

Report No. 9412-IN

India

1991 Country Economic Memorandum

(In Two Volumes) Volume I: Policies for Adjustment with Growth

August 23, 1991

Country Operations Division
India Country Department
Asia Region

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CURRENCY AND OTHER EQUIVALENTS

Currency

Prior to June 6, 1966:	US\$1.00 = Rs. 4.76
From June 6, 1966 to mid-December 1971:	US\$1.00 = Rs. 7.50
Mid-December 1971 to end-June 1972:	US\$1.00 = Rs. 7.28

After end-June 1972:	Floating rate
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1971/72:	7.44
1972/73:	7.71
1973/74:	7.79
1974/75:	7.98
1975/76:	8.65
1976/77:	8.94
1977/78:	8.56
1978/79:	8.21
1979/80:	8.08
1980/81:	7.89
1981/82:	8.93
1982/83:	9.63
1983/84:	10.31
1984/85:	11.89
1985/86:	12.24
1986/87:	12.79
1987/88:	12.97
1988/89:	14.48
1989/90:	16.66
1990/91:	17.95

Rate end-March 1991:	US\$1.00 = Rs. 19.62
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Rate end-June 1991:	US\$1.00 = Rs. 21.14
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Rate end-July 1991:	US\$1.00 = Rs. 25.77
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Source: IMF, International Financial Statistics (IFS), line "rf."
June 1991 and July 1991 rates are RBI's spot selling rates.

Years: The Indian fiscal year runs from April 1 through March 31.

TITLE : INDIA: POLICIES FOR ADJUSTMENT WITH GROWTH
 COUNTRY : INDIA
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<u>Report</u>	<u>TYPE</u>	<u>CLASSIFICATION</u>	<u>MM/YY</u>	<u>LANGUAGE</u>
9412-IN	CEM	Restricted	05/90	English

ABSTRACT : The oil shock resulting from developments in the Persian Gulf in 1990 precipitated an economic crisis in India. Although not as severe as those in the 1970s, the shock came after years of macroeconomic imbalances had greatly weakened the economy. And it was compounded by political instability, internal conflicts and other domestic problems which delayed corrective action and eroded the confidence of external commercial lenders. As a result, with foreign exchange reserves at a historically low level, India is now facing tremendous difficulties in managing its balance of payments. The country has been successful at maintaining its impeccable debt servicing record, but this was at the cost of engineering a severe contraction in imports that is hurting economic activities and that, unless relaxed, may severely reduce growth.

The new Government that took office on June 21, 1991 is well aware that, while essential, extricating India from its predicament requires more than fiscal adjustment measures. In its first two months in office the new Government has introduced or announced a most impressive array of policy measures aimed not only at stabilizing the economy, but also at restructuring it.

After a review of the economic and policy developments that preceded the crisis, this report analyzes the measures introduced by the new Government. Next, it emphasizes that while the impressive steps taken in the last two months have set in motion fundamental structural changes, the economic policy agenda remains formidable. Major policy reforms remain to be implemented to: (i) reduce public expenditures and increase their returns to the economy, (ii) reform the tax system with a view to reducing its dependence on trade taxes; (iii) liberalize the trade regime which is at present the single biggest obstacle to international competitiveness and higher growth in India; (iv) complete the process of industrial deregulation that begun in July 1991; (v) increase the efficiency of the financial sector; and (vi) restructure public enterprises with a view to increasing their efficiency. Finally, the report highlights that substantial donors' support will be essential if these reforms are to succeed.

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INDIA

1991 COUNTRY ECONOMIC MEMORANDUM

VOLUME I: POLICIES FOR ADJUSTMENT WITH GROWTH

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ABBREVIATIONS

BIFR	Board for Industrial and Financial Reconstruction
CPEs	Central Government Public Enterprises
CRR	Cash Reserve Ratio
EPRs	Effective Protection Rates
GDP	Gross Domestic Product
GNP	Gross National Product
GOI	Government of India
IIP	Index of Industrial Production
IRDP	Integrated Rural Development Program
LPG	Liquid Petroleum Gas
MODVAT	Modified Value Added Tax
MOU	Memoranda of Understanding
MRTP	Monopolies and Restrictive Trade Practices Act
NEI	Not Elsewhere Included
NREP	National Rural Employment Program
NRI	Non-Resident Indian
PMP	Phased Manufacturing Program
RBI	Reserve Bank of India
REP	Replenishment (License)
SLR	Statutory Liquidity Ratio
SEBI	Securities and Exchange Board of India

ECONOMIC DEVELOPMENT DATA

GNP PER CAPITA IN 1989 US\$350 /a

GROSS DOMESTIC PRODUCT IN 1989/90 /b

ANNUAL RATE OF GROWTH (% 1980/81 Constant Prices)

	US\$ Bln.	%	ANNUAL RATE OF GROWTH (% 1980/81 Constant Prices)					
			60/61- 64/65	65/66- 69/70	70/71- 74/75	75/76- 79/80	81/82- 84/85	85/86- 88/89
GDP at Market Prices	265.72	100.0	5.1	3.0	2.1	3.6	5.3	5.9
Gross Domestic Investment	62.65	23.6	9.0	1.8	5.0	4.9	4.0	7.5
Gross National Saving	54.39	20.5	-	-	-	-	3.5	6.4
Current Account Balance	8.26	3.1	-	-	-	-	-	-

OUTPUT, LABOR FORCE AND PRODUCTIVITY IN 1991

	Value added (at factor cost)		Labor Force c/		V.A. Per Worker	
	US\$ Bln.	%	Mill.	%	US\$	% of Nat. Average
Agriculture	58.9	38.0	172.7	70.6	341	53.9
Industry	40.1	25.9	31.6	12.9	1268	200.3
Services	55.9	36.1	40.3	16.5	1387	219.1
Total/Average	154.9	100.0	244.6	100.0	633	100.0

GOVERNMENT FINANCE

	General Government /d			Central Government		
	Rs. Bln.	% of GDP		Rs. Bln.	% of GDP	
	1989/90	1989/90	1985/86-1989/90	1989/90	1989/90	1985/86-1989/90
Revenue Receipts	929.09	21.0	20.8	499.96	11.3	11.1
Revenue Expenditures	1119.30	25.3	23.5	642.08	14.5	13.8
Revenue Surplus/Deficit	-190.20	-4.3	-2.7	-142.12	-3.2	-2.7
Capital Expenditures /e	278.53	6.3	7.0	237.18	5.4	5.7
External Assistance (net) /f	25.95	0.6	0.7			

MONEY, CREDIT AND PRICES

	70/71	75/76	80/81	84/85	85/86	86/87	87/88	88/89	89/90	90/91
	(Rs. billion outstanding at end of period)									
Money and Quasi Money /g	109.8	224.8	557.7	1023.6	1186.8	1407.2	1631.4	1988.5	2374.3	2732.1
Bank Credit to Government (net) /g	54.6	106.3	257.2	503.4	583.2	720.2	843.7	973.7	1180.9	1400.5
Bank Credit to Commercial Sector /g	64.6	156.2	366.4	709.5	828.0	947.4	1014.9	1326.6	1567.3	1791.3

(Percentage or Index Numbers)

Money and Quasi Money as % of GDP	27.3	30.3	41.0	44.2	45.3	48.2	49.1	50.3	53.6	53.5
Wholesale Price Index (1981/82=100)	-	-	-	120.1	125.4	132.7	143.6	154.3	165.7	182.7
Annual Percentage changes in:										
Wholesale Price Data	-	-	-	6.4	4.4	5.8	8.2	7.5	7.4	10.3
Bank Credit to Government (net) /g	15.0	22.7	28.5	23.9	15.9	23.5	17.1	15.4	21.3	18.6
Bank Credit to Commercial Sector /g	19.4	22.7	18.2	16.8	16.7	14.4	13.4	23.4	18.1	14.3

/a The per capita GNP estimate is at market prices, using World Bank Atlas methodology. Other conversions to dollars in this table are at the prevailing average exchange rate for the period covered.

/b Quick Estimates, Central Statistical Organization.

/c Total Labor Force and percentage breakdown from 1981 Census. Excludes data for Assam.

/d Transfers between Centre and States have been netted out.

/e All loans and advances to third parties have been netted out.

/f As recorded in the government budget.

/g Figures for 90/91 are preliminary estimates based on provisional data for March 23, 1990 and March 22, 1991.

<u>BALANCE OF PAYMENTS</u>	1987/88	1988/89	1989/90	1990/91
				<u>₹</u>
	(US\$ million)			
Export of Goods <u>/b</u>	12644	14262	16850	18392
Imports of Goods <u>/b</u>	19812	23626	24785	27052
Trade Balance	-7168	-9364	-7935	-8660
Non Factor Services (net)	544	731	725	695
<u>Resource Balance</u>	-6624	-8633	-7210	-7965
Interest Income (net) <u>/c</u>	-2471	-2985	-3305	-4023
Net Transfers <u>/d</u>	2698	2654	2256	2055
<u>Balance on Current Account</u>	-6397	-8964	-8259	-9933
Direct Investment	181	287	350	253
Official Loans & Grants (net)	2913	3045	3021	3241
Gross Disbursements	4017	4013	4055	4529
Amortization	1104	968	1034	1288
Private Borrowing (net)	1288	1731	1724	1425
Non-Resident Deposits	1992	2650	2341	1314
Net Transactions with IMF	-1082	-1210	-1008	1117
All other Items <u>/e</u>	1497	1392	297	813
Errors and Omissions	-731	141	-	-
Increase in Reserves	339	1432	851	1770
Gross Reserves (end of year) <u>/f</u>	6391	4959	4108	2338
Net Reserves (end of year) <u>/g</u>	2737	2594	2615	-285

Fuel and Related Materials

	1987/88	1988/89	1989/90	1990/91
Imports (Petroleum) <u>/b</u>	3148	2938	3766	5726
of which: Crude	2395	1891	2455	3238
Products	753	1047	1311	2488

RATE OF EXCHANGE

June 1966 to mid-December 1971	US\$1.00 = Rs. 7.50
Mid-December 1971 to end-June 1972	US\$1.00 = Rs. 7.28
After end-June 1972	Floating Rate
Spot rate end-March 1991	US\$1.00 = Rs. 19.62
Spot rate end-July 1991	US\$1.00 = Rs. 25.77

MERCHANDISE EXPORTS (AVERAGE 1986/87-1990/91 /b)

	US\$ mill	%
Tea	493	3.5%
Iron Ore	490	3.5%
Chemicals	1138	8.1%
Leather and Leather products	1046	7.4%
Textiles	1305	9.2%
Garments	1612	11.4%
Gems and Jewellery	2551	18.1%
Engineering Goods	1518	10.7%
Others	3971	28.1%
Total	14124	100.0%

EXTERNAL DEBT, MARCH 31, 1990

US\$ Million

Outstanding and Disbursed	63126
Undisbursed	21362
Outstanding including Undisbursed	84488

DEBT SERVICE RATIO FOR 1990/91 /a /h

28.2%

IBRD/IDA LENDING, MARCH 31, 1990

US\$ Million

	IBRD	IDA
Outstanding and Disbursed	6614	12521
Undisbursed	7426	4126
Outstanding including Undisbursed	14040	16647

/a Estimated.

/b Net of crude petroleum oil exports.

/c Figures given cover all investment income (net). Major payments are interest on foreign loans and charges paid to IMF, and major receipts is interest earned on foreign assets.

/d Figures given include workers' remittances but exclude official grant assistance which is included within official loans and grants, and non-resident deposits which are shown separately.

/e Includes short term loans, exchange rate adjustments to the valuation of reserves and financing of imbalances in rupee trade.

/f Excluding gold.

/g Exclude net use of IMF credit.

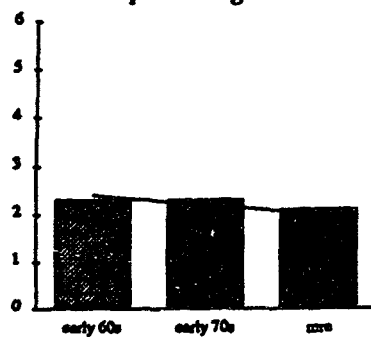
/h Amortization and interest payments on foreign loans as a percentage of total current receipts.

Social Indicators of Development, 1990

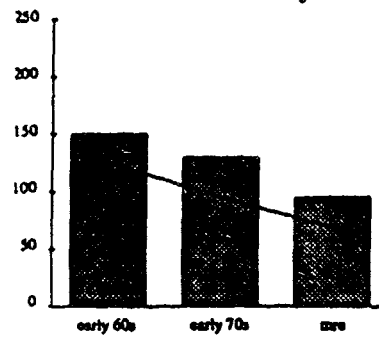
India

	Unit of measure	25-30 years ago	15-20 years ago	Most recent estimate (mre)	Same region / income group		Next higher income group
					Asia	Low-income	
HUMAN RESOURCES							
Size, growth, structure of population							
Total population (mre = 1989)	millions	487	613	633	2,593	2,945	667
14 and under	% of pop.	40.4	39.8	37.0	32.9	35.3	37.9
15-64		56.1	56.4	58.6	62.2	60.1	57.6
Age dependency ratio	unit	0.78	0.77	0.70	0.60	0.65	0.73
Percentage in urban areas	% of pop.	18.8	21.5	27.5	41.7	37.4	59.2
Females per 100 males							
Urban	number	..	86	89	..	..	..
Rural		..	95	96	..	..	..
Population growth rate							
Urban	annual %	2.3	2.3	2.1	1.8	2.0	2.1
Urban/rural growth differential	difference	3.2	3.9	3.9	5.3	5.6	3.0
Projected population: 2000	millions	1.0	2.0	2.5	6.1	5.8	1.9
Stationary population		..	..	1,007	3,080	3,620	831
Determinants of population growth		..	..	1,862	..	..	..
Fertility							
Crude birth rate	per thou. pop.	44.8	37.5	31.1	26.0	29.8	30.0
Total fertility rate	births per woman	6.23	5.35	4.09	3.20	3.80	3.87
Contraceptive prevalence	% of women 15-49	..	19.0	35.0	57.0	56.2	..
Child (0-4) / woman (15-49) ratios							
Urban	per 100 women	..	58	48	..	..	..
Rural		..	67	61	..	..	..
Mortality							
Crude death rate	per thou. pop.	20.3	15.1	11.0	8.6	9.9	8.1
Infant mortality rate	per thou. live births	149.8	129.6	95.4	58.1	69.3	52.7
Under 5 mortality rate		..	..	115.9	83.1	161.0	81.5
Life expectancy at birth: overall	years	45.2	50.4	58.5	64.4	61.9	65.2
female		44.4	49.8	58.7	65.2	62.7	67.6
Labor force (15-64)							
Total labor force	millions	207	243	317	1,250	1,371	244
Agriculture	% of labor force	72.9	70.7	..	..	..	..
Industry		11.9	12.9	..	..	..	..
Female		30.7	28.5	25.4	36.5	35.9	30.2
Females per 100 males							
Urban	number	..	81	88	..	..	..
Rural		..	96	94	..	..	..
Participation rate: overall							
female	% of labor force	41.8	39.2	39.0	50.8	49.5	38.8
male		26.5	23.2	20.5	36.7	35.0	22.6
Educational attainment of labor force							
School years completed: overall	years	0.5	..	1.9	..	..	..
male		..	..	..	..	..	..
NATURAL RESOURCES							
Area	thou. sq. km	3,288	3,288	3,288	18,406	36,997	21,088
Density	pop. per sq. km	148	187	243	136	76	30
Agricultural land	% of land area	53.9	55.0	55.1	38.4	36.1	36.9
Agricultural density	pop. per sq. km	275	339	441	354	212	82
Forests and woodland	thou. sq. km	612	656	673	4,831	9,154	6,084
Deforestation rate (net)	annual %	0.3	-0.2	0.0	-0.2	-0.3	-0.7
Access to safe water							
Urban	% of pop.	..	31.0	57.0	72.5	73.4	63.5
Rural		..	80.0	76.0	..	..	77.2
		..	18.0	50.0	..	..	46.8

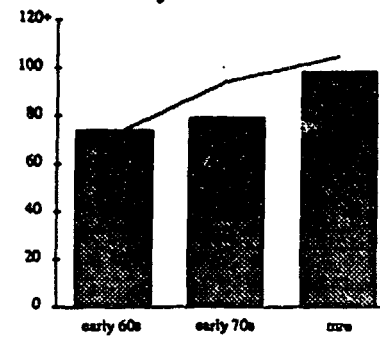
Population growth



Infant mortality



Primary school enrollment



■ India — Low-income

Social Indicators of Development, 1990

India

	Unit of measure	25-30 years ago	15-20 years ago	Most recent estimate (mre)	Same region / income group		Next higher income group
					Asia	Low-income	
INCOME AND POVERTY							
Income							
GNP per capita (mre = 1989)	US\$	90	170	340	540	330	1,320
Total household income							
Share to top 10% of households	% of income	35	34	27	..	..	..
Share to top 20% of households	"	49	49	41	..	..	..
Share to bottom 40% of households	"	17	16	20	..	..	..
Share to bottom 20% of households	"	7	6	8	..	..	..
Poverty							
Absolute poverty income: urban	US\$ per person	..	..	..	..	..	..
rural		..	..	..	..	..	..
Pop. in absolute poverty: urban	% of pop.	..	..	..	..	..	..
rural		..	..	..	..	..	..
Prevalence of malnutrition (under 5)	% of age group	..	..	49.3	..	..	..
EXPENDITURE							
Food							
Staples	% of GDP	..	43.6	35.3	..	..	..
Meat, fish, milk, cheese, eggs	"	..	20.6	12.4	..	..	..
Cereal imports	thou. metric tonnes	7,878	7,669	46	40,773	27,738	40,386
Food aid in cereals	"	..	1,108	223	3,501	7,122	7,767
Food production per capita	1979-81=100	89.6	101.0	118.4	120.8	117.8	99.9
Share of agriculture in GDP	% of GDP	44.1	40.5	30.3	23.3	32.8	15.2
Daily calorie supply	calories per person	2,103	1,945	2,104	2,412	2,342	2,741
Daily protein supply	grams per person	52	47	51	58	56	71
Housing							
Average household size	persons per household	..	5	..	..	..	..
Urban		..	5	..	..	..	..
Fixed investment: housing	% of GDP	..	2.3	2.8	..	..	..
Fuel and power							
Energy consumption per capita	kg of oil equivalent	100.1	150.5	208.1	405.5	323.8	843.7
Households with electricity	% of households	..	..	..	..	..	..
Urban		..	..	..	..	..	..
Rural		..	..	..	..	..	..
Transport and communication							
Population per passenger car	persons	1,138	807	543	..	..	30
Fixed investment: transport equipment	% of GDP	..	1.4	2.4	..	..	..
Total road length	thou. km	..	1,215	1,500	..	..	..
Population per telephone	persons	..	352	189	..	..	17
INVESTMENT IN HUMAN CAPITAL							
Medical care							
Population per: physician	persons	4,880	4,900	2,522	1,423	1,463	1,551
nurse	"	6,500	3,710	1,701	1,674	1,747	..
hospital bed	"	..	1,700	1,300	729	755	..
Access to health care	% of pop.	..	..	75.0	..	..	..
Immunized (under 12 months): measles	% of age group	..	..	17.0	44.8	43.5	62.9
DPT		..	..	58.0	52.0	41.3	65.2
Oral Rehydration Therapy use (under 5)	% of cases	..	..	22.5	27.9	21.6	27.5
Education							
Gross enrollment ratios	% of GDP	..	2.6	2.8	..	..	..
Primary: total	% of school-age group	74.0	79.0	98.0	112.7	104.3	102.0
female	"	57.0	62.0	81.0	102.4	94.7	101.1
Secondary: total	"	27.0	26.0	39.0	41.8	37.2	51.1
female	"	13.0	16.0	27.0	33.5	28.0	52.4
Tertiary: science/engineering	% of tertiary students	..	28.5	..	..	..	..
Pupil-teacher ratio: primary	pupils per teacher	42	42	59	30	29	26
secondary		21	20	21	19	18	17
Pupils reaching grade 4	% of cohort	..	51.3	58.2	68.6	67.8	..
Repeater rate: primary	% of total enrollment	19.9	17.4	..	..	..	8.6
Illiteracy rate: overall	% of pop. (age 15+)	72.2	65.9	56.5	39.5	43.4	25.4
female	% of females (age 15+)	..	..	71.1	52.2	56.5	31.6
Newspaper circulation	per thou. pop.	13.0	15.3	19.8	26.4	20.4	78.9

EXECUTIVE SUMMARY

Introduction

1. The oil shock resulting from developments in the Persian Gulf precipitated an economic crisis in India. The shock itself was not as severe as those of 1973-74 or 1979-80, but it came after years of fiscal and balance of payments deficits that had greatly weakened the economy and eroded foreign confidence. Moreover, it was compounded by prolonged political uncertainty, internal conflicts and other domestic problems which delayed corrective action and added to its effects. As a result, India's creditworthiness has declined to the point where international sources of commercial credit have been cut off and, despite borrowing from the IMF, the external liquidity position is extremely tight. India, therefore, has to take strong measures to adjust the economy. The only real options are whether the adjustment is made in the context of an orderly, growth-oriented adjustment program with external financial support, or through a disorderly and painful process that will leave the country cut off from international capital markets for years to come and significantly reduce its growth.

2. The new minority Government that took office on June 21, 1991 is well aware of India's predicament. It has taken several major steps to deal with the liquidity crisis and, equally important, to reduce fiscal imbalances and begin the long-term restructuring of the economy. In July the Government devalued the rupee by 23% (in terms of rupees per dollar), introduced trade policy changes, announced a bold new industrial policy which significantly reduces restrictions on both domestic and foreign investment, liberalized and raised certain interest rates, and presented a budget intended to reduce the Central government fiscal deficit to 6.5% of GDP in 1991/92. If this promising beginning is to bear fruit, it will need to be followed by other measures over the coming months and supported by additional external assistance. Based on the measures already taken and India's announced intentions for future action, the IMF and the World Bank are preparing to provide major assistance. But additional quick-disbursing assistance will be needed from Consortium members to support India's program of structural reform.

Background to the Crisis

3. India's real GDP growth rose from under 3.5% p.a. in the 1960s and 1970s to over 5% p.a. in the 1980s. Although still below the growth rates of some East Asian countries, growth was very good by international standards and in comparison to India's past performance. Real per capita income rose by 40% in the 1980s, compared to less than 30% over the previous two decades combined, helping to make inroads into India's massive poverty. Manufacturing growth in the 1980s accelerated to 7% p.a. after years of disappointing performance; productivity growth rose by 2.9% p.a. following a long period of stagnation; and most significantly, the volume of exports began to grow at over 10% per year after the middle of the decade. All of these developments raised hopes that India had achieved a breakthrough onto a higher long-term growth path.

4. The achievements of the 1980s were based in part on gradual deregulation of industry and limited liberalization of the trade regime, which began in the late 1970s and received further impetus in 1985/86. Steady depreciation of the real exchange rate also began in 1985/86, giving a major boost to exports. But growth was also fueled by increasing public expenditure financed by unsustainable domestic and external borrowing. The central government fiscal deficit increased from about 6% of GDP at the beginning of the 1980s to 9.1% of GDP in 1989/90. Public saving fell from 3.6% of GDP in the first half of the 1980s to 2.0% in the second half. Although domestic private saving rose by 1.4% of GDP, the growing public sector deficit increasingly spilled over into the balance of payments. The current account deficit (foreign saving) increased from 1.7% of GDP in 1980/81 to 3.1% of GDP in 1989/90. Most of that increase came from unidentified imports of goods not measured in the customs statistics; by 1989/90 the statistical discrepancy was \$3.5 billion (1.3% of GDP). External debt (including NRI deposits) grew from \$20.6 billion (11.9% of GNP) in 1980/81 to \$63.1 billion (24.1% of GNP) in 1989/90. Since the relative availability of concessional aid declined, an increasing proportion of external debt was contracted on commercial terms. Hence the debt service ratio increased dramatically from 9.3% of gross current receipts in 1980/81 to 31.9% in 1986/87 and has remained above 27% despite accelerated export growth.

Developments in 1990/91

5. By the end of 1989/90 the need to reduce the unsustainable fiscal and current account deficits was widely recognized. The Government introduced a budget for 1990/91 designed to cut the central government fiscal deficit by 0.8% of GDP and also introduced a new Export-Import Policy, which contained some improvements in the trade regime. But in spite of these new initiatives, the balance of payments came under increasing strain even before the Gulf crisis because of a slowdown in export growth to hard currency areas and growing difficulties in arranging commercial borrowing. Foreign exchange reserves had fallen to 7 weeks of imports by end-July 1990, and major foreign rating agencies were already reviewing India's credit rating, which was subsequently downgraded. Higher oil prices thus hit the Indian economy when it was already on the verge of a foreign exchange liquidity crisis. The additional import costs of higher oil prices for 1990/91, based on the previous year's volume of imports, was about \$1050 million, equal to 0.4% of GDP and 4.6% of exports of goods and services. India's overall terms of trade declined by 4% in 1990/91, equivalent to a loss of 0.7% of GDP. Loss of remittances and other factors added about \$870 million to foreign exchange costs.

6. Adverse domestic developments added to India's economic problems. Disturbances in Assam and other factors led to a shortfall in domestic oil production and the need for some \$800 million worth of additional oil imports. The cost of the scheme to waive repayments on small loans to farmers and artisans grew to at least Rs 55 billion (1.0% of GDP) based on government estimates, which would make it as costly to the budget as the international oil price increase, though these costs were shared with the states and were temporarily financed by the banks which now hold claims against the government. Finally, intensified separatist conflicts, widespread civil disturbances and the fall of two governments raised expenditures, disrupted production, adversely affected

budgetary revenue, and diverted the attention of the government from economic policy issues.

7. The authorities nevertheless took several measures to counter the adverse effects of the oil crisis and other events. The National Front government imposed a 25% surcharge on petroleum products in October 1990 and in December the Janata Dal (S) government introduced additional fiscal measures and announced the government's intention to reduce the fiscal deficit to 6.5% of GDP in 1991/92 and to 3-4% within a few years. The October and December actions were unprecedented in magnitude for a set of fiscal measures taken outside the annual budget; together they were expected to mobilize additional revenue equal to 1.5% of GDP on a full-year basis. On the balance of payments front, the authorities also took several steps. In September 1990 they began to make more active use of exchange rate policy, after several months of relative inactivity. They also introduced cash margin requirements for imports and restricted the use of commercial credit for capital goods imports. In January 1991 India secured IMF financing of \$1.8 billion in the form of a drawing from the Compensatory and Contingency Financing Facility and the first tranche of a Standby. However, the Janata Dal (S) government decided to present only an interim 1991/92 budget and then resigned in March 1991, thereby precluding any further major initiatives until after elections. Elections were delayed following the assassination of Rajiv Gandhi in May, so that a new government was formed only at the end of June 1991. For a period of several critical months, therefore, major policy initiatives could not be taken.

8. Despite all the tribulations of 1990/91 overall GDP, sustained partly by a third successive good monsoon, grew by 5%. But inflation reached double digits, the central government fiscal deficit remained at 8.8% of GDP, and the balance of payments position deteriorated. Export growth also fell. In dollar terms exports grew by only 9.1%, down from an average of 19.5% p.a. in the preceding three years, while customs based imports grew by 13.2%. Much of the fall in export growth was due to the poor performance of gems and jewelry, but other important export sectors (engineering and chemicals) also slowed, and in April-May 1991 the dollar value of exports actually fell by an alarming 7.7% over the same period last year. The dollar value of imports fell even more (22.8%), perhaps indicating that the severe import curbs of the past few months have been affecting both sides of the ledger. Import growth in 1990/91 was mostly due to higher oil imports. Other imports grew by only 4.8% in nominal U.S. dollars. The current account deficit reached an all-time high of \$9.9 billion (3.5% of GDP), up from \$8.3 billion (3.1% of GDP) in 1989/90. New commercial credit completely dried up, non-resident Indian (NRI) deposits began to be withdrawn, and external reserves (excluding gold) fell below one month of imports, notwithstanding drawings of \$1.8 billion on the IMF.

Re-establishing the Foundations for Growth

9. For months the Indian authorities have been preoccupied with the immediate liquidity crisis. Successive governments have forcefully reiterated their commitment to maintaining India's impeccable debt servicing record and, through strenuous efforts including mobilization of a part of its gold stocks, India has successfully met all international payment obligations.

10. The Government is well aware, however, that the exigencies of the short-term liquidity problem must not be allowed to obscure the long-term underpinnings of the present crisis. The reform program must aim to improve the efficiency and competitiveness of the economy and to achieve the export expansion and other supply responses needed to support long-term growth and to strengthen India's creditworthiness. At the same time it is essential to share the costs of adjustment equitably and to protect the most vulnerable segments of society.

11. The new Government's recognition of the urgent need to introduce structural reforms is best reflected in the Finance Minister's Budget Speech:

Macro-economic stabilization and fiscal adjustment alone cannot suffice. They must be supported by essential reforms in economic policy and economic management, as an integral part of the adjustment process, reforms which would help to eliminate waste and inefficiency and impart a new element of dynamism to growth processes in our economy. The thrust of the reform process would be to increase the efficiency and international competitiveness of industrial production, to utilize for this purpose foreign investment and foreign technology to a much greater degree than we have done in the past, to increase the productivity of investment, to ensure that India's financial sector is rapidly modernized, and to improve the performance of the public sector, so that the key sectors of our economy are enabled to attain an adequate technological and competitive edge in a fast changing global economy. I am confident that, after a successful implementation of stabilization measures and the essential structural and policy reforms, our economy would return to a path of a high sustained growth with reasonable price stability and greater social equity.

(i) The 1991/92 Budget

12. As noted, the new Government has made a promising start on both stabilization and reform. The overall fiscal deficit target of the budget introduced on July 24, 1991 is 6.5% of GDP--a reduction of more than two percentage points of GDP from the 1990/91 likely actuals. The effort implied is all the more remarkable since only eight months of the fiscal year remained at the time of budget presentation. Most of the deficit reduction is to come through cutting non-Plan expenditure, notably fertilizer and export subsidies, transfers to the states, transfers to public enterprises, and defense spending. The latter is budgeted to decline from 3.1% of GDP to 2.8% of GDP. On the revenue side, average petroleum product prices were raised by 7% (on top of increases of 24% in October 1990 and 11% in last year's budget) to offset the effect of devaluation on the budget. Average petroleum prices are above world prices and yield revenue equivalent to 1.75% of GDP, though the pattern of price increases has further distorted relative energy prices. Corporation tax was also increased, some tariffs were lowered, and plans to transfer assets of some public enterprises to financial institutions (expected to yield proceeds equal to about 0.4% of GDP this year) were confirmed. Several concessions were given on mass consumption items (such as kerosene), and social development expenditure was largely protected.

13. The main strengths of the new eight-month budget are its overall deficit reduction target, the concentration on cutting expenditure rather than putting in place ad hoc tax measures, and the relative protection given to investment and social development outlays. Given the very short time the new Government had for preparing the budget, there are, naturally, a number of areas which will require follow up. For example, a major effort will be required to realize the revenue projections and to translate overall expenditure reduction targets into specific program cuts. Some of the revenue measures, while justified at this time because of the priority of stabilization, cannot be relied upon as long-term measures of fiscal adjustment. One-time measures like asset sales leave underlying imbalances unaffected and might better be classified as financing measures. And a major part of revenue growth will come from the decision to retain the bulk of the windfall tariff revenue gain resulting from devaluation. Projected tariff revenue will thus rise as a share of GDP in 1991/92, whereas its share should come down during the course of structural adjustment. The Government is fully aware of these issues and realizes the necessity of strengthening budgetary control mechanisms and setting in place a fiscal framework that would be supportive of the structural reforms being introduced.

(ii) Structural Reforms

14. The new industrial policy announced on the same day as the budget has eliminated investment licensing requirements for most domestic manufacturers, drastically reduced the number of industries reserved to the public sector, eliminated restrictions on investments and mergers by large concerns under the Monopolies and Restrictive Trade Practices Act, and opened up a positive list of industries in which 51% ownership by foreign companies is freely permitted. These measures go a long way toward deregulating entry and opening up the economy to increased domestic and foreign competition. However, an exit policy, which is an important complement to easing entry, has not yet been formulated, though the Government clearly recognizes the need for such a policy, and has proposed establishment of a National Renewal Fund to provide a safety net for affected workers. Sick public enterprises are also to be referred to the Board for Industrial and Financial Reconstruction. Licensing remains in force for a negative list of industries comprising about one-fifth of industrial output. Because of the balance of payments constraint, investors will still need an import license to import capital goods for projects in which the foreign exchange content is over 25% or Rs.20 million. But overall, the new industrial policy marks a fundamental break with past practice and a major step forward.

15. To strengthen the financial sector, all regulated deposit interest rates were increased by one percentage point, while interest rates on term loans have been decontrolled (subject to a floor of 15%). Interest rates on commercial bank loans had been decontrolled earlier. Measures were also taken to strengthen capital markets: interest rates for debentures (except for tax-free bonds for the public sector) were freed, mutual funds were opened up to the private sector, and full statutory powers are to be given to an independent agency to regulate securities. Finally, a high-level committee has been established to review the structure and overall functioning of the financial system and to advise the Government on reforms. It is to report within three months.

16. The new Government devalued the rupee by about 23% (in terms of rupees per dollar) in early July in order to prevent destabilizing speculation and to improve competitiveness. This brought the cumulative depreciation of the rupee against the dollar to 43% since the beginning of the year. Devaluation was followed by announcement of a new trade policy. Highlights include abolition of export subsidies, expansion and simplification of the REP (replenishment) license scheme to a uniform 30% of export value, and replacement of numerous discretionary licenses for intermediate goods and components which are now importable with fully tradable REP licenses. The Government also announced the following intended reforms: abolition of import licensing for capital goods and raw materials within three years; elimination of "canalization" (public sector monopoly imports) except for a few essential goods; review of the tariff structure; and full convertibility of the rupee on the trade account in three to five years. Although the most difficult step of tariff reduction has only begun, the new trade policy is also an important first step in structural reform.

(iii) The Future Agenda

17. While the impressive steps taken in July 1991 have set in motion major structural changes, the economic policy agenda remains formidable. As stated by the previous Finance Minister in December 1990, the central government fiscal deficit needs to be brought down to 3-4% of GDP in a few years. This implies the need for a medium term fiscal framework in which expenditure reduction and tax reform measures are planned systematically to support infrastructure development and social progress and to facilitate continued trade and tariff reforms. Expenditure reduction will require explicit measures to control growth of the government wage bill; difficult decisions to cut major projects, programs, and procurements; and withdrawal of the government from areas better left to the private sector. Tax reform is needed, most importantly to shift the incidence of taxation from tariffs (now about half of tax revenue) to domestic taxes since this will facilitate much needed tariff reductions. Revenue enhancement should be achieved by improving the system of commodity taxation (MODVAT), widening the income tax base and improving tax administration with a focus on compliance and equity considerations.

18. With the major deregulation of industrial investment, the trade regime is at present probably the single biggest long-term obstacle to international competitiveness and higher growth in India. Trade reform will involve a move to a much simpler, more transparent trade regime which is less biased against exports, with much lower and more uniform degrees of protection for different activities. The key ingredients will be removal of quantitative restrictions and phased reduction of tariff rates to levels in line with those prevalent in other countries. Trade reforms should be preannounced to minimize the danger of inappropriate investment decisions in deregulated yet often still highly protected domestic markets.

19. In the area of industrial policy reform, the major steps already taken by the new Government set the stage for further reforms to complete the process of deregulation and in particular to tackle the difficult issue of exit. Little or no progress was made in facilitating exit in the 1980s; relaxation of entry restrictions and macroeconomic adjustment will put increasing pressure on the finances of many weak firms, making reform of exit policies all the more

essential. Exit is closely related to regulation of labor -- another area where there has been little progress -- as the underlying obstacle to exit is the compulsion to protect existing jobs. Despite the obvious difficulties, these issues should receive priority in the future.

20. Financial sector reform will have to aim at increasing the efficiency of financial intermediation by introducing more competition in the banking system and the capital market. This will involve building on the progress already made in liberalizing interest rate controls; reducing involuntary financing of the budget deficit by banks; strengthening banks' capital structure and improving their efficiency and financial performance; and phasing out directed credit targets and interest subsidies in the system.

21. Public enterprise reform is closely related to structural reforms in other areas. It has to aim at limiting the scope of the public sector, eliminating public enterprises' dependence on budgetary support and guaranteed credit, and creating an effective exit mechanism for unviable ones, especially in manufacturing trade, by encouraging sale of public enterprise equity to the public. Enhanced autonomy and accountability for public enterprise management is also an important part of reform in this area.

22. Structural reforms in these and other areas will need to be closely coordinated and appropriately sequenced to maintain macroeconomic and fiscal balance. Management of structural reforms will therefore prove a challenging task. But, the potential rewards of success are enormous. India has the industrial and human resource base to match the growth performance of the successful East Asian countries. Tapping this potential requires both stabilization and fundamental reforms that, among other things, redefine the role of the state. Support for such change is growing in India but is held back by fears of the social and political costs of adjustment coupled with as yet incomplete public understanding of the depth of the economic crisis now confronting the country. India needs sustained faster growth at or above the 5.3% p.a. rate of 1980s. Its own post-Independence experience shows that much greater progress in eradicating poverty can be made at rates of growth of 5% p.a. or higher. The difference between India's pre-1980s 3.5% rate of growth and the 5.3% annual rate of the 1980s is substantial, particularly when viewed in per capita terms. As noted earlier, average income levels increased 40% in only one decade, compared to less than 30% in the previous two decades combined.

Medium Term Prospects and Financing Requirements

23. Despite some anticipated relief in its current account from lower world oil prices and the adjustments the Government is undertaking, India faces an exceedingly tight balance of payments situation currently and over the next several years. At present its access to international capital markets is severely limited and likely to remain so for a time until confidence has been rebuilt.

24. With all room for a more gradual adjustment now lost, recent policies aim at drastically reducing the current account deficit of the balance of payments in 1991/92 through export promotion and import compression, from a record \$10

billion (3.5% of GDP) in 1990/91 to \$6 billion (2.5% of GDP) in 1991/92--to be followed by a more gradual decline to about \$4.3 billion (1.6% of GDP) in 1994/95. This expected dramatic improvement in the current account notwithstanding, repayments of principal on the medium and long-term component of India's \$72 billion external debt will remain an important source of pressure on the balance of payments. Principal repayments will amount to about \$3 billion in 1991/92 and 1992/93 and about \$4 billion annually thereafter. Disbursements from the project pipeline are projected to be about \$4.6 billion in 1991/92, about \$6 billion in 1992/93 and 1993/94, and \$7 billion in 1994/95. Thus, even assuming a very modest and gradual build-up in reserves, the need for exceptional financing is projected to be \$3.7 billion in 1991/92 and \$2.8 billion in 1992/93. Considerable uncertainty attaches to these projections, depending as they do on assumptions regarding export performance and NRI and other capital flows, but the projected requirements are conservative, at least in the short run.

25. Securing exceptional financing should be feasible in the context of a medium-term adjustment program agreed with the Bank and the Fund and supported by well-coordinated additional, high-quality assistance from official creditors. Some of this exceptional financing has already been extended during the first part of 1991/92. However, even with additional support from the Fund and Bank in the form of a Fund standby arrangement and IBRD/IDA policy-based lending, substantial further contributions will be needed from bilateral donors. Given the range and depth of the reforms on which the Government is now embarking, and considering also the late date of the Consortium meeting relative to most donors' planning and budget cycle, this report recommends: (i) that each donor at the least maintain its pledge in nominal terms, at the 1990/91 level. Looking ahead to 1992/93, donors should strive to bring their pledges in real terms back to their 1988/89 level. This would require donors to increase their pledges by about 10% in relation to their 1990/91 levels. (ii) Bilateral donors should increase quick-disbursing assistance in support of stabilization and structural reform, particularly in 1991/92 but also in the next three to four years. It would be essential that at least one-third of the amount pledged for 1991/92 be for quick disbursing assistance in that year. (iii) Bilateral donors should reconfirm and, where possible, increase their export credit agencies' cover and dedicate it to the support of India's high-priority projects and programs. In appropriate cases donors should be prepared to support the use of limited competitive bidding. (iv) Donors should review their portfolios to reexamine the continued relevance of their assistance in the adjustment process with a view to redeploying resources to higher priority, fast disbursing programs.

26. India no longer has soft options. Trade-offs between cutting expenditure and raising taxes and between restraining defense expenditures and slowing spending on social programs and/or infrastructural investment will require hard choices. India's pledge to give a "human face" to adjustment and reform offers a unique challenge to donors. If India is prepared to follow through on the hard choices, the donor community should be prepared to strengthen its support significantly.

Chapter 1

RECENT ECONOMIC DEVELOPMENTS

Introduction

1.1 India is in the midst of an economic crisis. The oil shock of 1990 was the proximate cause, but the crisis has been a long time in the making. Several years of unsustainable fiscal and balance of payments deficits have left little room for maneuver. In 1990/91 prolonged political uncertainty, policy shortcomings, internal conflicts, and other unforeseen economic problems compounded India's difficulties. Reflecting growing concern in international capital markets about the continuing deterioration of India's macroeconomic balances, mounting external debt, and political uncertainty, three credit rating services downgraded Indian issues in 1990. Further downgrading took place in 1991, and India's access to commercial credit markets has been effectively cut off. International reserves declined by \$1.8 billion in 1990/91 after cumulative losses in 1988/89 and 1989/90 of \$2.3 billion; notwithstanding drawings on the IMF of \$1.8 billion in January 1991, reserves (excluding gold) stood at barely one month of imports on March 31, 1991. Since then the external liquidity position has remained extremely precarious.

1.2 The Government took a number of steps to offset the effects of higher oil prices and other adverse developments between September 1990 and January 1991, but the subsequent delay in presenting the budget and the calling of new elections prevented major policy initiatives for several critical months. The new minority Government that took office on June 21, 1991 has introduced an impressive set of measures aimed at dealing with the liquidity crisis and reducing fiscal imbalances, but equally important, beginning a much-needed restructuring of the economy. In July the Government devalued the rupee by 23% (in terms of rupees per dollar), introduced trade policy changes, announced a new industrial policy which significantly reduces restrictions on both domestic and foreign investment, and presented a budget intended to reduce the overall fiscal deficit by two percentage points of GDP in the remaining two-thirds of the fiscal year.

1.3 This chapter analyzes the trends of the 1980s which led up to the present crisis and then reviews developments in 1990/91 in more detail. The measures taken by the new Government are presented in Chapter 2 and assessed in the context of policies needed to re-establish the foundations for growth. Chapter 3 examines external financing requirements.

Background to the Current Crisis

1.4 India's present economic crisis has its origins in the policies pursued during the 1980s. To be sure, the Indian economy achieved a great deal during that decade. GDP growth, led by the industrial sector, accelerated from under 3.5% p.a. in the 1960s and 1970s to over 5%. This raised real per-capita income by 40% in the 1980s, compared to less than 30% in the previous two decades combined. Merchandise exports, which had grown relatively slowly in India's first forty years of Independence, took off in the late 1980s, growing by 12.2%

p.a. in volume terms and 17.2% in current U.S.dollars during the four years 1986/87-1989/90. Most importantly, inroads were made into India's massive poverty problem. For the first time since consistent measurements have been available, the percentage of poor people declined, from about 50% in 1977 to less than 30% a decade later, according to official estimates.

1.5 At the same time, however, the seeds of the present crisis were being sown. The growth of the 1980s was partly fueled by increasing public expenditure financed by unsustainable domestic and external borrowing. The central government fiscal deficit (IMF definition) increased from about 6% of GDP at the beginning of the decade to 9.1% in 1989/90. Increasing external and private domestic financial saving, tax incentives to invest in public sector debt instruments, and a tightening of portfolio regulations that channel private saving directly and indirectly into government debt made it possible to delay adjustment. By the end of the decade, however, the deficit was too large to be accommodated in this fashion and began to put pressure on domestic interest rates, prices, and the balance of payments.

Table 1.1
Real GDP Growth Rates & Shares By Sector

	Real GDP Growth Rates [a]				Share of incremental real GDP	Shares by sector [b]		
	1950-60	1960-70	1970-80	1980-90	1980-90	1950	1970	1990
Agriculture	2.7	1.5	1.7	2.9	22.2	55.8	45.2	31.2
Industry	6.0	5.5	4.7	6.6	33.5	15.2	21.9	28.7
Manufacturing	6.1	4.7	4.9	7.0	25.1	11.5	15.0	18.7
Services, Etc.	4.1	4.4	4.6	6.5	44.3	29.0	32.9	40.1
Public Administration & Defence	5.2	7.6	4.9	7.9	7.0	3.0	4.4	6.0
GDP at Factor Cost	3.7	3.3	3.4	5.3	100.0	100.0	100.0	100.0
Population (in millions)	1.9	2.3	2.1	2.1	..	..	..	..
GDP per Capita	2.1	1.2	1.2	3.4	..	..	..	..

[a] 1950-60 refers to the period 1950-51 to 1959-60, similarly for other periods.

[b] Sector shares based on current prices.

Source: Central Statistical Organization and World Bank staff estimates.

1.6 Growth. India's growth during the 1980s exceeded performance in much of the developing world as well as India's own previous experience (Table 1.1). Manufacturing growth increased from under 5% p.a. in the 1960s and 1970s to 7% in the 1980s and accounted for 25% of incremental real output in the latter decade. This was achieved despite a fall in the rate of growth of manufacturing

investment from 5.7% in the 1970s to 4.0% in the 1980s. The rise in productivity reflected both higher capacity utilization due to generally expansionary fiscal policy and improved efficiency and output growth in response to industrial deregulation, freer access to imports, and increased export incentives. The service sector also grew faster. Public administration and defense showed the biggest increase, reflecting the growth of public expenditure, but all other service subsectors also registered increases. Services accounted for 44% of incremental output during the decade. The only disappointment was agriculture. Corrected for rainfall variability, the rate of growth in the 1980s was not significantly above the long-term trend of 2.4% and remains lower than that in most neighboring countries (See Volume II for details.).

1.7 Fiscal developments. Improved growth performance in the 1980s was led on the demand side by an increasingly expansionary fiscal policy, with central government expenditure growth providing most of the stimulus. Total central budgetary expenditure rose by 4.7 percentage points of GDP between 1980/81 and 1989/90 (from 15.4% to 20.1%), with the lion's share of this increase accounted for by current spending (see Table 1.2). Nearly half of the rise in current expenditures was accounted for by interest payments, and a quarter by subsidies.^{1/} The fertilizer subsidy alone more than doubled its share of GDP from 0.4% to 1.0% between 1980/81 and 1989/90, export subsidies rose from 0.3% to 0.5%, other subsidies became important,^{2/} and food subsidies maintained their share in GDP. The consumption expenditure of central government administration rose from 3.8% of GDP in 1980/81 to 4.7% in 1989/90, with purchases of goods and services rather than the wage bill accounting for most of the increase. While there was some moderation of defense spending in 1988/89 and 1989/90, capital expenditure, which includes net lending to states and public sector units, bore the brunt of efforts to restrain expenditure. After increasing from 6.5% of GDP in 1980/81 to a peak of 8.4% in 1986-87, it fell to 6.7% in 1989-90.

1.8 Central government current receipts rose significantly as a share of GDP (from 8.9% in 1980/81 to 11.5% in 1989/90), preventing even worse deterioration in the fiscal position than actually occurred and moderating the fiscal stimulus to the economy. But nearly 3/4 of the total increase in the share of current revenue in GDP was accounted for by customs duties, collections of which rose from 2.6% of GDP in 1979/80 to 4.1% in 1989/90;^{3/} interest receipts, mostly from states, accounted for the rest. Direct taxes, especially the personal income tax, fell as a share of GDP, as did union excise duties, despite substantial

^{1/} GOI statistics for subsidies do not include important implicit or "hidden" subsidies for public sector-provided goods and services like electric power, irrigation, and education.

^{2/} This category consists of numerous relatively small items. Interest subsidies rose to Rs. 9.3 billion in 1989/90 and to Rs.10.7 billion in 1990/91. In addition, rural loan forgiveness, originally budgeted at Rs.10 billion and later raised to Rs.15 billion, came in as a new item.

^{3/} The average collection rate for customs duties (as a share of total import value) more than doubled from 30% in 1980 to 63% in 1987.

increases in rates during the period. Hence the tax structure became if anything more distorted, hindering trade and regulatory reform.^{2/} Central government revenue mobilization is now relatively high by developing country standards,^{3/} and further major increases would probably be counterproductive in the absence of thoroughgoing fiscal reform, except perhaps as temporary measures.

**Table 1.2: CENTRAL BUDGETARY
EXPENDITURE TRENDS /a
(% of GDP)**

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Total Expenditure	15.4	14.8	15.9	16.1	17.8	19.3	20.7	19.8	19.4	20.1	19.7
Capital Expenditure	6.5	6.2	6.5	6.7	7.2	8.0	8.4	7.2	6.7	6.7	6.2
Current Expenditure	8.9	8.7	9.4	9.4	10.5	11.3	12.3	12.6	12.7	13.4	13.5
Interest	1.7	1.7	2.0	2.1	2.4	2.7	3.0	3.2	3.4	3.7	4.0
Subsidies	1.4	1.2	1.3	1.4	1.9	1.9	1.9	1.8	2.0	2.5	2.4
Defense	2.8	2.9	3.0	3.0	2.9	3.0	3.6	3.6	3.4	3.3	3.1
Other	3.0	2.9	3.1	2.9	3.3	3.6	3.8	4.0	4.0	3.9	4.1
Govt. consumption /b	3.8	3.8	4.0	3.9	4.1	4.3	5.0	5.0	4.8	4.7	4.6
Wages and salaries	1.8	1.8	1.8	1.8	1.9	1.9	2.2	2.3	2.2	2.1	2.1
Goods and services	2.0	2.1	2.1	2.1	2.1	2.3	2.8	2.7	2.6	2.6	2.5
Components of subsidies /c	1.5	1.2	1.3	1.4	1.8	1.9	1.9	1.8	2.0	2.5	2.4
Fertilizer	0.4	0.2	0.3	0.5	0.8	0.6	0.6	0.6	0.8	1.0	0.9
Food	0.5	0.4	0.4	0.4	0.5	0.6	0.7	0.6	0.6	0.6	0.5
Export promotion	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.5
Other	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.4	0.5
Rural development /d	0.0	0.0	0.2	0.2	0.3	0.4	0.5	0.6	0.4	0.6	0.1

/a Based on the economic and functional classification of the budget.

/b These figures are for central government administration only, excluding departmental public enterprises.

/c The breakdown of subsidies is based on budget statistics, so the totals do not match those based on the economic and functional classification of the budget exactly.

/d Includes central spending in support of the Integrated Rural Development Program (IRDP), the various rural employment programs (RPGEP, NREP, JRY), and some other smaller programs.

Source: Ministry of Finance, Annual Budget and Economic and Functional Classification of the Central Government Budget.

^{2/} The high and rising share of indirect taxes (especially customs duties) and declining share of direct taxes mean that the evolution of the tax structure in India has been the opposite from what typically occurs during the process of economic development. Moreover, the tax base in India is narrow; agricultural incomes are not effectively taxed, the number of income tax assesseees is relatively small, and much of the economy escapes from indirect taxation as well.

^{3/} See World Bank, World Development Report 1988.

1.9 Although their financial position improved during the 1980s, public enterprises continued to rely heavily on budget funds to finance investments and operations. Oil and power enterprises generated high surpluses, but 55% of manufacturing central public enterprises made losses in 1988/89. Budget support in the form of additional equity and loans (net of principal repayments) to central government public enterprises (CPEs) totalled Rs. 190 billion (about \$19 billion at then-prevailing exchange rates) during 1980-85. Since 1985, budget contributions have averaged Rs. 50 billion p.a. and net budgetary support (net of interest, royalties, dividends and corporate tax payments) has averaged Rs. 31 billion p.a., or 15% of the central government's gross overall deficit.

1.10 Saving and investment. Growing current expenditure and poor public enterprise performance were reflected in a sharp fall in public sector saving (Table 1.3). Gross public sector saving declined from a high of 4.6% of GDP in 1981/82 to 1.7% of GDP in 1989/90. Over half of the deterioration was due to the fall in central government saving.

1.11 Gross domestic investment increased marginally despite the decline in public saving during the decade. Private investment rose by 0.5% of GDP in 1986/90 over the 1980/85 average and public investment increased by 0.3% of GDP. Crowding out of investment did not occur for two reasons. First, the decline in public saving was partly offset by an increase of 1.4% of GDP in domestic private saving. Second, foreign saving increased from 1.9% of GDP in the first half of the 1980s to 3.0% in the second half. (See Figure 1.1). But since foreign saving (i.e. current account deficits) of this magnitude is unsustainable, investment (private, public, or both) will have to decline in the future unless the inevitable reduction in foreign saving is offset by an increase in domestic saving.

