

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 ₹ 686824 crore, during 2017-18 showed a growth of 11.48 per cent over the preceding year. The GSDP of Delhi at current prices increased to ₹ 774870 crore during 2018-19 indicating a growth of 12.82 per cent. The advance estimate of GSDP of Delhi during 2019-20 is likely to attain a level of ₹ 856112 crore which is at a growth of 10.48 per cent over 2018-19. Net State Domestic Product (NSDP) of Delhi at current prices during 2017-18 was estimated at ₹ 620720 crore, recorded a growth of 11.13 per cent over the previous year. The NSDP of Delhi at current prices increased to ₹ 704529 crore during 2018-19 which is at a growth of 13.50 per cent over the previous year. The advance estimate of NSDP of Delhi during 2019-20 is likely to attain a level of ₹ 779647 crore which is estimated to grow at 10.66 per cent over 2018-19.

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

- 3.1 Gross State Domestic Product of Delhi (GSDP) at constant prices recorded at ₹ 548304 crore, during 2017-18 showed a growth of 7.14 per cent over the preceding year. The GSDP of Delhi at constant prices increased to ₹ 590569 crore during 2018-19 indicating a growth of 7.71 per cent. The advance estimate of GSDP of Delhi at constant prices during 2019-20 was recorded at ₹ 634408 crore at a growth of 7.42 per cent over 2018-19. Net State Domestic Product (NSDP) of Delhi at constant prices during 2017-18 was estimated at ₹ 492395 crore, recorded a growth of 6.67 per cent over the previous year. The NSDP of Delhi at constant prices increased to ₹ 529739 crore during 2018-19 at a growth of 7.58 per cent over the previous year.

The advance estimate of NSDP of Delhi during 2019-20 at constant prices calculated at ₹ 568265 crore which is estimated to grow at 7.27 per cent over 2018-19.

- 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 increase in tertiary sector and an upward trend in secondary sector. More clearly, the percentage contribution of primary sector to GSVA of Delhi at 2011-12 prices reduced from 3.49 per cent in 2011-12 to 1.96 per cent in 2019-20. During the same period, the contribution of secondary sector to GSVA of Delhi at constant prices increased from 13.09 per cent to 13.52 per cent. On the contrary, the percentage contribution of service sector to the GSVA of Delhi at 2011-12 prices increased from 83.42 per cent in 2011-12 to 84.52 per cent in 2019-20.
- 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 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	343798	343798	314650	314650
2.	2012-13	391388	366628	357400	334193
3.	2013-14	443960	392908	404841	356528
4.	2014-15	494803	428355	448487	387639
5.	2015-16	550804	475623	500524	431730
6.	2016-17 (3 rd RE)	616085	511765	558546	461592
7.	2017-18 (2 nd RE)	686824	548304	620720	492395
8.	2018-19 (1 st RE)	774870	590569	704529	529739
9.	2019-20 (AE)	856112	634408	779647	568265

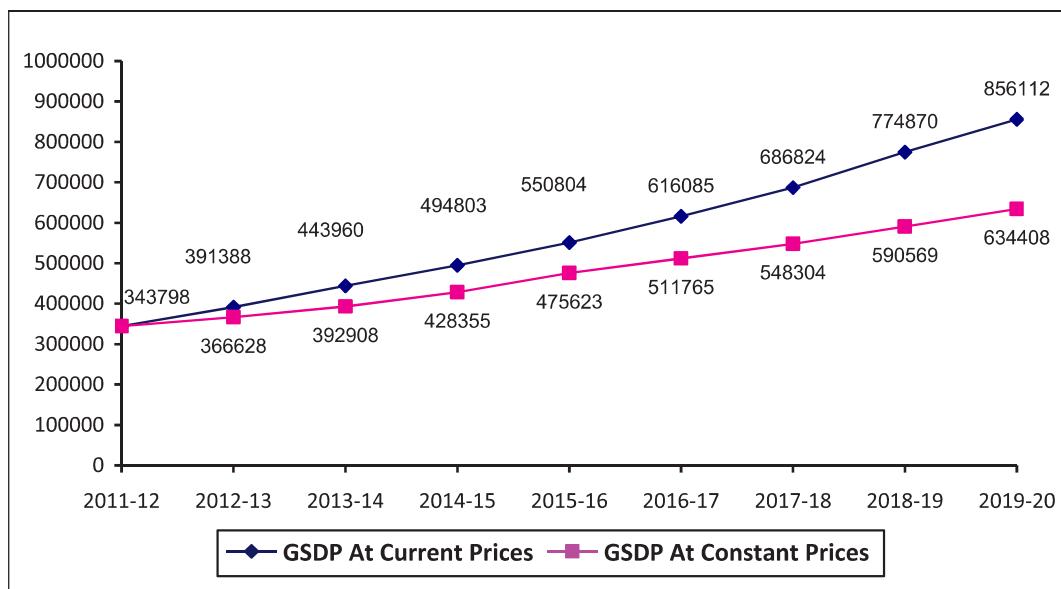
Source:- Directorate of Economics and Statistics, Government of NCT of Delhi.

