

Chapter – 3 : City Economic Profile



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GDP-Delhi

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CHAPTER - 3 CITY ECONOMIC PROFILE

3.1 INTRODUCTION

Delhi is rapidly emerging as a world-class metropolis. With a 15% average compounded growth rate, it has one of the fastest growing economies in the country, among cities with million plus population. As with all metros, Delhi's economy is driven by the services sector, which accounts for 78% of its GSDP and provides employment to 58% of the labour force.

The growing affluence of its populace is reflected by the relatively high per capita income, which at Rs. 47,477 in 2002-03 ranks second only to Chandigarh. Its literacy rate of 81.82% (as per census 2001) is fourth highest among states in the country. At the same time, this affluence acts as a magnet for immigration from neighboring states and drives the rapid growth in the City's population. As per the 2001 census the City had a decadal growth rate of 46.31% over 1991, which was more than double the All India growth rate.

On the one hand the growing population, coupled with the growing per capita income is fuelling the growth of the services sector, which in turn provides employment to a majority of the work force. The high proportion of immigration also provides a ready pool of resources for the unorganized sector of the City, which constitutes a significant portion of the overall economy of Delhi.

However, it is necessary to study the various aspects of the economy to understand the dynamics further and formulate a coherent strategy for the future.

3.1.1 Economic Planning

Economic planning for Delhi is presently undertaken at the State level, by the Planning Department of the Govt. of National Capital Territory of Delhi. This section takes a quick look at the economic planning agendas over the last few years, and the present trends.

Of the Rs. 15,541.28 crore approved by the Planning Commission as plan outlay for the 9th Five Year Plan for Delhi, the tentative expenditure in the 9th Five Year Plan would be about Rs. 13,469.68 crore. It is about 87% of the original approved outlay.

The details of outlay and expenditure during Annual Plans under the 9th Five Year Plan are presented below in Table 3.1:

Table 3.1: Details of outlay & expenditure during Annual Plan under 9th Five Year Plan

(in Crores)				
S. No.	Annual Plan	Allocation of Plan Outlay	Revised Estimate	Expenditure
1.	1997-98	2331.73	2073.00	1978.31
2.	1998-99	2700.00	2365.86	2054.56

S. No.	Annual Plan	Allocation of Plan Outlay	Revised Estimate	Expenditure
3.	1999-2000	3000.00	2500.00	2298.20
4.	2000-2001	3300.00	3300.00	3129.11
5.	2001-2002	3800.00	4200.00	4009.50

Source: Introduction to the Tenth Five Year Plan 2002-07 document of the GNCTD

During the last two plans (8th & 9th), Infrastructure areas like Energy, Transport, Urban Development and Water Supply received a majority of the funding, indicating the focus of the Govt. on Urban Infrastructure, which required major up gradation, driven by the rising population and expectations. Table 3.2, given below, shows the investments in each of the priority sectors.

Table 3.2: Priorities Sectors of Eighth Five-Year Plan & Ninth Five-Year Plan
(Rs. in crore)

S. No.	Name of the Sectors	8 th Five Year Plan (1992-97) Expn.	9 th Five Year Plan (1997-02) Outlay	9 th Five Year Plan Anticipated Expn.	10 th Plan Outlay (2002-07)
1	Transport	851.94	3158.40	2260.69	5446.71
2	Energy	1549.40	3046.55	3589.70	3457.50
3	Urban Development	966.11	2070.75	1998.07	2940.25
4	Water Supply	895.30	2540.00	1896.88	3766.00
5	Medical & Public Health	407.36	1101.40	1032.31	2223.50
6	Education (Gen. & Tech.)	609.18	1080.75	1132.15	1840.00
7	Social Welfare	34.82	108.60	133.70	322.50
8	Welfare of SC/ST/OBC	38.48	87.25	36.50	158.00
9	Others	855.73	2347.58	1389.65	369.29
	Grand Total	6208.32	15541.28	13469.68	20523.75

Source: Introduction to the Tenth Five Year Plan 2002-07. Document of the GNCTD

The Tenth Plan outlay has been made based on various studies done by the concerned Departments and the 20 year perspective "Delhi Urban Environment and Infrastructure Improvement Project (DUEIIP) - 2021" formulated with the Ministry of Environment & Forest, Gol. The outlays for the priority sectors under this plan indicate a continued emphasis on the infrastructure aspects that characterized the previous plans, as shown in the table above.

3.2 ECONOMIC PROFILE

3.2.1 City GDP - Growth and Sectoral contributions

This section provides a review of the present position of the City Economy.

Estimates at Current Prices

Delhi has a strong and vibrant economy. Gross State Domestic Product at current prices was to the tune of Rs. 66,866 crores during 2001-02 depicting a 7.0% growth over the previous year (Table 3.3). Quick estimates at Rs. 74,474 crores for 2002-03 indicate 11.4% growth at current prices. Net State Domestic Product at current prices for the year 2002-03 is estimated to touch Rs. 68747 crores indicating a growth of 11.6% over the previous year (Table 3.4)

Table 3.3 - Percentage Growth over previous year

	1999-00	2000-01	2001-02	2002-03
GSDP				
1. At Current Prices	11.4	18.2	7.0	11.4
2. At 1993-94 Prices	4.6	13.6	4.2	7.9
NSDP				
1. At Current Prices	11.8	18.8	7.0	11.6
2. At 1993-94 Prices	4.6	14.2	4.2	8.1