Fig. 1.1: SOURCES OF DOMESTIC INVESTMENT
(% of GDP)

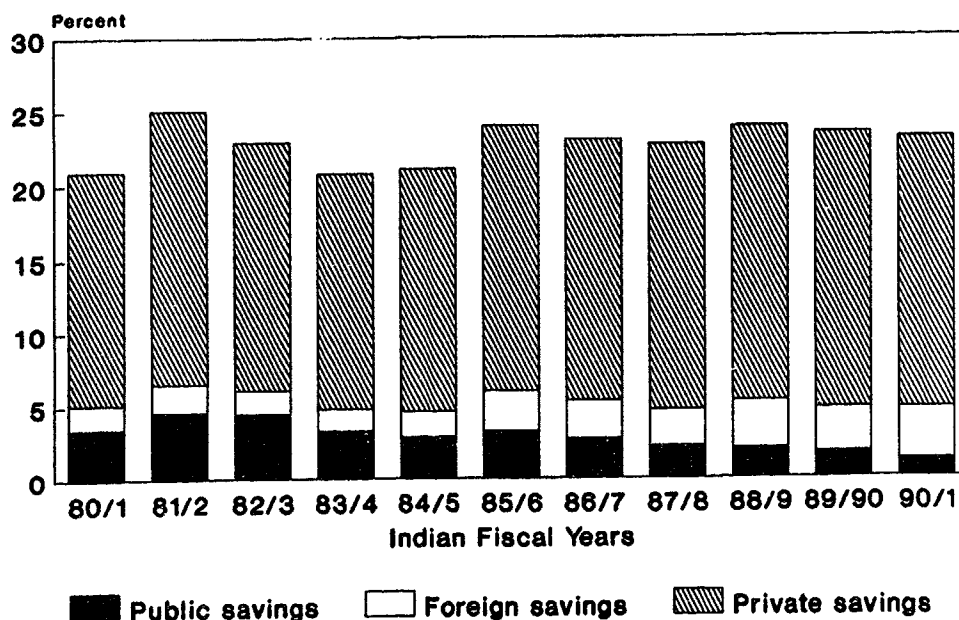


Table 1.3
Saving-Investment Balances
(% of GDP at current market prices)
(percent)

	Average 1980-85	1986/87	1987/88	1988/89	1989/90	1990/91	Average 1986-90
Foreign Savings	1.9	2.6	2.5	3.3	3.1	3.5	3.0
Resource Gap	2.9	2.7	2.6	3.2	2.7	2.8	2.8
Net Factor Income	0.4	0.9	1.0	1.1	1.2	1.4	1.1
Net Current Transfers	-1.3	-1.0	-1.1	-1.0	-0.8	-0.7	-0.9
Private Sector							
=====							
Gross Domestic Investment	12.1	11.4	12.2	14.0	12.9	12.4	12.6
Fixed Investment	10.0	9.6	10.9	11.1	11.0	10.0	10.5
Change in Stocks	2.1	1.8	1.3	2.9	1.8	2.4	2.1
Savings	16.9	17.7	18.0	18.6	18.7	18.4	18.3
Household [a]	15.3	15.9	16.3	16.6	16.6	n.a.	13.1
Private corporate [a]	1.7	1.7	1.7	2.1	2.1	n.a.	1.5
Investment-Savings Gap	-4.8	-6.3	-5.7	-4.7	-5.9	-6.0	-5.7
Public Sector							
=====							
Non-financial Public Sector							
=====							
Gross Domestic Investment	10.3	11.5	10.1	9.5	10.6	10.5	10.4
Fixed Investment	9.7	11.3	10.1	9.6	10.3	10.2	10.3
Change in Stocks	0.6	0.2	0.0	-0.1	0.3	0.3	0.2
Savings	2.8	1.7	1.2	0.9	0.5	-0.0	0.9
Current Income	21.7	25.3	25.3	25.1	25.5	25.2	25.3
Tax Revenue	15.2	16.7	17.0	16.8	17.1	16.7	16.9
Direct	2.2	2.0	2.0	2.3	2.2	2.0	2.1
Indirect	13.0	14.6	15.0	14.5	14.9	14.7	14.8
Public Ent Surplus	5.8	7.6	7.3	7.5	7.5	7.8	7.6
Interest Receipts	0.4	0.7	0.6	0.4	0.5	0.4	0.5
Misc Receipts	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Current Expenditure	18.9	23.6	24.1	24.1	25.0	25.3	24.4
Consumption	10.2	11.9	12.3	12.0	12.0	12.1	12.0
Subsidies	2.7	3.4	3.5	3.6	4.2	4.2	3.8
Interest Payments	3.2	4.6	5.0	5.2	5.7	5.7	5.2
Current Transfers	2.8	3.8	3.3	3.4	3.1	3.3	3.4
Total Public Sector							
=====							
Gross Domestic Investment	10.4	11.7	10.4	9.9	10.7	10.7	10.7
Fixed Investment	9.8	11.4	10.4	10.0	10.4	10.4	10.5
Change in Stocks	0.6	0.3	0.0	-0.1	0.3	0.3	0.2
Savings	3.6	2.7	2.2	2.0	1.7	1.2	2.0
Investment-Savings Gap	6.7	8.9	8.2	8.0	9.0	9.5	8.7

Note: 1980-85 refers to 1980/81 - 1985/86, and similarly for other periods.

[a] Data of private corporate savings (household saving is residual) is not available for 1990/91. Average for 1986-90 covers 1986/87, 1987/88, 1988/89 and 1989/90.

Sources: Vol III, Statistical Appendix, Sections II and V.

1.12 Prices, money and the financial sector. Despite India's large and growing fiscal deficit, inflation remained relatively low in the second half of the 1980s (Table 1.4). The wholesale price index increased at an annual average rate of 7.2% from 1985/86 through 1989/90, compared to an annual average rate of increase of 6.5% from 1981/82 to 1985/86.

1.13 Historically, sharp rises in India's inflation rate have been prompted by exogenous shocks. The previous two oil shocks, combined with drought, both led to peaks in inflation rates, though changes in the overall price index were far less than changes in the import price index. More generally, fiscal deficits and monetary factors have historically been less important in explaining short-term fluctuations in the rate of inflation than supply and other structural factors.

1.14 The inflationary effects of future fiscal deficits may be larger, however. In the 1980s only a relatively small share of the overall deficit was monetized. To limit monetization, the RBI raised the Statutory Liquidity Ratio (SLR, now 38.5% of deposits) and tightened other portfolio restrictions requiring financial intermediaries to hold a large proportion of their assets in the form of government securities, and the Government borrowed more abroad. Even so, net RBI credit to government (the monetized deficit) has been the main source of growth of base money in recent years. Base money growth accelerated from an annual average rate of 14.4% during 1981/82-1985/86 to 19.4% from 1986/87 to 1989/90. Broad money growth (M3) went up from 16.3% in the first part of the decade to 18.9% in the latter part. Some of the impact of the acceleration in base money growth on broad money was offset by increasing the cash reserve ratio (CRR, which has recently been raised to 25% on an incremental basis). In the future, a given fiscal deficit and associated monetary growth will be more inflationary because the growth of financial savings and of GDP will be slower, the CRR and SLR cannot be tightened without further imperiling India's already weak financial system, and the reliance on foreign savings has to be reduced.

Table 1.4
Monetary and Price Developments

	1981/82- 1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1986/87- 1989/90
Inflation (WPI 1981/82 = 100)	6.5	5.8	8.2	7.5	7.4	10.3	7.2
Inflation (CPI 1982 = 100)	9.1	8.7	9.2	9.1	6.2	11.6	8.3
Implicit GDP Deflator	8.2	6.6	8.6	8.2	6.7	10.1	7.5
Broad Money Growth (% p.a.)	16.3	18.6	15.9	21.9	19.4	15.1	18.9
Base Money Growth (% p.a.)	14.4	17.4	19.4	17.7	23.2	13.0	19.4
Base Money Growth (% GDP)	1.8	2.3	2.6	2.4	3.3	2.0	2.6
RBI net credit to govt. growth (% GDP)	2.1	2.6	1.9	1.8	3.2	2.7	2.4

Note: Implicit GDP Deflator refers to GDPmp deflator.

Sources: (1) Reserve Bank of India.
(2) World Bank staff estimates.

1.15 Balance of payments. Notwithstanding rising private saving, the growing fiscal deficit increasingly spilled over into the balance of payments. The current account deficit increased from 1.7% of GDP in 1980/81 to 3.1% of GDP in 1989/90.

Table 1.5
Decomposition of Export Growth in 1980s

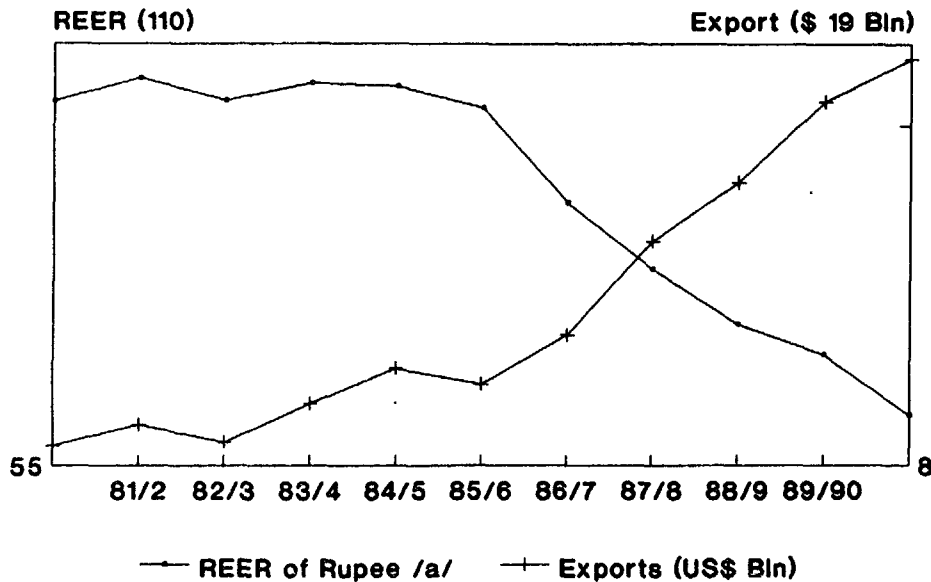
	Value of Exports (US\$ million)			Change in Value (US\$ million)		
	1980/81	1985/86	1989/90	1980/81 -1985/86	1985/86 -1989/90	1980/81 -1989/90
Primary Exports	3400	3108	3428	-292	320	28
Fish	270	334	412	64	78	142
Rice	284	160	255	-124	96	-28
Cashews	178	184	221	6	37	43
Coffee	271	216	205	-55	-10	-65
Tea	539	512	547	-27	31	4
Spices	141	227	148	86	-79	7
Iron Ore	384	473	557	89	84	173
Other Primary	1333	1002	1686	-331	84	-247
Manufactured Exports	5067	5684	13185	617	7501	8118
Chemicals	298	406	1759	108	1353	1461
Leather Manufactures	478	629	1171	151	542	693
Textiles	1292	1026	1214	-266	188	-78
Garments	717	872	1935	155	1063	1218
Gems & Jewellery	783	1228	3178	445	1950	2395
Engineering Goods	1010	780	1993	-230	1213	983
Petroleum Products	10	425	418	415	-7	408
Other Manufactures /a/	479	318	1517	-161	1199	1038
TOTAL EXPORTS (Commerce) /b/	8467	8792	16613	325	7821	8146
Statistical Discrepancy	-135	669	237	804	-432	372
TOTAL EXPORTS (B.O.P.) /b/	8332	9461	16850	1129	7389	8518
Memo Item:						
Gems (net) /c/	255	329	632	74	303	377

/a/ Including unclassified exports.
/b/ Net of crude petroleum exports.
/c/ Exports less imports of gems and jewellery.

Sources: 1. Ministry of Commerce (D.G.C.I.S)
2. Reserve Bank of India.
3. World Bank Staff Estimates.

1.16 The U.S. dollar value of merchandise exports (on a customs basis) nearly doubled between 1985/86 and 1989/90 (Table 1.5) after very low growth earlier in the decade. The turnaround came from changes in export promotion policies and, most importantly, from a more flexible exchange rate policy. From 1985/86 to 1989/90 the real effective exchange rate of the rupee depreciated at an annual average rate of 9.3%, after near-stability in the first half of the decade (Figure 1.2).^{2/} This acceleration of export growth was due mainly to manufactured exports, whose U.S. dollar value increased more than 2 1/2 times from \$5 billion in 1980/81 to \$13.2 billion in 1989/90. Within manufacturing, gems and jewelry showed the largest absolute increase between 1980/81 and 1989/90 (\$2.4 billion), followed by chemicals (\$1.5 billion), garments (\$1.2 billion), and engineering goods (\$1.0 billion). Merchandise imports (again on a customs basis with value in current U.S. dollars) increased by only one-third during the entire decade (Table 1.6). Imports of petroleum products fell by \$2.9 billion from 1980/81 to 1989/90. The trade deficit would have been much worse but for

Figure 1.2: Exchange Rate & Exports
(Logarithmic Scale)



/a/ 1980/81 = 100.

^{2/} Both export and import growth are responsive to exchange rate changes. See Arvind Virmani, "Demand & Supply Factors in India's Trade," Economic and Political Weekly (February 9, 1991); 309 - 314.

Table 1.6
Decomposition of Import Growth in 1980s

	Value of Imports (US\$ million)			Change in Value (US\$ million)		
	1980/81	1985/86	1989/90	1980/81 -1985/86	1985/86 -1989/90	1980/81 -1989/90
Food	1348	1321	714	-27	-607	-634
Foodgrains	127	90	227	-37	137	100
Edible Oils	865	600	127	-265	-474	-739
Others	356	631	361	275	-270	5
Other Consumer Goods	378	452	800	74	348	422
P.O.L	6669	4054	3766	-2615	-288	-2903
Crude Petroleum /a/	4243	3013	2455	-1230	-558	-1788
Petroleum Products	2426	1041	1311	-1385	270	-1115
Capital Goods	2307	3337	4189	1030	852	1882
Intermediate: PRIMARY	1277	2156	4488	879	2332	3211
Fertilizer Raw Mat	210	313	329	103	16	119
Gems	528	899	2546	371	1647	2018
Other	539	944	1613	405	669	1074
Intermediate: MANUFACTURES	3920	4744	7295	824	2551	3375
Fertilizer Manufactures	826	860	737	34	-123	-89
Iron & Steel	1080	1140	1383	60	243	303
Non-Ferrous Metals	605	443	752	-162	309	147
Others	1409	2301	4423	892	2122	3014
TOTAL IMPORTS (Commerce) /a/	15899	16064	21252	165	5188	5353
Statistical Discrepancy	-7	1231	3533	1238	2302	3540
TOTAL IMPORTS /a/	15892	17295	24785	1403	7490	8893
Memo Item:						
Non-Oil Imports	9230	12010	17486	2780	5476	8256

/a/ Net of crude oil exports.

Sources: 1. Ministry of Commerce, D.G.C.I.S.
2. Reserve Bank of India.
3. World Bank Staff Estimates.

this decline, which reflects both an increase in domestic production and a fall in import prices.^{2/} Food imports, particularly edible oils, also declined during the 1980s. Other consumer goods imports grew but remained a small proportion (less than 5%) of total imports. Non-oil intermediate and capital goods imports grew by 8.8% p.a. in current dollar value over the decade; excluding uncut diamonds the average growth rate was 7.5%. The volume growth of these items averaged 4.8% p.a.

1.17 The merchandise trade balance, on a customs basis, thus improved by \$2.8 billion. Table 1.7 shows why the current account balance, on a payments basis, nonetheless deteriorated.

- o The discrepancy between customs based figures and the payments figures compiled by RBI widened by \$3.2 billion by the end of the decade, more than offsetting the improvement in the customs-based balance of merchandise trade. Equivalent to 1.2% of GDP, the widening discrepancy alone accounts for all of the increase in the current account deficit as a share of GDP. The reasons for the discrepancy include coverage of non-dutiable items (mainly aircraft, ships, and defense related goods), timing of payments, and differences in exchange rates used to convert values from foreign to domestic currency (see World Bank, India: Trends, Issues and Options, 1990), but no progress has been reported in quantifying these factors.
- o Interest payments on external debt rose by \$3.0 billion. This reflects the impact of past deficits and mounting external debt on the current account deficit. Interest payments are only part of debt service, of course. On the capital account, repayments of principal on long-term debt and IMF repurchases also increased by \$2.2 billion. This raised gross borrowing requirements by an equivalent amount.
- o The balance on non-factor services declined by \$0.7 billion. This reflected, in part, the stagnation of tourist receipts (at \$1.4 billion) over the decade as a whole. Similarly, net current transfers declined slightly, mainly because of a fall in private remittances from \$2.7 billion in 1980/81 to \$2.1 billion in 1989/90.^{3/} It is likely that this decline partly reflects switching to NRI deposits, whose net annual inflow increased by \$1.1 billion during the same period.

^{2/} Domestic production of crude oil doubled in the early 1980s and then grew slowly. Domestic consumption of petroleum products grew at 6.1% per annum during the decade. Thus the volume of imports first declined and then rose again to about the same level in 1989/90 as 1980/81. (See Appendix Table 8.8 for details.) Meanwhile, the price of petroleum products fell by about 50% during the decade.

^{3/} For more details see K.R. Holla, "Study of Selected Non-Trade Items in India's Balance of Payments," unpublished, 1991.

Table 1.7
Sources of Deterioration of Current Account Balance

	Value (US\$ billion)			Change in value (US\$ billion)		
	1980/81	1985/86	1989/90	1980/81 -1985/86	1985/86 -1989/90	1980/81 -1989/90
Merchandise Exports (customs), f.o.b.	8.5	8.8	16.6	0.3	7.8	8.1
Merchandise Imports (customs), c.i.f.	-15.9	-16.1	-21.3	-0.2	-5.2	-5.4
Trade Balance (Customs)	-7.4	-7.3	-4.6	0.2	2.6	2.8
Exports Statistical Discrepancy	-0.1	0.7	0.2	0.8	-0.4	0.4
Imports Statistical Discrepancy	0.0	-1.2	-3.5	-1.2	-2.3	-3.5
Balance on Statistical Discrepancy	-0.1	-0.6	-3.3	-0.4	-2.7	-3.2
Net Non-Factor Services	1.4	1.2	0.7	-0.2	-0.5	-0.7
Net Factor Income	0.4	-1.6	-3.3	-1.9	-1.8	-3.7
(of which interest payments)	-0.7	-2.1	-3.7	-1.4	-1.6	-3.0
Net Current Transfers	2.9	2.2	2.3	-0.7	0.0	-0.6
CURRENT ACCOUNT BALANCE	-2.9	-6.0	-8.3	-3.1	-2.3	-5.3

Sources: 1. Ministry of Commerce (D.G.C.I.S)
2. Reserve Bank of India.
3. World Bank Staff Estimates.

1.18 External debt (including NRI deposits) grew from \$20.6 billion (11.9% of GDP) in 1980/81 to \$63.1 billion (24.1% of GNP) in 1989/90. Since the relative availability of concessional aid declined, an increasing proportion of external debt was contracted on commercial terms. Thus the debt service ratio rose even faster than the ratio of debt stock to GDP or exports. Debt service payments increased from 9.3% of current receipts in 1980/81 to 31.9% in 1986/87 and have remained above 27% despite accelerated export growth.

Developments in 1990/91

1.19 These negative longer-term trends were exacerbated during 1990/91 by a combination of political uncertainty and external shocks. Two minority Governments fell: the National Front coalition in November 1990 and the Janata Dal (S) in March 1991. General elections were called for May, but their completion was delayed by the assassination of Rajiv Gandhi. In addition, civil disturbances throughout this period not only disrupted production and transport but also meant that political rather than economic issues dominated the government's agenda. In May 1990, for example, the Ministry of Industry tabled a new Industrial Policy that would have significantly raised the ceiling on industrial licenses and given automatic clearance for foreign equity investment up to 40% in certain industries. But the policy was never implemented, not only because of opposition but also because the political leadership could not focus on taking the subsequent necessary steps. Finally, with the postponement of the

1991/92 Budget at the end of February 1991 and the subsequent run up to the elections, major policy initiatives could not be taken for a period of several critical months.

1.20 Despite a contractionary 1990/91 budget introduced in February 1990 and new export promotion measures announced by the Government at about the same time, gross reserves (excluding gold) fell from US\$4.1 billion at the beginning of the fiscal year to US\$3.5 billion in the subsequent four months -- a mere seven weeks of imports. In July 1990 the Government introduced some import restrictions to arrest the fast decline in reserves, but political instability prevented a more comprehensive package of measures from being implemented.

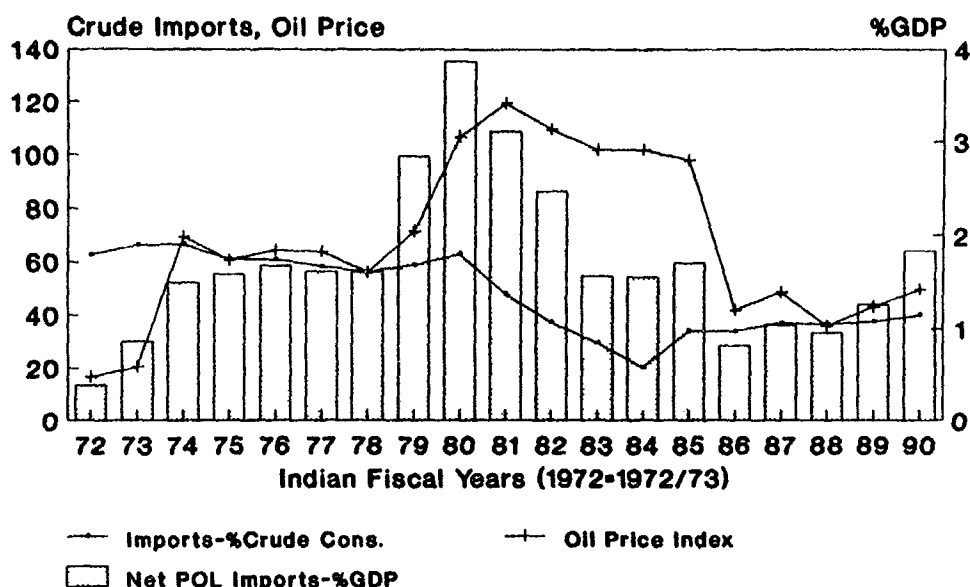
1.21 The oil shock and the balance of payments. The increase in oil prices in the summer of 1990 thus hit the Indian economy at a time when it was already drifting into crisis and political developments precluded the formulation and implementation of an economic program sufficiently comprehensive to redress the situation. It was thus the timing, more than the size, of the shock that made the impact so severe. Crude oil prices in 1990/91 were 24% higher than the previous year and petroleum product prices increased by about 44%. Based on the 1989/90 volume of petroleum imports and exports higher oil prices added about \$1,050 million to the net import bill -- 0.4% of GDP or 4.6% of exports of goods and services. Loss of remittances, export receipts and loan repayments from the Gulf area, plus the cost of repatriating workers, added another \$870 million (0.3% of GDP) to the foreign exchange costs.

1.22 The direct price effect and indirect foreign exchange costs of the 1990/91 oil shock totalled 0.7% of GDP. Although significant, and although it plunged the economy into a crisis from which it has not yet emerged, this shock should have been less damaging than previous ones. First, the size of the price increase (31% for net imports) in 1990/91 was smaller and its duration shorter than in 1973/74, when the average price of crude increased by 300%, or in 1979/80, when the price rose by 150%. Second, India had reduced its import ratio from about two-thirds of crude oil consumption in the previous shocks to one-third in 1989/90. Imports of oil products were only 10% of consumption in 1989/90. The combined effect of a smaller oil price increase on a smaller import share is that the direct cost of the oil shock as a percentage of GDP was less in 1990/91 than in previous shocks (see Figure 1.3).

1.23 Unfortunately, the effect of higher oil prices was directly compounded by shortfalls in domestic production, owing to disturbances in Assam and the need to reduce gas flaring and exploit fields at a more economic pace in Bombay High. The volume of crude imports thus rose by 6% and net petroleum product import volume rose by 54% in 1990/91. The value of additional imports at 1990/91 prices was about \$800 million. Thus the net POL import bill increased by \$1.9 billion (0.7% of GDP) and total foreign exchange costs of the Gulf Crisis combined with production shortfall amounted to around \$2.7 billion (1.0% of GDP).^{2/} Although another price shock in 1991/92 is unlikely, petroleum imports will continue to be a source of pressure on the balance of payments. Domestic crude oil production is expected to decline from 33 million tons in 1990/91 to 30 million

^{2/} The increased oil bill was 1.2% of GDP in 1973/74 and 1.5% of GDP in 1979/80. Secondary effects on trade and remittances were positive in 1973/74 and broadly neutral in 1979/80.

Figure 1.3: OIL SHOCK IMPACT
(Percent)



Oil Price Index: 1979-81 = 100

tons in 1991/92, and net POL imports are projected to fall by only \$570 million in 1991/92, despite a projected decline in petroleum prices.

1.24 These and other developments had several repercussions on the balance of payments in 1990/91 (Table 1.8). The first was a deterioration of \$1.3 billion in the merchandise trade balance (based on customs statistics). The second was an even more pronounced (\$1.7 billion) deterioration in the current account, as interest payments rose by \$500 million and the balance on non-factor service payments also worsened by about \$30 million, reflecting a slowdown of tourism. No information is available on the statistical discrepancy between payments and customs figures, but preliminary estimates suggest it may have declined by around \$500 million from about \$3.5 billion in 1989/90. Finally, on the capital account side, commercial inflows slowed considerably as India's credit rating was steadily downgraded. Commercial borrowings declined in relation to the previous year, and the net inflow into NRI deposits fell by about \$1 billion, thus further contributing to the drawdown in reserves.

1.25 The balance of payments was also affected by a sharp shift in the direction of exports during the first half of 1990/91, from hard currency markets to the rupee trade zone (essentially the Soviet Union). Compared to the first half of the previous year, exports to the Soviet Union grew by over 50% in rupee terms, or 40% in dollar terms, while hard currency exports were growing at less than 10%, slower than non-oil imports. The net result was that, though the overall trade deficit increased by only about \$100 million during the first half of the year, the hard currency deficit increased by over \$750 million. Although a

Table 1.8
Balance of Payments
(Millions of US\$)

	1980/81	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 est
Exports of Goods and Non-Factor Services	11281	13216	12771	13677	16215	18218	20913	22664
Merchandise (fob) /a/	8332	9769	9461	10460	12644	14262	16850	18392
Non-factor Services	2949	3447	3310	3217	3571	3956	4063	4272
Imports of Goods and Non-Factor Services	17408	17774	19419	19950	22839	26851	28123	30629
Merchandise (cif) /a/	15892	15424	17295	17728	19812	23626	24785	27052
Non-factor Services	1516	2350	2124	2222	3027	3225	3338	3577
Resource Balance	-6127	-4558	-6648	-6273	-6624	-8633	-7210	-7965
Net Factor Income	356	-1449	-1552	-2045	-2471	-2985	-3305	-4023
Factor Receipts	1083	493	547	501	446	397	395	199
Factor Payments /b/	727	1942	2099	2546	2917	3382	3700	4221
Interest Payments on MRI Dep.	113	290	400	524	714	962	1014	1191
Net Current Transfers	2860	2496	2207	2327	2698	2654	2256	2055
Transfer Receipts /c/	2874	2509	2219	2339	2724	2670	2271	2071
Transfer Payments	14	13	12	12	26	16	15	16
Current Account Balance	-2911	-3511	-5993	-5991	-6397	-8964	-8259	-9933
Foreign Direct Investment	8	62	160	208	181	287	350	253
Official Grant Aid	643	453	359	403	410	406	500	524
Net Medium & Long-Term Loans	1424	2697	2544	2911	3791	4369	4245	4142
Disbursements	2180	3787	3853	5200	5683	6319	6167	6502
Repayments	756	1090	1309	2289	1892	1949	1921	2360
Net IMF Credit	1014	67	-264	-648	-1082	-1210	-1008	1117
Capital Flows NEI	-325	222	3267	3292	3489	3539	3321	2127
Net Short-Term Capital	228	220	273	168	222	253	917	813
Non-Resident Deposits	339	814	1579	1825	1992	2650	2341	1314
Net Inflows	228	535	1201	1333	1331	1776	1424	245
Accrued Interest	110	278	378	492	661	874	917	1069
Others /d/	-891	-812	1415	1298	1275	636	63	0
Errors & omissions /e/	-200	273	474	-102	-731	141	0	0
Change in Reserves (- = increase)	346	-263	-548	-72	339	1432	851	1770
End of Year Reserves (Excl. Gold)	6858	6110	6657	6730	6391	4959	4108	2338
(# Months of Imports)	5.2	4.8	4.6	4.6	3.9	2.5	2.0	1.0
Memo. Items:								
Current Account Balance (% GDP)	1.7%	1.8%	2.8%	2.6%	2.5%	3.3%	3.1%	3.5%
Debt Service Ratio /f/	9.3%	18.2%	22.7%	31.9%	29.4%	30.3%	27.4%	28.2%
Import Statistical Discrepancy	-7	2324	1231	1930	2539	4162	3533	3000

/a/ Net of crude petroleum exports.

/b/ Includes interest on non-resident deposits and IMF interest.

/c/ Includes the Bhopal gas settlement in 1988/89.

/d/ Residual item including reserve valuation changes, rupee trade imbalance, etc.

/e/ As estimated by Government of India.

/f/ As proportion of gross current receipts.

surplus of trade with the USSR is needed to service past debt, the increase in trade surplus was faster than the rise in debt service and in the planned trade surplus. This diversion of trade, encouraged by the overvaluation of the rouble in the official bilateral exchange rate, which made it attractive for the Soviet Union to import Indian goods (in some cases for re-export), was an important factor in the decline of India's foreign exchange reserves in 1990/91. The Commerce Ministry has subsequently moved to reverse the trend by vetting all exports to the rupee zone to ensure consistency with the annual trade plan. These efforts reduced the rate of growth of rupee exports to less than 15% for the year as a whole.

1.26 The deterioration in the balance of payments was also partly due to slower export growth. Merchandise exports grew by 9.1% in US dollar value in 1990/91 compared to 19.5% p.a. during the previous three years. Much of the drop was attributable to exports of gems and jewelry (mainly diamonds), which declined by 8.7%. Other manufactured exports turned in a respectable increase of 14.7%. If gems and jewelry had maintained the growth rate of the previous three years, total merchandise exports would have risen by 15.5%. Gems and jewelry exports may continue to be sluggish in the immediate future and hence a drag on overall export performance because of weak foreign demand and increasing competition.

1.27 Merchandise imports grew by 13.2% in 1990/91, compared with 10.4% p.a. during the previous three years. This acceleration was almost entirely attributable to higher oil imports. As indicated earlier, oil imports increased by \$1.9 billion whereas non-oil imports increased by only 4.8%, effectively a decline in real terms. This decline occurred mainly in the second half of the year and was brought about by four important measures taken by the Government in the wake of the Gulf crisis.

1.28 The first was a tightening of import controls on some goods, slowing approvals of capital goods imports, and slowing or postponing imports of canalized goods including metals, fertilizer, edible oil, and petroleum itself. Second, direct controls were reinforced by selective credit policy -- probably the most significant measure to restrict imports taken before July 1991. Cash margin requirements for raw material imports were raised repeatedly, finally reaching 200%, and RBI directed commercial banks to refuse rupee loans for import of capital goods; importers were asked to use foreign exchange lines of credit from the development banks for this purpose. Third, beginning in September 1990 and increasingly after December, RBI also began to depreciate the exchange rate at a faster pace. From the end of August 1990 to the end of May 1991 nominal depreciation was 18.9% in terms of rupees per dollar and 15.0% in terms of rupees per SDR. (In the preceding nine-month period the dollar rate depreciated by 4.1% and the SDR rate by 12.0%.) Finally, the Government introduced a Gulf surcharge and other fiscal measures described in the next section. The surcharge on oil products may have had little short-term direct effect on imports of petroleum products, since the price elasticity of demand is low.^{10/} However, even if

^{10/} Too much should not be made of a low elasticity. The import price elasticity is always higher than the total domestic demand elasticity if there is competing domestic supply, because import demand is derived (residual) demand. In India the short-term price elasticity of demand for petroleum is estimated at -0.2. Since about one-third of petroleum is imported, this implies that elasticity of demand for imports is -0.6.

demand were completely inelastic in the short run, increasing the price of petroleum products has probably improved the trade balance through its indirect effect on aggregate demand.

1.29 Fiscal developments. The Government had introduced several measures to improve the fiscal situation before the Gulf crisis, including a fairly tight 1990/91 Budget, budgetary reviews presented to Parliament every four months, and consideration of a 10% across-the-board cut in expenditures. These measures were more than offset, however, by the decision in the budget to waive repayments on small loans (under Rs.10,000) to farmers and artisans. The cost, initially estimated at Rs.19 billion, turned out to be at least Rs.55 billion (1% of GDP), which made the loan waiver scheme as costly to the budget as the international oil price increase -- though these costs are shared with the states and are being temporarily financed by the banks, which now hold claims against the government.

1.30 Stronger fiscal measures were taken later in response to the Gulf crisis. The most important single revenue mobilization action was a 25% "Gulf surcharge" on the domestic prices of all petroleum products except for LPG, introduced in mid-October by the National Front government. At the same time, a 7% additional surcharge on the corporate income tax (raising the rate of surcharge from 8% to 15%) was imposed. In December the new Janata Dal(S) government introduced substantial increases in auxiliary customs duties, some excise duties, and the personal income tax surcharge, along with a temporary reduction in depreciation allowance.

1.31 The October and December actions were unprecedented in magnitude for a package of measures promulgated separately from the annual budget. According to GOI estimates, they would mobilize Rs. 40 billion of additional revenue in 1990/91 and Rs. 78 billion in a full year.^{11/} Hence they largely offset the direct fiscal impact of the Gulf crisis, though not that of the various domestic shocks and worsening longer-term fiscal trends. The beneficial effect of the Gulf surcharge, however, was weakened by the failure to raise prices of important publicly provided downstream products and services that intensively use petroleum products (e.g. fertilizer and railway transport). And the tax changes continued the past pattern of reliance on ad hoc, revenue mobilization measures that tended to move further away from a more broad-based and rational tax structure.

1.32 Refusal to approve most requests for supplementary grants and imposition of a 10% across-the-board cut in spending for most departments (but with a number of exceptions) were the main instruments of expenditure control used during 1990/91. The Interim Budget and continuing spending resolution in March 1991 imposed a certain degree of built-in expenditure control in the first four months of 1991/92. Since these actions were not backed up by specific policy measures or guidelines on how cutbacks should be allocated across particular spending items, the burden fell disproportionately on expenditures that were easiest to cut, and in many cases spending was postponed rather than effectively eliminated. In particular, employment and wages in the public sector appear to have been protected at the expense of developmental and especially investment spending. Nevertheless, expenditure stringency did play a role in preventing a substantial

^{11/} The Gulf surcharge alone was to yield Rs. 46 billion -- nearly 1% of GDP -- on a full-year basis.

widening of the budget deficit in the face of all the problems encountered in 1990/91.

1.33 As can be seen from Table 1.9, the combination of the Gulf crisis and other adverse developments and the government's fiscal response resulted in a stabilization of the share of the budget deficit in GDP (by IMF definition) in 1990/91. The fiscal adjustment called for in the 1990/91 Budget went completely unrealized, however. Tax revenue fell somewhat as a share of GDP, mainly due to shortfalls in all major tax categories with respect to budget targets. Current ("revenue") expenditure grew nearly twice as fast as capital expenditure, continuing the trends apparent since the mid-1980s; the share of the latter in GDP declined from 5.4% to 5%, whereas that of the former rose slightly. Performance fell well short of 1990/91 Budget estimates in all major categories.

Table 1.9: BUDGETARY PERFORMANCE IN 1990/91

	Nominal growth (%) ^a	% of GDP		
		1989/90 Actual	1990/91 Budget	1990/91 Estimated Actual ^b
<u>Total revenue</u>	12.1	11.3	11.4	11.0
Nontax revenue ^c	12.2	2.6	2.5	2.6
Tax revenue	12.1	8.7	8.9	8.4
Customs duties	14.0	4.1	4.2	4.0
Corporation tax	12.9	1.1	1.2	1.0
Excise duties	7.3	3.0	2.9	2.8
Other	22.3	0.6	0.6	0.6
<u>Total expenditure</u>	14.5	19.9	18.6	19.7
Capital expenditure ^d	8.6	5.4	4.7	5.0
Revenue expenditure	16.8	14.5	13.9	14.7
Interest	23.2	4.0	4.1	4.3
Defense	8.0	2.3	2.1	2.2
Subsidies ^e	13.5	2.4	2.1	2.4
Other	17.1	5.8	5.6	5.9
<u>Overall fiscal deficit (GDI)</u>	17.7	8.6	7.2	8.8
OCC adjustment ^f		0.5	-0.3	0.3
<u>Overall deficit (IMF)</u>	14.2	9.1	6.9	9.0

^aFigures relate to actual performance in 1990/91.

^bRevised Estimates for 1990/91, adjusted to take into account reported shortfalls in certain revenue items of final results with respect to the Revised Estimates.

^cIncluding external grants.

^dIncluding lending net of loan repayments.

^eIncluding major and other explicit central budgetary subsidies and the provision for rural debt relief.

^fAccruals to the Oil Pool Fund.

Source: Ministry of Finance, IMF, and World Bank estimates.

Whereas on the expenditure side this was not unusual, the substantial tax revenue shortfall (including a gap of Rs. 13.3 billion -- close to 0.3% of GDP -- between the Revised Estimates and the budget outcome) was unprecedented. Overall, taking into account adverse domestic and international developments, political problems and changes in government, and policy drift at the end of the year, fiscal performance in 1990/91 reflected some partly effective though incomplete short-term responses to the fiscal crisis.

1.34 Other developments. GDP growth was surprisingly little affected by the turmoil of 1990/91. A third successive good monsoon plus the momentum of past growth and expansionary fiscal policy sustained GDP growth for 1990/91 as a whole at 5.0%. Civil disturbances temporarily affected oil and coal production, rail traffic grew by less than 2% for the year as a whole, and shortages of petroleum products and imported inputs caused some dislocation in manufacturing, but growth of manufacturing output was higher (8.0%) in 1990/91 than in 1989/90 (7.4%). Even more remarkable was the apparent buoyancy of business confidence. The Bombay Stock Exchange (Sensitive) Index had increased from 707 in March 1990 to 938 in July (monthly averages). Almost alone among world stock exchanges, it continued to rise to 1354 in October and only fell to 1306 in November.^{12/}

1.35 Inflation, however, accelerated. The annual rate of increase of the wholesale price index had risen to 9% before the Gulf crisis and by the end of December was running at about 12%. For 1990/91 as a whole the wholesale price index rose by 10.3% and the consumer price index by 11.6%. This occurred despite a good monsoon and despite deceleration in broad money supply growth from 19.4% in 1989/90 to 15.1% in 1990/91. Higher inflation partly reflected higher petroleum prices, but shortages arising from selected import cuts and transport disruptions also played a role.

Early 1991/92 Developments

1.36 Growth has begun to slow in the first few months of the 1991/92 fiscal year. The 1991 summer monsoon is predicted to be somewhat below normal. While the impact on agricultural production cannot be predicted with any certainty at this point, current indications are that foodgrain production may be about 5% lower than in 1990/91. While stocks of grain are high and the need for exceptional imports is unlikely, a production shortfall of this magnitude would directly lower GDP growth by one percentage point. There are also signs of an impending slowdown in industrial growth, as industries most vulnerable to import compression (i.e. those with high import content) are already suffering from supply shortages, substantially higher input costs, and weak demand (due to sharp increases in output prices). The quick estimate of the Index of Industrial Production (IIP) in April 1991 was up by only 0.9% from that of April 1990. The IIP for manufacturing declined by 1.2%. Crude oil production in April-June 1991 was down 6.6% compared with the first three months of 1990/91.

1.37 On the trade front, both exports and imports declined in the first two months of 1991/92 (April/May). The import compression measures introduced in the previous several months clearly began to take effect; based on preliminary estimates, the US dollar value of imports was down by around 23% compared with

^{12/} In the last week of July the index had again risen to an average of 1560.

April-May 1990. Exports also fell, but by a much smaller margin (8%), suggesting that import compression may also have affected exports adversely. These trends resulted in a dramatic decline in the trade deficit, but they also underline the need for trade policy measures and exchange rate management to strengthen export performance during a period of tight restrictions on imports.

1.38 Policy makers continued to be preoccupied with India's precarious balance of payments and reserve positions, and through strenuous efforts they maintained the commitment to debt servicing reiterated by successive governments. A substantial rundown of foreign exchange reserves in April (from \$2.3 billion at the end of March to \$1.4 billion) prompted a number of short-term corrective measures by the caretaker Government. In April penalty interest rates were imposed for export credit in cases where export proceeds are not realized within 90 or 180 days, as a means of expediting inflow of foreign exchange. It was also stipulated that REP licenses would henceforth be issued only against actual receipt of export proceeds. As mentioned earlier, cash margins for imports were raised to as high as 200%. In May RBI imposed a 25% interest surcharge on import finance and stringent credit restrictions which may also have helped restrain import demand. Near the end of May, 20 tons of gold that had been confiscated from smugglers was shipped to Switzerland and sold (with a repurchase option). In early June the 15% cut in import entitlements for materials and components, previously applicable only to the automobiles, electronics, and consumer durables industries, was extended across the board.

1.39 In its first several weeks in power, the new Government mobilized additional gold stocks and obtained additional financing through another drawing from the CCF of the IMF and a loan from the World Bank for petroleum imports (related to a gas-flaring investment project). All of these measures contributed to India's success in preventing a default on foreign obligations. However, the Government recognizes that more substantive measures are required to extricate India from its current crisis.

Attachment 1: DIFFERENT CONCEPTS OF THE FISCAL DEFICIT

The official GOI definition of the central budget deficit includes only the part of the imbalance between revenue and expenditure financed by issuance of short-term Treasury Bills and running down central government cash balances with RBI. This is related to government borrowing from RBI but does not reveal the full extent of the government's reliance on RBI credit, as a part of new issues of government securities is absorbed by RBI, if not taken up by public financial institutions. The monetary impact of fiscal operations is understated to that extent. Net government borrowing from RBI shows the deficit financed by monetary creation. This is itself an important measure as it reflects the budgetary impact on base money creation. Both the official GOI deficit and borrowing from RBI have fluctuated in 1989-90 (Table A.1).

The standard IMF definition of the fiscal deficit is total current plus capital expenditure (including net domestic lending) minus revenue receipts and grants. It shows the budgetary claims of the central government on the rest of the economy, which must be met by domestic borrowing (i.e. an excess of saving over investment in the other sectors of the economy) or running a current account deficit (which implies borrowing from the rest of the world). It is called the gross overall deficit because it includes lending and other capital transfers (net of repayment) to state governments and public enterprises. If this financial intermediation function is excluded by subtracting net lending and other capital transfers from the gross overall deficit, one is left with the net overall deficit. The net overall deficit measures net resource absorption by the central government. Both overall deficit concepts include capital as well as current expenditure. Until 1985/86, the gross fiscal deficit of the central government deteriorated at a more rapid rate than the net deficit, indicating that greater financial intermediation by the central government was partly responsible for its growing borrowing requirements. After the mid-80s net lending by the Centre was restrained, but the net fiscal deficit continued to grow, as the Centre's own spending rose. (Table A.1).

The balance on revenue account is another important concept. This is the difference between current revenue and current expenditure (called revenue expenditure in India) and measures government saving. This has been the most steadily deteriorating balance in the 80s both for the central government and for the total public sector.

A final important concept is the primary deficit. This excludes interest payments from the expenditure side; hence it represents the underlying resource gap before servicing the existing accumulation of government debt. Depending on the real growth rate of the economy, the real interest rate on government debt, and the revenue accruing to the government from printing money (seignorage), the primary deficit must be below a certain ratio to GDP as a prerequisite for long-run fiscal stability. (See Fischer, Stanley, "The Economics of the Government Budget Constraint", World Bank Policy, Planning, and Research Working Papers, No. 224, May 1989, for a concise elucidation of these issues.)

In India the real economic growth rate has been high during the 1980s, which would allow the government to run a higher sustainable deficit, but the real interest rate on government borrowing has been rising sharply (partly due to rising market interest rates, partly to the government's policy of raising rates on "captive" borrowing from the banking system), and noninflationary currency issuance can be relied on to finance only a relatively small primary deficit. Moreover, if economic growth slows down, the long-run sustainable primary deficit falls as a share of GDP, just as declining revenue growth is likely to push up the actual primary deficit. The primary deficit of the central government rose substantially from 3.6% of GDP in 1979-80 to a peak of 5.9% of GDP in 1986-87, before falling back to 4.0% of GDP in 1989-90. But the overall deficit remained very high due to burgeoning interest payments, and by all indications a primary deficit on the order of 3-4% of GDP is unsustainable.

In the 1980s the consolidated fiscal deficit of central and state governments (netting out intergovernmental transactions) has been 0.8-1.6% higher than the central fiscal deficit and has followed trends in the latter quite closely. State governments are subject to tighter fiscal constraints than the center, and their resort to deficit financing other than loans from the central government is limited. Their response to fiscal difficulties was mainly to let capital spending decline in relative terms while protecting wages and continuing to increase government employment.

**Table A.1: GOVERNMENT DEFICIT ^a
(% share of GDP)**

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>
Central Government											
Deficit Indicators ^b											
Budget Deficit (GOI definition)	1.8	0.9	0.9	0.7	1.6	2.0	2.8	1.7	1.4	2.4	2.1
RBI Financing	2.6	2.0	1.9	1.9	2.6	2.4	2.4	2.0	1.7	3.1	2.7
Gross Overall Fiscal Deficit ^c	6.4	5.7	6.2	6.3	7.5	8.3	9.0	8.1	7.8	8.6	8.8
Gross Overall Fiscal Deficit ^d (IMF definition)	6.4	5.7	6.0	5.7	7.2	7.8	8.2	7.7	7.5	9.1	9.0
Net Overall Fiscal Deficit ^e	1.4	0.9	1.1	1.5	2.2	2.3	3.0	3.1	3.2	3.7	4.3
Balance on Revenue Account	1.8	0.5	1.0	1.2	1.8	2.3	2.7	2.7	2.7	3.2	3.7
Primary Deficit	4.5	3.7	4.0	4.0	4.9	5.5	5.9	4.7	4.2	4.0	4.5
Public Sector Net Deficit ^f	5.2	6.0	6.9	6.5	8.0	7.9	8.9	8.2	8.0	9.0	n.a.

^a See Box for a discussion of the different fiscal indicators shown in this table.

^b Based on the Budget of the Government of India.

^c Based on revised GOI definition. In 1991/92 Budget, GOI revised its definitions of capital expenditure and fiscal deficit, and a revised series for the latter was presented from 1984/85 onwards. For 1980/81 - 1982/83 the revised fiscal deficits presented in this table are Bank staff estimates.

^d Differs slightly from GOI definition due to treatment of OCC transfers and other adjustments.

^e Investment-saving gap of Central Government.

^f Investment-saving gap of government administration at central and state levels and public enterprises based on National Accounts Statistics.

Source: Budget of GOI and Statistical Appendix, Table 5.1 (b).

CHAPTER 2

RE-ESTABLISHING THE FOUNDATIONS FOR GROWTH

Introduction

2.1 India faces a formidable economic policy agenda. External payments arrears have been successfully avoided during a difficult period, in which a serious foreign exchange liquidity crisis was compounded by political uncertainty and successive changes of government. The stage is now set for systematic actions to correct longstanding macroeconomic imbalances, and the new Government has made a good start in this direction by devaluing the rupee and presenting a tight Budget for 1991/92. The Government is well aware, however, that stabilization alone will not be sufficient to provide a foundation for sustained high growth in the 1990s. Fundamental structural reforms, some of which the Government has already begun, are necessary to improve the efficiency and competitiveness of the economy and to achieve the export expansion and other supply responses needed to support long-term growth and to strengthen India's creditworthiness. The Government also recognizes that it is essential to share the costs of adjustment equitably and to protect the most vulnerable segments of society.

2.2 Impediments to international competitiveness and structural change are pervasive in India. A high-cost industrial structure inhibits development of a broader export base and growth of the internal market and reduces the growth that can be obtained from a given amount of investment.^{1/} It also imposes an implicit tax on agriculture, which is only partially and haphazardly offset by agricultural subsidies (excluding food subsidies) amounting to 2.8% of GDP. High costs are partly due to inefficiency but also to a large extent are the result of high indirect taxes, particularly import duties, on capital goods and intermediate inputs, which cascade throughout the system. India's tariff collection rate is over 60%, several times higher than that of most of its competitors. But reducing tariff rates is made difficult because the central government relies on customs duties for nearly half of its tax revenue. Institutional constraints also impede growth and structural change. Regulation of entry, exit, location, size of firm, choice of technology, imports, and terms of employment has led to a rigid and inflexible industrial system. Sick industries burden the budget and the banking system and claim resources which could contribute to the expansion of more efficient firms and industries. Inadequate cost recovery in sectors such as power and irrigation severely hinders mobilization of investment resources. Finally, weak infrastructure and inadequate investment in education and other services to improve human capital also constrain long-term growth and poverty alleviation.

2.3 The new Government recognizes both the urgency of stabilization and the need to begin now on fundamental structural reforms which will take longer to implement. It has made a promising start on both fronts with the 1991/92 Budget

^{1/} India has one of the highest costs of capital of any country, so its real investment to GDP ratio is much lower than the nominal ratio.

and major changes in trade and industrial policies, as well as some actions affecting the financial sector. This chapter reviews the various measures and policy changes introduced by the Government since the beginning of July and analyzes what remains to be done to put the Indian economy on a sustainable high growth path. The chapter starts with the 1991/92 Budget and the medium-term fiscal adjustment framework and then moves on to the main areas of structural reform: industrial policy, trade policy, the financial sector, public enterprises, tax policy, the energy sector, and social dimensions.

Fiscal Adjustment

2.4 The 1991/92 Budget. The Budget calls for a reduction of more than two percentage points in the share of the fiscal deficit in GDP to 6.5% (Table 2.1), with the expenditure side (net of prospective sales of public enterprise equity) accounting for more than two-thirds of the adjustment and revenue mobilization the rest. The effort implied is all the more remarkable since only eight months of the year remained at time of Budget presentation. A number of substantial fiscal adjustment measures and new policies were promulgated.

Table 2.1 : FISCAL ADJUSTMENT IN 1991/92

	Nominal growth (%)	% of GDP		
		1990/91 Actual ^a	1991/92 Budget	Change
<u>Total revenue</u>	20.5	11.0	11.6	0.6
Nontax revenue ^b	15.1	2.6	2.6	0.0
Tax revenue	22.1	8.4	9.0	0.6
Customs duties	26.0	4.0	4.5	0.4
Corporation tax	25.5	1.0	1.2	0.1
Excise duties	11.9	2.8	2.7	0.0
Other	37.5	0.6	0.7	0.1
<u>Total expenditure</u>	4.5	19.7	18.1	-1.6
Capital expenditure ^c	-7.3	5.0	4.1	-0.9
Revenue expenditure	8.6	14.7	14.0	-0.7
Interest	25.6	4.3	4.7	0.4
Defense	1.2	2.2	1.9	-0.2
Subsidies ^d	-14.2	2.4	1.8	-0.6
Other	8.1	5.9	5.6	-0.3
<u>Overall fiscal deficit (GOI)</u>	-15.5	8.8	6.5	-2.3
OCC and other adjustments ^e		0.3	0.4	0.1
<u>Overall deficit (IMF)</u>	-12.8	9.0	6.9	-2.1

^aFigures relate to actual performance in 1990/91.

^bIncluding external grants.

^cIncluding lending net of loan repayments and with sale of public enterprise equity subtracted as a negative capital expenditure.

^dIncluding major and other explicit central budgetary subsidies and the provision for rural debt relief.

^eAccruals to the Oil Pool Fund in 1990/91 and sale of public enterprise equity in 1991/92.

Source: Ministry of Finance, IMF, and World Bank estimates.

2.5 The main thrust of the budget is expenditure reduction, with a projected decline of two percentage points in the ratio of non-interest expenditures to GDP.^{2/} More than half of this decline (1.1%) is to be accounted for by current expenditure, which is to increase by 8.6% in nominal terms; subsidies are to account for over half of the drop in current spending (0.6%), defense less than a quarter (0.2%), and other items the rest (0.3%). Export subsidies have been completely eliminated, the subsidy on sugar through the Public Distribution System has been removed, and fertilizer subsidies have been reduced through an increase in fertilizer prices. Defense spending is projected to fall from 3.1% to 2.8% of GDP, with only a 1.2% nominal increase in current spending and 10% in capital spending. Non-Plan transfers of various kinds to state governments are being severely squeezed, with their share in GDP projected to drop from 2.2% to 1.6%. Current expenditures other than interest, defense, and subsidies will fall from 5.9% to 5.6% of GDP. Capital expenditure is projected to increase by only 2.4% in nominal terms and to decline as a share of GDP from 5% to 4.5%. When the planned sale of up to 20% of the equity of selected public enterprises (treated as a negative capital expenditure) is taken into account, the decline becomes much larger. The reduction in capital expenditure will be achieved in part by sharply reducing Plan spending on energy (by 17% in nominal terms) and on industry and minerals (by 13%).

2.6 On the revenue side, both administered price changes and tax increases have been imposed. The main changes in administered prices include (1) a 10% increase in the prices of most petroleum products, but 20% for gasoline, LPG, and aviation fuel, no change for diesel, and a 10% reduction for kerosene for non-industrial use; (2) a 40% increase in fertilizer prices except for low-analysis fertilizers (which were completely freed from price and distribution controls) -- later reduced to 30%, with exemption from the price increase for small farmers; (3) a 10% increase in most railway freight tariffs and 15-20% for passenger fares; and (4) a 16% increase in the price of sugar sold through the Public Distribution System, which eliminated the small subsidy on sugar. Cash Compensatory Support, the main subsidy to exporters, had been abolished after the devaluation.

2.7 Tax measures announced in the Budget are expected to raise Rs. 20 billion (0.3% of GDP) for the center on a net basis in 1991-92. The most important source of additional revenue will be customs duties, targeted to increase by 26% given the devaluation of the rupee and only minor reductions in tariff rates (the maximum ad valorem duty was lowered from 240% to 150% and the rate on capital goods from 85% to 80%, among others). A large increase (25%) in receipts from the corporate income tax also is budgeted in the light of a five percentage point rise in rates and lower depreciation allowances (reduced from 33.33% to 25% for machinery and equipment and from 50% to 40% for vehicles and airplanes). Excise collections are slated to rise by 12%, partly as a result of increases in basic duty on consumer durables and other items and in auxiliary duty from 5% to 10%. New taxes include a 3% tax on gross interest receipts of financial entities and a 15% expenditure tax for airconditioned restaurants.

^{2/} Interest payments are projected to increase their share in GDP from 4.3% to 4.7%.

2.8 Overall, the 1991/92 Budget represents a substantial first step in the process of reducing fiscal imbalances to manageable levels and dampening inflationary pressures in the economy as well as weakening demand-side pressures on the balance of payments. The overall deficit reduction target is commendable for an eight-month budget. Moreover, the broad contours of the fiscal adjustment mark a break with past trends in some important respects and embody appropriate structural changes (e.g. greater reliance on reining in current expenditure and substantial reductions in subsidies). In relative terms, the budget has protected investment and social development outlays. Certain specific measures particularly in the areas of administered pricing and subsidies will also improve the efficiency of resource allocation. Finally, the government showed considerable restraint in not raising tariffs or imposing large increases in excise duties, measures which were common in the past.

2.9 On the other hand, certain trends are of concern. Some of the measures, while justified at this time because of the priority of stabilization, cannot be relied upon to promote long-term fiscal adjustment. One-time measures like asset sales leave underlying imbalances unaffected and might better be classified as financing items. Tariff rates were lowered only slightly, even after the sizable devaluation of the rupee; as a result the Government's dependence on revenue from this source, already very high, will increase further.^{3/} The opportunity to combine major tariff rate reductions with the devaluation could not be exploited due to the imperative of increased resource mobilization by the government. Some of the public investment cutbacks, most notably in energy, may also be harmful to India's medium-term developmental objectives. Price changes for petroleum products have in some respects further distorted relative energy prices. More generally, expectations for revenue growth are probably overly optimistic given the likely slowdown in GDP growth and the import compression required for balance of payments adjustment.

2.10 Stringent expenditure controls, backed up by effective monitoring and specific program cutbacks, will be critical for successful implementation of the 1991/92 Budget. Budget Estimates for numerous expenditure items were left unchanged (in nominal rupee value) from the time of the Interim Budget in March. This suggests that various cost-increasing factors like devaluation, higher administered prices, and higher transport costs were not taken into account. Achieving the budget targets will therefore require wrenching cutbacks in some areas and may be impossible in others. Hence they need to be backed up by a more programmatic approach, based on developmental priorities, to expenditure reductions in different sectors, agencies, and programs. More specifically, expenditure-side adjustment needs to be supported by actions to reduce the growth of the central government wage bill. Otherwise the spending reductions needed in nonwage current expenditure (other than interest, subsidies, and transfers) will be unrealistically large. The 1991/92 Budget targets for defense expenditure imply a considerable adjustment, but they will prove difficult to implement if they are not complemented by careful reviews of different spending

^{3/} The share of customs duties in total tax revenue accruing to the central government is projected to rise from 47.8% in 1990/91 to 49.3% in 1991/92.

categories and procurement programs to find avenues for expenditure cutbacks with minimal impact on defense effectiveness.^{1/}

2.11 The medium-term fiscal adjustment framework. Reducing fiscal imbalances to sustainable levels (a fiscal deficit of 3-4% of GDP) will take several years and several Budgets, each involving painful adjustments. Over the medium term, fiscal adjustment needs to be closely coordinated with tax reform, changes in the structure and improvements in the management of public expenditures, and trade reform, among others. It is extremely important that fiscal adjustment be consistent with and supportive of enhanced international competitiveness and improved growth and employment generation prospects for the Indian economy.

