



PROGRESS HARMONY DEVELOPMENT

Estd. - 1905

Economy on the eve of Union Budget 2014-15

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PHD Research Bureau

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PHD Research Bureau

Economy on the eve of Union Budget 2014-15

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Executive Summary

India witnessed widespread growth during the past 10 years. The agriculture growth witnessed a volatile trend with growth decelerating sharply while the Industry growth averaged 7.2% during the last 10 years. Services sector on the other hand, grew at 8.3% during the same period. The rate of savings and investments over the past 8 years has grown in a positive trajectory. The infrastructure sector averaged a growth rate of 5.7% during the period FY2003-04 to FY2013-14 with significant increase in investments in infrastructure from 10th Five Year Plan to 11th Five Year Plan. In terms of Foreign Trade, India's exports increased five-fold and subsequently, there has been an increase in imports which led to increase in trade deficit.

The FDI inflows increased significantly due to progressive liberalization, coupled with considerable improvement in terms of macroeconomic fundamental while the FII's averaged around US\$ 15 billion during the last 10 years. The current account was in surplus in year 2003-04 which recorded a deficit from the year 2004-05 onwards. Thereafter current account deficit has continuously increased. The fiscal deficit on the other hand, witnessed a volatile trend and the subsidies also increased significantly during the 10 years period. The average Wholesale Price Index remained at almost the same level during the last 10 years but the Consumer Price Index increased significantly.

On the socio-economic front, there has been a decline in poverty while literacy increased by 9 percentage points in the last 10 years. The unemployment rate also declined during the period and there has been widespread development and upliftment of the masses.

The Union Budget is being presented at a time when the country is expecting widespread reforms in not just the manufacturing sector but also in critical socio-economic segments of the Indian economy. The industry is expecting reforms in complex tax system and implementation of GST, manufacturing sector reforms in terms of amendments in land acquisition act, reforms in labor laws, reforms in environment clearances and defined outcomes of social sector expenditure etc.

Against this backdrop, PHD Chamber look forward for calibrated policy measures to achieve sharp economic outlook and outcomes.

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The economic history of India dates back to the pre-colonial times with the inception of the Indus Valley Civilization was well integrated with the world and each village in India was a self-sufficient entity. India's role in the global economy was quiet significant during the 1700s. With a population of 165mn, India was the world's largest economy, followed by China with 138mn people. Even a century later, in 1820, as industrial revolution was gathering pace, India and China accounted for half of world's GDP. However, with the arrival of the East India Company and the subsequent colonization of the country by the British, the economic situation in India deteriorated considerably. To bring it back on track, the five year plans were constituted to focus on identifying the needs of the economy. The economy has done very well on the growth front, when viewed in a long term perspective. India's GDP growth rate averaged only 3.5% per year in the 1960s and 1970s. The 1980s saw the beginning of a reorientation of policies to achieve higher growth and indeed growth accelerated to 5.6% in that decade. Further, the era of reforms in the 1990s opened up avenues of delicense, decontrol, trade and financial liberalization, tax reforms and facilitation to foreign investments. It marked a major break-through in India's rapid progress.

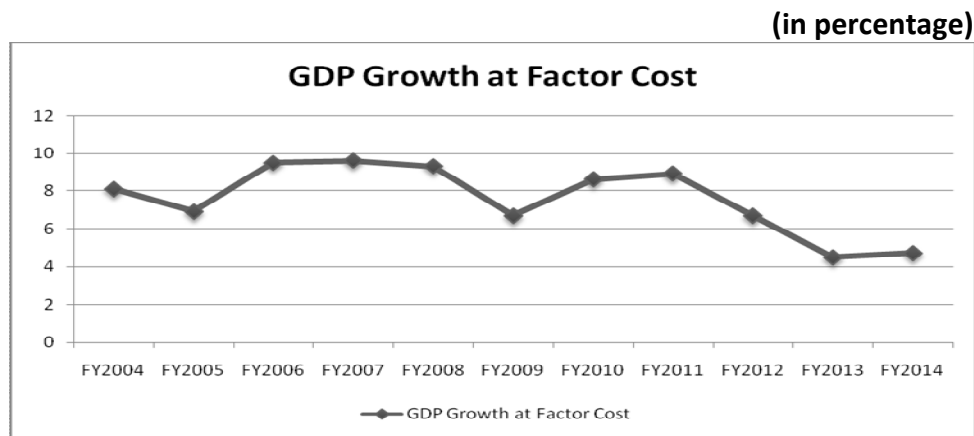
The growth rate of the economy in the 1990s, averaged around 5.7%. However, India's performance improved significantly in the 2000s. The 2000s achieved an average real GDP growth rate of 7.3% (at factor costs constant 2004-05 prices). This improved economic performance dramatically altered global perceptions of growth prospects of Indian economy. An early recognition of this was a Goldman Sachs report (November 2002), which included India, with Brazil, Russia and China in a new BRICs group of emerging market countries which was predicted to overtake the G-8 in terms of total GDP by 2035.

Against this backdrop we have conducted an analysis by finding out the pattern of key economic parameters in the last 10 years. The objective of this analysis is to know about the pattern of key economic indicators and we have considered important parameters such as growth of GDP and its components, savings and investments, infrastructure growth, total trade, FDIs and FIIs, balance of payments, inflation and developments iin select socio-economic parameters.

Recently during the last 10 years, many economic indicators have performed well expect in few years such as average growth in GDP, industry, services, savings and investments, growth in exports, foreign direct investments, Foreign Institutional Investments, poverty, literacy and unemployment barring few segments such as agriculture, current account deficit, external debt, inflation and increasing trade deficit.

Economy on the eve of Union Budget 2014-15**1. GDP Growth**

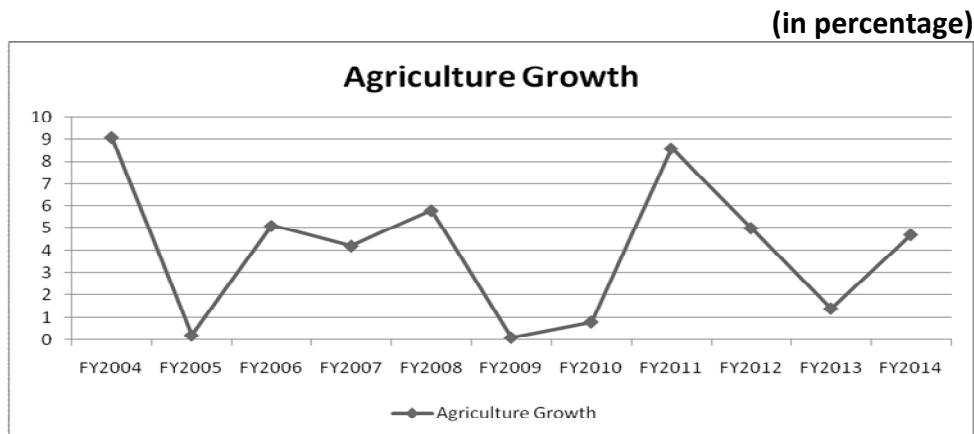
During the last 10 years, the GDP growth averaged at 7.6% with the highest growth of more than 9% witnessed during the period FY2006 to FY2008. However, growth decelerated from FY2011 and was recorded at 4.5% in FY2013. In FY2014, GDP increased marginally to 4.7% in FY2014.