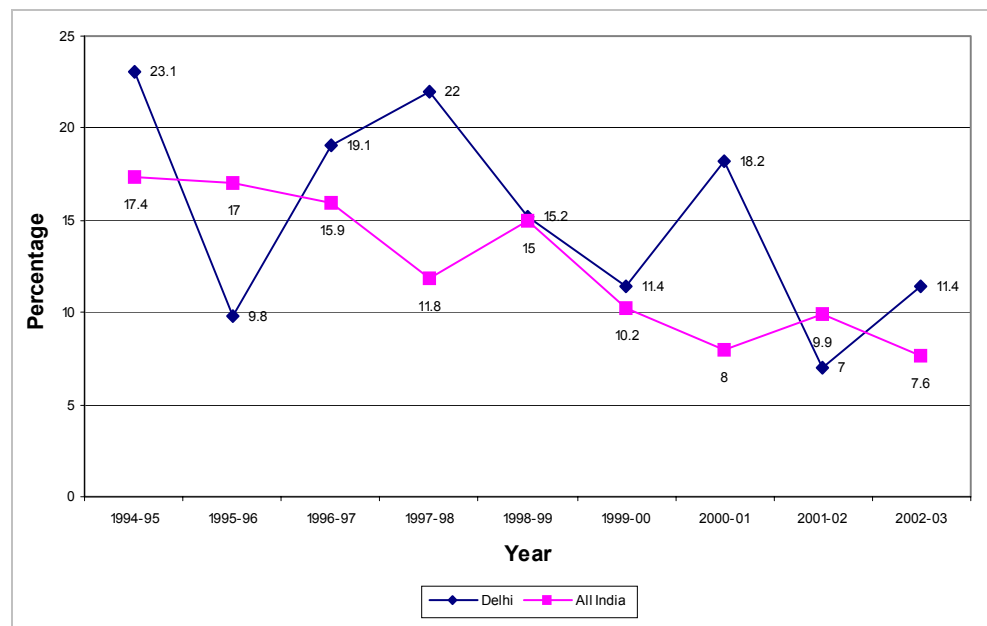
Source: Economic Survey of Delhi 2003-2004

Estimates at 1993-94 Prices

GSDP at 1993-94 prices was estimated at Rs. 40,900 crores for 2001-02 indicating a real growth of 4.2% over the previous year (Table 3.5). However real annual growth for the year 2002-03 (Rs. 44,135 crores) is expected to be 7.9% as compared to 4.0% at the national level. NSDP at 1993-94 prices was estimated at Rs. 37,366 crores with 4.2% annual growth for the year 2001-02. However the annual growth for 2002-03 (Rs. 40,396 crores) is expected to be at 8.1% (Table 3.6).

The real growth in sectoral GSDP for 2002-03 is expected to be -2.0% in the primary sector, 6.4 % in the secondary sector and 8.5 % in the tertiary sector.

Figure 1 - Year-Wise Growth of GDP at Current Prices



Source: Economic Survey of Delhi 2003-2004

3.2.2 Trends

Gross State Domestic Product of Delhi, at current prices, estimated at Rs. 74,474 crores during 2002-03, has shown an annual compound growth rate of 15.11% over the estimate of Rs. 20,992 crores in 1993-94. Similarly, annual compound growth rate at 1993-94 prices has been 8.61% for the corresponding period.

The Net State Domestic Product at current prices for 2002-03 has been estimated of Rs. 68,747 crores, indicating an annual compound growth rate of 15.38% over the corresponding estimate of Rs. 18,967 crores in 1993-94. At 1993-94 prices, NSDP is projected at Rs. 40,396 crores in 2002-03 registering an annual compound growth rate of 8.76 %. The comparative picture of Delhi vis-à-vis All India is depicted below:

Table 3.4: Annual Compound Growth (Between 1993-94 & 2002-03)

	DELHI	ALL INDIA
GSDP/GDP		
1. At Current Prices	15.11%	12.47%
2. At 1993-94 Prices	8.61%	5.98%
NSDP/NNP		
1. At Current Prices	15.38%	12.5%
2. At 1993-94 Prices	8.76%	5.89%

Source: Economic Survey of Delhi 2003-2004

Per Capita Income

According to the present series, the per capita income of Delhi at current prices is projected at Rs. 47,477 in 2002-03 compared to Rs. 43,751 in 2001-02. The annual growth rates for 2001-02 is 3.2% respectively. Quick Estimates indicate an annual growth of 8.5% during 2002-03.

The per capita income of Delhi at 1993-94 prices is projected at Rs. 27,898 in 2002-03 compared to Rs. 26,550 in 2001-02, registering an annual growth of 5.1 %. However in real terms per capita income at National level has been estimated at Rs. 10,964 during 2002-03 (CSO Estimates)

Delhi's per capita income is more than double the national average, both at current and constant prices as indicated below:

Table 3.5: Per Capita Income (in Rs.)

	1993-94	2001-02*	2002-03#	A.C.G.R. 1993-94 to 2002-03
At Current Prices				
Delhi	18,166	43,751	47,477	11.26%
All India	7,690	17,947	18,912	10.52%
At Constant (1993-94) Prices				
Delhi	18,166	26,550	27,898	4.88%
All India	7,690	10,774	10,964	4.02%

N.B.: * - Provisional, # - Quick, ACGR - Annual Compound Growth Rate.

Source: Economic Survey of Delhi 2003-2004

3.2.3 Main Sectors and trends - Employment and Revenue

This section provides a review of the present position and trends in the income and employment generation potentials for the three main sectors of the City Economy.

States / UT Wise Position

Table 3.6 provides the provisional results of the fifth economic census in States / UTs in respect of key features. NCT of Delhi has secured a share of 1.79% in enterprises and 4.12% in terms of employment in the total for the country.

