PD-ACC-371

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROGRAM MEMORANDUM

FY 1970

INDIA

C — TABLES

DEPARTMENT OF STATE

NOVEMBER 1968

BEST AVAILABLE

AID 1020-13 (4-65) C-1	DATA CURRENT AS OF: August 1968	COOPERATING COUNTRY: INDIA	SECURITY CLASSIFICATION: UNCLASSIFIED	GROSS NATIONAL PRODUCT	C-1

☐ CALENDAR YEAR

☒ FISCAL YEAR
Beginning: April 1
Ending: March 31

I. CURRENT MARKET PRICES — National Currency Units: Rs. crores*

	ACTUAL (1) 19 65/66	(2) 19 66/67	(3) 19 67/68	ESTIMATED (4) 19 68/69
A. GROSS NATIONAL PRODUCT (At Market Prices)	24,273	27,700	32,735	34,325
1. PER CAPITA GNP	496	552	636	651
B. NET FOREIGN BALANCE [INFLOW (+)]	641	1,029	975	934
GOODS AND SERVICES 1. IMPORTS (+)				
GOODS AND SERVICES 2. EXPORTS (-)				
C. TOTAL AVAILABLE RESOURCES	24,914	28,729	33,710	35,259
D. TOTAL CONSUMPTION	21,041	24,709	28,728	30,463
1. PRIVATE	18,665	22,074	25,825	27,447
2. GENERAL GOVERNMENT – ALL LEVELS	2,376	2,635	2,903	3,016
E. TOTAL FIXED INVESTMENT (GROSS)	3,923	4,120	4,352	4,656
1. PRIVATE	1,780	1,949	2,160	2,357
2. PUBLIC ~~ENTERPRISES~~ Sector				
3. GENERAL GOVERNMENT (Excl. Defense)	2,143	2,171	2,192	2,299
F. CHANGE IN STOCKS	- 50	- 100	630	140
G. TOTAL NATIONAL SAVINGS	3,232	2,991	4,007	3,862
1. PRIVATE				
2. PUBLIC ENTERPRISES				
3. GENERAL GOVERNMENT				
H. NET CURRENT TRANSFERS FROM REST OF WORLD				

II. CONSTANT ~~1962~~ 1967/68 MARKET PRICES – MILLIONS OF U.S. DOLLAR EQUIVALENTS
ALL FIGURES CONVERTED AT ~~1962~~ 1967/68 EXCHANGE RATE OF $1 = Rs. 7.50

	(0) BENCH-MARK PER. (AVERAGES) 19 60/61 thru 19 61/62	ACTUAL (1) 19 65/66	(2) 19 66/67	(3) 19 67/68	ESTIMATED (4) 19 68/69	PROJECTED (5) 19 69/70	(6) 19	(7) 19	(8) 19
A. GROSS NATIONAL PRODUCT (At Market Prices)	33,790	38,920	39,507	43,647	45,276	47,772			
1. PER CAPITA GNP	76.96	79.47	78.69	84.83	85.86	88.39			
B. NET FOREIGN BALANCE [INFLOW (+)]	858	1,347	1,372	1,300	1,245	1,274			
GOODS AND SERVICES 1. IMPORTS (+)									
GOODS AND SERVICES 2. EXPORTS (-)									
C. TOTAL AVAILABLE RESOURCES	34,648	40,267	40,879	44,947	46,521	49,046			
D. TOTAL CONSUMPTION	29,924	34,067	35,247	38,304	40,281	42,041			
1. PRIVATE	27,385	30,220	31,389	34,433	36,293	37,795			
2. GENERAL GOVERNMENT – ALL LEVELS	2,539	3,847	3,858	3,871	3,988	4,246			
E. TOTAL FIXED INVESTMENT (GROSS)	4,133	6,280	5,772	5,803	6,057	6,760			
1. PRIVATE	2,161	2,849	2,731	2,880	3,067	3,345			
2. PUBLIC ~~ENTERPRISES~~ Sector									
3. GENERAL GOVERNMENT (Excl. Defense)	1,972	3,431	3,041	2,923	2,990	3,415			
F. CHANGE IN STOCKS	591	- 80	- 140	840	183	245			
G. TOTAL NATIONAL SAVINGS	3,866	4,853	4,260	5,343	4,995	5,731			
1. PRIVATE									
2. PUBLIC ENTERPRISES									
3. GENERAL GOVERNMENT									
H. NET CURRENT TRANSFERS FROM REST OF WORLD									

