

## 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. Sectoral Composition of SDP 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 economic, 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. The contribution of NCT of Delhi in All India GVA at current prices is 3.73 percent and it ranks 12 among States and UTs at current prices during 2013-14.

### 2. Estimates at Current Prices

Gross State Domestic Product of Delhi at current prices estimated at ₹ 334915 crore, during 2012-13 showed a growth of 16.65 per cent over the preceding year. The first revised estimates of the Gross State Domestic Product of Delhi at current prices increased to ₹ 391125 crore during 2013-14 indicating a growth of 16.78 per cent. The advance estimate of Gross State Domestic Product of Delhi during 2014-15 is likely to attain a level of ₹ 451154 crore which is at a growth of 15.35 per cent over 2013-14. Net State Domestic Product of Delhi at current prices during 2012-13 was estimated at ₹ 320148 crore, recorded a growth of 17.05 per cent over the previous year. The first revised estimates of the Net State Domestic Product of Delhi at current prices increased at ₹ 373441 crore during 2013-14 which is at a growth of 16.65 per cent over the previous year. The advance estimate of NSDP of Delhi is likely to attain a level of ₹ 431948 crore which is estimated to grow at 15.67 per cent over 2013-14.

### 3. Estimates at Constant Prices (Base Year 2004-05)

- 3.1 Gross State Domestic Product of Delhi at constant prices recorded at ₹ 203993 crore, during 2012-13 showed a growth at 7.21 per cent over the preceding year. The first revised estimates of the Gross State Domestic Product of Delhi at constant prices increased to ₹ 219991 crore during 2013-14 indicating a growth of 7.84 per cent. The advance estimate of Gross State Domestic Product of Delhi at constant prices during 2014-15 recorded at ₹ 238027 crore at a growth of 8.20 per cent over 2013-14. Net State Domestic Product of

Delhi at constant prices during 2012-13 was estimated at ₹ 194140 crore, recorded growth of 7.42 per cent over the previous year. The first revised estimates of the Net State Domestic Product of Delhi at constant prices increased at ₹ 208368 crore during 2013-14 at a growth of 7.33 per cent over the previous year. The advance estimate of NSDP of Delhi at constant prices calculated at ₹ 225630 crore which is estimated to grow at 8.28 per cent over 2013-14.

- 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 0.65 per cent in 2014-15. During the same period, the contribution of industrial sector to GSDP of Delhi at constant prices reduced from 18.45 per cent to 9.65 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 89.70 per cent in 2014-15.
- 3.3 The information regarding the Gross State Domestic Product and Net State Domestic Product of Delhi during the last eleven 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)

