CHAPTER 4

STATE DOMESTIC PRODUCT

The State Domestic Product (SDP) commonly known as State Income is one of the important indicators to measure the economic development of the State. In the context of planned economic development of the State. State Income and Per Capita Income (PCI) plays a vital role in formulation of policies by policy makers, planners and administrators. These estimates serve as an indicator to assess the status of the economy among the States in the country as well as overall impact of various developmental programmes implemented by the Government. It gives an overall picture of the economy over a period of time.

The State Domestic Product is defined as the aggregate of the economic value of all goods and services produced within the geographical boundaries of the State, counted without duplication during a specified period of time, usually a year. These estimates are prepared both at Current and Constant (base year 2011-12) prices. The State Domestic Product estimates at Current prices are obtained by evaluating the goods and services at prices prevailing during the year. The estimates of State Domestic Product at Current prices, over the time do not reveal actual economic growth because these contain the combined effect of (i) the changes in volume of goods and services (ii) the changes in the prices of goods and services. In order to eliminate the effect of price changes or inflation, the estimates of State Domestic Product are estimated by evaluating the goods and services at the prices prevailing in the base year known as estimates at constant(2011-12) prices.

For the purpose of estimation of State Domestic Product, the state economy is broadly classified into Agriculture, Industries and Services sectors. Estimates of these sectors are prepared individually by adopting one or more of the following approaches.

(i) Production.
(ii) Income Approach.
(iii) Expenditure Approach.

(i) **PRODUCTION APPROACH**

In this method, the sum of economic value of all goods and services produced within the State during the year is considered after deducting the inputs consumed in the process of production. This approach is followed in Agriculture, Livestock, Forestry, Fishing, Mining & Quarrying and Manufacturing (Registered) sectors.

(ii) **INCOME APPROACH**

The income accrued to the factors of production namely land, labour, capital and entrepreneurship in the form of rent, salaries and wages, interest and profit is taken into consideration in estimation of value added. This approach is being followed in Manufacturing (Un-registered) Electricity, Gas and Water Supply, Trade, Hotels & Restaurants, Transport, Storage and Communication, Financing, Insurance, Real Estate, Business Services, Public Administration and Other Services.

(iii) **EXPENDITURE APPROACH**

This method is based on the measurement of Income at the stage of disposal. All that produced is either ultimately consumed or part of it is saved for further consumption or future production of goods and services. Thus, the money value of consumption expenditure plus the saving gives the income. This approach is used in estimating income from Construction sector.

The Gross State Domestic Product (GSDP) is estimated by sector separately both at Current and Constant (base year 2011-12) prices.

The estimation of Net State Domestic Product (NSDP) is arrived at by deducting the Financial Intermediation Services Indirectly Measured (FISIM) and Consumption of Fixed Capital (CFC) as provided by Central Statistical Organization (C.S.O) for each sector. Sectoral aggregation of Net State Domestic Product divided by the estimated mid-financial year population, provided by the Registrar General of India, gives the Per Capita Income.

The estimates of State Domestic Product (SDP) are prepared and released by this Directorate to meet the requirements of Policy makers. The detailed methodology followed for estimating the Gross State Domestic Product (GSDP) and Net State Domestic Product (NSDP) by industry of origin with base year 2011-12 is provided by the Central Statistical Organization, New Delhi.

The Gross State Domestic Product of Primary Sector consists of Agriculture, Animal Husbandry & Veterinary Services, Fishing, Forestry and Mining & Quarrying and the Secondary Sector consists of Manufacturing-Registered, Manufacturing-Unregistered, Construction, Electricity, Gas and Water Supply. The Service Sector consists of Transport by other means, Storage, Communication, Trade, Hotels and Restaurants, Banking & Insurance, Real Estate, Ownership of Dwellings and Business Services, Public Administration and Other Services.

Gross State Domestic Product at Current and Constant (base year 2011-2012) Prices As on 01/08/2016 of A&N Islands

The estimates of Gross State Domestic Product (GSDP) over a period of time reveals the changes in the economic development. The estimates of Gross State Domestic Product (GSDP) both at current and constant (base year 2011-12) prices of Andaman and Nicobar Islands are presented in the following Table:

Statement 4.1

S. No.	Year	Current Prices (₹ in Crore)		Constant Price (₹in Crore)	
		GSDP	% of Change over previous year	GSDP	% of Change over previous year
1	2011-12	4038	--	4038	--
2	2012-13	4502	11.49	4232	4.80
3	2013-14	5162	14.66	4504	6.43
4	2014-15(P)	5745	11.29	4860	7.90

From the above table, it is noticed that GSDP at current price has been ranged from 11 to 15%, but the constant price growth had been ranged only to the extent of 5 to 8%. The average growth rate of these Islands has been observed at 4.74% during the 4 years between 2011-2012 to 2014-2015.