2.12 On the revenue side, the dependence on trade taxes, customs duties in particular, needs to be drastically reduced over several years. Lower tariffs will ceteris paribus adversely affect the fiscal balance, so rationalization of tariff structure will have to be closely coordinated with expenditure-side adjustment, tax reform (see the discussion later in this chapter), and exchange rate policy.

2.13 On the expenditure side, the significant steps to reduce central budgetary subsidies made in the 1991/92 Budget need to be followed up with longer-term programs to eliminate most (such as fertilizer) and restructure others (such as food) to ensure that benefits are targeted at the poor. Enhanced cost recovery for a variety of government services (especially at the state level) is desirable. In many cases, the need is not to cut government expenditure but to reallocate it (e.g. toward primary education and primary health care) and increase cost recovery for services that now disproportionately benefit the non-poor, such as higher education and curative health care. This would promote equity as well as resource mobilization and improved resource allocation. The growth of government consumption expenditure needs to be curbed as an integral part of medium-term fiscal adjustment. This could be accomplished partly by reducing the growth of central government employment, but it may also be necessary to limit the rise in wage rates of government employees.^{2/} There should also be scope for curbing both defense and nondefense purchases of goods and services. No aspect of government spending should be exempt from scrutiny in the effort to improve the long-term fiscal balance.

2.14 Turning to public investment, although it should not be squeezed excessively as compared with current expenditure, careful management of the public investment program and desirable changes in the structure as well as level of public investment will reap fiscal dividends. Budgetary investment in

^{1/} In this context, the operations, efficiency, and viability of the defense ordinance factories could be closely scrutinized to identify possibilities for economy.

^{2/} Average pay increased by 12% p.a. in nominal terms in the 1980s, compared with less than 6% p.a. in the 1970s, implying much higher real wage growth.

manufacturing should be phased out over a period of time.^{§/} There is also scope in a number of sectors to reduce budgetary support for investment while maintaining or increasing sectoral investment through differing combinations of efficiency improvements, price changes, and private sector involvement. Coal, electric power, and railways are examples.

2.15 In numerous sectors where large, nationwide networks of government agencies and service institutions have been built up at high cost but with, in many cases, limited effectiveness, careful reviews and evaluations of different government programs and institutions will be necessary and savings should be possible. The government needs to develop mechanisms to improve the overall effectiveness of the public expenditure program by eliminating inessential and ineffective government functions while strengthening other essential functions.

2.16 State governments account for a large part of total government expenditure, especially in key social sectors and agriculture and irrigation, and they also make a substantial contribution to total revenue. State finances have suffered from an increasingly severe squeeze in the late 1980s. Wages have been protected and employment in state governments has continued to increase, exacerbating the squeeze on capital spending as well as on maintenance, materials, and other nonwage current expenses. Hence wage and employment policies comprise, if anything, an even more important part of fiscal adjustment at the state level than at the central level. Enhanced cost recovery for state-provided public services like electric power and irrigation and to a lesser extent for social services like education will be essential for budgetary stability. There is also more scope than at the central level for revenue mobilization, particularly through widening the tax base.

Structural Reforms

2.17 Industrial policy reform. Despite a decade of limited reform, India at the end of the 1980s still had one of the most tightly regulated manufacturing sectors in the world. Although there had been some modest relaxation of barriers to entry, this had occurred in a piecemeal manner, leaving in place a complex system characterized by delays, red tape, and redundant controls. The bulk of industrial investment projects had to obtain an industrial license and various other clearances before going into operation. Large and foreign-controlled firms (those with a foreign equity share above 40%) were subjected to extra restrictions, and reservation of certain activities and products for the public sector or for small-scale industry introduced further rigidities, as did location restrictions. Direct foreign investment was generally discouraged. Administrative, regulatory, and other barriers to exit in the system meant that large numbers of "sick" companies absorbed resources and adversely affected the stability of the banking system. Labor regulation was pervasive in the organized sector. Inability to discharge excess labor or close plants without state government approval (enshrined in legislation), as well as steadily rising real wages of organized-sector workers, inhibited new hiring and encouraged greater capital intensity and other methods to hold down labor costs as well as more

^{§/} Other forms of budgetary support to public enterprises also need to be phased out as part of public enterprise reforms.

confrontational actions like lockouts and unauthorized closures of facilities. In short, the industrial regulatory system was long overdue for comprehensive reforms.

2.18 The new Government swiftly prepared a comprehensive Statement of Industrial Policy and placed it before Parliament on July 24. The changes announced comprise a bold departure from past Indian regulatory practice. A significant breakthrough has been achieved in the relaxation of administrative barriers to entry, expansion, diversification, and modernization by industrial firms. The main features of the new industrial policy include the following:

- Industrial licensing has been abolished for all new, expansion, and diversification projects regardless of size, except in 18 designated industries and for projects located within 25 km from the 23 large cities with populations of over one million.^{2/}
- Capital goods imports for delicensed projects will be automatically cleared if the needed foreign exchange is made available through foreign equity investment or if the requirement is less than 25% of the total value of plant and equipment, up to a maximum of Rs. 20 million.^{3/}
- All pre-entry clearance requirements in the Monopolies and Restrictive Trade Practices Act (which applies to large or dominant firms) are abolished, and the Act will be re-oriented to concentrate on policing of monopolistic, restrictive, and unfair trade practices as well as consumer protection.
- Automatic approval will be given for projects involving foreign equity investment up to 51% in high-priority industries, provided that the foreign exchange for imported capital goods is covered by foreign equity and repatriation of profits is covered by gross export earnings.
- Foreign technical collaborations will be freely permitted in high-priority industries, up to a maximum lumpsum payment of Rs. 10 million, 5% of domestic sales, or 8% of export sales, subject to an overall limit of 8% on total sales in the ten years after approval or seven years after the start of operations.^{2/}

^{2/} An industrial license is not required for projects within 25 km from large cities if they are in designated nonpolluting industries (electronics, computer software, and printing) or are located in designated industrial areas. Location policies will be flexible for cities suffering industrial depression.

^{3/} This latter provision is to come into effect only in April 1992, however.

^{2/} Automatic clearance also applies for technical collaborations in other industries, as long as no free foreign exchange is required for the payments.

- o The need to enter into a Phased Manufacturing Program (PMP) -- under which producers were required to progressively indigenize production of parts and components over time, almost regardless of cost -- is eliminated for all new projects.
- o The mandatory convertibility clause in term loans from financial institutions (under which they could convert a portion of the loan value into equity) has been abolished for new projects.

2.19 The general direction of change embodied in the Industrial Policy Statement is highly desirable and long overdue, and in a number of specific areas the reforms announced have far exceeded earlier expectations. Fundamental changes have been made in delicensing (both industrial licensing and MRTP controls), and a very major improvement in the treatment of direct foreign investment has occurred. A great deal of the regulatory undergrowth that has stifled industrial dynamism has been cleared away. If the reforms already announced are fully implemented and carried further in certain respects, they will have essentially removed the regulatory barriers to entry that have long impeded India's efforts to attain international competitiveness and rapid industrial growth and employment generation. They will also improve the industrial sector's ability to generate a strong supply response to reforms in other areas, trade reform in particular.

2.20 The limit of Rs. 20 million (less than US \$800,000) on freely permitted capital goods imports for delicensed projects is unduly low, and ways need to be found to introduce greater flexibility while maintaining a certain degree of macro control for BOP purposes. Second, the retention of significant restrictions on location means that a large number of industrial investment projects (other than those in industries still subject to compulsory licensing) will still have to go through some approval procedures. Of course, regulation of industrial location on grounds of environmental protection, congestion, urban planning and zoning, and other local concerns is necessary and desirable. However, in formulating the operational guidelines of this element of the new policy, it is important to ensure that no room is left for discretionary control unrelated to such concerns. It should also be noted that the list of industries still subject to compulsory licensing includes some important ones for which the justification for regulation is far from obvious (e.g. sugar, cars, leather, electronic consumer goods, other consumer durables). On direct foreign investment, the breakthrough made in the Industrial Policy Statement needs to be solidified through effective implementation. Over time, additional measures to encourage direct foreign investment in the light of experience with the changes already made may be desirable.

2.21 At the next stage, industrial policy reform must address exit policy and the closely related area of labor regulation, both of which are critical for India's industrial regulatory reform program as a whole. Little or no progress was made in facilitating exit in the 1980s, and the comprehensive relaxation of entry restrictions just announced, as well as the macroeconomic adjustment India is about to go through, will put increasing pressure on the finances of many weak firms, making reform of exit policies all the more essential. Similarly, the pervasive, interventionist, and politicized structure of labor regulation remains virtually unchanged. The need to develop an exit policy consonant with a

deregulated, competitive industrial system is recognized by the Government. The creation of the National Renewal Fund, proposed in the Budget, to provide a "safety net" for displaced workers, represents a first step in this direction. Labor and exit are closely interrelated (the underlying obstacle to exit is the compulsion to protect existing jobs in the organized sector), and they raise complex and difficult issues. Nevertheless, the importance of labor and exit, particularly given the progress made in removing barriers to entry, means that reforms in these areas should receive attention and priority in the future.

2.22 Trade reform. With the major deregulation of industrial investment, India's trade regime is probably the single biggest long-term obstacle to international competitiveness and higher growth. Protection is high and erratic due to the complex array of quantitative restrictions, nominal tariff rates averaging 117%, numerous exemptions, and various special schemes. The system not only implicitly taxes exports but raises the costs of universal intermediate inputs and capital goods. Effective protection rates (EPRs) are highly variable, ranging from -16% to +162% for a selected group of manufacturing subsectors, and bias investment toward highly protected subsectors. But 20-60 percentage points of EPRs are simply compensation for higher capital costs. The system therefore raises the overall cost structure of Indian industry more than it provides protection. Both domestic production and exports are rendered uncompetitive without compensatory schemes of subsidy and protection, even in cases where Indian industry may be potentially internationally competitive. Finally, the system also implicitly taxes agriculture.

2.23 Previous attempts to reform trade policy were mainly geared to making imported inputs available to exporters at world prices in order to increase the competitiveness of Indian exports. This was a necessary first step in offsetting the overall anti-export bias of the trade regime and played a role in stepping up exports. But in the absence of a major reform of the import and tax systems, changes in export policies alone will not provide a basis for sustained and broad-based export growth.

2.24 India needs to move toward a trade regime that is less biased against exports, more uniform in the degree of protection given to different industries, and much simpler and more transparent. The system should rely more on price incentives than administrative interventions and more on exchange rate adjustment than on import tariffs and export subsidies. In brief, trade reform implies elimination of the vast array of non-tariff barriers (import licenses, bans, canalization, and export controls) and a drastic reduction in tariff rates.

2.25 The trade policy reforms announced following devaluation of the rupee in July are a step in the right direction. The main immediate changes included:

- o Abolition of Cash Compensatory Support (i.e. export subsidies), which had varied between 5% and 20% and averaged about 6% of fob export value.
- o Replacement of REP licences for exporters by Exim Scrip with a uniform replenishment rate of 30% of export value, compared with a wide range of rates (considerably lower on average) previously. Exim Scrip is freely tradeable and completely fungible across

eligible products; it will be the sole means for importing most intermediate goods and components.

- o Abolition of several categories of discretionary licenses previously used for importing intermediate goods and components (which are now importable using Exim Scrip).

Over the longer term, the stated intention is to eliminate most import licenses for capital goods and raw materials within three years, abolish canalization for all but essential goods, review the tariff structure, and move toward rupee convertibility on the trade account in three to five years.

2.26 The new measures replace import licensing for many intermediate products with the market-based Exim Scrip, and help reduce the budget deficit. Exim Scrip is a flexible instrument both for widening the range of goods freed from import licensing and for overall balance of payments management. So long as demand for foreign exchange exceeds supply at the official exchange rate, Exim Scrip will trade at a premium, providing added incentives for exporters and automatically compressing imports to the value of the available pool of Exim Scrip. But it suffers from the well-known limitations of dual exchange rates -- providing erratic and variable effective rates of protection, creating additional scope for abuse and corruption, and possibly generating pressures for ad hoc exceptions. The new scheme should therefore be viewed as a transitional device to other, more conventional, market-based policy instruments.

2.27 The new trade policy makes no immediate provision for reducing quantitative restrictions on capital goods. This is based on balance of payments considerations, but there is no logical reason why capital goods could not have been included in the Exim Scrip scheme, either by raising the replenishment rate or by letting the premium go higher.

2.28 More important, only a token reduction in tariff rates has so far occurred. The budget reduced the maximum tariff rate to 150% (with two exceptions) and tariff rates on most capital goods from 85% to 80% (from 65% to 60% for their components). Because of the devaluation, tariff revenue will rise substantially, and it is not clear that the trade policy changes so far have improved the profitability of producing for export compared to producing for import substitution. Changing the relative profitability (and price ratios) of exportables to importables -- not just tradeable to non-tradeables -- will be an essential part of successful trade reform.

2.29 The main obstacle to tariff reduction, of course, is the central government's revenue constraint. This limits what can be done in the short run and underlines the importance of reducing expenditure and reforming the tax system to provide alternative sources of revenue. But a substantial tariff reduction should be introduced at the earliest opportunity, and a sequence of tariff reductions should be preannounced in order to provide appropriate price signals to investors. Without this, newly-deregulated industrial investment may flow into the wrong areas and create impediments to future reform.

2.30 Financial sector reform. Despite India's considerable success in mobilizing financial savings, the financial system has been seriously weakened

by Government policies over the years. Commercial banks operate at low margins due to heavy obligations to provide directed credit at subsidized rates to Government and priority sectors. Internal efficiency of commercial banks is low and administration costs are high. Most alarming of all, bad and doubtful debts have built up on an already inadequate capital base; 7% of bank lending is to large and medium-sized sick companies. India urgently needs to improve prudential regulation of banks and to undertake substantial restructuring and additional capitalization to preserve their solvency. Reforms are also needed to strengthen term lending institutions and to improve the workings of the rapidly expanding capital markets.

2.31 Many of the problems in the financial sector are the direct result of large fiscal deficits and RBI's attempts to counter the potential monetary effects of deficits by requiring commercial banks to hold large amounts of government debt at below-market rates. Solutions correspondingly depend to a large extent on success in regaining fiscal balance. Directed lending to priority sectors is a second problem, which hurts the financial system in two ways. First, since about half of lending occurs at subsidized rates of interest, it imposes a tax on the banking system. Second, the need to meet targets subjects banks to higher risk and consequently a substantial burden of bad debt.

2.32 The new government has instituted a number of measures to improve the position of the financial sector in the short run and to prepare the way for deeper financial sector reforms in the future.

- A high-level committee has been established to review the structure, organization, functions, and procedures of the financial system and within three months to advise the Government on reforms.
- Interest rates on term loans and on the bulk of debt instruments in capital markets have been decontrolled, and deposit interest rates have been increased. (Interest rates on commercial bank loans had been decontrolled earlier.)
- Full statutory powers will be given to the Securities and Exchange Board of India (SEBI) to regulate, promote, and monitor Stock Exchanges in India; correspondingly, the functions of the Controller of Capital Issues are being redefined.
- The private sector is now allowed to establish Mutual Funds.

2.33 These and other recent changes mark only the beginning of a process of financial sector reform. The solutions to the problems of the financial sector lie in increasing spreads for banks, reducing and eventually eliminating priority sector targets, restructuring the banking system to lower administrative costs, simplifying takeover of defaulting companies, and increasing the efficiency of lending appraisals to minimize future bad debts. Additional capital will also be necessary to strengthen commercial banks. Financial entities need to be given much greater operational autonomy, accompanied by improved prudential supervision. The longer-term framework for financial sector development could include a growing role for the private sector.

2.34 Public enterprise reform. Pervasive inefficiencies and consequent poor financial performance in India's public enterprise sector comprise a major obstacle to industrial development and international competitiveness. A number of factors contribute to inefficiency and lack of dynamism. Cost-plus pricing and price and distribution controls in many industries encourage inefficiency. Many public enterprises are in one way or another protected from competition, giving them de facto monopoly status. A "soft budget constraint" allows sick public enterprises to survive with easy access to budget funds and/or credit from the financial sector. The relationship between public enterprises and government supervisory authorities is ambiguous and un conducive to improving efficiency. Public enterprises are constrained by multiple, often contradictory objectives, diffused accountability of decisionmakers, lack of managerial autonomy, and pressures that lead to overstaffing in relation to operational needs. All in all, the public enterprise sector did not fulfill the high aspirations with which it was formed starting in the 1950s and instead has become a serious drain on government finances.

2.35 As part of the Industrial Policy Statement promulgated on July 24, 1991, the new Government announced major changes in its approach to public enterprises.

- Priority areas for future public enterprise development are to be (1) essential infrastructure, (2) exploitation of oil and mineral resources, (3) technology and manufacturing development in crucial areas where private investment is inadequate, and (4) strategic activities (e.g. defense equipment production).
- The existing portfolio of public enterprises will be reviewed with a view to focusing the public sector on strategic areas, high-tech, and essential infrastructure.
- The concrete list of activities reserved for the public sector has been reduced from eighteen to eight -- arms and defense equipment, atomic energy, coal, petroleum, certain mining activities, and railway transport.^{10/}
- Chronically sick public enterprises unlikely to revive on their own will be turned over to the Board for Industrial and Financial Reconstruction (BIFR) or a new institution created for the purpose, to assess their prospects and develop rehabilitation schemes.
- A social security mechanism (the National Renewal Fund) is to be created to protect the interests of workers likely to be affected by public enterprise restructuring, retrenchment, or closure.
- Some public enterprise equity will be sold to mutual funds, financial institutions, the general public, and workers.

^{10/} Among the major industries taken off the old reserved list dating from 1956 are iron and steel, heavy castings and forgings, heavy electrical equipment, aircraft, air transport, ship building, telecommunications equipment, and electric power.

2.36 Finally, several measures to improve the efficiency of existing public enterprises were announced: (1) boards of public enterprises will be given greater powers and staffed to a larger extent by professionals; (2) greater emphasis will be given to Memoranda of Understanding (MOUs) to enhance management autonomy and accountability; and (3) MOUs between the Government and public enterprises are to be placed before Parliament.

2.37 These policy statements complemented by a few more concrete measures mark a promising start in public enterprise reform. Pushing ahead with implementation of announced measures and further steps to make the new vision of the role of the public sector a reality will be a difficult and painful as well as controversial task, however. Nevertheless, this is a crucial area of structural reform, and the payoffs in terms of improved efficiency in the economy as well as better fiscal balance will be large.

2.38 Public enterprise reform will need to proceed on a number of fronts. One high-priority task is to phase out budgetary support and guaranteed credit to most public enterprises over a period of several years. An effective mechanism needs to be created whereby unviable public enterprises can exit from the scene. This will in turn require some kind of "safety net" to provide support to workers losing their jobs. Reliance on BIFR and the National Renewal Fund, respectively, represent significant moves in these two crucial areas, but much remains to be done to create a viable exit mechanism for public enterprises. Limiting new public enterprises to essential and high-priority areas of activity also would be beneficial. Sale of public enterprise equity to various entities and individuals has already been announced but needs to be carried through and carried further. Finally, enhanced managerial autonomy and accountability comprise an important ingredient in public enterprise reform.

2.39 State governments over the years have established numerous public enterprises involved in a wide variety of activities, ranging from electric power generation and distribution to handicrafts and hotels. These concerns tend to be even more inefficient than central public enterprises. Given the dire straits into which the finances of many state governments have fallen, public enterprise reform at the state level also is urgently needed.

2.40 Tax reform. India frequently resorted to tax increases in response to the worsening fiscal situation in the 1980s and imposed two more heavy doses in late 1990. Revenue mobilization in India has been high by developing country standards, and the tax-GDP ratio further increased in the 1980s. But tax increases have been narrowly-based and distortionary, mainly involving rising customs duties and to a lesser extent central excise taxes. Direct taxes contributed nothing to increased revenue mobilization; personal income tax collections declined significantly as a share of GDP.

2.41 The system of center-state fiscal relations appears to have influenced tax trends adversely. One explanation for the rapid growth of customs revenues may be that these are kept in their entirety by the central government, whereas central excise tax receipts are shared with the states. The corporate profit tax is kept by the center, whereas 85% of the personal income tax goes to the states; this may in part explain the slower growth of the latter. Surtaxes have been

widely used by the central government, apparently as a means of avoiding having to share the proceeds of tax increases with the states.

2.42 Tax administration considerations also play an important role. Customs duties are relatively easy to collect at the border, and the same is true to a lesser extent of central excise duties levied on large producers. Many indirect taxes are specific to avoid valuation problems, so collections tend to lag behind inflation. Pressure from organized-sector employees has led to increases in the exemption level for personal income tax, and difficulties in assessment and collection have kept its base very narrow. Farmers have prevented any serious taxation of agricultural income by the states, and the land tax has sharply declined as a source of revenue.

2.43 The new Government has shown admirable restraint in not imposing major increases in indirect tax rates in the 1991/92 Budget. But in the absence of major tariff reductions, depreciation of the rupee has imparted substantial buoyancy to revenue from customs duties, and the dependence of the central government budget on this revenue source has in fact increased. Moreover, the sizable increases in corporate tax rates are burdensome and distortionary and may not yield commensurate revenue growth.

2.44 Further ad hoc tax increases along the lines of those instituted in the recent past should be avoided. As the current fiscal crisis has been caused by trends on the expenditure side, the solution must lie mainly on that side as well. There may be scope for some temporary tax increases to provide time and breathing room for adjustment on the expenditure side, but these should not be relied on for long-term adjustment. Over a period of several years, major tax reform will need to be instituted, which would reduce excessively high rates, widen the tax base, simplify taxes, move toward greater equality in tax rates across sectors and products, reduce the reliance on trade taxes, and strengthen tax administration. Tax reform would eventually yield more elastic and higher revenues to the Government, but this would not be its only or main purpose, and in the short run there might be little positive impact.

2.45 Trade reform and tax reform are closely interrelated, as reductions in tariff rates will need to be partly compensated by increases in collections from other sources. Excise tax rates need to be made much more uniform (with higher rates for certain luxury goods if that is considered desirable); introduction of a system of value added taxation would be highly desirable. High indirect taxes on capital goods (both excise duties and tariffs) are a serious obstacle to international cost competitiveness and should be lowered drastically. Personal income tax could be strengthened by keeping the exemption limit constant in nominal terms for a number of years to widen the tax base; reducing and rationalizing tax concessions for savings instruments and limiting them to long-term instruments; strengthening taxation of fringe benefits, housing and vehicles in particular; and relying more on deduction of income tax at source where appropriate. At the state level, efforts to broaden the tax base and increase revenue mobilization would be in order.

2.46 Energy sector reform. Energy remains critical to efforts to eliminate macro imbalances and accelerate growth. Approximately one third of total public investment resources are used for developing indigenous energy resources; the

power sector alone has come to claim almost one fourth of the public sector investment program. Despite massive investments, however, the surge in demand for energy during the 1980s has outstripped the expansion of indigenous supply. The need for increasing oil imports (projected to reach at least 60 million tons of oil, or more than double current imports, by 2000) will place a heavy burden on the country's limited foreign exchange reserves and thus will pose a major obstacle to continued high rates of economic growth. The Government is faced with a limited range of options to bridge this widening gap: promoting energy conservation and generally more efficient use of energy in the economy; more efficient development and utilization of indigenous energy resources and existing capacity; and increasing involvement of the private sector, Indian and foreign, in energy development.

2.47 Energy conservation efforts have not to date been successful. India is one of the LDCs with the highest energy consumption per unit of GDP except for China. Bringing energy prices, particularly those of power, more in line with efficient supply costs is a prerequisite for reducing energy intensity in the Indian economy. It is impossible, for example, to contain the surging demand for power in agriculture when tariffs at best cover 10% of supply cost and often go uncollected. Even where power tariffs are approximately in line with costs, however, as in industry, efforts to improve energy efficiency are vitiated by the widespread use of cost-plus pricing and, more generally, a regulatory framework that has protected industry from international and domestic competition.

2.48 There is a pressing need to improve the efficiency of the existing energy supply infrastructure and to develop indigenous resources on more stringent economic criteria. Implementation of institutional and pricing reforms to allow the oil, gas, coal and power industries to operate along commercial lines is critical for the success of this endeavor. The resulting growth of internally generated resources would make these industries less dependent on budgetary support. In the case of coal, there is a strong rationale to open up the industry to private investment in the development of new mines, in a manner similar to that being pursued in the power sector. In any case, the allocation and pricing of energy should increasingly reflect market forces. Private investment can also play a greater role in relieving public sector financial constraints and, in the case of foreign investment, foreign exchange constraints.

2.49 Social sectors and safety nets. Reforms of the scope and magnitude outlined above will have significant transitional social costs. In the near term, fiscal austerity inevitably will cost some output, employment, and income growth. Structural reforms designed to increase the competitiveness of the economy will, as they are implemented, also put increased competitive pressure on many firms. Some will survive and prosper. Others may undergo periods of painful retrenchment and restructuring, and some of them will ultimately fail. The burden of these costs must be shared fairly. A package to ease adjustment costs for those most affected or ill-prepared to cope could include the following elements:

- o Protection and, to the extent possible, even expansion of public spending on social services that have a strong positive impact on the well-being and prospects of the poor, such as primary education, nutrition and family welfare, rural water supply, etc.

- o Refocussing and better targeting of subsidies and employment programs so that the poor are protected even if total expenditure on them is cut. This can also be accomplished by curtailing subsidies that go mainly to the nonpoor.^{11/}
- o Limited financial compensation to ease the transition for government and public sector employees who lose their jobs during the adjustment process, taking off from announcements made in the 1991/92 Budget and the Industrial Policy Statement.^{12/}
- o In the organized private sector, measures to ensure that workers who lose their jobs receive payments that are due to them under current statutory arrangements, as well as possibly a move toward a (modest, time-bound) social insurance scheme for workers who lose their jobs, which could be funded by employer contributions and, in the case of bankrupt concerns, proceeds of asset sales.

2.50 Given the large amounts currently being spent on subsidies and various social programs, much of which does not reach the poor, it should be possible to protect the poor from cutbacks in overall expenditures and perhaps even increase spending on them to some extent. Nonpoor beneficiaries will resist such changes, however, and may try to skew adjustment to cushion themselves, leaving the poor disproportionately harmed. Hence the strong political commitment to protect the genuinely poor during fiscal adjustment, enunciated by the Government, is most appropriate. Over the medium term, rapid economic growth resulting from successful comprehensive structural reforms will be the most effective means of ensuring that the poor do not suffer as a result of adjustment.

2.51 Concluding remarks. India has the industrial and human resource base to match the growth performance of the successful East Asian economies. Tapping this potential requires both stabilization and fundamental institutional and policy reforms, which among other things will redefine the role of the state and change the size and orientation of the government apparatus. The magnitude and difficulties of the changes needed should not be minimized, but there is no viable alternative to stabilization and reform.

2.52 The new Government has moved quickly and boldly to begin major reforms in a number of critical areas, even while striving to deal with the difficult short-run balance of payments situation and to start reducing the fiscal deficit. Although support for fundamental reform is growing in India, it is still to some extent held back by fears about the transitional costs entailed, both social and political. Stabilization necessarily will be painful, even if the costs can be

^{11/} The 1991/92 Budget took a useful step in this direction by eliminating the sugar subsidy and reducing that on liquid petroleum gas (LPG). Both of these subsidies went mainly to the nonpoor.

^{12/} Such compensation in principle should be "funded" from future labor cost savings in the government and public sector. In the case of the latter, part of the money saved by reducing budgetary support for investment and current operations could be used for retrenchment compensation.

contained and the poor protected. Reforms will affect the fortunes of various groups in the society, some of them politically powerful. Successful implementation of an appropriate program of stabilization and reform will require adept political as well as technocratic management.

2.53 Nevertheless, the payoffs from embarking on a comprehensive program of stabilization and reform are more than commensurate with the costs, and the latter can be minimized through good policy design and effective implementation. Restoration of rapid growth after a period of stabilization will quickly ease transitional costs and ameliorate longer term problems. India needs sustained rapid growth at or above the 5.3% p.a. rate attained in the 1980s. The country's own post-Independence experience demonstrates that little progress can be made in eradicating poverty at aggregate growth rates below 5% p.a. In the 1980s growth was two percentage points higher than in the previous two decades, which resulted in much faster income growth and, for the first time, a substantial decline in the poverty ratio.

Chapter 3

Medium Term Prospects and Financing Requirements

Introduction

3.1 Managing India's balance of payments over the next few years will be extremely difficult. The servicing obligations associated with the large stock of external debt are projected to grow rapidly over the next few years, while India's access to international capital markets is likely to remain restricted. Moreover, foreign exchange reserves are at a critically low level and urgently need to be rebuilt. Successive governments have forcefully reiterated their commitment to maintaining India's impeccable debt servicing record and, through various strenuous efforts, India has successfully met all international payment obligations. The emergency measures adopted by the authorities included severe compression of imports, devaluation of the rupee, and mobilizing part of the country's gold stocks.

3.2 These measures have had some success in re-establishing external confidence: outflows from the NRI deposits, which totalled about \$1 billion during April-June 1991, have slowed considerably; and the reduction of commercial bank exposure has been arrested. However, these measures cannot form the basis for a recovery of growth and a strengthening of India's creditworthiness.

3.3 The task ahead, on which the Government has already started, is two-fold. First, the fiscal deficit, which is the root cause of the balance of payments crisis, must be progressively reduced from around 9% to 3-4% of GDP. Second, structural reform measures must be deepened along the lines indicated in Chapter 2 in order to improve the productivity of investment and to raise the underlying rate of growth of the economy. Tighter fiscal discipline is necessary to reduce demand pressure on the balance of payments and to free up resources for investment. Thorough structural reform is needed to elicit the supply response required for sustained high growth of output and exports. As both demand and supply responses unfold and the balance of payments improves, India will be able to resume commercial borrowing (though at a reduced and sustainable rate) to supplement domestic resources and provide an additional boost to growth.

3.4 This virtuous circle can only develop, however, if additional balance of payments support is available in the short and medium term. The supply response cannot be instantaneous. If imports are compressed too severely in the interim, resources will be insufficient to fuel the supply response. Moreover, without some cushion against uncertainty policymakers may feel unable to risk bold measures which will be necessary to elicit a supply response, but which might also temporarily weaken the balance of payments. Because of both lags and uncertainty, and despite a substantial current account adjustment, India will need additional balance of payments support. Since the restoration of India's access to commercial credit is likely to be gradual, this assistance must come from official sources.

3.5 This chapter describes the likely impact on the balance of payments of implementing the comprehensive program of stabilization and reform initiated by India. It also briefly assesses the risks and options which India faces and analyzes their implications for external financing requirements.

Managing the Balance of Payments

3.6 Even if India could attract commercial funds and NRI deposits at the levels of recent years, it would not be prudent to do so because the rate of external commercial borrowing in recent years was unsustainable. The 1991/92 current account deficit would have to decline from about \$10 billion (3.5% of GDP or 44% of exports of goods and non-factor services) in 1990/91 to about \$6 billion (2.5% of GDP or 25% of exports) in 1991/92, with further declines thereafter, to take account of India's reduced access and ability to service commercial borrowing. We project that the measures taken in July, if accompanied by a continued tight monetary policy and the fiscal adjustments pledged by the Government, and followed by the structural reforms described in Chapter 2, should result in a gradual improvement of the current account of this magnitude.

3.7 Table 3.1 summarizes the balance of payments projections through 1994/95. In 1991/92 merchandise imports are projected to fall by over 7% in nominal dollar terms. Imports would be roughly stable in real terms, with the volume of oil imports increasing by 7% to compensate for the shortfall in domestic production, and non-oil imports declining in real terms by about 7%. This decline in customs-based non-oil imports follows two years of stagnation of their real level and therefore represents a significant reduction in their share of GDP. After 1991/92 non-oil imports should increase by about 9.5% per year in real terms through 1994/95 to permit a reasonable supply response. The growth rate of oil imports (in real terms) is projected to decline as production shortfalls are overcome.

3.8 Merchandise exports are projected to grow by 9.5% in nominal dollar terms and 7% in real terms in 1991/92. This assumes a quick reversal of the sharp decline in exports (about 8% in dollar terms) that took place in the first two months of 1991/92 and resumption of growth at around 15% in nominal dollars for the latter part of the year, i.e. a return to the average performance of the past four years. The decline in exports is believed to have been caused by the import restrictions discussed earlier in this report. As some restrictions have been lifted for exporters in early August and remaining restrictions are expected to be removed shortly, the export growth rate should recover and return to its trend level. Beyond 1991/92, exports of gems and jewelry would recover from their relatively modest performance in 1990/91 together with the US economy. Exports of textiles, leather products, chemicals, and engineering goods, which performed well in 1990/91, are expected to grow at their historical rates. Overall, merchandise exports are projected to grow at about 16% p.a. in nominal dollars and 12% in real terms from 1992/93 through 1994/95.

3.9 These export projections also take into account the real depreciation of the rupee from Rs. 16.7 per US dollar in 1989/90 and Rs. 17.9 in 1990/91 to Rs. 25.7 at the beginning of the second quarter of fiscal year 1991/92. This depreciation should provide additional stimulus to exports and, in conjunction with the trade reforms discussed in Chapter 2, broaden and deepen India's export

Table 3.1
Balance of Payments Projections
(US\$ Millions)

	--- Actual ---		----- Projected -----			
	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Exports (GNFS)	20913	22664	24562	28088	32399	37148
Merchandise Exports	16850	18392	20145	23292	27121	31353
Non-factor Service Receipts	4063	4272	4417	4796	5278	5795
Imports (GNFS)	28123	30629	28397	31209	34960	38790
Merchandise Imports	24785	27052	25070	27563	30924	34350
Non-factor Service Payments	3338	3577	3327	3645	4036	4440
Resource Balance	-7210	-7965	-3835	-3121	-2560	-1642
Net Factor Income	-3305	-4023	-4286	-4325	-4589	-4854
Factor Service Receipts	395	199	196	245	318	364
Factor Service Payments /a/	3700	4221	4481	4570	4907	5219
Net Current Transfers	2256	2055	2084	2133	2238	2240
Current Account Balance	-8259	-9933	-6036	-5313	-4911	-4257
Foreign Direct Investment	350	253	169	261	524	681
Grant Aid	500	524	549	576	603	632
Total Net Flows (M<) /b/	4245	4142	3651	4280	3664	3531
Disbursements (M<) /b/	6167	6502	6166	7234	7281	7733
Principal Repayments (M<)	1921	2360	2515	2954	3617	4202
Net IMF Credit	-1008	1117	1159	691	575	-461
Capital Flows NEI	3321	2127	509	267	698	773
Short-Term Debt	917	813	209	-157	-100	-50
Other Capital NEI /c/	2404	1314	100	424	798	823
Errors & omissions /d/	0	0	200	0	0	0
Change in Reserves	851	1770	0	-762	-1153	-898
Memorandum Items:						
End-Year Reserves (US\$ M.)	4108	2338	2338	3100	4253	5151
Reserves in Months of Imports	2.0	1.0	1.1	1.3	1.7	1.8
Current Acc Deficit / GDP	3.1%	3.5%	2.5%	2.2%	2.0%	1.6%
Current Account (GOI Defn.) /e/	-6745	-8218	-4352	-3675	-3241	-2528
Debt Service Ratio /f/	27.3%	28.2%	26.8%	24.8%	23.9%	25.2%

/a/ Including accrued interest on Non-Resident Deposits.

/b/ Excluding Non-Resident Deposits.

/c/ Including reserve valuation changes, NRI deposits and other items.

/d/ Reflects pledged gold in 1991/92.

/e/ Excluding NRI deposit interest and including grant aid.

/f/ As a proportion of gross current receipts.

base over the medium-term. On the import side, it is assumed that after the initial slowdown in 1991/92, higher investment and more liberal trade policies, particularly with regard to capital goods and intermediates, would pull in more imports. However, as export growth strengthens, the current account deficit should decline to about \$4.3 billion (1.6% of GDP or 11% of exports) by 1994/95. The projections also assume that after a decline to 2-3% in 1991/92, overall growth would gradually recover, averaging about 3-4% in 1992/93-94/95 and reaching the 5%-6% range during the second half of the decade. Thus, despite a temporary slowing of growth, per capita income could grow by one-third or more during the next decade.

3.10 Public sector imports will need to be tightened to ensure that overall imports remain within the limits just mentioned. The Government should seriously consider deferral of all new public investment expenditures involving unfinanced foreign exchange components and give the highest priority to completing ongoing projects. This is crucial to ensure that the current account deficit declines as projected.

3.11 An improvement in the current account notwithstanding, repayments of principal on the country's \$72 billion debt will remain an important source of pressure on the balance of payments. Principal repayments will amount to \$3 billion in 1991/92 and 1992/93, but will rise rapidly thereafter to an annual average of about \$7 billion in the latter half of the 1990s. The debt service ratio to current receipts is projected to average about 25% from 1991/92 through 1995/96, after which it declines rapidly. The exposure of commercial lenders (other than NRIs) is projected to remain roughly constant, i.e., disbursements will offset repayments of principal. Disbursements from existing and expected new commitments of commercial lending plus official lending for project purposes are projected at \$4.6 billion in 1991/92, about \$6 billion in 1992/93 and 1993/94, and \$7 billion in 1994/95.

3.12 The contribution from non-resident Indian (NRI) foreign exchange deposits is expected to be modest. These deposits have become an important but costly and volatile source of external financing in the 1980s. During the uncertain and turbulent three months that preceded the July budget, withdrawals from NRI accounts amounted to almost \$1 billion. The July measures have restored confidence and stabilized the level of NRI deposits, but there is an important element of uncertainty about future flows. As a matter of prudent debt management strategy, India should try to reduce its dependence on NRI deposits, and rely more on alternative instruments with longer maturities and more predictable servicing profiles (e.g., bonds). It is projected that net new deposits (including accrued interest) will be negligible in the next two years, rising to only \$0.4 billion in 1992/93.

3.13 The foregoing projections are subject to considerable uncertainty, depending on assumptions regarding export performance and NRI deposits and other capital flows, but the projected financing requirement is conservative, particularly in the short run. Despite the large fiscal and current account adjustment, the financing requirement in 1991/92 over and above the projected inflows of project aid, commercial borrowing, and NRI deposits is projected to be \$3.7 billion. This assumes no reserve build up for the year as a whole and, as noted previously, it also assumes quick recovery of export growth and a

decline in real non-oil imports of 7%. The foreign exchange position will thus remain tight and highly uncertain for the remainder of 1991/92. No margin exists in these projections for additional external shocks or disruptions to domestic production.

3.14 Exceptional financing requirements should begin to decline beginning in 1992/93 as export growth continues and private creditors, on the strength of export performance and an officially supported adjustment program, maintain or marginally increase their exposure in India. But the need to build up reserves and the bunching of repayment obligations mean that the exceptional financing requirement is still about \$2.8 billion in 1992/93, and falls only to \$2.0 billion by 1994/95. However, with the progressive adjustment of the current account deficit, India's need for exceptional financing should end by 1996/97.

Aid Requirements

3.15 Securing exceptional financing should be feasible in the context of a medium-term adjustment program agreed with the Bank and the Fund and supported by additional assistance from official creditors. Some of this exceptional financing for 1991/92 has indeed already been provided, most notably by Japan. The financing scenario (Table 3.2) assumes that quick-disbursing adjustment lending by the World Bank and the Asian Development Bank in support of reforms in trade, finance, industrial regulation, and public enterprises will complement IMF resources through the remainder of 1991/92 and beyond.

3.16 The multilateral institutions could not, however, manage alone. Other official donors also have a major role to play in closing the gap. The balance of payments and financing requirements calculations presented earlier in this chapter assume that Consortium commitments not only increase in relation to the experience of recent years and that disbursement performance gradually improves, but also that a significant proportion of new commitments will be in the form of support for the balance of payments in 1991/92 as well as in each of the three subsequent years. Bilateral donor balance of payments support of about \$700 million in 1991/92 and \$400-600 million in the following three years would be needed to supplement similar fast disbursing assistance from the IMF, World Bank, and Asian Development Bank.

3.17 More specifically, given the range and depth of the reforms on which the Government is now embarking, and considering also the late date of the Consortium meeting relative to most donors' planning and budget cycle, this report recommends (i) that each donor at the least maintain its pledge in nominal terms, at the 1990/91 level. Looking ahead to 1992/93, donors should strive to bring their pledges in real terms back to their 1988/89 level. This would require donors to increase their pledges by about 10% in relation to their 1990/91 levels. (ii) Bilateral donors should increase quick disbursing assistance in support of stabilization and structural reform, particularly in 1991/92 but also in the next three to four years. It would be essential that about one-third of the amount pledged for 1991/92 be for quick disbursing assistance in that year. (iii) Bilateral donors should reconfirm and, where possible, increase their export credit agencies' cover and dedicate it to the support of India's high priority projects and programs. In appropriate cases donors should be prepared to support the use of limited competitive bidding. (iv) Donors should review

their portfolios to determine the relevance of their assistance in the adjustment process with a view to redeploying resources to higher-priority, fast disbursing programs.

3.18 India no longer has soft options. Trade-offs between cutting expenditure and raising taxes and between restraining defense expenditures and slowing spending on social programs and/or infrastructural investment will require hard choices. India's pledge to give a "human face" to adjustment and reform offers a unique challenge to donors. If India is prepared to follow through on the hard choices, the donor community should be prepared to strengthen its support significantly.

Table 3.2
Financing Plan
(US\$ Billion, at current prices)

	--- Actual ---		----- Projected -----			
	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Current Account Deficit	8.3	9.9	6.0	5.3	4.9	4.3
Principal Repayments	2.9	3.0	3.0	3.3	3.7	4.2
Official	2.0	2.0	1.8	1.9	1.9	2.1
Private	0.9	1.1	1.1	1.4	1.8	2.1
Increase in Reserves	-0.9	-1.8	0.0	0.8	1.2	0.9
Total Financing Needs	10.3	11.2	9.0	9.3	9.8	9.4
Grants & Foreign Investment	0.8	0.8	0.7	0.8	1.1	1.3
Disbursements	9.4	8.6	4.6	5.7	6.3	7.0
Official	3.6	4.0	3.5	3.8	3.7	3.6
Private	5.9	4.6	1.0	1.9	2.6	3.4
Exceptional Financing /a/	0.0	1.8	3.7	2.8	2.4	2.0
Multilateral		1.8	2.6	2.2	1.9	1.6
Bilateral	0.0	0.0	0.7	0.6	0.5	0.4
Others	0.0	0.0	0.4	0.0	0.0	0.0

/a/ Fast-disbursing assistance.

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Table 1.1
ESTIMATED POPULATION & DISTRIBUTION BY SEX 1960-2000
(in thousands)

Year	Male	Female	Total
1960	225942	208907	434849
1961	228715	215520	444235
1962	234131	220248	454379
1963	239689	225404	465093
1964	245395	230696	476091
1965	251224	236100	487324
1966	257196	241635	498831
1967	263271	247265	510536
1968	269511	253044	522555
1969	275918	258977	534895
1970	282500	265069	547569
1971	289019	271100	560119
1972	295118	276732	571850
1973	301346	282480	583826
1974	307704	288349	596053
1975	314195	294339	608534
1976	320826	300454	621280
1977	327596	306695	634291
1978	334509	313067	647576
1979	341471	319667	661138
1980	354840	332492	687332
1981	362170	339362	701532
1982	370142	346843	716985
1983	378537	354711	733248
1984	386973	362583	749556
1985	395083	370064	765147
1990	438308	411202	849510
1995	479275	450984	930259
2000	517620	488983	1006603

- Notes: (1) Population estimates refer to as of March 1st.
 (2) The population figures for the census years 1961, 1971 and 1981 differ from the official estimates as they have been corrected for under-counting.
 (3) Projection with NRR=1 by 2015.

Source: World Bank estimates.

Table 1.2
DISTRIBUTION OF POPULATION BY AGE GROUP AND SEX 1961-1981
(in thousands)

Year	(0-4)	(5-14)	(15-19)	(20-29)	(30-39)	(40-49)	(50-59)	(60+)	Total
1961									
Males	37363	55035	22665	38405	28944	19699	12307	14298	228716
Females	36834	53446	22189	36788	25205	16931	10827	13000	215220
Total	74197	108481	44854	75193	54149	36630	23134	27298	443936
1971									
Males	46758	74948	28688	45944	35790	26098	16590	14204	289020
Females	44531	71689	27303	43880	33613	22522	14459	13103	271100
Total	91289	146637	55991	89824	69403	48620	31049	27307	560120
1981									
Males	53152	91039	37690	56881	42875	34552	23618	22363	362170
Females	51487	84082	34149	55109	41096	31168	20700	21573	339364
Total	104639	175121	71839	111990	83971	65720	44318	43936	701534

Note: The population figures differ from the official census estimates as they have been corrected for under-counting.

Source: World Bank estimates.

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Table 1.3
SELECTED DEMOGRAPHIC CHARACTERISTICS BY STATES

STATES	1981 Area in Thousand Sq.kms	Population (million)		Pop. per sq.km 1981	1971-1981 Inter-censal Growth Rate (% per annum)	1981 sex ratio no. of males per 1000 females	Percentage of urban to total population		Literacy rates (b) 1981			1981 workers (c) as % of total population			Vital Rates (per 1000 pop.) Avg. of 1971-1981	
		1971	1981				1971	1981	persons	males	females	males	females	total	Crude Birth Rate	Crude Death Rate
Andhra Pradesh	275.1	43.50	53.55	195	2.10	1026	19.3	23.3	29.9	39.3	20.4	57.68	33.54	45.76	31.5	11.6
Assam	78.4	14.63	19.90(a)	254(a)	3.09 (a)	1110(a)	8.8	10.3(a)	n.a	n.a	n.a	n.a	n.a	n.a	32.7	11.4
Bihar	173.9	56.35	69.91	402	2.17	1057	10.0	12.5	26.2	38.1	13.6	50.18	13.50	32.35	38.4	14.7
Gujarat	196.1	26.70	34.09	174	2.46	1061	28.1	31.1	43.7	54.4	32.3	52.91	20.66	37.27	35.1	12.4
Haryana	44.2	10.04	12.92	292	2.55	1149	17.7	21.9	36.1	48.2	22.3	49.93	10.61	31.63	36.8	11.0
Himachal Pradesh	55.7	3.46	4.28	77	2.15	1028	7.0	7.6	42.5	53.2	31.5	52.63	31.88	42.40	31.6	10.8
Jammu & Kashmir	222.2	4.62	5.99	59	2.58	1121	18.6	21.1	26.7	36.3	15.9	55.82	31.32	44.27	31.3	9.3
Karnataka	191.8	29.30	37.14	194	2.39	1038	24.3	28.9	38.5	48.8	27.7	54.60	25.33	40.24	28.2	9.8
Kerala	38.9	21.35	25.45	654	1.77	969	16.2	18.7	70.4	75.3	65.7	44.89	16.61	30.53	26.2	6.9
Madhya Pradesh	443.5	41.65	52.18	118	2.27	1063	16.3	20.3	27.9	39.5	15.5	54.48	30.64	42.92	37.4	15.6
Maharashtra	307.7	50.41	62.78	204	2.21	1067	31.2	35.0	47.2	58.8	34.8	53.73	30.63	42.56	28.3	10.0
Manipur	22.3	1.07	1.42	64	2.83	1030	13.1	26.5	41.4	53.3	29.1	46.80	39.49	43.20	29.0	6.6
Meghalaya	22.4	1.01	1.34	60	2.80	1048	14.5	18.0	34.1	37.9	30.1	53.93	37.48	45.93	32.3	10.4
Nagaland	16.6	0.52	0.78	47	4.09	1159	9.9	15.5	42.6	50.1	33.9	52.59	43.19	48.24	22.4	6.9
Orissa	155.7	21.94	26.37	169	1.85	1019	8.4	11.8	34.2	47.1	21.1	55.86	19.81	38.01	31.8	14.0
Punjab	50.4	13.55	16.79	333	2.16	1138	23.7	27.7	40.9	47.2	33.7	53.76	6.16	31.50	29.6	9.2
Rajasthan	342.2	25.77	34.26	100	2.87	1088	17.6	21.0	26.4	36.3	11.4	50.90	21.06	36.61	36.8	13.3
Sikkim	7.1	0.21	0.32	45	4.14	1198	9.5	16.1	34.1	44.0	22.2	57.11	37.64	48.24	n.a	n.a
Tamil Nadu	130.1	41.20	48.41	372	1.63	1024	30.2	33.0	46.8	58.3	35.0	56.58	26.52	41.73	28.2	11.7
Tripura	10.5	1.56	2.05	195	2.79	1057	10.4	11.0	42.1	51.7	32.0	50.72	12.76	32.26	26.9	9.1
Uttar Pradesh	294.4	88.34	110.86	377	2.29	1130	14.0	17.9	27.2	33.8	14.0	50.76	8.07	30.72	39.5	16.4
West Bengal	88.6	44.31	54.58	616	2.10	1098	24.7	26.5	40.9	50.7	30.3	50.30	8.07	30.17	31.5	11.3
A & N Islands	8.2	0.11	0.19	23	4.98	1316	22.6	26.5	51.6	58.7	42.1	56.60	10.80	36.80	33.8	8.2
Arunachal Pradesh	83.7	0.47	0.63	8	3.04	1160	3.6	6.7	20.8	28.9	11.3	58.59	45.76	52.64	33.1	15.4
Chandigarh	0.1	0.26	0.45	3961	5.67	1300	90.7	93.6	64.8	69.0	59.3	54.72	8.95	34.83	26.7	2.7
D & N Haveli	0.5	0.07	0.11	211	3.38	1027	-	6.7	26.7	36.3	16.8	56.30	41.33	48.91	34.6	15.4
Delhi	1.5	4.07	6.22	4194	4.29	1238	89.7	92.7	61.5	68.4	53.1	52.67	6.83	32.18	27.3	8.8
Goa, Daman & Diu	3.8	0.86	1.09	287	2.39	1019	26.5	32.4	56.7	65.6	47.6	48.20	21.93	35.19	17.7	7.8
Lakshadweep	0.0	0.03	0.04	1258	2.37	1026	-	46.3	55.1	65.2	44.7	39.31	9.15	24.43	31.0	9.8
Mizoram	21.1	0.33	0.49	23	3.99	1088	41.9	24.7	59.9	64.5	54.9	52.18	37.85	45.30	n.a	n.a
Pondicherry	0.5	0.47	0.60	1228	2.50	1015	11.4	52.3	55.9	65.8	45.7	47.16	13.51	30.47	24.8	8.3
All-India	3287.3	548.16	685.18	216(d)	2.25	1072	19.9	23.3	36.2	46.9	24.8	54.05	22.05	38.60	33.2	13.7

Note: (a) Based on projections.

(b) Percentage have been computed on the total population of Age group 0-4 years.

(c) Includes both main and marginal workers.

(d) Excluding Jammu and Kashmir.

Sources: 1. Census of India 1981, Final Population Totals.

2. Census of India 1981, Primary Census Abstract Generation.

3. Census of India 1981, Key Population Statistics Baercent Sample Data.

4. Registrar General India, Sample Registration Bulletin 1982.

D101:a1-3.wk1

Table 1.4
TRENDS IN DEMOGRAPHIC CHARACTERISTICS
OF THE POPULATION

a. Population

Year	Population (millions)			Average Compound Growth Rate of Population during Previous Ten Years (% per annum)	Sex-Ratio (Males per 1000 Females)	Density of Population Per Sq.KM	Percentage Urban Popul to Total
	Total	Males	Females				
1951	361	185	176	1.26	1057	117	17.3
1961	439	226	213	1.98	1063	142	18.0
1971	548	284	264	2.20	1075	177	19.9
1981	685	348	324	2.26	1071	216	23.3
1991	799	412	387	1.75	1065	243	27.4

b. Fertility, Life Expectancy & Birth/Death Rates

Average for Period	General Fertility Rate (per thousand women of child bearing age)	Total Fertility Rate	Average Expectation of Life at Birth (years)		Birth Rate (per thous. popul.)	Death Rate (per thous. popul.)
			males	females		
1951/61	201	6.0	41.2	39.8	42.7	24.4
1961/71	192	5.8	46.7	45.4	42.0	18.8
1971/76	175	5.4	49.5	49.0	39.0	16.5
1976/81	154	5.1	51.0	50.0	36.5	14.5
1981/86 (b)(c)	133	4.8	52.7	54.4	34.2	12.7
1986/91 (b)(c)	117	4.3	54.4	56.8	30.9	11.3

c. All India Sample Registration Survey: Vital Rates

(Annual rate per thousand)

Year	Crude Birth Rate			Crude Death Rate			Infant Mortality Rate per 1000 Live Births		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1970	36.8	38.9	29.7	15.7	17.3	10.2	129	136	90
1971	36.9	38.9	30.1	14.9	16.4	9.7	129	138	82
1972	36.6	38.4	30.5	16.9	18.9	10.3	139	150	85
1973	34.6	35.9	28.9	15.5	17.0	9.6	134	143	89
1974	34.5	35.9	28.4	14.5	15.9	9.2	126	136	74
1975	35.2	36.7	28.5	15.9	17.3	10.2	140	151	84
1976	34.4	35.8	28.3	15.0	16.3	9.5	129	139	80
1977	33.0	34.3	27.8	14.7	16.0	9.4	129	142	67
1978	33.2	34.6	27.8	14.1	15.3	9.4	125	136	70
1979	33.1	34.3	28.3	12.8	13.9	8.4	n.a	n.a	n.a
1980	33.3	34.6	28.1	12.4	13.5	8.0	n.a	n.a	n.a
1981	33.2	34.7	27.2	12.5	13.6	7.9	n.a	n.a	n.a

(a) Projections by Registrar General of India, for March 1 of year shown. The projections yield somewhat lower values than do those produced by World Bank staff, which have a higher base to adjust for census under-counting.

(b) Projections relate to mid-year of period.

(c) For 1981-90 the projections as produced by World Bank staff.

Sources: 1. Office of the Registrar-General.
2. Planning Commission.

D101:a1-4wk.1

Table 1.5
TRENDS IN ACCEPTANCE OF FAMILY PLANNING METHODS AND ESTIMATED NUMBER OF BIRTHS AVERTED
(in thousands)

	1956 (a)	1960 (a)	65/66 (b)	70/71	75/76	80/81	83/84	84/85	85/86	86/87	87/88	88/89	89/90 (e)	90/91 (e) (f)
Total	7	64	671	1330	2669	2053	4532	4085	4902	5043	4940	4678	4181	2468
Males	2	37	577	879	1438	439	661	550	640	810	754	617	341	116
Females	5	27	94	451	1231	1614	3871	3535	4262	4233	4186	4061	3840	2352
IUD insertions	n.a	n.a	813	476	607	628	2134	2562	3274	3935	4356	4852	4937	3220
Users of Conventional Contraceptives (c)	n.a	n.a	582	1963	3528	3809	8390	9795	10744	11654	13406	14838	16926	14045
Total Acceptors	7	64	2066	3769	6804	6490	15056	16442	18920	20632	22702	24368	26044	19733
Equivalent Sterilizations	7	64	974	1598	3068	2479	5750	5555	6665	7104	7251	7254	6919	4438
Cumulative Number of Births Averted since 1956		36	635	6823	20648	44190	60977	68246	76366	85367	95322	106194	117865	130208 (g)
Medical Termination of Pregnancy (MTP)	n.a	n.a	n.a	n.a	214	388	547	578	584	588	585	582	596	344
Cumulative Number of Births Averted due to MTP Since 1956(d)		n.a	n.a	n.a	304	1578	2776	3238	3706	4176	4644	5110	5586	5862
Cumulative Number of Total Births Averted since 1956		n.a	n.a	n.a	20952	45768	63733	71484	80072	89543	99966	111304	123451	136070

Notes: (a) The date for 1956 and 1960 relate to calendar years.

