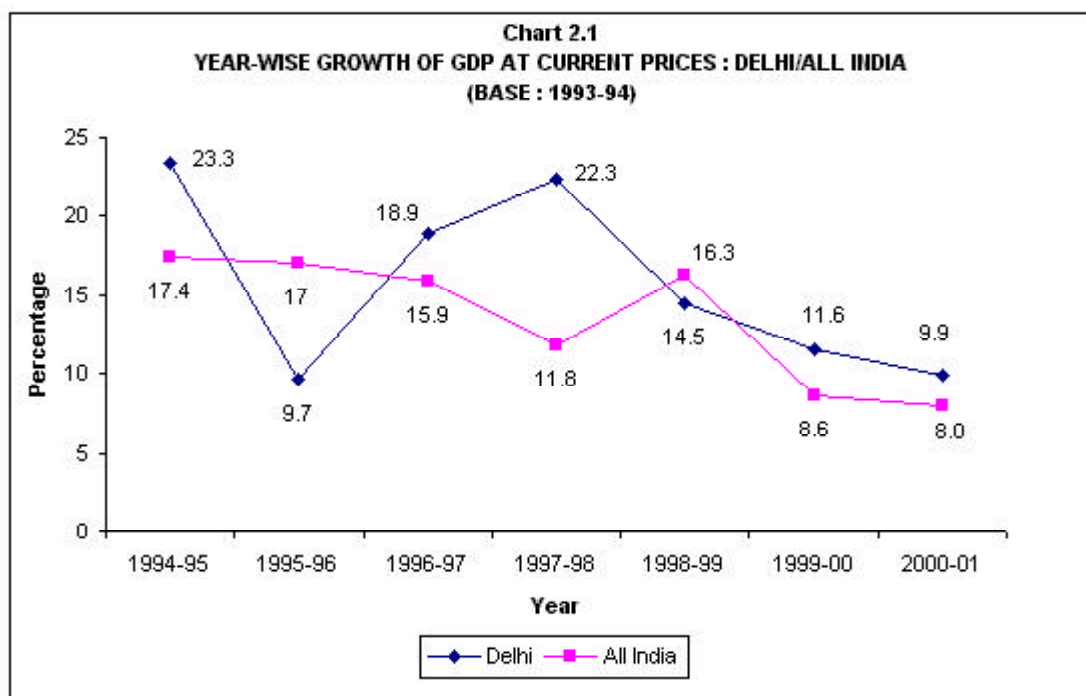
Statement 2.1

PERCENTAGE GROWTH OVER PREVIOUS YEAR

	1998-99 (R)	1999-00 (P)	2000-01 (Q)
NSDP			
i. Current prices	15.1	11.8	10.3
ii. Constant prices*	7.9	4.6	4.2
GSDP			
i. Current prices	14.5	11.6	9.9
ii. Constant prices*	7.5	4.7	4.5

N.B.: R-Revised Estimates, P-Provisional Estimates, Q-Quick Estimates

*- Upward revision is expected subsequent to receipt of actual data in respect of supra-regional sectors from CSO.



BOX 2.1**Revision of the State Domestic Product Series
With Base Year 1993-94**

In accordance with the recommendations of the 1993 System of National Accounts (1993 SNA) prepared by the Inter-Secretariat Working Group on National Accounts comprising the European Communities (EUROSTAT), International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD), United Nations and the World Bank, the Central Statistical Organization decided to shift the base year of the National/State Income series from 1980-81 to 1993-94. Accordingly the State Income 1980-81 series has since been changed to the base year 1993-94.

TRENDS

7. The Net State Domestic Product of Delhi at current prices for 2000-01 has been projected at Rs.52793 crores, implying an annual compound growth rate of 15.88% over the corresponding estimate of Rs.18816 crores in 1993-94. At constant (1993-94) prices, State Income is projected to increase from Rs.18816 crores in 1993-94 to Rs.33213 crores in 2000-01 registering an annual compound growth rate of 8.46%.
8. The Gross State Domestic Product (GSDP) at current prices was estimated at Rs.57547 crores during 2000-01 has shown an annual compound growth rate of 15.62% over the estimate of Rs.20841 crores in 1993-94. Similarly, the annual compound growth rate of Gross State Domestic Product at constant (1993-94) prices works out to 8.41% during the period 1993-94 to 2000-01. The comparative picture of Delhi vis-a-vis All India is depicted below :-

Statement 2.2**ANNUAL COMPOUND GROWTH, 1993-94 TO 2000-01**

	DELHI (%)	ALL INDIA (%)
NSDP/NNP		
i. Current prices	15.88	13.37
ii. Constant prices	8.46	5.93
GSDP/GDP		
i. Current prices	15.62	13.50
ii. Constant prices	8.41	6.24

9. The compound growth rates in primary, secondary and tertiary sectors of GSDP for the period 1993-94 to 2000-01 at current prices were 1.38%, 10.69% and 17.64% per annum, respectively. Similarly at constant (1993-94) prices, the annual compound growth rates for the primary, secondary and tertiary were (-)6.37%, 4.79% and 10.08% respectively.