<u>Per Capita Net State Domestic Product and Growth in the UT</u>.

A large coastline and rich natural resources in relation to the less population in Andaman & Nicobar Islands have resulted in reasonably high per capita NSDP. During the year 2011-2012, the per capita income of this UT at Constant Price was ₹88183/- and whereas the All India Per Capita income was ₹63460. The Per Capita NSDP of this UT at current and constant prices is higher than the All India level. During the period in between (2011-12 to 2014.15), the average per capita growth of this UT was 8.44 and 3.78 at current and constant price respectively. In the contrary all India growth for the same period was 8.17 and 3.52 at current and constant price respectively.

Growth of Percapita Income in A&N Islands and All India

Statement 4.2

Year	Andaman & Nicobar Islands				All India			
	Current Price(₹)	%	Constant Price(₹)	%	Current Price(₹)	%	Constant Price(₹)	%
2011-12	88183		88183		64316		64316	
2012-13	96032	8.90	90049	2.12	71593	11.31	66344	3.15
2013-14	109788	14.32	94898	5.38	80388	12.28	69959	5.45
2014-15(P)	121954	11.08	102289	7.79	86879	8.07	72889	4.19

SECTOR WISE GSDP AS ON 01/08/2016 AT CONSTANT PRICE (BASE YEAR 2011-2012)

(₹ in Lakhs)

	Sector	2011-12	2012-13	2013-14	2014-15	% of Growth		
						2012-13	2013-14	2014-15
1	***Agriculture,Forestry & Fishing***	**59736.99**	**61238.18**	**65852.96**	**68627.89**	**2.51**	**7.54**	**4.21**
1.1	Crops	26564.66	27265.41	30195.37	31599.15	2.64	10.75	4.65
1.2	Livestock	13672.78	14179.14	15106.06	15548.19	3.70	6.54	2.93
1.3	Forestry & Logging	4043.85	3731.41	4360.71	4415.79	-7.73	16.87	1.26
1.4	Fishing	15455.70	16062.23	16190.81	17064.76	3.92	0.80	5.40
2	Mining & Quarrying	2867.17	3161.28	8341.88	14674.45	10.26	163.88	75.91
a	**Sub Total of Primary**	**62604.16**	**64399.46**	**74194.83**	**83302.34**	**2.87**	**15.21**	**12.28**
3	Manufacturing	6333.78	6371.53	6675.55	6494.62	0.60	4.77	-2.71
4	Electricity, Gas, Water Supply & Other Utility Services	15924.14	18486.58	18876.35	20926.10	16.09	2.11	10.86
4.1	Electricity,gas & Other Utility Services	13873.59	16331.09	16803.36	18462.19	17.71	2.89	9.87
4.2	Water Supply	2050.54	2155.49	2072.99	2463.91	5.12	-3.83	18.86
5	Contruction	53695.10	56388.32	61559.78	63828.42	5.02	9.17	3.69
b	**Sub Total of Secondary**	**75953.02**	**81246.43**	**87111.68**	**91249.14**	**6.97**	**7.22**	**4.75**
	Industry	**78820.19**	**84407.71**	**95453.55**	**105923.59**	**7.09**	**13.09**	**10.97**
6	Trade, Repair ,hotels and restaurants	33936.69	38820.50	45056.99	48340.81	16.52	18.18	8.89
6.1	Trade & Repaire	31581.20	36438.19	42647.50	45900.90	15.38	17.04	7.63
6.2	***Hotels & Restaraunts***	***2355.49***	***2382.31***	***2409.50***	***2439.90***	***1.14***	***1.14***	***1.26***
7	**Transport,storage & communication**	**46482.01**	**49650.12**	**52287.60**	**58860.06**	**6.82**	**5.31**	**12.57**
7.1	Railways	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.2	Transport by means other than Railways	41954.36	44914.56	46942.94	52582.28	7.06	4.52	12.01
7.2.1	Road Transport	14799.88	15649.52	17069.20	17856.07	5.74	9.07	4.61
7.2.2	***Water Transport***	***6654.09***	***7144.19***	***7324.10***	***7410.68***	***7.37***	***2.52***	***1.18***
7.2.3	Air Transport	2143.08	2449.84	2635.23	7130.52	14.31	7.57	170.58
7.2.4	Services incidental to transport	18357.31	19671.01	19914.42	20185.01	7.16	1.24	1.36
7.3	Storage	24.87	40.82	39.13	33.74	64.16	-4.13	-13.78
7.4	Communication & Services Related to Broadcasting	4502.79	4694.75	5305.52	6244.04	4.26	13.01	17.69
8	Financial Services	12774.45	11097.99	11448.20	12309.57	- 13.12	3.16	7.52
9	Real estate,ownership of dwellings and Professional services	32303.75	33160.17	34701.06	36218.72	2.65	4.65	4.37
10	Public administration	74782.82	77949.31	77080.00	84380.30	4.23	-1.12	9.47
11	Other services	64942.01	66882.30	68529.31	71307.26	2.99	2.46	4.05
c.	**Sub Total of Tertiary**	**265221.73**	**277560.40**	**289103.16**	**311416.72**	**4.65**	**4.16**	**7.72**
12	**State domestic product at basic Prices(₹ in lacs)**	**403778.91**	**423206.30**	**450409.67**	**485968.20**	**4.81**	**6.43**	**7.89**
13	Product Taxes	4416.00	5163.14	9795.45	9731.11			
14	Product Subsidies	10328.00	12781.44	10042.39	11771.40			
15	**State Domestic Product (₹ In Lakhs)**	**319133.91**	**351150.02**	**450166.22**	**485070.71**			