(b) Relates to period January 1965 to March 1966.

(c) From 1970/71 onwards the figures exclude condoms distributed freely to vasectomised cases and also those distributed as free samples. Equivalent users have been derived by dividing the distributed number of pieces of condoms, diaphragms, jelly & cream tubes, foam tablets and oral pill cycles by 72, 2, 7, 72, 13 respectively, which are the average numbers required to give complete protection to a couple in one year. With the increased capacity and efficacy of Delfin Cream Tube (100 gm. with a dosage of 2.5 ml.) the number of Jelly/Cream Equivalent users from the year 1987/88 and onward have been worked out by taking 3 tubes as an annual requirement of one user. Data from 1975/76 onwards include oral pill users also.

(d) Estimated by assuming that percentage of births averted due to medical termination of pregnancy is 80.

(e) Provisional.

(f) Upto December 1990.

(g) Due to likely achievement in the year 1990/91.

Sources: 1. Ministry of Health and Family Welfare.
2. World Bank estimates.

D101:a1-5.uk1

Table 1.6
EMPLOYMENT IN THE ORGANIZED SECTOR - BY INDUSTRY
(in thousands)

As at the End of the Fiscal Year	Agriculture and allied Activities	Mining & Quarrying	Manufac- turing	Construc- tion	Public Utilities	Transport & Communication	Trade & Commerce	Services	All activities Total
1960/61									
Public Sector	180	129	369	602	224	1725	94	3427	7050
Private Sector (a)	670	550	3020	240	40	80	160	280	5040
Total	850	679	3389	842	264	1805	254	3707	12090
1970/71									
Public Sector	264	177	782	797	402	2189	288	5475	10374
Private Sector (b)	814	429	3900	152	44	101	293	963	6696
Total	1078	606	4822	949	446	2290	581	6438	17070
1975/76 (c)									
Public Sector	359	719	1113	992	536	2418	546	6639	13321
Private Sector (b)	827	132	4158	94	35	74	470	1055	6844
Total	1186	851	5271	1086	571	2491	1016	7694	20165
1980/81									
Public Sector	463	818	1502	1089	683	2709	865	7355	15484
Private Sector (b)	858	130	4545	72	35	60	473	1222	7395
Total	1321	948	6047	1161	718	2769	1338	8577	22879
1981/82									
Public Sector	457	832	1592	1112	698	2781	928	7547	15946
Private Sector (b)	851	129	4661	71	36	60	481	1259	7548
Total	1308	961	6253	1183	734	2841	1409	8806	23493
1982/83									
Public Sector	476	884	1634	1120	721	2826	990	7806	16457
Private Sector (b)	847	120	4626	68	37	59	482	1288	7527
Total	1323	1004	6260	1188	758	2885	1472	9094	23984
1983/84									
Public Sector	489	927	1717	1120	732	2864	1038	7981	16868
Private Sector (b)	819	113	4473	66	39	57	490	1289	7346
Total	1308	1040	6190	1186	771	2921	1528	9270	24214
1984/85									
Public Sector	498	974	1761	1146	760	2894	1114	8123	17270
Private Sector (b)	807	113	4421	70	39	54	496	1309	7309
Total	1305	1087	6182	1216	799	2948	1610	9432	24579
1985/86									
Public Sector	526	966	1815	1181	785	2929	1161	8321	17684
Private Sector (b)	822	111	4448	69	40	54	498	1332	7374
Total	1348	1077	6263	1250	825	2983	1659	9653	25058
1986/87									
Public Sector	557	942	1862	1085	789	2970	1190	8529	17924
Private Sector (b)	848	91	4410	58	40	52	506	1359	7364
Total	1405	1033	6272	1143	829	3022	1696	9888	25288
1987/88 (d)									
Public Sector	554	956	1867	1214	849	3011	1234	8635	18320
Private Sector (b)	844	93	4395	50	41	51	521	1397	7392
Total	1398	1049	6262	1264	890	3062	1755	10032	25712
1988/89 (d)									
Public Sector	565	957	1848	118 ^a	866	3026	1260	8813	18515
Private Sector (b)	870	97	4389	6	41	51	529	1429	7470
Total	1435	1054	6237	12 ^a	907	3077	1789	10242	25985

(a) Establishments of 25 workers and over. Reporting is compulsory.

(b) Includes employment in establishments of 10 workers and over. Reporting for the category 10-25 workers is on a voluntary basis, and the extent of coverage is not known.

(c) Data from 1975/76 onwards is based on National Industrial Classification, 1970 and is not exactly comparable with the earlier years.

(d) Provisional.

Sources: Economic Survey, various issues.

D101:a1-6.uk1

Table 1.7
DISTRIBUTION OF PERSON DAYS PER DAY OF PERSONS OF AGE 5 AND ABOVE
BY CURRENT DAILY ACTIVITY (a)
(%)

	Rural			Urban			All-India		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
I Working Persons in Labour Force	55.86	22.91	39.67	53.68	12.16	34.02	55.32	20.39	38.31
a. Working in own farm	29.48	12.18	20.99	3.26	1.50	2.43	22.99	9.67	16.50
b. Working in household non-farm enterprise/profession	6.60	1.98	4.33	18.73	3.25	11.39	9.60	2.28	6.04
c. Working as regular salaried employee/wage labour in farm	2.06	0.31	1.20	0.35	0.06	0.21	1.64	0.25	0.96
d. Working as regular salaried employee/wage labour in non-farm enterprise/profession	4.05	0.69	2.40	24.63	4.27	15.00	9.14	1.53	5.44
e. Working as casual labour of which:									
Public works	0.46	0.16	0.31	0.26	0.05	0.16	0.41	0.13	0.28
Agriculture	10.41	6.53	8.50	1.09	0.97	1.03	8.10	5.22	6.70
Non-Agriculture	2.48	1.04	1.77	5.28	2.04	3.75	3.17	1.27	2.25
f. Working as bonded laborer	0.32	0.02	0.17	0.08	0.02	0.05	0.26	0.02	0.14
II Not Working but seeking and available for work - unemployed	4.54	2.26	3.42	5.46	1.50	3.58	4.77	2.08	3.46
III Not in Labor Force	39.60	74.83	56.91	40.86	86.34	62.40	39.91	77.53	58.23
IV Total Population	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(a) For the period January to December 1983.

Source: The National Sample Survey, 38th Round (1983).

D101:a17(83)D.WK1

Table 1.8
STATEWISE UNEMPLOYMENT RATES (a)
(%)

STATES	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	7.87	10.54	8.87	9.43	12.09	9.99	8.21	10.70	9.07
Bihar	7.06	10.66	7.89	6.77	5.54	6.61	7.02	10.34	7.75
Karnataka	6.61	8.32	7.17	8.97	9.28	9.06	7.32	8.51	7.68
Kerala	24.31	31.01	26.24	22.67	28.99	24.28	24.00	30.69	25.89
Madhya Pradesh	2.07	1.81	1.98	5.75	4.85	5.62	2.86	2.05	2.60
Maharashtra	6.25	7.23	6.63	9.05	10.44	9.28	7.24	7.71	7.40
Orissa	7.82	11.79	8.86	8.47	10.85	8.81	7.91	11.73	8.86
Rajasthan	3.50	1.55	2.76	5.54	4.13	5.25	3.95	1.82	3.20
All India	7.57	8.98	7.97	9.23	10.98	9.53	7.97	9.27	8.31

(a) Percentage of persons seeking and/or available for work (unemployed) to total labour force available for work (current day status).

Note : Data available for only eight states.

Source: National Sample Survey, 38th Round (1983).

D101:a1-8(83).wk1

Table 1.9
EDUCATION - PROGRESS OF ENROLLMENT

Year	Primary Level (Class I-V) Age 6-11 Years			Medium Level (classes VI-VIII) Age 11 -14 Years			Secondary Level (classes IX-XI) Age 14 - 17 Years			University Age 17 - 23 Years
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	(c)
(million persons)										
1950/51	13.8	5.4	19.2	2.6	0.5	3.1	1.1	0.2	1.3	0.3
1955/56	17.5	7.7	25.2	3.4	0.9	4.3	1.5	0.4	1.9	0.6
1960/61	23.6	11.4	35.0	5.1	1.6	6.7	2.3	0.5	2.8	0.8
1965/66	32.2	18.3	50.5	9.7	2.8	12.5	3.9	1.2	5.1	1.3
1970/71	35.7	21.3	57.0	9.4	3.9	13.3	4.9	1.7	6.6	2.4
1975/76	40.7	25.0	65.7	11.0	5.0	16.0	5.3	2.1	7.4	3.1
1976/77	42.7	26.4	69.1	11.4	5.3	16.7	5.5	2.1	7.6	3.6
1977/78	41.9	25.5	67.4	11.7	5.6	17.3	5.7	2.3	8.0	3.0
1978/79	42.6	26.4	69.0	12.2	5.9	18.2	5.9	2.5	8.4	3.8
1979/80	44.2	27.3	71.5	13.0	6.2	19.2	6.9	2.9	9.8	3.1
1980/81	45.3	28.5	73.8	13.2	6.8	20.7	7.1	3.1	10.1	4.1
1981/82	46.7	29.4	76.1	14.7	7.2	21.9	7.6	3.3	10.9	4.0
1982/83	48.6	30.9	79.5	15.7	7.7	23.6	8.1	3.5	11.6	4.9
1983/84	50.4	32.2	82.6	16.6	8.6	25.2	8.4	3.7	12.2	5.2
1984/85	51.9	33.7	85.6	17.2	9.0	26.2	10.8	4.7	15.5	4.3
1985/86	52.2	35.2	87.4	17.7	9.6	27.3	11.5	5.0	16.5	4.5
1986/87	51.7	35.4	87.1	17.9	9.6	27.5	11.4	5.2	16.6	4.8
1987/88 (a)	55.2	37.8	93.0	19.2	10.7	29.9	12.3	5.6	17.9	3.1
1988/89 (a)	57.1	38.6	95.7	19.7	11.2	30.9	12.6	5.9	18.5	3.2
1989/90 (a)	57.7	39.6	97.3	20.3	11.8	32.1	13.5	6.4	19.9	3.6
Enrollment as percentage of the corresponding age group (b)										
1950/51	60.6	24.8	43.1	20.6	4.6	12.9	8.7	1.5	5.3	-
1970/71	95.5	60.5	78.6	46.3	19.9	33.4	26.8	9.8	18.5	3.9
1975/76	100.4	66.1	83.8	48.6	23.9	36.7	25.6	10.5	18.3	4.5
1978/79	97.9	64.3	81.6	49.9	25.5	38.0	25.6	11.6	18.8	4.9
1979/80	99.3	65.0	82.7	52.0	26.4	39.6	22.9	13.9	21.9	3.7
1980/81	95.8	64.1	80.5	54.3	28.6	41.9	23.1	11.1	17.3	5.4(d)
1981/82	98.9	66.2	83.1	56.0	29.7	43.3	24.1	11.3	18.0	5.1 (d)
1982/83	103.0	69.7	86.8	58.3	31.8	45.5	25.1	11.6	18.6	6.1 (d)
1983/84	106.9	72.6	90.2	60.6	33.2	47.3	25.4	12.1	12.0	3.5 4.5
1984/85	110.3	75.9	93.6	61.3	34.8	48.1	31.7	14.7	23.5	3.5
1985/86	111.1	79.2	95.6	61.8	35.2	48.0	32.7	15.5	24.4	3.6
1986/87	110.0	79.8	95.4	61.0	34.7	48.2	30.8	15.6	24.0	-
1987/88 (a)	113.1	81.7	97.9	68.9	40.6	55.1	33.3	16.2	25.0	-
1988/89 (a)	115.7	82.5	99.6	70.8	42.3	56.9	33.4	16.7	25.3	-
1989/90 (a)	115.5	83.6	99.9	73.0	44.6	59.1	35.0	17.7	26.6	-

(a) Provisional.

(b) Enrollment as percentage of corresponding age group may exceed 100 in some instance because of presence of children both younger and older than indicated in the age group for these classes.

(c) Refers to general education in commerce, arts & science courses in the Universities. Excludes engineering, medicine and technical courses conducted in autonomous institutions.

(d) Includes inter/junior colleges & pre-degree courses.

Sources: 1. Ministry of Education.

2. Planning Commission, Draft Sixth Five Year Plan 1980-85.

Table 2.1(a)
INDIA: National Accounts Summary
(Rs. billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GDPfc	1224.27	1432.16	1593.95	1867.23	2085.77	2334.76	2590.55	2942.66	3517.24	3951.43
Agriculture	466.49	526.85	561.51	674.98	719.94	772.80	825.15	924.58	1147.58	1232.57
Industry	317.15	381.95	433.92	507.37	578.50	654.35	734.81	835.44	979.19	1133.92
Mining	18.87	35.40	43.95	49.09	54.58	58.19	67.96	70.80	80.68	86.55
Manufacturing	216.44	252.60	280.73	330.45	372.43	417.75	461.66	528.51	624.55	740.58
Construction	61.14	69.89	80.79	94.21	110.97	129.47	149.52	173.95	199.06	220.18
Electricity	20.70	24.06	28.45	33.62	40.52	48.94	55.67	62.18	74.90	86.61
Services	440.63	523.36	598.52	684.88	787.33	907.61	1030.59	1182.64	1390.47	1584.94
Indirect Taxes	135.86	165.44	187.37	208.66	228.10	284.44	329.19	383.50	432.68	476.26
GDPmp	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69
Resource Gap (M-X)	48.36	52.27	48.09	47.48	54.18	81.35	80.21	85.90	124.97	120.15
Imports (g+nfs)	137.40	154.01	156.66	173.04	211.28	237.64	255.09	296.19	388.71	468.62
Exports (g+nfs)	89.04	101.74	108.57	127.56	157.09	156.29	174.88	210.28	263.74	348.47
Total Expenditure	1408.49	1649.87	1829.41	2123.37	2368.05	2700.55	2999.95	3412.06	4074.89	4547.84
Consumption	1123.96	1249.74	1421.57	1692.76	1880.17	2071.09	2327.65	2658.20	3131.22	3503.88
General Gov't	130.84	153.55	182.72	211.41	243.52	291.74	346.25	408.43	472.03	530.67
Private	993.12	1096.19	1238.85	1481.35	1636.65	1779.35	1981.40	2249.77	2659.19	2973.21
Investment	284.53	400.13	407.84	430.61	487.88	629.46	672.30	753.86	943.67	1043.96
Fixed Investment	262.76	314.55	357.69	399.91	455.68	542.55	612.60	708.38	832.05	948.37
Change in Stocks	21.77	85.58	50.15	30.70	32.20	86.91	59.70	45.48	111.62	95.59
Domestic Savings	236.17	347.86	359.75	383.13	433.70	548.11	592.09	667.96	818.70	923.81
Net Factor Income	2.81	0.47	-6.52	-11.28	-17.22	-19.00	-26.15	-32.05	-43.21	-55.07
Current Transfers	22.57	20.66	25.27	27.75	29.67	27.01	29.75	34.99	38.42	37.59
National Savings	261.55	368.99	378.50	399.60	446.14	556.12	595.70	670.90	813.90	906.33
Foreign Savings	22.98	31.14	29.34	31.01	41.74	73.34	76.60	82.96	129.77	137.63
GDP per capita (Rs.)	2003.14	2302.02	2512.44	2867.25	3131.08	3469.14	3791.87	4237.15	4937.40	5426.09
Per capita private consumption	1462.62	1579.53	1747.33	2046.07	2214.69	2356.76	2573.25	2865.96	3323.99	3643.64
Average Exchange Rates:										
Rupees per US \$	7.893	8.929	9.628	10.312	11.887	12.237	12.787	12.968	14.477	16.663
Rupees per SDR	10.154	10.298	10.524	10.914	11.944	12.918	15.707	17.360	19.269	21.361
Memo Items:										
Priv. Consumption (CSO)	992.92	1137.65	1251.74	1469.48	1620.90	1766.83	1977.40	2236.29	2616.03	2896.40
Population (mill)	679	694	709	724	739	755	770	785	800	816

Table 2.1(b)
INDIA: National Accounts Summary
(Rs. billion at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GDPfc	1224.27	1298.89	1339.15	1448.65	1504.69	1566.00	1627.11	1700.41	1877.25	1974.19
Agriculture	466.49	494.06	488.03	540.80	540.97	542.52	533.35	535.49	617.89	633.04
Industry	317.15	342.33	358.58	389.92	413.30	432.25	462.52	492.50	532.44	568.61
Mining	18.87	21.41	23.87	24.51	24.86	26.23	29.78	30.78	33.39	35.98
Manufacturing	216.44	233.82	249.08	273.77	291.53	303.20	324.45	348.01	377.10	404.89
Construction	61.14	64.46	61.48	65.76	68.28	71.83	74.07	76.81	80.68	82.23
Electricity	20.70	22.64	24.15	25.88	28.63	30.99	34.22	36.90	41.27	45.51
Services	440.63	462.50	492.54	517.93	550.42	591.23	631.24	672.42	726.92	772.54
Indirect Taxes	135.86	150.11	164.64	166.82	170.56	200.82	219.79	237.63	249.15	258.91
GDPmp	1360.13	1449.00	1503.79	1615.47	1675.25	1766.82	1846.90	1938.04	2126.40	2233.10
Terms of Trade Effect	0.00	6.45	5.70	14.10	13.72	15.10	23.20	16.92	20.52	19.42
Gross Domestic Income	1360.13	1455.45	1509.49	1629.57	1688.97	1781.92	1870.10	1954.96	2146.92	2252.52
Resource Gap (M-X)	48.36	49.50	42.73	41.21	41.26	61.58	61.62	55.99	72.94	58.28
Imports (g+nfs)	137.40	145.84	139.20	151.90	160.89	179.89	195.98	193.04	226.87	227.31
Capacity to import [Exports (g+nfs)]	89.04	96.34	96.47	110.69	119.63	118.31	134.36	137.05	153.93	169.03
Total Expenditure	1408.49	1504.95	1552.22	1670.78	1730.23	1843.50	1931.72	2010.95	2219.86	2310.80
Consumption	1123.96	1146.07	1212.40	1348.38	1397.74	1448.99	1547.14	1605.65	1748.97	1834.14
General Govt	130.84	136.63	150.75	157.50	169.83	189.24	208.49	226.74	239.28	250.44
Private	993.12	1009.44	1061.65	1190.88	1227.91	1259.75	1338.65	1378.91	1509.69	1583.70
Investment	284.53	358.88	339.82	322.40	332.49	394.51	384.58	405.30	470.89	476.66
Fixed Investment	262.76	280.79	292.96	296.32	307.84	329.74	342.53	374.92	404.23	422.86
Change in Stocks	21.77	78.09	46.86	26.08	24.65	64.77	42.05	30.38	66.66	53.80
Domestic Savings	236.17	309.38	297.09	281.19	291.23	332.93	322.96	349.31	397.95	418.38
Net Factor Income	2.81	0.45	-5.79	-9.79	-13.11	-14.38	-20.09	-20.89	-25.22	-26.71
Current Transfers	22.57	19.57	22.46	24.08	22.59	20.44	22.86	22.80	22.42	18.23
National Savings	261.55	329.40	313.75	295.49	300.71	338.99	325.73	351.23	395.15	409.90
Foreign Savings	22.98	29.48	26.07	26.91	31.78	55.52	58.85	54.07	75.74	66.76
GDP per capita (Rs.)	2003.14	2087.90	2121.00	2231.31	2266.91	2340.16	2398.57	2468.84	2658.00	2736.64
Per capita private consumption	1462.62	1454.52	1497.39	1644.86	1661.59	1668.54	1738.51	1756.57	1887.12	1940.81
Rupee Deflators (1980/81=100):										
GDPmp	100.0	110.3	118.5	128.5	138.1	148.2	158.1	171.6	185.8	198.3
Imports(g+nfs)	100.0	105.6	112.5	115.2	131.3	132.1	130.2	153.4	171.3	206.2
Exports(g+nfs)	100.0	113.2	119.6	132.1	148.3	151.4	157.3	175.0	197.7	232.9
Total Expenditure	100.0	109.6	117.9	127.1	136.9	146.5	155.3	169.7	183.6	196.8
Govt. Consumption	100.0	112.4	121.2	134.2	143.4	154.2	166.1	180.1	197.3	211.9
Priv. Consumption	100.0	108.6	116.7	124.4	133.3	141.2	148.0	163.2	176.1	187.7
Fixed Investment	100.0	112.0	122.1	135.0	148.0	164.5	178.8	188.9	205.8	224.3
Change in Stocks	100.0	109.6	107.0	117.7	130.6	134.2	142.0	149.7	167.4	177.7

Table 2.1(c)
INDIA: National Accounts Summary
(US\$ million at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GDPfc	155115	160388	165549	181071	175469	190789	202600	226909	242960	237138
Agriculture	59104	59002	58319	65455	60566	63151	64533	71294	79271	73970
Industry	40183	42775	45067	49201	48667	53471	57468	64421	67639	68050
Mining	2391	3964	4565	4760	4592	4755	5315	5459	5573	5194
Manufacturing	27423	28289	29157	32045	31331	34137	36105	40753	43142	44445
Construction	7746	7827	8391	9136	9336	10580	11694	13413	13750	13214
Electricity	2623	2694	2955	3260	3409	3999	4354	4795	5174	5198
Services	55828	58611	62163	66415	66236	74167	80600	91193	96049	95117
Indirect Taxes	17213	18528	19460	20234	19189	23243	25745	29572	29888	28582
GDPmp	172328	178915	185009	201306	194658	214032	228346	256480	272848	265720
Resource Gap (M-X)	6127	5854	4995	4605	4558	6648	6273	6624	8633	7210
Imports (g+nfs)	17408	17248	16271	16974	17774	19419	19950	22839	26851	28123
Exports (g+nfs)	11281	11394	11276	12370	13216	12771	13677	16215	18218	20913
Total Expenditure	178455	184769	190004	205910	199217	220680	234619	263105	281481	272930
Consumption	142405	139959	147646	164153	158173	169243	182040	204974	216295	210279
General Gov't	16577	17196	18977	20501	20487	23840	27079	31494	32606	31847
Private	125828	122763	128668	143652	137686	145403	154960	173480	183689	178432
Investment	36050	44811	42359	41758	41044	51437	52579	58130	65186	62651
Fixed Investment	33292	35226	37150	38781	38335	44335	47910	54623	57475	56915
Change in Stocks	2758	9584	5209	2977	2709	7102	4669	3507	7710	5737
Domestic Savings	29923	38957	37363	37153	36485	44790	46306	51506	56553	55441
Net Factor Income	356	53	-677	-1094	-1449	-1552	-2045	-2471	-2985	-3305
Current Transfers	2860	2314	2625	2691	2496	2207	2327	2698	2654	2256
National Savings	33139	41324	39312	38750	37533	45444	46588	51733	56222	54392
Foreign Savings	2911	3487	3047	3007	3511	5993	5991	6397	8964	8259
GDP per capita	254	258	261	278	263	283	297	327	341	326
Per capita private consumption	185	177	181	198	186	193	201	221	230	219
Memo Item:										
Priv. Consumption (CSO)	125803	127405	130007	142500	136361	144380	154647	172440	180707	173422

Table 2.1(d)
INDIA: National Accounts Summary
(US\$ million at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GDPfc	155115	164569	169670	183544	190644	198412	206155	215442	237847	250130
Agriculture	59104	62597	61833	68519	68541	68737	67575	67847	78287	80206
Industry	40183	43373	45432	49403	52365	54766	58601	62400	67460	72043
Mining	2391	2713	3024	3105	3150	3323	3773	3900	4231	4559
Manufacturing	27423	29625	31558	34687	36937	38415	41108	44093	47779	51300
Construction	7746	8167	7790	8332	8651	9101	9385	9732	10222	10419
Electricity	2623	2868	3060	3279	3627	3926	4336	4675	5229	5766
Services	55828	58599	62405	65622	69738	74909	79978	85196	92101	97881
Indirect Taxes	17213	19019	20860	21136	21610	25444	27847	30108	31567	32804
GDPmp	172328	183588	190530	204680	212254	223856	234002	245550	269415	282934
Terms of Trade Effect	0	818	722	1787	1739	1913	2939	2144	2600	2460
Gross Domestic Income	172328	184406	191252	206467	213993	225769	236941	247693	272015	285394
Resource Gap (M-X)	6127	6271	5414	5221	5228	7802	7808	7094	9241	7384
Imports (g+nfs)	17408	18478	17636	19246	20384	22792	24831	24458	28744	28800
Capacity to import [Exports (g+nfs)]	11281	12206	12222	14025	15157	14989	17023	17365	19503	21416
Total Expenditure	178455	190677	196666	211687	219221	233571	244749	254787	281256	292778
Consumption	142405	145207	153611	170839	177094	183587	196023	203436	221595	232385
General Gov't	16577	17311	19100	19955	21517	23977	26416	28728	30317	31731
Private	125828	127896	134511	150884	155577	159610	169607	174708	191278	200654
Investment	36050	45470	43055	40848	42126	49984	48726	51351	59662	60393
Fixed Investment	33292	35576	37118	37544	39003	41778	43399	47502	51216	53576
Change in Stocks	2758	984	5937	3304	3123	8206	5328	3849	8446	6816
Domestic Savings	29923	39199	37641	35627	36899	42182	40918	44258	50420	53009
Net Factor Income	356	57	-734	-1240	-1661	-1822	-2545	-2646	-3195	-3384
Current Transfers	2860	2479	2845	3051	2863	2590	2896	2889	2841	2310
National Savings	33139	41735	39752	37438	38100	42951	41269	44501	50066	51935
Foreign Savings	2911	3736	3303	3410	4027	7034	7457	6851	9596	8458
GDP per capita	254	265	269	283	287	296	304	313	337	347
Per capita private consumption	185	184	190	208	211	211	220	223	239	246
Dollar Deflators(1980/81=100):										
Imports(g+nfs)	100.0	93.3	92.3	88.2	87.2	85.2	80.3	93.4	93.4	97.7
Exports(g+nfs)	100.0	100.0	98.0	101.1	98.5	97.7	97.1	106.5	107.8	110.3
Terms of Trade Index	100.0	107.2	106.3	114.6	113.0	114.6	120.9	114.1	115.4	113.0
Exchange Rate Index (US\$ per Rupee)	100.0	88.4	82.0	76.5	66.4	64.5	61.7	60.9	54.5	47.4

Table 2.2(a)
GROSS DOMESTIC PRODUCT AT FACTOR COST - BY INDUSTRY OF ORIGIN
(Rs. billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	466.49	526.85	561.51	676.98	719.94	772.80	825.15	924.58	1147.58	1232.57
Agriculture	424.66	477.36	505.27	613.18	651.81	699.64	744.05	835.94	1048.48	1121.96
Forestry & Logging	32.62	39.41	44.50	47.32	50.53	52.86	57.58	61.78	68.55	74.26
Fishing	9.21	10.08	11.74	14.48	17.60	20.30	23.52	26.86	30.55	36.35
Industry Sector	317.15	381.95	433.92	507.37	578.50	654.35	734.81	835.44	979.19	1133.92
Mining & Quarrying	18.87	35.40	43.95	49.09	54.58	58.19	67.96	70.80	80.68	86.55
Manufacturing	216.44	252.60	280.73	330.45	372.43	417.75	461.66	528.51	626.55	740.58
Registered	122.81	144.18	165.58	203.08	233.52	258.06	282.54	322.94	386.06	453.23
Unregistered	93.63	108.42	115.15	127.37	138.91	159.69	179.12	205.57	238.49	287.35
Electricity, Gas & Water	20.70	24.06	28.45	33.62	40.52	48.94	55.67	62.18	74.90	86.61
Construction	61.14	69.89	80.79	94.21	110.97	129.47	149.52	173.95	199.06	220.18
Services Sector	440.63	523.36	598.52	684.88	787.33	907.61	1030.59	1182.64	1390.47	1584.94
Transport, Storage & Communication	57.24	70.40	85.98	102.81	118.73	140.98	165.59	197.64	239.78	277.89
Railways	11.24	16.28	21.23	24.17	24.74	31.36	37.65	43.46	47.50	56.54
Other Transport	36.80	43.47	51.99	63.68	77.24	91.00	105.32	123.07	153.31	176.23
Storage	1.22	1.46	1.59	1.83	2.12	2.60	2.80	3.14	3.39	3.72
Communication	7.98	9.19	11.17	13.13	14.63	16.02	19.82	27.97	35.58	41.40
Trade, Hotels etc.	147.13	180.34	199.71	229.90	266.90	310.50	345.51	384.71	449.79	506.20
Banking & Insurance	34.08	44.88	53.05	59.63	70.81	82.65	96.64	113.83	145.30	172.30
Real Estate etc.	73.83	80.47	88.50	96.28	105.14	116.17	126.45	137.41	150.48	168.82
Public Admin & Defence	57.94	66.61	79.61	92.38	108.36	125.11	149.33	179.48	207.83	237.40
Other Services	70.41	80.66	91.67	103.88	117.39	132.20	147.07	169.57	197.29	222.33
GDP at Factor Cost	1224.27	1432.16	1593.95	1867.23	2085.77	2334.76	2590.55	2942.66	3517.24	3951.43

Note: 1989/90 data are from Quick Estimates.

Source: CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.

Table 2.2(b)
GROSS DOMESTIC PRODUCT AT FACTOR COST - BY INDUSTRY OF ORIGIN
(Rs. billion at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	466.49	494.06	488.03	540.80	540.97	542.52	533.35	535.49	617.89	633.04
Agriculture	424.66	451.45	445.70	497.53	497.02	498.55	489.95	493.17	573.70	586.95
Forestry & Logging	32.62	33.25	32.97	31.99	31.80	31.81	30.90	29.86	30.88	30.87
Fishing	9.21	9.36	9.36	11.28	12.15	12.16	12.50	12.46	13.31	15.22
Industry Sector	317.15	342.33	358.58	389.92	413.30	432.25	462.52	492.50	532.44	568.61
Mining & Quarrying	18.87	21.41	23.87	24.51	24.86	26.23	29.78	30.78	33.39	35.98
Manufacturing	216.44	233.82	249.08	273.77	291.53	303.20	324.45	348.01	377.10	404.89
Registered	122.81	132.28	145.01	166.29	180.31	184.53	195.21	209.52	229.37	245.24
Unregistered	93.63	101.54	104.07	107.48	111.22	118.67	129.24	138.49	147.73	159.65
Electricity, Gas & Water	20.70	22.64	24.15	25.88	28.63	30.99	34.22	36.90	41.27	45.51
Construction	61.14	64.46	61.48	65.76	68.28	71.83	74.07	76.81	80.68	82.23
Services Sector	440.63	462.50	492.54	517.93	550.42	591.23	631.24	672.42	726.92	772.54
Transport, Storage & Communication	57.24	60.13	62.80	66.92	73.02	79.51	84.94	91.46	98.93	106.12
Railways	11.24	12.20	12.47	12.43	12.67	14.04	15.14	15.76	15.60	16.22
Other Transport	36.80	38.03	39.96	43.48	48.35	53.09	56.62	61.81	68.79	74.48
Storage	1.22	1.32	1.34	1.40	1.53	1.63	1.70	1.68	1.66	1.68
Communication	7.98	8.58	9.03	9.61	10.47	10.75	11.48	12.21	12.88	13.74
Trade, Hotels etc.	147.13	156.71	165.46	174.17	181.73	196.49	208.52	218.70	239.20	254.50
Banking & Insurance	34.08	36.50	42.17	45.93	51.53	58.28	66.92	74.17	85.63	92.76
Real Estate etc.	73.83	76.34	78.97	82.66	85.61	88.80	92.24	95.63	98.93	102.57
Public Admin & Defence	57.94	59.26	65.48	67.75	74.46	80.16	88.07	97.04	103.04	110.14
Other Services	70.41	73.56	77.66	80.50	84.07	87.99	90.55	95.42	101.19	106.45
GDP at Factor Cost	1224.27	1298.89	1339.15	1448.65	1504.69	1566.00	1627.11	1700.41	1877.25	1974.19

Note: 1989/90 data are from Quick Estimates.

Source: CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.

Table 2.2(c)
IMPLICIT PRICE DEFLATORS FOR GDP AT FACTOR COST
(1980/81=100)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	100.00	106.64	115.06	124.81	133.08	142.45	154.71	172.66	185.73	194.71
Agriculture	100.00	105.74	113.37	123.24	131.14	140.33	151.86	169.50	182.76	191.15
Forestry & Logging	100.00	118.53	134.97	147.92	158.90	166.17	186.34	206.90	221.99	240.56
Fishing	100.00	107.69	125.43	128.37	144.86	166.94	188.16	215.57	229.53	238.83
Industry Sector	100.00	111.57	121.01	130.12	139.97	151.38	158.87	169.63	183.91	199.42
Mining & Quarrying	100.00	165.34	184.12	200.29	219.55	221.85	228.21	230.02	241.63	240.55
Manufacturing	100.00	108.03	112.71	120.70	127.75	137.78	142.29	151.87	165.62	182.91
Registered	100.00	109.00	114.19	122.12	129.51	139.85	144.74	154.13	168.31	184.81
Unregistered	100.00	106.78	110.65	118.51	124.90	134.57	138.59	148.44	161.44	179.99
Electricity, Gas & Water	100.00	106.27	117.81	129.91	141.57	157.92	162.68	168.51	181.49	190.31
Construction	100.00	108.42	131.41	143.26	162.52	180.25	201.86	226.47	246.73	267.76
Services Sector	100.00	113.16	121.52	132.23	143.04	153.51	163.26	175.88	191.28	205.16
Transport, Storage & Communication	100.00	117.08	136.91	153.63	162.60	177.31	194.95	216.09	242.37	261.86
Railways	100.00	133.44	170.25	194.45	195.26	223.36	248.68	275.76	304.49	348.58
Other Transport	100.00	114.30	130.11	146.46	159.75	171.41	186.01	199.11	222.87	236.61
Storage	100.00	110.61	118.66	130.71	138.56	159.51	164.71	186.90	204.22	221.43
Communication	100.00	107.11	123.70	136.63	139.73	149.02	172.65	229.07	276.24	301.31
Trade, Hotels etc.	100.00	115.08	120.70	132.00	146.87	158.02	165.70	175.91	188.04	198.90
Banking & Insurance	100.00	122.96	125.80	129.83	137.42	141.82	144.41	153.47	169.68	185.75
Real Estate etc.	100.00	105.41	112.07	116.48	122.81	130.82	137.09	143.69	152.11	164.59
Public Admin & Defence	100.00	112.40	121.58	136.35	145.53	156.08	169.56	184.95	201.70	215.54
Other Services	100.00	109.65	118.04	129.04	139.63	150.24	162.42	177.71	194.97	208.86
GDP at Factor Cost	100.00	110.26	119.03	128.89	138.62	149.09	159.21	173.06	187.36	200.15

Source: Derived from Tables 2.2(a) and 2.2(b).

Table 2.3
GROSS SAVINGS AND INVESTMENT
(Rs. billion)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
(At current prices)										
GROSS NATIONAL SAVINGS	261.55	368.99	378.50	399.60	446.14	556.12	595.70	670.90	813.90	906.33
Households	192.17	271.49	271.20	300.07	340.97	419.47	443.28	542.47	655.31	736.29
Private corporate sector	22.84	24.96	29.08	31.72	39.91	52.08	50.40	55.94	81.16	93.79
Public sector	46.54	72.54	78.22	67.81	65.26	84.57	80.02	72.49	77.43	76.25
Foreign Savings	22.98	31.14	29.34	31.01	41.74	73.34	76.60	82.96	129.77	137.63
GROSS DOMESTIC INVESTMENT	284.53	400.13	407.84	430.61	487.88	629.46	672.30	753.86	943.67	1043.96
Change in stocks	21.77	85.58	50.15	30.70	32.20	86.91	59.70	45.48	111.62	95.59
GROSS FIXED CAPITAL FORMATION	262.76	314.55	357.69	399.91	455.68	542.55	612.60	708.38	832.05	948.37
By Type of Asset:										
Construction	136.49	164.00	183.27	196.49	227.19	274.53	297.81	340.53	392.57	441.38
Machinery & Equipment	126.27	150.55	174.42	203.42	228.49	268.02	314.79	367.85	439.48	506.99
By Sector:										
Public sector	116.93	145.98	185.86	204.50	233.96	275.01	332.54	345.61	395.42	460.67
Private sector	145.83	168.57	171.83	195.41	221.72	267.54	280.06	362.77	436.63	487.70
GDPmp at current prices	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69
(At 1980/81 prices)										
GROSS DOMESTIC INVESTMENT	284.53	358.88	339.82	322.40	332.49	394.51	384.58	405.30	470.89	476.66
Change in Stocks	21.77	78.09	46.86	26.08	24.65	64.77	42.05	30.38	66.66	53.80
GROSS FIXED CAPITAL FORMATION	262.76	280.79	292.96	296.32	307.84	329.74	342.53	374.92	404.23	422.86
By Type of Asset:										
Construction	136.49	138.69	130.08	125.64	127.18	139.60	135.80	142.40	155.19	162.14
Machinery & Equipment	126.27	142.10	162.88	170.68	180.66	190.14	206.73	232.52	249.04	260.72
By Sector:										
Public sector	116.93	131.52	152.47	155.51	164.33	170.80	192.31	186.59	193.74	202.42
Private sector	145.83	149.27	140.49	140.81	143.51	158.94	150.22	188.33	210.49	220.44

Note: 1989/90 data are from Quick Estimates.

Sources: [1] CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.
[2] World Bank staff estimates.

Table 2.4
DISPOSABLE INCOME AND ITS USES
(Rs. billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GDPmp	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69
Net Factor Income from abroad	2.81	0.47	-6.52	-11.28	-17.22	-19.00	-26.15	-32.05	-43.21	-55.07
Other current transfers	22.57	20.66	25.27	27.75	29.67	27.01	29.75	34.99	38.42	37.59
Disposable income	1385.51	1618.74	1800.08	2092.36	2326.32	2627.21	2923.35	3329.10	3945.13	4410.21
Private disposable income	1208.13	1392.65	1539.14	1813.14	2017.54	2250.90	2497.08	2848.18	3395.67	3803.29
Public disposable income	177.38	226.09	260.94	279.22	308.78	376.31	426.27	480.92	549.46	606.92
Gross National Savings	261.55	368.99	378.50	399.60	446.14	556.12	595.70	670.90	813.90	906.33
Private savings	215.01	296.45	300.28	331.79	380.88	471.55	515.68	598.41	736.47	830.08
Public savings	46.54	72.54	78.22	67.81	65.26	84.57	80.02	72.49	77.43	76.25
Final Consumption	1123.96	1249.74	1421.57	1692.76	1880.17	2071.09	2327.65	2658.20	3131.22	3503.88
Private Consumption	993.12	1096.19	1238.85	1481.35	1636.65	1779.35	1981.40	2249.77	2659.19	2973.21
Public Consumption	130.84	153.55	182.72	211.41	243.52	291.74	346.25	408.43	472.03	530.67

Note: 1989/90 data are from Quick Estimates.

Sources: [1] CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.
[2] World Bank staff estimates.

Table 2.5(a)
GROSS DOMESTIC INVESTMENT BY INDUSTRY OF ORIGIN
(Rs. billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	48.64	53.85	60.88	60.55	70.06	75.82	77.40	87.03	98.29	112.49
Agriculture	46.36	51.04	57.15	56.15	64.75	70.11	70.49	79.16	89.07	102.24
Forestry & Logging	1.01	1.13	1.67	1.85	2.22	2.01	2.37	2.51	2.95	3.09
Fishing	1.27	1.68	2.06	2.55	3.09	3.70	4.54	5.36	6.27	7.16
Industry Sector	96.72	164.48	193.77	188.93	207.05	261.51	286.72	342.35	390.92	450.99
Mining & Quarrying	9.62	16.82	31.57	29.27	29.33	40.19	45.11	44.11	49.50	58.04
Manufacturing	48.44	92.32	102.56	101.91	111.53	138.54	136.54	182.74	215.33	243.23
Registered	29.23	66.97	76.75	73.56	80.74	99.13	91.24	132.33	154.26	166.02
Unregistered	19.21	25.35	25.81	28.35	30.79	39.41	45.30	50.41	61.07	77.21
Electricity, Gas & Water	31.70	42.06	48.26	50.61	55.48	70.53	95.01	104.14	112.31	136.35
Construction	6.96	13.28	11.38	7.14	10.71	12.25	10.06	11.36	11.78	13.37
Services Sector	112.58	168.78	154.75	168.62	198.07	269.39	297.75	277.66	388.45	431.32
Transport, Storage & Communication	29.07	38.02	43.60	45.10	57.12	61.71	80.13	80.26	106.60	129.26
Railways	8.14	9.77	10.71	11.85	14.04	16.65	22.90	21.53	26.37	30.90
Other Transport	17.49	22.64	26.78	25.92	34.26	35.45	45.92	43.78	58.31	70.79
Storage	0.23	0.44	0.32	0.57	0.48	0.59	0.73	0.64	0.52	0.76
Communication	3.21	3.17	5.79	6.76	8.34	9.02	10.58	14.31	21.40	26.81
Trade, Hotels etc.	23.25	56.56	22.00	30.65	27.46	71.45	56.86	20.84	81.47	81.40
Banking & Insurance	1.72	2.31	3.07	3.64	5.35	5.47	8.68	14.56	20.60	23.19
Real Estate etc.	31.39	39.02	46.87	48.57	59.79	68.77	80.92	90.45	99.86	111.97
Public Admin & Defence	21.62	25.54	30.72	32.23	38.95	47.95	55.06	55.12	60.56	63.79
Other Services	5.53	7.33	8.49	8.43	10.20	14.04	16.10	16.43	19.36	21.71
Gross Domestic Investment	257.94	387.11	409.40	416.10	475.98	606.72	661.87	707.04	877.66	994.80
Memo Items										
Gross Domestic Investment (a)	308.80	360.89	366.34	414.88	454.50	578.98	600.93	743.86	944.32	1065.01
Errors & Omissions	24.27	-39.24	-41.50	-15.73	-33.38	-50.48	-71.37	-10.00	0.65	21.05
Gross Domestic Investment (unadjusted) (b)	284.53	400.13	407.84	430.61	487.88	629.46	672.30	753.86	943.67	1043.96

Note: 1989/90 data are from Quick Estimates.

(a) Refers to CSO's savings-based estimate of investment.

(b) Refers to Gross Capital Formation unadjusted for errors and omissions, which is CSO's direct estimate of investment based on physical flows.

Source: CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.

Table 2.5(b)
GROSS DOMESTIC INVESTMENT BY INDUSTRY OF ORIGIN
(Rs. billion at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	48.64	47.41	48.65	44.06	48.88	46.41	43.60	44.86	46.25	47.59
Agriculture	46.36	44.99	45.75	40.97	45.51	43.22	40.14	41.25	42.37	43.55
Forestry & Logging	1.01	1.03	1.38	1.42	1.54	1.19	1.25	1.21	1.26	1.18
Fishing	1.27	1.39	1.52	1.67	1.83	2.00	2.21	2.40	2.62	2.86
Industry Sector	96.72	148.02	164.57	146.58	149.59	171.10	174.34	197.79	209.28	212.39
Mining & Quarrying	9.62	15.16	27.14	23.14	21.72	26.54	27.72	25.87	25.94	28.47
Manufacturing	48.44	82.49	84.43	78.07	80.00	90.76	82.60	106.24	119.31	115.43
Registered	29.23	60.56	66.34	57.94	59.91	66.88	57.48	80.31	90.05	81.83
Unregistered	19.21	21.93	20.09	20.13	20.09	23.88	25.12	25.93	29.26	33.60
Electricity, Gas & Water	31.70	38.29	40.68	39.37	39.91	45.43	57.12	58.81	56.26	61.52
Construction	6.96	12.08	10.32	6.00	7.96	8.37	6.90	6.87	7.77	6.97
Services Sector	112.58	146.74	119.71	122.52	131.78	165.07	166.42	139.01	185.28	186.86
Transport, Storage & Communication	29.07	31.91	33.67	35.92	42.62	39.68	49.36	45.52	53.99	58.66
Railways	8.14	8.29	7.98	8.30	8.82	9.14	12.41	10.05	11.11	11.43
Other Transport	17.49	18.57	20.69	22.06	27.55	24.58	30.49	27.29	32.20	34.94
Storage	0.23	0.38	0.23	0.37	0.29	0.31	0.36	0.28	0.20	0.27
Communication	3.21	4.67	4.77	5.19	5.96	5.65	6.10	7.90	10.48	12.02
Trade, Hotels etc.	23.25	50.98	19.30	24.39	19.76	52.04	37.66	12.57	45.93	42.28
Banking & Insurance	1.72	2.05	2.51	2.70	3.72	3.41	5.23	8.55	10.93	11.25
Real Estate etc.	31.39	32.24	32.96	30.05	32.95	34.35	35.91	36.71	37.75	38.86
Public Admin & Defence	21.62	23.23	24.76	23.59	26.27	28.14	29.86	27.47	27.82	26.83
Other Services	5.53	6.33	6.51	5.87	6.46	7.45	8.40	8.19	8.86	8.98
Gross Domestic Investment	257.94	342.17	332.93	313.16	330.25	382.58	384.36	381.66	440.81	446.84
Memo Items										
Gross Domestic Investment (a)	308.80	323.85	305.83	310.74	309.94	363.83	344.68	400.01	471.21	486.05
Errors & Omissions	24.27	-35.03	-33.99	-11.66	-22.55	-30.68	-39.90	-5.29	0.32	9.39
Gross Domestic Investment (unadjusted) (b)	284.53	358.88	339.82	322.40	332.49	394.51	384.58	405.30	470.89	476.66

Note: 1989/90 data are from Quick Estimates.

(a) Refers to CSO's savings-based estimate of investment.

(b) Refers to Gross Capital Formation unadjusted for errors and omissions, which is CSO's direct estimate of investment based on physical flows.

Source: CSO, National Accounts 1991 and Quick Estimates dated February 19, 1991.

Table 2.5(c)
INVESTMENT DEFLATORS BY INDUSTRY OF USE
(1980/81=100)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	100.00	113.58	125.14	137.43	143.33	163.37	177.92	194.00	212.52	236.37
Agriculture	100.00	113.45	124.92	137.05	142.28	162.22	175.61	191.90	210.22	234.76
Forestry & Logging	100.00	109.71	121.01	130.28	144.16	168.91	189.60	207.44	234.13	261.86
Fishing	100.00	120.86	135.53	152.69	168.85	185.00	205.43	223.33	239.31	250.35
Industry Sector	100.00	111.12	117.74	128.89	138.41	152.84	164.46	173.09	186.79	212.34
Mining & Quarrying	100.00	110.95	116.32	126.49	135.04	151.43	162.73	170.51	190.82	203.86
Manufacturing	100.00	111.92	118.66	130.54	139.41	152.64	165.30	172.01	180.48	210.72
Registered	100.00	110.58	115.69	126.96	134.77	148.22	158.73	164.77	171.30	202.88
Unregistered	100.00	115.60	128.47	140.83	153.26	165.03	180.33	194.41	208.71	229.79
Electricity, Gas & Water	100.00	109.85	118.63	128.55	139.01	155.25	166.33	177.08	199.63	221.64
Construction	100.00	109.93	110.27	119.00	134.55	146.36	145.80	165.36	177.35	191.82
Services Sector	100.00	115.02	129.27	137.63	150.91	163.20	178.91	199.74	209.66	230.83
Transport, Storage & Communication	100.00	119.15	129.49	125.56	134.02	155.52	162.34	176.32	197.44	220.35
Railways	100.00	117.85	134.21	142.77	159.18	182.17	184.53	214.23	237.35	270.34
Other Transport	100.00	121.92	129.43	117.50	124.36	144.22	150.61	160.43	181.09	202.60
Storage	100.00	115.79	139.13	154.05	165.52	190.32	202.78	228.57	260.00	281.48
Communication	100.00	110.71	121.38	130.25	139.93	159.65	173.44	181.14	204.20	223.04
Trade, Hotels etc.	100.00	110.95	113.99	125.67	138.97	137.30	150.98	165.79	177.38	192.53
Banking & Insurance	100.00	112.68	122.31	134.81	143.82	160.41	165.97	170.29	188.47	206.13
Real Estate etc.	100.00	121.03	142.20	161.63	181.46	200.20	225.34	246.39	264.53	288.14
Public Admin & Defence	100.00	109.94	124.07	136.63	148.27	170.40	184.39	200.66	217.69	237.76
Other Services	100.00	115.80	130.41	143.61	157.89	188.46	191.67	200.61	218.51	241.76
Gross Domestic Investment	100.00	113.13	122.97	133.51	144.13	158.59	172.20	185.25	199.10	222.63
Memo Items										
Gross Domestic Investment (a)	100.00	111.44	119.79	133.51	146.64	159.13	174.34	185.96	200.40	219.12
Gross Domestic Investment (unadjusted) (b)	100.00	111.49	120.02	133.56	146.74	159.55	174.81	186.00	200.40	219.02

(a) Refers to CSO's savings-based estimate of investment.

(b) Refers to Gross Capital Formation unadjusted for errors and omissions, which is CSO's direct estimate of investment based on physical flows.

Source: Derived from Tables 2.5 (a) and 2.5 (b).

Table 2.6 (a)
GROSS DOMESTIC INVESTMENT IN PUBLIC SECTOR, 1980/81-1989/90
(Rs. billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	18.92	20.42	22.70	24.24	26.79	28.11	29.01	32.94	34.01	n.a.
Agriculture	17.96	19.34	21.09	22.46	24.63	26.16	26.71	30.52	31.19	n.a.
Forestry & Logging	0.95	1.07	1.59	1.76	2.12	1.92	2.24	2.38	2.79	n.a.
Fishing	0.01	0.01	0.02	0.02	0.04	0.03	0.06	0.04	0.03	n.a.
Industry Sector	53.27	58.84	110.98	106.98	127.21	163.90	186.40	208.81	207.72	n.a.
Mining & Quarrying	9.14	15.20	26.86	28.20	28.65	38.80	42.61	42.20	46.97	n.a.
Manufacturing	11.70	33.44	38.33	31.36	43.20	55.62	54.20	64.53	52.07	n.a.
Electricity, Gas & Water	29.51	37.30	44.43	47.59	52.78	67.12	89.45	99.72	106.77	n.a.
Construction	2.92	2.90	1.36	-0.17	2.58	2.36	0.14	2.36	1.91	n.a.
Services Sector	45.48	58.55	67.32	72.59	95.15	98.55	124.79	104.91	149.76	n.a.
Transport, Storage & Communication	18.19	20.98	25.83	25.61	33.50	33.93	50.82	46.51	61.30	n.a.
Railways	8.14	9.77	10.71	11.85	14.04	16.65	22.90	21.53	26.37	30.90
Other Transport	6.67	5.82	9.12	6.66	10.71	7.84	16.79	10.20	13.18	n.a.
Storage	0.17	0.22	0.21	0.33	0.41	0.42	0.55	0.47	0.35	n.a.
Communication	3.21	5.17	5.79	6.77	8.34	9.02	10.58	14.31	21.40	26.81
Trade, Hotels etc.	-0.30	4.68	1.84	4.22	10.29	0.48	-1.71	-22.35	-4.87	n.a.
Banking & Insurance	1.10	1.29	1.87	2.06	2.84	3.15	4.93	9.42	14.52	n.a.
Real Estate etc.	1.70	2.01	2.14	3.60	3.78	5.08	6.51	6.70	7.11	n.a.
Public Admin & Defence	21.62	25.54	30.71	32.23	38.95	47.95	55.06	55.12	60.56	63.79
Other Services	3.17	4.05	4.93	4.87	5.79	7.96	9.18	9.51	11.14	n.a.
Gross Domestic Investment	117.67	167.81	201.00	203.81	249.15	290.56	340.20	346.66	391.49	474.51

Source: CSO, National Accounts Statistics 1991 and Quick Estimates dated February 19, 1991.

Table 2.6(b)
GROSS DOMESTIC INVESTMENT IN PUBLIC SECTOR, 1980/81-1989/90
(Rs. billion at 1980/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Agricultural Sector	18.92	18.78	18.57	18.43	18.22	16.31	15.50	15.72	14.67	n.a.
Agriculture	17.96	17.79	17.25	17.07	16.73	15.16	14.28	14.56	13.46	n.a.
Forestry & Logging	0.95	0.98	1.31	1.34	1.47	1.13	1.18	1.14	1.19	n.a.
Fishing	0.01	0.01	0.01	0.02	0.02	0.02	0.04	0.02	0.02	n.a.
Industry Sector	53.27	80.85	94.15	83.36	92.66	108.31	113.54	121.76	107.59	n.a.
Mining & Quarrying	9.14	13.68	22.78	22.32	21.23	25.64	26.17	24.75	24.50	n.a.
Manufacturing	11.70	30.65	33.08	23.88	31.76	38.14	33.36	39.56	28.80	n.a.
Electricity, Gas & Water	29.51	33.99	37.12	37.05	37.97	43.15	53.67	56.18	53.30	n.a.
Construction	2.92	2.53	1.17	0.11	1.70	1.38	0.34	1.27	0.99	n.a.
Services Sector	45.48	52.15	53.63	53.23	65.00	57.54	69.27	50.94	69.47	n.a.
Transport, Storage & Communication	18.19	18.31	20.56	19.12	23.31	20.19	29.79	24.39	28.85	n.a.
Railways	8.14	8.29	7.98	8.30	8.82	9.14	12.41	10.05	11.11	11.43
Other Transport	6.67	5.17	7.65	5.42	8.28	5.18	11.00	6.24	7.13	n.a.
Storage	0.17	0.18	0.16	0.21	0.25	0.22	0.28	0.20	0.13	n.a.
Communication	3.21	4.67	4.77	5.19	5.96	5.65	6.10	7.90	10.48	12.02
Trade, Hotels etc.	-0.30	4.24	1.54	3.34	7.68	0.11	-1.39	-14.27	-3.05	n.a.
Banking & Insurance	1.10	1.15	1.42	1.51	1.95	1.94	3.02	5.68	7.85	n.a.
Real Estate etc.	1.70	1.68	1.50	2.23	2.09	2.56	2.99	2.82	2.78	n.a.
Public Admin & Defence	21.62	23.23	24.76	23.59	26.27	28.14	29.86	27.47	27.82	26.83
Other Services	3.17	3.54	3.85	3.44	3.70	4.60	5.00	4.85	5.22	n.a.
Gross Domestic Investment	117.67	151.78	166.35	155.02	175.88	182.16	198.31	188.42	191.73	211.14

Source: CSO, National Accounts Statistics 1991 and Quick Estimates dated February 19, 1991.