Table 3.6: Key Features of the Economy

Parameters	Delhi	All India	Position
Total Enterprises	753,795	42,123,849	16
- Share of All India	1.79%		
Average Annual Growth Rate:			
- Enterprises	1.36	4.8	33
- Employment	2.21	2.49	18
Percentage Enterprise Employing 10+ persons	2.7%	1.4%	10
Percentage of Enterprises in non-Agri Business	99.3%	84.7%	1
Total Employment	4,080,033	98,967,642	11
- Share of All India	4.12%		
Hired Workers Percentage	76.6%	52.4%	6
Female Workers Percentage	10.5%	19.3%	34

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

Sectoral Review

The analysis of sectoral growth in Gross State Domestic Product at current prices reveals that contribution of primary sector comprising of agriculture, livestock, forestry, fishing, mining & quarrying and also the secondary sector comprising of manufacturing, electricity, gas, water supply and construction is decreasing. On the contrary, the tertiary sector, also called the service sector, comprising of trade, hotels and restaurants, transport, storage, communication, financing & insurance, real estate, business services, public administration and other services, is the major contributor to the economy of Delhi, increasing regularly.

The contribution of primary the sector, which was 3.85 % during 1993-94, has come down to 1.13% in 2002-03. Similarly the contribution of the secondary sector recorded at 25.20% in the base year has also declined to 21.90% in 2002-03. On the other hand, the contribution of the tertiary sector which worked out to 70.95% in 1993-94 has increased to 76.97% in 2002-03.

A comparative picture regarding the shift in sectoral composition of GSDP in Delhi is available in Table 3.7 below.

NCR Review:

The industrial activities in NCR have been developing over a span of more than three decades during which substantial structural changes have taken place. Industrial development in NCR, to a large extent, is characterized by the 'Scale Factor' i.e developments could be easily characterized in terms of large and medium units, small scale industries and development in tiny unorganized units.

Table 3.7 - Sectoral Growth of Economy at Current Prices

(in Rs. Lakhs)

Sector	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Primary	76,757	80,465	82,601	79,912	84,361	84,452
Secondary	889,763	878,711	1,370,739	1,356,687	1,460,876	1,629,390
Tertiary	3,781,896	4,349,952	4,821,690	5,380,169	5,940,281	6,668,633
Gross State domestic product	4,748,416	5,300,965	6,273,293	6,818,546	7,480,683	8,382,475

Sectoral composition of Gross State Domestic Product at 1993-94 prices also indicates the same trend as that of current prices but with slight variations in percentages. During 2002-03 contribution of the primary, secondary and tertiary sector was 1.17%, 22.54% and 76.29% respectively.

Table 3.8 - Sectoral Composition of GSDP in Delhi

(in Percentage)

Sector	1993-94	2000-01		2001-02		2002-03	
		Current	Constant	Current	Constant	Current	Constant
Primary	3.85	1.29	1.37	1.23	1.29	1.13	1.17
Secondary	25.2	21.92	22.96	22.13	22.86	21.9	22.54
Tertiary	70.95	76.79	75.67	76.64	75.85	76.97	76.29
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Economic Survey of Delhi 2003-2004

The reasons for the shift in the sectoral composition of the Delhi Economy may be attributed to the rapid urbanization and consequential reduction in agricultural and allied activities on one hand; and substantial increase in activities pertaining to the services sector on the other. Regular monitoring of environmental degradation by different Government agencies on the directives of the Honorable Supreme Court and subsequent closure of polluting industrial units also contributed to the reduction of output of the secondary sector.

NCR Sectoral Review:

The organized industrial sector consisting of the large and medium units and SSI in NCR has developed both in terms of number of units as well as in terms of growth in terms of growth of different industries.

In Haryana Sub-Region, units are manufacturing engineering goods, consisting of metal products and parts, machine tools and electric machinery show highest percentage distribution. Electric machinery, metal products and parts, chemical products and parts, textile products constitute the major sectors in UP Sub-Region. In Rajasthan Sub-Region, metal products and parts, textile products and transport equipments along with chemicals, non-metallic mineral products and basic metal products constitute the major sectors.

3.2.4 Work Participation Rate

This section provides a review of the present position and trends in the employment and distribution of workers based on various parameters including geographical, industry segment, enterprise type, etc.

NCR Review - Worker Participation:

The Central NCR towns, namely, Bahadurgarh, Faridabad, Gurgaon, Gaziabad, NOIDA, with a workforce participation rate of 29.50% in 1991 had a very low proportion of primary workers (5.16%) a moderately high proportion of secondary worker (37.29%) and a high proportion of tertiary workers (57.55%).

The Regional Centers as identified as in the Regional Plan 2001 in totality represented a workforce participation rate of 27.10% in 1991 as compared to 26.6% in 1981.

Distribution of Enterprises

The number of enterprises found to be operating in the geographical boundaries of NCT of Delhi during 2005 was 753,795. Out of them only 27,695 (3.67%) were in rural areas and 726,100 (96.33%) in urban areas. Enterprises have been classified into two broad groups with respect to type of premises viz. Enterprises with premises and without premises (i.e. moving type).

Table 3.9 - Distribution of Enterprises

S.No.	ITEM	RURAL	URBAN	DELHI
A	Enterprise	27695	726100	753795
	<i>Percentage to Total</i>	3.67	96.33	100.00
B	Enterprise Without Premises	6142	90096	96238
	<i>Percentage to (A)</i>	22.18	12.41	12.77
C	Enterprises Employing 10 or more Workers	401	19776	20177
	<i>Percentage to (A)</i>	1.45	2.72	2.68

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

Analysis of related data revealed that out of the total enterprises 87.23% were enterprises operating with fixed premises and rest of the 96,238 enterprises accounting for 12.77% were operating without any fixed premises. About 2.68% of the total enterprises were the found to be employing more than 10 workers.

Break-up of enterprises, as shown in Table 3.10 in terms of the agricultural and non-agricultural type revealed that 5,328 (0.71%) belong to the former category and 748,467 (99.29%) to the latter. There has been a substantial drop in rural enterprises between 1998 and 2005, of over 25%, whereas urban enterprises have shown a growth of over 10% in the same period.

