

## CHAPTER 2

### STATE INCOME

#### ESTIMATES AT CURRENT PRICES

1. Delhi has a strong and vibrant economy. Gross State Domestic Product at current prices was to the tune of Rs. 66866 crores during 2001-02 depicting 7.0% growth over the previous year (Table 2.1). Quick estimates at Rs. 74474 crores for 2002-03 indicates 11.4% growth at current prices.
2. Net State Domestic Product at current prices for the year 2002-03 is estimated to touch Rs. 68747 crores indicating a growth of 11.6% over the previous year (Table 2.2)

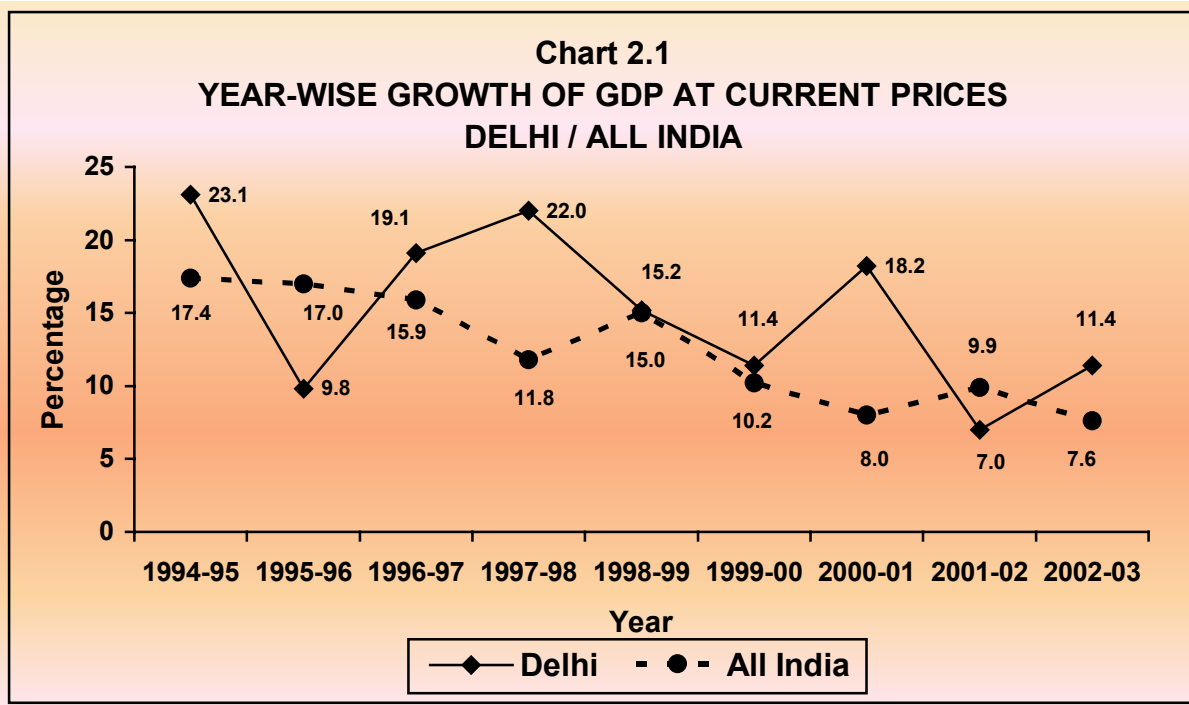
#### ESTIMATES AT 1993-94 PRICES

3. GSDP at 1993-94 prices was estimated at Rs. 40900 crores for 2001-02 indicating a real growth of 4.2% over the previous year (Table 2.3). However real annual growth for the year 2002-03 (Rs. 44135 crores) is expected to be 7.9% as compared to 4.0% at the national level.
4. NSDP at 1993-94 prices was estimated at Rs.37366 crores with 4.2% annual growth for the year 2001-02. However the annual growth for 2002-03 (Rs. 40396 crores) is expected to be at 8.1% (Table 2.4).
5. The real growth in sectoral GSDP for 2002-03 is expected to be -2.0% in the primary sector, 6.4 % in the secondary sector and 8.5 % in the tertiary sector.
6. Statement below summarizes the growth picture of SDP of Delhi for the last four years both at current and 1993-94 prices.