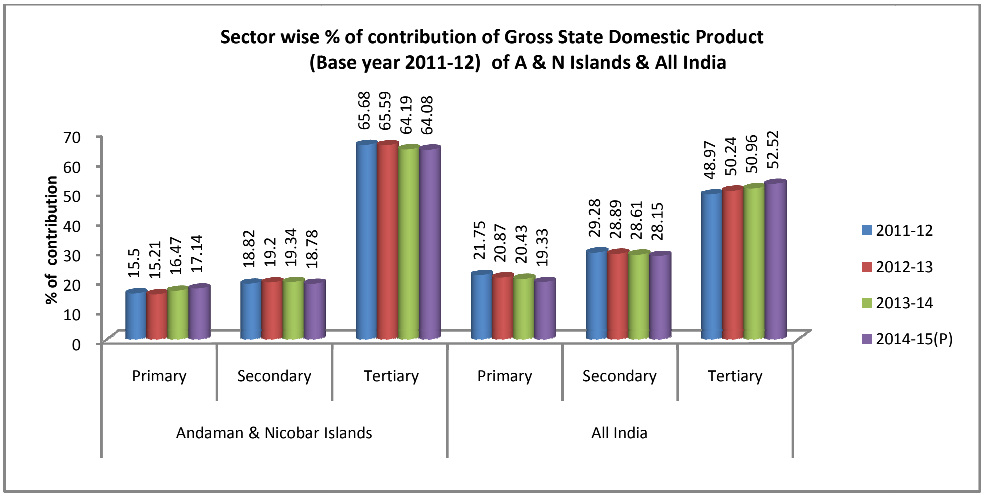
SECTOR WISE GSDP AS ON 01/08/2016 AT CURRENT PRICE
(BASE YEAR 2011-2012)