Table 3.1:
INDIA: Balance of Payments, 1980/81-1990/91
(US\$ Million at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Exports of Goods and Non-Factor Services	11281	11394	11276	12370	13216	12771	13677	16215	18218	20913	22664
Merchandise (fob) /a/	8332	8697	8389	9090	9769	9461	10460	12644	14262	16850	18392
Non-factor Services	2949	2697	2887	3280	3447	3310	3217	3571	3956	4063	4272
Imports of Goods and Non-Factor Services	17408	17248	16271	16974	17774	19419	19950	22839	26851	28123	30629
Merchandise (cif) /a/	15892	15552	14387	14782	15424	17295	17728	19812	23626	24785	27052
Non-factor Services	1516	1696	1884	2192	2350	2124	2222	3027	3225	3338	3577
Resource Balance	-6127	-5854	-4995	-4605	-4558	-6648	-6273	-6624	-8633	-7210	-7965
Net Factor Income	356	53	-677	-1094	-1449	-1552	-2045	-2471	-2985	-3305	-4023
Factor Receipts	1083	912	525	449	493	547	501	446	397	395	199
Factor Payments /b/	727	859	1202	1543	1942	2099	2546	2917	3382	3700	4221
Interest Payments on MRI Dep.	113	151	195	242	290	400	524	714	962	1014	1191
Net Current Transfers	2860	2314	2625	2691	2496	2207	2327	2698	2654	2256	2055
Transfer Receipts /c/	2874	2333	2639	2701	2509	2219	2339	2724	2670	2271	2071
Transfer Payments	14	19	14	10	13	12	12	26	16	15	16
Current Account Balance	-2911	-3487	-3047	-3007	-3511	-5993	-5991	-6397	-8964	-8259	-9933
Foreign Direct Investment	8	10	65	63	62	160	208	181	287	350	253
Official Grant Aid	643	497	399	367	453	359	403	410	406	500	524
Net Medium & Long-Term Loans	1424	1630	1966	1907	2697	2544	2911	3791	4369	4245	4142
Disbursements	2180	2376	2899	2992	3787	3853	5200	5683	6319	6167	6502
Repayments	756	746	933	1085	1090	1309	2289	1892	1949	1921	2360
Net IMF Credit	1014	652	1968	1306	67	-264	-648	-1082	-1210	-1008	1117
Capital Flows MEI	-325	-1258	-1056	721	222	3267	3292	3489	3539	3321	2127
Net Short-Term Capital	228	278	687	745	220	273	168	222	253	917	813
Non-Resident Deposits	339	364	671	937	814	1579	1825	1992	2650	2341	1314
Net Inflows	228	216	479	703	535	1201	1333	1331	1776	1424	245
Accrued Interest	110	148	191	234	278	378	492	661	874	917	1069
Others /d/	-891	-1900	-2414	-961	-812	1415	1298	1275	636	63	..
Errors & omissions /e/	-200	-441	210	-475	273	474	-102	-731	141	..	..
Change in Reserves	346	2397	-505	-882	-263	-548	-72	339	1432	851	1770
(- = increase)											
End of Year Reserves (Excl. Gold)	6858	4461	4965	5847	6110	6657	6730	6391	4959	4108	2338
(# Months of imports)	5.2	3.4	4.1	4.7	4.8	4.6	4.6	3.9	2.5	2.0	1.0
Memo. Items:											
Current Account Balance (% GDP)	1.7%	2.0%	1.7%	1.5%	1.8%	2.8%	2.6%	2.5%	3.3%	3.1%	3.5%
Debt Service Ratio /f/	9.3%	10.7%	16.3%	16.9%	18.2%	22.7%	31.9%	29.4%	30.3%	27.4%	28.2%
Import Statistical Discrepancy	-7	532	646	623	2324	1231	1930	2539	4162	3533	3000

/a/ Net of crude petroleum exports.

/b/ Includes interest on non-resident deposits and IMF interest.

/c/ Includes the Bhopal gas settlement in 1988/89.

/d/ Residual item including reserve valuation changes, rupee trade imbalance, etc.

/e/ As estimated by Government of India.

/f/ As proportion of gross current receipts.

Table 3.2 (a)
INDIA: Merchandise Exports, 1980/81 - 1990/91
(US\$ Million at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Primary Exports	3400	3308	3110	3093	3102	3108	3237	3125	2905	3428	3740
Fish	270	314	378	353	321	334	421	405	437	412	535
Rice	284	412	226	110	142	160	154	250	230	256	245
Cashews	178	203	141	146	151	184	256	236	192	221	249
Coffee	271	164	194	176	177	216	232	203	193	206	141
Tea	539	443	384	500	645	512	451	457	414	543	599
Spices	141	111	98	113	174	227	218	238	173	148	130
Iron Ore	384	394	395	389	387	473	427	419	464	557	585
Other Primary	1333	1267	1294	1306	1105	1002	1078	917	803	1086	1257
Manufactured Exports	5067	5214	4931	5187	5462	5684	6501	9013	11105	13185	14383
Chemicals	298	420	362	317	406	406	456	635	1058	1759	1781
Leather Manufactures	478	454	408	449	568	629	721	886	1028	1171	1423
Textiles	1292	1155	988	921	1171	1026	1079	1483	1044	1214	1705
Garments	717	737	628	719	827	872	1040	1382	1449	1935	2252
Gems & Jewellery	783	909	1054	1255	1040	1228	1622	2016	3038	3178	2903
Engineering Goods	1010	1043	892	782	803	780	886	1105	1630	1993	1978
Petroleum Products	10	28	178	346	215	425	327	488	349	418	523
Other Manufactures /a/	479	468	421	398	432	318	370	1018	1509	1517	1819
TOTAL EXPORTS (Commerce) /b/	8467	8522	8041	8280	8564	8792	9738	12138	14010	16613	18123
Statistical Discrepancy	-135	175	348	810	1205	669	722	506	252	237	269
TOTAL EXPORTS (B.O.P.) /b/	8332	8697	8389	9090	9769	9461	10460	12644	14262	16850	18392

/a/ Including unclassified exports.

/b/ Net of crude petroleum exports

Sources: 1. Ministry of Commerce (D.G.C.I.S)
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.2 (b)
INDIA: Merchandise Exports, 1980/81 - 1990/91
(US\$ Million at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Primary Exports	3400	3278	3151	3034	3083	3042	3377	3010	3160	3607	4390
Fish	270	287	324	363	351	340	430	381	617	485	669
Rice	284	341	177	69	97	96	97	145	147	165	171
Cashews	178	169	171	204	179	205	237	199	208	249	299
Coffee	271	230	238	221	210	298	221	267	248	346	277
Tea	539	503	458	442	503	484	452	464	455	492	527
Spices	141	131	134	158	173	149	163	139	157	162	151
Iron Ore	384	407	372	379	437	516	492	485	565	611	577
Other Primary	1333	1210	1277	1198	1133	954	1285	930	763	1097	1718
Manufactured Exports	5067	5240	5050	5158	5612	5960	6651	8384	9838	11451	11336
Chemicals	298	440	429	319	431	476	555				
Leather Manufactures	478	708	673	717	912	936	954				
Textiles	1292	1165	996	938	1150	997	1038				
Garments	717	656	573	656	821	828	894				
Gems & Jewellery	783	765	877	1045	951	1007	1248				
Engineering Goods	1010	989	843	739	853	892	953				
Petroleum Products	10	25	200	375	225	491	623				
Other Manufactures /a/	479	492	459	369	269	333	386				
TOTAL EXPORTS (Commerce) /b/	8467	8518	8201	8192	8695	9002	10028	11394	12998	15058	15726
Statistical Discrepancy	-135	175	355	801	1223	685	743	475	234	215	233
TOTAL EXPORTS (B.O.P.) /b/	8332	8693	8556	8993	9918	9687	10771	11869	13232	15273	15960

/a/ Including unclassified exports.

/b/ Net of crude petroleum exports.

Sources: 1. Ministry of Commerce (D.G.C.I.S)
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.2 (c)
INDIA: Export Unit Value Indices, 1980/81 - 1990/91
(US\$ Terms: 80/81 = 100)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Primary Exports	100.0	100.9	98.7	101.9	100.6	102.2	95.9	103.8	91.9	95.0	85.2
Fish	100.0	109.4	116.7	97.2	91.5	98.2	97.9	106.3	70.8	84.9	79.9
Rice	100.0	120.8	127.7	159.4	146.4	166.7	158.8	172.4	156.2	155.2	143.0
Cashews	100.0	120.1	82.5	71.6	84.4	89.8	108.0	118.6	92.1	88.6	83.3
Coffee	100.0	71.3	81.5	79.6	84.3	72.5	105.0	76.0	77.7	59.4	51.0
Tea	100.0	88.1	83.8	113.1	128.2	105.8	99.8	98.5	90.9	110.3	113.5
Spices	100.0	84.7	73.1	71.5	100.6	152.3	133.7	171.2	110.4	91.4	86.0
Iron Ore	100.0	96.8	106.2	102.6	88.6	91.7	86.8	86.4	82.2	91.1	101.4
Other Primary	100.0	104.7	101.3	109.0	97.5	105.0	83.9	98.6	105.2	99.0	73.1
Manufactured Exports	100.0	99.5	97.6	100.6	97.3	95.4	97.7	107.5	112.9	115.1	126.9
Chemicals	100.0	95.5	84.4	99.4	94.2	85.3	82.2				
Leather Manufactures	100.0	64.1	60.6	62.6	62.3	67.2	75.6				
Textiles	100.0	99.1	99.2	98.2	101.8	102.9	103.9				
Garments	100.0	112.3	109.6	109.6	100.7	105.3	116.3				
Gems & Jewellery	100.0	118.8	120.2	120.1	109.4	121.9	130.0				
Engineering Goods	100.0	105.5	105.8	105.8	94.1	87.4	93.0				
Petroleum Products	100.0	112.0	89.0	92.3	95.6	86.6	52.5				
Other Manufactures /a/	100.0	95.1	91.7	107.9	160.6	95.4	95.8				
TOTAL EXPORTS (Commerce) /b/	100.0	100.0	98.0	101.1	98.5	97.7	97.1	106.5	107.8	110.3	115.2
Statistical Discrepancy	100.0	100.0	98.0	101.1	98.5	97.7	97.1	106.5	107.8	110.3	115.2
TOTAL EXPORTS (B.O.P.) /b/	100.0	100.0	98.0	101.1	98.5	97.7	97.1	106.5	107.8	110.3	115.2

/a/ Including unclassified exports.

/b/ Net of crude petroleum exports.

Sources: 1. Ministry of Commerce (D.G.C.I.S)
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.3 (a)
INDIA: Merchandise Imports, 1980/81 - 1990/91
(US\$ million at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Food	1348	1474	1065	1716	1394	1321	1068	1292	1203	714	713
Foodgrains	127	389	388	784	204	90	37	25	437	227	84
Edible Oils	865	700	399	705	775	600	479	709	503	127	180
Others	356	385	278	227	415	631	552	557	263	361	450
Other Consumer Goods	378	354	306	385	315	452	594	600	700	800	853
P.O.L	6669	5591	4734	3492	3236	4054	2187	3148	2938	3766	5726
Crude Petroleum /a/	4243	3964	3095	2240	1571	3013	1672	2395	1891	2455	3238
Petroleum Products	2426	1627	1639	1252	1665	1041	515	753	1047	1311	2488
Capital Goods	2307	2219	2672	3078	2546	3337	4910	4732	3656	4189	4292
Intermediate: PRIMARY	1277	1460	1620	2058	1886	2156	2474	2997	3800	4488	4184
Fertilizer raw Mat	210	212	170	213	286	313	218	243	301	329	338
Gems	528	445	757	1065	868	899	1170	1538	1984	2546	2079
Other	539	303	693	780	732	944	1087	1217	1515	1613	1767
Intermediate: MANUFACTURES	3920	3923	3343	3430	3722	4744	4564	4504	7167	7295	8285
Fertilizer Manufactures	826	571	212	199	847	860	387	132	341	737	608
Iron & Steel	1080	1348	1217	1017	792	1140	1134	982	1341	1383	1231
Non-Ferrous Metals	605	445	358	379	346	443	324	444	544	752	618
Others	1409	1559	1556	1835	1737	2301	2719	2946	4941	4423	5828
TOTAL IMPORTS (Commerce) /a/	15899	15020	13741	14159	13100	16064	15798	17273	19464	21252	24052
Statistical Discrepancy	-7	532	646	623	2324	1231	1930	2539	4162	3533	3000
TOTAL IMPORTS /a/	15892	15552	14387	14782	15424	17295	17728	19812	23626	24785	27052

/a/ Net of crude oil exports.

Sources: 1. Ministry of Commerce, D.G.C.I.S.
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.3 (b)
INDIA: Merchandise Imports, 1980/81 - 1990/91
(US\$ Million at 80/81 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Food	1348	1622	1428	2301	1529	1454	1527	1710	1968	865	891
Foodgrains	127	503	559	1260	372	113	56	35	1021	310	135
Edible Oils	865	750	602	767	635	564	770	980	539	160	268
Others	356	369	267	274	522	777	701	695	409	395	488
Other Consumer Goods	378	653	404	402	356	471	567	513	555	643	675
P.O.L	6669	5428	4912	4181	3916	5113	5065	5959	6748	7281	8284
Crude Petroleum /a/	4243	3798	3248	2750	1886	3828	4053	4644	4665	5105	5422
Petroleum Products	2426	1631	1664	1431	2030	1285	1012	1314	2083	2176	2862
Capital Goods	2307	2279	2815	3335	2842	3693	4553	3929	2818	3271	3121
Intermediate: PRIMARY	1277	1941	1672	1940	1858	2461	3038	2419	2841	3363	3320
Fertilizer Raw Mat	210	155	209	179	151	140	197	161	178	157	
Gems	528	745	717	802	743	977	1127	1262	1511	1965	
Other	539	1041	746	959	964	1344	1714	996	1151	1242	
Intermediate: MANUFACTURES	3920	4194	3665	3907	4541	5671	4924	3927	5815	6002	5942
Fertilizer Manufactures	826	585	278	307	1104	1163	813	320	472	876	
Iron & Steel	1080	1384	1319	1110	979	1319	1110	874	1275	1162	
Non-Ferrous Metals	605	624	428	502	519	642	481	540	553	775	
Others	1409	1601	1640	1988	1939	2547	2520	2193	3515	3189	
TOTAL IMPORTS (Commerce) /a/	15899	16118	14895	16067	15041	18863	19673	18457	20746	21425	22233
Statistical Discrepancy	-7	571	700	707	2668	1446	2403	2713	4436	3562	2773
TOTAL IMPORTS /a/	15892	16689	15596	16774	17710	20309	22077	21170	25182	24987	25006

/a/ Net of crude petroleum exports.

Sources: 1. Ministry of Commerce, D.G.C.I.S.
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.3 (c)
INDIA: Import Unit Value Indices, 1980/81 - 1990/91
(US\$ Terms: 80/81 = 100)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Food	100.0	90.8	74.6	74.6	91.2	90.8	70.0	75.5	61.1	82.6	80.0
Foodgrains	100.0	77.3	69.4	62.2	54.8	79.6	66.1	72.0	42.8	73.1	62.3
Edible Oils	100.0	93.3	66.3	91.9	122.0	106.4	62.2	72.4	93.4	79.3	66.9
Others	100.0	104.2	104.0	83.0	79.5	81.1	78.8	80.2	64.5	91.4	92.1
Other Consumer Goods	100.0	54.2	75.8	95.7	88.6	95.9	104.8	117.1	126.1	124.5	126.3
P.O.L	100.0	103.0	96.4	83.5	82.6	79.3	43.2	52.8	43.5	51.7	69.1
Crude Petroleum	100.0	104.4	95.3	81.5	83.3	78.7	41.2	51.6	40.5	48.1	59.7
Petroleum Products	100.0	99.8	98.5	87.5	82.0	81.0	50.9	57.3	50.3	60.2	86.9
Capital Goods	100.0	97.4	94.9	92.3	89.6	90.4	107.9	120.4	129.7	128.1	137.5
Intermediate: PRIMARY	100.0	75.2	96.9	106.1	101.5	87.6	81.5	123.9	133.8	133.4	126.0
Fertilizer Raw Mat	100.0	136.8	81.3	119.0	189.4	223.6	110.1	150.7	168.7	209.6	
Gems	100.0	59.7	105.6	132.8	116.8	92.0	103.8	121.9	131.3	129.6	
Other	100.0	77.1	92.9	81.3	75.9	70.2	63.4	122.2	131.6	129.9	
Intermediate: MANUFACTURES	100.0	93.5	91.2	87.8	82.0	83.7	92.7	114.7	123.2	121.5	139.4
Fertilizer Manufactures	100.0	97.6	76.3	64.8	76.7	73.9	47.6	41.3	72.3	84.2	
Iron & Steel	100.0	97.4	92.3	91.6	80.9	86.4	102.1	112.3	105.2	119.0	
Non-Ferrous Metals	100.0	71.3	83.6	75.5	66.7	69.0	67.5	82.3	98.3	97.0	
Others	100.0	97.4	94.9	92.3	89.6	90.4	107.9	134.3	140.6	138.7	
TOTAL IMPORTS (Commerce)	100.0	93.2	92.2	86.1	87.1	85.2	80.3	93.6	93.8	99.2	108.2
Statistical Discrepancy	100.0	93.2	92.2	88.1	87.1	85.2	80.3	93.6	93.8	99.2	108.2
TOTAL IMPORTS	100.0	93.2	92.2	88.1	87.1	85.2	80.3	93.6	93.8	99.2	108.2

Sources: 1. Ministry of Commerce, D.G.C.I.S.
2. Reserve Bank of India.
3. World Bank Staff Estimates.

Table 3.4
DESTINATION OF EXPORTS
(% distribution)

	70/71	75/76	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Africa	8.37	5.65	5.22	4.66	3.51	3.69	2.99	2.69	2.23	1.93	1.90	1.08
America	15.98	14.47	12.54	13.27	12.93	17.66	18.84	19.74	20.07	19.81	19.94	17.45
USA	13.51	12.88	11.08	12.09	11.99	16.34	17.35	18.34	18.72	18.55	18.43	16.16
Canada	1.82	1.13	0.93	0.89	0.74	1.07	1.29	1.23	1.10	1.05	0.97	0.95
Latin America & Caribbean	0.66	0.45	0.54	0.29	0.19	0.24	0.20	0.17	0.25	0.21	0.54	0.33
Asia and Oceania	32.09	38.62	34.78	34.15	32.68	35.48	31.69	30.47	30.65	29.37	31.79	30.87
(a) OPEC	6.42	15.26	11.10	12.36	10.60	10.32	9.7	7.76	6.21	6.11	5.90	6.65
Of which:												
Iran	1.74	6.76	1.84	1.65	0.92	1.40	1.32	0.88	0.38	0.88	0.44	0.48
Iraq	0.63	1.58	0.77	1.12	0.70	0.65	0.48	0.32	0.15	0.11	0.26	0.46
Saudi Arabia	0.95	1.49	2.46	2.37	2.93	2.87	2.67	2.06	1.72	1.77	1.60	1.55
Kuwait	1.03	1.17	1.45	1.74	1.55	1.37	1.05	1.13	0.74	0.67	0.71	0.72
(b) Other Asia and Oceania	25.67	23.35	23.68	21.80	22.09	25.16	22.42	22.71	24.43	23.26	25.90	24.21
Japan	13.25	10.72	8.91	9.07	10.77	9.67	10.11	10.82	10.71	10.26	10.65	9.85
Australia	1.59	1.19	1.37	1.48	1.21	1.11	1.36	1.14	1.17	1.14	1.31	1.21
Others	10.82	11.44	13.41	11.25	10.10	14.38	10.95	10.74	12.55	11.85	13.94	13.15
Eastern Europe	21.04	16.32	22.15	25.95	26.16	18.86	22.02	21.32	19.19	16.48	16.59	19.28
USSR	13.67	10.32	18.27	21.83	21.57	15.29	18.46	18.64	14.99	12.47	12.89	16.12
Others	7.37	6.00	3.87	4.12	4.59	3.56	3.56	2.68	4.20	4.01	3.69	3.16
Western Europe	18.39	21.55	21.57	18.95	18.99	20.56	19.67	17.92	21.97	24.99	24.35	24.95
of which:											20.28	
Belgium	1.32	1.13	2.15	2.19	2.76	2.43	1.90	2.09	2.75	3.08	4.38	4.37
France	1.17	2.14	2.19	1.95	1.88	1.83	1.88	1.88	2.18	2.41	2.11	2.27
West Germany	2.10	2.92	5.73	4.62	4.39	4.37	4.79	4.77	5.89	6.73	6.11	6.42
Netherlands	0.91	2.04	2.27	1.45	1.43	2.29	1.91	1.47	1.81	1.77	1.99	1.91
U.K.	11.10	10.44	5.88	5.52	5.45	6.51	6.02	4.87	5.62	6.45	5.70	5.79
Others	4.13	3.39	3.75	3.02	5.73	3.76	4.79	7.86	5.89	7.42	5.43	5.58
GRAND TOTAL (a)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Memo Item:												
Total Exports (a) (US\$ million)	2047	4672	8467	8522	8041	8280	8564	8793	9739	12138	14010	16613

Note: Data for 1987/88, 1988/89 and 1989/90 are provisional.

(a) Excludes exports of crude petroleum, for which details regarding destination are not available.

Source: Economic Survey, various issues.

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Table 3.5
ORIGIN OF IMPORTS
(% distribution)

	70/71	75/76	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Africa	10.35	2.13	1.63	1.57	1.36	2.50	2.27	3.02	4.38	2.76	3.28	2.37
America	35.86	29.47	18.19	14.94	13.13	16.18	15.51	15.48	13.26	12.57	15.06	15.35
USA	27.72	24.41	12.90	10.43	9.98	11.63	9.93	10.50	9.38	9.00	11.47	12.03
Canada	7.17	4.41	2.65	2.27	1.66	2.10	2.91	2.29	1.85	1.34	1.52	1.28
Latin America & Caribbean	0.97	0.66	2.64	2.23	1.49	2.44	2.67	2.69	2.02	2.22	2.07	2.04
Asia and Oceania	18.31	33.78	46.51	46.37	46.92	40.79	41.81	40.60	32.04	37.13	38.44	37.37
(a) OPEC	7.68	21.86	27.79	27.71	27.28	20.37	19.41	17.40	9.70	13.27	13.38	14.32
Of which:												
Iran	5.61	8.74	10.67	9.54	5.62	4.71	2.83	4.50	0.70	0.65	0.46	1.10
Iraq	0.19	4.71	6.00	2.97	6.19	5.01	3.94	2.78	0.63	2.75	0.69	1.30
Saudi Arabia	1.48	5.51	4.30	6.10	10.47	6.75	7.37	4.04	4.29	3.44	6.70	4.09
Kuwait	0.34	1.19	2.69	2.04	1.95	1.65	2.16	1.73	1.44	2.12	1.85	3.28
(b) Other Asia and Oceania	10.63	11.92	18.72	18.66	19.64	20.42	22.40	23.20	22.34	23.87	25.06	23.05
Japan	5.11	6.86	5.97	6.51	7.61	9.14	7.24	9.02	8.03	9.56	9.32	7.96
Australia	2.24	1.93	1.36	1.92	2.28	0.97	1.17	2.25	2.02	2.26	2.50	2.52
Others	3.29	3.13	11.40	10.23	9.75	10.30	13.99	11.92	12.29	12.05	13.24	12.56
Eastern Europe	13.46	10.75	10.33	11.07	11.97	12.41	12.56	11.04	7.65	9.56	6.90	8.44
USSR	6.49	5.88	8.08	8.35	9.89	10.39	10.44	8.53	5.01	7.23	4.46	5.76
Others	6.97	4.86	2.25	2.72	2.09	2.02	2.13	2.50	2.64	2.33	2.44	2.69
Western Europe	19.59	20.90	21.03	23.14	23.94	25.02	24.64	26.62	32.59	33.27	31.89	33.14
of which:												
Belgium	0.70	1.64	2.36	3.68	4.42	4.10	4.63	4.84	5.45	6.16	7.28	7.61
France	1.31	3.73	2.23	1.86	2.98	1.83	2.09	2.96	3.41	3.59	2.85	4.55
West Germany	6.58	7.03	5.53	6.97	5.82	7.09	7.52	7.85	9.54	9.71	8.71	7.77
Netherlands	1.17	1.21	1.71	2.05	1.74	1.76	2.13	1.51	1.94	1.99	1.90	1.55
U.K.	7.76	5.39	5.83	6.00	6.38	7.28	5.45	6.36	8.27	8.67	8.49	8.40
Others	2.43	2.97	2.31	2.90	2.68	3.10	3.21	3.24	10.08	4.72	4.44	3.33
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Memo Item:												
Total Imports (a) (US\$ million)	2179	6085	15899	15240	14845	15352	14414	16064	15798	17273	19464	21252

Note: Data for 1987/88 and 1988/89 are provisional.

(a) The figure for total imports shown here differs from the total value of imports shown in Table 3.3 (a), as the latter figure is net of exports of crude petroleum.

Source: Economic Survey, various issues.

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Table 3.6
Invisibles on Current Account
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
GROSS RECEIPTS	6906	5942	6051	6430	6449	6076	6057	6741	7023	6729
Non-Factor Services	2949	2697	2887	3280	3447	3310	3217	3571	3956	4063
of which:										
Transport	458	445	423	426	542	494	538	680	898	961
Travel	1478	1191	1174	1043	755	972	1256	1431	1419	1420
Others	1013	1061	1290	1811	2150	1844	1423	1460	1639	1682
Factor Income	1083	912	525	449	493	547	501	446	397	395
Current Transfers /a/	2874	2333	2639	2701	2509	2219	2339	2724	2670	2271
GROSS PAYMENTS	2257	2574	3100	3745	4305	4235	4780	5970	6623	7053
Non-Factor Services	1516	1696	1884	2192	2350	2124	2222	3027	3225	3338
of which:										
Transport /b/	450	540	725	694	772	667	585	870	1027	1053
Travel	114	161	192	234	344	336	290	376	405	480
Others	952	995	967	1264	1234	1121	1347	1781	1793	1805
Factor Income	727	859	1202	1543	1942	2099	2546	2917	3382	3700
Current Transfers	14	19	14	10	13	12	12	26	16	15
NET RECEIPTS										
Non-Factor Services	1433	1001	1003	1088	1097	1186	995	544	731	725
of which:										
Transport	8	-95	-302	-268	-230	-173	-47	-190	-129	-92
Travel	1364	1030	982	809	411	636	966	1055	1014	940
Others	61	66	323	547	916	723	76	-321	-154	-123
Factor Income	356	53	-677	-1094	-1449	-1552	-2045	-2471	-2985	-3305
Current Transfers	2860	2314	2625	2691	2496	2207	2327	2698	2654	2256

/a/ Excluding foreign grants, and including the Bhopal settlement in 1988/89.

/b/ Excluding freight included in c.i.f value of merchandise imports.

Sources: [1] Reserve Bank of India.

[2] World Debt Tables.

[3] World Bank staff estimates.

Table 3.7
DECOMPOSITION OF RECENT EXPORT GROWTH
(US \$ million at current prices - annual averages)

	1981/82-85/86	1986/87-90/91	Increase	Contribution to Growth
Manufactured Exports	5296	10752	5457	96%
Consumption goods	3408	6475	3067	54%
Leather	302	1046	544	10%
Gems (gross)	1097	2551	1454	26%
Garments	757	1612	855	15%
Textiles	1052	1266	214	4%
Investment goods a/	860	1553	693	12%
Intermediate goods	1028	2724	1696	30%
Chemicals	382	1143	761	13%
Petroleum Pr. x/d.	238	421	183	3%
Others b/	407	1161	753	13%
Primary Exports	3144	3372	228	4%
Fish	340	442	102	2%
Rice	210	227	17	0%
Cashews	165	231	66	1%
Coffee	185	195	9	0%
Tea	497	493	-4	0%
Spices	145	181	37	1%
Iron Ore	408	490	83	1%
Other Primary	1195	1113	-82	-1%
TOTAL EXPORTS (Customs) c/	8440	14124	5684	100%
Discrepancy	641	397	-244	
TOTAL EXPORTS (BOP) c/	9081	14522	5440	
Neto:				
Gems (Net) d/	290	688	398	

- a/ Refers to engineering goods.
b/ Including unclassified exports.
c/ Total exports, f.o.b., net of crude oil.
d/ Exports less imports of gems and jewellery.

Sources: 1. Ministry of Commerce, DGCIS.
2. Reserve Bank of India.

Table 4.1
External Debt Summary
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
DEBT OUTSTANDING & DISBURSED (DOD)										

Total Debt Stocks	20631	22657	27779	32313	34565	41609	49012	56018	57985	63126
Debt Outstanding and Disbursed (LT)	18728	19900	22441	24964	27252	33648	40947	48476	51640	56871
Public & Publicly Guaranteed	18392	19027	21412	23779	25911	32151	39559	46824	50167	55393
Private Nonguaranteed	336	873	1029	1185	1341	1497	1388	1652	1473	1478
Use of IMF Credit & Trust Fund	977	1553	3446	4713	4456	4832	4768	4023	2573	1566
IMF Trust Fund	650	589	571	563	524	542	477	369	208	73
Use of IMF Credit	327	964	2876	4150	3932	4290	4291	3653	2365	1493
Short Term Debt	926	1204	1891	2636	2856	3129	3297	3519	3772	4689
Official Creditors	16315	16606	17755	18955	19066	22483	26056	30027	30871	33371
Multilateral	6070	7212	8562	9801	10463	12400	14268	16588	18060	19664
Concessional	5400	6201	7344	8199	8968	10208	11002	12113	12518	13003
IDA	5142	5906	6983	7820	8545	9750	10529	11615	12019	12521
IBRD	156	170	178	180	198	209	215	213	187	166
Other Concessional Mul.	102	125	183	199	225	249	258	285	312	316
Non-Concessional	670	1011	1218	1602	1495	2192	3266	4475	5542	6662
IBRD	670	1011	1218	1599	1491	2187	3260	4448	5403	6448
Other Non-Concessional Mul.	..	..	..	3	4	5	6	27	139	213
Bilateral	10245	9394	9193	9154	8603	10083	11788	13439	12811	13707
Concessional	10075	9247	9043	8879	8293	9696	11352	12892	12251	12729
Non-Concessional	170	147	150	275	310	387	436	547	560	978
Private Creditors	2077	2421	3657	4824	6845	9668	13503	16797	19296	22021
Bonds	2	2	11	30	259	647	1087	1287	1785	2428
Commercial Banks	464	617	771	1121	1547	2211	3329	4676	5781	6569
Non-Resident Deposits	1358	1540	1984	2751	3178	4766	6361	8236	9762	11339
Suppliers	118	87	94	96	466	629	805	715	632	682
Other Private (Excl. NRI)	136	174	797	826	1395	1415	1922	1883	1336	1003
COMMITMENTS										

Public & Publicly Guaranteed	4901	3319	4157	3189	4874	5380	6168	8198	8232	7769
Official Creditors	3798	2960	2624	1875	3600	4223	3659	6548	5389	5234
Multilateral	2573	2128	1958	1130	2651	2882	2047	3929	3306	3587
Concessional	2016	1388	839	630	929	958	303	1043	580	880
IDA	1948	1388	776	572	929	958	296	1026	570	860
IBRD	..	..	..	..	..	..	..	..	..	..
Other Concessional Mul.	70	..	63	58	..	..	7	17	10	20
Non-Concessional	555	740	1119	500	1721	1924	1743	2886	2726	2707
IBRD	555	740	1119	500	1721	1924	1743	2886	2726	2707
Other Non-Concessional Mul.	..	..	..	..	..	..	..	..	..	..
Bilateral	1225	832	666	745	949	1341	1612	2619	2083	1647
Concessional	1196	832	537	569	822	1205	1592	2519	1745	1229
Non-Concessional	29	..	129	176	127	136	20	100	338	418
Private Creditors	1103	359	1533	1314	1274	1157	2509	1650	2843	2535
Bonds	..	30	..	..	232	320	339	116	616	705
Commercial Banks	976	311	967	732	452	657	1338	1497	1786	1400
Suppliers	8	13	141	362	208	48	631	..	16	1
Other Private	119	5	425	220	382	132	201	37	425	429

Source: World Bank's Debt Reporting System.

Table 4.1
External Debt Summary
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
DISBURSEMENTS										

Total Disbursements	3431	3346	5554	5113	4208	4126	5368	5905	6572	7084
Disbursements (LT)	2180	2376	2899	2992	3787	3853	5200	5683	6319	6167
Public & Publicly Guaranteed	1895	1954	2544	2585	3337	3350	4875	5335	6144	5944
Private Nonguaranteed	285	422	355	407	450	503	325	348	175	223
IMF Purchases	1023	692	1968	1376	201	..	..	..	..	..
Use of IMF Credit	342	692	1968	1376	201	..	..	..	..	..
IMF Trust Fund	681	..	..	..	..	..	..	..	..	..
Short-Term Debt	228	278	687	745	220	273	168	222	253	917
Official Creditors	1519	1693	1919	1931	1678	2023	2195	3607	3607	3555
Multilateral	863	1231	1498	1365	1144	1404	1314	2269	2626	2106
Concessional	712	832	1187	907	878	1081	672	952	796	581
IDA	652	786	1109	874	823	1047	656	917	755	566
IBRD	23	22	18	15	26	6	..	..	..	..
Other Concessional Mul.	37	24	60	18	29	28	16	35	41	15
Non-Concessional	151	399	271	458	266	323	642	1317	1830	1525
IBRD	151	399	271	455	265	323	641	1295	1716	1445
Other Non-Concessional Mul	..	..	..	3	1	..	1	22	114	80
Bilateral	656	462	461	566	534	619	881	1338	981	1449
Concessional	607	458	441	429	462	540	782	1214	866	1005
Non-Concessional	49	4	20	137	72	79	99	124	115	444
Private Creditors	376	261	625	654	1659	1327	2680	1728	2537	2389
Bonds	..	..	10	21	232	320	339	116	616	705
Commercial Banks	330	197	218	503	623	767	1742	1450	1719	1287
Suppliers	2	9	40	41	404	193	283	5	16	146
Other Private	44	55	357	89	400	47	316	157	186	251

Source: World Bank's Debt Reporting System.

Table 4.2
Debt Servicing Summary
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
PRINCIPAL REPAYMENTS										

Total Principal Repayments	765	786	933	1155	1224	1573	2937	2974	3159	2929
Principal Repayments (LT)	756	746	933	1085	1090	1309	2289	1892	1949	1921
IMF Repurchases	9	40	..	70	134	264	648	1082	1210	1008
IMF Credit	9	40	..	70	134	209	521	942	1070	868
IMF Trust Fund	..	..	..	..	..	55	127	140	140	140
Public & Publicly Guaranteed	665	661	714	824	785	946	1809	1603	1669	1612
Official Creditors	585	575	600	596	544	648	840	1104	968	1034
Multilateral	86	86	100	123	132	162	242	508	397	467
Concessional	44	30	37	49	57	70	80	89	113	126
IDA	15	20	26	33	41	53	61	69	81	98
IBRD	29	10	9	14	13	13	12	12	19	16
Other Concessional Mul.	..	..	2	2	3	4	7	8	13	12
Non-Concessional	42	56	63	74	75	92	162	419	284	341
IBRD	42	56	63	74	75	92	162	418	284	335
Bilateral	499	489	500	473	412	486	598	596	571	567
Concessional	473	474	488	461	385	437	483	549	523	507
Non-Concessional	26	15	12	12	27	49	115	47	48	60
Private Creditors	80	86	114	228	241	296	969	499	701	578
Bonds	..	..	..	2	..	..	..	6	14	27
Commercial Banks	34	42	64	154	178	202	778	293	427	315
Suppliers	39	31	33	38	30	47	120	98	96	98
Other Private	7	13	17	34	33	49	71	102	164	138
Private Nonguaranteed	91	85	219	261	305	363	480	289	280	309
INTEREST PAYMENTS										

Total Interest Payments	642	781	1109	1452	1732	1958	2336	2729	3149	3501
Interest Payments (LT)	532	598	787	975	1043	1372	1794	2182	2629	3021
IMF Charges	4	25	144	277	374	360	317	297	233	184
IMF Credit	3	22	141	274	371	357	14	295	231	183
IMF Trust Fund	1	3	3	3	3	3	3	2	2	1
Short-Term Debt	106	159	178	200	316	226	225	250	287	296
Public & Publicly Guaranteed	502	561	661	845	905	1218	1636	2035	2502	2886
Official Creditors	346	343	356	428	438	520	651	774	900	1062
Multilateral	101	111	148	218	239	282	388	479	581	640
Concessional	47	51	58	69	80	93	103	111	112	103
IDA	35	40	46	58	68	71	91	98	98	90
IBRD	12	11	11	9	10	10	11	11	11	9
Other Concessional Mul.	..	..	1	2	2	2	1	2	3	4
Non-Concessional	54	60	90	149	159	199	285	368	469	537
IBRD	54	60	90	149	159	199	285	367	463	520
Bilateral	245	232	208	210	199	238	263	295	319	422
Concessional	234	220	198	187	176	209	230	257	285	363
Non-Concessional	11	12	10	23	23	29	33	38	34	59
Private Creditors	156	218	305	417	467	698	985	1261	1602	1824
Bonds	..	..	..	3	3	17	54	83	105	143
Commercial Banks	28	55	73	123	124	155	254	290	369	497
Non-Resident Deposits	113	151	195	242	290	400	524	714	962	1014
Suppliers	9	6	6	8	8	48	64	67	61	65
Other Private	5	6	31	41	41	78	88	107	105	105
Private Nonguaranteed	30	37	126	130	138	154	158	147	127	135

Source: World Bank's Debt Reporting System.

Table 4.3 (a)
Loan Commitments, by Donors
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bilateral Consortium	871	743	519	598	932	753	891	2211	1888	1115
Austria	2	3	0	5	0	0	7	0	0	0
Belgium	0	18	7	7	0	0	0	0	0	7
Canada	82	121	0	36	165	2	0	8	61	0
Denmark	0	20	18	21	22	0	24	0	0	16
France	146	96	85	11	0	117	68	129	185	222
Germany, Rep. F.	299	84	243	179	226	330	165	462	569	316
Italy	0	0	0	10	36	64	40	87	0	0
Japan	58	324	78	70	378	184	492	1237	1002	313
Netherlands	85	64	0	33	44	4	29	132	45	51
Norway	0	0	0	0	0	12	0	0	0	0
Sweden	0	0	0	0	0	0	0	0	0	192
Switzerland	0	0	0	47	0	0	0	0	0	0
United Kingdom	0	0	0	0	0	0	0	35	27	0
United States	198	13	88	179	62	40	67	122	0	0
Multilateral Consortium	2523	2128	1928	1107	2651	2882	2040	3921	3296	3587
IBRD	555	740	1113	500	1721	1924	1493	2478	2075	2126
IDA	1948	1388	776	572	929	958	296	1026	570	860
ADB	0	0	0	0	0	0	250	378	611	515
EEC	3	0	0	0	0	0	0	0	0	0
IFAD	18	0	27	35	0	0	0	9	0	20
Nordic Investment Bank	0	0	6	0	0	0	0	30	40	66
Other	0	0	6	0	0	0	0	0	0	0
Total Consortium	3395	2871	2447	1705	3583	3634	2930	6132	5185	4703
Bilateral Non-Consortium	353	89	147	148	17	588	721	408	194	533
Eastern Europe	248	0	0	68	17	517	721	370	170	533
of which										
USSR	248	0	0	67	17	517	721	370	170	333
Gulf Countries	105	89	49	80	0	71	0	38	25	0
Other Countries	0	0	98	0	0	0	0	0	0	0
Multilateral Non-Consortium										
OPEC Special Fund	50	0	30	23	0	0	7	8	10	0
Total Non-Consortium	403	89	177	170	17	588	728	416	204	533
Total Official Loans	3798	2960	2624	1875	3599	4222	3658	6548	5389	5235

Table 4.3 (b)
Loan Disbursements, by Donors
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bilateral Consortium	608	439	404	413	384	480	826	1259	916	1379
Austria	3	4	3	2	2	3	1	0	0	4
Belgium	6	7	4	6	5	2	5	5	1	1
Canada	26	29	32	29	40	32	21	7	6	20
Denmark	4	7	22	11	14	9	13	16	7	10
France	71	19	6	18	55	87	134	125	46	88
Germany, Rep. F.	206	143	146	125	149	137	206	218	260	553
Italy	0	0	0	0	7	10	25	71	29	63
Japan	75	29	110	157	50	110	296	649	399	482
Netherlands	93	97	33	16	35	34	44	59	81	50
Norway	0	0	0	0	0	0	0	0	0	15
Switzerland	0	0	0	0	0	3	4	3	3	11
United Kingdom	2	0	0	0	0	0	0	11	11	19
United States	122	103	47	50	26	52	77	93	74	62
Multilateral Consortium	859	1221	1419	1358	1139	1401	1308	2250	2605	2101
IBRD	174	421	289	470	291	329	641	1295	1716	1445
IDA	652	786	1109	874	823	1047	656	917	755	566
ADB	0	0	0	0	0	0	0	12	78	64
EEC	24	0	0	0	0	0	0	0	0	0
IFAD	9	14	15	11	25	24	10	16	20	11
Nordic Investment Bank	0	0	1	3	1	1	0	10	35	15
Other	0	0	6	0	0	0	0	0	0	0
Total Consortium	1467	1660	1822	1772	1524	1881	2134	3508	3521	3480
Bilateral Non-Consortium	48	23	57	152	150	139	55	80	65	69
Eastern Europe	18	5	17	35	79	95	31	71	60	43
of which										
USSR	18	5	17	34	79	95	31	71	52	29
Gulf Countries	31	18	40	20	70	44	24	9	5	27
Other Countries	0	0	0	98	0	0	0	0	0	0
Multilateral Non-Consortium										
OPEC Special Fund	4	10	40	6	5	4	6	19	20	4
Total Non-Consortium	53	33	97	159	155	143	61	98	85	74
Total Official Loans	1520	1693	1920	1930	1678	2024	2195	3607	3606	3554

Table 4.3 (c)
Principal Repayments, by Donors
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bilateral Consortium	392	358	325	301	292	337	413	474	489	499
Austria	2	1	1	1	1	2	2	2	2	2
Belgium	1	1	1	1	2	2	3	3	3	4
Canada	12	13	14	15	10	8	8	9	10	13
Denmark	2	1	1	1	1	1	1	2	2	1
France	29	22	18	15	12	13	18	29	31	31
Germany, Rep. F.	102	81	64	46	42	49	82	107	110	115
Italy	4	3	2	2	1	1	2	2	3	2
Japan	60	51	45	48	53	59	109	99	104	104
Netherlands	9	9	11	10	12	14	22	30	34	35
Norway	0	0	0	0	0	0	0	0	0	2
Switzerland	2	1	1	1	1	2	2	3	2	2
United Kingdom	67	64	59	53	45	47	49	55	54	47
United States	102	110	107	108	112	138	116	132	134	141
Multilateral Consortium	86	86	98	121	129	158	236	500	385	456
IBRD	71	66	72	88	88	105	174	430	303	351
IDA	15	20	26	33	41	53	61	69	81	98
ADB	0	0	0	0	0	0	0	0	0	5
EEC	0	0	0	0	0	0	0	0	0	0
IFAD	0	0	0	0	0	0	0	0	0	1
Nordic Investment Bank	0	0	0	0	0	1	1	1	1	1
Total Consortium	478	444	423	421	421	495	649	973	873	955
Bilateral Non-Consortium	106	132	175	172	121	149	185	122	82	68
Eastern Europe	24	21	15	12	11	42	19	16	17	12
of which										
USSR	15	13	8	6	6	39	16	14	15	11
Gulf Countries	82	110	160	159	99	96	101	103	63	53
Other Countries	0	0	0	1	11	11	64	3	3	3
Multilateral Non-Consortium										
OPEC Special Fund	0	1	2	2	3	4	7	9	13	11
Total Non-Consortium	106	132	177	174	124	153	191	131	95	79
Total Official Loans	584	576	599	596	545	649	840	1104	969	1033

Table 4.3 (d)
Interest Payments, by Donors
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bilateral Consortium	206	194	180	176	168	185	228	270	296	330
Austria	1	1	1	1	1	1	1	1	1	1
Belgium	1	1	0	0	0	0	1	1	1	1
Canada	2	1	1	1	0	0	0	0	0	1
Denmark	0	0	0	0	0	0	0	0	0	0
France	16	14	12	9	8	11	20	30	33	36
Germany, Rep. F.	43	34	32	30	26	35	48	63	58	83
Italy	1	1	1	1	0	0	1	1	2	3
Japan	44	42	37	41	42	47	67	81	108	108
Netherlands	13	13	13	13	12	13	17	20	20	21
Norway	0	0	0	0	0	0	0	0	0	0
Switzerland	1	1	1	1	1	1	1	1	1	1
United Kingdom	11	8	6	4	3	2	2	1	2	3
United-States	72	79	77	77	75	74	71	71	71	72
Multilateral Consortium	101	111	148	217	239	282	389	479	579	638
IBRD	66	71	101	158	169	209	296	378	474	529
IDA	35	40	46	58	68	71	91	98	98	90
ADB	0	0	0	0	0	0	0	1	3	12
EEC	0	0	0	0	0	0	0	0	0	0
IFAD	0	0	0	1	1	1	1	1	2	2
Nordic Investment Bank	0	0	0	0	0	0	0	0	3	5
Total Consortium	307	305	327	394	406	466	617	749	876	968
Bilateral Non-Consortium	39	39	29	34	31	54	34	24	22	92
Eastern Europe	4	4	3	4	5	27	10	7	8	6
of which										
USSR	3	3	3	3	4	27	10	7	8	5
Gulf Countries	35	35	25	21	17	18	18	16	14	86
Other Countries	0	0	0	9	9	9	7	1	1	0
Multilateral Non-Consortium										
OPEC Special Fund	0	0	0	1	1	1	1	1	1	1
Total Non-Consortium	39	39	29	34	32	54	35	25	23	94
Total Official Loans	346	344	356	428	438	520	652	774	899	1062

Table 4.3 (e)
Debt Outstanding & Disbursed, by Donors
(US\$ Million)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bilateral Consortium	8850	8118	8039	8023	7451	8935	10758	12451	12027	12926
Austria	30	29	31	30	26	36	45	47	39	45
Belgium	84	69	68	66	60	79	103	113	97	107
Canada	470	469	486	483	480	494	542	572	587	606
Denmark	29	29	48	54	60	85	122	145	131	158
France	355	278	228	210	220	375	573	711	640	781
Germany, Rep. F.	1772	1602	1677	1651	1486	2085	2816	3178	2931	3719
Italy	20	13	10	7	11	21	45	114	137	205
Japan	1200	1008	1105	1292	1148	1673	2264	3226	3349	3156
Netherlands	544	557	568	537	473	653	862	974	895	1017
Norway	0	0	0	0	0	0	0	0	0	14
Switzerland	21	20	17	16	12	18	24	27	23	36
United Kingdom	1040	766	583	518	402	429	411	434	349	312
United-States	3284	3277	3218	3159	3073	2987	2948	2910	2850	2771
Multilateral Consortium	6030	7162	8475	9709	10369	12307	14175	16486	17951	19561
IBRD	826	1181	1396	1779	1689	2396	3475	4661	5590	6615
IDA	5142	5906	6983	7820	8545	9750	10529	11615	12019	12521
ADB	0	0	0	0	0	0	0	12	90	149
EEC	53	53	53	53	53	53	53	53	53	52
IFAD	9	23	38	48	73	98	108	124	144	155
Nordic Investment Bank	0	0	1	3	4	5	6	16	49	64
Other	0	0	6	6	6	6	6	6	6	6
Total Consortium	14880	15281	16514	17732	17821	21242	24933	28937	29978	32487
Bilateral Non-Consortium	1395	1276	1155	1131	1152	1148	1031	988	784	781
Eastern Europe	155	133	133	154	220	273	285	340	209	238
of which										
USSR	106	98	107	134	207	263	279	335	199	217
Gulf Countries	1240	1143	1021	881	845	800	735	641	570	541
Other Countries	0	0	0	96	86	75	11	8	5	3
Multilateral Non-Consortium										
OPEC Special Fund	40	50	88	92	93	93	92	103	110	103
Total Non-Consortium	1435	1326	1242	1223	1245	1241	1124	1091	893	884
Total Official Loans	16315	16606	17756	18956	19066	22483	26057	30028	30871	33371

Table 4.3 (f)
Grant Commitments, by Donors
(US\$ Million)

	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90(c)
Bilateral Consortium	373.5	373.4	573.1	443.4	451.2	379.0	408.8	857.5	400.9	490.0
Austria	-	-	-	-	-	-	-	-	-	-
Belgium	0.5	-	-	-	-	-	-	-	-	-
Canada	8.7	8.3	12.0	54.1	1.5	-	4.4	330.8	2.5	51.2
Denmark(a)	19.6	10.0	15.9	14.5	15.7	11.2	22.4	25.3	18.2	39.6
France	-	-	-	-	-	-	-	-	-	30.4
Germany	-	-	-	2.7	-	-	-	0.9	2.9	2.7
Italy(a)	-	-	0.4	0.2	16.5	1.0	1.9	-	-	-
Japan	19.3	18.1	15.2	9.2	14.7	13.7	25.2	19.1	37.4	27.0
Netherlands(a)	28.7	23.6	50.2	29.8	36.8	40.9	26.5	94.0	-	-
Norway(a)	22.5	18.9	19.7	19.8	19.1	22.3	24.1	23.5	24.0	23.7
Sweden(b)	71.9	61.6	50.7	43.5	39.6	43.0	55.4	62.0	59.8	60.4
Switzerland(a)	4.7	5.2	29.6	19.9	23.7	12.3	13.9	30.6	26.3	19.1
United Kingdom	39.1	84.1	263.1	102.1	170.7	138.9	128.2	167.0	88.3	129.4
United States	158.5	143.4	116.4	147.6	112.8	95.8	106.8	104.4	141.6	106.4
Multilateral Consortium	190.8	252.4	227.3	236.5	201.5	172.0	225.6	267.8	355.2	292.1
EEC(a)	87.4	140.4	116.9	120.1	100.0	64.0	98.6	150.8	179.8	133.1
UN(a)	103.4	112.0	110.4	116.4	101.5	108.0	127.0	117.0	175.4	159.0
IFAD	-	-	-	-	-	-	-	-	-	-
TOTAL CONSORTIUM	564.2	625.8	800.5	679.9	652.6	551.0	634.4	1125.3	756.1	782.1
Others	5.7	-	-	-	-	-	-	-	-	-
GRAND TOTAL	569.9	625.8	800.5	679.9	652.6	551.0	634.4	1125.3	756.1	782.1

[a] Relates to calendar years; e.g. the figures for 1980/81 relate to calendar year 1980 and so on.

[b] Relates to the year July-June; e.g. the figures for 1980/81 relate to period July 1980-June 1981 and so on.

[c] Provisional.

Sources: 1. External Assistance, Ministry of Finance, Department of Economic Affairs.
2. Embassies and Offices of Consortium Donors in New Delhi.

Table 4.3 (g)
Grant Disbursements, by Donors
(US\$ Million)

	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90(d)
Bilateral Consortium	619.6	468.7	449.0	407.1	394.0	401.9	425.9	498.6	518.9	560.6
Austria	-	-	-	-	-	-	-	-	-	-
Belgium	-	-	-	-	-	-	-	-	-	-
Canada	3.3	7.6	10.7	14.1	15.8	12.3	10.1	57.2	41.8	14.0
Denmark(a)	19.6	10.0	15.9	14.5	15.7	11.2	22.4	25.3	18.2	39.6
France	-	-	-	-	-	-	-	-	-	30.4
Germany	7.8	0.8	1.9	0.1	0.3	1.4	-	-	0.6	0.6
Italy(a)	-	-	0.4	0.2	4.2	5.9	5.0	-	-	-
Japan	23.3	9.6	15.9	14.5	9.2	11.8	16.8	16.3	47.2	28.5
Netherlands(a)	28.7	23.6	50.2	29.8	36.8	40.9	26.5	37.6	31.5	39.0
Norway(a)	22.4	19.7	20.9	20.4	19.9	23.0	24.3	30.4	27.8	24.9
Sweden(b)	64.9	49.1	56.9	53.1	35.1	43.0	55.4	48.8	57.7	125.7
Switzerland(a)	17.1	5.3	18.8	22.3	21.7	11.9	12.0	22.1	21.2	14.1
United Kingdom	307.7	199.1	164.2	128.4	132.7	151.9	165.5	168.4	150.0	156.0
United States	124.9	143.9	93.2	109.7	102.6	88.6	87.9	92.4	122.9	87.8
Multilateral Consortium	190.8	252.4	227.3	236.5	201.5	172.0	225.6	267.8	355.2	292.1
EEC(a)	87.4	140.4	116.9	120.1	100.0	64.0	98.6	150.8	179.8	133.1
UN(a)	103.4	112.0	110.4	116.4	101.5	108.0	127.0	117.0	175.4	159.0
IFAD	-	-	-	-	-	-	-	-	-	-
TOTAL CONSORTIUM	810.4	721.0	676.4	643.6	595.5	573.9	651.6	766.4	874.1	852.7
Others	5.7	-	-	-	-	-	-	-	-	-
GRAND TOTAL	816.1	721.0	676.4	643.6	595.5	573.9	651.6	766.4	874.1	852.7
Nemo Item:										
BOP Total (c)	643.0	497.0	399.0	367.0	453.0	359.0	403.0	410.0	406.0	500.0

[a] Relates to calendar years; e.g. the figures for 1980/81 relate to calendar year 1980 and so on.

[b] Relates to the year July-June; e.g. the figures for 1980/81 relate to period July 1980-June 1981 and so on.

[c] Official Grant Aid as covered in the balance of payments account.

[d] Provisional.

Sources: 1. External Assistance, Ministry of Finance, Department of Economic Affairs.

2. Embassies and offices of Consortium donors in New Delhi.

Table 4.4
EXTERNAL RESERVES
(US \$ million)

	Foreign Exchange	Reserve Position SDRs in the Fund	Reserves excluding Gold	Gold [c]	Reserves including Gold	Use of IMF Credit	Net Reserves	
1950/51 [a]	1809	-	-	1809	247	2056	72	1984
1955/56 [b]	1620	-	15	1635	247	1882	-	1082
1960/61	391	-	-	391	247	638	63	575
1965/66	383	-	-	383	243	626	215	411
1968/69	526	-	-	526	243	769	340	429
1970/71	584	149	76	809	243	1052	-	1052
1971/72	661	269	83	1013	264	1277	-	1277
1972/73	629	297	92	1018	293	1311	-	1311
1973/74	736	296	92	1124	293	1417	75	1342
1974/75	782	293	-	1075	303	1378	620	758
1975/76	1657	234	-	1891	281	2172	807	1365
1976/77	3240	217	-	3457	290	3747	471	3276
1977/78	5305	200	-	5505	318	5823	155	5668
1978/79	6421	470	89	6980	377	7357	-	7357
1979/80	6324	662	218	7204	375	7579	-	7579
1980/81	5850	603	405	6858	370	7228	327	6901
1981/82	3582	473	405	4460	335	4795	964	3831
1982/83	4281	291	393	4965	324	5289	2876	2413
1983/84	5099	230	518	5847	320	6167	4150	2017
1984/85	5482	145	483	6110	325	6435	3932	2503
1985/86	5972	131	554	6657	416	7073	4290	2783
1986/87	5924	179	626	6729	470	7199	4291	2908
1987/88	5618	97	676	6391	507	6898	3553	3246
1988/89	4226	103	630	4959	473	5432	2364	3067
1989/90	3368	107	634	4109	487	4596	1493	3102
1990/91	2236	102	-	2338	504	2842	2623	219
End of the Month								
1989								
March	4226	103	630	4959	473	5432	2364	3067
June	3664	128	607	4399	456	4855	2095	2760
September	2927	114	624	3665	468	4133	1869	2265
December	3105	113	640	3858	481	4339	1749	2589
1990								
March	3368	107	634	4109	487	4596	1493	3102
June	3072	118	645	3835	495	4330	1374	2956
September	2515	478	-	2993	521	3514	1242	2272
December	1205	316	-	1521	532	2053	1138	915

[a] At the end of 1950.