**Statement 2.1**

**PERCENTAGE GROWTH OVER PREVIOUS YEAR**

	1999-00	2000-01	2001-02	2002-03
<b>GSDP</b>				
1. At Current Prices	11.4	18.2	7.0	11.4
2. At 1993-94 Prices	4.6	13.6	4.2	7.9
<b>NSDP</b>				
1. At Current Prices	11.8	18.8	7.0	11.6
2. At 1993-94 Prices	4.6	14.2	4.2	8.1



## 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), Organisation for Economic Cooperation and Development (OECD), United Nations and the World Bank, the Central Statistical Organisation 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. Gross State Domestic Product of Delhi at current prices estimated at Rs.74474 crores during 2002-03, has shown an annual compound growth rate of 15.11% over the estimate of Rs. 20992 crores in 1993-94. Similarly, annual compound growth rate at 1993-94 prices has been 8.61% for the corresponding period.
8. The Net State Domestic Product at current prices for 2002-03 has been estimated of Rs. 68747 crores, indicating an annual compound growth rate of 15.38% over the corresponding estimate of Rs. 18967 crores in 1993-94. At 1993-94 prices, NSDP is projected at Rs.40396 crores in 2002-03 registering an annual compound growth rate of 8.76 %. The comparative picture of Delhi vis-a-vis All India is depicted below:

#### Statement 2.2

##### ANNUAL COMPOUND GROWTH (BETWEEN 1993-94 & 2002-03)

	DELHI	ALL INDIA
<b>GSDP/GDP</b>		
1. At Current Prices	15.11%	12.47%
2. At 1993-94 Prices	8.61%	5.98%
<b>NSDP/NNP</b>		
1. At Current Prices	15.38%	12.5%
2. At 1993-94 Prices	8.76%	5.89%

## **BOX 2.2**

### **Brief Methodology to Estimate State Domestic Product**

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

The production approach is adopted for agriculture, livestock, forestry, fishing, mining and quarrying and manufacturing (registered). In this approach, output of the relevant activities is multiplied by wholesale prices 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 the public sector, while the expenditure on construction activity in the private sector is based on the consumption of cement and steel.

The income approach is adopted for the remaining economic activities, namely manufacturing (unregistered), 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 Gross value added in the private sector, GVA per worker per annum is multiplied by the projected work force.

### **PER CAPITA INCOME**

9. According to the present series, the per capita income of Delhi at current prices is projected at Rs. 47477 in 2002-03 compared to Rs. 43751 in 2001-02 and Rs.42378 in 2000-01. The annual growth rates for 2000-01 and 2001-02 are 14.6% and 3.2% respectively. Quick Estimates indicate an annual growth of 8.5% during 2002-03. (Table 2.2)
10. The per capita income of Delhi at 1993-94 prices is projected at Rs. 27898 in 2002-03 compared to Rs. 26550 in 2001-02, registering an annual growth of 5.1% (Table 2.3). However in real terms per capita income at National level has been estimated at Rs. 10964 during 2002-03 (CSO Estimates)
11. Delhi's per capita income is more than double the national average, both at current and constant prices as indicated below:

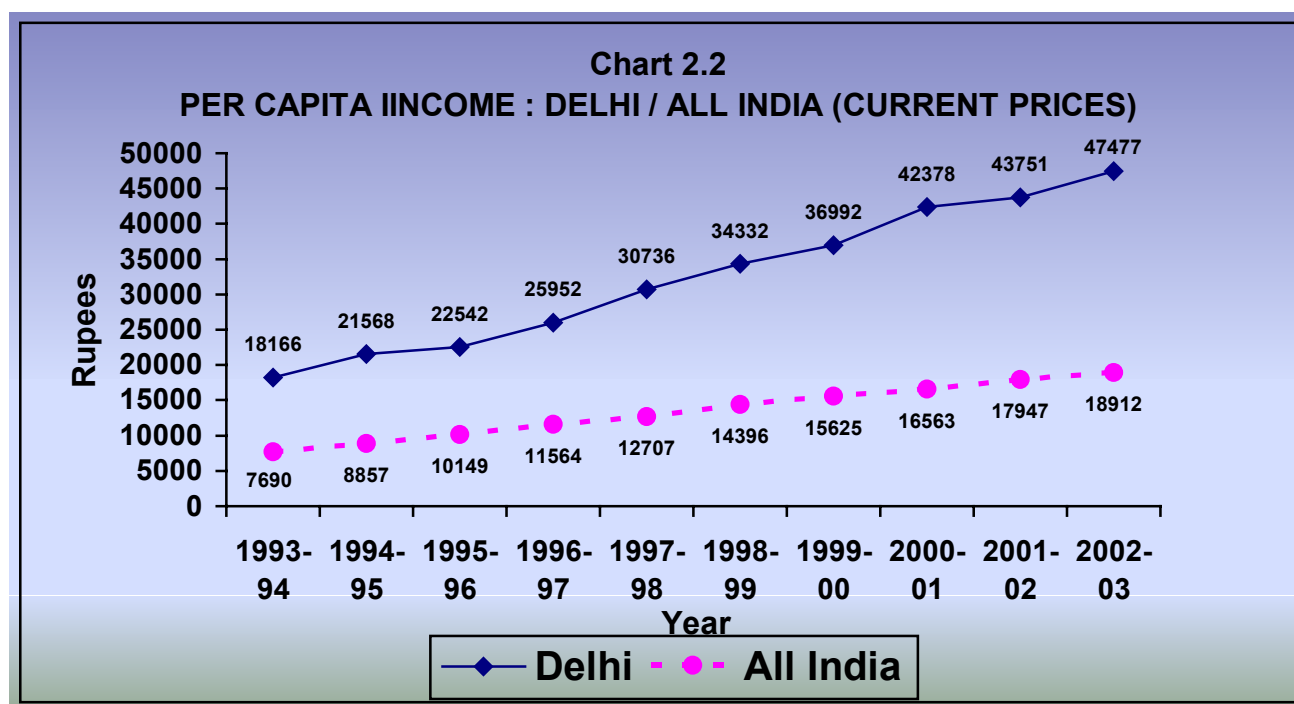
### Statement 2.3

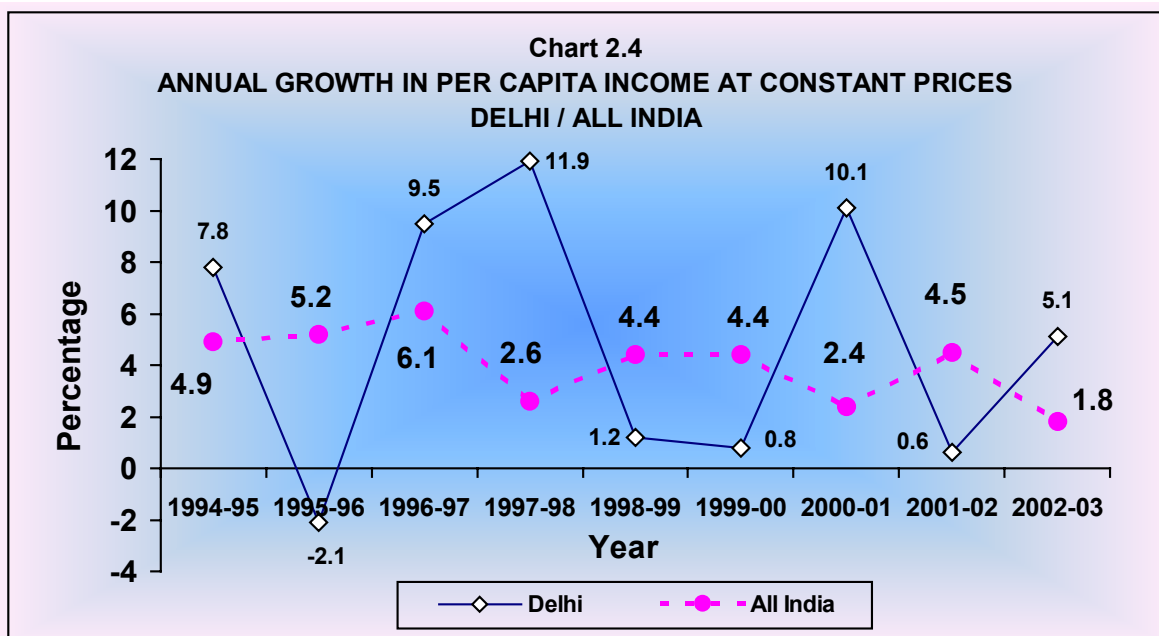
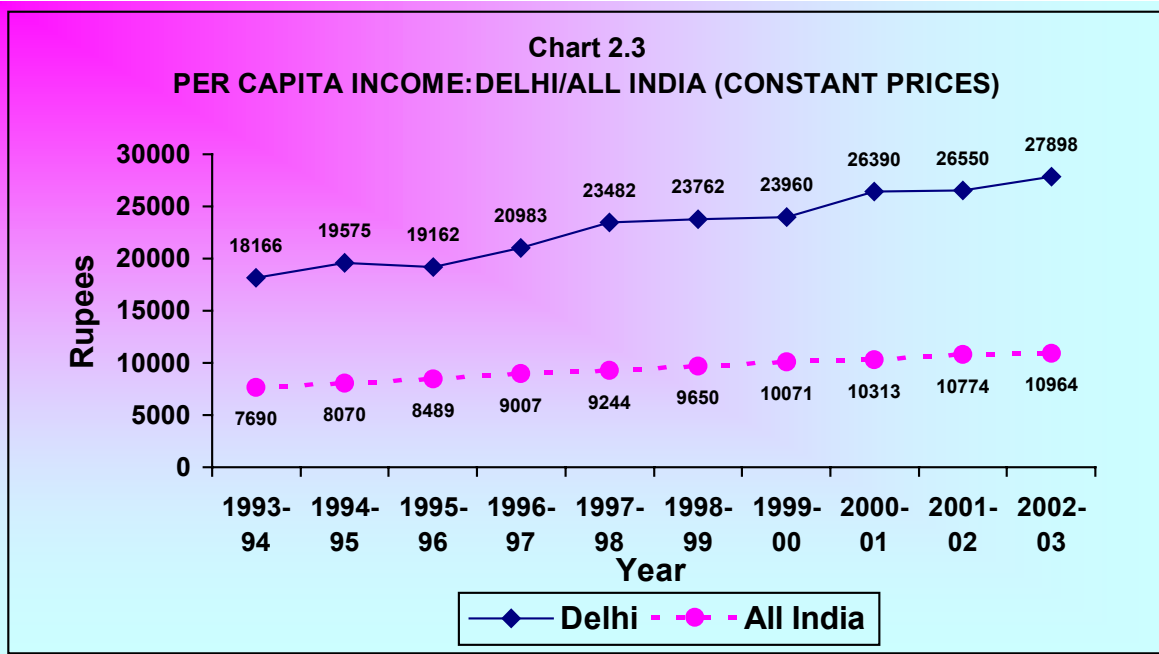
#### PER CAPITA INCOME, DELHI/ALL INDIA

	1993-94	2001-02*	2002-03#	A.C.G.R. 1993-94 to 2002-03
<b>At Current Prices</b>				
Delhi	18166	43751	47477	11.26%
All India	7690	17947	18912	10.52%
<b>At Constant (1993-94) Prices</b>				
Delhi	18166	26550	27898	4.88%
All India	7690	10774	10964	4.02%

N.B.: \* - Provisional, # - Quick, ACGR – Annual Compound Growth Rate.

