

CHAPTER 3

STATE DOMESTIC PRODUCT

State Domestic Product means monetary value of all goods and services produced within the state, during a given period of time, usually a year, without duplication. It serves as an indicator for measuring economic prosperity of the State. 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 of Delhi at current prices estimated at ₹ 261470 crore, during 2010-11 showed a growth of 19.18 per cent over the preceding year. The quick estimates of the Gross State Domestic Product of Delhi at current prices increased to ₹ 310736 crore during 2011-12 indicating a growth of 18.84 per cent. The advance estimate of Gross State Domestic Product of Delhi during 2012-13 recorded at ₹ 365726 crore which is at a growth of 17.70 per cent over 2011-12. Net State Domestic Product of Delhi at current prices during 2010-11 was estimated at ₹ 247017 crore, recorded a growth of 19.24 per cent over the previous year. The quick estimates of the Net State Domestic Product of Delhi at current prices increased at ₹ 294242 crore during 2011-12 which is at growth of 19.12 per cent over the previous year. The advance estimate of NSDP of Delhi calculated at ₹ 347192 crore which is estimated to grow at 18.00 per cent over 2011-12.

3. Estimates at 2004-05 Prices

- 3.1 Gross State Domestic Product of Delhi at constant prices recorded at ₹185649 crore, during 2010-11 showed a growth at 9.31 per cent over the preceding year. The quick estimates of the Gross State Domestic Product of Delhi at constant prices increased to ₹ 202726 crore during 2011-12 indicating a growth of 9.20 per cent. The advance estimate of Gross State Domestic Product of Delhi at constant prices during 2012-13 recorded at ₹ 220967 crore at a growth of 9.00 per cent over 2011-12. Net State Domestic Product of Delhi at constant prices during 2010-11 was estimated at ₹ 174854 crore, recorded growth of 9.12 per cent over the previous year. The quick estimates of the Net State Domestic Product of Delhi at constant prices increased at ₹ 190800 crore during 2011-12 at a growth of 9.12 per cent over the previous year. The advance estimate of NSDP of Delhi at constant prices calculated at ₹207909 crore which is estimated to grow at 8.97 per cent over 2011-12.

- 3.2 As a general phenomenon observed in most of the urban economies, Delhi is also showing same trend of higher growth in service sector. The percentage distribution of GSDP of Delhi at constant prices (2004-05) showed a declining trend of agriculture and allied sector, marginal reduction in secondary sector and an upward trend in tertiary sector. More clearly, the percentage contribution of agriculture sector to GSDP of Delhi at constant prices (2004-05) reduced from 1.09 per cent in 2004-05 to 0.64 per cent in 2012-13. During the same period, the contribution of industrial sector to GSDP of Delhi at constant prices reduced from 18.45 per cent to 13.59 per cent. On the contrary, the percentage contribution of service sector to the GSDP of Delhi at constant prices increased from 80.46 per cent in 2004-05 to 85.77 per cent in 2012-13.
- 3.3 The information regarding the Gross State Domestic Product and Net State Domestic Product of Delhi during the last nine years both at current and 2004-05 prices is presented in Statement 3.1.

Statement 3.1
GSDP & NSDP OF DELHI – CURRENT AND 2004-05 PRICES

(₹ Crore)

Sl. No.	Years	GSDP		NSDP	
		Current	Constant (2004-05)	Current	Constant (2004-05)
1.	2004-05	100324.52	100324.52	94716.86	94716.86
2.	2005-06	115374.25	110406.07	109127.42	104473.41
3.	2006-07	135583.65	124079.58	128276.39	117444.14
4.	2007-08	157947.18	137960.86	149518.54	130683.04
5.	2008-09	189533.12	155791.09	178821.52	146961.23
6.	2009-10	219395.95	169838.98	207153.74	160244.99
7.	2010-11	261470.09	185648.53	247017.04	174854.30
8.	2011-12 (Q)	310735.76	202725.87	294241.93	190799.98
9.	2012-13 (A)	365726.26	220966.59	347191.66	207909.03