Table 3.10 - Number of Enterprises under 4th & 5th Economic Census

S.No	Item	Fifth Economic Census 2005	Fourth Economic Census 1998	% growth
A	RURAL			
	<i>Agricultural</i>	786	3011	-73.90
	<i>Non-Agricultural</i>	26909	26516	1.48
	<i>Total</i>	27695	29527	-6.20
B	URBAN			
	<i>Agricultural</i>	4542	4122	10.19
	<i>Non-Agricultural</i>	721558	652203	10.63
	<i>Total</i>	726100	656325	10.63
C	DELHI			
	<i>Agricultural</i>	5328	7133	-25.30
	<i>Non-Agricultural</i>	748467	678719	10.28
	<i>Total</i>	753795	685852	9.91

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

Distribution of Number of Persons Usually Working

The total number of persons usually found to be working in the enterprises of Delhi worked out to 4,080,033 persons. The share of rural and urban enterprises with respect to employment was about 1.79% and 98.21% respectively. Out of the total workers, 3,123,667 (76.56%) were hired workers and of the rest, nearly 23.44%, were household workers.

Table 3.11 - Employment under 4th & 5th Economic Census (Number of persons)

S.No	Item	Fifth Economic Census 2005	Fourth Economic Census 1998	% growth
A	RURAL			
	Total persons	73079	85768	(-)14.79
	Non-hired persons	29482	44927	(-)34.38
B	URBAN			
	Total persons	4006954	3415104	17.33
	Non-hired persons	926884	878107	5.55
C	DELHI			
	Total persons	4080033	3500872	16.54
	Non-hired persons	956366	923034	3.61

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

Employment in the Fifth Economic Census when compared to that Fourth economic Census registered an overall increase of about 16.54% during the period 1998-2005. However, there was a drop of nearly 15% in employment in rural areas.

Average Employment

The average number of persons usually working in each enterprise comes to 5.41 persons in Delhi. In Rural Delhi, this average was 2.64 persons per enterprise while in urban areas it was as high as 5.52 persons per enterprise. In comparison to the fourth economic census (1998) the overall average employment per enterprise registered a marginal increase from 5.10 person per enterprise to 5.41 persons in the fifth economic census (2005).

Table 3.12 - Average Employment under Fifth & Fourth Economic Census (Number of persons)

S.No	Item	Fifth Economic Census 2005	Fourth Economic Census 1998
I	AVERAGE EMPLOYMENT		
	RURAL	2.64	2.90
	URBAN	5.52	5.20
	DELHI	5.41	5.10
II	AVERAGE HIRED EMPLOYMENT		
	RURAL	1.57	1.38
	URBAN	4.24	3.87
	DELHI	4.14	3.76

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

The average number of hired persons per enterprise was 1.57 and 4.24 persons for rural and urban areas respectively.

District-Wise Profile

The basic enterprise data is presented district-wise in Table 3.13 below. Based on the Fifth Economic Census, the North-West District with a share of 17.33% in

the total number of enterprises is leading the table. This is closely followed by the South District (14.16%) and West District (13.39%). In the case of employment, the South District with a 16.80% share is in the forefront. It is followed by the North-West District (14.35%) and the West District (11.36%). New Delhi District is ranked least, both in the case of the number of enterprises and employment among the 9 districts for obvious reasons.

Table 3.13 - District- wise numbers of Enterprises with Selected Principal Characteristics

District	District Code	Number of Enterprises					
		Without Premises	With Premises	Agricultural	Non-Agricultural	Total	Having 10 or more workers
North-West	01	21806	108828	792	129842	130634	3826
North	02	5928	73732	338	79322	79660	1283
North-East	03	15929	74748	707	89970	90677	1735
East	04	11142	81014	1454	90702	92156	1837
New Delhi	05	344	12700	53	12991	13044	1866
Central	06	4017	73593	72	77538	77610	1538
West	07	16106	84864	246	100724	100970	2236
South-West	08	7488	54787	1146	61129	62275	1355
South	09	13478	93291	520	106249	106769	4501
Total		96238	657557	5328	748467	753795	20177

Source: Fifth Economic Census - 2005 (Provisional Results), GNCTD

Worker Characteristics

The following Table indicates the estimated distribution of population in Delhi according to the 48th, 55th and 57th rounds (July 2001 to June 2002) of NSS under state sample:

Table 3.14 - Estimated Distribution of Population

(in lakhs)

S. No.	Particulars	48th Round (Jan.-Dec. 1992)	55th Round (July 1999-June 2000)	57th Round (July 2001 to June, 2002)
1	Employed	32.61 (33.04%)	38.94 (29.29%)	41.75 (29.93%)
2	Unemployed	1.96 (1.99%)	5.59 (4.20%)	2.95 (2.12%)
3	Labour Force (1+2)	34.57 (35.02%)	44.54 (33.49%)	44.70 (32.05%)
4	Out of Labour Force	64.14 (64.98%)	88.44 (66.51%)	94.80 (67.95%)
5	Estimated Population (3+4)	98.71 (100.00%)	132.98 (100.00%)	139.50 (100.00%)
6	Percentage of unemployed person to Labour Force	5.67	12.55	6.60

Note: Household Consumer Expenditure in Delhi (Based on NSS 57th Round 2002)-Dept. of Eco. & Stats)

From the above Table it may be seen that while the total number of persons as well as the labour force increased in absolute terms, there was a decrease in relative terms from 34.57 lakh in (48th Round) to 44.54 lakh (55th Round) and 44.70 lakh in 57th Round (2002).

The distribution of the work force by type of activities as per 48th round (Jan.-Dec. 1992) and 55th round (July 1999-June 2000) is given in Table 3.15 below.