	Sector	2011-2012	2012-13	2013-14	2014-15	% of Growth		
						2012-13	2013-14	2014-15
1	***Agriculture,Forestry & Fishing***	**59736.99**	**61995.50**	**72388.92**	**76670.43**	**3.78**	**16.76**	**5.91**
1.1	Crops	26564.66	26839.05	31652.66	34026.31	1.03	17.94	7.50
1.2	Livestock	13672.78	15164.73	19073.73	19559.77	10.91	25.78	2.55
1.3	Forestry & Logging	4043.85	3903.01	4560.21	4633.68	-3.48	16.84	1.61
1.4	Fishing	15455.70	16088.70	17102.32	18450.66	4.10	6.30	7.88
2	Mining & Quarrying	2867.17	3901.08	6219.97	18738.32	36.06	59.44	201.26
a	**Sub Total of Primary**	**62604.16**	**65896.59**	**78608.89**	**95408.75**	**5.26**	**19.29**	**21.37**
3	Manufacturing	6333.78	6450.31	6683.72	6649.61	1.84	3.62	-0.51
4	Electricity, Gas, Water Supply & Other Utility Services	15924.14	17166.96	30928.39	30607.45	23.12	98.19	11.48
4.1	Electricity,gas & Other Utility Services	13873.59	14775.66	28392.92	27720.96	6.50	92.16	-2.37
4.2	Water Supply	2050.54	2391.30	2535.48	2886.50	16.62	6.03	13.84
5	Contruction	53695.10	60319.03	68031.08	69301.56	12.34	12.79	1.87
b	**Sub Total of Secondary**	**75953.02**	**83936.31**	**105643.19**	**106558.62**	**10.51**	**25.86**	**0.87**
	Industry	**78820.19**	**87837.39**	**111863.16**	**125296.94**	**11.44**	**27.35**	**12.01**
6	Trade, Repair ,hotels and restaurants	33936.69	41707.24	51311.26	56277.70	34.19	31.19	22.11
6.1	Trade & Repaire	31581.20	39107.67	48526.97	53142.63	23.83	24.09	9.51
6	***Hotels & Restaraunts***	***2355.49***	***2599.57***	***2784.29***	***3135.07***	***10.36***	***7.11***	***12.60***
7	**Transport,storage & communication**	**46482.01**	**52010.06**	**56359.50**	**69647.56**	**11.89**	**8.36**	**23.58**
7.1	Railways	0.00	0.00	0.00		0.00	0.00	
7.2	Transport by means other than Railways	41954.36	46999.29	49849.68	62059.07	12.02	6.06	24.49
7.2.1	Road Transport	14799.88	16051.56	17299.25	19312.81	8.46	7.77	11.64
7.2.2	***Water Transport***	***6654.09***	***7773.25***	***8487.99***	***9991.08***	***16.82***	***9.19***	***17.71***
7.2.3	Air Transport	2143.08	3658.85	3010.02	8380.29	70.73	-17.73	178.41
7.2.4	Services incidental to transport	18357.31	19515.63	21052.42	24374.89	6.31	7.87	15.78
7.3	Storage	24.87	42.72	41.57	40.61	71.79	-2.69	-2.30
7.4	Communication & Services Related to Broadcasting	4502.79	4968.05	6468.26	7547.89	10.33	30.20	16.69
8	Financial Services	12774.45	11323.00	12506.42	13461.87	-11.36	10.45	7.64
9	Real estate,ownership of dwellings and Professional services	32303.75	35878.64	41175.01	45499.29	11.07	14.76	10.50
10	Public administration	74782.82	85078.34	88936.23	97359.44	13.77	4.53	9.47
11	Other services	64942.01	74413.40	81647.83	90292.37	14.58	9.72	10.59
c.	**Sub Total of Tertiary**	**265221.73**	**300410.68**	**331936.25**	**372538.24**	13.27	10.49	12.23
12	**State domestic product at basic Prices(₹ in lakhs)**	**403778.91**	**450243.58**	**516188.32**	**574505.60**	**11.51**	**14.65**	**11.30**
13	Product Taxes	4416.00	5493.00	11226.00	11504.00			
14	Product Subsidies	10328.00	13598.00	11509.00	13916.00			
15	**State Domestic Product (₹In Lakhs)**	**319133.91**	**442138.58**	**515905.32**	**572093.60**	**38.54**	**16.68**	**10.89**

Sector wise % of contribution of Gross State Domestic Product (Base year 2011-12) of A & N Islands & All India

Statement 4.3

Year	At 2011-2012 Prices					
	Andaman & Nicobar Islands			All India		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
2011-12	15.50	18.82	65.68	21.75	29.28	48.97
2012-13	15.21	19.20	65.59	20.87	28.89	50.24
2013-14	16.47	19.34	64.19	20.43	28.61	50.96
2014-15(P)	17.14	18.78	64.08	19.33	28.15	52.52



In keeping with the overall trend in the country, the economic activity in this UT was dominated by the Service Sector (Tertiary) with its contribution estimated at 64% at constant price, the Secondary Sector contributes around 19% and Primary Sector is 17% of the total GSDP during 2014-15. In the above table it is observed that during last four years contribution of primary sector has gradually increased. During the last the last four years, the Primary Sector contribution has gradually increased.