12. The graphical representation is given in Charts 2.2 & 2.3 and 2.4.





### SECTORAL COMPOSITION OF GSDP

- 13.. The analysis of sectoral growth in Gross State Domestic Product at current prices reveals that contribution of primary sector comprising of agriculture, livestock, forestry, fishing,

mining & quarrying and also the secondary sector comprising of manufacturing, electricity, gas, water supply and construction is decreasing. On the contrary, the tertiary sector, also called the service sector comprising of trade, hotels and restaurants, transport, storage, communication, financing & insurance, real estate, business services, public administration and other services, is the major contributor in the economy of Delhi, enhancing regularly. The contribution of primary sector which was 3.85 % during 1993-94 has come down to 1.13% in 2002-03. Similarly the contribution of secondary sector recorded at 25.20% in the base year has also decline to 21.90% in 2002-03, on the other hand, contribution of tertiary sector worked out to 70.95% in 1993-94 has enhanced to 76.97% in 2002-03.

14. Sectoral composition of Gross State Domestic Product at 1993-94 prices also indicates the same trend as that of current prices but with slight variations in percentages. During 2002-03 contribution of primary, secondary and tertiary sector was 1.17%, 22.54% and 76.29% respectively.

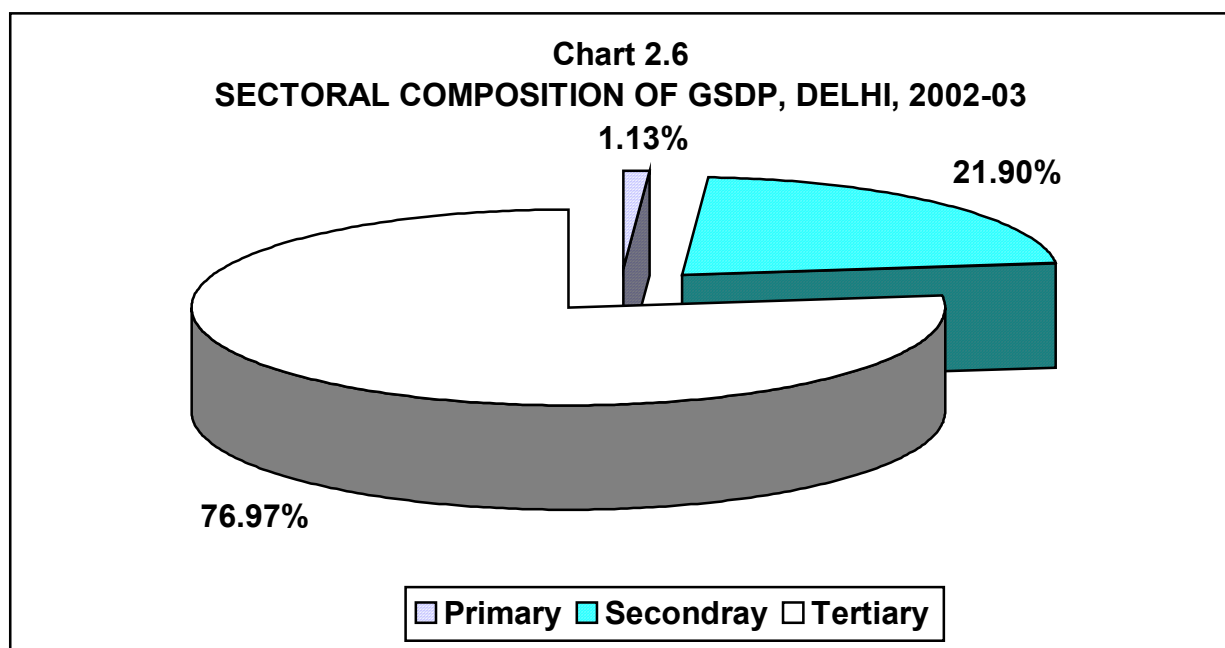
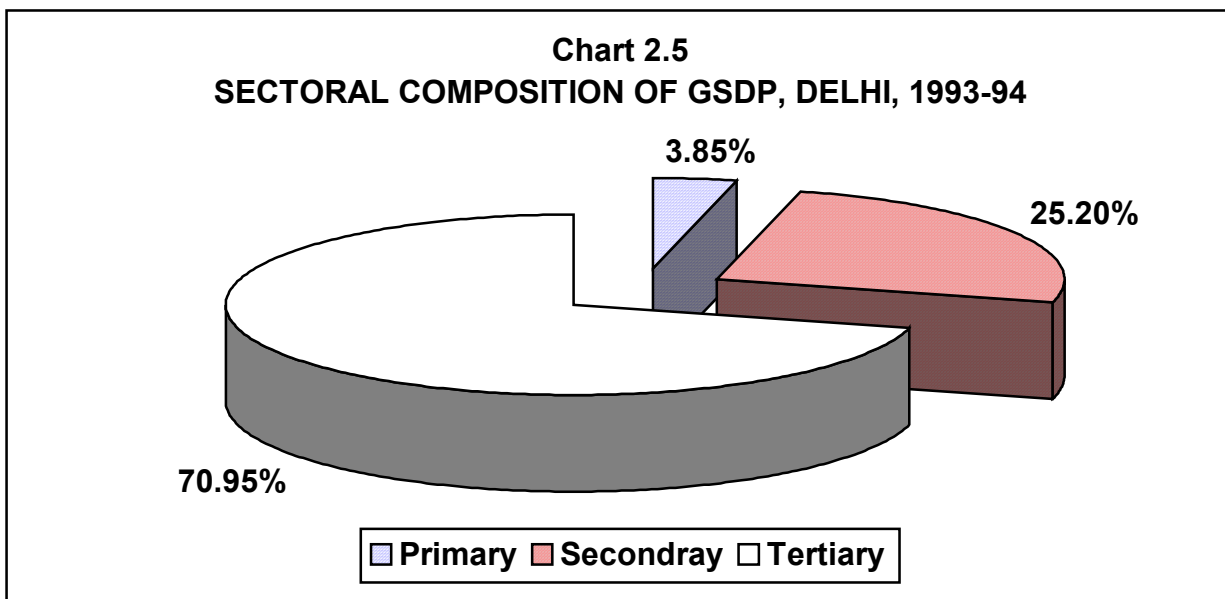
#### **Statement 2.4**