Source: PHD Research Bureau, Compiled from various sources

1.1 Agriculture

The agriculture growth witnessed a volatile trend with growth decelerating sharply from 9.1% in FY2004 to 0.2% in FY2005 which again accelerated to 5.1% in FY2006. Growth in agriculture declined significantly in FY2009 at 0.1% and 0.8% in FY2010 after which it increased sharply to 8.6% in FY2011. In FY2014, the agriculture sector registered a growth rate of 4.7% while the average growth rate for the last 10 year is about 4.1%.

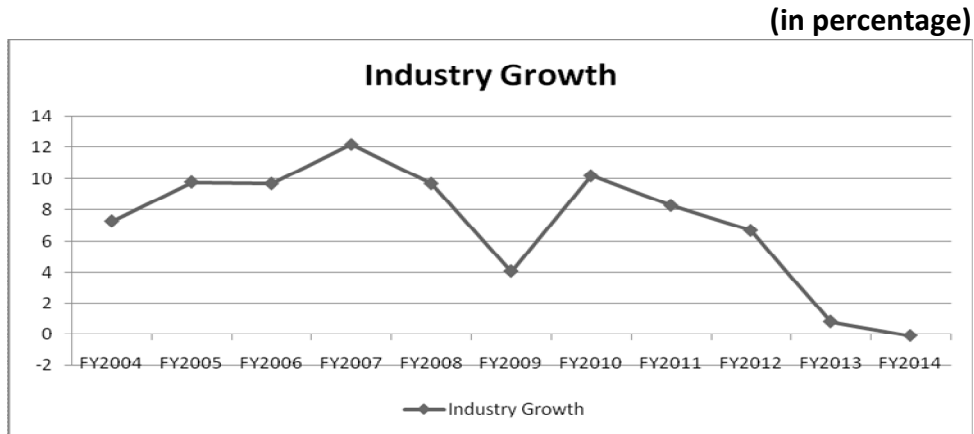


Source: PHD Research Bureau, Compiled from various sources

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1.2 Industry

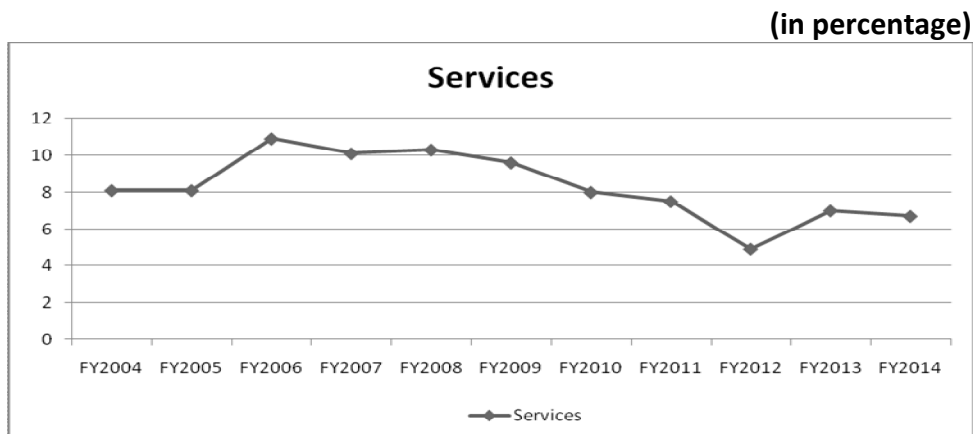
During the last 10 years, the industry growth averaged 7.2%. Since FY2007, there has been a sharp deceleration in industrial growth with the highest growth being registered at 12.2% in FY2007 and the lowest growth in FY2014 at (-)0.1%.



Source: PHD Research Bureau, Compiled from various sources

1.3 Services

During the last 10 years, the services sector also witnessed an average growth of 8.3% during the period FY2004 to FY2014. In FY2006, the sector witnessed highest growth at 10.9% after which it decreased till FY2012. In FY2013, services sector grew to 7% from 4.9% in FY2012. In 2013-14, the sector registered a growth of 6.7%.



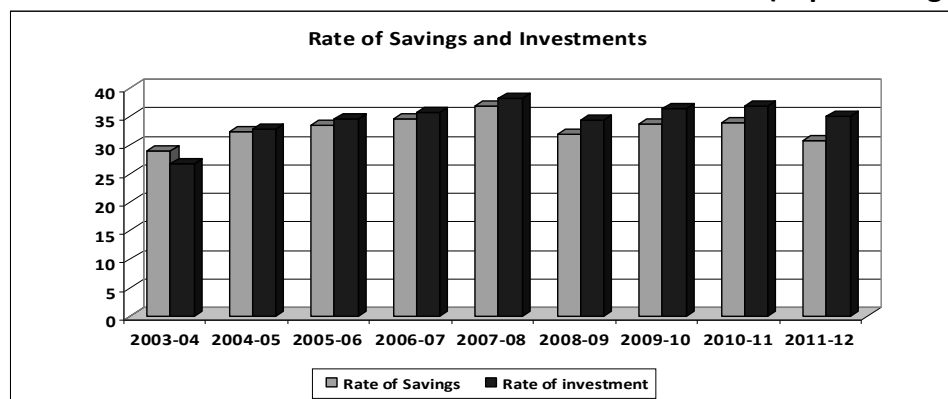
Source: PHD Research Bureau, compiled from various sources

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2. Savings and Investments

The rate of savings and investments over the past 8 years has grown in a positive trajectory. The rate of savings increased around 29% from 2003-04 to 30.8% in 2011-12 while the investments showed increased from about 27% in 2003-04 to 35% in 2011-12. The rate of savings from FY2003-04 to FY2011-12 averaged 33% while the rate of investments averaged 35% during the period FY2004 to FY2012.