Note:- (3rd RE)- Third Revised Estimates, (2nd RE) - Second Revised Estimates, (1st RE) - 1st Revised Estimates, (AE) - Advance Estimates.

3.4 GSDP of Delhi, both at current and constant prices (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 eight 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	13.84	6.64	13.59	6.21
2.	2013-14	13.43	7.17	13.27	6.68
3.	2014-15	11.45	9.02	10.78	8.73
4.	2015-16	11.32	11.03	11.60	11.37
5.	2016-17	11.85	7.60	11.59	6.92
6.	2017-18	11.48	7.14	11.13	6.67
7.	2018-19	12.82	7.71	13.50	7.58
8.	2019-20	10.48	7.42	10.66	7.27

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 enterprises 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 and other utility services. 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 sub-sectors 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 GVA for Public Sector segment are obtained through economic analysis of budget documents and 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 ₹ 358430 in 2018-19 as compared to ₹ 322000 in 2017-18 and ₹ 295558 in 2016-17. The advance estimate of per capita income of Delhi at current prices during 2019-20 estimated at ₹ 389143. The annual growth rate of per capita income of Delhi at current prices during the last eight years (2013-20) was worked out at 11.12 per cent, 10.86 per cent, 8.47 per cent, 9.32 per cent, 9.36 per cent, 8.95 per cent, 11.31 per cent and 8.57 per cent over the previous years respectively.
- 4.2 The per capita income of Delhi at constant prices estimated at ₹ 269505 in 2018-19 as compared to ₹ 255431 in 2017-18, registering a growth at 5.51 per cent. The advance estimate of per capita income of Delhi at constant prices during 2019-20 is estimated to reach at ₹ 283636, registering an annual growth of 5.24 per cent over the previous year.
- 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 nine years is presented in Statement 3.3.

Statement 3.3

PER CAPITA INCOME OF DELHI & INDIA DURING 2011-12 TO 2019-20

(In ₹)

YEAR	CURRENT PRICES (Base Year 2011-12)		CONSTANT PRICES (Base Year 2011-12)	
	DELHI*	ALL INDIA	DELHI*	ALL INDIA
2011-12	185001	63462	185001	63462
2012-13	205568	70983	192220	65538
2013-14	227900	79118	200702	68572
2014-15	247209	86647	213669	72805
2015-16	270261	94797	233115	77659
2016-17 (3 rd RE)	295558	104880	244255	83003
2017-18 (2 nd RE)	322000	115293	255431	87828
2018-19 (1 st RE)	358430	126521	269505	92085
2019-20 (AE)	389143	134432	283636	95706

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

Note:- (3rd RE)- Third Revised Estimates, (2nd RE) - Second Revised Estimates, (1st RE) - First Revised Estimates, (AE) - Advance Estimates.

* Latest Population Projections prepared by National Commission on Population have been used.

- 4.4 It may be inferred from Statement 3.3 that the per capita income of Delhi at current prices increased from ₹ 185001 in 2011-12 to ₹ 389143 in 2019-20 recorded an annual average growth rate at 9.75 per cent. During the same period the per capita income of Delhi at constant prices increased at 5.50 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 3.2.1 and 3.2.2 respectively.