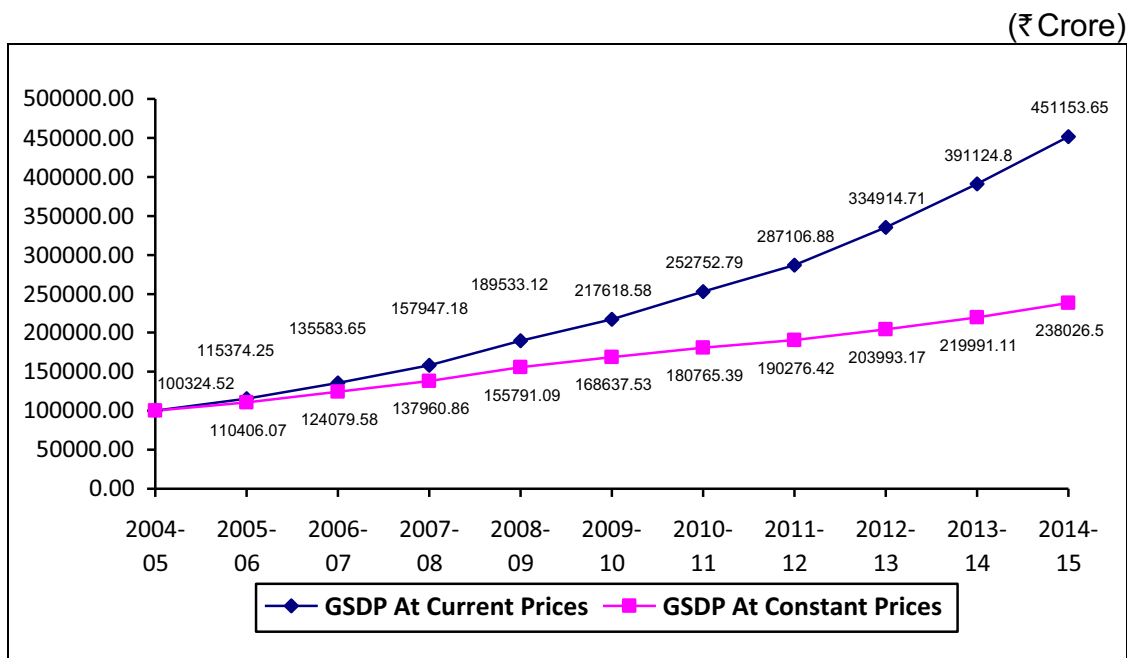
Sl. No.	Years	GSDP		NSDP	
		Current	Constant (2004-05)	Current	Constant (2004-05)
1.	2004-05	100324.52	100324.52	94716.86	94716.86
2.	2005-06	115374.25	110406.07	109127.42	104473.41
3.	2006-07	135583.65	124079.58	128276.39	117444.14
4.	2007-08	157947.18	137960.86	149518.54	130683.04
5.	2008-09	189533.12	155791.09	178821.52	146961.23
6.	2009-10	217618.58	168637.53	205376.37	159043.54
7.	2010-11	252752.79	180765.39	241233.63	172235.24
8.	2011-12 (3 <sup>rd</sup> RE)	287106.88	190276.42	273505.27	180722.23
9.	2012-13 (2 <sup>nd</sup> RE)	334914.71	203993.17	320148.27	194140.32
10.	2013-14 (1 <sup>st</sup> RE)	391124.80	219991.11	373441.07	208368.19
11.	2014-15 (AE)	451153.65	238026.50	431947.65	225629.61

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

Note: - 1st RE – First Revised Estimates, 2nd RE – Second Revised Estimates, 3rd RE – Third Revised Estimates, AE - 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**



3.5 The percentage growth of GSDP and NSDP of Delhi during the last ten 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	14.82	8.25	14.85	8.22
6.	2010-11	16.14	7.19	17.46	8.29
7.	2011-12	13.59	5.26	13.38	4.93
8.	2012-13	16.65	7.21	17.05	7.42
9.	2013-14	16.78	7.84	16.65	7.33
10.	2014-15	15.35	8.20	15.67	8.28

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

- 3.6 A comparative picture of percentage annual compound growth of GSDP and NSDP of Delhi and India, both 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 (Base Year: 2004-05)

(In %)

Sl. No.	Details	Annual Compound Growth Rate	
		Delhi	India
1	<b>Gross State Domestic Product/ Gross Domestic Product</b>		
	a. Current Prices	16.11	11.50
	b. 2004-05 Prices	8.37	7.40
2.	<b>Net State Domestic Product/ Net National Product</b>		
	a. Current Prices	16.30	15.67
	b. 2004-05 Prices	8.44	7.40

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 & Steel, (ii) Bricks & Tiles, (iv) Timber & Round Wood and (v) Fixtures & Fittings.
- 3.7.4 The income approach is adopted for the remaining economic activities, namely manufacturing (unregistered), electricity, gas & 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 defense 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:-

- i) decreasing rural area and cultivable area due to rapid pace of urbanization;
- ii) alternative uses of available agricultural and rural land providing higher return;
- iii) 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;
- iv) 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 ₹ 212219 in 2013-14 as compared to ₹ 185421 in 2012-13 and ₹ 161446 in 2011-12. The advance estimate of per capita income of Delhi at current prices during 2014-15 estimated at ₹ 240849. The annual growth rate of per capita income of Delhi at current prices during the last three years (2012-15) was worked out at 14.85 per cent, 14.45 per cent and 13.49 per cent to the previous years respectively.