Not Available

III. TRENDS IN CONSTANT PRICES, INDEXES — 1962 = 100

	(0) BENCH-MARK PERIOD*	ACTUAL (1) 1965/66	(2) 66/67	(3) 67/68	EST. (4) 68/69	PROJECTED (5) 69/70	(6)	(7)	(8)
A. GROSS NATIONAL PRODUCT	100.00	115.18	116.92	129.17	133.99	141.38			
1. PER CAPITA GNP	100.00	103.27	102.26	110.23	111.57	114.86			
B. GOODS AND SERVICES 1. IMPORTS									
B. GOODS AND SERVICES 2. EXPORTS									
D. TOTAL CONSUMPTION	100.00	113.84	117.79	128.00	134.61	140.49			
1. PRIVATE	100.00	110.35	114.62	125.74	132.53	138.01			
2. GENERAL GOVERNMENT	100.00	151.52	151.94	152.47	157.09	167.23			
E. TOTAL FIXED INVESTMENT (GROSS)	100.00	151.94	139.65	140.39	146.55	163.55			
1. PRIVATE	100.00	131.83	126.38	133.25	141.89	154.78			
2. PUBLIC ~~ENTERPRISES~~ Sector									
3. GENERAL GOVERNMENT (Excl. Defense)	100.00	173.97	154.23	148.21	151.62	173.16			
G. TOTAL NATIONAL SAVINGS	100.00	125.52	110.18	138.20	129.20	148.23			

IV. PERCENT OF GNP IN CONSTANT PRICES

	(0) BENCH-MARK PERIOD*	ACTUAL (1) 1965/66	(2) 66/67	(3) 67/68	EST. (4) 68/69	PROJECTED (5) 69/70	(6)	(7)	(8)
D. TOTAL CONSUMPTION	88.56	87.53	89.22	87.76	88.97	88.00			
1. PRIVATE	81.04	77.65	79.46	78.89	80.16	79.11			
2. GENERAL GOVERNMENT	7.52	9.88	9.76	8.87	8.81	8.89			
E. TOTAL FIXED INVESTMENT (GROSS)	12.23	16.14	14.61	13.29	13.38	14.15			
1. PRIVATE	6.40	7.32	6.91	6.60	6.77	7.00			
2. PUBLIC ~~ENTERPRISES~~ Sector									
3. GENERAL GOVERNMENT (Excl. Defense)	5.83	8.82	7.70	6.69	6.61	7.15			
G. TOTAL NATIONAL SAVINGS	11.44	12.47	10.78	12.24	11.03	12.00			

* Same period as used for averages in Section II, Column (0).

V. MARGINAL SAVINGS RATIOS
19__/__ to 19__/__: _____ 19__/__ to 19__/__: _____

VI. INCREMENTAL GROSS CAPITAL/OUTPUT RATIOS
19__/__ to 19__/__: _____ 19__/__ to 19__/__: _____

Exchange Rate in Last Actual Year (Col. (3)) was $1 = Rs. 7.50.

* one crore equals ten millions.

SECURITY CLASSIFICATION: UNCLASSIFIED

Appendix to Table C-1

Sources and Methodology Used in Table C-1

GNP Series

The GOI released revised series of estimates of national product for FYs 1960/61 to 1966/67 a/ in mid-December 1967. The revised series provide estimates of GNP at market prices for the years up to FY 1965/66, and an estimate of GNP at factor cost for FY 1966/67. The methodology adopted in constructing the revised series is fully explained in CSO's (Central Statistical Organization) publication entitled "Brochure on Revised Series of National Product for 1960/61 to 1964/65 (August 1967)".

In absence of CSO's GNP series at market prices for FY 1966/67, the same has been derived by adding an estimate of indirect taxes less subsidies (on the basis of GOI and state budgets) to CSO's estimate of gross national product at factor cost.

The GNP series for the subsequent years are either estimated or projected by making an estimate or a projection of net domestic product at factor cost based on likely growth of individual sectors of the economy, and to these estimates of net domestic product are added the estimated or projected figures for depreciation, indirect taxes less subsidies and, factor income inflow (deduct for factor income outflow) to arrive at the estimate of GNP at market prices.

The estimates of GNP at constant 1967/68 market prices are worked out via price deflator implicit in GNP as given in Table 5.

Net Foreign Balances

The data for FYs 1964/65 to 1969/70 are taken from Table C-4, while data for the earlier years are reconstructed from balance of payments data on the basis of methodology adopted for Table C-4. Net foreign balances at current prices are calculated on the basis of exchange rate prevailing in the individual years; while the constant 1967/68 price series is worked out at the current rate of exchange $1: Rs. 7.50.

a/ Central Statistical Organization, Department of Statistics, Cabinet Secretariat, Government of India: Estimates of National Product (revised series) 1960/61 to 1966/67, October 1967, referred as "White Paper" on national income in the text.