[b] At the end of 1955.

[c] Valued at 35 SDR's per fine troy ounce.

Source: IMF, International Financial Statistics, various issues.

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Table 5.1 (a)
Indicators of Fiscal Deficit
(Rs. Billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Public Sector (CSO) [a]											

Gross Investment	117.67	167.81	201.00	203.81	249.15	290.56	340.20	346.66	391.49	474.51	
Gross Saving	46.54	72.54	78.22	67.81	65.26	84.57	80.02	72.49	77.43	76.25	
Net Fiscal Deficit [b]	71.13	95.27	122.78	136.00	183.89	205.99	260.18	274.17	314.06	398.26	
Public Sector (Non-Financial)											

Gross Investment	116.56	166.51	201.74	201.74	246.27	287.36	335.22	337.06	376.78	469.01	
Gross Saving	38.24	60.21	48.68	48.68	45.12	57.75	50.01	39.76	37.40	22.08	
Net Fiscal Deficit	78.32	106.30	153.06	153.06	201.15	229.61	285.21	297.30	339.38	446.93	
Public Enterprises [c]											

Gross Investment	53.82	91.40	111.00	105.77	133.54	155.20	192.43	187.87	199.03	269.60	
Gross Saving	10.20	19.20	28.31	29.89	40.95	48.30	59.07	72.83	95.91	112.67	
Net Fiscal Deficit	43.62	72.20	83.19	75.88	92.59	106.90	133.36	115.04	103.12	156.93	
General Government [d]											

Gross Investment	62.74	75.11	87.63	95.97	112.73	132.16	142.79	149.19	177.75	199.41	
Gross Saving	28.04	41.01	35.20	18.79	4.17	9.45	-9.06	-33.07	-58.51	-90.59	
Net Fiscal Deficit	34.70	34.10	52.43	77.18	108.56	122.71	151.85	182.26	236.26	290.00	
State Government [e]											

Gross Investment	43.67	49.59	58.79	62.41	71.50	86.58	83.74	89.58	107.19	117.96	
Gross Saving	28.00	29.94	26.72	15.66	13.80	23.86	19.45	9.86	-1.29	-8.22	
Net Fiscal Deficit	15.66	19.65	32.06	46.75	57.70	62.72	64.29	79.72	108.48	126.18	
Central Government											

Gross Investment	19.08	25.52	28.84	33.56	41.23	45.58	59.05	59.61	70.56	81.45	90.00
Gross Saving	0.04	11.07	8.48	3.13	-9.63	-14.41	-28.51	-42.93	-57.22	-82.37	-129.52
Net Fiscal Deficit	19.04	14.45	20.37	30.43	50.86	59.99	87.56	102.54	127.78	163.83	219.52
Other Capital Expenditure [f]	68.31	76.06	89.88	99.87	123.30	158.66	175.86	167.91	181.44	215.48	227.09
Gross Fiscal Deficit (GDI) [g]	87.35	90.51	110.25	130.30	174.16	218.65	263.42	270.45	309.22	379.30	446.61
OCC & other adjustments	..	..	3.30	12.00	8.50	14.70	23.90	14.10	12.90	-24.30	-14.49
Adjusted Gross Deficit (INF)	87.35	90.51	106.95	118.30	165.66	203.95	239.52	256.35	296.32	403.60	461.10
MEMO: GDPmp	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69	5103.44

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- [a] National Accounts definition of "public sector" includes the public banking and financial sector.
 [b] Net fiscal deficit refers to the national accounts concept of the investment-savings gap.
 [c] Non-departmental non-financial enterprises only.
 [d] Consolidated central and state government, based on national accounts statistics.
 [e] Derived residually from national accounts statistics and the economic classification of the central budget.
 [f] Including equity investment in, plus lending and capital transfers to, private and other public entities.
 [g] Gross fiscal deficit represents total borrowing requirement, or increase in liabilities.

Sources

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1. CSO, National Accounts Statistics.
 2. Ministry of Finance, Economic & Functional Classification of the Central Government Budget.
 3. Ministry of Finance, Indian Economic Statistics (Public Finance Album).
 4. World Bank staff estimates.

Table 5.1 (b)
Indicators of Fiscal Deficit
(% of GDPmp)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Public Sector (CSO) (a)											

Gross Investment	8.65	10.50	11.28	9.82	10.77	11.09	11.65	10.42	9.91	10.72	
Gross Saving	3.42	4.54	4.39	3.27	2.82	3.23	2.74	2.18	1.96	1.72	
Net Fiscal Deficit (b)	5.23	5.96	6.89	6.55	7.95	7.86	8.91	8.24	7.95	8.99	
Public Sector (Non-Financial)											

Gross Investment	8.57	10.42	11.18	9.72	10.64	10.97	11.48	10.13	9.54	10.59	
Gross Saving	2.81	3.77	3.57	2.35	1.95	2.20	1.71	1.20	0.95	0.50	
Net Fiscal Deficit	5.76	6.65	7.61	7.37	8.69	8.77	9.77	8.94	8.59	10.09	
Public Enterprises (c)											

Gross Investment	3.96	5.72	6.26	5.10	5.77	5.93	6.59	5.65	5.04	6.09	
Gross Saving	0.75	1.20	1.59	1.44	1.77	1.84	2.02	2.19	2.43	2.54	
Net Fiscal Deficit	3.21	4.52	4.67	3.66	4.00	4.08	4.57	3.46	2.61	3.54	
General Government (d)											

Gross Investment	4.61	4.70	4.92	4.62	4.87	5.05	4.89	4.49	4.50	4.50	
Gross Saving	2.06	2.57	1.98	0.91	0.18	0.36	-0.31	-0.99	-1.48	-2.05	
Net Fiscal Deficit	2.55	2.13	2.94	3.72	4.69	4.69	5.20	5.48	5.98	6.55	
State Government (e)											

Gross Investment	3.21	3.10	3.30	3.01	3.09	3.31	2.87	2.69	2.71	2.66	
Gross Saving	2.06	1.87	1.50	0.75	0.60	0.91	0.67	0.30	-0.03	-0.19	
Net Fiscal Deficit	1.15	1.23	1.80	2.25	2.49	2.39	2.20	2.40	2.75	2.85	
Central Government											

Gross Investment	1.40	1.60	1.62	1.62	1.78	1.74	2.02	1.79	1.79	1.84	1.76
Gross Saving	0.00	0.69	0.48	0.15	-0.42	-0.55	-0.98	-1.29	-1.45	-1.86	-2.54
Net Fiscal Deficit	1.40	0.90	1.14	1.47	2.20	2.29	3.00	3.08	3.24	3.70	4.30
Other Capital Expenditure (f)	5.02	4.76	5.05	4.81	5.33	6.06	6.02	5.05	4.59	4.87	4.45
Gross Fiscal Deficit (GDI) (g)	6.42	5.67	6.19	6.28	7.53	8.35	9.02	8.13	7.83	8.57	8.75
OCC & other adjustments	0.00	0.00	0.19	0.58	0.37	0.56	0.62	0.42	0.33	-0.55	-0.28
Adjusted Gross Deficit (IMF)	6.42	5.67	6.00	5.70	7.16	7.79	8.20	7.71	7.50	9.12	9.04

MEMO: GDPmp 1360.13 1597.60 1781.32 2075.89 2313.87 2619.20 2919.74 3326.16 3949.92 4427.69 5103.44

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- [a] National Accounts definition of "public sector" includes the public banking and financial sector.
 [b] Net fiscal deficit refers to the national accounts concept of the investment-savings gap.
 [c] Non-departmental non-financial enterprises only.
 [d] Consolidated central and state government, based on national accounts statistics.
 [e] Derived residually from national accounts statistics and the economic classification of the central budget.
 [f] Including lending and capital transfers to other public entities.
 [g] Gross fiscal deficit represents total borrowing requirement, or increase in liabilities.

Sources

1. CSO, National Accounts Statistics.

Table 5.2
Economic Classification of Public Sector (Non-Financial) /a/
(Rs.Billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Current Income	270.42	333.17	388.52	444.50	516.38	623.51	739.93	840.42	991.05	1129.28
Direct Taxes	33.34	38.76	38.97	41.16	45.70	55.61	59.64	66.69	90.67	96.51
Indirect Taxes	167.46	200.89	229.85	264.71	306.40	369.87	427.14	498.47	574.03	661.45
Factor Income	57.20	80.89	107.15	122.70	143.36	176.88	219.63	241.59	293.68	330.98
Interest Receipts	7.29	6.64	5.66	8.77	9.82	6.38	19.59	19.55	14.45	20.97
Dividend (RBI)	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Miscellaneous Receipts	3.03	3.89	4.79	5.06	9.00	12.67	11.83	12.02	16.12	17.27
Current Expenditure	232.18	272.96	325.01	395.82	471.26	565.76	689.92	800.66	953.65	1107.20
Consumption	130.84	153.55	182.72	211.41	243.52	291.74	346.25	408.43	472.03	530.67
Subsidies	31.60	35.45	42.48	56.05	78.30	85.43	97.95	114.97	141.35	185.19
Interest Payments	31.69	38.80	51.11	67.85	88.50	110.69	134.14	165.87	206.14	252.56
on External Debt	2.83	3.55	4.15	5.72	6.70	9.03	13.55	16.86	21.69	28.34
on Domestic Debt	28.86	35.25	46.95	62.14	81.81	101.65	120.59	149.00	184.45	224.22
Net Current Transfers	38.05	45.16	48.70	60.50	60.94	77.90	111.58	111.39	134.13	138.78
Gross Saving	38.24	60.21	63.51	48.68	45.12	57.75	50.01	39.76	37.40	22.08
Gross Investment	116.56	166.51	199.13	201.74	246.27	287.36	335.22	337.06	376.78	469.01
Investment-Saving GAP	78.32	106.30	135.62	153.06	201.15	229.61	285.21	297.30	339.38	446.93
Other Capital Expenditure	32.70	33.25	33.82	36.28	47.65	37.31	68.39	50.72	66.63	72.46
Increase in Bank Balance	0.57	1.86	5.02	5.73	8.83	3.42	15.61	-0.07	18.93	10.00
Foreign Grants	-4.36	-3.84	-3.98	-3.26	-4.75	-4.85	-4.36	-4.92	-6.00	-9.13
Lending to External Sector	6.41	1.65	5.45	7.10	4.29	5.91	15.23	10.83	8.43	12.58
Other (to Private Sector)	30.08	33.58	27.33	26.71	39.28	32.83	41.91	44.88	45.27	59.01
GROSS DEFICIT	111.02	139.55	169.44	189.34	248.80	266.92	353.60	348.02	406.01	519.39
Financed by:										
R.B.I.	40.38	39.97	23.83	39.87	75.40	43.28	76.07	64.02	69.28	140.68
Commercial Banks	28.78	17.82	44.64	31.92	40.80	48.24	73.43	50.27	71.31	56.52
Private Sector	26.18	69.91	82.50	98.78	100.57	147.65	156.21	189.72	214.17	268.02
External Loans	15.69	11.85	18.47	18.76	32.03	27.75	47.89	44.01	51.24	54.17
MEMO ITEMS:										
Gross Deficit / GDPmp (%)	8.16	8.73	9.51	9.12	10.75	10.19	12.11	10.46	10.28	11.73
Public Debt / GDPmp (%)	56.90	57.79	61.89	62.76	68.04	71.31	77.62	79.40	79.02	83.67
End-Year Debt Stock	773.86	923.30	1102.38	1302.76	1574.46	1867.75	2266.31	2640.91	3121.37	3704.67
Debt to RBI	164.43	204.40	228.23	268.10	343.50	386.78	462.85	526.87	596.15	736.83
Debt to Commercial Banks	154.87	172.69	217.33	249.25	290.05	338.29	411.72	461.99	533.30	589.82
Debt to Private Sector	328.41	398.31	480.82	579.60	680.17	827.83	984.04	1173.76	1387.93	1655.95
Debt to External Sector	126.16	147.90	176.00	205.81	260.73	314.86	407.70	478.29	603.99	722.07

/a/ Consolidation of central and state governments and non-financial public enterprises.

- Sources: 1. Ministry of Finance, Economic & Functional Classification of the Central Govt Budget.
2. CSO, National Account Statistics.
3. Ministry of Finance, Indian Economic Statistics (Public Finance Album).
4. World Bank staff estimates.

Table 5.3
Economic Classification of Central Govt Finances
(Rs.Billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Current Income	120.89	149.31	175.04	198.79	234.04	281.16	330.55	376.38	444.40	510.41	561.26
Direct Taxes	19.72	27.40	29.79	33.10	35.46	37.55	40.64	41.57	60.75	60.72	66.87
Indirect Taxes	73.75	87.90	100.26	121.31	141.07	173.86	202.55	238.57	276.76	317.25	359.01
Enterprise & Property Income	22.95	29.07	39.32	39.26	49.07	58.23	74.93	83.38	93.77	117.43	119.07
Factor Income	4.00	8.20	11.85	13.53	10.40	15.27	25.72	28.22	29.91	36.16	25.80
Dividend	2.92	3.21	4.55	4.51	4.07	5.15	5.08	6.05	4.75	7.16	9.00
Interest received	16.03	17.66	22.92	21.22	34.60	37.80	44.13	49.11	59.12	74.10	84.27
Miscellaneous Receipts	4.47	4.94	5.67	5.11	8.45	11.53	12.43	12.85	13.13	15.01	16.31
Current Expenditure	120.86	138.24	166.57	195.66	243.67	295.57	359.07	419.31	501.62	592.78	690.78
Consumption	51.74	60.96	70.67	81.30	94.29	112.10	146.64	165.51	187.64	209.31	234.44
Compensation of employees	24.58	27.91	32.33	37.52	44.83	50.94	64.36	74.96	84.28	94.46	107.44
Purchase of Goods & Servs.	27.16	33.05	38.34	43.78	49.46	61.16	82.28	90.55	103.35	114.85	127.00
Interest Payments	22.53	27.63	35.16	44.50	56.46	70.90	86.48	107.02	133.47	164.73	205.00
on External Debt	2.50	2.95	3.10	3.91	4.60	5.38	7.66	9.77	12.42	14.84	18.09
on Domestic Debt	20.03	24.68	32.06	40.59	51.86	65.52	78.82	97.25	121.05	149.89	186.91
Grants	24.21	26.21	33.21	35.55	42.24	55.40	62.22	73.62	86.23	91.34	112.93
Grants to State Govts	18.09	18.01	23.65	25.26	28.64	39.22	42.05	49.62	58.31	60.64	79.93
Grants to Others	6.11	8.20	9.56	10.29	13.60	16.18	20.17	24.00	27.91	30.70	33.00
Subsidies	19.12	19.46	23.04	28.86	44.84	50.70	55.42	59.76	78.59	110.35	121.21
Pensions	2.67	3.14	3.69	4.64	4.95	5.26	6.35	11.57	13.76	13.85	14.00
Other Current Transfers	0.59	0.84	0.81	0.82	0.89	1.21	1.96	1.82	1.94	3.20	3.20
Gross Saving	0.04	11.07	8.48	3.13	-9.63	-14.41	-28.51	-42.93	-57.22	-82.37	-129.52
Gross Investment	19.08	25.52	28.84	33.56	41.23	45.58	59.05	59.61	70.56	81.45	90.00
Investment-Saving GAP	19.04	14.45	20.37	30.43	50.86	59.99	87.56	102.54	127.78	163.83	219.52
Other Capital Expenditure	68.31	76.06	89.88	99.87	123.30	158.66	175.86	167.91	181.44	215.48	227.09
Net Capital Transfers	8.44	11.27	13.52	19.68	24.79	33.19	39.68	49.75	51.46	57.68	
to State Govts	10.53	11.20	13.70	19.70	24.78	32.93	36.81	44.48	44.64	51.77	
to Private Sector	2.27	3.91	3.80	3.24	4.76	5.10	7.23	10.18	12.81	15.04	
from External Sector	4.36	-3.84	-3.98	-3.26	-4.75	-4.85	-4.36	-4.92	-6.00	-9.13	
Net Lending	59.87	64.80	76.36	80.19	98.50	125.47	136.18	118.16	129.98	157.79	
to State Govts	23.33	23.20	30.03	32.82	39.20	61.63	54.04	66.29	73.68	90.07	
to Non-Fin Enterprises	25.14	27.00	31.24	34.50	48.32	54.30	66.45	46.00	47.98	54.20	
to Financial Enterprises	4.95	7.66	4.79	5.46	5.67	4.47	5.08	2.99	6.79	10.87	
to Private Sector	0.04	5.29	4.84	0.31	1.03	-0.85	-4.61	-7.95	-6.90	-9.94	
to External Sector	6.41	1.65	5.45	7.10	4.29	5.91	15.23	10.83	8.43	12.58	
GROSS FISCAL DEFICIT (GOI) /a/	87.35	90.51	110.25	130.30	174.16	218.65	263.42	270.45	309.22	379.30	446.61
Financed by:											
R.B.I	35.51	32.08	33.67	39.49	60.56	61.89	70.91	65.59	65.04	146.54	138.53
Commercial Banks	15.05	5.15	19.80	8.11	11.56	33.64	50.20	39.36	46.20	46.79	106.85
Private Sector /b/	23.44	42.99	39.93	56.33	78.37	93.26	96.95	122.16	159.85	158.26	161.23
External	13.35	10.29	13.55	14.37	15.17	15.16	21.46	29.24	25.23	27.71	40.00
Oil Pool Surplus	..	..	3.30	12.00	8.50	14.70	23.90	14.10	12.90	..	..

Table 5.3
Economic Classification of Central Govt Finances
(Rs.Billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
MEMO ITEMS:											
OCC & other adjustments	..	..	3.30	12.00	8.50	14.70	23.90	14.10	12.90	-24.30	-14.49
Adjusted Gross Deficit (IMF)	87.35	90.51	106.95	118.30	165.66	203.95	239.52	256.35	296.32	403.60	461.10
End-Year Debt Stock	596.77	696.40	809.45	937.68	1119.71	1347.97	1626.76	1905.91	2264.55	2690.82	3245.69
Debt to RBI	152.78	184.86	218.53	258.02	318.58	380.47	451.38	516.97	582.01	720.13	858.66
Debt to Commercial Banks	73.64	78.79	98.59	106.70	118.26	151.90	202.10	241.46	287.66	334.45	441.30
Debt to Private Sector	250.09	293.08	333.01	389.34	467.71	560.97	657.92	780.08	939.93	1098.19	1259.42
Debt to External Sector	120.26	139.67	159.32	183.62	215.16	254.63	315.36	367.40	454.95	538.05	686.31
GDPmp	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69	5103.44
Gross Deficit / GDP (%)	6.42	5.67	6.19	6.28	7.53	8.35	9.02	8.13	7.83	8.57	8.75
Adjusted Deficit (IMF)/ GDP (%)	6.42	5.67	6.00	5.70	7.16	7.79	8.20	7.71	7.50	9.12	9.04
Debt / GDP (%)	43.88	43.59	45.44	45.17	48.39	51.46	55.72	57.30	57.33	60.77	63.60

/a/ Excluding the write-off of Rs 23 billion liability to OCC deposits in 1989/90, which was treated as revenue by GOI.
/b/ Derived residually.

Sources: 1. Ministry of Finance, Economic & Functional Classification of the Central Government Budget.
2. World Bank staff estimates.

Table 5.4
Budgetary Classification of Central Government Finances
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 /b/	1991/92 B.E.
Revenue Receipts	280.35	330.83	370.37	435.91	499.96	560.51	675.29
Tax Revenue	211.40	243.19	280.15	337.51	383.49	429.88	525.00
Non-tax Revenue /a/	68.95	87.64	90.22	98.40	116.47	130.63	150.29
Interest from State Governments	18.72	27.54	31.58	37.70	44.24	55.92	68.08
Revenue Expenditure (A+B+C+D-E)	339.24	408.60	461.75	541.06	642.08	749.66	813.83
A. Developmental Expenditure (1+2)	89.62	107.83	119.70	145.74	211.29	208.82	204.67
1. Social Services	13.22	17.71	20.89	24.17	27.40	32.46	37.40
2. Economic Services	76.40	90.12	98.82	121.57	183.88	176.36	167.27
B. Non-Developmental Expenditure	180.34	223.98	252.25	296.39	345.49	411.68	465.24
Defence Services	70.20	91.79	88.60	95.58	101.94	110.12	111.39
Interest Payments	75.03	92.37	112.36	142.61	177.35	218.50	274.50
C. Grants-in-Aid and Contributions	71.51	78.59	93.49	102.08	88.36	134.02	154.16
Grants to State Governments	67.04	73.53	91.36	100.15	86.44	130.67	151.06
D. Disbursements of Union Territories	5.85	7.06	9.43	10.92	13.09	12.82	13.57
E. Less Receipts of Commercial Departments	8.08	8.87	13.12	14.07	16.16	17.68	23.81
Net Current Balance	-58.89	-77.77	-91.38	-105.15	-142.12	-189.15	-138.54
Capital Expenditure [A+B+C+D-E]	159.77	185.65	179.07	204.08	237.18	257.46	238.73
A. Developmental Expenditure [1+2]	71.16	90.96	68.96	70.88	86.86	83.99	108.22
1. Social Services	1.74	3.90	2.80	3.51	3.21	3.01	4.06
2. Economic Services	69.43	87.06	66.15	67.37	83.65	80.97	104.16
B. Non-Developmental Expenditure	16.48	14.58	33.39	40.76	45.27	52.04	57.44
Defence Services	9.67	12.98	31.08	37.83	42.22	47.38	52.11
C. Capital Expenditure of UTs	1.35	2.40	2.88	1.76	1.87	2.69	3.81
D. Loans and Advances(Net)	70.77	77.71	73.84	90.68	103.18	118.74	94.26
To State Governments	73.62	49.86	58.51	67.30	79.54	96.25	108.77
To Others	-2.85	27.84	15.33	23.38	23.65	22.49	-14.51
E. Disinvestment of equity holding in PSEs	..	..	..	..	..	..	25.00
Gross Deficit(GOI Definition) /a/	218.65	263.42	270.45	309.22	379.30	446.61	377.27
OCC and other adjustments	14.70	23.90	14.10	12.90	-24.30	-14.49	-25.00
Gross Deficit (INF Definition)	203.95	239.52	256.35	296.32	403.60	461.10	402.27
Finance by Instrument:							
.....							
Market Loans	48.84	55.32	58.62	84.18	74.04	80.00	75.00
Small Savings	43.68	34.11	39.11	58.35	85.75	80.00	80.00
Provident Funds	14.20	46.80	52.74	71.12	90.85	92.04	90.63
External Loans	14.49	20.24	28.93	24.60	25.95	39.84	35.10
Treasury Bills	65.65	88.62	56.52	62.45	109.11	93.58	77.19
Other	31.79	18.33	34.53	8.53	-6.40	61.15	19.35

/a/ The write-off of Rs.23 billion of a notional liability to the oil pool account was counted as current revenue in the 1989/90 budget. This has been excluded from current revenue in this table, enlarging the gross deficit by an equal amount.

/b/ Revised estimates adjusted to incorporate actual tax receipts.

Source: Budget Documents of Government of India.

Table 5.5
Budgetary Classification of State Government Finances
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 R.E.
Revenue Receipts	340.37	386.86	448.00	507.09	559.26
Tax Revenue	220.42	251.88	289.20	330.70	388.53
Direct Tax:	14.84	16.77	19.85	24.13	28.76
Indirect Tax	130.67	150.35	173.37	199.88	227.45
Add State Share in Central Taxes	72.60	83.84	96.60	107.36	130.20
Non-Tax Revenue	119.95	134.98	158.80	176.38	170.73
Grants from Centre	67.04	73.53	91.36	100.15	86.44
Revenue Expenditure	323.67	376.11	445.98	516.73	606.75
A. Developmental(1+2)	230.76	268.67	317.57	362.37	413.49
1. Social Services	133.66	151.98	177.06	205.74	246.60
2. Economic Services	97.10	116.70	140.52	156.63	166.89
B. Non-Developmental	92.91	107.44	128.41	154.36	193.27
Interest Payments	33.79	44.04	52.55	63.41	78.16
Current Balance	16.70	10.75	2.02	-9.65	-47.49
Capital Expenditure(A+B+C)	89.83	104.36	111.74	111.97	125.87
A. Developmental(1+2)	53.55	60.51	64.29	68.53	75.27
1. Social Services	7.44	9.88	10.74	11.28	12.86
2. Economic Services	46.11	50.63	53.55	57.25	62.41
B. Non-Developmental	0.98	2.26	2.26	2.25	2.83
C. Loans and Advances	35.30	41.59	45.20	41.19	47.78
Gross Deficit	73.13	93.61	109.73	121.61	173.37
Finance by Instrument:					

Market Loans	14.28	14.31	18.01	22.46	25.45
Loans from Centre(Net)	57.57	47.86	58.32	66.88	82.65
Provident Funds	9.71	10.42	16.28	20.01	25.77
Recovery of Loans	8.09	9.97	10.43	13.31	11.25
Other	-16.52	11.05	6.68	-1.05	28.23

Sources: 1. RBI Bulletin on State Finances, various issues.
2. Budget Documents of Government of India.

Table 5.6
 Budgetary Classification of General Government Finances
 (Rs. Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 /a/
Revenue Receipts	535.35	617.05	695.96	805.69	929.09
Tax Revenue	432.21	495.50	569.88	668.75	772.57
Non Tax Revenue	103.14	121.55	126.08	136.94	156.52
Revenue Expenditure	574.91	680.39	786.35	921.16	1119.30
Developmental	320.38	376.51	437.28	508.11	624.78
Social Services	146.88	169.69	197.94	229.91	274.01
Economic Services	173.50	206.82	239.33	278.20	350.77
Non-Developmental	254.53	303.88	349.07	413.05	494.52
Net Current Balance	-39.57	-63.33	-90.39	-115.47	-190.20
Capital Expenditure	190.67	239.74	229.61	247.41	278.53
Developmental	124.72	151.48	133.24	139.41	162.13
Social Services	9.18	13.78	13.54	14.79	16.07
Economic Services	115.54	137.69	119.70	124.61	146.06
Non-Developmental	17.46	16.83	35.65	43.01	48.10
Loans and Advances	48.50	71.43	60.72	64.99	68.31
Gross Deficit	230.24	303.07	320.01	362.87	468.73
Finance by Instrument:					

Market Loans	63.12	69.63	76.63	106.64	99.49
Small Savings	43.68	34.11	39.11	58.35	85.75
Provident Funds	23.91	57.22	69.02	91.13	116.62
External Loans	14.49	20.24	28.93	24.60	25.95
Treasury Bills	65.65	88.62	56.52	62.45	109.11
Other	19.39	33.26	49.80	19.71	31.80

/a/ Actuals for the Centre and Revised Estimates for the States.

Sources: 1. Budget Documents of Government of India.
 2. RBI Bulletin on State Finances, various issues.

Table 5.7
TAX REVENUE - CENTRE AND STATES
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 /a/	1990/91	1991/92 B.E.
Central Government							

A. Gross Tax Revenue	286.70	328.38	376.66	444.74	516.36	575.86	688.35
Corporation Tax	28.65	31.60	34.33	44.07	47.29	53.40	67.04
Taxes on Income other than Corp. Tax	25.11	28.79	31.92	42.41	50.04	55.20	61.52
Customs	95.26	114.75	137.02	158.05	180.36	205.60	259.00
Union Excise Duties	129.56	144.70	164.26	188.41	224.06	244.60	274.02
B. Less States Share of Tax Revenue	74.91	84.76	95.98	106.69	132.32	145.35	162.55
Income Tax	18.46	21.60	25.89	27.49	39.22	41.21	45.65
Estate Duty	0.20	0.10	0.06	0.01	..	..	..
Union Excise Duties	56.25	63.06	70.03	79.19	93.10	104.14	116.90
C. Less Assignments of UT taxes to Local Bodies	0.39	0.43	0.53	0.54	0.55	0.63	0.80
Centres' Net Tax Revenue(A-B-C)	211.40	243.19	280.15	337.51	383.49	429.88	525.00
State Government							

States own Tax Revenue	145.51	167.12	193.22	224.01	256.21		
Direct Tax	14.84	16.77	19.85	24.13	28.76		
Taxes on Income	2.72	2.70	2.70	3.12	4.26		
Land Revenue	3.53	3.82	4.48	5.94	6.68		
Stamps and Registration Fees	8.53	10.16	12.54	14.86	17.63		
Indirect Tax	130.67	150.35	173.37	199.88	227.45		
Sales Tax	84.29	96.40	111.85	131.22	149.44		
State excise	20.52	24.21	28.67	30.81	37.51		
Taxes on Vehicles	8.26	9.98	11.75	12.90	13.90		
Add State's Share of Central Taxes	74.91	84.76	95.98	106.69	132.32		
Tax Revenue Retained by States	220.42	251.88	289.20	330.70	388.53		

/a/ Actuals for the Centre and Revised Estimates for the States.

Sources: 1. Budget Documents of Government of India.
2. RBI Bulletin on State Finances, various issues.

Table 5.8
NON-TAX REVENUE - CENTRE AND STATES
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 /a/	1990/91	1991/92 B.E.
Central Government -----							
Non Tax Revenue	68.95	87.64	90.22	98.40	116.47	130.63	150.29
Interest Receipts	45.95	53.53	57.55	69.81	84.66	95.73	110.09
Interest from State Governments	18.72	27.54	31.58	37.70	44.24	55.92	68.08
Other General Services	2.61	3.01	3.37	3.95	4.05	4.28	4.23
Social Services	0.76	4.54	0.60	0.80	0.57	0.68	0.74
Economic Services	3.58	11.49	12.73	8.93	28.45	8.72	7.42
Grants-in-aid and contributions	4.87	4.36	4.92	6.00	7.54	8.22	8.68
State Government -----							
States own Non-Tax Revenue	52.91	61.45	67.44	76.24	84.29		
Interest Receipts	13.65	16.88	19.47	23.87	24.54		
General Services	6.81	7.04	7.54	9.51	11.21		
Social Services	4.49	4.75	5.04	5.73	6.91		
Economic Services	27.75	32.55	35.12	36.64	41.15		
Forestry and Wild Life	8.98	9.59	10.67	10.08	11.52		
Industries	6.63	8.50	9.11	12.08	13.83		
Grants to State Governments	67.04	73.53	91.36	100.15	86.44		
a. Non Plan Grants	16.07	16.17	19.22	23.40	23.68		
b. Grants for State Plan Schemes	24.69	26.64	34.43	35.59	35.38		
c. Grants For Central Plan Schemes	10.06	11.73	13.47	15.83	10.71		
d. Centrally Sponsored Schemes	16.04	18.38	23.67	24.62	16.66		
e. Other Grants	0.19	0.60	0.58	0.71	0.00		
Non-Tax Revenue Retained by States	119.95	134.98	158.80	176.38	170.73		

/a/ Actuals for the Centre and Revised Estimates for the States.

Sources: 1. Budget Documents of Government of India.
2. RBI Bulletin on State Finances, various issues.

Table 5.9
Revenue Expenditure of Centre
(Rs. Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 R.E.	1991/92 B.E.
Revenue Expenditure (A+B+C+D-E)	339.24	408.60	461.75	541.06	642.08	749.66	813.83
A. Developmental Expenditure (1+2)	89.62	107.83	119.70	145.74	211.29	208.82	204.67
1. Social Services	13.22	17.71	20.89	24.17	27.40	32.46	37.40
Education, Sports, Art and Culture	5.30	7.08	10.13	11.12	11.41	13.22	14.50
Health and Family Welfare	2.11	2.22	2.67	3.11	3.48	4.17	4.77
Information and Broadcasting	2.00	2.69	3.64	4.10	5.65	6.35	7.48
Water Supply and Sanitation	0.04	0.80	0.13	0.51	0.78	1.28	1.19
Labour and Labour Welfare	1.71	2.34	1.64	2.43	2.64	2.86	3.53
Social Security and welfare	1.42	1.86	1.92	1.96	2.36	3.21	4.19
2. Economic Services	76.40	90.12	98.82	121.57	183.88	176.36	167.27
Agriculture and Allied Services	23.51	30.30	27.16	32.04	41.01	56.58	62.27
Crop Husbandary	3.64	5.96	2.14	4.01	9.06	9.01	12.44
Food Storage and Warehousing	17.91	20.95	20.97	23.17	26.35	26.14	27.42
Irrigation and Flood Control	0.48	0.84	0.76	0.85	0.81	0.92	1.64
Rural Development	0.09	0.11	3.13	3.61	24.70	4.00	4.15
Special Areas Programmes	0.11	0.12	0.06	0.05	0.07	0.14	0.37
Energy	21.88	5.94	6.49	7.61	8.51	9.34	11.20
Industry and Minerals	9.12	28.80	34.77	43.03	56.76	52.32	45.25
Transport and Communications	6.56	6.33	6.26	7.01	15.85	7.99	10.28
Roads and Bridges	1.22	1.34	1.39	1.68	1.96	1.95	2.29
Science, Technology and Environment	5.24	6.10	7.57	9.34	10.40	11.35	13.24
General Economic Services	9.42	11.59	12.61	18.04	25.76	33.73	19.07
Civil Supplies	1.40	1.12	0.29	0.68	0.17	0.11	0.16
Foreign Trade and Export promotion	6.52	8.39	10.16	14.73	21.19	28.11	13.56
B. Non-Developmental Expenditure	180.34	223.98	252.25	296.39	345.49	411.68	465.24
Defence Services	70.20	91.79	88.60	95.58	101.94	110.12	111.39
Interest Payments	75.03	92.37	112.36	142.61	177.35	218.50	276.50
On Internal Debt	69.66	84.71	102.59	130.19	162.51	200.41	247.70
On External Debt	5.38	7.66	9.77	12.42	14.84	18.09	26.80
Administrative Services	10.47	13.28	15.32	17.91	20.71	27.17	26.87
Pensions and Miscellaneous Services	13.00	14.68	22.16	26.04	29.76	40.22	32.59
C. Grants-in-Aid and Contributions	71.51	78.59	93.49	102.08	88.36	134.02	154.16
Grants to State Governments	67.04	73.53	91.36	100.15	86.44	130.67	151.06
a. Non Plan Grants	16.07	16.17	19.22	23.40	23.68	28.80	25.56
b. Grants for State Plan Schemes	24.69	26.64	34.43	35.59	35.38	49.29	60.28
c. Grants for Central Plan Schemes	10.06	11.73	13.47	15.83	10.71	19.60	23.51
d. Centrally Sponsored Schemes	16.04	18.38	23.67	24.62	16.66	30.65	36.77
e. Other Grants	0.19	0.60	0.58	0.71	0.00	2.33	4.93
Grants to Union Territories	3.62	3.92	0.74	0.62	0.69	1.05	1.21
D. Disbursements of Union Territories	5.85	7.06	9.43	10.92	13.09	12.82	13.57
E. Less Receipts of Commercial Departments	8.08	8.87	13.12	14.07	16.16	17.68	23.81
Memo Items:							
Grants for Rural Employment	9.39	12.05	14.10	12.44	21.00	19.86	21.00
Rural Landless Employment Programme	6.03	7.27	6.66	7.84	0.02	..	0.14
National Rural Employment Programme	3.36	4.78	7.45	4.60	0.02	..	..
Jawahar Rojgar Yojana	..	..	..	..	20.96	19.86	20.86

Note: For the year 1989/90 Grants-in-aid to State Government break-up is estimated and the Rural Employment is R.E.

Source: Budget Documents of Government of India.

Table 5.10
Revenue Expenditure of State Governments
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 R.E.
Revenue Expenditure(A+B)	323.67	376.11	445.98	516.73	606.75
A. Developmental(1+2)	230.76	268.67	317.57	362.37	413.49
1. Social Services	133.66	151.98	177.06	205.74	246.60
Education, Sports, Art and Culture.	68.40	77.55	90.10	109.43	139.16
Medical, Health and Family Welfare.	25.78	25.54	30.53	34.77	40.50
Water Supply and Sanitation	6.48	11.78	13.22	13.94	14.37
Labour and Labour Welfare	8.51	9.08	11.84	13.18	14.86
Social Security and Welfare	2.53	2.70	3.94	3.60	4.16
2. Economic Services	97.10	116.70	140.52	156.63	166.89
Agriculture and Allied Services	31.19	33.25	38.98	42.65	49.63
Crop Husbandry	8.57	8.76	9.59	11.06	14.30
Food Storage and Warehousing	0.74	1.05	1.20	1.23	1.65
Forestry and Wild Life	6.52	7.61	8.69	9.46	10.60
Rural Development	21.84	28.20	32.20	36.54	29.09
Special Areas Programmes	1.65	2.06	2.35	3.09	3.65
Irrigation and Flood Control	18.90	24.08	27.75	33.19	33.16
Energy	2.27	4.04	9.14	7.74	9.17
Power	2.15	3.24	8.80	7.39	8.71
Industry and Minerals	5.88	6.67	7.33	8.69	12.11
Transport and Communications	10.67	13.78	16.01	17.35	18.45
Roads and bridges	8.34	10.91	12.99	13.76	13.64
Science, Technology and Environment	0.11	0.23	0.24	0.23	0.27
General Economic Services	4.60	5.15	7.14	7.15	11.36
Civil Supplies	1.55	2.20	3.51	3.21	5.81
B. Non-Developmental	92.91	107.44	128.41	154.36	193.27
Interest Payments	29.40	41.01	48.98	59.33	73.64
Interest on loans from the centre	17.07	27.29	31.45	37.01	44.69
Interest on Internal Debt	6.15	7.06	8.95	10.42	13.61
Interest on Small Savings, PFs.	3.59	6.01	7.63	10.58	13.67
Administrative Services	33.18	37.18	44.18	50.31	60.16
Pensions and Miscellaneous Services	12.07	13.91	17.58	23.92	31.65

Source: RBI bulletin on State Finances, various issues.

Table 5.11
CAPITAL EXPENDITURE - CENTRE AND STATES
(Rs.Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90 /a/	1990/91 R.E.	1991/92 B.E.
Central Government -----							
Capital Expenditure (A+B+C+D-E)	159.77	185.65	179.07	204.08	237.18	257.46	238.73
A. Developmental Expenditure (1+2)	71.16	90.96	68.96	70.88	86.86	83.99	108.22
1. Social Services	1.74	3.90	2.80	3.51	3.21	3.01	4.06
Education, Sports, Art and Culture	0.03	0.68	0.05	0.13	0.08	0.27	0.11
Health and Family Welfare	0.72	0.01	0.19	0.15	0.20	0.05	0.04
Housing	0.76	1.03	0.75	0.99	0.98	1.22	1.67
Information and Broadcasting	0.83	2.13	1.74	1.71	1.78	1.23	1.72
2. Economic Services	69.43	87.06	66.15	67.37	83.65	80.97	104.16
Agriculture and Allied Activities	4.74	2.32	0.54	0.55	0.45	0.54	0.75
Energy	18.18	21.25	18.46	19.05	26.07	29.37	23.67
Industry and Minerals	22.93	20.82	14.07	13.10	11.52	8.54	8.67
Transport	11.90	17.66	17.60	20.28	23.92	23.73	23.99
Roads and Bridges	2.26	3.20	3.91	4.24	4.87	5.55	6.42
Communications	5.10	6.14	0.80	1.23	2.22	1.12	0.83
General Economic Services	4.95	16.43	12.94	10.85	17.17	15.00	43.16
B. Non-Developmental Expenditure	16.48	14.58	33.39	40.76	45.27	52.04	57.44
Defence Services	9.67	12.98	31.08	37.83	42.22	47.38	52.11
C. Capital Expenditure of UTs	1.35	2.40	2.88	1.76	1.87	2.69	3.81
D. Loans and Advances(Net)	70.77	77.71	73.84	90.68	103.18	118.74	94.26
To State Governments	73.62	49.86	58.51	67.30	79.54	96.25	108.77
To Others	-2.85	27.04	15.33	23.38	23.65	22.49	-14.51
E. Disinvestment of equity holding in PSEs	..	..	..	..	..	..	25.00
State Government -----							
Capital Expenditure(A+B+C)	89.83	104.36	111.74	111.97	125.87		
A. Developmental(1+2)	53.55	60.51	66.29	68.53	75.27		
1. Social Services	7.44	9.88	10.74	11.28	12.86		
Education, Sports, Art and Culture	0.88	1.20	.29	1.68	2.93		
Health and Family Welfare	2.22	1.89	1.88	2.04	2.04		
Water Supply and Sanitation	2.27	3.39	4.49	4.04	3.47		
Housing	0.77	1.75	2.11	1.90	2.08		
2. Economic Services	46.11	50.63	53.55	57.25	62.41		
Agriculture and Allied Activities	5.43	2.60	2.17	2.69	4.17		
Irrigation and Flood Control	25.98	27.11	29.66	32.66	31.28		
Transport	7.86	9.75	9.43	10.27	11.29		
Roads and Bridges	6.33	7.68	7.77	8.19	9.14		
B. Non-Developmental	0.98	2.26	2.26	2.25	2.83		
C. Loans and Advances(1+2)	35.30	41.59	45.20	41.19	47.78		
1. Developmental Purposes	33.01	39.09	42.65	38.94	45.81		
Social Services	4.30	6.00	6.29	6.07	6.48		
Economic Services	28.71	33.09	36.35	32.86	39.33		
2. Non-Developmental purposes	2.29	2.50	2.55	2.25	1.97		

/a/ Estimated from actuals for the Centre and Revised Estimates for the States.

Sources: 1. Budget Documents of Government of India.
2. RBI Bulletin on State Finances, various issues.

Table 5.12
Transfers between Centre and States
(Rs. Billion at current prices)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 R.E.	1991/92 B.E.
States' Share in Central Taxes	74.91	84.76	95.98	106.69	132.32	145.35	162.55
Grants to States	67.04	73.53	91.36	100.15	86.44	130.67	151.06
Loans to States and UTs	101.01	78.95	94.14	100.46	113.11	144.39	150.47
Loan Repayments by States and UTs	27.39	29.09	35.63	33.16	33.57	48.14	41.70
Interest Payments by States	18.72	27.54	31.58	37.70	44.24	55.92	68.08
NET TRANSFER	196.86	180.61	214.27	236.44	254.06	316.35	354.30

Source: Budget Documents of Government of India.

Table 5.13
Explicit Subsidies in the Central Budget
(Rs.Billion at current prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92
											R.E.	B.E.
A. Major Subsidies	15.54	15.58	17.91	23.40	35.47	41.77	46.83	51.26	67.87	91.66	95.50	78.24
1. Food	6.50	7.00	7.11	8.35	11.01	16.50	20.00	20.00	22.00	24.76	24.50	26.00
2. Indegenous Fertilisers	1.70	2.81	5.50	9.00	12.00	16.00	17.00	20.50	30.00	37.71	36.50	29.00
3. Imported Fertilisers	3.35	1.00	0.53	1.42	7.28	3.24	1.98	1.14	2.01	8.30	7.50	11.00
4. Export Promotion and Market Development.	3.99	4.77	4.77	4.63	5.18	6.03	7.85	9.62	13.86	20.89	27.00	12.24
B. Debt relief to farmers	...	...	...	...	...	...	...	...	...	...	15.00	15.00
C. Other Subsidies	4.74	3.83	4.71	4.09	4.91	6.19	7.68	8.54	9.45	15.11	10.71	10.71
5. Railways	0.69	0.78	0.97	0.93	1.00	1.28	1.44	1.74	2.07	2.34	2.76	3.14
6. Mill-made cloth	0.76	1.25	0.56	0.56	0.73	0.51	0.36	0.23	0.27	0.10	0.10	0.15
7. Handloom Cloth	0.36	0.52	0.54	0.55	0.73	0.86	1.23	1.24	1.46	1.57	1.88	2.05
8. Import/Export of Sugar, Edible Oils etc.	...	...	0.08	...	0.38	0.23	0.76	0.05	0.40	0.06	...	...
9. Interest Subsidies	2.53	1.02	2.17	1.18	1.35	2.71	2.29	3.93	4.06	9.32	3.79	3.16
10. Other Subsidies	0.40	0.26	0.39	0.87	0.72	0.60	1.60	1.35	1.19	1.72	2.18	2.21
TOTAL - Subsidies	20.28	19.41	22.62	27.49	40.38	47.96	54.51	59.80	77.32	106.77	121.21	103.95
Write off of loans to states.	9.39	...	0.01	0.01	0.02	0.81	0.84	0.82	0.81	0.01	9.66	0.01
Memo Item:												
GDPPp	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69	5103.44	5819.13

Source: Union Budget Reports, various issues.

Table 5.14
OUTSTANDING DEBT OF CENTRAL GOVERNMENT (a)
(Rs billion at current prices)

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
1. To Reserve Bank of India (a+b+c+d+e)	117.27	152.78	184.86	218.53	258.02	318.58	380.47	451.38	516.97	582.01	720.13
a. Treasury bills	92.03	118.44	99.55	159.05	146.47	189.85	242.49	185.61	70.91	123.18	235.73
b. CG Securities	26.29	38.58	51.26	63.34	77.91	98.19	104.23	82.26	88.43	110.89	n.a.
c. Special securities	-	5.85	41.10	42.10	45.70	46.50	51.87	198.67	371.77	369.87	377.09
d. Other liabilities	3.03	-2.92	-4.19	-7.52	-10.52	-9.84	-16.64	-6.95	-6.12	-11.68	n.a.
e. Cash balances and Dpts.	4.08	7.17	2.86	38.64	1.54	6.12	1.48	8.21	8.02	10.25	n.a.
2. To commercial banks	58.59	73.64	78.79	98.59	106.70	118.26	151.90	202.10	241.46	287.66	334.45
a. Treasury bills	0.65	5.21	1.51	11.55	9.38	2.98	0.46	0.16	0.14	0.03	0.06
b. CG Securities	57.94	68.43	77.28	87.04	97.32	115.28	151.44	201.94	241.32	287.63	334.39
To Banking system	175.86	226.42	263.65	317.12	364.72	436.84	532.37	653.48	758.43	869.67	1063.00
3. To Private Sector	326.29	250.81	278.54	372.28	400.70	482.41	587.84	596.62	829.78	973.09	1068.08
a. Small savings	68.55	79.76	93.75	110.98	135.07	171.57	214.49	247.25	283.58	338.33	405.83
b. Others	257.74	171.05	184.79	261.30	265.63	310.84	373.35	449.37	546.20	634.76	662.25
4. External Debt		120.26	139.67	159.32	183.62	215.16	254.63	315.36	367.40	454.95	538.05
5. Total outstanding debt	502.15	597.49	681.86	848.72	949.04	1134.41	1374.84	1665.46	1955.61	2297.71	2669.13

[a] End of year stocks.

- Sources: 1. RBI, Report on Currency and Finance, various issues.
2. Ministry of Finance, Indian Economic Statistics (Public Finance).
3. Economic Survey, various issues.
4. World Bank Staff Estimates.

Table 5.15
OUTSTANDING DEBT OF STATE GOVERNMENT (a)
(Rs billion at current prices)

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
1.To Reserve Bank of India (a-b)	6.78	11.65	19.54	9.70	10.08	24.92	6.31	11.47	9.90	14.14	16.70
a. Gross	9.00	12.11	19.66	9.84	10.93	25.76	10.65	14.58	10.09	14.29	n.a.
b. Cash balances and Dpts.	2.22	0.46	0.12	0.14	0.85	0.84	4.34	3.11	0.19	0.15	n.a.
2.To commercial banks	17.50	19.11	23.14	25.75	31.62	41.67	44.53	55.25	75.37	89.92	109.65
a. SG Securities	15.26	16.81	19.59	23.17	29.12	38.38	47.74	56.18	69.47	85.02	103.47
b. Others	2.24	2.30	3.55	2.58	2.50	3.29	-3.21	-0.93	5.90	4.90	7.28
To Banking System (1)+(2)	24.28	30.76	42.68	35.45	41.70	66.59	50.84	66.72	85.27	104.06	130.17
3.To Private Sector	45.58	45.00	47.00	59.38	70.26	72.84	112.07	114.15	125.99	153.48	173.72
a. Provident Fund	21.08	24.63	29.27	36.30	44.27	53.49	63.20	73.62	89.90	108.65	132.84
b. Others	24.50	20.37	17.73	23.08	25.99	19.35	48.87	40.53	36.09	44.83	40.88
4.To Central Govt. (a-b-c)	146.72	164.01	187.61	230.40	271.90	307.45	367.43	417.46	479.57	538.47	614.64
a. Loans from Center	157.39	170.71	190.80	235.58	274.56	311.19	385.04	432.90	491.22	558.63	632.62
b. States' holding of Trs.Bill	8.34	4.35	1.09	2.97	0.17	1.43	15.20	12.68	8.88	17.38	15.18
c. States' holding of CG Sec.	2.33	2.35	2.10	2.21	2.49	2.31	2.41	2.76	2.77	2.78	2.80
5. Total outstanding debt	216.58	239.77	277.29	325.23	383.86	446.88	530.34	598.33	690.83	796.02	918.53

[a] End of year stocks.

- Sources: 1. RBI, Report on Currency and Finance, various issues.
2. Ministry of Finance, Indian Economic Statistics (Public Finance).
3. Economic Survey, various issues.
4. World Bank Staff Estimates.

Table 5.16
OUTSTANDING DEBT OF CENTRAL AND STATE GOVERNMENTS (a)
(Rs billion at current prices)

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
1. To Reserve Bank of India(a+)	124.05	164.43	204.40	228.23	268.10	343.50	386.78	462.85	526.87	596.15	736.83
a. Centre	117.27	152.78	184.86	218.53	258.02	318.58	380.47	451.38	516.97	582.01	720.13
b. State	6.78	11.65	19.54	9.70	10.08	24.92	6.31	11.47	9.90	14.14	16.70
2. To commercial banks	76.09	92.75	101.93	124.34	138.32	159.93	196.43	257.35	316.83	377.58	444.10
a. Centre	58.59	73.64	78.79	98.59	106.70	118.26	151.90	202.10	241.46	287.66	334.45
b. State	17.50	19.11	23.14	25.75	31.62	41.67	44.53	55.25	75.37	89.92	109.65
To Banking System (1)+(2)	200.14	257.18	306.33	352.57	406.42	503.43	583.21	720.20	843.70	973.73	1180.93
3. To Private Sector	361.20	289.11	322.35	426.48	468.30	551.51	682.30	795.33	944.12	1106.42	1236.06
a. Small savings	68.55	79.76	93.75	110.98	135.07	171.57	214.49	247.25	283.58	338.33	405.83
b. Others	292.65	209.35	228.60	315.50	333.23	379.94	467.81	548.08	660.54	768.09	830.23
4. External Debt		120.26	139.67	159.32	183.62	215.16	254.63	315.36	367.40	454.95	538.05
5. Total outstanding debt	561.34	666.55	768.35	938.37	1058.34	1270.10	1520.14	1830.89	2155.22	2535.10	2955.04
Loans to States from Centre	157.39	170.71	190.80	235.58	274.56	311.19	385.04	432.90	491.22	558.63	632.62

.....
[a] End of year stocks.

Table 5.17(a)
PROJECTED AND ACTUAL PLAN OUTLAYS BY SECTORS
(Rs billion)

	Fifth Plan		Sixth Plan		Seventh Plan							
	(74/75-78/79)		(80/81-84/85)		(85/86-89/90)		85/86	86/87	87/88	88/89	89/90	90/91
	proj.	actuals	proj.	actuals	proj.	actuals		actuals		R.E	Proj.	
A Agriculture & Allied Programs	37.68	48.65	119.15	152.02	222.34	315.43	44.99	55.12	65.66	68.12	81.54	91.42
Agriculture	32.31	n.a	56.95	66.24	105.24	128.64	18.26	22.16	27.43	29.03	31.76	38.03
Rural Development	5.37	n.a	53.64	69.97	89.06	150.97	22.26	26.68	31.46	29.82	40.75	43.02
Special Area Program	-	-	14.80	15.81	28.04	35.82	4.47	6.28	6.77	9.27	9.03	10.37
B Irrigation & Flood Control	44.32	38.77	121.60	109.31	169.79	164.77	27.92	32.22	33.47	35.91	35.24	41.10
Minor Irrigation	7.92	n.a	18.10	18.48	28.05	31.47	4.93	5.88	6.27	7.01	7.38	8.77
Major Irrigation	30.89	n.a	84.48	74.93	115.56	109.49	18.80	21.69	22.77	23.60	22.63	26.53
Flood Control	3.45	n.a	10.45	8.11	9.47	9.43	1.67	1.80	1.81	2.06	2.09	2.34
Command Area Development	2.06	n.a	8.56	7.79	16.71	14.37	2.52	2.85	2.63	3.24	3.14	3.46
C Industry and Minerals	73.62	95.83	150.18	169.50	221.08	295.43	54.37	55.64	55.37	58.96	71.09	84.50
Village & Small Scale	5.10	5.93	17.81	19.45	27.53	32.64	5.24	6.16	6.17	6.86	8.21	9.84
Large & Medium Industries	68.52	89.89	132.37	150.05	193.55	262.80	49.13	49.48	49.20	52.10	62.89	74.66
D Energy	98.55	74.00	265.35	307.51	551.29	627.57	96.79	114.58	115.95	132.26	167.89	188.71
Power	70.16	74.00	192.65	182.98	342.74	384.89	56.16	67.01	70.96	82.44	108.32	124.79
Petroleum	16.91	n.a	43.00	84.82	129.35	160.63	29.36	33.82	30.20	31.09	36.16	37.91
Coal	11.48	n.a	28.70	38.08	76.01	75.28	9.95	12.33	13.63	17.38	21.99	24.47
E Transport	55.28	68.70 (b)	124.12	142.07	229.71	297.98	40.72	52.01	60.35	67.23	75.52	93.03
Railways	22.02	n.a	51.00	65.87	123.34	164.37	19.42	26.97	34.19	39.29	44.50	50.00
Roads & Road Transport	18.15	n.a	46.35	50.82	71.90	83.99	13.92	16.52	17.21	18.15	18.19	23.07
Ports & Shipping (a)	10.67	n.a	14.86	12.13	23.13	27.43	4.41	4.35	4.49	6.03	8.15	14.44
Civil Aviation	2.97	n.a	8.59	9.57	7.58	19.63	2.91	4.09	4.47	3.66	4.50	5.26
F Communication & Broadcasting	13.89	n.a	31.34	34.69	61.14	100.90	10.65	13.42	17.59	25.61	33.62	35.12
G Science & Technology	4.36	n.a	8.65	10.11	24.63	29.49	4.05	5.12	5.85	7.51	6.95	8.93
H Social Services	52.24	68.34	140.35	159.15	295.78	331.27	47.35	56.46	67.12	76.85	85.74	92.86
Education	12.85	17.10 (c)	25.24	29.78	63.83	76.99	8.77	10.14	16.11	19.13	22.84	22.51
Health & Family Welfare	11.79	12.53	28.31	34.12	64.49	66.52	10.60	12.03	13.31	15.03	15.55	17.43
Housing & Urban Development	11.07	11.50	24.88	28.38	42.30	48.40	7.61	9.20	9.07	10.69	11.83	13.11
Water Supply & Sanitation	9.71	10.92	39.22	39.97	65.22	71.22	11.81	12.92	14.69	15.42	16.38	19.13
Other Social Services	6.82	16.29	22.70	26.90	59.94	68.15	8.56	12.17	13.94	16.58	19.15	20.68
I Others	13.28	(d)	8.02	16.50	24.24	59.62	7.36	12.48	18.99	8.24	12.55	11.50
J TOTAL	393.2	394.3	975.0	1100.9	1800.0	2222.5	334.2	397.1	440.3	480.70	570.17	647.17

Note: The Plan totals are at base year prices for projections and at current prices for actuals.