4.2 The per capita income of Delhi at constant prices estimated at ₹118411 in 2013-14 as compared to ₹ 112441 in 2012-13, registering a growth at 5.31 per cent. The advance estimate of per capita income of Delhi at constant prices during 2014-15 estimated to reach at ₹ 125809.

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 eleven years is presented in Statement 3.4.

### Statement 3.4

## PER CAPITA INCOME OF DELHI & INDIA DURING 2004-05 TO 2014-15

(In ₹)

YEAR	CURRENT PRICES (Base Year 2004-05)		CONSTANT PRICES (Base Year 2004-05)		ALL INDIA (Base Year 2011-12)	
	DELHI*	ALL INDIA	DELHI*	ALL INDIA	CURRENT PRICES	CONSTANT PRICES
2004-05	63877	24143	63877	24143	NA	NA
2005-06	72208	27131	69128	26015	NA	NA
2006-07	83275	31206	76243	28067	NA	NA
2007-08	95241	35825	83243	30332	NA	NA
2008-09	111756	40775	91845	31754	NA	NA
2009-10	125936	46249	97525	33901	NA	NA
2010-11	145129	54021	103619	36202	NA	NA
2011-12	161446	61855	106677	38048	64316	64316
2012-13	185421	67839	112441	38856	71593	66344
2013-14	212219	74380	118411	39904	80388	69959
2014-15	<b>240849</b>	<b>NA</b>	<b>125809</b>	<b>NA</b>	<b>87748</b>	<b>74104</b>

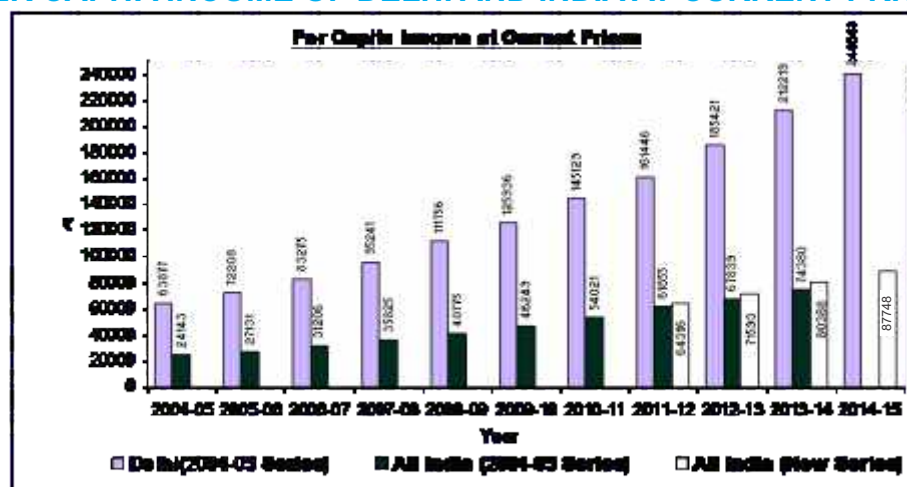
Source: - Directorate of Economics and Statistics, Government of NCT of Delhi.

\* Projected on the basis of 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 ₹ 240849 in 2014-15 recorded an annual compound growth rate at 14.19 per cent. During the same period the per capita income of Delhi at constant prices increased at 7.01 per cent per annum. The information regarding per capita income of Delhi and India during the last eleven years both at current and constant prices is depicted in Chart 3.2 and 3.3 respectively.