(in percentage)



Source: PHD Research Bureau, compiled from RBI

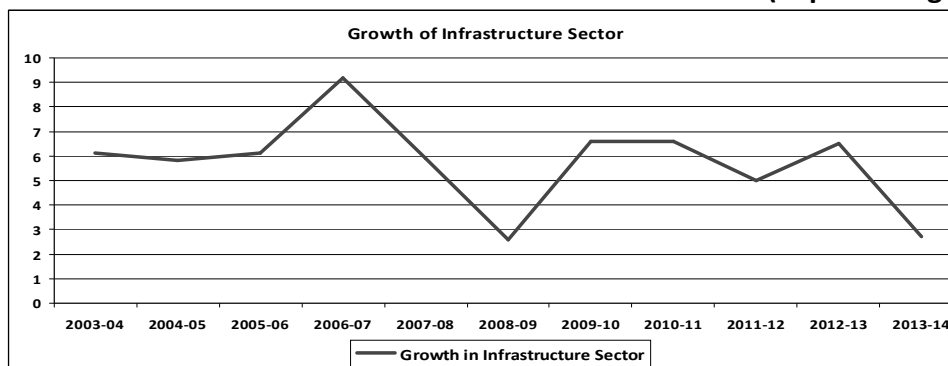
Note: Data for FY2012, FY2013 and FY2014 not available

3. Infrastructure

3.1 Growth

The infrastructure sector averaged a growth rate of 5.7% during the period FY2003-04 to FY2013-14. The highest growth was registered during the period FY2007 while the lowest growth was witnessed in FY2009 at 2.6%. The infrastructure sector grew at 2.7% during 2013-14.

(in percentage)



Source: PHD Research Bureau, compiled from Office of Economic Adviser

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3.2 Infrastructure Investments

The investments in infrastructure sector has increased significantly from 10th Five Year Plan to 11th Five Year Plan. Revised projections of investments in infrastructure is Rs. 20,54,205 crore in the 11th five year plan while the actual investments in the tenth five year plan in infrastructure has been Rs. 9,19,225 crore.

The Mid-Term Appraisal of the Eleventh five year plan indicated that, although the physical capacity targets would not be met, the overall financial investment would be close to the original projection.

Sector-wise Investments: Tenth and Eleventh Plan (in Rs. Crore at 2006-07 prices)

Sector	Tenth five year Plan		Eleventh five year plan	
	Original projection	Actual investment	Original Projections	Revised Projections
Electricity	2,91,850 (33.49)	3,40,237 (37.01)	6,66,525 (30.42)	6,58,630 (32.06)
Roads & Bridges	1,44,892 (16.63)	1,27,107 (13.83)	3,14,152 (15.28)	2,78,658 (13.57)
Telecommunications	1,03,365 (11.86)	1,01,889 (11.08)	2,58,439 (12.57)	3,45,134 (16.80)
Railways	1,19,658 (13.73)	1,02,091 (11.11)	2,61,808 (12.73)	2,00,802 (9.78)
Irrigation	1,11,503 (12.80)	1,19,894 (13.04)	2,53,301 (12.32)	2,46,234 (11.99)
Water Supply & Sanitation	64,803 (7.44)	60,108 (6.54)	1,43,730 (6.99)	1,11,689 (5.44)
Ports	14,071 (1.61)	22,997 (2.50)	87,995 (4.28)	40,647 (1.98)
Airports	6,771 (0.78)	6,893 (0.75)	30,968 (1.51)	36,138 (1.76)
Storage	4,819 (0.55)	5,643 (0.61)	22,378 (1.09)	8,966 (0.44)
Oil & gas pipelines	9,713 (1.11)	32,367 (3.52)	16,855 (0.82)	1,27,306 (6.20)
Total	8,71,445 (100)	9,19,225 (100)	20,56,150 (100)	20,54,205 (100)

Source: PHD Research Bureau, Compiled from Planning Commission

Note: Figures in brackets indicate sectoral shares compared to total investment in infrastructure.

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According to the initial estimate projections by the Planning Commission of infrastructure investment for the Twelfth Five Year Plan, an investment of Rs 41 lakh crore is targeted over the duration of the Twelfth Five Year Plan in order to achieve a high economic growth rate in the coming times.

This would require almost double the amount proposed under the Eleventh Plan in real terms. Taking this investment requirement as a starting point and converting these estimates into nominal terms (based on expected inflation of 5% p.a.), yields a target investment of about Rs. 65 lakh crores for the Twelfth Five Year Plan.¹

Projected investment in infrastructure during the twelfth five year plan

Year	Base Year FY12	FY13	FY14	FY15	FY16	FY 17	Total 12 th Plan
GDP at FY07 price (Rs. crore.)	6,314,265	6,882,549	7,501,978	8,177,156	8,913,100	9,715,280	41,190,063
Infrastructure Investment as % of GDP	8.37%	9.00%	9.50%	9.90%	10.30%	10.70%	9.95%
Infrastructure Investment (Rs. Crore in FY07 price)	528,316	619,429	712,688	809,538	918,049	1,039,535	4,099,239
Infrastructure Investment (Rs.Crs in current price)	721,781	888,572	1,073,470	1,280,315	1,524,526	1,812,581	6,579,463

Source- PHD Research Bureau, Compiled from Mid-Term Appraisal Eleventh Five Year Plan, Planning Commission

Note: WPI inflation used to convert to current prices FY12 inflation based on PMEAC projection

¹ Report on Infrastructure Funding Requirements and its Sources over the implementation period of the Twelfth Five Year Plan (2012- 2017)

Economy on the eve of Union Budget 2014-15**4. Industrial Investment Intentions**

The Industrial investments during the past 10 years have shown a varying trend as the number of approvals increased gradually from FY2003-04 to FY2005-06 and thereafter declined year after year. In FY2013-14, the number of approvals declined to 2283. However, despite the declining trend in the number of approvals, the proposed investments increased overtime from Rs.1583.85 billion in 2003-04 to Rs. 4584.32 billion in 2013-14. The proposed investments were highest in FY2010-11 at around Rs. 16,587 billion during the last 10 years.

Investment Intentions		
Year	Number of Approvals	Proposed Investment (in Rs. billion)
2003-04	4275	1583.85
2004-05	5649	2940.94
2005-06	6476	3863.82
2006-07	5679	6966.45
2007-08	3804	12324.57
2008-09	3910	11480.20
2009-10	3781	12677.49
2010-11	4289	16586.86
2011-12	3557	13410.59
2012-13	2761	5320.42
2013-14	2283	4584.32