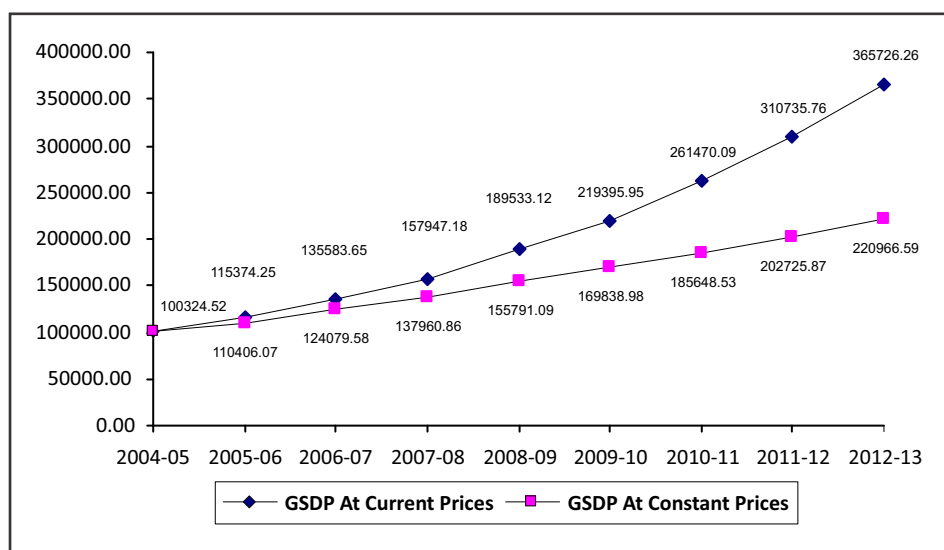
Source:- Directorate of Economics and Statistics, Government of NCT of Delhi.

Note: - Q - Quick Estimates, A - Advance Estimates.

- 3.4 GSDP of Delhi, both at current and constant price (2004-05) 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 eight years both at current and 2004-05 prices is presented in Statement 3.2.

Statement 3.2
GROWTH OF GSDP & NSDP OF DELHI – CURRENT AND CONSTANT PRICES

(In %)

Sl. No.	Years	GSDP		NSDP	
		Current	Constant (2004-05)	Current	Constant (2004-05)
1.	2005-06	15.00	10.05	15.21	10.30
2.	2006-07	17.52	12.38	17.55	12.42
3.	2007-08	16.49	11.19	16.56	11.27
4.	2008-09	20.00	12.92	19.60	12.46
5.	2009-10	15.76	9.02	15.84	9.04
6.	2010-11	19.18	9.31	19.24	9.12
7.	2011-12 (Q)	18.84	9.20	19.12	9.12
8.	2012-13(A)	17.70	9.00	18.00	8.97

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

Note:- Q - Quick Estimates, A - Advance Estimates.

- 3.6 A comparative picture of annual compound growth of GSDP and NSDP of Delhi and India, both at current and constant prices, during the Eleventh Five Year Plan is presented in Statement 3.3.

Statement 3.3
ANNUAL COMPOUND GROWTH OF GSDP & NSDP OF DELHI & INDIA DURING
2007-08 TO 2011-12

(In %)

Sl. No.	Details	Annual Compound Growth Rate	
		Delhi	India
1	Gross State Domestic Product/ Gross Domestic Product		
	a. Current Prices	18.43	16.20
	b. 2004-05 Prices	10.10	7.70
2.	Net State Domestic Product/ Net National Product		
	a. Current Prices	18.44	16.23
	b. 2004-05 Prices	9.92	7.42

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

3.7 Brief Methodology to Estimate State Domestic Product

- 3.7.1 Estimates of State Domestic Product are computed using the production approach / expenditure approach / income approach.
- 3.7.2 The production approach is adopted for agriculture, livestock, forestry, fishing, mining and quarrying & manufacturing (registered). In this approach, output of the relevant activities is multiplied by wholesale prices to arrive at estimates of State Domestic Product.
- 3.7.3 The expenditure approach is followed only for construction activity in the secondary sector. Capital expenditure including repair & maintenance and factor payments 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 five basic materials viz. (i) Cement and Cement Product, (ii) Iron and Steel, (ii) Bricks and Tiles, (iv) Timber and Round Wood and (v) Fixtures and Fittings.
- 3.7.4 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 & 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 and analyzing the Annual Accounts of Non Departmental Commercial Undertaking and Autonomous Bodies. To estimate Gross Value Added (GVA) in the private sector, GVA per worker per annum is multiplied by the projected work force.