Gross Investment

Public Sector: The estimates of gross fixed investment (including some inventories) at current market prices are derived by adding estimates of depreciation/replacement to the PC's (Planning Commission) data on Plan net investment. Data for Plan investment for the years up to 1968/69 (except for some adjustments for FY 1968/69 on the basis of recent reports) are taken from a Planning Commission's document. The Plan net investment is projected to increase by 13.6 percent in FY 1969/70 on an assumption of recovery in the economy coupled with improved government financial positions and better aid levels will make it possible for the public sector investment to expand by such magnitude. The depreciation/replacement figures for the years up to FY 1964/65 are taken from CSO's "Brochure on Revised Series of National Product for 1960/61 to 1964/65", while figures for FYs 1965/66 and 1966/67 are derived from the estimates of total depreciation/replacement in the economy as given in the "White Paper" on national income. The estimates for FY 1967/68 and 1968/69 are derived on the basis of depreciation/replacement provision for GOI departmental undertakings (including Railways, Post and Telegraph) in the GOI and Railway budgets, and an estimate for other undertakings on the basis of historical trends. The projection for 1969/70 is based on historical trends and relationship between investment growth and depreciation provision.

Private Sector: The estimates of gross fixed investment at current prices are also derived by adding estimates of depreciation/replacement to the estimates of net fixed investment. The sources of data or methodology adopted to make estimates or projection of depreciation/replacement are same as adopted for making estimates or projections for the public sector. Table 1 presents the estimates of net investment (net fixed investment and change in stocks) from FY 1960/61 to 1969/70 and also notes the sources of data and basis for estimates for FYs up to 1966/67. It may be emphasized that the estimates presented herein are rough approximation of the levels of investment activity in the private sector.

The estimated or projected levels of net investment in FY 1967/68 and 1968/69 are related approximately to the domestic absorption of cement and iron and steel products in the private sector in these years and likely levels of corporate investment activity. The implicit estimate for 1967/68 assumes a real increase of approximately 3 percent (8 percent at current prices) over the previous year level, while the increase of 6.2 percent in 1968/69 assumes revival in economic activity as farmers realize larger incomes from 1967/68 crop, and its reflection into better demand levels for investment activity. The trends up to May 1968 as reflected in production data for cement, iron and steel products and agricultural equipment confirm the above statement. The projected

increase of 10.2 percent net fixed investment level in 1969/70 assumes not only continuance of upturn of investment demand on the part of non-corporate sector (investment mostly in agriculture, housing and trade), but also an upturn in investment level in corporate sector with improved profitability rates in the industry.

Table 1: Private Net Investment in the Indian Economy

(Rupees crores, at current prices)

FYs	Domestic Corporate Sector			Private non-corporate sector a/			Private Sector		
	Net Fixed Investment	Changes in Stocks	Total b/	Net Fixed Investment	Changes in Stocks	Total c/	Net Fixed Investment	Changes in Stocks	Total
1960/61	77	160	237	310	240	550	387	400	787
1961/62	145	144	289	356	50	406	501	194	695
1962/63	138	174	312	402	100	502	540	274	814
1963/64	211	131	342	442	180	622	653	311	964
1964/65	230	150	380	460	215	675	690	365	1,055
1965/66	250	50	300	560	-100	460	810	- 50	760
1966/67	300	50	350	600	-150	450	900	-100	800
1967/68	315	160	475	660	300	960	975	460	1,435
1968/69 d/	335	85	420	700	45	745	1,035	130	1,165

a/ Excluding investment financed by transfer of resources from public sector.
b/ Economic Times, November 2, 1964 for years up to 1963/64. Estimated for FYs 1965/66 and 1966/67 on the basis of Corporate Sector balance sheet analysis in Economic Times and Financial Express.
c/ For years up to FY 1962/63, derived from Reserve Bank of India savings study on the basis of implicit relationships cited in the Reserve Bank of India savings study in connection with estimates of self produced capital in the rural and urban sector. Estimates for the subsequent years are related approximately to the domestic availability of cement, iron and steel products for the use of non-domestic corporate sector and behavior response of this sector to inventory levels for agricultural commodities to various levels of output of agricultural commodities.
d/ At 1967/68 prices.

Table 2 details the estimates of gross fixed investment at current prices in the public and private sectors. Table 3 provides the same data at 1967/68 market prices. The estimates of fixed investment at 1967/68 m market prices are worked via the investment cost index.

Total Consumption

Total consumption at current prices is derived by deducting gross investment (gross fixed investment plus changes in stocks) from total available resources.