Source: PHD Research Bureau, Compiled from DIPP

5. Foreign Trade

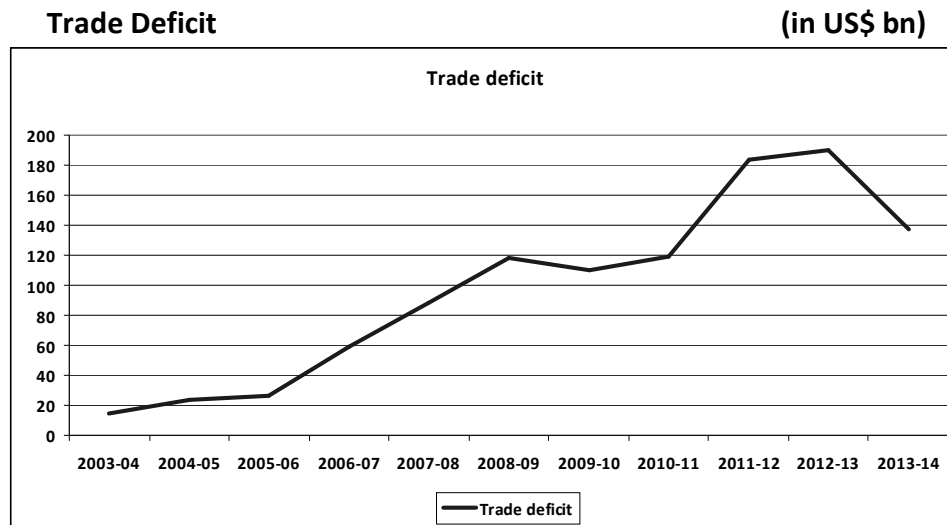
India's exports increased five-fold from about US\$64 bn in FY2003-04 to US\$314 bn in FY2013-14. Imports on the other hand also increased from US\$78 bn in FY2003-04 to US\$451 bn in FY2013-14. The total trade also increased seven fold from about US\$ 142 bn in FY2003-04 to US\$764 bn in FY2013-14.

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Total Trade			(in US\$ bn)
Year	Export	Import	Total trade
2003-04	63.8	78.1	141.9
2004-05	83.5	107.1	190.6
2005-06	103.1	129.7	232.7
2006-07	126.4	185.7	312.1
2007-08	163.1	251.7	414.8
2008-09	185.2	303.7	488.9
2009-10	178.8	288.4	467.1
2010-11	251.1	369.8	620.9
2011-12	305.9	489.3	795.3
2012-13	300.4	490.7	790.1
2013-14	313.5	450.6	764.1

Source: PHD Research Bureau, compiled from Ministry of Commerce & Industry

During the last 10 years, trade deficit increased from US\$14.3 billion to US\$ 137.1 billion and averaged at US\$97.25 billion with highest trade deficit being registered at US\$ 190.3 billion in year 2012-13 and lowest being recorded at US\$14.3 billion in year 2003-04.

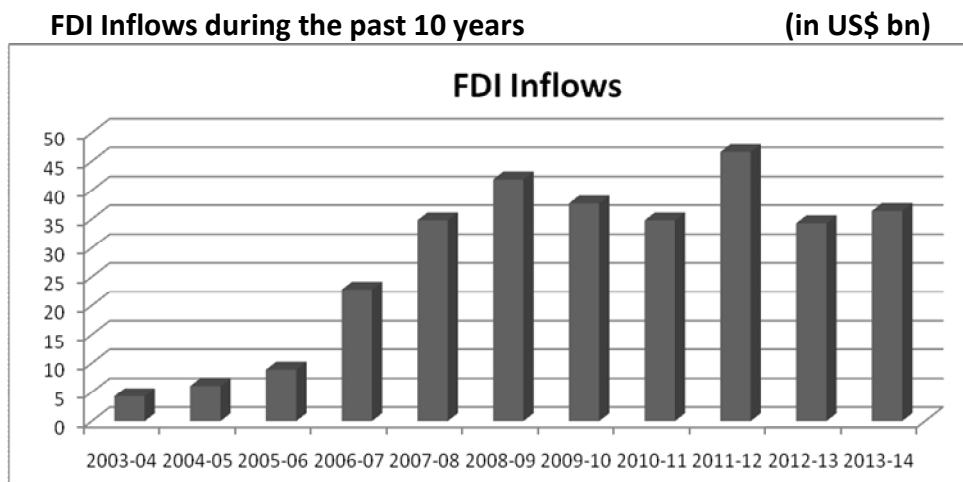


Source: PHD Research Bureau, compiled from Ministry of Commerce & Industry

Economy on the eve of Union Budget 2014-15**6. Foreign Direct Investments**

The Foreign Direct Investments (FDI) inflows increased significantly from about US\$4.3 bn in FY2003-04 to US\$ 36.4 bn in FY2013-14. During this 10 year period, the FDI inflows averaged US\$ 28.1 bn with the highest inflows witnessed in 2011-12.

The top nation investing in India in the last 10 years has been Mauritius (36% share) followed by Singapore (12%) and UK with a share of 10%. Services sector has been the highest recipient of FDI inflows (18%) followed by Construction Development (11%). Telecommunications and Computer Hardware and Software are at 3rd position with 6% share each in FDI inflows. Mumbai is the top destination for FDI inflows with a share of 31% and New Delhi with share of 20% followed by Chennai and Bangalore at 6% each during the last 10 years.



Source: PHD Research Bureau, compiled from DIPP

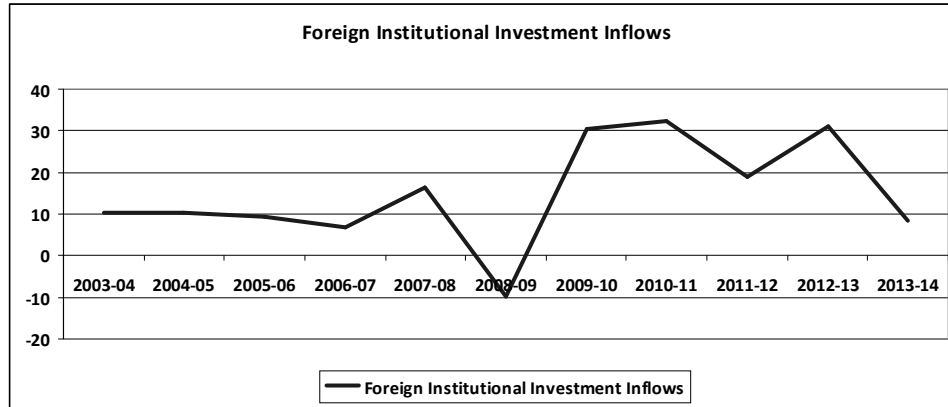
Note: FDI inflows for FY2012-13 and FY2013-14 are Provisional Estimates

7. Foreign Institutional Investments

The foreign institutional investment (FII) inflows averaged around US\$ 15 billion during the last 10 years with the maximum inflows being received in FY2010-11 at US\$ 32.37 billion while outflows in FII were witnessed in FY2008-09 due to the US Sub-prime Crisis during the period. In FY2013-14, the FIIs declined to US\$ 8.54 billion from US\$ 31.10 billion in FY2012-13.