- 3.8 This trend of decreasing share of Primary and Secondary Sectors and increasing share of Tertiary sector is attributable to:-
- decreasing rural area and cultivable area due to rapid pace of urbanization;
 - alternative uses of available agricultural and rural land providing higher return;
 - ban of setting up of Major industrial units, closing of polluting industrial unit high cost of Land, closer of industrial units from unapproved industrial areas reduced manufacturing sector contribution;
 - Better Civic Infrastructure, Transport, Communication, Trade, Storage, Health, Education and Other Facilities have promoted Tertiary sector.

4. Per Capita Income

- 4.1 The per capita income of Delhi at current prices reached at the level of ₹ 173686 in 2011-12 as compared to ₹ 148608 in 2010-11 and ₹ 127026 in 2009-10. The advance estimate of per capita income of Delhi at current prices during 2012-13 estimated at ₹ 201083. The annual growth rate of per capita income of Delhi at current prices during the last three years (2010-13) was worked out at 16.99 per cent, 16.88 per cent and 15.77 per cent to the previous years respectively.
- 4.2 The per capita income of Delhi at constant prices estimated at ₹112626 in 2011-12 as compared to ₹ 105195 in 2010-11, registering a growth at 7.06 per cent. The advance estimate of per capita income of Delhi at constant prices during 2012-13 estimated to reach at ₹ 120414.
- 4.3 Delhi's per capita income was more than double of the national average, both at current and constant prices. The information regarding per capita income of Delhi and India during the last nine years is presented in Statement 3.4.

Statement 3.4
PER CAPITA INCOME OF DELHI & INDIA DURING 2004-05 TO 2012-13

Sl. No.	Years	Delhi*		India	
		Current	Constant (2004-05)	Current	Constant (2004-05)
1.	2004-2005	63877	63877	24143	24143
2.	2005-2006	72208	69128	27131	26015
3.	2006-2007	83275	76243	31206	28067
4.	2007-2008	95241	83243	35825	30332
5.	2008-2009	111756	91845	40775	31754
6.	2009-2010	127026	98262	46249	33901
7.	2010-2011	148608	105195	54151	36342
8.	2011-2012(Q)	173686	112626	61564	38037
9.	2012-13 (A)	201083	120414	68747	39143

(In ₹)

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

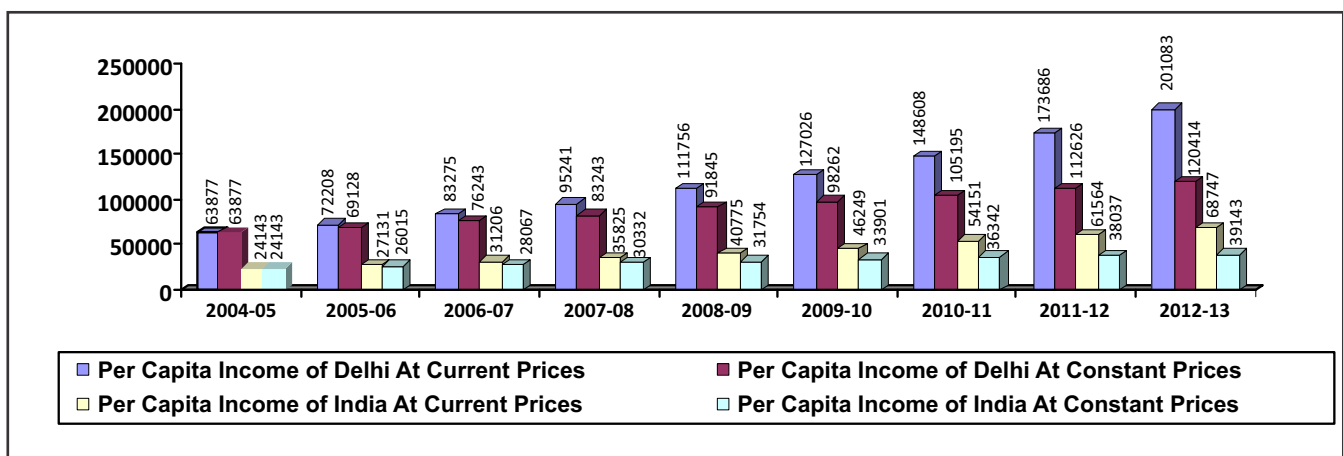
Note: - Q - Quick Estimates, A - Advance Estimates.