BOX 2.2

Methodology to Estimate State Income

Estimates of State Domestic Product are computed using the production approach, expenditure approach and Income approach.

The production approach is adopted for agriculture, live-stock, forestry, fishing, mining & quarrying and manufacturing. In this approach, value added of the relevant activities is estimated by using wholesale prices and net output to arrive at estimates of state domestic product.

The expenditure approach is followed only for construction activity in the secondary sector. Capital expenditure is taken into account from the budget documents in the case of public sector, while the expenditure of construction activity in the private sector is based on the consumption of cement and steel.

The income approach is adopted for the remaining activities, namely electricity, gas and water supply as well as the entire tertiary sector comprising trade, hotel and restaurants, transport, storage, communication, financing, insurance, real estate, business services and public administration including defence and other services. This approach differentiates between two categories, public and private. In the public sector, income is computed by analyzing the budget documents according to economic and purpose classification. To estimate income contribution of the private sector, value added per worker per annum is multiplied by the projected work force.

PER CAPITA INCOME

10. According to the revised series (base year 1993-94), the per capita income of Delhi at current prices is projected at Rs.38864 in 2000-01 compared to Rs.36515 in 1999-00. The changes in terms of percentage for 1999-00 and 2000-01 are 7.8% and 6.4% respectively (Table 2.1).
11. The per capita income of Delhi at constant (1993-94) prices is projected at Rs.24450 in 2000-01 compared to Rs.24327 in 1999-00, indicating an annual growth of 0.5% (Table 2.2). Real per capita income at national level has been estimated at Rs.10254 during 2000-01 (CSO Estimates).
12. Delhi's per capita income is more than twice the national average, both at current and constant prices, as indicated below:

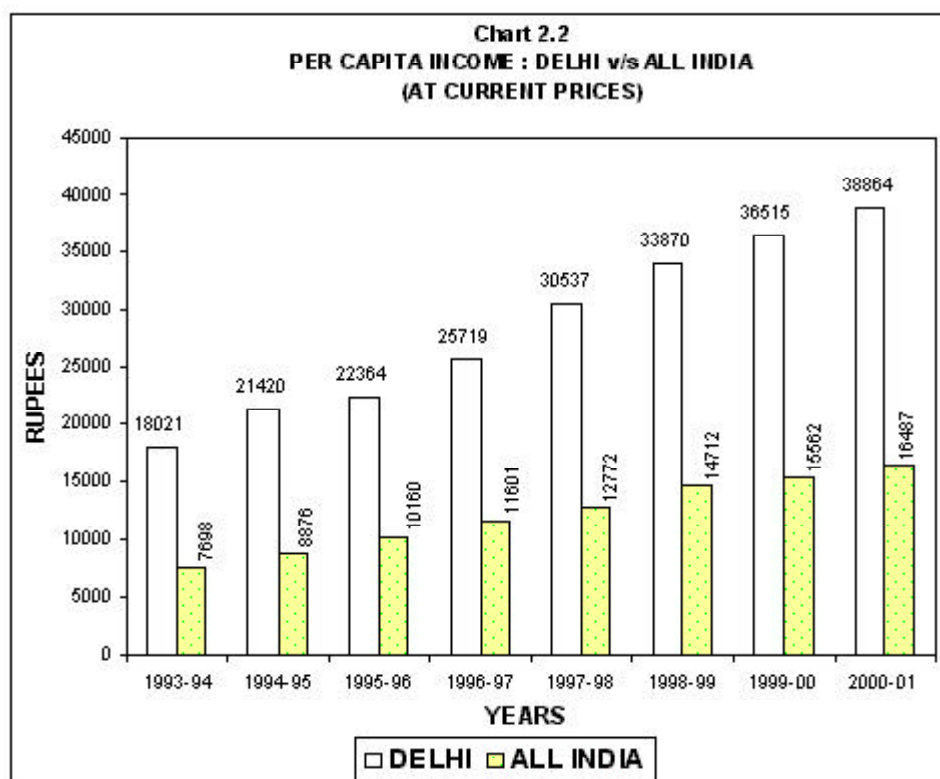
Statement 2.3

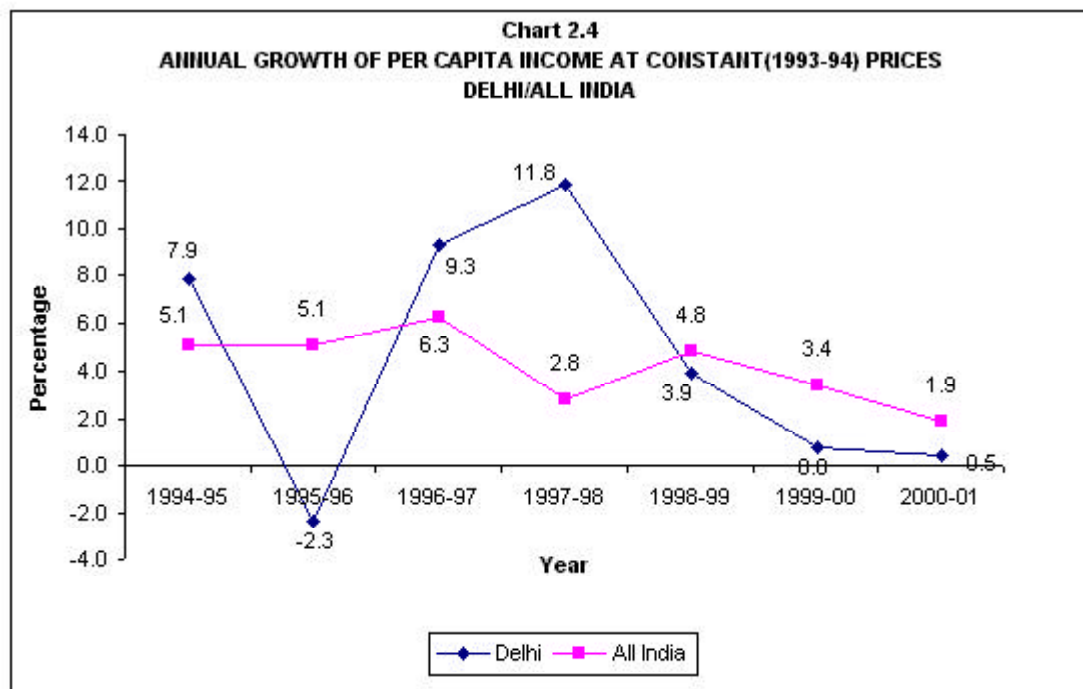
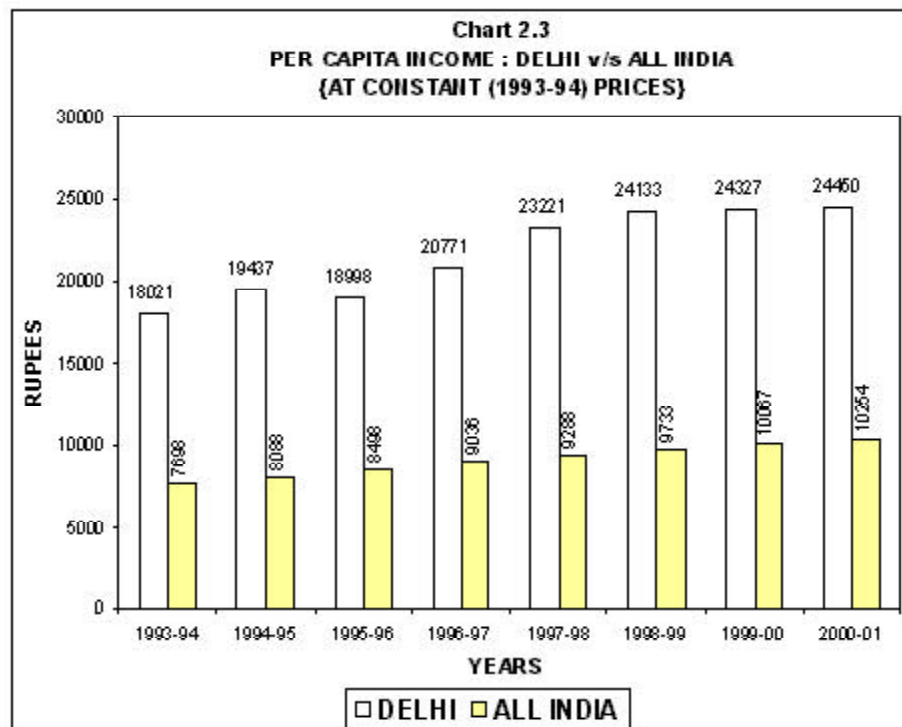
PER CAPITA INCOME, DELHI/ALL INDIA

	1993-94	1999-00 (P)	2000-01(Q)	A.C.G.R. 1993-94 to 2000-01
At Constant (1993-94) Prices				
Delhi	18021	24327	24450	4.45
All India	7698	10067	10254	4.18
At Current Prices				
Delhi	18021	36515	38864	11.60
All India	7698	15562	16487	11.49

N.B.: ACGR-Annual Compound Growth Rate.