Table 3.15: Distribution of Workforce by Type of Activities

(in lakhs)			
S. No.	Activities	48 th Round	55 th Round
1	Agriculture	0.92 (2.82)	0.60 (1.54)
2	Mining	-	-
3	Manufacturing	7.84 (24.04)	8.78 (22.55)
4	Electricity, Gas, Water etc.	0.09 (0.28)	0.11 (0.29)
5	Construction	1.78 (5.46)	2.26 (5.78)
6	Trade, Hotel, and Restaurants	6.85 (21.01)	11.31 (29.05)
7	Transport, Communication etc.	2.59 (7.94)	2.91 (7.47)
8	Finance and Business Activities	1.53 (4.69)	2.49 (6.40)
9	Public Admn., Education, Health etc.	11.01 (33.76)	10.48 (26.92)
	Total	32.61 (100.00)	38.94 (100.00)

Note: Figures in brackets indicate percentages

From the above table it may be seen that as per the 55th Round of NSS (2000), the major sources of employment in Delhi are Trade, Hotels and Restaurants (29.05%) followed by Public Administration, Education, Health etc. (26.92) and Manufacturing (22.55%)

The status-wise distribution of work force as per 48th round (1992), 55th round (2000) and 57th round (2002) of NSSO Surveys, given in Table 3.16 shows that out of the total work-force, the number of self-employed persons increased from 13.05 lakh (33.51%) in 55th round to 14.61 (35.00%) lakh in the 57th round. The regular/wage salaried persons increased from 22.91 lakh (58.84%) in 55th round (2000) to 25.21 lakh (60.38%) in 57th round (2002).

Table 3.16: Distribution of Workforce

(in lakhs)										
S. No.	Description	Urban			Rural			Total		
		48 th	55 th	57 th	48 th	55 th	57 th	48 th	55 th	57 th
1	Self-employed	10.00	11.91	14.17	1.22	1.14	0.44	11.31 (34.68%)	13.05 (33.51%)	14.61 (35.00%)
2	Regular / Wage Salaried	17.11	20.87	22.88	1.61	2.04	2.33	18.72 (57.41%)	22.91 (58.84%)	25.21 (60.38%)
3	Others / Casual Wage Labourers	2.41	2.71	1.86	0.17	0.27	0.07	2.58 (7.91%)	2.98 (7.65%)	1.93 (4.62%)
4	Total Work Force	29.61	35.49	38.91	3.00	3.45	2.84	32.61 (100.00%)	38.94 (100.00%)	41.75 (100.00%)

Source: Annual Plan On Manpower & Employment 2005-06, Manpower & Employment Office, Planning Department, GNCTD

Informal Sector

The informal sector contributes significantly in generation of employment and income. Of the total of 17.45 lakh persons employed in 8.38 lakh enterprises in the informal sector during June 1999 -July 2000, 8.50 lakh (48.72%) were employed in trading activities. Manufacturing sector accounts for 4.12 lakh persons (23.60) followed by other service sectors.

Organized Sector

As per the Employment Market Information (EMI) of Dept. of Employment, Govt. of NCT of Delhi, employment in the organized sector declined slightly from 8.45 lakh in March 1998 to 8.39 lakh in March 2004.

Unemployment

According to the results of 48th & 55th Rounds of NSSO conducted during 1992 and 1999-2000, 1.96 lakh and 5.59 lakh persons were found to be unemployed during the period (Table No. 3.14). As per NSS 57th Round conducted during 2002, 2.95 lakh persons were found unemployed.

Table 3.17 - Distribution of Unemployed Persons by Level of Education Attained

S. No.	Education Level	Male	Female	Total	% of Total
1	Illiterate	32525	57563	90088	16.11
2	Literate+ Primary	50080	36989	87069	15.57
3	Middle	51183	43708	94891	16.97
4	Secondary	61074	41804	102878	18.40
5	10+2	26114	39980	66094	11.82
6	Graduate & Others	47912	70198	118110	21.13
	Total	268888	290242	559130	
	% of Total	48.09	51.91	100.00	100.00

Source: Annual Plan on Manpower & Employment 2005-06, Manpower & Employment Office, Planning Department, GNCTD

From the above table it may be seen that out of the total unemployed persons, graduates and others constitute 21.13%; followed by those educated up to secondary level (18.40%). Educated unemployed persons constitute 83.89% of the total estimated unemployed persons in Delhi during 2000.

3.3 PRIMARY SECTOR

The Primary sector has seen a steady decline in terms of share in the GSDP. This is to be expected as rural and agricultural lands are developed to cater to the rapid urbanization of the city. A quick snapshot of the income of the various types of enterprises in this sector is given in the table below.

Table 3.18 - Net Income and Growth in the Primary Sector

(in Rs. Lakhs)

S.No.	INDUSTRY	1993-94*	1994-95*	1995-96*	1996-97*	1997-98*	1998-99*	1999-00*	2000-01*	2001-02**	2002-03§	CAGR
A.	PRIMARY SECTOR (1+2)	79529	46656	38882	39012	55246	74913	70429	78874	80138	81985	0.34%
1	Agriculture and Allied Activities	78506	46241	38786	38959	55100	74856	70289	78161	79763	81606	0.43%
1.1	Agriculture & Live Stock	77063	44483	36955	37040	52696	72401	68166	76231	78405	80562	0.49%
1.2	Forestry & Logging	94	107	113	122	139	182	188	190	193	200	8.75%
1.3	Fishing	1349	1651	1718	1797	2265	2273	1935	1740	1165	844	-5.08%
2	Mining & Quarrying	1023	415	96	53	146	57	140	713	375	379	-10.45%

Source: Economic Survey of Delhi 2003-04

The sector has been more or less stagnant over the last 10 years.