Chart 3.2.1

PER CAPITA INCOME OF DELHI AND INDIA AT CURRENT PRICES

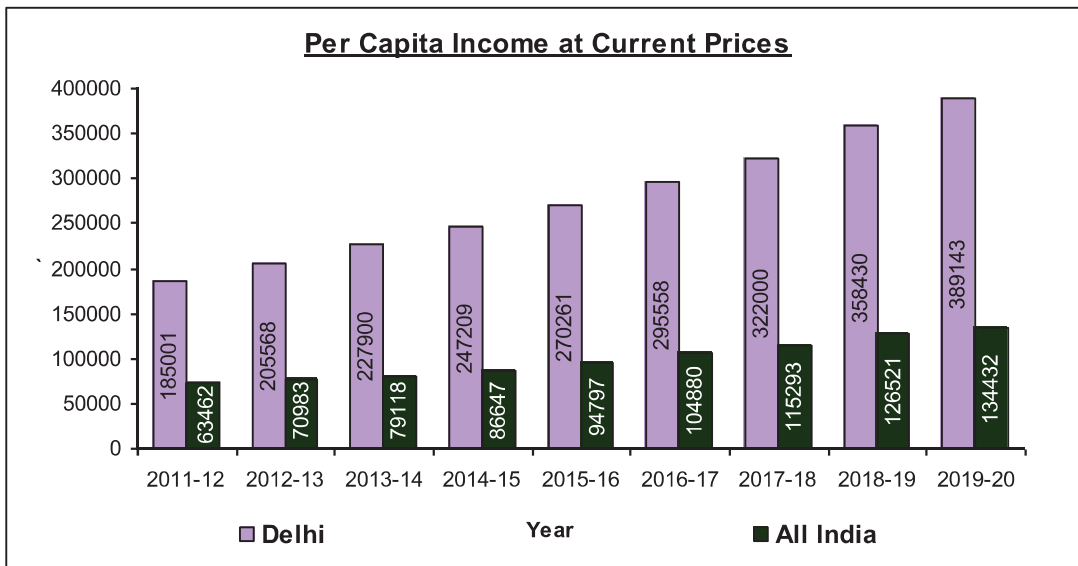
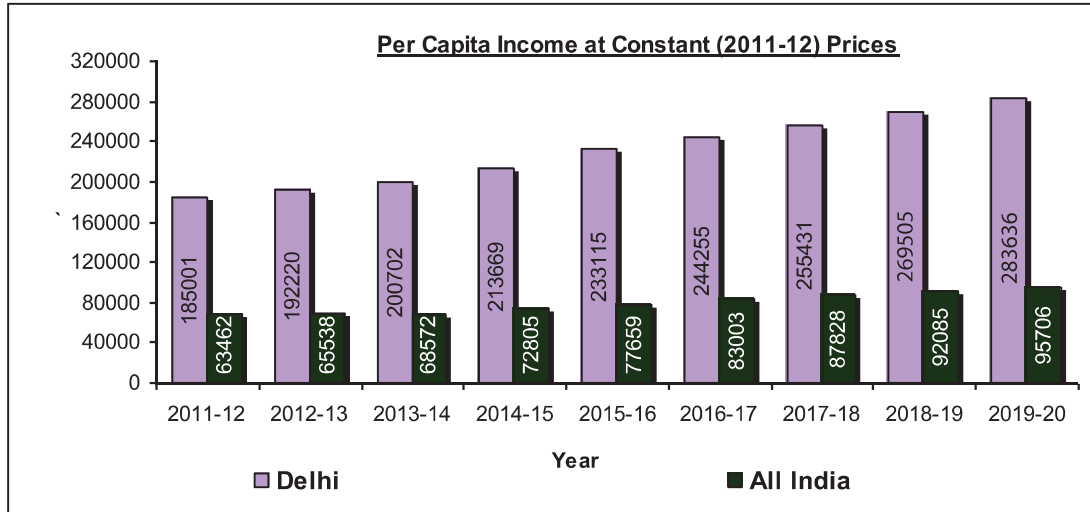


Chart 3.2.2

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 2019-20**

(Per cent)

S. No.	Years	Delhi		India	
		Current	Constant (2011-12)	Current	Constant (2011-12)
1.	2012-13	11.12	3.90	11.9	3.3
2.	2013-14	10.86	4.41	11.5	4.6
3.	2014-15	8.47	6.46	9.5	6.2
4.	2015-16	9.32	9.10	9.4	6.7
5.	2016-17	9.36	4.78	10.6	6.9
6.	2017-18	8.95	4.58	9.9	5.8
7.	2018-19	11.31	5.51	9.7	4.8
8.	2019-20	8.57	5.24	6.3	3.9

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 is from the service sector. The analysis of sector-wise contribution 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 nine years with some minor deviations. The contribution from secondary sector showed a mixed trend. The composition of GSVA at current and constant prices (2011-12) in three different sectors viz, primary, secondary and service sectors of Delhi during 2011-12 to 2019-20 is presented in Statement 3.5.