### Chart 3.2

## PER CAPITA INCOME OF DELHI AND INDIA AT CURRENT PRICES



**Chart 3.3**  
**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 3.5.

**Statement 3.5**  
**GROWTH RATE OF PER CAPITA INCOME OF DELHI AND INDIA FROM 2005-06 TO 2014-15**

Sl No.	Years	Delhi		India		India	
		Current	Constant (2004-05)	Current	Constant (2004-05)	Current	Constant (2011-12)
1	2005-2006	13.04	8.22	12.40	7.80	N.A.	N.A.
2	2006-2007	15.33	10.29	15.00	7.90	N.A.	N.A.
3.	2007-2008	14.37	9.18	14.80	8.10	N.A.	N.A.
4.	2008-2009	17.34	10.33	13.80	4.70	N.A.	N.A.
5.	2009-2010	12.69	6.18	13.40	6.80	N.A.	N.A.
6.	2010-2011	15.24	6.25	16.80	6.80	N.A.	N.A.
7.	2011-12	11.24	2.95	14.50	5.10	N.A.	N.A.
8.	2012-13	14.85	5.40	9.70	2.10	11.3	3.2
9.	2013-14	14.45	5.31	9.60	2.70	12.3	5.4
10.	2014-15	13.49	6.25	N.A	N.A	9.2	5.9

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

## 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 eleven years. The contribution from industrial sector also showed a declining trend at a less rate during the last eleven years. The composition of GSDP at current prices and constant prices (2004-05) in three different sectors viz, agriculture, industries and service sectors of Delhi during 2004-15 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.	<b>2004-05</b>								
	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.	<b>2005-06</b>								
	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.	<b>2006-07</b>								
	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.	<b>2007-08</b>								
	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
5.	<b>2008-09</b>								
	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.	<b>2009-10</b>								
	a. Current	1922.62	0.88	35145.94	16.15	180550.02	82.97	217618.58	100.0
	b. Constant	1306.96	0.77	23461.19	13.91	143869.38	85.32	168637.53	100.0
7.	<b>2010-11</b>								
	a. Current	2363.03	0.93	35971.46	14.23	214418.30	84.84	252752.79	100.0
	b. Constant	1410.34	0.78	21962.35	12.16	157392.70	87.06	180765.39	100.0
8.	<b>2011-12 (3<sup>rd</sup> RE)</b>								
	a. Current	2763.66	0.96	38487.16	13.40	245856.06	85.64	287106.88	100.0
	b. Constant	1423.67	0.75	20964.55	11.02	167888.20	88.23	190276.42	100.0
9.	<b>2012-13 (2<sup>nd</sup> RE)</b>								
	a. Current	3312.11	0.99	43968.00	13.14	287634.61	85.87	334914.71	100.0
	a. Current	1444.86	0.71	22117.47	10.84	180430.84	88.45	203993.17	100.0



Sl. No	Years	Primary		Secondary		Tertiary		Total	
		₹ Crore	%	₹ Crore	%	₹ Crore	%	₹ Crore	%
10.	<b>2013-14 (1<sup>st</sup> RE)</b>								
	a. Current	3767.21	0.96	48033.01	12.29	339324.58	86.75	391124.80	100.0
	b. Constant	1518.65	0.69	21813.25	9.91	196659.20	89.40	219991.11	100.0
11.	<b>2014-15 (AE)</b>								
	a. Current	3774.01	0.83	52727.03	11.69	394652.61	87.48	451153.65	100.0
	b. Constant	1562.20	0.65	22970.11	9.65	213494.19	89.70	238026.50	100.0

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

5.2 As evident from Statement 3.6 that more than 87 percent of the income of Delhi was from service sector, less than 12 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 0.83 per cent in 2014-15 at current prices. Similarly the contribution of secondary sector recorded at 18.45 per cent in 2004-05 declined to 11.69 per cent in 2014-15 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 87.48 per cent in 2014-15.

5.3 The sectoral composition of Gross State Domestic Product of Delhi During 2014-15 at current prices and constant prices (2004-05) is depicted in Chart 3.4.

**Chart 3.4**  
**SECTOR-WISE COMPOSITION OF GSDP OF DELHI AT CURRENT PRICES**

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