(a) Covers Major and Minor ports, Shipping, Lighthouses and Inland Water

(b) Includes Communication & Broadcasting.

(c) Includes Scientific Research.

(d) Included under other social services.

Source: Planning Commission.

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Table 5.17(b)
PROJECTED AND ACTUAL PLAN OUTLAYS BY SECTORS
(Annual averages at constant 1980/81 prices - Rs billion)

	Fifth Plan		Sixth Plan		Seventh Plan							90/91 Proj.
	(74/75-78/79) proj.	14.02 actuals	(80/81-84/85) proj.	24.45 actuals	(85/86-89/90) proj.	85/86	86/87	87/88	88/89	89/90 R.E		
A Agriculture & Allied Programs	15.08	14.02	26.78	24.45	30.27	33.26	28.12	31.59	35.36	33.99	37.23	38.43
Agriculture	12.93	n.a.	12.80	10.68	14.33	13.57	11.41	12.70	14.77	14.49	14.50	15.98
Rural Development	2.15	n.a.	12.05	11.23	12.13	15.93	13.91	15.29	16.94	14.88	18.60	18.08
Special Area Program	n.a.	n.a.	3.33	2.54	3.82	3.76	2.79	3.60	3.65	4.62	4.12	4.36
B Irrigation & Flood Control	17.74	11.18	27.33	17.78	23.12	17.59	17.45	18.46	18.02	17.92	16.09	17.27
Minor Irrigation	3.17	n.a.	4.07	2.98	3.82	3.34	3.08	3.37	3.38	3.50	3.37	3.69
Major Irrigation	12.36	n.a.	18.98	12.22	15.73	11.71	11.75	12.43	12.26	11.78	10.33	11.15
Flood Control	1.38	n.a.	2.35	1.34	1.29	1.01	1.04	1.03	0.97	1.03	0.95	0.98
Command Area Development	0.82	n.a.	1.92	1.24	2.28	1.53	1.58	1.63	1.42	1.61	1.43	1.45
C Industry and Minerals	29.47	27.62	33.75	27.01	30.10	31.51	33.98	31.89	29.82	29.42	32.46	35.52
Village & Small Scale	2.04	1.71	4.00	3.11	3.75	3.46	3.28	3.53	3.32	3.42	3.75	4.14
Large & Medium Industries	27.42	25.91	29.75	23.61	26.35	28.05	30.71	28.36	26.49	26.00	28.71	31.38
D Energy	39.44	21.33	59.63	49.16	75.06	66.25	60.49	65.66	62.44	66.00	76.66	79.32
Power	28.08	21.33	43.29	29.57	46.66	40.46	35.10	38.40	38.21	41.14	49.46	52.46
Petroleum	6.77	n.a.	9.66	13.35	17.61	17.20	18.35	19.38	16.26	15.51	16.51	15.94
Coal	4.59	n.a.	6.45	6.12	10.08	7.87	6.22	7.07	7.34	8.67	10.04	10.28
E Transport	22.13	19.80	27.89	22.92	31.27	31.16	25.45	29.81	32.50	33.55	34.48	39.11
Railways	8.81	n.a.	11.46	10.67	16.79	17.19	12.14	15.46	18.41	19.61	20.32	21.02
Roads & Road Transport	7.26	n.a.	10.42	8.26	9.79	8.96	8.70	9.47	9.27	9.06	8.31	9.70
Ports & Shipping	4.27	n.a.	3.34	1.97	3.15	2.88	2.76	2.49	2.42	3.01	3.72	6.07
Civil Aviation	1.19	n.a.	1.93	1.52	1.03	2.09	1.82	2.34	2.41	1.83	2.06	2.21
F Communication & Broadcasting	5.56	n.a.	7.04	5.51	8.32	10.39	6.66	7.69	9.47	12.78	15.35	14.76
G Science & Technology	1.75	n.a.	1.94	1.59	3.35	3.11	2.53	2.93	3.15	3.75	3.18	3.75
H Social Services	20.91	19.70	31.54	25.41	40.27	35.12	29.59	32.36	36.14	38.35	39.15	39.03
Education	5.14	4.93	5.67	4.71	8.69	7.99	5.48	5.81	8.68	9.55	10.43	9.46
Health & Family Welfare	4.72	3.61	6.36	5.44	8.78	7.06	6.63	6.89	7.17	7.50	7.10	7.33
Housing & Urban Development	4.43	3.32	5.59	4.61	5.76	5.13	4.76	5.27	4.88	5.34	5.40	5.51
Water Supply & Sanitation	3.89	3.15	8.81	6.39	8.88	7.57	7.38	7.40	7.91	7.69	7.48	8.04
Other Social Services	2.73	4.70	5.10	4.27	8.16	7.37	5.35	6.97	7.51	8.27	8.74	8.69
I Others	5.32	n.a.	1.80	2.78	3.30	6.36	4.60	7.15	10.23	4.11	5.73	4.84
J TOTAL	157.4	113.7	219.1	176.6	245.1	234.7	208.9	227.5	237.1	239.9	260.3	272.0
Memo Item: Price Deflator	50.0	69.4	89.0	122.8	146.9	187.9	160.0	174.5	185.7	200.4	219.0	237.9

Note: See footnotes to Table 5.17(a).

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Table 5.17(c)
PROJECTED AND ACTUAL PLAN OUTLAYS BY SECTORS
(% distribution and achievement rates) [a]

	Fifth Plan		Sixth Plan		Seventh Plan							90/91 Proj.
	(74/75-78/79)		(80/81-84/85)		(85/86-89/90)		85/86	86/87	87/88 actuals	88/89	89/90 R.E	
	% share [b]	achieve- ment [c]	% share [b]	achieve- ment [c]	%share [b]	achieve- ment [c]						
A Agriculture & Allied Programs	9.6	93.0	12.2	91.3	12.4	109.9	13.5	13.9	14.9	14.2	14.3	14.1
Agriculture	8.2	n.a.	5.8	83.4	5.8	94.7	5.5	5.6	6.2	6.0	5.6	5.9
Rural Development	1.4	n.a.	5.5	93.2	4.9	131.3	6.7	6.7	7.1	6.2	7.1	6.6
Special Area Program	n.a.	n.a.	1.5	76.3	1.6	98.4	1.3	1.6	1.5	1.9	1.6	1.6
B Irrigation & Flood Control	11.3	63.0	12.5	65.1	9.4	76.1	8.4	8.1	7.6	7.5	6.2	6.4
Minor Irrigation	2.0	n.a.	1.9	73.3	1.6	87.4	1.5	1.5	1.4	1.5	1.3	1.4
Major Irrigation	7.9	n.a.	8.7	64.4	6.4	74.4	5.6	5.5	5.2	4.9	4.0	4.1
Flood Control	0.9	n.a.	1.1	57.0	0.5	78.1	0.5	0.5	0.4	0.4	0.4	0.4
Command Area Development	0.5	n.a.	0.9	64.4	0.9	67.4	0.8	0.7	0.6	0.7	0.5	0.5
C Industry and Minerals	18.7	93.8	15.4	80.0	12.3	104.7	16.3	14.0	12.6	12.3	12.5	13.1
Village & Small Scale	1.3	83.7	1.8	77.6	1.5	92.3	1.6	1.6	1.4	1.4	1.4	1.5
Large & Medium Industries	17.4	94.5	13.6	79.4	10.8	106.5	14.7	12.5	11.2	10.8	11.0	11.5
D Energy	25.1	54.1	27.2	82.4	30.6	88.3	29.0	28.9	26.3	27.5	29.4	29.2
Power	17.8	76.0	19.8	68.3	19.0	86.7	16.8	16.9	16.1	17.1	19.0	19.3
Petroleum	4.3	n.a.	4.4	138.1	7.2	97.7	8.8	8.5	6.9	6.5	6.3	5.9
Coal	2.9	n.a.	2.9	94.8	4.1	78.1	3.0	3.1	3.1	3.6	3.9	3.8
E Transport	13.7	89.5	12.7	82.2	12.8	99.6	12.2	13.1	13.7	14.0	13.2	14.4
Railways	5.6	n.a.	5.2	93.1	6.9	102.3	5.8	6.8	7.8	8.2	7.8	7.7
Roads & Road Transport	4.6	n.a.	4.8	79.3	4.0	91.5	4.2	4.2	3.9	3.8	3.2	3.6
Ports & Shipping	2.7	n.a.	1.5	59.0	1.3	91.4	1.3	1.1	1.0	1.3	1.4	2.2
Civil Aviation	0.8	n.a.	0.9	78.8	0.4	202.6	0.9	1.0	1.0	0.8	0.8	0.8
F Communication & Broadcasting	3.5	n.a.	3.2	78.2	3.4	124.8	3.2	3.4	4.0	5.3	5.9	5.4
G Science & Technology	1.1	n.a.	0.9	81.8	1.4	92.7	1.2	1.3	1.3	1.6	1.2	1.4
H Social Services	13.3	94.2	14.4	80.6	16.4	87.2	14.2	14.2	15.2	16.0	15.0	14.3
Education	3.3	95.8	2.6	83.0	3.5	91.9	2.6	2.6	3.7	4.0	4.0	3.5
Health & Family Welfare	3.0	76.5	2.9	85.5	3.6	80.4	3.2	3.0	3.0	3.1	2.7	2.7
Housing & Urban Development	2.8	74.8	2.6	82.4	2.4	89.1	2.3	2.3	2.1	2.2	2.1	2.0
Water Supply & Sanitation	2.5	81.0	4.0	72.5	3.6	85.3	3.5	3.3	3.3	3.2	2.9	3.0
Other Social Services	1.7	172.0	2.3	83.7	3.3	90.3	2.6	3.1	3.2	3.4	3.4	3.2
I Others	3.4		0.8	154.3	1.3	192.8	2.2	3.1	4.3	1.7	2.2	1.8
J TOTAL	99.6	72.2	99.4	80.6	100.0	95.8	100.0	100.0	100.0	100.0	100.0	100.0

[a] Derived from Table 5.17(b).

[b] Percentage share in total Plan outlay.

[c] Actual outlay as a percentage of target outlay for the Plan.

Table 6.1
MONEY SUPPLY AND SOURCES OF CHANGE, 1980/81 - 1990/91
(Rupees billion)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
BROAD MONEY SUPPLY (M3)	557.74	627.52	728.68	860.89	1023.57	1186.79	1407.20	1631.42	1988.53	2374.32	2732.05
Narrow Money Supply (M1)	234.24	249.37	285.35	333.98	399.15	440.95	515.16	585.55	711.07	863.55	990.03
Currency with Public	134.26	144.74	166.59	196.03	226.72	250.59	283.82	335.59	380.71	461.04	528.31
Deposit Money (total)	99.98	104.63	118.76	137.95	172.43	190.36	231.34	249.96	330.36	402.51	461.72
Time Deposits with Banks	323.50	378.15	443.33	526.91	624.42	745.84	892.04	1045.87	1277.46	1510.77	1742.02
SOURCES OF CHANGE											
Net Bank Domestic Credit	623.60	740.95	864.19	1013.68	1212.95	1411.24	1667.61	1918.57	2300.36	2748.19	3191.79
To Government	257.18	306.33	352.57	406.42	503.42	583.21	720.20	843.70	973.73	1180.93	1400.45
From Reserve Bank of India (RBI)	164.43	204.40	228.23	268.10	343.50	386.78	462.85	526.87	596.15	736.83	873.95
From Other Banks	92.75	101.93	124.34	138.32	159.92	196.43	257.35	316.83	377.58	444.10	526.50
To Commercial Sector	366.42	434.62	511.62	607.26	709.53	828.03	947.41	1074.87	1326.63	1567.26	1791.34
From Reserve Bank of India	17.00	20.44	19.25	23.80	27.52	30.52	33.94	37.90	55.24	63.49	67.21
From Other Banks	349.42	414.18	492.37	583.46	682.01	797.51	913.47	1036.97	1271.39	1503.77	1724.13
Net Foreign Exchange Assets of Banking Sector	47.30	27.68	18.28	16.46	31.34	38.72	48.15	56.72	68.00	66.67	81.13
Government's Currency Liabilities to the Public	6.19	6.57	6.82	7.19	7.77	9.40	11.92	13.80	14.75	15.55	16.47
Net Non-Monetary Liabilities of Reserve Bank of India	119.35	147.68	160.61	176.44	227.35	272.57	320.48	357.67	394.58	456.09	557.34
of Reserve Bank of India	53.60	65.22	60.74	53.11	86.22	107.07	134.44	142.25	169.36	175.36	251.65
of Other Banks	65.75	82.46	99.87	123.33	141.13	165.50	186.04	215.42	225.22	280.73	305.69
Broad Money Supply (M3)	557.74	627.52	728.68	860.89	1023.57	1186.79	1407.20	1631.42	1988.53	2374.32	2732.05
GDP at market prices	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69	5103.48

Notes: [1] Upto 1989/90, as of March 31 on the basis of the closure of government accounts.

[2] Data for 1990/91 are preliminary estimates based on comparison of provisional data for March 23, 1990 and March 22, 1991.

Sources: [1] Economic Survey, various issues.

[2] RBI Bulletin (Weekly Statistical Supplement).

Table 6.2
BASE MONEY AND SOURCES OF CHANGE, 1980/81 - 1990/91
(Rupees billion)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
TOTAL BASE MONEY SUPPLY	194.53	209.98	231.10	289.93	352.16	381.66	448.08	534.90	629.59	775.92	876.98
Currency with Public	134.26	144.74	166.59	196.03	226.72	250.59	283.82	335.59	380.71	461.04	528.31
Other Deposits with RBI	4.11	1.68	1.86	2.91	5.95	2.89	3.09	3.97	6.94	5.98	16.40
Cash with Banks	8.73	9.37	9.80	10.39	12.03	14.65	15.31	15.63	19.72	22.23	24.56
Bank Deposits with RBI	47.43	54.19	52.85	80.60	107.46	113.53	145.86	179.71	222.22	286.67	307.72
SOURCES OF CHANGE											
RBI Claims	194.19	241.57	267.73	319.61	402.76	441.92	524.39	609.18	722.18	875.04	1036.99
On Government (net)	164.43	204.40	228.23	268.10	343.50	386.78	462.85	526.87	596.15	736.83	873.95
On Banks	12.76	16.73	20.25	27.71	31.74	24.62	27.60	44.41	70.79	74.72	95.84
On Commercial Sector	17.00	20.44	19.25	23.80	27.52	30.52	33.94	37.90	55.24	63.49	67.21
Net Foreign Exchange Assets of RBI	47.75	27.06	17.29	16.24	28.99	37.41	46.21	54.17	62.02	60.69	75.17
Government's Currency Liabilities to the Public	6.19	6.57	6.82	7.19	7.77	9.40	11.92	13.80	14.75	15.55	16.47
Net Non-Monetary Liabilities of Reserve Bank of India	53.60	65.22	60.74	53.11	86.22	107.07	134.44	142.25	169.36	175.36	251.65
Total Base Money Supply	194.53	209.98	231.10	289.93	352.16	381.66	448.08	534.90	629.59	775.92	876.98
GDP at market prices	1360.13	1597.60	1781.32	2075.89	2313.87	2619.20	2919.74	3326.16	3949.92	4427.69	5103.48

Notes: [1] Upto 1989/90, as of March 31 on the basis of the closure of government accounts.

[2] Data for 1990/91 are preliminary estimates based on comparison of provisional data for March 23, 1990 and March 22, 1991.

Sources: [1] Economic Survey, various issues.

[2] RBI Bulletin (Weekly Statistical Supplement).

Table 6.3
SELECTED MONETARY POLICY INSTRUMENTS

Year & Month	Bank Rate	Minimum Cash Reserve (a) Ratio (e)	Statutory Liquidity (b) Ratio (f)	Net Liquidity (c)
1974 April	7	7	32	40
June 29	7	5	32	40
July 23	9	5	33	40
December 14	9	4.5	33	40
December 28	9	4	33	39
1975 November 1	9	4	33	(d)
1976 September 4	9	5	33	-
November 13	9	6	33	-
1978 December 1	9	6	34	-
1981 July 31	10	6.5	34	-
September 25	10	7.0	34.5	-
October 30	10	7.0	35	-
November 27	10	7.3	35	-
December 25	10	7.5	35	-
1982 January 29	10	7.8	35	-
April 30	10	7.3	35	-
June 11	10	7.0	35	-
1983 May 28	10	7.5	35	-
July 30	10	8.0	35	-
August 27	10	8.5	35	-
1984 February 4	10	9.0	35	-
July 28	10	9.0	35.5	-
September 1	10	9.0	36	-
1985 June 8	10	9.0	36.5	-
July 6	10	9.0	37	-

(Contd.)

Table 6.3 (concl.)
SELECTED MONETARY POLICY INSTRUMENTS

	Bank Rate	Minimum Cash Reserve Ratio (a) (e)	Statutory Liquidity (b) Ratio (f)	Net Liquidity (c)
1987 February 28	10	9.5	37	-
1987 April 25	10	9.5	37.5	-
1987 October 24	10	10.0	37.5	-
1988 January 2	10	10.0	38	-
1988 July 2	10	10.5	38	-
1988 July 30	10	11.0	38	-
1989 July 1 (g)	10	15.0	38	-
1990 September 22	10	15.0 (h)	38.5	-
1991 July 4	11	15.0 (h)	38.5	-

Note: Dates given are those on which the announced measures take effect.

- (a) Minimum cash reserves to be deposited with the RBI as % of net demand and time liabilities.
- (b) The ratio of liquid assets (exclusive of those under (a)) to aggregate demand and time liabilities upto March 28, 1985 and net demand and time liabilities with effect from March 29 1985.
- (c) Liquid assets as defined under (b) minus borrowing from RBI, SBI and IDBI. as percentage of aggregate demand and time liabilities.
- (d) Starting from November 1 1975, the net liquidity ratio was abolished as a guideline to refinance.
- (e) Besides the minimum cash reserves indicated under this column, banks are also to maintain certain percentage of their liabilities under Foreign Currency (Non-Resident) Accounts (FCNR) and Non-Resident (External) Rupee Accounts (NRE). These ratios are 10 % for FCNR liabilities and 3% for NRE liabilities. Further, effective November 12, 1983 banks are required to maintain an incremental cash reserve ratio of 10% of the increase in net demand and time liabilities over the level as on November 11, 1983.
- (f) Besides the percentage mentioned under this column, banks are to maintain effective October 25, 1975 in liquid assets 25% of their liabilities under FCNR Accounts. For the liabilities under NRE Accounts, the ratio was the same as that of domestic demand and time liabilities, upto October 25, 1985 and from October 26 1985 onwards, banks are to maintain in liquid assets 25% of their liabilities under NRE accounts.
- (g) Announced on March 27, 1989. Effective July 1, 1989, the multiple prescription of cash reserves to be maintained are being withdrawn and being replaced by a single prescription.
- (h) As the traditional instrument of credit control viz., the cash reserve ratio reached the statutory ceiling (15%), other measures were relied upon to moderate base money growth. An incremental net non-food credit-deposit ratio ceiling of 60% was stipulated in the second half of 1989/90. Exceeding this ratio entailed additional cost on refinance from RBI. This continued in 1990/91.

Sources: 1. Reserve Bank of India, Report of the Committee to Review the Working of the Monetary System, 1985.
2. Reserve Bank of India, Annual Report - various issues.

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Table 6.4
INTEREST RATES - SHORT TERM COMMERCIAL BANKING RATES
(in percent)

	1970/71	1980/81	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Bank Rate	5.0/6.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0
Treasury Bill Rate(91 days)	3.0/3.5	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Call Money Rate								
State Bank of India								
- Scheduled Banks	8.5/12.0	15.0/19.4	18.0	17.5	17.5	16.5	16.5	16.5
- Cooperative Banks	7.5/8.5	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Other Major Scheduled Commercial Banks								
- Bombay	6.38	7.12	9.95	10.00	9.99	9.88	9.77	11.49
- Calcutta	6.91	8.28	10.00	10.00	10.00	..	..	..
- Madras	6.45	9.42	9.98	10.00	9.86	9.92	..	..
Commercial Bank Rates								
Deposit Rates- Ceiling								
- 1 year to 3 years	6.0/6.5	7.5/8.5	8.0/9.0	8.5/9.0	8.5/9.0	9.0/10.0	9.0/10.0	9.0/10.0
- 3 years to 5 years	7.0	10.0	10.0	10.0	10.0	..	..	..
- above 5 years	7.25	10.0	11.0	11.0	11.0	..	..	..
Key Lending Rates								
Ceiling								
- General	(b)	19.40	18.00	17.50	17.50	16.5	..	..
- Exports	-	12.5/17.5	12.0/16.5	12.0/16.5	9.5/16.5	9.5/15.5	9.5/15.5	7.5/15.5
- Food Procurements	-	12.50	14.00	14.00	14.00	14.00	14.00	14.00
- On deferred Payments	-	8.65	8.65	8.65	8.65	8.65	8.65	8.65
Minimum								
- General	-	13.5	(c)	(c)	(c)	(c)	16.0	16.0
- Selective Controls	-	17.5/19.5	16.5/18.0	16.5/17.5	16.5/17.5	16.5	16.0	16.0

(a) Effective July 1980, the rates charged on demand loans are same as those applicable to general categories of borrowers for similar advances.

(b) The ceiling on lending rates was withdrawn in January 1970 but was reintroduced from March 1976.

(c) In the revised interest rate structure which became effective from March 2, 1981, no general lending rate was fixed but a broad framework of interest rates was provided with fixed rates on certain types of advances and ceiling rates on other types of advances. Wherever ceiling rates were prescribed, the rate of interest fixed for the preceding advance would serve as floor rate in that category.

Notes:(1) Effective April 1, 1987 all lending rates of commercial banks above 15% have been reduced by one percentage point.

(2) Effective October 10, 1988, ceiling lending rates have been abolished and replaced with a minimum lending rate of 16%.

Source: Reserve Bank of India - Report on Currency and Finance, various issues.

Table 6.5
INTEREST RATES - LONG TERM RATES
(In percent)

	1970/71	1975/76	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90
Term Lending Institutions								
Prime Lending Rates								
IDBI	8.5	11.0	14.0	14.0	14.0	14.0	14.0	14.0
IFCI	9.0	12.0	14.0	14.0	14.0	14.0	14.0	14.0
ICICI	8.5	11.0	14.0	14.0	14.0	14.0	14.0	14.0
IRBI	-	8.5	9.2	12.5	12.5	14.0	14.0	14.0
SFC	7.5/10.5	8.0/14.5	12.0/16.0	11.5/16.5	11.5/16.5	11.5/16.5	11.5/16.5	11.5/16.5
(rates charged to SSI)	7.0/8.5	8.0/11.0	12.0/14.5	11.5/16.5	11.5/16.5	11.5/16.5	11.5/16.5	11.5/16.5
UTI Dividend Rate	8.0	8.8	11.5	15.25	16.0	16.5	18.0	18.0
Corporate Borrowing Rates								
Preference - Ceiling	9.5	11.0	11.0	15.0	15.0	14.0/10.0 (d)	14.0/10.0 (d)	14.0/10.0 (d)
Debentures - Ceiling	8.0	10.5	13.5	13.5/15.0	13.5/15.0	12.5/14.0 (f)	12.5/14.0	12.5/14.0
		(a)	(b)	(b)				
Company Deposit Rates								
Private sector								
1 year	-	9.0/13.5	9.0/13.5	10.0/15.0	10.0/15.0	10.0/14.0 (f)	10.9/14.0	10.5/15.0
2 years	-	10.0/14.5	10.0/14.5	12.0/15.0	12.0/15.0	12.0/14.0 (f)	12.0/14.0	12.0/14.0
3 years	-	9.5/16.5	13.0/15.5	13.0/15.0	13.0/15.0	13.5/14.0 (f)	13.5/14.0	13.5/14.0
5 years	-	9.0/16.0	15.0/16.0	-	-	-	-	-
Public sector								
1 year	-	-	11.0	11.5/12.0	11.5/12.5	10.5/12.0	10.5/12.0	10.5/12.0
2 years	-	-	12.0	12.5/13.0	12.0/13.5	11.5/13.0	11.5/13.0	11.5/13.0
3 years	-	-	13.5	13.5/14.5	14.0/15.0	13.0/14.0 (f)	13.0/14.0	13.0/14.0
Industrial Securities								
Ordinary Shares	5.53	5.43	5.88	3.21	3.6	4.3	3.8	3.2
Debentures-Running Yield	7.31	8.39	n.a	n.a	n.a	n.a	n.a	n.a
Government Securities								
Short-term (1 - 5 years)	3.8/4.3	5.2/6.0	4.7/6.0	5.4/9.8	5.1/11.6	6.9/15.8	7.0/23.9	7.6/18.4
Medium-term (5-15 years)	4.3/4.8	5.5/6.0	5.8/6.8	6.5/9.5	6.5/10.9	6.5/11.7	6.8/13.8	7.7/15.1
Long-term (over 15 years)	4.8/5.5	6.1/6.4	6.4/7.5	8.4/11.5	8.9/11.5	9.2/11.5	9.4/11.7	10.1/11.8

(a) Effective September 12, 1974 and for a term exceeding 7 years. 10 percent for a term less than 7 years.

(b) Interest on 'Rights' debentures issued by public limited companies to augment their long-term working capital requirements had been fixed at the rate of 10.5 percent upto 7 years maturity and 11 percent on the maturity period from 8 to 12 years as per guidelines issued by government in September 1978. The ceiling on interest on public issues of debentures was raised from 11 to 12 percent from October 1980 and further to 13.5 percent from March 2, 1981. From April 17, 1982, while the existing ceiling on interest rate of 13.5 percent was maintained for issues of convertible debentures, the ceiling rate was raised to 15 percent in the case of non-convertible debentures.

(c) The acceptance of deposits for periods more than 3 years has been prohibited effective from April 1, 1978 but in terms of the "Companies (Acceptance of Deposits) Rules 1973 companies are permitted to retain such deposits accepted prior to April 1 1978 till maturity.

(d) During 1985/86, a new instrument viz. Cumulative Convertible Preference shares with a ceiling rate of 10 % was introduced.

(e) The ceiling dividend rate on preference shares has been reduced from 15% to 14% effective April 15, 1987.

(f) The ceiling interest rates on debentures and company deposits were reduced by 1 percentage point effective April 1, 1987.

Source: Reserve Bank of India - Report on Currency and Finance, various issues.

Table 6.6
SECTORAL DEPLOYMENT OF GROSS BANK CREDIT
(in Rs billion - change during year)

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	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Gross Bank Credit	35.69	43.58	53.29	59.30	75.35	72.57	73.56	76.91	154.68	169.43
Public Food Procurement Credit	-3.41	3.68	8.37	10.58	16.43	-1.30	-4.31	-29.14	-14.21	12.37
Gross Non-Food Credit	39.10	39.90	44.92	48.72	58.92	73.87	77.87	106.05	168.89	157.06
Priority Sectors	17.74	21.72	16.46	25.77	35.10	31.57	34.84	40.20	51.49	61.68
Agriculture	8.17	10.31	6.60	8.69	15.16	13.98	15.12	14.39	19.41	25.84
Small Scale Industries	5.94	6.72	5.85	9.61	11.65	12.04	12.92	17.12	23.15	24.15
Other Priority Sectors	3.63	4.69	4.01	7.47	8.29	5.55	6.80	8.69	8.93	11.69
Industry (Medium & Large)	16.91	11.95	21.21	13.45	13.18	26.83	29.34	37.97	70.32	60.87
Wholesale Trade (other than food procurement)	0.79	2.04	1.55	-0.10	3.06	4.17	0.14	5.18	11.69	7.05
Cotton Corporation of India	0.32	-0.06	0.35	-0.97	-0.58	0.25	-0.51	-0.18	-0.54	1.03
Food Corporation of India	0.32	1.69	0.01	-1.71	-0.75	-0.25	0.08	0.22	0.31	0.28
Jute Corporation of India	0.23	0.36	-0.41	-0.25	0.67	0.11	0.71	-0.56	-0.44	-0.44
Other Trade	-0.08	0.05	1.60	2.83	3.72	4.06	-0.14	5.70	12.36	6.18
Other Sectors	3.66	4.19	5.70	9.60	7.58	11.30	13.55	22.70	35.39	27.46
Export Credit (included in Gross Non-Food Credit)	-	1.56	-0.70	3.15	2.94	0.74	7.37	7.71	22.24	21.04
Priority Sector advances as percent of net bank credit in the last month of the period. [a]	35.0	37.7	36.8	38.0	39.8	40.8	42.2	44.1	43.2	42.4

Source: Economic Survey, various issues.

[a] Including Participation Certificates.

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Table 6.7
INDICATORS OF INDUSTRIAL CLIMATE (a)

	1986/87	1987/88	1988/89	1989/90	1990/91
Fresh approvals for setting up new industrial capacities:					
(a) Letters of Intent issued: (of which for backward areas)	997 533	971 525	1215 610	1155 590	931 399
(b) Registrations issued by SIA under scheme of delicensing (of which for backward areas)	2575 1600	1750 1020	1125 678	1328 751	1345 800
(c) Cases approved under the scheme of Minimum Economic Scales (MES)	134	46	36	71	71
Licenses issued by way of conversion of L.I. (of which for backward areas)	499 230	349 147	332 149	334 157	325 137
Carry-on Business licenses (of which for backward areas)	97 29	48 14	58 21	67 16	51 9
Re-endorsement of capacity	178	173	204	65	143
Cases approved under broad-banding scheme	108	112	75	93	55
Foreign Collaboration clearance given by Foreign Investment Board	649	587	636	595	640
Cases approved by Capital Goods Import(Main) Committee:					
Numbers	236	216	224	n.a.	n.a.
Rs billion	11.82	8.06	10.37	16.33	8.54
Capital issues - consents given by CCI Rs billion	58.43	51.67	82.35	120.76	126.32
Assistance from financial institutions:					
Sanctioned (Rs. bill.)	79.60	82.30	135.64	154.25	193.85
Disbursed (Rs. bill.)	56.56	66.11	83.75	92.27	116.43

[a] Relate to the period April-March.

Source: Economic Survey, various issues.

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Table 7.1
PROGRESS OF SELECTED PHYSICAL AGRICULTURAL DEVELOPMENT PROGRAMMES, 1980/81-1990/91

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 Provisional
High Yielding Varieties											
Total HYV (mls. hectares)	43.1	46.5	47.5	53.7	54.1	55.4	56.2	54.1	60.1	63.1	67.0
Paddy "	18.2	19.7	18.8	21.7	22.8	23.5	24.0	22.1	25.4	27.6	29.2
Wheat "	16.1	16.8	17.8	19.4	19.1	19.1	19.2	19.7	20.2	20.7	21.9
Maize "	1.6	1.6	1.7	1.9	2.0	1.8	2.2	2.2	2.5	2.8	2.9
Jowar "	3.5	3.9	4.4	5.3	5.1	6.1	5.5	6.1	6.1	6.8	7.6
Sajra "	3.6	4.6	4.7	5.4	5.2	5.0	5.3	4.0	5.9	5.2	5.4
Irrigated Area "											
Major and Medium	22.7	23.2	24.0	26.6	25.3	25.8	26.5	26.8	27.2	28.8	28.5
Minor [a]	31.4	32.8	34.2	34.0	35.2	36.5	37.9	39.3	41.0	43.5	45.4
Soil conservation (mls. hect.) (cumulative at end of year)	24.4	25.4	26.5	28.0	29.4	30.5	31.2	32.1	32.9	34.0	36.9
Consumption of Chemical Fertilizers											
Nitrogenous (mls. tonnes)	3.7	4.1	4.2	5.2	5.5	5.7	5.8	5.7	7.3	7.4	8.0
Phosphatic "	1.2	1.3	1.4	1.7	1.9	2.0	2.1	2.2	2.7	3.1	3.4
Potassic "	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.1	1.2	1.3
Total MPK "	5.5	6.1	6.4	7.7	8.2	8.5	8.7	8.8	11.1	11.7	12.7

[a] The figures for minor irrigation indicate the net benefit after allowing for seepage.

Source: Economic Survey, various issues.

Table 7.2
PRODUCTION OF MAJOR CROPS, 1980/81-1989/90

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Total Foodgrains	129.6	133.3	129.5	152.4	145.5	150.4	143.4	140.3	169.9	170.6
Kharif	77.6	79.4	69.9	89.2	84.5	85.3	80.2	74.6	95.6	100.9
Rabi	51.9	53.9	59.6	63.1	61.0	65.2	63.2	65.8	74.3	69.7
Total Cereals	119.0	121.8	117.7	139.5	133.6	137.1	131.7	129.4	156.1	158.0
Kharif	73.9	75.0	65.8	83.9	79.8	80.7	76.0	70.2	90.0	95.5
Rabi	45.1	46.7	51.9	55.6	53.8	56.4	55.7	59.2	66.1	62.5
Rice	53.6	53.3	47.1	60.1	58.3	63.8	60.6	56.9	70.5	74.1
Kharif	50.1	49.2	43.2	55.0	53.8	59.4	53.6	49.0	63.4	66.3
Rabi	3.5	4.0	3.9	5.0	4.6	4.4	7.0	7.8	7.1	7.7
Wheat	36.3	37.4	42.8	45.5	44.1	47.0	44.3	46.2	54.1	49.7
Barley (Jowar)	10.4	12.1	10.8	11.9	11.4	10.2	9.2	12.2	10.2	2.9
Kharif	7.5	8.8	7.5	8.7	7.8	7.3	6.5	8.6	7.1	9.3
Rabi	2.9	3.3	3.3	3.3	3.6	2.9	2.7	3.6	3.1	3.6
Maize	7.0	6.9	6.5	7.9	8.4	6.6	7.6	5.7	8.2	9.4
Bajra	5.3	5.5	5.1	7.7	6.0	3.7	4.5	3.3	7.8	6.6
Total Pulses	10.6	11.5	11.9	12.9	12.0	13.4	11.7	11.0	13.8	12.6
Kharif	3.8	4.3	4.1	5.4	4.8	4.5	4.2	4.4	5.6	5.4
Rabi	6.9	7.2	7.7	7.5	7.2	8.8	7.5	6.6	8.2	7.2
Gram	4.3	4.6	5.3	4.8	4.6	5.8	4.5	3.6	5.1	4.2
Tur	2.0	2.2	2.0	2.6	2.6	2.4	2.3	2.3	2.7	2.7
Total Oilseeds a/	9.4	12.1	10.0	12.7	12.9	10.8	11.3	12.6	18.0	16.8
Kharif	5.0	7.0	5.4	7.2	7.0	5.9	6.4	6.4	10.5	9.6
Rabi	4.4	5.0	4.6	5.5	5.9	4.9	4.9	6.2	7.5	7.2
Groundnut	5.0	7.2	5.3	7.1	6.4	5.1	5.9	5.8	9.7	8.1
Kharif	3.7	5.5	3.7	5.3	4.7	3.8	4.4	4.2	7.5	6.1
Rabi	1.3	1.7	1.5	1.8	1.7	1.4	1.4	1.7	2.2	2.0
Rapeseed & Mustard	2.3	2.4	2.2	2.6	3.1	2.7	2.6	3.4	4.4	4.1
Sugarcane	154.3	186.4	189.5	174.1	170.3	170.6	186.1	196.7	203.0	222.6
Cotton	7.0	7.9	7.5	6.4	8.5	8.7	6.9	6.4	8.7	11.4
Jute & Mesta	8.2	8.4	7.2	7.7	7.8	12.6	8.6	6.8	7.9	8.4
Jute	6.5	6.8	5.9	6.3	6.5	10.9	7.3	5.8	6.7	7.1
Mesta	1.6	1.6	1.2	1.4	1.3	1.8	1.3	1.0	1.2	1.2
Potato	9.7	9.9	10.0	12.1	12.6	10.4	12.7	14.0	14.9	15.1

Notes: Units of measurement of all commodities is million tonnes, except in the case of cotton, jute and mesta whose production is in terms of million of bales.

Figures for 1989/90 are provisional.

a/ Includes groundnuts, rapeseeds and mustard, sesame, linseed, castorseed, nigerseed, safflower, sunflower and soyabean.

Sources: Economic Survey, various issues.

Table 7.3
GROSS AREA UNDER MAJOR CROPS, 1980/81-1989/90
(million hectares)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Total Foodgrains	126.7	129.1	125.1	131.2	126.7	128.0	127.2	119.7	127.7	126.5
Kharif	83.2	83.9	79.1	84.1	81.2	81.8	81.5	74.9	82.0	81.3
Rabi	43.5	45.2	46.0	47.0	45.5	46.2	45.7	44.8	45.7	45.2
Total Cereals	104.2	105.3	102.3	107.6	103.9	103.6	104.0	98.4	104.5	103.3
Kharif	72.8	73.5	68.8	73.0	70.6	70.8	70.7	64.9	70.9	69.9
Rabi	31.4	31.8	33.4	34.6	33.3	32.8	33.3	33.6	33.6	33.4
Rice	40.1	40.7	38.3	41.2	41.2	41.1	41.2	38.8	41.7	42.2
Kharif	38.4	38.9	36.4	38.9	39.2	39.2	38.4	35.8	38.9	39.3
Rabi	1.7	1.8	1.8	2.3	2.0	1.9	2.7	3.0	2.8	2.8
Wheat	22.3	22.1	23.6	24.7	23.6	23.0	23.1	23.1	24.1	23.5
Barley (Jowar)	15.8	16.6	16.4	16.4	15.9	16.1	15.9	16.0	14.6	15.0
Kharif	10.2	10.5	9.8	10.2	9.5	9.5	9.7	9.6	9.0	8.8
Rabi	5.6	6.1	6.5	6.3	6.5	6.5	6.2	6.4	5.7	6.1
Maize	6.0	5.9	5.7	5.9	5.8	5.8	5.9	5.6	5.9	5.9
Bajra	11.7	11.8	10.9	11.8	10.6	10.6	11.3	8.7	12.0	10.9
Total Pulses	22.5	23.8	22.8	23.5	22.7	24.4	23.2	21.3	23.1	23.2
Kharif	10.4	10.4	10.3	11.1	10.5	11.0	10.7	10.0	11.1	11.5
Rabi	12.0	13.4	12.6	12.4	12.2	13.4	12.4	11.2	12.0	11.8
Gram	5.6	7.9	7.4	7.2	6.9	7.8	7.0	5.8	6.8	6.5
Tur	2.8	3.0	2.9	3.2	3.2	3.2	3.1	3.3	3.5	3.6
Total Oilseeds a/	17.6	19.0	17.8	18.7	18.9	19.0	18.6	20.1	21.9	23.0
Kharif	10.2	10.9	10.5	11.0	11.1	11.5	11.5	11.5	13.1	14.0
Rabi	7.4	8.1	7.2	7.7	7.8	7.5	7.1	8.6	8.8	9.0
Groundnut	6.8	7.4	7.2	7.5	7.2	7.1	7.0	6.8	8.5	8.7
Kharif	5.9	6.4	6.2	6.3	6.0	6.2	6.0	5.7	7.0	7.4
Rabi	0.9	1.1	1.0	1.2	1.1	0.9	0.9	1.2	1.5	1.3
Rapeseed & Mustard	4.1	4.4	3.8	3.9	4.0	4.0	3.7	4.6	4.8	5.0
Sugarcane	2.7	3.2	3.4	3.1	2.9	2.8	3.1	3.3	3.3	3.4
Cotton	7.8	8.1	7.9	7.7	7.4	7.5	6.9	6.5	7.3	7.3
Jute & Mesta	1.3	1.1	1.0	1.0	1.1	1.5	1.1	1.0	0.9	0.9
Jute	0.9	0.8	0.7	0.8	0.8	1.1	0.8	0.7	0.7	0.7
Mesta	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Potato	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.9	0.9	1.0

Figures for 1989/90 are provisional.

a/ Includes groundnuts, rapeseeds and mustard, sesame, linseed, castorseed, nigerseed, safflower, sunflower and soyabean.

Source: Economic Survey, various issues.

Table 7.4
IRRIGATED AREA UNDER DIFFERENT CROPS, 1980/81-1987/88
(million hectares)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
Total Foodgrains	37.6	38.3	38.4	40.2	40.1	40.6	41.7	40.5
Total Cereals	35.6	36.2	36.6	38.5	38.4	38.5	39.5	38.5
Rice	16.3	17.1	16.0	17.4	17.7	17.7	18.2	17.0
Jowar	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8
Bajra	0.6	0.7	0.6	0.6	0.6	0.6	0.7	0.7
Maize	1.2	1.1	1.2	1.0	1.0	1.1	1.3	1.2
Wheat	15.5	15.5	17.0	17.9	17.5	17.5	17.7	17.9
Barley	0.9	0.8	0.7	0.7	0.6	0.7	0.6	0.6
Total Pulses	2.0	2.1	1.8	1.7	1.8	2.1	2.2	2.0
Other Crops								
Oilseeds a/	2.3	2.5	2.6	3.1	3.5	3.4	3.3	4.3
Cotton	2.1	2.2	2.3	2.3	1.9	2.2	2.2	2.3
Sugarcane	2.3	2.8	2.8	2.6	2.6	2.5	2.8	3.0

a/ Oilseeds include groundnuts, rapeseed and mustard, linseed, sesame, and others.

Source: Economic Survey, various issues.

Table 7.5
YIELD PER HECTARE OF MAJOR CROPS, 1980/81-1989/90
(kgs. per hectare)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Total Foodgrains	1023	1032	1035	1102	1149	1175	1128	1173	1331	1349
Kharif	933	946	884	1060	1041	1042	985	996	1166	1241
Rabi	1195	1193	1296	1343	1341	1410	1362	1468	1628	1543
Total Cereals	1142	1157	1151	1296	1285	1324	1266	1315	1493	1530
Kharif	1015	1021	956	1148	1129	1140	1074	1082	1270	1367
Rabi	1434	1469	1552	1608	1617	1718	1673	1763	1964	1871
Rice	1336	1308	1231	1457	1417	1552	1471	1465	1689	1756
Kharif	1303	1266	1185	1413	1374	1514	1393	1368	1627	1686
Rabi	2071	2204	2135	2205	2274	2329	2563	2640	2548	2712
Wheat	1630	1691	1816	1844	1870	2046	1916	2002	2244	2117
Barley (Jowar)	660	727	657	726	715	633	576	762	697	864
Kharif	737	837	760	851	820	761	665	892	789	1049
Rabi	520	538	501	522	563	447	437	568	550	597
Maize	1159	1162	1145	1332	1456	1146	1282	1029	1395	1606
Bajra	458	470	469	652	519	344	401	378	646	608
Total Pulses	473	483	519	548	526	547	505	515	598	543
Kharif	361	415	402	483	453	412	392	435	504	474
Rabi	571	536	615	605	589	658	604	587	686	611
Gram	657	590	715	663	661	742	649	685	779	760
Tur	689	745	680	801	819	767	722	559	805	684
Total Oilseeds a/	532	634	563	679	684	570	605	629	824	729
Kharif	492	644	511	655	633	516	554	559	805	684
Rabi	588	621	639	713	758	651	687	720	851	798
Groundnut	735	972	732	940	898	719	841	855	1132	929
Kharif	629	866	604	835	779	602	733	737	1066	829
Rabi	1444	1613	1516	1484	1518	1549	1540	1425	1442	1484
Rapeseed & Mustard	560	541	577	674	771	686	700	748	906	826
Sugarcane	57844	58359	56441	55974	57673	60000	60000	60000	61000	65000
Cotton	152	166	163	141	196	197	169	168	202	265
Jute & Mesta	1129	1310	1265	1323	1242	1524	1454	1274	1540	1656
Jute	1245	1480	1458	1417	1411	1710	1647	1496	1748	1887
Mesta	828	881	771	869	764	910	865	680	909	972
Potato	13256	12996	13349	15206	14806	12000	15000	16000	16000	16000

Figures for 1989/90 are provisional.

a/ Includes groundnuts, rapeseeds and mustard, sesame, linseed, castorseed, nigerseed, safflower, sunflower and soyabean.

Source: Economic Survey, various issues.

Table 7.6
NET AVAILABILITY OF CEREALS AND PULSES, 1980/81-1989/90

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Population (mls.) [a]	690.1	705.2	720.3	733.6	750.9	766.1	781.4	796.6	811.8	827.1
Cereals (mls. tonnes)										
Net Production [b]	104.1	106.6	102.9	122.0	116.9	119.9	115.3	113.2	136.6	138.3
Net Imports	0.5	1.6	4.1	2.4	-0.3	-0.1	-0.4	2.4	0.8	0.1
Change in Govt. Stocks	-0.2	1.3	2.7	7.1	2.7	-1.6	-9.5	-4.7	2.6	6.1
Net Availability	104.8	106.8	104.4	117.3	113.9	121.5	124.3	120.3	134.8	132.3
Pulses (mls. tonnes)										
Net Availability	9.4	10.1	10.4	11.3	10.5	12.3	10.4	11.1	12.5	11.0
Per Capita Net Availability (per day in grams)										
Cereals	416.2	414.8	396.9	436.1	415.6	434.2	436.0	413.2	455.0	438.1
Pulses	37.5	39.2	39.5	41.8	38.1	44.0	36.6	38.0	42.2	36.5

[a] Population figures from 1981 onwards are based on Expert Committee's population projections as approved by the Planning Commission.

[b] Production figures relate to agricultural year, July-June.

Source: Economic Survey, various issues.

Table 7.7
NET AVAILABILITY, PROCUREMENT AND PUBLIC DISTRIBUTION OF FOODGRAINS (a), 1980/81-1989/90
(million tonnes)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Net Production	113.4	116.6	113.3	133.3	127.3	131.6	125.5	122.8	148.7	149.3
Net Imports	0.7	1.6	4.1	2.4	-0.3	-0.5	-0.2	3.8	1.2	Neg.
Change in Government Stocks	-0.2	1.3	2.7	7.1	2.7	-2.7	-9.5	-4.6	2.6	6.0
Net Availability	114.3	116.9	114.7	128.6	124.3	133.8	134.8	131.2	147.3	143.3
Procurement	13.0	15.4	15.6	18.7	20.1	19.7	15.7	14.1	18.9	24.0
Public Distribution	13.0	14.8	16.2	13.3	15.8	17.3	18.7	18.6	15.9	15.3

(a) Production figures relate to agricultural year. Figures for procurement and public distribution relate to calendar years.

Source: Economic Survey, various issues.

Table 8.1 (a)
NEW INDEX OF INDUSTRIAL PRODUCTION
(1980/81=100)

	Weight	Index									-----	
		1981/82	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1989/90 over (a) 1988/89	1990/91 over 1989/90
General Index	100.00	109.3	120.4	130.7	142.1	155.1	166.4	180.9	196.4	212.9	8.6	8.4
Mining and Quarrying	11.46	117.7	147.8	160.8	167.5	177.9	184.6	199.1	211.6	219.1	6.3	3.5
Electricity Generated	11.43	110.2	125.4	140.4	152.4	168.1	180.9	198.2	219.7	238.6	10.8	8.6
Manufacturing Index	77.11	107.9	115.6	124.8	136.9	149.7	161.5	175.6	190.7	208.2	8.6	9.2
Food products	5.33	113.5	121.1	120.0	125.6	133.2	138.9	148.5	150.9	169.4	1.6	12.3
Beverages, tobacco, etc.	1.57	104.3	104.5	111.7	112.1	98.5	84.9	92.1	103.0	104.1	11.8	1.1
Cotton textiles	12.31	99.7	100.2	102.2	110.4	112.5	113.6	107.8	112.3	132.4	4.2	17.9
Jute textiles	2.00	95.7	78.2	99.4	97.2	101.1	91.0	101.9	97.0	100.7	-4.8	3.8
Textile products	0.82	96.7	92.1	95.6	112.8	87.1	91.7	134.2	151.7	103.8	13.0	-31.6
Wood & wood products	0.45	153.2	167.5	216.5	223.2	246.1	161.7	171.7	176.0	198.1	2.5	12.6
Paper & paper products	3.23	108.2	109.3	131.9	148.5	163.2	166.3	171.3	181.5	197.6	6.0	8.9
Leather & leather products	0.49	128.1	116.3	139.7	169.2	177.7	185.5	177.4	188.3	193.9	6.1	3.0
Rubber, plastic & petroleum prod.	4.00	119.2	136.1	147.2	153.0	149.6	155.1	168.3	173.5	172.9	3.1	-0.3
Chemical & chemical products	12.51	116.9	131.0	142.8	154.3	175.5	200.9	233.4	247.6	254.2	6.1	2.7
Non-metallic mineral products	3.00	106.7	122.5	138.4	157.3	160.3	158.1	184.6	189.9	193.2	2.9	1.7
Basic metal & alloy products	9.80	100.0	95.1	107.3	117.0	126.8	135.6	144.9	143.7	156.6	-0.8	9.0
Metal products	2.29	94.6	88.1	105.0	114.7	124.4	129.6	133.5	142.6	143.0	6.8	0.3
Machinery & machine tools	6.24	111.1	119.6	127.6	130.2	141.8	139.2	161.2	172.0	185.9	6.7	8.1
Electrical machinery	5.78	103.9	143.1	148.8	200.6	254.7	335.2	346.0	459.2	563.1	32.7	22.6
Transport equipment	6.39	108.1	123.4	131.6	135.8	144.9	151.8	171.3	181.1	192.1	5.7	6.1
Miscellaneous products	0.90	149.2	104.6	122.8	152.7	235.4	272.1	306.3	333.2	322.6	8.8	-3.2

[a] Provisional

Source: Economic Survey, various issues.

D801:a8-1new.wk1

Table 8.1(b)
OLD INDEX OF INDUSTRIAL PRODUCTION
(1970=100)

Industry Group	Old Weight	1980/81	1981/82	1982/83	1983/84	Revised Weight	1983/84	1984/85	1985/86
Mining & Quarrying	9.69	151.9	175.8	195.8	217.3	9.69	217.3	234.8	245.7
Manufacturing	81.08	148.8	159.9	163.9	171.2	81.08	173.2	183.0	194.2
Food Industries	7.76	134.1	150.5	171.7	162.7	7.82	165.5	159.8	165.3
Beverage Industries	0.69	329.2	482.0	555.9	532.5	0.70	532.5	559.5	606.4
Tobacco Industries	2.21	127.2	144.2	150.0	139.5	2.23	139.5	137.7	122.0
Textiles	17.43	155.7	113.0	104.8	111.7	17.61	107.0	116.6	118.9
Footwear & Other Wearing Apparels etc	0.34	72.4	84.9	77.7	91.1	0.34	91.1	93.1	96.7
Wood & Cork except Furniture	0.49	100.2	87.3	136.8	207.7	-	-	-	-
Paper Products	2.24	135.7	149.6	151.8	150.4	2.26	149.6	171.7	192.9
Leather & Fur Products except Footwear	0.32	97.9	93.7	80.8	77.9	-	-	-	-
Rubber Products	2.22	152.0	157.5	164.0	178.0	2.24	186.9	194.7	200.4
Chemical & Chemical Products	10.90	188.2	212.8	217.9	231.5	11.01	234.2	250.8	264.4
Petroleum & Coal Products	1.62	140.5	164.2	181.0	191.5	1.64	191.5	193.4	232.2
Non-Metallic Mineral Products	3.33	161.4	169.9	179.6	189.8	3.36	168.9	196.3	253.7
Basic Metal Industries	8.84	137.5	148.1	161.4	160.8	8.93	163.8	173.1	184.7
Metal Products excluding Machinery & Transport Equipment	2.77	147.7	149.5	161.4	169.0	2.80	161.9	161.6	167.9
Mfg. of Machinery except Electrical Machinery	5.55	221.8	239.0	238.7	258.9	5.61	275.7	287.1	288.5
Electrical Machinery, Apparatus & Appliances	5.32	176.0	182.1	174.0	184.7	5.35	183.2	190.7	202.6
Transport Equipment	7.39	130.6	145.2	142.5	162.6	7.46	182.9	195.4	215.0
Miscellaneous Industries	1.68	108.9	92.3	89.5	78.5	1.72	72.6	90.7	99.7
Electricity Generated	9.23	202.9	223.6	238.9	254.6	9.23	254.6	285.0	245.7
General Index	100.00	154.1	167.4	173.9	183.3	100.00	184.9	197.4	209.8

Source: Economic Survey, 1986-87.

Note: Indices of industrial production are provisional.

D801:a8-10ld.wk1

Table 8.2(a)
NEW INDEX OF INDUSTRIAL PRODUCTION - BY USE BASE
(Base 1980/81=100)

Industry Group	Weight	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90 [a]
Use-Based Classification										
Basic Industries	39.42	110.9	118.7	125.7	139.7	149.2	163.0	172.2	189.2	199.4
Capital Goods Industries	16.43	106.7	110.6	123.5	127.2	140.7	166.3	192.8	206.2	252.3
Intermediate Goods Industries	20.51	103.7	104.6	114.9	126.1	135.5	141.5	148.3	165.4	172.5
Consumer Goods Industries	23.65	113.8	112.0	113.8	122.0	137.3	147.1	156.6	163.2	173.5
Durable Goods	2.55	110.9	121.0	140.5	170.8	202.8	241.2	260.1	291.2	296.1
Non-Durable Goods	21.10	114.1	110.9	110.5	116.1	129.4	135.7	144.1	147.7	158.7
General Index	100.00	109.3	112.8	120.4	130.7	142.1	155.1	166.4	180.9	196.4

Note: In the new series of IIP with 1980/81 as base year, the monthly data with the input-based and sector-based classification are not available. The 1970 based series has been discontinued.

[a] Provisional

Source: Economic Survey, 1990-91.