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(in US\$ billion)



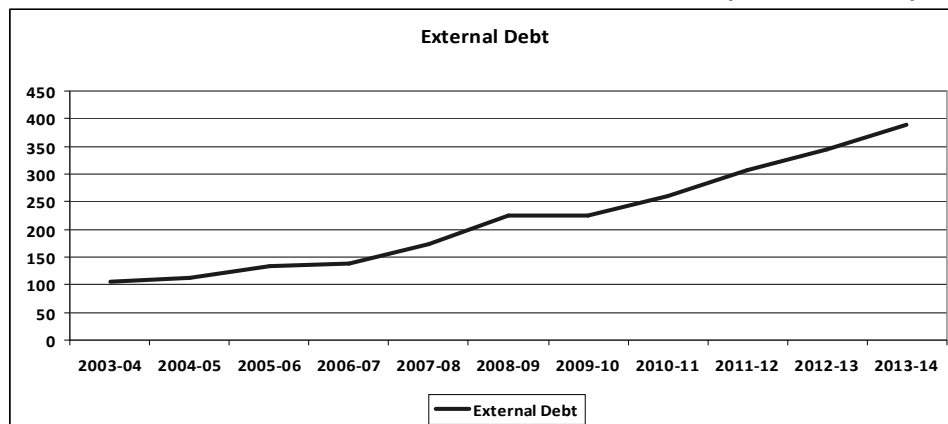
Source: PHD Research Bureau, Compiled from SEBI

8. Balance of Payments

8.1 External Debt

During the last 10 years, the external debt increased from \$104.9 billion in FY2003-04 to \$390 billion in FY2013-14, averaging \$219.5 billion. The highest debt was recorded at \$345.5 billion in FY2012-13, while the lowest has been registered at \$104.9 billion in FY2003-04.

(in US\$ billion)



Source: PHD Research Bureau, Compiled from RBI

8.2 Current Account Deficit

During last 10 years, the current account was in surplus in year 2003-04, due to heavy invisible inflows. However current account recorded a deficit from the year 2004-05 onwards. Thereafter current account deficit (CAD) has continuously increased. In

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FY2012-13, CAD was registered at a high level of 4.8%, on account of strong import demand on one hand and weak global demand from U.S.A and Europe, on the other hand. However, CAD decreased significantly from 4.8% to 1.7% from 2012-13 to 2013-14 respectively.

Current Account Deficit as a percentage of GDP		(in percentage)
Year	Current Account Deficit as a percentage of GDP	
2003-04	2.3	
2004-05	-0.4	
2005-06	-1.2	
2006-07	-1	
2007-08	-1.3	
2008-09	-2.3	
2009-10	-2.8	
2010-11	-2.8	
2011-12	-4.2	
2012-13	-4.8	
2013-14	1.7	

Source: PHD Research Bureau, compiled from RBI

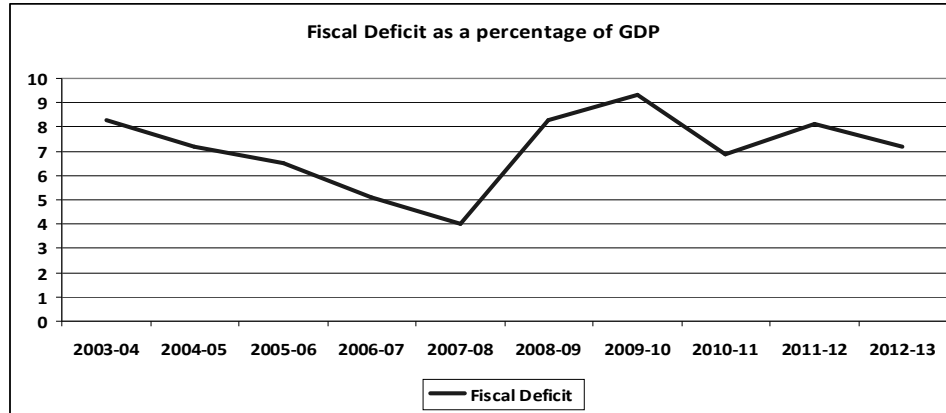
Capital account inflows are also not able to finance CAD to its full extent due to instability in foreign institutional investment and slowing down of FDI due to increased global uncertainty. However, the rise in external debt on account of increased Commercial borrowing and short term debt may further deteriorate the situation.

9. Fiscal Deficit and flow of subsidies

During last 10 years, fiscal deficit witnessed a volatile trend, with deficit decreasing from 8.3% in FY2003-04 to 4% in FY2007-08, after which it increased till FY2009-10 and was recorded at 9.3% in FY2009-10. There has been a decline in fiscal deficit since FY2009-10, with significant increase witnessed in FY2011-12. Further, the deficit was registered at 7.2% in 2012-13, while the average of fiscal deficit as a percentage of GDP was recorded at 7.1% during the period FY2003-04 to FY2013-14.

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Combined Deficits of the Central and State Governments (as percentage to GDP)



Source: PHD Research Bureau, Compiled from Budget documents of Government of India and the State Governments

Note: Data for 2011-12 are Revised Estimates and data for 2012-13 are Budget Estimates

The subsidies have increased almost five fold since FY2003-04 as subsidies given by the government increased to about Rs. 2311 billion in FY2013-14 from Rs. 443 billion in FY2003-04 while the highest amount of subsidies were released in FY2012-13.

Summary of Subsidies

(in Rs. Billion)

Year	Food	Fertilizers	Interest	Oil	Other	Subsidies
2003-04	251.81	118.47	1.7	63.51	6.18	443.23
2004-05	257.98	158.79	5.64	29.56	6.4	459.57
2005-06	230.77	184.6	21.77	26.83	8.65	475.22
2006-07	240.14	262.22	28.09	26.99	8.21	571.25
2007-08	313.28	324.9	23.11	28.2	11.17	709.26
2008-09	437.51	766.03	34.93	28.52	26.34	1297.08
2009-10	584.43	612.64	26.86	149.51	31.56	1413.51
2010-11	638.44	623.01	46.8	383.71	41.25	1734.2
2011-12	728.22	700.13	50.49	684.84	15.71	2179.41
2012-13	850	659.74	74.16	968.8	22.95	2576.54
2013-14	900	659.72	80.61	650	20.51	2310.84

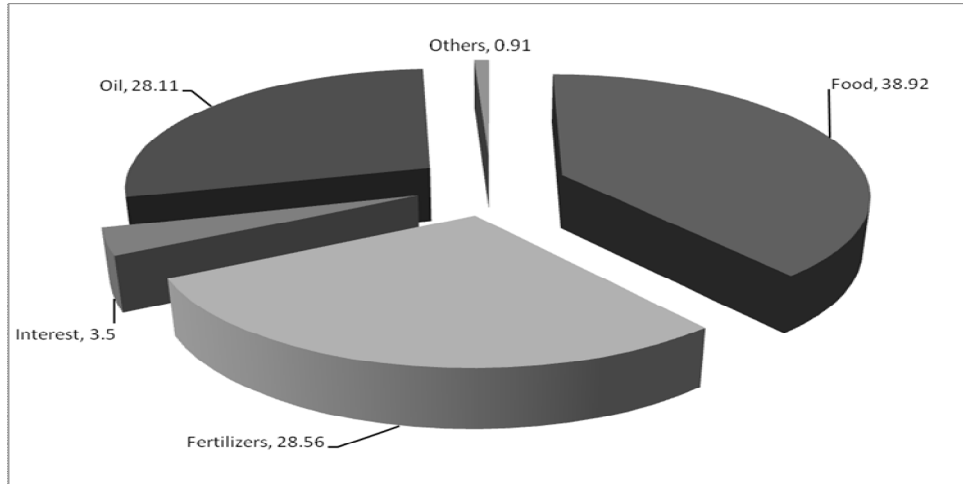
Source: PHD Research Bureau, Compiled from various sources

Note: Estimates for FY2013 are Revised Estimates and FY2014 are Budget Estimates

In FY2013-14, the subsidies for food occupy a major share of 38.92% in the total subsidies followed by Fertilizers at around 28.56% and Oil at 28.11%. Interest subsidies constitute about 3.5% in total subsidies and others at 0.91%.