3.4 SECONDARY SECTOR

The Secondary sector has seen a steady decline in terms of its share of GSDP. One of the major factors was the policy of shifting polluting industries out of the NCT area. This has led to a general slow down in industrial activity as can be seen from the chart below. However, the major factor of growth in this sector has been the performance of the construction industry, which at 21.39% CAGR is the highest in all the industrial segments. A quick snapshot of the income of the various types of enterprises in this sector is given in table 3.19 below:

Table 3.19 : Net Income and Growth in the Secondary Sector

(in Rs. Lakhs)

S.No.	INDUSTRY	1993-94*	1994-95*	1995-96*	1996-97*	1997-98*	1998-99*	1999-00*	2000-01*	2001-02**	2002-03\$	CAGR
B.	SECONDARY SECTOR (3+4+5)	471863	634445	524052	556929	786138	773705	753553	1225504	1325443	1463417	13.40%
3	Manufacturing	315472	466591	362598	356976	418364	445704	472717	543986	590307	645807	8.29%
3.1	Mfg. Registered	136956	247555	164401	163114	191318	205911	231697	241937	263564	289657	8.68%
3.2	Mfg. Un-Registered	178516	219036	198197	193862	227046	239793	241020	302049	326743	356150	7.98%
4	Electricity, Gas & Water Supply	19590	12191	-8956	-12064	33562	-8799	-14124	30612	32469	34839	6.61%
5	Construction	136801	155663	170410	212017	314212	336800	294960	650906	702667	782771	21.39%

Source: Economic Survey of Delhi 2003-04

3.4.1 Industry

During the Annual Survey of Industries (ASI) in 2003-04, there were 3193 factories in the organized sector. The primary characteristics of these industries have been shown below in Table 3.20

Table 3.20: Important characteristics of the organised industrial (Factory) sector during 2003-2004

S No	Characteristics	Unit	2003-2004
1	Factory Working	Number	3193
2	Fixed Capital	Rs. in lakh	209862
3	Working Capital	“	300962
4	Productive Capital	“	510825
5	Invested Capital	“	465851
6	Outstanding Loans	“	180601
7	Man days worked (E)	No. in lakh	339
8	Workers	Number	90923
9	All Employees	Number	128649
10	Wages to Workers	Rs. in lakh	40910
11	Total Emoluments	“	98350
12	Total Input	“	1347671
13	Total Output	“	1593045
14	Gross Value added	“	214126
15	Depreciation	“	31248
16	Net Value added	“	182878
17	Factor payments (Rent paid + Interest Paid)	“	288963
18	Net income	“	185163

Organised Industry

S.No	Type of Organisation	No. of Factories Covered		
		Census	Sample	Total
1	Individual Proprietorship	36	953	989
		15.06%	32.26%	30.97%
2	Joint Family (HUF)	0	26	26
			0.88%	0.81%
3	Partnership	74	1001	1075
		30.96%	33.89%	33.67%
4	Public Limited Company	50	103	153
		20.92%	3.49%	4.79%
5	Private Limited Company	79	871	950
		33.05%	29.49%	29.75%
6	Govt. Deptt. Enterprises	0	0	0
7	Public Corporation	0	0	0
8	Co-operative Societies	0	0	0
9	Others	0	0	0
	TOTAL	239	2954	3193
		100%	100%	100%

The summary results revealed that during the reference period of ASI 2003-2004, a larger number of factories were engaged in manufacturing of wearing apparel, dressing and dying of fur (17.71%); followed by manufacture of fabricated material product except machinery (8.55%); manufacture of machinery and equipment (8.49%); and manufacture of rubber and plastic product (6.66%); manufacture of publishing, printing and reproduction of recorded media (6.42%) These five industries together account for 45.7 percent of the total working factories, provide employment to 58.24 percent of the total employees and utilize 51.98 percent of fixed capital stock. Their share in the gross value of output and net value added by manufacture were 37.33 and 44.84 percent respectively.

The study during the Annual Survey of 2002-03 reveals that:

- Factories under the group 'partnership' numbering 1075 (33.67 %) were the highest in the factory sector; followed by individual proprietorship-989 (30.97%); Private Limited Company-950 (29.75%); Public Limited Company-153 (4.79%); Joint Family (HUF)-26 (0.81%) in that order.
- In the Census Sector, Pvt. Ltd. Companies number 79 (33.05%), Partnerships-74 (30.96%), Public Limited Company-50 (20.92%), Individual Proprietorship-36 (15.06%) and other organisation as Joint Family (HUF), Govt. Dept., Public Corporation & Co-op Society are Nil.

The **Census Sector** consists of the following categories:

 - Units having 100 or more workers and
 - All factories covered under Joint return and contributing significantly in terms of GVA.

Sample sector: All industrial units of the entire ASI frame minus the Industrial units of the Census Sector will form the sample sector.
- The pattern in the Sample sector, however was slightly different i.e. Partnership 1001 (33.89%) occupied the top position, followed by Individual Proprietorship 953 (32.26%), Private Ltd. Company 871 (29.49%), Public Ltd. Company 103 (3.49%), Joint Family (HUF) 26 (0.88%) in that order.

Household Industries

The "Report on Unorganised Service Sector in Delhi", based on the data collected during the 57th NSS survey, indicates that nearly 69.25% of the total enterprises in the unorganized service sector in Delhi were household

enterprises, employing about 2.21 lakh workers. As per the 4th Economic Census, the total number of Own Account Enterprises (OAE), which are the same as household enterprises, is 329,190. Of this, Retail Trade accounted for a whopping 135,398 followed by Transport at 34,991 and Manufacturing & Repair at 34,659.

Unorganized Industry

The pattern of enterprises and employment in the unorganized industrial sector is very similar to that of the organized sector. Here too the manufacturing of wearing apparel, dressing and dying of fur has the largest representation with 27.42% followed by manufacture of fabricated metal at 13.93% and manufacture of furniture at 10.82%. These sectors also provided the highest employment with 30.22%, 10.14% and 9.65%, respectively.