13. The graphical representation is given in Charts 2.2, 2.3 and 2.4.





SECTORAL COMPOSITION OF GSDP

14. An analysis of the sectoral composition of GSDP(constant prices) shows that the share of the primary sector comprising agriculture, livestock, forestry, fishing, mining and quarrying has gone down significantly from 3.92% during 1993-94 to 1.40% during 2000-01. In contrast, the tertiary sector which is basically the services sector comprising trade, hotels and restaurants, transport, storage, communications, financing, insurance, real estate, business services, community and social and personal services, which contributed 70.47% to state economy during 1993-94, has increased its share to 78.39% during 2000-01. The share of the secondary sector comprising manufacturing, electricity, gas and water supply and construction in the GSDP of Delhi has declined from 25.61% in 1993-94 to 20.19% during 2000-01 due to closure of polluting industrial units on environmental grounds.

Statement 2.4

SECTORAL COMPOSITION OF GSDP IN DELHI (CONSTANT PRICES)

Sector	1993-94	1999-00 (P)	2000-01 (Q)
Primary	3.92	1.51	1.40
Secondary	25.61	19.82	20.20
Tertiary	70.47	78.67	78.40
Total	100.00	100.00	100.00

15. A comparative picture regarding the shift in sectoral composition of GSDP in Delhi is available in charts 2.5 and 2.6.

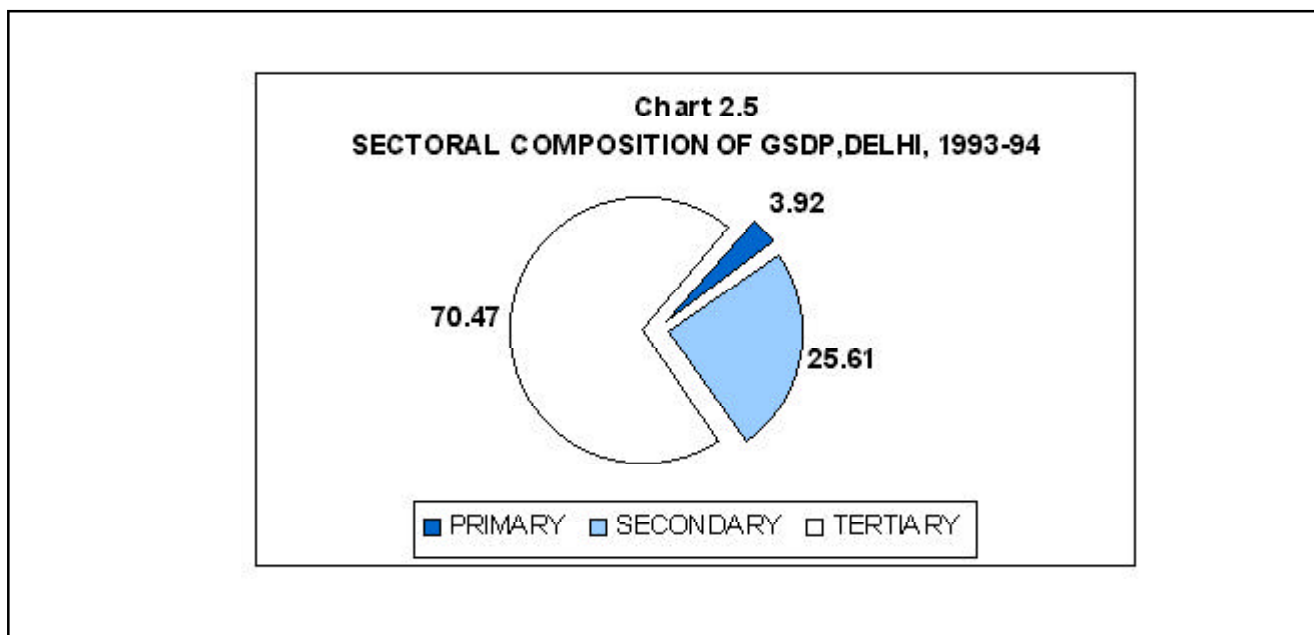


Chart 2.6
SECTORAL COMPOSITION OF GSDP, DELHI, 2000-01

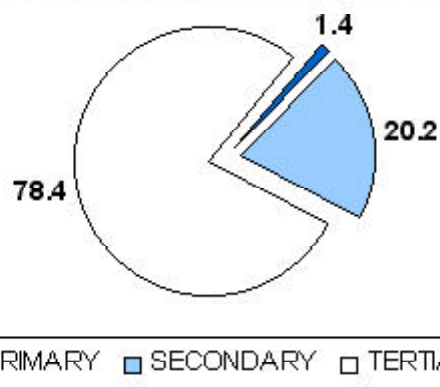


Chart 2.7
DISAGGREGATED PICTURE OF PRIMARY SECTOR
(GSDP AT CURRENT PRICES)