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Share of Major Subsidies in Total Subsidies in percentage



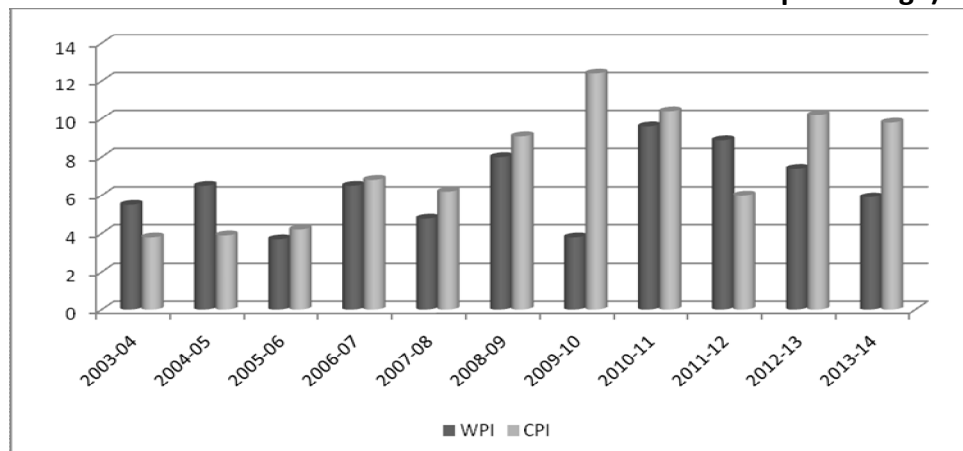
Source: PHD Research Bureau, Compiled from various sources

Note: Shares have been calculated on the basis of structure of subsidies in FY2013-14.

10. Inflation

During the last 10 years, the Wholesale Price Index (WPI) has remained at almost the same level as it was recorded at 5.5% in FY2003-04 which increased marginally to 5.9% in FY2013-14. Consumer Price Index (CPI), on the other hand, increased significantly from 3.8% in FY2003-04 to 9.8% in FY2013-14. The CPI was recorded highest in FY2009-10 at 12.4% while WPI was highest in FY2010-11 at 9.6%. The average of WPI for the last 10 years was recorded at 6.4% while average CPI was recorded at 7.5% during the same period.

Growth in WPI and CPI in percentage)



Source: PHD Research Bureau, compiled from various sources

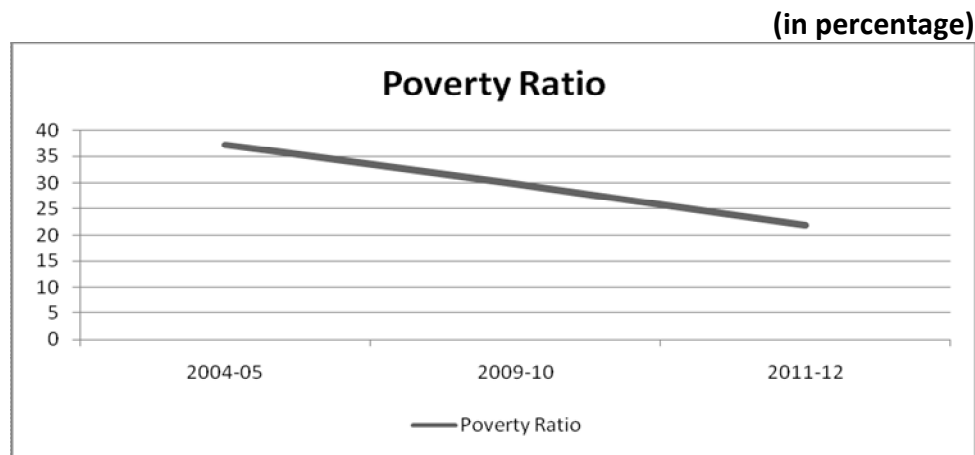
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11. Socio-Economic Indicators

11.1 Poverty

There has been a significant reduction in the poverty levels across the country from 37.2% in 2004-05 to 21.9% in 2011-12. There has been a 7.9 percentage points reduction in poverty level in 2011-12 from 2009-10 while there has been a reduction of 15.3 percentage points in the poverty level in 2011-12 from 2004-05.

The percentage of population below poverty line declined to 21.9% in 2011-12 from 29.8% in 2009-10 and 37.2% in 2004-05



Source: PHD Research Bureau, Compiled from Planning Commission

During last 10 years, rural poverty has declined from 42% in 2004-05 to 25.7% in 2011-12, whereas urban poverty has declined from 25.5% in 2004-05 to 13.7% in 2011-12. The total poverty which was recorded at rate of 37.2% in 2004-05 has declined to 21.9% in 2011-12.

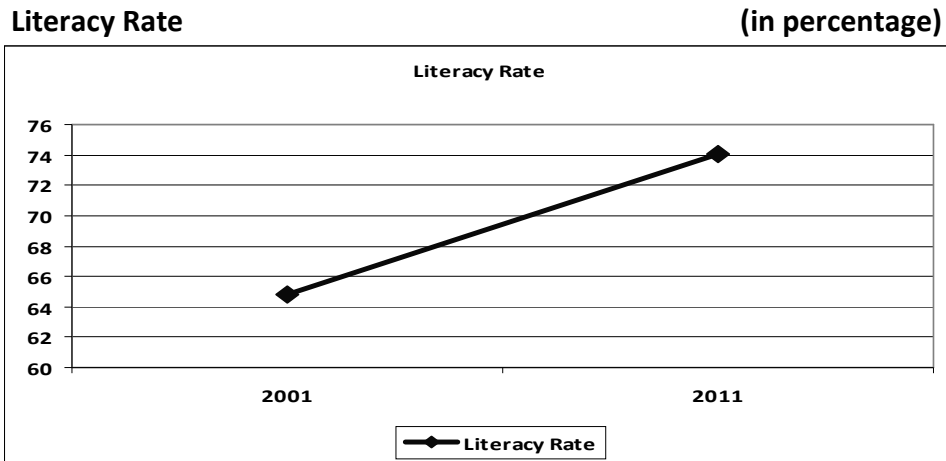
Number and Percentage of Population below poverty line

Years	Rural		Urban		Total	
	Percentage of a person	Number of persons (lakh)	Percentage of a person	Number of persons (lakh)	Percentage of a person	Number of persons (lakh)
2004-05	42	3258.1	25.5	814.1	37.2	4072.2
2009-10	33.8	2782.1	20.9	764.7	29.8	3546.8
2011-12	25.7	2166.58	13.7	531.25	21.92	2697.83

Source: PHD Research Bureau, Compiled from Planning Commission

Economy on the eve of Union Budget 2014-15**11.2 Literacy**

The Literacy rate of India has shown as improvement of almost 9 percentage points as it has increased to 74.04% in 2011 from 64.84% in 2001 in the last 10 years.