Table 3.21: Distribution of Enterprise and Employment by Type in the Unorganized Sector

Description	DELHI					
	Enterprises		Rank	Employment Generated		Rank
	Number	Percentage		Number	Percentage	
Manufacture of Wearing Apparels; Dressing & Dyeing of Fur	52168	27.42	1	239948	30.22	1
Manufacture of Fabricated Metal Products, Except Machinery & Equipment	26499	13.93	2	80515	10.14	2
Manufacture of Furniture; Mfg. NEC	20586	10.82	3	76646	9.65	3
Manufacture of Food Products & Beverages	17986	9.45	4	56084	7.06	5
Manufacture of Textiles	15898	8.35	5	75273	9.48	4
Manufacture of Rubber & Plastics Products	9520	5	6	38023	4.79	6
Manufacture of Paper & paper Products	6873	3.61	7	27608	3.48	8
Publishing, Printing & reproduction of Recorded Media	5454	2.87	8	22054	2.78	10
Manufacture of Machinery & Equipment	5254	2.76	9	29520	3.72	7
Manufacture of Electrical Machinery & Apparatus	4549	2.39	10	26820	3.38	9
Tanning & Dressing of Leather: Mfg. Of Luggage, Handbags, Footwear etc.	4133	2.17	11	18605	2.34	12
Manufacture of Basic Metals	3968	2.09	12	17550	2.21	14

Description	DELHI					
	Enterprises		Rank	Employment Generated		Rank
	Number	Percentage		Number	Percentage	
Manufacture of Motor Vehicles, Trailers & Semi-Trailers	3615	1.9	13	17866	2.25	13
Manufacture of Radio, Television & Communication Equipment & Apparatus	3148	1.65	14	21480	2.7	11
Manufacture of Wood Products	2869	1.51	15	8261	1.04	17
Manufacture of Chemicals & Chemical Products	2707	1.42	16	14711	1.85	15
Manufacture of Medical, Precision & optical Instruments, Watches & Clocks	2606	1.37	17	10098	1.27	16
Manufacture of Other Transport Equipment	1250	0.66	18	6560	0.83	18
Manufacture of Other Non-Metallic Mineral Products	704	0.37	19	3106	0.39	19
Recycling	378	0.2	20	3004	0.38	20
Manufacture of Office, Accounting & Computing Machinery	94	0.05	21	209	0.03	21
Manufacture of Tobacco Products	18	0.01	22	117	0.01	22
Total	190277	100		794058	100	

Source: Report on Unorganised Manufacturing Activities in Delhi, 56th Round

3.5 TERTIARY SECTOR

The tertiary sector, accounting for 76% of the GSDP of Delhi, is also the fastest growing. Banking & Insurance and the Real Estate & Business Services showed the highest growth rates at 20.17% and 17.22% CAGR between 1993-94 and 2003-04. Overall the sector growth at 16.53% was the highest of all the 3 sectors.

Table 3.22 Net Income and Growth in the Tertiary Sector (in Rs. Lakhs)

S.No.	INDUSTRY	1993-94*	1994-95*	1995-96*	1996-97*	1997-98*	1998-99*	1999-00*	2000-01*	2001-02**	2002-03\$	CAGR
C.	TERTIARY SECTOR (6+7+8+9)	1345343	1660286	1980490	2446108	2919758	3488257	4023085	4452236	4751920	5329255	16.53%
6	Trade, Hotels & Restaurants	420289	572785	611804	722763	806825	946376	994567	1211994	1266119	1362344	13.96%
7	Transport, Storage & Communications	170174	210362	224375	261149	322919	377702	396055	474827	528220	584614	14.70%
7.1	Railways	9475	10594	13563	14849	18957	20785	19472	23438	27940	31293	14.20%
7.2	Transport by Other Means	102070	127805	131687	151327	195157	227075	244171	293566	320289	364489	15.19%
7.3	Storage	1139	762	854	953	971	1122	1065	1249	1339	1247	1.01%
7.4	Communications	57490	71201	78271	94020	107834	128720	131347	156574	178652	187585	14.04%
8	Fin., Ins., Real Estate /Business Services	470366	547770	757035	997620	1219205	1430247	1809634	1852332	1959563	2288154	19.22%
8.1	Banking & Insurance	308105	364538	558895	781352	979445	1074721	1334809	1305444	1354248	1610201	20.17%
8.2	Real Estate/Own. Dwelling & Busi. Services	162261	183232	198140	216268	239760	355526	474825	546888	605315	677953	17.22%
9	Community, Social & Personal Services	284514	329369	387276	464576	570809	733932	822829	913083	998018	1094143	16.14%
9.1	Public Administration	93717	104794	124878	152523	201091	236971	280714	288323	314882	345426	15.60%
9.2	Other Services	190797	224575	262398	312053	369718	496961	542115	624760	683136	748717	16.41%
		1896735	2341387	2543424	3042049	3741142	4336875	4847067	5756614	6157501	6874657	15.38%

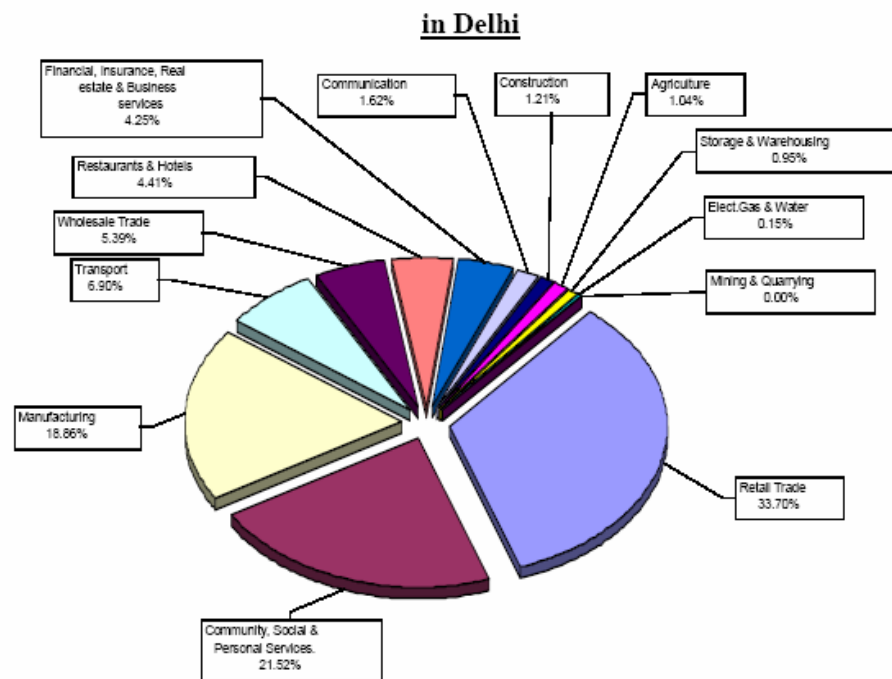
Source: Economic Survey of Delhi 2003-04