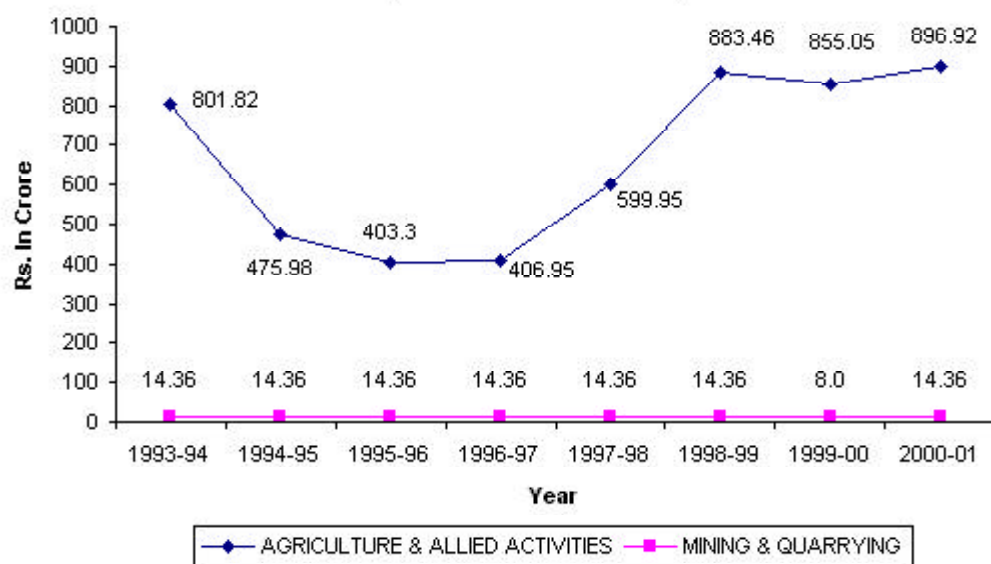


Chart 2.8
DISAGGREGATED PICTURE OF SECONDARY SECTOR
(GSDP AT CURRENT PRICES)

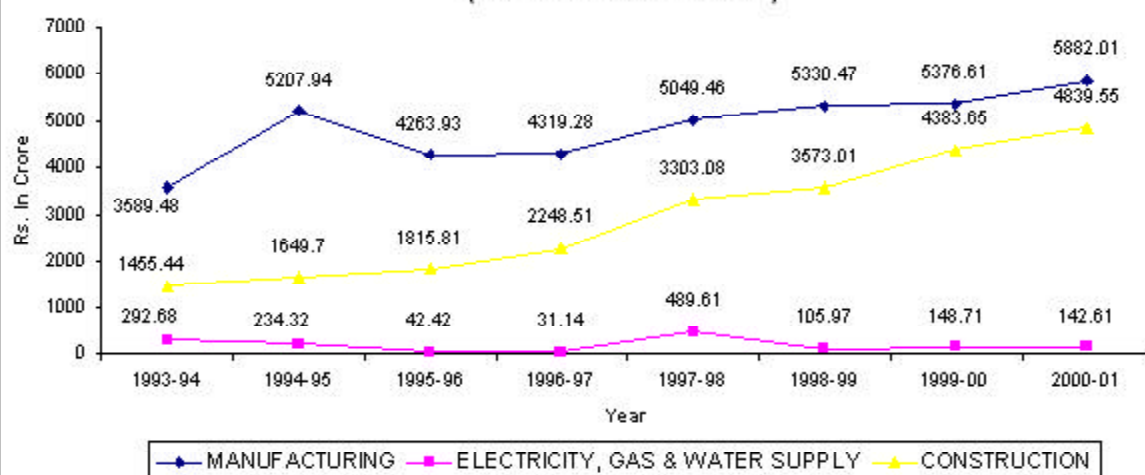


Chart 2.9
DISAGGREGATED PICTURE OF TERTIARY SECTOR
(GSDP AT CURRENT PRICES)