At All India level, it is observed that the contribution of Service Sector is estimated at 53% where as Primary and Secondary Sector is having a contribution of just around 19% and 28% respectively. On Comparison of Sector wise Contribution of this UT with that of All India, Service Sector contribution is at higher side, while that of Primary & Secondary Sector is at lower side. This can be attributed to land submerged in Tsunami which resulted in reduction of agricultural activities also. Lower contribution of secondary sector in this UT may be due to various reasons including not much of Manufacturing activity in these islands and reduction on tree cutting has also resulted lower secondary activities, it is in wood processing and with the present restriction on the exploitation of Forests, the activity has naturally stagnated. The share of the Tertiary Sector has shown a sharp increase. A marked increase in the share of the Tertiary Sector in constant prices was particularly noted in Public Administration.

GSDP at Base Year 2004-05

The estimates of Gross State Domestic Product (GSDP) over a period of time revealed the changes in the economic development. The estimates of Gross State Domestic Product (GSDP) both at current and constant (base year 2004-2005) prices of Andaman and Nicobar Islands are presented in the following Table:

S. No.	Year	Current Prices (₹ in Crore)		Constant Price (₹ in Crore)	
		GSDP	% of Change over previous year	GSDP	% of Change over previous year
1	2004-2005	1813	--	1813	--
2	2005-2006	2044	12.74	1907	5.18
3	2006-2007	2538	24.17	2251	18.04
4	2007-2008	2990	17.81	2479	10.13
5	2008-2009	3480	16.39	2834	14.32
6	2009-2010	4120	18.39	3208	13.20
7	2010-2011	4343	5.41	3460	7.86
8	2011-2012	4994	14.99	3733	7.89

From above table, it is noticed that the GSDP at current price had ranged from 5 to 24%, but the constant price growth has been in range of 5 to 18%. The average growth rate of these Islands was 8.82% during the ten years gap between 2004-2005 to 2013-2014.

Per Capita Net State Domestic Product and Growth in the UT.

A large coastline and rich natural resources in relation to the less population in Andaman & Nicobar Islands have resulted in reasonably high per capita NSDP. During the year 2011-2012, the per capita income of this UT at Constant Price was ₹68356/- and whereas the All India Per Capita income was ₹38048/-. This UT Per capita income at constant stands at 5th Position in all over the States and UTs of India. The Per Capita NSDP of this UT at current and constant prices is higher than the All India level. During the XI Plan period (2006-2007 to 2011-2012), the per capita growth of this UT was 10.76 and 7.54 at current and constant price respectively. In the contrary all India growth for the same plan period was 14.6 and 6.27 at current and constant price respectively.

Growth of Income in A&N Islands and All India

Year	Andaman & Nicobar Islands				All India			
	Current Price(₹)	%	Constant Price(₹)	%	Current Price(₹)	%	Constant Price(₹)	%
2004-05	40921		40921		24143		24143	
2005-06	44754	9.37	41645	1.77	27131	12.38	26015	7.75
2006-07	53778	20.16	47522	14.11	31206	15.02	28067	7.89
2007-08	61430	14.23	50629	6.54	35825	14.80	30332	8.07
2008-09	69177	12.61	56304	11.21	40775	13.82	31754	4.69

2009-10	78936	14.11	61411	9.07	46249	13.42	33901	6.76
2010-11	80558	2.05	64712	5.38	54021	16.80	36202	6.79
2011-12	89642	11.28	68356	5.63	61855	14.50	38048	5.10

Statewise GSDP

Given its peculiar geographical location and structure, this UT of A&N Islands is not strictly comparable with other States and UTs in India. Although smallest among the States and UTs in terms of population, it belongs to the category of high Per Capita Income States and UTs in India. A comparison of the UT is made with the other States/UTs subject to this limitation. For this purpose, compound growth rate of GSDP and NSDP of different states along with those of all States and All India, at current and 2004-05 prices are arrived in between 2004-2005 to 2012-13 and given below:

Growth Rate of Gross and Net State Domestic Product of different States/UTs from 2004-2005 to 2012-13 with base year 2004-2005 (Percent)