#### **SECTORAL COMPOSITION OF GSDP IN DELHI**

Sector	1993-94	2000-01		2001-02		2002-03	
		Current	Constant	Current	Constant	Current	Constant
Primary	3.85	1.29	1.37	1.23	1.29	1.13	1.17
Secondary	25.20	21.92	22.96	22.13	22.86	21.90	22.54
Tertiary	70.95	76.79	75.67	76.64	75.85	76.97	76.29
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

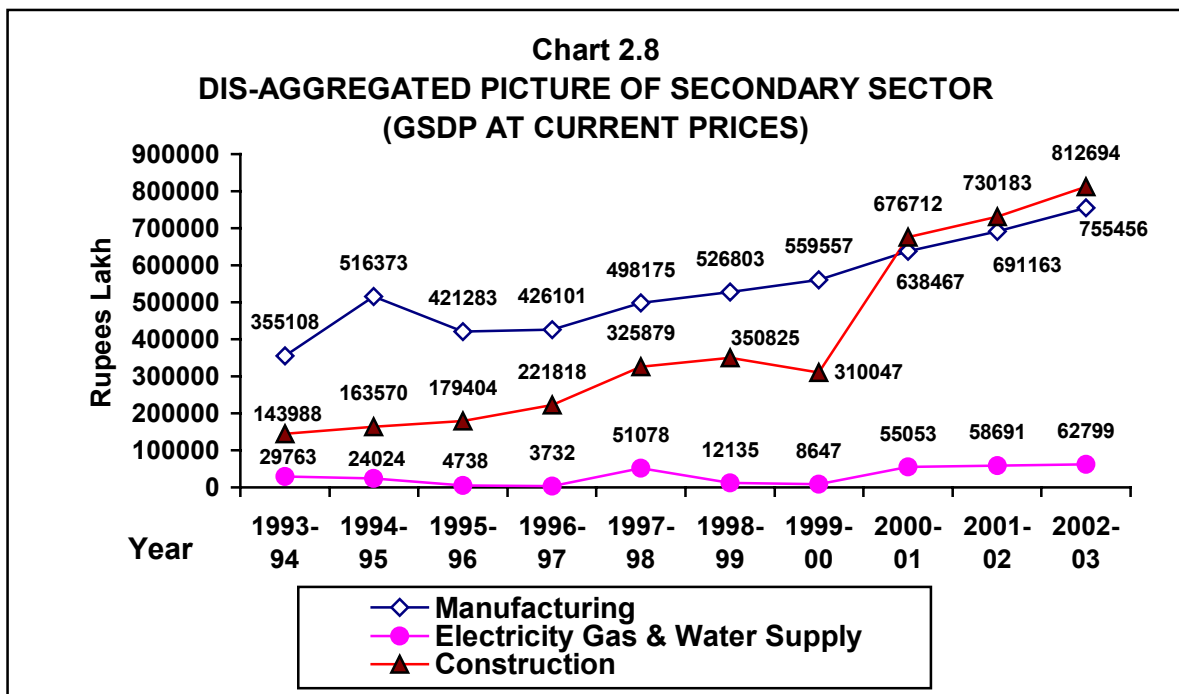
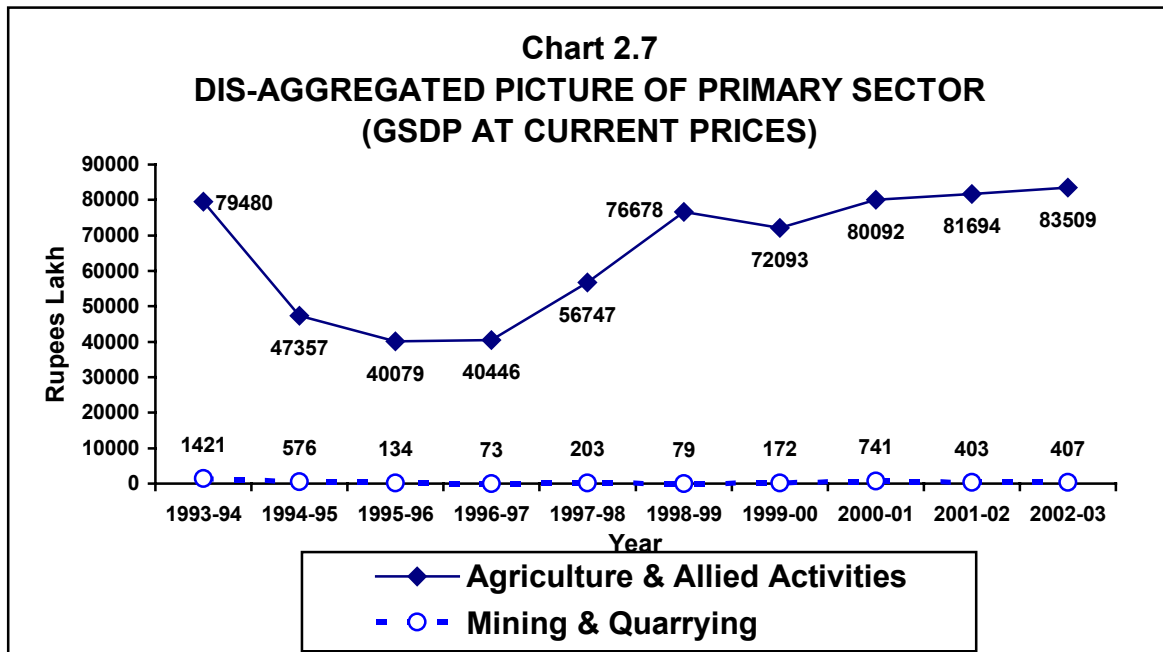
15. The reasons for change in the sectoral composition of Delhi Economy may be attributed to the rapid urbanization and consequential reduction in agricultural and allied activities on one hand and substantial increase in activities pertaining to the services sector on the other. Regular monitoring of environmental degradation by different Government agencies on the directives of hon'ble supreme court and subsequent closer of polluting industrial units also contributed to the reduction of output of secondary sector.

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





17. Disaggregated picture of Primary / Secondary / Tertiary sectors been depicted in charts 2.7, 2.8 and 2.9.



**Chart 2.9  
DIS-AGGREGATED PICTURE OF TERTIARY SECTOR  
(GSDP AT CURRENT PRICES)**