* Projected on the basis of provisional results of Population Census 2011.

- 4.4 It may be inferred from Statement 3.4 that the per capita income of Delhi at current prices increased from ₹ 63877 in 2004-05 to ₹ 201083 in 2012-13 recorded an annual compound growth rate at 15.41 per cent. During the same period the per capita income of Delhi at constant prices increased at 8.25 per cent per annum. The information regarding per capita income of Delhi and India during the last nine years both at current and constant prices is depicted in Chart 3.2.
- 4.5 The growth rate of per capita income of Delhi and national level both at current and constant prices is presented in Statement 3.5.

Chart 3.2
PER CAPITA INCOME OF DELHI AND INDIA

(₹)



Statement 3.5
GROWTH RATE OF PER CAPITA INCOME OF DELHI AND INDIA
FROM 2005-06 TO 2012-13

(Percent)

Sl No.	Years	Delhi		India	
		Current	Constant (2004-05)	Current	Constant (2004-05)
1	2005-2006	13.04	8.22	12.40	7.80
2	2006-2007	15.33	10.29	15.00	7.90
3.	2007-2008	14.37	9.18	14.80	8.10
4.	2008-2009	17.34	10.33	13.80	4.70
5.	2009-2010	13.66	6.99	13.40	6.80
6.	2010-2011	16.99	7.06	17.10	7.20
7.	2011-2012 (Q)	16.88	7.06	13.70	4.70
8.	2012-13 (A)	15.77	6.91	11.70	2.90

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

Note: - Q - Quick Estimates, A - Advance Estimates.

5. Sectoral Composition of GSDP

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 Domestic Product also clearly reveals this fact. The contribution of primary sector (comprising of agriculture, livestock, forestry, fishing, mining & quarrying) to the GSDP is continuously showing a deteriorating trend during the last nine years. The contribution from industrial sector also showed a declining trend at a less rate during the last nine years. The composition of State Income at current prices and constant prices (2004-05) in three different sectors viz, agriculture, industries and service sectors of Delhi during 2004-13 is presented in Statement 3.6.

Statement 3.6
SECTORAL COMPOSITION OF GSDP IN DELHI-
CURRENT AND CONSTANT (2004-05) PRICES

(₹ Crore)

Sl. No	Years	Primary		Secondary		Tertiary		Total	
		₹Crore	%	₹Crore	%	₹Crore	%	₹Crore	%
1.	2004-05								
	a. Current	1099.01	1.09	18498.76	18.45	80726.75	80.46	100324.52	100.0
	b. Constant	1099.01	1.09	18498.76	18.45	80726.75	80.46	100324.52	100.0
2.	2005-06								
	a. Current	1114.78	0.96	20489.30	17.76	93770.17	81.28	115374.25	100.0
	b. Constant	1056.97	0.95	19525.55	17.69	89823.55	81.36	110406.07	100.0
3.	2006-07								
	a. Current	1186.73	0.87	23654.19	17.45	110742.73	81.68	135583.65	100.0
	b. Constant	1069.08	0.86	20914.64	16.86	102095.86	82.28	124079.58	100.0
4.	2007-08								
	a. Current	1238.07	0.78	27732.32	17.57	128976.79	81.65	157947.18	100.0
	b. Constant	1039.07	0.75	21978.91	15.93	114942.88	83.32	137960.86	100.0

Sl. No	Years	Primary		Secondary		Tertiary		Total	
		₹Crore	%	₹Crore	%	₹Crore	%	₹Crore	%
5.	2008-09								
	a. Current	1340.55	0.70	31805.91	16.78	156386.66	82.52	189533.12	100.0
	b. Constant	1032.34	0.66	23254.25	14.93	131504.50	84.41	155791.09	100.0
6.	2009-10								
	a. Current	1924.43	0.88	36779.89	16.76	180691.63	82.36	219395.95	100.0
	b. Constant	1308.65	0.77	24530.02	14.43	144000.31	84.80	169838.98	100.0
7.	2010-11								
	a. Current	2322.32	0.88	43883.77	16.78	215263.99	82.34	261470.09	100.0
	b. Constant	1401.20	0.75	26216.73	14.12	158030.60	85.13	185648.53	100.0
8.	2011-12 (Q)								
	a. Current	2774.04	0.89	54321.01	17.49	253640.71	81.62	310735.76	100.0
	b. Constant	1435.78	0.71	28004.69	13.81	173285.40	85.48	202725.87	100.0
9.	2012-13 (A)								
	a. Current	2813.86	0.77	64718.35	17.69	298194.06	81.54	365726.26	100.0
	a. Current	1430.34	0.64	30037.04	13.59	189499.21	85.77	220966.59	100.0