S. No.	State\UT	Gross State Domestic Product (GSDP)		Net State Domestic Product (NSDP)		Per Capita Net State Domestic Product (PC-NSDP)	
		Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price
1	Andhra Pradesh	14.40	7.54	14.46	7.40	13.47	6.47
2	Arunachal Pradesh	14.52	5.60	14.68	5.46	12.35	3.32
3	Assam	11.45	5.11	11.55	4.98	10.28	3.79
4	Bihar	16.02	8.27	16.22	8.26	14.70	6.85
5	Chhattisgarh	14.62	7.13	14.30	6.23	12.36	4.43
6	Goa	14.32	9.24	14.44	9.26	11.23	6.19
7	Gujarat	14.16	8.60	14.54	8.83	13.10	7.47
8	Haryana	15.09	7.70	15.32	7.65	13.55	6.00
9	Himachal Pradesh	13.24	7.06	11.94	6.09	10.80	5.00
10	Jammu & Kashmir	12.30	5.22	11.58	4.81	10.24	3.55
11	Jharkhand	10.90	5.94	10.41	5.63	9.01	4.29
12	Karnataka	13.45	6.67	13.43	6.38	12.34	5.35
13	Kerala	12.68	7.14	12.78	7.21	12.02	6.49
14	Madhya Pradesh	14.17	7.40	14.31	7.30	12.62	5.71
15	Maharashtra	13.74	7.93	13.93	7.99	12.48	6.62
16	Manipur	10.38	4.50	10.07	4.12	7.90	2.06
17	Meghalaya	12.07	6.92	11.89	6.71	8.95	3.91
18	Mizoram	13.47	7.64	13.59	7.72	11.06	5.33
19	Nagaland	11.60	6.93	11.50	6.91	9.74	5.22
20	Odisha	14.13	6.79	13.39	5.36	12.07	4.13
21	Punjab	12.75	6.07	12.67	5.76	10.98	4.17
22	Rajasthan	15.28	6.97	15.46	6.78	13.73	5.18
23	Sikkim	22.0	14.11	22.57	13.93	21.27	12.72
24	Tamil Nadu	14.57	8.28	14.82	8.32	14.11	7.65
25	Tripura	11.57	7.45	11.89	7.44	10.71	6.31
26	Uttar Pradesh	12.98	6.07	12.99	5.80	11.18	4.10
27	Uttarakhand	17.75	11.17	17.30	10.64	15.75	9.17

28	West Bengal	12.71	5.75	12.69	5.50	11.71	4.58
29	A & N Islands	13.42	9.24	13.32	9.52	10.15	6.46
30	Chandigarh	12.75	5.95	12.52	5.45	7.48	0.72
31	Delhi	14.83	8.89	14.97	8.98	13.05	7.15
32	Puducherry	12.62	9.18	12.71	9.39	10.02	6.78
	All India	13.64	7.04	13.63	6.80	12.16	2.12

(Source:MOSPI,New Delhi)

From the above table, it may be observed that during 2004-05 to 2012-13, A&N Islands performed satisfactorily as compared to others. GSDP at Current prices grew at the rate of 13.42% in Andaman and Nicobar Islands in between 2004-05 to 2012-13 while it was 13.64% at All India level during the same period. The growth of GSDP at Current prices of A&N Islands is in 19th position in country India. Similarly, NSDP at Current prices grew at the rate of 13.32% in this UT in between 2004-05 to 2012-13 while it was 13.63% at All India level during the same period. The growth of NSDP at Current prices of A&N Islands is in 19th position in country. GSDP at Constant prices (2004-2005) grow at the rate of 9.24% in A &N Islands in between 2004-05 to 2012-13 while it was 7.04% at All India level during the same period. The growth of GSDP at Constant prices of A&N Islands is in 4th position in country India. Similarly, NSDP at Constant prices (2004-2005) grew at the rate of 9.52% in this UT in between 2004-05 to 2012-13 while it grows at the rate of 6.80 %.at All India level during the same period. The growth of NSDP at Constant prices of these Islands is in 3rd position as compared to all States & UTs of India.

The Per Capita Income at Constant prices (2004-2005) grew at the rate of 6.46% in this UT in between 2004-05 to 2012-13 while it grows at the rate of 2.12 % at All India level during the same period. The growth of Per Capita Income at Constant prices of these Islands is in 11th position as compared to all States & UTs of India. The Per Capita Income at Current prices grew at the rate of 10.15% in this UT in between 2004-05 to 2012-13 while it grows at the rate of 12.16 % at All India level during the same period. The growth of Per Capita Income at Current prices of these Islands was in 27th position as compared to all States & UTs of India . Thus it can be inferred that performance of this UT in the recent period has improved.

Plan comparison:

S. No.	Plan Period	GDP at Constant Growth
1	IX Plan 1997-98 to 2001-02 (Base year 1999-2000)	(-) 0.13%
2	X Plan 2002-03 to 2006-07 (Base year 1999-2000)	8.73%
3	XI Plan 2007-08 to 2011-12 (Base year 2004-2005)	10.65%

Growth of GSDP in different plan periods as shown in the table above indicates that during the `XI Plan period the growth was at improving trend as compared to previous plan periods.