Statement 3.5

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

S. No.	Years	Primary		Secondary		Tertiary		Total	
		₹ Crore	%	₹ Crore	%	₹ Crore	%	₹ Crore	%
1	2011-12								
	a. Current	10585.42	3.49	39682.08	13.09	252964.99	83.42	303232.49	100.00
	b. Constant	10585.42	3.49	39682.08	13.09	252964.99	83.42	303232.49	100.00
2	2012-13								
	a. Current	10048.44	2.93	48498.08	14.17	284041.02	82.90	342587.54	100.00
	b. Constant	9061.01	2.82	45118.64	14.06	266752.79	83.12	320932.43	100.00
3	2013-14								
	a. Current	12741.36	3.29	54262.39	14.07	318927.16	82.64	385930.91	100.00
	b. Constant	10621.54	3.10	47802.34	13.99	283200.89	82.91	341624.77	100.00
4	2014-15								
	a. Current	12115.29	2.79	53246.72	12.26	368879.09	84.95	434241.10	100.00
	b. Constant	11129.20	2.96	45154.35	12.01	319564.22	85.03	375847.77	100.00
5	2015-16								
	a. Current	9987.11	2.09	65194.32	13.62	403600.12	84.29	478781.54	100.00
	b. Constant	11534.36	2.80	55107.47	13.41	344275.62	83.79	410917.45	100.00
6	2016-17								
	a. Current	9008.82	1.70	71615.66	13.48	450550.91	84.82	531175.39	100.00
	b. Constant	10611.73	2.42	58147.77	13.28	369230.31	84.30	437989.81	100.00
7	2017-18								
	a. Current	9775.48	1.62	81630.36	13.55	510659.40	84.83	602065.24	100.00
	b. Constant	11271.80	2.36	63648.03	13.37	401380.60	84.27	476300.42	100.00
8	2018-19								
	a. Current	10666.34	1.57	91552.18	13.44	578967.49	84.99	681186.01	100.00
	b. Constant	10118.72	1.97	69234.84	13.48	434500.95	84.55	513854.51	100.00
9	2019-20								
	a. Current	11074.92	1.47	100484.78	13.37	640133.41	85.16	751693.11	100.00
	b. Constant	10779.93	1.96	74354.49	13.52	464908.41	84.52	550042.83	100.00

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

Totals may not tally due to rounding off.

- 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 during 2011-12. More clearly, the contribution of primary sector which was 3.49 per cent during 2011-12 has come down to 1.47 per cent in

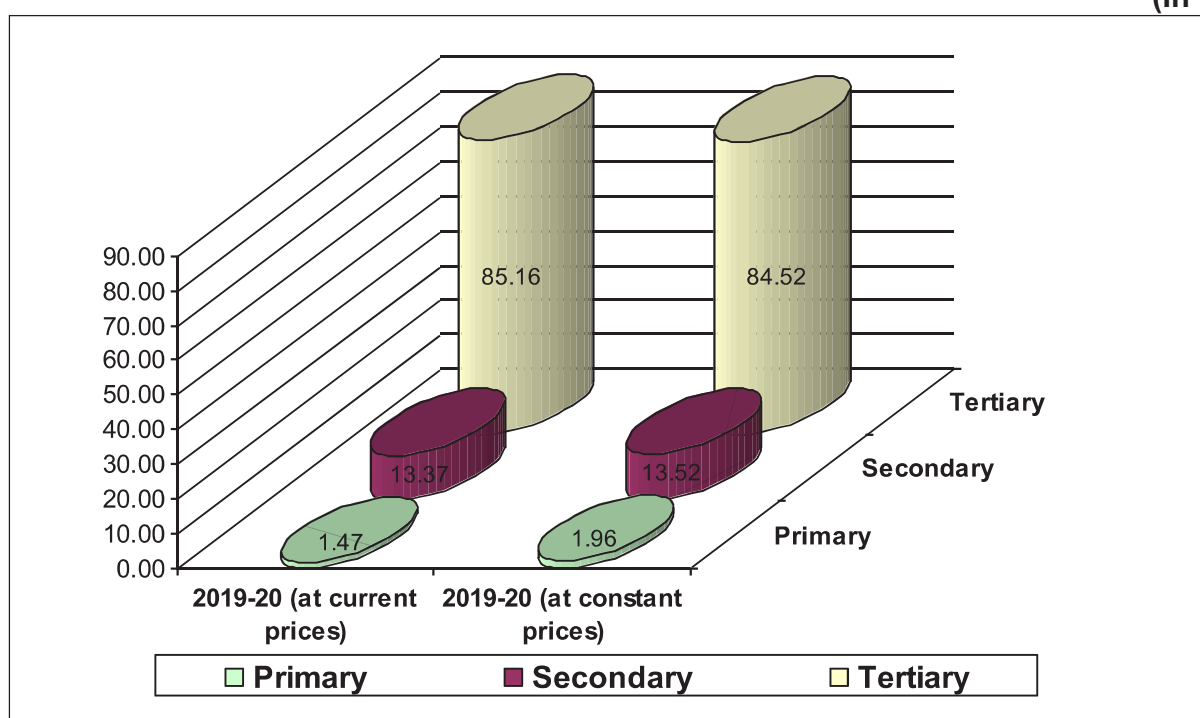
2019-20 at current prices. Contrary to this, the contribution of tertiary sector recorded at 83.42 per cent in 2011-12 increased to 85.16 per cent in 2019-20 at current prices. The contribution of secondary sector to income of Delhi increased from 13.09 per cent in 2011-12 to 13.37 per cent in 2019-20.

5.3 The sectoral composition of Gross State Value Added of Delhi during 2019-20 at current and constant prices (2011-12) is depicted in Chart 3.3.

Chart 3.3

SECTOR-WISE COMPOSITION OF GSDVA OF DELHI AT CURRENT AND CONSTANT (2011-12) 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.