D801:AS-2New.WK1

Table 8.2(b)
OLD INDEX OF INDUSTRIAL PRODUCTION - BY USE AND INPUT BASE
(Base 1970=100)

Industry Group	Old Weight	1960	1971	1975	1980	1982	1983	1984	Revised Weight	1983	1984	1985
Use-Based Classification												
Basic Industries	32.28	45.1	104.6	129.0	164.6	203.6	214.8	240.1	33.23	214.6	237.8	253.8
Capital Goods Industries	15.74	44.5	105.4	130.1	168.1	180.1	187.9	205.1	14.98	203.6	217.2	222.9
Intermediate Goods Industries	20.95	63.0	104.0	113.7	140.7	148.6	160.3	163.0	21.33	151.5	160.7	181.0
Consumer Goods Industries	31.03	64.6	103.4	107.4	135.9	155.5	156.1	158.1	30.46	154.9	159.0	163.9
Durable Goods	2.92	40.1	110.8	106.0	162.3	168.0	168.3	189.1	3.81	176.7	208.1	245.3
Non-Durable Goods	28.11	72.6	102.4	107.6	132.7	154.0	154.6	154.4	26.65	151.8	152.0	152.3
Input-based Classification												
Agro-based Industries	33.68	76.3	100.5	106.1	125.3	137.7	143.6	141.9	32.99	141.3	142.7	148.6
Metal-based Industries	21.93	42.4	105.2	123.1	162.2	172.5	178.5	194.1	22.39	188.0	203.0	213.3
Chemical-based Industries	12.86	40.8	111.9	128.9	178.8	213.6	219.8	242.7	13.20	220.8	241.8	252.9
Sectoral Indicators												
Transport Equipment & Allied Industries	10.79	58.7	102.9	116.1	136.6	153.7	164.5	184.7	10.81	183.7	197.8	216.1
Electricity & Allied Industries	14.53	29.0	106.6	131.5	187.3	215.6	221.8	246.9	n.a	n.a	n.a	n.a
Energy Output	18.51	n.a	102.7	132.0	171.0	217.5	233.1	256.6	18.53	232.0	256.5	275.5
General Index	100.00	55.3	104.2	119.7	150.6	172.0	179.9	191.9	100.00	181.2	194.2	206.2

Notes: 1. Data prior to 1970 with a 1960 base have been changed to 1970 base.
2. Some of the industries represented in the series of index numbers of industrial production (1970=100) do not find place in any of the groups and some occur in both the classifications.

Sources: 1. Reserve Bank of India, Report on Currency and Finance, various issues.
2. RBI, Monthly Bulletin, October 1986.

0801:a8-201d.wk1

Table 8.3
PRODUCTION OF SELECTED INDUSTRIES

	Units	50/1	60/1	70/1	75/6	80/1	82/3	83/4	84/5	85/6	86/7	87/8	88/9	89/90
MINING														
Coal (including lignite)	mls tons	32.8	55.7	76.3	102.7	118.8	136.9	144.9	155.2	162.3	175.2	190.9	207.0	213.7
Iron Ore	mls tons	3.0	11.0	32.5	42.2	42.2	42.4	39.0	42.6	47.7	52.7	51.0	48.9	50.7
Petroleum Crude	mls tons	n.a.	0.4	6.8	8.4	10.5	21.1	26.0	29.0	30.2	30.5	30.4	32.0	34.1
METALLURGICAL INDUSTRIES														
Pig Iron	mls tons	1.7	4.3	7.0	8.5	9.6	9.6	9.2	9.2	10.1	10.5	10.9	11.9	12.0
Steel Ingots (a)	mls tons	n.a.	n.a.	6.1	8.3	10.3	11.0	10.5	10.8	12.2	12.2	12.9	14.0	13.7
Finished Steel	mls tons	1.0	2.4	4.6	5.8	6.8	8.1	6.1	7.8	9.5	9.6	10.5	12.8	13.0
Aluminum (virgin metal)	000 tons	4.0	18.3	168.8	187.3	199.1	211.5	220.3	276.5	264.8	257.3	277.7	357.3	427.1
MECHANICAL ENGINEERING INDUSTRIES														
Machine Tools	mls Rs.	3	70	430	1137	1962	2699	2697	3028	2914	3571	3899	5107	6480
Sugar Mill Machinery	mls Rs.	n.a.	44	139	330	242	415	498	438	426	382	394	325	491
Cotton Textile Machinery	mls Rs.	n.a.	104	303	1313	3032	3294	3512	3505	3652	3961	4475	4840	6288
Cement Machinery	mls Rs.	n.a.	6	42	57	336	453	448	582	954	980	1250	2753	3210
Railway Wagons (b)	000 nos.	2.9	11.9	11.1	12.2	13.6	15.4	17.4	13.0	13.1	15.2	13.4	20.2	22.2
Automobiles	000 nos.	16.5	55.0	87.9	72.7	121.1	151.4	158.4	196.0	219.2	235.8	291.6	317.2	351.1
Commercial Vehicles	000 nos.	8.6	28.4	41.2	43.8	71.7	86.0	88.4	96.8	103.0	106.0	114.9	115.3	125.7
Passenger Cars & Jeeps	000 nos.	7.9	26.6	46.7	28.9	49.4	65.4	70.0	99.3	116.3	129.8	171.7	201.9	225.4
Motor Cycles, scooters and mopeds/scooterettes	000 nos.	n.a.	0.9	97.0	216.7	447.2	399.8	778.7	918.0	1221.6	1434.7	1541.0	1674.4	1740.9
Diesel Engines (stationary)	000 nos.	5.5	44.7	65.0	135.5	173.9	156.5	156.1	170.3	183.9	187.2	198.8	247.7	238.8
Diesel Engines (vehicular)	000 nos.	n.a.	10.3	3.2	4.2	5.2	5.8	5.3	7.3	6.8	n.a.	n.a.	n.a.	n.a.
Power Driven Pumps	000 nos.	35	109	259	275	431	431	492	496	512	459	516	593	468
Sewing Machines	000 nos.	33	297	235	269	335	309	335	331	291	377	327	268	124
Bicycles	000 nos.	99	1063	2042	3222	4189	4781	5895	5893	5553	6119	6676	6703	6658
ELECTRICAL ENGINEERING INDUSTRIES														
Power Transformers	mls k.v.a	0.2	1.4	8.1	13.7	19.5	18.6	23.1	25.4	27.3	28.3	24.7	28.5	36.9
Electric Motors	mls h.p	0.1	0.7	2.7	3.7	4.1	4.8	5.4	4.9	5.3	5.4	4.3	5.3	5.2
Electric Fans	mls nos.	0.2	1.1	1.7	2.1	4.2	4.1	4.7	4.8	5.2	3.9	4.8	5.2	5.6
Electric Lamps	mls nos.	14.0	43.5	119.3	132.8	198.1	271.4	275.1	276.6	270.7	283.7	256.6	247.5	249.4
Cables - Aluminum	000 tons	1.7	23.6	64.2	59.8	86.0	50.4	45.9	53.2	61.1	58.0	40.9	29.5	46.5
CHEMICAL & ALLIED INDUSTRIES														
Nitrogenous Fertilizers	'000 tons	9	98	830	1535	2164	3424	3491	3917	4328	5410	5466	6712	6742
Phosphatic Fertilizers	'000 tons	9	52	229	320	842	980	1048	1264	1417	1660	1665	2252	1792
Soda Ash	'000 tons	45	152	449	555	563	635	781	817	849	912	956	1175	1377
Caustic Soda	'000 tons	12	101	371	458	578	577	647	684	727	764	958	903	925
Paper and Paper Board	'000 tons	116	350	755	836	1149	1205	1252	1376	1517	1569	1662	1726	1854
Automobile Tyres	mls nos.	n.a.	1.4	3.8	5.4	8.0	8.8	10.2	11.5	12.3	12.7	14.6	15.0	19.0
Bicycle Tyres	mls nos.	n.a.	11.2	19.2	24.5	27.0	27.3	32.7	31.2	36.1	29.7	31.8	26.0	25.6
Cement	mls tons	2.7	8.0	14.3	17.2	18.6	23.3	27.1	30.2	33.1	36.5	39.6	44.3	45.8
Refined Petroleum Products	mls tons	0.2	5.8	17.1	20.8	26.1	31.1	32.9	33.2	39.9	42.8	44.7	45.7	48.7

Table 8.3
PRODUCTION OF SELECTED INDUSTRIES

(contd...)

	Units	50/1	60/1	70/1	78/1	82/3	83/4	84/5	85/6	86/7	87/8	88/9	89/90	
TEXTILE INDUSTRIES														
Jute Textiles	'000 tons	837	1302	1060	1302	1392	1338	1089	1370	1352	1394	1192	1389	1304
Cotton Yarn	mls kgs.	534	907	929	1002	1067	959	1112	1183	1253	1302	1321	1302	1367
Cotton Cloth	bis metres	4.2	7.4	7.6	8.1	8.4	8.0	8.7	9.0	9.2	9.5	9.4	9.1	12.7
Mill Sector	bis metres	3.4	4.4	4.1	4.0	3.4	2.4	2.7	2.6	2.6	2.5	2.2	2.0	2.1
Decentralised Sector	bis metres	0.8	3.0	3.5	4.1	5.0	5.6	6.0	6.4	6.6	7.1	7.2	7.1	10.7
FOOD INDUSTRIES														
Sugar (c)	'000 tons	1134	3510	3740	4264	5148	8232	5909	6143	7003	8502	9110	8710	10829
Coffee	'000 tons	21.0	62.1	71.4	90.7	139.5	135.9	113.1	140.8	160.3	139.5	164.4	166.7	174.8
Vanaspati	'000 tons	170	401	558	500	753	886	888	936	870	918	980	996	939
Tea	mls kgs.	277	376	423	483	568	561	601	634	648	618	686	683	703
ELECTRICITY GENERATED (d)	bis kwh	5.3	33.0	55.8	79.2	110.8	130.3	140.2	156.9	170.4	187.7	201.9	221.1	245.1

Source: Economic Survey, Various issues.

Note: Data for 1989/90 is provisional.

(a) Including mini-plants.

(b) Data for 1950/51 relates to calendar year.

(c) Annual figures relate to the sugar season which is October-September from 1967/68. Earlier it was November-October.

(d) Relates to public utilities only.

0801:a8-3.wk1

Table 8.4
PRODUCTION, IMPORTS AND CONSUMPTION OF FERTILIZERS
(000' nutrient tons)

Year (April-March)	Nitrogenous (a)			Phosphatic (b)			Potassic		Total		
	Produ- ction	Im- ports	Consu- mption	Produ- ction	Im- ports	Consu- mption	Im- ports	Consu- mption	Produ- ction	Im- ports	Consu- mption
1961/62	154.3	307.0	249.8	65.4	-	60.5	75.0	78.0	219.7	302.0	338.3
1962/63	194.2	244.0	333.0	88.2	10.0	82.8	41.0	36.4	282.4	295.0	432.2
1963/64	219.1	228.0	376.1	107.8	13.0	116.5	40.0	50.6	326.9	281.0	543.2
1964/65	243.2	232.0	555.2	131.0	12.0	148.7	57.0	69.3	374.2	301.0	773.2
1965/66	237.9	326.0	574.8	118.8	14.0	132.5	73.0	77.3	356.7	413.0	784.6
1966/67	309.0	632.0	737.8	145.7	148.0	248.6	118.0	114.2	454.7	898.0	1100.6
1967/68	402.6	867.0	1034.6	207.1	349.0	334.8	270.0	169.6	609.7	1486.0	1539.0
1968/69	563.0	844.0	1208.6	213.2	138.0	382.1	213.0	170.0	776.2	1195.0	1760.7
1969/70	730.6	667.0	1356.0	223.7	94.0	416.0	120.0	210.0	934.3	881.0	1982.0
1970/71	832.5	477.0	1479.3	228.1	32.0	541.0	120.0	236.5	1060.6	629.0	2256.6
1971/72	949.2	481.0	1798.0	290.3	248.0	558.2	268.0	300.6	1239.5	997.0	2656.8
1972/73	1054.5	665.0	1839.0	330.3	204.0	581.3	325.0	347.6	1384.8	1194.0	2767.9
1973/74	1049.9	659.0	1829.0	324.5	213.0	649.7	370.0	359.8	1374.4	1242.0	2838.5
1974/75	1186.6	884.0	1765.7	331.2	286.0	471.5	437.0	336.1	1517.8	1607.0	2573.3
1975/76	1508.0	996.0	2148.6	319.7	361.0	466.8	278.0	278.4	1827.7	1635.0	2893.8
1976/77	1862.4	750.1	2456.9	478.3	22.8	634.9	277.8	319.2	2340.7	1050.7	3411.0
1977/78	1999.8	758.1	2913.0	669.9	163.9	866.5	563.1	506.2	2669.7	1485.1	4285.7
1978/79	2173.0	1232.1	3419.5	778.0	243.5	1106.0	517.4	591.5	2951.0	1993.0	5117.0
1979/80	2220.3	1294.6	3498.1	763.1	237.1	1150.9	473.2	606.4	2983.4	2004.9	5255.4
1980/81	2163.9	1510.2	3678.1	841.5	452.1	1213.6	796.8	623.9	3005.4	2759.1	5515.6
1981/82	3143.3	1055.1	4068.7	950.0	343.2	1322.9	643.8	676.2	4093.3	2042.1	6067.8
1982/83	3429.7	424.6	4242.5	983.7	63.4	1432.7	643.7	726.3	4413.4	1131.7	6401.5
1983/84	3491.5	656.1	5204.4	1064.1	142.6	1730.3	556.4	775.4	4535.6	1355.1	7710.1
1984/85	3917.3	2008.6	5486.1	1317.9	745.2	1886.4	871.0	838.5	5235.2	3624.8	8211.0
1985/86	4322.9	1615.8	5660.8	1430.1	804.8	2005.2	893.8	808.1	5733.0	3314.4	8474.1
1986/87	5412.2	1105.6	5716.0	1661.9	279.3	2078.9	889.6	850.0	7074.1	2274.5	8644.9
1987/88	5465.6	174.8	5716.8	1666.1	-	2187.1	809.1	880.5	7131.7	983.9	8784.4
1988/89	6712.4	218.8	7246.1	2252.5	407.4	2721.6	989.2	1068.2	8964.9	1615.4	11035.9
1989/90	6747.4	523.1	7428.0	1795.3	1311.3	3080.0	1280.0	1187.0	8542.7	3114.4	11695.0
1990/91 (c)	6993.0	414.0	7966.0	2051.0	1016.0	3386.0	1328.0	1325.0	9044.0	2758.0	12677.0
Average Compound Growth Rate(% per annum)											
1950/51- 75/76	17.9	15.9	16.2	15.6	14.0	19.2	16.1	17.9	17.4	15.5	17.1
1970/71- 80/81	10.0	12.2	9.5	13.9	30.3	8.4	20.8	10.2	11.0	15.9	9.4
1980/81- 90/91	12.4	-12.1	8.0	9.3	8.4	10.8	5.2	7.8	11.6	-0.0	8.7
1980/81	-2.7	16.6	5.1	10.3	90.7	5.4	68.3	2.9	0.6	37.6	5.0
1981/82	45.3	-30.1	10.6	12.9	-24.1	9.0	-19.2	8.4	36.2	-26.0	10.0
1982/83	9.1	-59.8	3.7	3.6	-81.5	8.6	n.a	7.4	7.8	-44.6	5.8
1983/84	1.8	54.5	23.2	8.2	124.9	20.5	-13.6	6.7	3.2	19.7	20.7
1984/85	12.2	206.1	5.4	23.9	422.6	9.0	56.5	8.1	14.9	167.5	6.5
1985/86	10.4	-19.6	3.2	8.5	8.0	6.3	2.6	-3.6	9.9	-8.6	3.2
1986/87	25.2	-31.6	1.0	16.2	-65.3	3.7	-0.5	5.2	23.0	-31.4	2.0
1987/88	1.0	-84.2	0.0	0.3	-	5.2	-9.0	3.6	0.8	-56.7	1.6
1988/89	22.8	25.2	26.8	35.2	20.8	24.4	22.3	21.3	25.7	64.2	25.6
1989/90	0.5	139.1	2.5	-20.3	221.9	13.2	29.4	11.1	-4.7	92.8	6.0
1990/91 (c)	3.6	-20.9	7.2	14.2	-22.5	9.9	3.8	11.6	5.9	-11.4	8.4

(a) Excludes nitrogen meant for non-agricultural purposes.

(b) Excludes data in respect of bonemeal and rockphosphate.

(c) Provisional figures.

Sources: [1] The Fertilizer Association of India, Fertilizer Statistics, various issues.

[2] Economic Survey, various issues.

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Table 8.5
INDIAN RAILWAYS - FREIGHT & PASSENGER TRAFFIC

Year	Revenue Earning Freight Traffic			Passenger Traffic					
	Originating tonnage (mln.tons)	Net tons-kilometers (million)	Average lead (kilometers)	Non-Suburban			Suburban [a]		
				Passengers originating (million)	Passenger-kilometers (million)	Average lead (kilometers)	Passenger originating (million)	Passenger-kilometers (million)	Average lead (kms)
1950/51	73.2	37565	513	872	59966	68.8	412	6551	15.9
1955/56	92.2	50435	541	780	54273	69.6	495	8127	16.4
1960/61	119.8	72333	603	914	65895	72.1	680	11770	17.3
1965/66	162	98978	611	1064	79130	74.4	1018	17164	16.9
1970/71	167.9	110696	659	1212	95136	78.5	1219	22984	18.9
1971/72	170.1	116894	687	1261	101079	80.2	1275	24250	19.0
1972/73	175.3	121164	691	1268	106931	84.3	1385	26596	19.2
1973/74	162.1	109391	675	1217	107627	88.5	1437	28037	19.5
1974/75	173.6	121374	699	1056	99097	93.8	1373	27157	19.8
1975/76	196.8	134874	685	1306	115899	88.7	1639	32862	20.1
1976/77	212.6	144030	677	1498	126754	84.6	1802	37082	20.6
1977/78	210.8	150250	713	1576	137201	87.1	1928	39433	20.4
1978/79	199.6	143870	721	1606	149546	93.1	2113	43439	20.6
1979/80	193.1	144559	749	1602	159927	99.8	1903	38730	20.4
1980/81	195.9	147652	754	1613	167472	103.9	2000	41086	20.5
1981/82	221.2	164253	743	1640	176822	107.8	2064	43965	21.3
1982/83	228.8	167781	733	1626	181142	111.4	2029	45789	22.6
1983/84	230.1	168849	734	1491	180808	121.3	1834	42127	23.0
1984/85	236.4	172632	730	1449	182318	125.8	1884	44264	23.5
1985/86	258.5	196600	760	1549	195175	126.0	1884	45439	24.1
1986/87	277.8	214100	771	1610	208057	129.0	1970	48411	24.6
1987/88	290.2	222528	767	1637	217632	133.0	2171	51859	23.9
1988/89	302.1	222374	736	1495	211819	141.6	2022 [b]	52023 [c]	25.7
1989/90	310.0	229600	741	3653 [d]	280800 [d]	76.9			

[a] Passengers booked between stations within the suburban areas of Bombay.

[b] Includes 16.96 million passengers on Metro Railway, Calcutta.

[c] Includes 111 million PKM on Metro Railway, Calcutta.

[d] Refers to total passenger traffic. Break-up of passenger traffic in Non-Suburban and Suburban traffic is not available.

Source: Ministry of Railways, Railway Budget.

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Tab .6
PETROLEUM SUMMARY
COMMODITY BALANCE OF PETROLEUM AND PETROLEUM PRODUCTS
(Million Tonnes)

	70/71	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
	[a]															
A. CRUDE PETROLEUM																
1. Refinery Throughput	18.4	22.3	23.0	24.9	26.0	27.5	25.8	30.2	33.2	35.3	35.6	42.9	45.7	47.7	48.8	51.9
2. Domestic Production	6.8	8.4	8.9	10.8	11.6	11.8	10.5	16.2	21.1	26.0	29.0	30.2	30.5	30.4	32.0	34.1
(a) On-shore	6.8	8.4	8.5	8.7	8.3	7.3	5.5	8.2	8.2	8.6	8.9	9.4	9.9	10.2	10.9	12.4
(b) Off-shore	-	-	0.4	2.1	3.3	4.4	5.0	8.0	12.9	17.4	20.1	20.8	20.6	20.2	21.1	21.7
3. Imports	11.7	13.6	14.0	14.5	14.7	16.1	16.2	15.3	16.9	16.0	13.7	15.1	15.5	18.0	17.8	19.5
4. Exports	-	-	-	-	-	-	-	0.8	4.5	5.5	6.5	0.5	-	-	-	-
5. Net Imports (3-4)	11.7	13.6	14.0	14.5	14.7	16.1	16.2	14.5	12.4	10.5	7.2	14.6	15.5	18.0	17.8	19.5
B. PRODUCTS																
1. Domestic Consumption [b]	17.9	22.4	24.1	25.5	28.2	29.9	30.9	32.5	34.7	35.8	38.5	40.8	43.4	46.4	50.1	54.1
of which:																
(a) Naphtha	0.9	1.8	2.2	2.3	2.5	2.4	2.3	3.0	3.0	2.8	3.1	3.1	3.2	2.9	3.4	3.4
(b) Kerosene	3.3	3.1	3.3	3.6	4.0	3.9	4.2	4.7	5.2	5.5	6.0	6.2	6.6	7.2	7.7	8.2
(c) High Speed Diesel	3.8	6.6	7.1	7.7	8.6	9.8	10.3	10.8	12.0	12.6	13.7	14.9	16.0	17.7	18.8	20.7
(d) Fuel oils	4.7	5.8	5.7	5.8	6.7	7.1	7.5	7.2	7.3	7.6	7.9	7.9	7.9	8.1	8.5	8.7
2. Domestic Production	17.1	20.8	21.4	23.2	24.2	25.8	24.1	28.2	31.1	32.9	33.2	39.9	42.8	44.7	45.7	48.7
(a) Naphtha	1.2	1.9	2.0	2.1	2.3	2.4	2.1	3.0	3.0	3.6	3.5	5.0	5.6	5.5	5.4	5.2
(b) Kerosene	2.9	2.4	2.6	2.5	2.5	2.5	2.4	2.9	3.4	3.5	3.4	4.0	4.9	5.1	5.2	5.7
(c) High Speed Diesel	3.8	6.3	6.4	7.1	7.4	8.0	7.4	9.0	9.8	10.9	11.1	14.6	15.5	16.3	16.7	17.7
(d) Fuel oils	4.1	5.1	4.7	5.3	5.6	6.4	6.1	6.9	8.0	8.0	7.9	8.0	8.0	8.5	8.9	9.0
3. Imports	1.1	2.2	2.6	2.9	3.9	4.7	7.3	4.9	5.0	4.3	6.1	3.9	3.1	3.9	6.5	6.6
4. Exports [c]	0.3	0.2	0.1	0.1	0.1	0.1	n.s.	0.1	0.8	1.5	0.9	2.0	2.5	3.4	2.3	2.6
5. Net Imports	0.8	2.0	2.5	2.8	3.8	4.6	7.3	4.8	4.2	2.8	5.2	1.9	0.6	0.5	4.2	4.0

Source: Economic Survey, various issues.

[a] Provisional.

[b] Excludes refinery fuel consumption.

[c] Excludes supplies of POL products to Nepal.

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Table 8.7
GENERATION OF ELECTRICITY BY REGION
(in GWH)

	70/71	75/76	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90

I. Thermal (includes steam & gas)													
Northern	5615	9838	12619	13691	14809	17989	20051	22574	25728	29799	37737	41207	48840
Western	8648	14295	22386	25368	27725	32168	35790	42347	48935	54580	61802	63394	73092
Southern	4031	6557	7678	9218	11659	13435	14002	16316	20446	24102	28066	30529	34024
Eastern	9643	12136	13059	12529	14558	15360	15845	16728	18369	19311	20765	21404	21543
North-Eastern	225	476	531	496	764	917	989	871	869	1059	1244	1158	1224
All-India	28162	43302	56273	61301	69515	79869	86677	98836	114347	128851	149614	157692	178723
II. Hydro													
Northern	7088	10110	15477	15080	16717	18536	19021	18224	19493	22024	20863	23578	25004
Western	5005	6439	7945	7812	7961	6550	7738	7007	6179	6151	5064	7539	6867
Southern	11436	13639	19354	20283	21367	20267	19520	24556	21146	21075	17354	21639	24494
Eastern	1559	2932	2334	2962	3082	2562	3146	3317	3174	3670	3194	3761	4108
North-Eastern	160	182	367	406	438	478	519	844	1029	921	969	1356	1581
All-India	25248	33302	45477	46542	49565	48373	49954	53948	51021	53841	47444	57873	62054
III. Nuclear													
Northern	-	533	1131	1228	1057	552	1244	1075	1283	1324	1394	1869	1732
Western	2417	2094	1746	1774	1964	1470	1857	1929	1960	2000	1605	1900	1544
Southern	-	-	-	-	-	-	445	1071	1739	1698	2036	2048	1349
All-India	2417	2627	2877	3001	3021	2022	3546	4075	4982	5022	5035	5817	4625
IV. Utilities - All India (I through III)	55827	79231	104627	110844	122101	130264	140177	156859	170350	187714	202093	221382	245402
V. Self-Generation in Industry and Railways	5384	6695	8193	8417	9024	10035	10817	12346	13040	13565	16890	18970	20800
VI. Total - All India (IV and V)	61211	85926	112820	119261	131125	140299	150994	169205	183390	201279	218983	240352	266202

Note: Data for 1988/89 and 1989/90 are provisional.

Sources: [1] Central Electricity Authority, Power Data Bank & Information Directorate.
[2] Economic Survey - various issues.

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Table 8.8
ELECTRICITY CONSUMPTION BY SECTORS
(in 000 GWH)

Year (April - March)	Mining & Manufacturing (a)	Transport	Domestic	Agriculture	Others	Total
1953/54	5.00	0.60	0.70	0.20	1.10	7.60
1955/56	6.30	0.70	0.80	0.30	1.30	9.40
1960/61	11.60	0.80	1.50	0.80	2.20	16.90
1970/71	34.35	1.43	3.83	4.54	4.50	48.65
1971/72	36.46	1.67	4.11	5.00	4.68	51.92
1972/73	37.54	1.79	4.31	5.92	4.86	54.42
1973/74	37.91	1.57	4.64	6.31	5.28	55.71
1974/75	38.42	1.56	5.17	7.76	5.47	58.38
1975/76	43.46	1.89	5.82	8.72	6.28	66.17
1976/77	47.98	2.21	6.34	9.62	6.88	73.03
1977/78	49.29	2.34	6.82	10.11	7.39	75.95
1978/79	54.44	2.22	7.58	12.03	7.78	84.05
1979/80	53.20	2.33	8.40	13.45	7.98	85.36
1980/81	55.35	2.31	9.25	14.49	8.30	89.70
1981/82	60.85	2.55	10.44	15.20	9.04	98.08
1982/83	61.71	2.68	12.09	17.82	10.07	104.37
1983/84	66.51	2.75	13.23	18.23	11.07	111.79
1984/85	73.52	2.92	15.50	20.96	11.71	124.61
1985/86	78.30	3.08	17.26	23.42	12.26	134.32
1986/87	81.98	3.23	19.32	29.44	13.66	147.64
1987/88	82.97	3.62	22.12	35.27	15.42	159.40
1988/89 (b)	92.75	4.04	24.61	38.85	17.02	171.26
1989/90 (b)	98.25	4.15	28.17	43.63	17.99	192.19
Average Compound Growth Rate (% per annum)						
1953/54-75/76	10.33	5.35	10.11	18.72	8.24	52.75
1970/71-80/81	4.89	4.91	9.22	12.31	6.31	37.64
1980/81	4.04	-0.86	10.12	7.73	4.01	5.08
1981/82	9.94	10.39	12.86	4.90	8.92	9.34
1982/83	1.41	5.10	15.80	17.24	11.39	6.41
1983/84	7.78	2.61	9.43	2.30	9.93	7.11
1984/85	10.54	6.18	17.16	14.98	5.78	11.47
1985/86	6.50	5.55	11.34	11.75	4.67	7.79
1986/87	..	4.78	11.97	25.71	11.43	..
1987/88	1.21	12.09	14.47	19.79	12.89	7.97
1988/89	11.79	11.53	11.25	10.14	10.38	11.21
1989/90	5.93	2.79	14.47	12.31	5.70	8.42

Source: Central Electricity Authority, Power Data Bank & Information Directorate

Notes: (a) Include industrial power from utilities plus net generation in the non-utilities.

(b) Provisional.

D801:a8-10.wk1

Table 8.9
COAL AND LIGNITE PRODUCTION
(Million Tonnes)

	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Coal India	89.5	89.0	90.0	91.4	101.0	109.0	114.7	121.4	130.8	134.1	144.7	159.0	171.5	178.6
Singareni Coal field	8.3	8.9	9.0	9.4	10.1	12.1	12.3	12.7	12.3	15.7	16.6	16.4	18.6	17.8
Others	3.3	3.1	2.9	3.1	2.9	3.2	3.5	4.1	4.3	4.4	4.5	4.3	4.5	4.5
Total All-India (excl.Lignite)	101.1	101.0	101.9	104.0	113.9	124.2	130.5	138.2	147.4	154.2	165.8	179.8	194.6	200.9
Coking Coal	23.7	23.3	22.5	23.5	24.6	26.8	30.1	30.1	30.6	29.1	27.9	26.2	25.5	24.5
Non- Coking Coal	77.4	77.7	79.4	80.4	89.3	97.3	100.4	108.1	116.8	125.1	137.9	153.6	169.2	176.4
Lignite	4.0	3.6	3.3	2.9	5.1	6.3	6.9	7.3	7.8	8.0	9.4	11.2	12.4	12.8
Total All-India (incl.Lignite)	105.1	104.6	105.2	106.9	119.0	130.5	137.4	145.5	155.2	162.3	175.2	190.9	207.0	213.7

Sources: 1. Economic Survey, various issues.
2. Department of Coal.

D801:a8-11.wk1

Table 9.1(a)
NEW INDEX NUMBERS OF WHOLESALE PRICES - BY YEARS
(Base 1981/82=100)

	WEIGHTS	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91	(a)	1989	1990	(b)
TOTAL FOOD ARTICLES	17.386	111.1	126.5	131.8	134.1	147.8	161.1	177.1	179.3	200.5	11.8	179.8	191.6	6.6
Food Grains	7.917	109.1	119.4	117.1	124.5	129.4	141.3	161.8	165.4	179.0	8.2	167.2	170.3	1.9
Other Food	9.469	112.8	132.4	144.1	142.1	163.2	177.7	189.9	190.9	218.5	14.4	190.3	209.4	10.0
INDUSTRIAL RAW MAT.	14.909	101.6	108.5	118.3	115.9	124.4	142.8	140.3	145.3	166.7	14.7	141.0	161.0	14.2
Non-Food Articles	10.081	100.8	112.4	124.6	120.4	134.1	163.0	160.2	166.0	194.3	17.0	160.8	185.8	15.5
Minerals	4.828	103.3	100.4	105.1	106.5	104.2	100.5	98.6	102.2	109.0	6.7	99.6	109.1	9.5
FUEL, POWER & LUB.	10.663	106.5	112.5	117.3	129.8	138.6	143.3	151.2	156.6	175.6	12.1	155.7	168.4	8.2
MANUF. PRODUCTS	57.042	103.5	109.8	117.5	124.5	129.2	138.5	151.5	168.6	182.4	8.2	164.1	178.7	8.9
Food Products	10.143	97.4	107.8	113.9	117.2	129.1	140.5	147.8	165.4	181.3	9.6	160.9	175.2	8.9
Beverage & Tobacco	2.149	100.2	106.2	111.1	123.2	133.0	155.0	180.7	207.7	242.0	16.5	198.8	235.0	18.2
Textiles	11.545	104.8	109.5	120.0	119.5	116.0	126.6	139.6	158.2	170.9	8.0	152.0	169.2	11.3
Chemicals and Chemical Products	7.355	103.5	107.3	112.0	118.3	124.6	131.9	135.8	140.1	147.4	5.2	138.5	145.4	5.0
Basic metals and Products	7.632	104.5	111.7	123.1	139.7	141.3	149.7	176.4	205.6	219.5	6.8	200.3	215.4	7.5
Machinery and Machine Tools	6.268	102.8	106.7	112.2	121.4	127.3	132.3	150.8	166.2	180.0	8.3	162.8	175.8	8.0
Transport Eqpt.	2.705	103.6	105.6	111.9	123.0	129.6	135.5	148.9	166.2	181.0	8.9	162.1	176.9	9.1
ALL COMMODITIES	100.0	104.9	112.9	120.1	125.4	132.7	143.6	154.3	165.7	182.7	10.3	162.5	177.2	9.0

(a) Percent change in fiscal year 1990/91 over 1989/90.

(b) Percent change in calendar year 1990 over 1989.

Note : This WPI series based 1981/82 was introduced as of July 1989.

Source: Ministry of Industry, Office of the Economic Adviser.

Table 9.1(b)
INDEX NUMBERS OF WHOLESALE PRICES - BY YEARS
(Base 1970/71=100)

	WEIGHTS	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	(a)	1987	1988	(b)
TOTAL FOOD ARTICLES	298.0	207.9	235.1	249.6	283.1	297.4	317.7	338.7	367.3	408.0	11.1	358.2	396.2	10.6
Food Grains	129.2	216.7	237.4	248.8	273.8	276.2	295.8	298.6	331.9	389.9	17.5	318.6	376.4	18.1
Other Food	168.8	201.2	233.3	250.2	290.3	313.6	334.5	369.4	394.4	421.9	7.0	388.5	411.4	5.9
INDUSTRIAL RAW MAT.	118.7	311.5	338.1	369.3	356.6	392.8	365.1	373.0	420.8	418.8	-0.5	402.8	424.9	5.5
Non-Food Articles	106.2	217.7	240.5	282.9	281.6	319.6	287.0	305.4	385.6	380.1	-1.4	365.9	387.9	6.0
Minerals	12.5	1110.2	1168.6	1105.6	994.0	1015.1	1030.2	948.8	720.5	748.7	3.9	717.5	739.9	3.1
FUEL, POWER & LUB.	84.6	354.3	427.5	459.7	494.8	518.4	579.9	619.2	642.0	677.4	5.5	632.0	669.3	5.9
MANUF. PRODUCTS	498.7	257.3	270.6	272.1	265.8	319.5	342.6	359.4	384.4	414.4	7.8	376.2	407.1	8.2
Food Products	133.2	308.7	298.9	260.0	298.9	323.8	346.2	381.8	412.7	419.2	1.6	404.8	422.1	4.3
Beverage & Tobacco	27.1	210.7	217.4	218.7	246.2	254.0	296.9	348.0	360.4	379.0	5.2	358.1	372.6	4.1
Textiles	110.3	212.7	223.9	232.8	249.6	280.1	275.8	271.3	298.3	329.6	10.5	291.0	319.8	9.9
Chemicals and Chemical Products	55.5	241.3	260.2	269.2	281.6	292.1	310.9	329.0	352.7	374.1	6.1	345.6	368.6	6.7
Basic metals & Products	59.7	272.1	317.1	354.6	381.0	419.8	477.1	478.7	511.9	598.6	16.9	493.5	578.4	17.2
Machinery and Transport Eqpt.	67.2	239.4	265.1	277.9	289.6	303.6	337.9	355.8	372.2	413.0	11.0	365.8	398.4	8.9
ALL COMMODITIES	1000.0	257.3	281.3	288.7	316.0	338.4	357.8	376.8	405.4	435.3	7.4	395.7	428.1	8.2

[a] Percent change in fiscal year 1988/89 over 1987/88.

[b] Percent change in calendar year 1988 over 1987.

Note : This MPI series based 1970/71 has been discontinued as of July 1989.

Sources: 1. Ministry of Industry, Office of the Economic Adviser.

2. H.L. Chandok, Wholesale Price Statistics 1947-1978, published by the Economic and Scientific Research Foundation, 1979.

Table 9.2
CONTRIBUTION OF SELECTED COMMODITIES TO
INCREASE IN WPI IN CALENDAR YEAR 1990(a)

	Weights	1989	1990	1990 over 1989 Percent Change	% Contribution to change in WPI
Agriculture	27.467	172.8	189.5	9.6	31.1
Food	17.386	179.8	191.6	6.6	14.0
Cereals	6.824	161.0	162.5	0.9	0.7
Pulses	1.093	206.0	218.6	6.1	0.9
Others	9.469	190.3	209.5	10.1	12.3
Non-Food	10.081	160.8	185.8	15.5	17.1
Minerals	4.828	99.6	109.1	9.5	3.1
Fuel and Power	10.663	155.7	168.4	8.2	9.2
Coal	1.256	231.6	232.6	0.4	0.1
Mineral oils	6.666	129.3	144.9	12.1	7.1
Electricity	2.741	184.9	196.1	6.1	2.1
Manufactured Products	57.042	164.1	178.7	8.9	56.7
Food products	10.143	160.9	175.2	8.9	9.9
Sugar	4.059	146.8	151.6	3.3	1.3
Edible oils	2.445	173.1	205.8	18.9	5.4
Other food products	3.639	168.4	181.0	7.4	3.1
Textiles	11.545	152.0	169.2	11.3	13.5
Cement	0.916	147.0	172.0	17.0	1.6
Iron and Steel	2.441	183.2	198.2	8.2	2.5
Capital goods	6.268	162.8	175.8	8.0	5.5
Others	25.729	169.9	183.4	8.0	23.7
ALL COMMODITIES	100.000	162.5	177.2	9.0	100.0
of which					
Agriculture-based	37.610	169.6	185.6	9.4	41.0
Non-Agricultural	62.390	158.2	172.1	8.8	59.0

(a) Weighted share of each commodity in total absolute change in Wholesale Price Index.

Source: Ministry of Industry, Office of the Economic Adviser.

D901 : a9-2New.wk1

Table 9.3(a)
NEW PRICE INDICES OF SELECTED AGRICULTURAL COMMODITIES (a)
(Base 1981/82=100)

COMMODITY GROUP	WEIGHT	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91	(c)	1989	1990	(d)
CEREALS	6.824	111.5	120.9	114.9	122.4	129.6	139.4	155.7	159.0	171.3	7.7	161.0	162.5	0.9
Rice	3.685	115.0	129.3	121.4	126.9	134.2	145.8	161.2	168.7	178.1	5.6	167.7	172.6	2.9
Wheat	2.248	111.2	113.6	110.8	119.0	127.0	134.5	154.1	148.2	171.7	15.9	154.9	156.9	1.3
Jowar	0.420	92.0	99.4	98.2	101.4	108.5	112.9	126.5	150.8	131.5	-12.8	155.5	128.0	-17.7
PULSES	1.093	94.2	110.0	130.8	138.0	128.3	153.4	199.7	205.7	227.5	10.6	206.0	218.6	6.1
Grams	0.410	78.1	84.2	126.4	144.9	107.9	123.3	196.3	198.3	210.6	6.2	205.3	205.8	0.2
VEGETABLES & FRUITS	4.089	110.5	136.4	145.3	135.3	169.4	180.2	185.1	170.5	204.0	19.6	172.5	192.8	11.8
Potatoes	0.472	115.6	171.6	113.3	137.8	261.9	178.3	166.2	170.2	231.0	35.7	168.9	213.9	26.6
Bananas	0.468	107.8	106.7	118.4	121.7	153.8	155.7	166.6	175.1	183.2	4.6	175.2	177.0	1.0
Oranges	0.274	129.4	160.4	163.6	231.7	184.8	229.4	277.9	173.6	194.2	11.9	189.0	182.2	-3.6
Cashew Nuts	0.115	80.8	89.4	108.7	126.6	160.5	166.3	164.5	174.3	193.4	11.0	174.1	185.2	6.4
CONDIMENTS & SPICES	0.947	120.4	135.4	159.5	165.6	193.2	237.6	262.1	226.3	282.9	25.0	230.6	263.5	14.3
Chillies	0.319	96.2	75.2	131.8	136.9	76.7	115.5	260.9	179.0	124.1	-30.7	211.3	120.3	-43.1
FIBERS	1.791	92.0	109.1	144.7	109.3	96.7	136.1	149.7	165.9	174.3	5.1	163.8	169.2	3.3
Raw Cotton	1.335	86.9	100.2	116.3	95.0	86.6	133.4	140.9	146.9	145.4	-1.0	148.5	139.0	-6.4
Raw Jute	0.160	119.9	172.9	382.8	196.5	124.8	147.0	198.1	271.1	359.6	32.6	243.1	360.2	48.2
OILSEEDS	3.861	97.7	114.4	120.5	110.1	137.5	179.1	151.3	151.4	195.0	28.8	144.5	181.5	25.6
Groundnut	1.296	97.1	110.9	118.0	112.3	137.8	168.8	154.5	155.6	208.6	34.1	146.1	192.5	31.8
Rape & Mustard	0.661	89.7	119.3	109.2	96.8	128.4	178.7	143.0	136.4	199.5	46.3	131.3	179.9	37.0
OTHER COMMODITIES	4.944	109.0	120.3	130.0	136.5	147.4	159.9	171.9	188.3	212.7	13.0	181.1	207.7	14.7
Tea	0.564	120.2	177.6	198.8	155.4	168.6	172.8	182.7	283.1	303.3	7.1	255.0	307.9	20.7
Coffee	0.125	102.9	124.6	156.7	167.0	168.2	176.5	182.7	191.8	307.6	60.4	191.8	268.2	39.8
Sugarcane	2.706	100.9	105.7	109.5	121.2	134.0	141.3	149.8	165.4	179.4	8.5	159.2	178.4	12.1
Tobacco	0.275	117.1	138.9	120.9	125.6	138.9	157.9	162.4	181.2	256.7	41.7	184.5	221.7	20.2
Rubber	0.114	98.7	119.6	112.0	117.0	113.1	121.3	121.4	140.9	142.7	1.3	134.9	144.3	7.0
Timber	0.571	133.5	141.7	164.5	160.4	177.9	204.3	244.1	238.0	246.9	3.7	236.4	247.2	4.6
TOTAL (b)	23.549	106.6	121.6	129.1	127.0	141.5	161.6	169.4	171.3	196.9	14.9	169.6	187.5	10.6

Source: Ministry of Industry, Office of the Economic Adviser.

Notes: (a) Excludes fisheries, livestock and dairy products.

(b) Total food articles (17.386) plus non-food industrial raw materials (10.081) less weightage of milk and milk products, fisheries and hides & skins (3.918).

(c) Percentage change in fiscal year 1990/91 over 1989/90.

(d) Percentage change in calendar year 1990 over 1989.

This WPI series based 1981/82 was introduced as of July 1989.

d901:a9-3New.Wk1

Table 9.3(b)
PRICE INDICES OF SELECTED AGRICULTURAL COMMODITIES (a)
(Base 1970/71=100)

COMMODITY GROUP	WEIGHT	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	(c)	1987	1988	(d)
CEREALS	107.43	195.1	216.9	237.9	258.3	244.9	261.7	276.4	299.0	333.1	11.4	289.3	325.4	12.5
Rice	51.31	205.6	226.1	256.9	290.7	273.3	284.4	302.1	325.9	363.7	11.6	316.3	357.4	13.0
Wheat	34.17	176.2	191.6	214.1	217.4	209.6	225.9	238.6	258.9	292.0	12.8	250.4	281.7	12.5
Jowar	8.39	194.2	241.5	221.5	241.1	241.5	240.1	260.7	273.6	311.4	13.8	272.0	286.8	5.4
PULSES	21.79	323.2	338.7	302.2	346.7	430.6	463.4	408.2	494.4	669.7	35.5	463.4	619.3	33.6
Grams	10.39	369.5	382.2	301.8	328.0	489.2	561.6	412.7	475.2	754.9	58.9	441.2	673.8	52.7
VEGETABLES & FRUITS	61.32	213.0	243.1	250.0	300.8	304.0	358.1	429.8	439.7	449.5	2.2	437.8	442.9	1.2
Potatoes	10.12	182.5	137.8	150.9	216.2	163.4	183.1	360.1	259.0	221.7	-14.4	270.6	225.0	-16.5
Bananas	6.48	213.9	263.4	258.7	296.3	350.1	362.8	432.3	449.0	472.7	5.3	444.2	477.4	7.5
Oranges	4.30	163.5	194.2	204.6	281.7	271.0	438.5	358.0	409.4	512.7	25.2	388.8	499.0	28.3
Cashew Nuts	3.10	399.3	493.6	397.8	442.7	542.1	625.7	803.9	833.5	829.6	-0.5	845.8	807.8	-4.5
CONDIMENTS & SPICES	10.94	122.2	170.6	186.3	198.8	279.6	260.2	204.5	275.2	376.3	36.7	251.6	356.0	41.5
Chillies	5.02	116.2	211.0	168.9	121.9	278.5	262.9	138.3	206.2	446.0	116.3	173.6	396.8	128.6
FIBERS	31.73	179.7	215.7	199.8	227.5	303.4	231.3	194.7	286.8	306.4	6.8	264.3	309.5	17.1
Raw Cotton	22.46	182.9	227.3	199.5	221.6	261.0	215.5	184.7	299.1	306.3	2.4	271.7	317.6	16.9
Raw Jute	4.29	129.4	137.3	162.8	234.1	519.5	273.2	174.7	203.5	259.4	27.5	197.6	235.1	19.0
OILSEEDS	42.01	230.7	253.8	250.0	302.5	322.4	285.3	347.4	444.6	396.2	-10.9	423.3	422.6	-0.2
Groundnut	18.21	224.8	270.5	264.6	302.0	323.2	307.5	372.4	459.3	427.8	-6.9	429.9	459.7	6.9
Rape & Mustard	8.22	269.9	265.1	243.7	321.8	278.2	247.0	334.6	470.9	367.0	-22.1	453.5	397.4	-12.4
OTHER COMMODITIES	45.59	207.2	225.9	262.2	324.9	353.8	335.9	349.3	368.4	399.9	8.5	361.5	387.9	7.3
Tea	11.49	226.6	242.9	286.2	440.6	494.3	412.9	423.6	420.5	438.7	4.3	429.0	416.2	-3.0
Coffee	1.61	129.0	139.0	142.1	173.0	216.8	221.9	228.1	249.8	263.2	5.4	249.4	252.3	1.2
Sugarcane	16.42	188.6	169.9	190.6	200.0	208.1	229.6	251.4	265.0	282.2	6.5	259.4	277.5	7.0
Tobacco	8.07	147.0	138.8	188.0	238.9	190.0	200.8	230.0	297.0	285.9	-3.7	280.2	281.9	0.6
Rubber	1.28	255.0	301.2	296.7	359.4	333.6	349.2	336.5	358.8	379.9	5.9	358.7	374.4	4.4
Timber	3.34	407.1	555.8	739.5	847.1	945.6	826.1	868.3	956.4	1183.1	23.7	907.3	1101.4	21.4
TOTAL (b)	320.81	209.6	234.6	244.1	282.6	301.4	304.4	323.8	366.1	394.8	7.8	353.6	388.9	10.0

Sources: 1. Ministry of Industry, Office of the Economic Adviser.
2. H.L. Chandhok, Wholesale Price Statistics, 1947-1978 published by the Economic and Scientific Research Foundation, 1979.

Notes: (a) Excludes fisheries, livestock and dairy products.
(b) Total food articles (297.99) plus non-food industrial raw materials (106.21) less weightage of milk and milk products, fisheries and hides & skins (83.39).
(c) Percentage change in fiscal year 1988/89 over 1987/88.
(d) Percentage change in calendar year 1988 over 1987.

This MPI series based 1970/71 has been discontinued as of July 1989.

d901:a9-3old.wk1

Table 9.4
SELECTED PRICE INDICES11/
01:

Year	Wholesale Price Index		Consumer Price Index for Industrial Workers		Implicit Price Deflator for Private consumption Expenditure		Implicit Price Deflator for Gross Domestic Capital Formation	
	(1970/1=100)	(1981/2=100) [a]	(1960=100)	(1982=100) [a]	(1970/1=100)	(1980/1=100) [b]	(1970/1=100)	(1980/1=100) [b]
1950/51	35.7	-	-	-	-	-	40.1	-
1951/52	50.4	-	86	-	-	-	42.4	-
1952/53	44.1	-	86	-	-	-	42.0	-
1953/54	46.2	-	87	-	-	-	42.7	-
1954/55	43.0	-	81	-	-	-	45.3	-
1955/56	40.8	-	79	-	-	-	44.2	-
1956/57	46.5	-	88	-	-	-	45.9	-
1957/58	47.9	-	92	-	-	-	45.1	-
1958/59	49.3	-	97	-	-	-	52.8	-
1959/60	51.7	-	101	-	-	-	53.4	-
1960/61	55.1	-	102	-	56.4	-	56.2	-
1961/62	55.2	-	104	-	58.0	-	58.9	-
1962/63	57.3	-	108	-	59.8	-	60.6	-
1963/64	60.9	-	113	-	65.2	-	64.3	-
1964/65	67.5	-	129	-	71.3	-	66.9	-
1965/66	72.7	-	139	-	77.7	-	71.2	-
1966/67	82.8	-	157	-	89.3	-	81.5	-
1967/68	92.4	-	175	-	99.9	-	86.9	-
1968/69	91.3	-	174	-	97.0	-	88.8	-
1969/70	94.8	-	177	-	101.5	-	94.1	-
1970/71	100.0	-	186	-	100.0	-	100.0	-
1971/72	105.6	-	162	-	104.5	-	105.7	-
1972/73	116.2	-	207	-	116.8	-	114.0	-
1973/74	139.7	-	250	-	139.0	-	129.9	-
1974/75	174.9	-	317	-	167.1	-	162.2	-
1975/76	173.0	-	313	-	158.3	-	174.9	-
1976/77	176.6	-	301	-	163.5	-	179.4	-
1977/78	185.8	-	324	-	171.6	-	183.7	-
1978/79	185.8	-	331	-	178.6	-	197.2	-
1979/80	217.6	-	360	-	203.8	-	229.3	-
1980/81	257.3	-	401	-	221.3	100.0	257.4	100.0
1981/82	281.3	100.0	451	-	243.7	108.6	289.3	111.5
1982/83	288.7	104.9	486	-	258.9	116.7	315.7	120.0
1983/84	316.0	112.9	547	-	285.6	124.4	347.3	133.6
1984/85	338.4	120.1	582	-	301.8	133.3	378.4	146.7
1985/86	357.7	125.4	620	-	328.7	141.2	413.9	159.6
1986/87	376.8	132.7	674	-	-	148.0	-	174.8
1987/88	405.4	143.6	736	-	-	163.2	-	186.0
1988/89	435.3	154.3	803	163	-	176.1	-	200.4
1989/90	-	165.7	-	173	-	187.7	-	219.0
1990/91	-	182.5	-	193	-	-	-	-

[a] New Series on Price Indices with the respective base years.

[b] New Series on National Accounts Statistics with 1980/81 as Base Year.

Sources: 1. Ministry of Industry, Office of the Economic Adviser.

2. H.L. Chandok, Wholesale Price Statistics 1947-1978, published by Economic and Scientific Foundation, 1979.

3. Ministry of Labor, Labor Bureau, Simla.

4. Central Statistical Organisation, National Accounts Statistics, various issues.

5. World Bank staff estimates.

D901:a9-4.wk1

TABLE 9.5
CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS, URBAN NON-MANUAL EMPLOYEES AND AGRICULTURAL LABORERS

Year (April-March)	Industrial Workers				Urban Non-Manual Employees		Agricultural Laborers (b)	
	Food Index		General Index		OLD	NEW	Food Index (1960/61=100)	General Index (1960/61=100)
	OLD	NEW	OLD	NEW				
1960/61	108	-	102	-	100 (c)	-	100	100
1970/71	201	-	186	-	174	-	206	192
1975/76	342	-	313	-	277	-	345	317
1977/78	346	-	324	-	298	-	349	323
1978/79	347	-	331	-	306	-	340	317
1979/80	373	-	360	-	330	-	390	360
1980/81	419	-	401	-	369	-	448	409
1981/82	476	-	451	-	413	-	491	448
1982/83	508	-	486	-	446	-	527	481
1983/84	581	-	547	-	492	-	573	522
1984/85	607	-	582	-	532	-	569	525
1985/86	638	-	620	-	568	-	600	555
1986/87	700	-	674	-	613	-	623	578
1987/88	767	-	736	-	668	-	706	650
1988/89	839	168	803	163	724	136	791	724
1989/90	-	177	-	173	-	145	814	752
1990/91	-	199	-	193	-	161	856 (c)	792 (c)
Average of weeks								
1989								
March	842	169	818	166	734	138	795	729
June	872	175	838	170	755	142	802	736
September	906	182	868	176	782	147	845	772
December	881	177	863	175	777	146	816	753
1990								
March	-	178	-	177	-	149	789	736
June	-	189	-	185	-	155	817	759
September	-	197	-	191	-	159	856	792
December	-	207	-	199	-	165	n.a	n.a
Average compound growth rate (% per annum)								
1950/1-1975/6	5.6	-	5.4	-	5.2 (d)	-	6.4	5.9(d)
1970/1-1980/1	7.6	-	8.0	-	7.8	-	8.1	7.9
1985/86	5.1	-	6.5	-	6.8	-	5.4	5.7
1986/87	9.7	-	8.7	-	7.9	-	3.8	4.1
1987/88	9.6	-	9.2	-	9.0	-	13.3	12.5
1988/89	9.4	-	9.1	-	8.3	-	12.0	11.4
1989/90	-	5.1	-	6.3	-	6.6	2.9	3.9
1990/91	-	12.4	-	11.6	-	11.0	2.7 (e)	3.8 (e)
Percentage Change in Index over the corresponding month of previous year 1990								
March	-	5.3	-	6.6	-	8.0	-0.8	1.0
June	-	8.0	-	8.8	-	9.2	1.9	3.1
September	-	8.2	-	8.5	-	8.2	1.3	2.6
December	-	16.9	-	13.7	-	13.0	n.a	n.a

Note: OLD Index refers to the 1960=100 series. New series are based 1982 and 1984/85 respectively for the series on Industrial Workers & Urban Non-manual Workers.

(a) Relates to the period January to March.

(b) Indices relate to Agricultural Years (July-June).

(c) Based on returns for July-October 1990.

(d) Relates to the period 1955/56-1975/76.

(e) Percentage increase for period noted in footnote (c)

Sources: 1. Ministry of Labor, Labor Bureau, Simla.

2. Central Statistical Organization.

3. Economic Survey, various issues.

D901 : s9-5.wk1

Table 9.6
India: Real Wages in the Selected Sectors of Indian Economy
(Rupees per day at 1960 prices)

Year	Agriculture [1]	Organized Manufacturing [a]		Public Sector [b] [4]
		Prod.Wage [2]	Real Wage [3]	
1960/61	1.43	6.40	6.40	
1961/62	1.51	6.80	6.64	
1962/63	1.48	7.12	6.80	
1963/64	1.28	7.44	6.80	
1964/65	1.37	7.84	6.40	
1965/66	1.32	7.84	6.56	7.4
1966/67	1.25	8.40	6.88	7.7
1967/68	1.24	8.80	6.64	7.7
1968/69	1.47	9.04	6.88	8.0
1969/70	1.49	9.76	7.84	9.0
1970/71	1.58	10.16	8.32	9.9
1971/72	1.59	9.84	8.32	10.4
1972/73	1.48	n.a	n.a	8.4
1973/74	1.32	10.56	8.80	7.9
1974/75	1.18	10.00	8.08	8.1
1975/76	1.49	10.96	9.12	9.3
1976/77	1.68	11.12	10.00	10.1
1977/78	1.62	11.52	9.68	10.4
1978/79	1.68	12.08	10.32	11.4
1979/80	1.52	11.92	10.80	11.9
1980/81				12.2
1981/82				12.2
1982/83				12.7
1983/84				13.5
1984/85				14.1

Note: Real wages are derived by deflating the corresponding nominal figures by the Consumer Price Index of Industrial workers, except for col (2).
Figures in column (2) are derived by deflating nominal wages by wholesale price index for manufactured products.

[a] Refers to ASI Census Sector averaged for both public and private sectors.

[b] Wages averaged for industrial and commercial undertakings including banks.

Sources: (1) R.Lucas, India's Industrial Policy, Boston University, October 1986.
(2) Center for Monitoring Indian Economy, Basic Statistics Relating to Indian Economy, various issues.