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

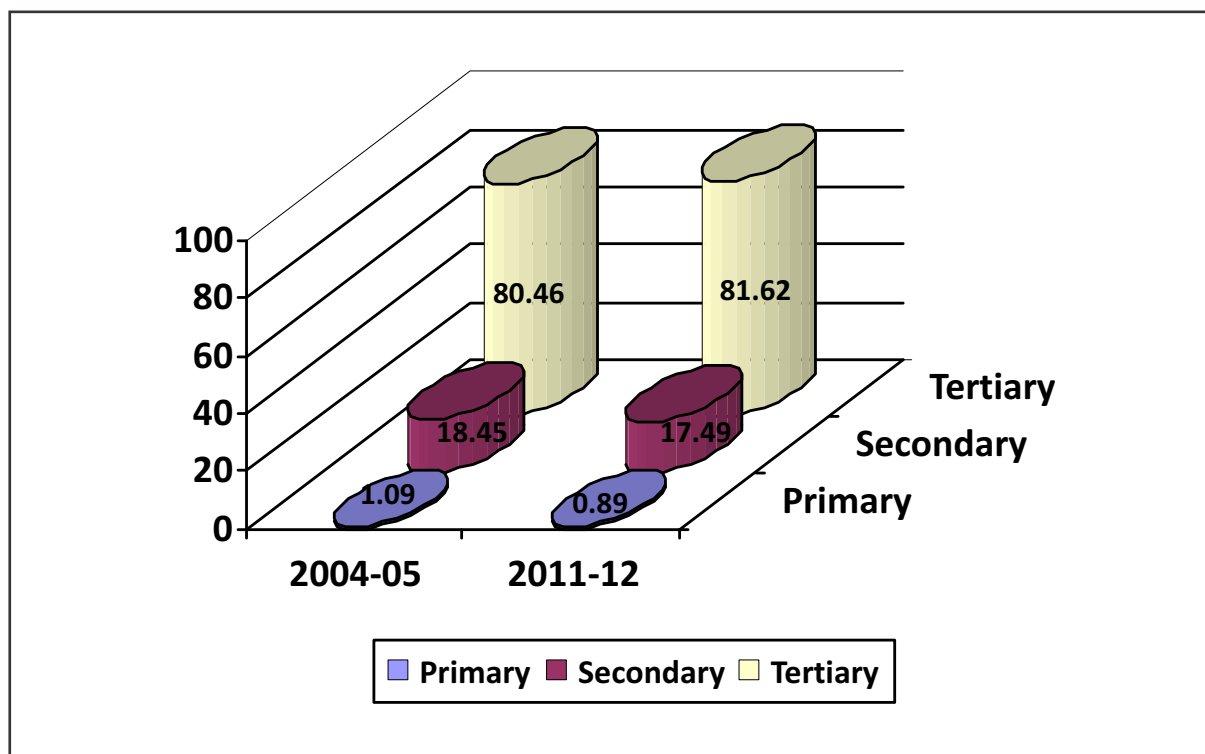
Note: - Q- Quick Estimates, A- Advance Estimates.

5.2 As evident from Statement 3.6 that more than 80 percent of the income of Delhi was from service sector, less than 20 percent from industrial sector and less than 1 percent from the primary sector. More clearly the contribution of primary sector was 1.09 per cent during 2004-05 has come down to 0.89 per cent in 2011-12 at current prices. Similarly the contribution of secondary sector recorded at 18.45 per cent in 2004-05 declined to 17.49 per cent in 2011-12 at current prices. Contrary to this, the contribution of tertiary sector to the income of Delhi enhanced from 80.46 per cent in 2004-05 to 81.62 per cent in 2011-12.

5.3 The sectoral composition of Gross State Domestic Product of Delhi During 2011-12 at current prices and constant prices (2004-05) is depicted in Chart 3.3.

Chart 3.3
SECTOR-WISE COMPOSITION OF GDP 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.