Source: PHD Research Bureau, Compiled from Economic Survey 2012-13

States have improved the literacy rate significantly from 2001 to 2011. Bihar improved the literacy rate by 16.8 percentage points from 2001 to 2011 followed by Jharkhand (14.1 percentage points) and Uttar Pradesh (13.5 percentage points). The state of Kerala recorded the highest literacy rate but improved marginally by about 3.05 percentage points as its literacy rate was significantly high in 2001 when compared to national average.

Sikkim has improved the literacy rate from 68.81% in 2001 to 82.2% in 2011. Jammu and Kashmir has improved the literacy rate from 55.52% to 68.74% and recorded 13.2 percentage points improvement in literacy rate. Meghalaya has improved literacy rate from 62.56% in 2001 to 75.48% in 2011 and recorded 12.9 percentage points improvement in literacy rates. Arunachal Pradesh and Odisha have recorded 12.6 percentage points and 10.4 percentage points improvement in literacy rates in 2011. Gujarat has improved its literacy rate from 69.14% to 79.31% and recorded 10.2 percentage points improvement in literacy rates.

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States' Literacy Rate (in percentage)

S.No.	States	Literacy Rate in 2001	Literacy Rate in 2011
1	Bihar	47	63.82
2	Jharkhand	53.56	67.63
3	Uttar Pradesh	56.27	69.72
4	Jammu & Kashmir	55.52	68.74
5	Arunachal Pradesh	54.34	66.95
6	Odisha	63.08	73.45
7	Gujarat	69.14	79.31
8	Assam	63.25	73.18
9	Karnataka	66.64	75.6
10	Haryana	67.91	76.64
11	West Bengal	68.64	77.08
12	Uttarakhand	71.62	79.63
13	Himachal Pradesh	76.48	83.78
14	Andhra Pradesh	60.47	67.66
15	Punjab	69.65	76.68
16	Madhya Pradesh	63.74	70.63
17	Tamil Nadu	73.45	80.33
18	Rajasthan	60.41	67.06
19	Chhattisgarh	64.66	71.04
20	Maharashtra	76.88	82.91
21	Kerala	90.86	93.91
22	Tripura	73.19	87.75
23	Nagaland	66.59	80.11
24	Sikkim	68.81	82.2
25	Meghalaya	62.56	75.48
26	Manipur	70.53	79.85
27	Goa	82.01	87.4
28	Delhi	81.67	86.34
29	Mizoram	88.8	91.58

Source: PHD Research Bureau, compiled from Economic Survey 2012-13

Note: India and Manipur figures exclude those of the three sub-divisions viz. Mao Maram, Paomata and Purul of Senapati district of Manipur as census results of 2001 in these three sub-divisions were cancelled due to technical and administrative reasons.

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11.3 Unemployment

Usual Principal Status Approach

According to the Report on Employment and Unemployment Survey 2012-13 by the Labor Bureau, Ministry of Labor and Employment, the unemployment rate is estimated to be 4.7% at All India level under the Usual Principal Status approach. In rural areas, unemployment rate is 4.4% whereas in urban areas, the same is 5.7% under the Usual Principal Status approach.

Current Daily Status Basis

During last 10 years, Unemployment rate has declined from 9.13% in 2003-04 to 6.53% in 2009-10, averaging at 7.96%.

Unemployment Rate in India (in percentage)

Year	Unemployment rate
2003-04	9.13
2004-05	8.22
2009-10	6.53

Source: PHD Research Bureau, compiled from various sources.

Note: Employment projections are based on Current Daily Status Basis Measures

In 2004-05, agriculture sector employed the maximum percentage of workforce (56.60%) while construction employed 5.69%. In 2009-10, maximum employment is again recorded in agricultural sector (52.85%), but minimum employment was recorded in Trade sector at 9.14%.

Distribution of Unorganised Workers by Sectors

Sector	Distribution(Per cent)	Distribution (Per cent)
Agriculture	56.60	52.85
Manufacturing	12.19	10.55
Construction	5.69	11.33
Non Manufacturing	6.55	12.19
Trade	9.48	9.14
Services(Other than Trade)	24.66	24.41

Source: PHD Research Bureau, compiled from various sources.

Economy on the eve of Union Budget 2014-15**12. Conclusions**

During last 10 years, GDP grew at the average rate of 7.5%, where the highest growth was recorded at 9.6% in FY2007 and lowest was recorded at 4.5% in FY2013. The agriculture sector registered an average growth rate of 4.1% during the 10 years period with the highest growth registered at 9.1% in FY2004 while the lowest growth was registered at 0.1% in FY2009. The industry on the other hand registered an average growth of 7.2% during the period FY2004 to FY2014. The highest growth in the industry sector was registered in FY2007 at 12.2% while the lowest has been recorded in FY2014 at -0.1%. The service sector registered a growth of 8.3% in the 10 years period with the highest growth recorded at 10.9% in FY2006 and lowest at 4.9% in FY2012. The savings and investments rate also increased during the 10 years period with highest rate of savings registered at 36.8% and investments at 38.1% in FY2008. The infrastructure grew at an average rate of 5.7% in the last 10 years with the highest growth rate of infrastructure sector recorded at 9.2% in 2006-07 and lowest at 2.6% in 2008-09. The total trade of India has increased significantly with the highest trade volume recorded at \$795.3 billion in 2011-12.