The major industries under this sector, in terms of income are Banking & Insurance and Trade, Hotels & Restaurants at 30.21% and 25.56% respectively as per the figures shown above for 2002-03. Other areas of potential growth include Real Estate and Other Services.

3.5.1 Trade, Hotels & Restaurants

Trade, along with Hotels & Restaurants accounts for over 43.5% of the total enterprises in Delhi and contributes to nearly 20% of its GSDP. The figure below shows the breakup by enterprise group. This sector has been growing at a near 14% CAGR between 1993-94 and 2002-03.

Percentage Distribution of Enterprises By Major Economic Activity Groups



As per the Fourth Economic Census, there were 268,091 enterprises under the Trade classification, which employed a total of 694,034 persons. Of this Retail Trade accounts for the highest number in terms of enterprises and employment.

3.5.2 Retail Trade

The Retail Trade sector accounts for 33.7% of the enterprises in Delhi. A majority of the enterprises in this sector are in the unorganized category accounting for 135,398 enterprises against 95,735 in the organized category. These enterprises provide employment to 535,887 persons.

3.5.3 Banking, Insurance, Real Estate & Business Services

Banking, Insurance, Real Estate & Business Services accounts for only 4.25% of the total enterprises in Delhi though it contributes to over 33% of its GSDP. This sector has been growing at over 19% CAGR between 1993-94 and 2002-03.

As per the Fourth Economic Census, there were 29,153 enterprises employing a total of 207,465 persons.

3.5.4 Unorganised Trade

As per the report on Unorganised Sector in Delhi (based on NSS 57 during 2001-02) the total numbers of enterprises operating in NCT of Delhi and falling within the purview of unorganised service sector were estimated as 244,873.

Out of them, 11,467 (4.68%) were in rural areas while 233,406 (95.32%) were operating in urban areas. Of these, 169,577 (69.25%) were household enterprises (OAE) operating without any hired labour and 75,296 (30.75%) were establishments with at least one hired worker.

In Delhi, Community / Social / Personal service activities, including other transport accounted for 22.57% followed by Real estate, Renting and Business activities with 14.38% share while Restaurants contributed 14.06%. These three categories taken together contributed for more than 50 percent of the total number of enterprises.

3.5.5 Estimated Employment

The total employment provided by the un-organised service sector enterprises was about 5.92 lakhs. Out of the total employment, 15,885 persons (2.68%) were employed in rural enterprises while 575,909 persons (97.32%) were employed in the enterprises operating in urban Delhi.

Household enterprises (OAE's) employed about 2.21 lakh persons, (37.36%) whereas 3.71 lakh persons (62.74%) were gainfully employed in establishments. Out of the total persons employed 47.86% were working owners, 47.03% hired workers and the rest of 5.11% fall in the category of other workers which includes un-paid house hold workers, helpers etc. Of these, female employees accounted for only 15.5%.

The average employment of own account enterprises stood at 1.3 persons and in establishments this was as high as 4.93 persons, though out of the total of 278,335 hired workers, more than 70% were found to be skilled.

Enterprises dealing with Community/Social/Personal services etc accounted for 19.44% followed by Health & Social Work with 16.12 %, and Restaurants which contributed 15.62 % of the total employment. These enterprises taken together provide employment to more than 50 % of the persons employed in this Sector.

3.5.6 Financial Indicators

Delhi has recorded the highest combined Gross Value Added per worker as well as per enterprise among 35 States / UTs in the country.

The Gross Value Added per annum, per enterprise, in the unorganised service sector was Rs. 1.52 lakhs. The Value Added per worker in this sector was estimated as Rs. 62,998 per year. Value added per worker in OAE's was Rs. 37,844 and that of establishments was Rs. 77,939 per annum. The Value Added per worker was relatively high in enterprises located in urban areas (Rs. 63,770) as compared to that of (Rs. 35,011) enterprises located in rural areas.

About 20.03% of these enterprises were expanding, 52.61% were stagnant, 10.93% were contracting as per the assessment of the entrepreneurs.

3.5.7 Other Features

About 25.30% of these enterprises were household based. 57.93% have independent premises outside the household and 16.77% were mobile / hawkers type. Of these, 94.28% enterprises were proprietary in nature. The major problems faced by the entrepreneurs included shortage of capital (16.42%), local problems (13.64%), competition from other units (13.35%) and power cuts (10.14%).

The share of enterprises found registered under some authority or act was 93.25% among Own Account enterprises and 91.17% among establishments. Only 3.14% of the enterprises in Delhi have availed any type of assistance.

3.6 ISSUES

Overall the economy of Delhi appears to be on a pretty sound footing. The growth rate and the sectoral trends are quite in line with global trends for very large cities. However, there are a few points of concern. The major points include:

1. The comparatively large influx of low quality manpower from neighboring states could skew the skill level available.
2. The lack of focus on major value-add sectors like Software, BPO, Communications and Biotechnology is likely to lead to a situation where the Value-Add per employee / enterprise would be affected adversely. It is ironic that these sectors which have established a strong presence and a fast growth trajectory in the NCR towns like Gurgaon and NOIDA, yet have to make much headway in Delhi.
3. The highly skewed sex ratio in the employment sector, with 15% females in the workforce.