FDI Inflows averaged \$28 billion in last 10 years, registered the highest inflows in 2011-12 at \$46.6 billion. On the other hand, foreign institutional investment which averaged at \$15 billion in last 10 years, recorded its highest inflows in 2010-11 at \$32.37 billion. Current account deficit was recorded highest at 4.8% in 2012-13 and lowest in 0.4% in 2004-05, and averaged at 1.5% during the 10 years period. During the last 10 years, the external debt increased from \$104.9 billion in FY2003-04 to \$390 billion in FY2013-14, averaging \$219.5 billion. The highest debt was recorded at \$345.5 billion in FY2012-13, while the lowest has been registered at \$104.9 billion in FY2003-04. Fiscal deficit which averaged at 7% in last 10 years was highest in 2009-10 at 9.3% and lowest in 2007-08 at 4%. In last 10 years, expenditure on total subsidies increased from \$443.23 billion to \$2310.84 billion. The growth rates of WPI and CPI averaged at 6.4% and 7.5% respectively. However highest rate of growth of WPI was recorded at 9.6% in 2010-11 and that of CPI was recorded at 12.4% in 2009-10. WPI was lowest in FY2005-06 at 3.7% while CPI was lowest at 3.8% in FY2003-04. On the socio-economic front, there has been a reduction in poverty level across India in the last 10 years while the literacy rate has also increased during the period. There has also been a decline in unemployment rate.

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India: Statistical Snapshot

Indicators	FY09	FY10	FY11	FY12	FY13	FY14
GDP at FC - Constant prices Rs Bn	41,586	45,161	49,185	52,475	54,821	57,418*
GDP at FC - Constant prices growth YoY	6.7	8.6	8.9	6.7	4.5	4.7*
GDP at MP-current prices Rs. Bn	56,300	64,778	77,841	90,097	1,011,33	1,135,50*
Agriculture growth	0.1	0.8	8.6	5.0	1.4	4.7*
Industry growth	4.1	10.2	8.3	6.7	0.8	(-)0.1*
Services growth	9.6	8.0	7.5	4.9	7.0	6.7*
Consumption	7.6	8.2	8.1	8.1	3.9	4.9`
Private consumption	7.1	7.1	8.6	8.0	4.0	4.5`
Gross domestic savings as % of GDP	32.0	33.7	34.0	30.8	30.2	30.5`
Gross Fixed Capital Formation as % of GDP	32.3	31.7	30.9	31.8	30.4	28.3*
Gross fiscal deficit of the Centre as a % GDP	5.9	6.5	4.8	5.7	5.2	4.5
Gross fiscal deficit of the states as a % GDP	2.4	2.9	2.1	2.3	2.1	-
Gross fiscal deficit of Centre & states as a % GDP	8.3	9.3	6.9	8.1	7.2	-
Merchandise exports (US\$Bn)	183.1	178.3	250.8	305.7	300.2	312.35^
Growth in exports	12.3	-2.6	40.6	21.9	(-)1.8	3.98^
Imports (US\$Bn)	299.3	287.6	369.4	489.1	490.3	450.94^
Growth in imports (YoY)	19.8	-3.9	28.5	32.4	0.2	(-)8.1^
Trade deficit (US\$Bn)	116.2	109.3	118.6	183.4	190.1	138.6^
Net invisibles US\$Bn	91.6	80.0	79.3	111.6	107.5	115.0**
Current account deficit US\$Bn	28.7	38.4	48.1	78.2	88.2	32.4^^
Current account deficit as % of GDP	2.6	3.2	2.6	4.2	4.8	1.7^^
Net capital account US\$Bn	8.7	53.4	60	67.8	94.2	33.3^^
Overall balance of payments US\$Bn	20.1	-13.4	-13.1	12.8	3.8	15.5^^
Foreign exchange reserves US\$Bn	252	279.1	304.8	294.9	292.04	304.22
External debt - Short term US\$Bn	43.4	52.3	65	78.2	96.7	92.7``
External debt - Long term US\$Bn	181.2	208.7	240.9	267.5	293.4	333.3``
External debt - US\$Bn	224.5	260.9	305.9	345.8	392.1	426``
Money supply growth	19.3	16.9	16.1	13.2	13.8	13.4~~
Bank credit growth	17.5	17.1	21.2	16.8	13.5	14
WPI inflation	8.1	3.8	9.6	8.9	7.4	5.9
CPI inflation	7	12.4	10.4	6.0	10.2	9.8
Exchange rate Rs/US\$ annual average	46	47.4	45.6	47.9	54.4	60.68

Source: PHD Research Bureau compiled from various sources, *Data pertains to Provisional Estimate of 2013-14 from MOSPI, `Planning Commission Data Book Dec 2013, ^Data pertains to April-May2015 from Ministry of Commerce and Industry, ** Projection For 2013-14 from PMEAC Economic Outlook 2013-14, ^^Data pertains to India's Balance of payment Apr-Mar 2013-14 from RBI, ``India's external debt end Dec 2013 from RBI, ~~~ Data compiled from RBI Bulletin May 2014.

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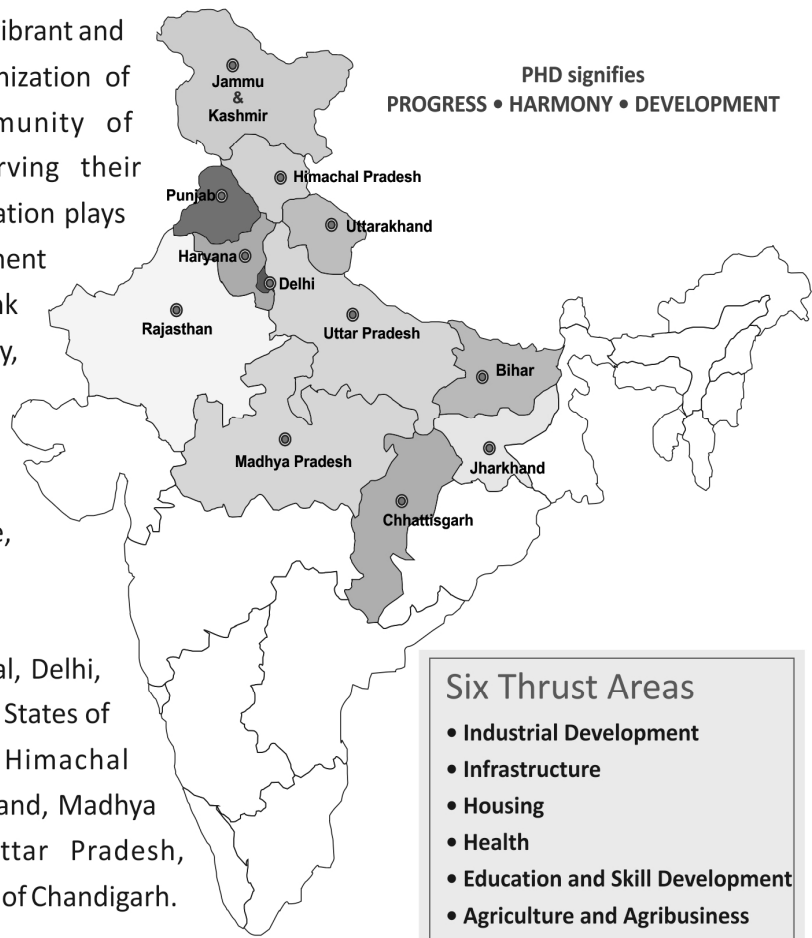
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