Government Consumption: The consumption expenditure of government sector consists of compensation to employees (wages, salaries and pension) and net purchase of commodities and services on the part of government administration. The data for years up to FY 1965/66 are taken from Table 6 of the "White Paper" on national income. The consumption expenditures for FYs 1966/67 to 1968/69 are estimated on the basis of consumption expenditures of GOI (as given in GOI publication "An Economic Classification of the Central Government Budget for 1968/69"), and an estimate of consumption expenditures for "other" levels of government on an assumption that consumption expenditures of "other" levels of government are

approximately 77.4 percent (based on 1965/66 ratio) of state governments' expenditures excluding debt service. Table 4 provides the consumption expenditures for all levels of government administration, GOI, and other levels of government.

Table 2

Estimates of Gross Fixed Investment in Public and Private Sectors: FYs 1960/61 to 1969/70

(Rs. crores, at current price)

FYs	Net Investment			Depreciation/ Replacement*			Gross Fixed Investment
	Public Sector @	Private Sector	Total	Public	Private	Total	Total
1960/61	790	387	1177	116	620	736	1913
1961/62	960	501	1461	131	679	810	2271
1962/63	1166	540	1706	160	770	930	2636
1963/64	1439	653	2092	172	819	991	3083
1964/65	1701	690	2391	205	895	1100	3491
1965/66	1914	810	2724	229	970	1199	3923
1966/67	1916	900	2816	255	1049	1304	4120
1967/68	1902	975	2877	290	1185	1475	4352
1968/69 c/	1929	1035	2964	314	1265	1579	4543
1969/70 c/	2191	1159	3350	370	1350	1720	5070

@ Planning Commission's data on plan investment in public sector up to FYs 1968/69. FY 1968/69 figure does not include investment in foodgrains buffer stock, and is adjusted upwards by Rs. 70 crores on account of larger provision in the states' budgets for plan expenditures.

* Figures up to FY 1966/67 are taken from "White Paper" on national income. For the subsequent years, the projections are based on historical relationships between income growth and depreciation/ replacement provisions.

c/ At 1967/68 prices.

Table 3

Estimates of Gross Fixed Investment and Net Fixed Investment at Constant Prices for FYs 1960/61 to 1969/70

(Rs. crores at 1967/68 prices)

FYs	Gross Fixed Investment		Net Fixed Investment		Investment cost index (1967/68 = 100)
	Total	% change from prev. year	Total	% change from prev. year	
1960/61	2895		1781		66.09
1961/62	3304	(+14.2)	2390	(+11.9)	68.74
1962/63	3693	(+11.8)	2390	(+12.5)	71.38
1963/64	4203	(+13.8)	2852	(+19.3)	73.36
1964/65	4593	(+ 9.3)	3146	(+10.3)	76.01
1965/66	4710	(+ 2.6)	3271	(+ 4.0)	83.28
1966/67	4329	(- 8.1)	2959	(- 9.5)	95.17
1967/68	4352	(+ 0.5)	2877	(- 2.8)	100.00
1968/69	4543	(+ 4.4)	2964	(+ 3.0)	
1969/70*	5070	(+11.6)	3350	(+13.0)	

* Net investment is projected to increase by 13 percent.

Table 4

Government Consumption Expenditures
FYs 1960/61 to 1968/69

(Rs. crores at current prices)

FYs	Government a/ all levels	GOI b/	Other levels
1960/61	1100	433	667
1961/62	1223	478	745
1962/63	1480	660	820
1963/64	1916	1003	913
1964/65	2055	1006	1049
1965/66	2376	1109	1267
1966/67	2635	1212 c/	1423 c/
1967/68	2903	1301 d/	1602 d/
1968/69	3016	1359 e/	1657 e/

a/ Vide Table 6 of CSO's "Estimates of National Product (Revised Series)" for years up to FY 1965/66.

b/ GOI, Economic Division, Department of Economic Affairs, Ministry of Finance: An Economic Classification of the Central Government Budget 1968/69 (New Delhi, 1968) and for 1967/68 with accounts for three plan periods (New Delhi, 1967).

c/ Based on "actual" expenditures of the GOI and state governments.

d/ Based on "revised budget estimates" of the GOI and state governments.

e/ Based on "budget estimates" of the GOI and state governments.

Private Consumption at Current Prices: This is derived as a residual by deducting estimates for government consumption from total consumption in respective years.

Allocation of total Consumption into Government and Private Consumption at Constant 1967/68 Market Prices: This allocation is done on the basis that shares of government and private sector in total consumption at constant 1967/68 prices in individual years will be the same as their share in total consumption at current prices.

National Savings

National savings are derived by deducting net foreign balances from the sum of gross fixed investment and changes in stocks.

Price Deflation

Price deflator implicit in NDP at factor cost for the years up to FY 1966/67 is derived from the series of net domestic product at factor cost at current and constant 1960/61 prices as given in the "White Paper" on national income. Price deflator implicit in GNP for the subsequent years is estimated or projected on the basis of its relationship to actual or expected level of wholesale prices.

Investment cost index is derived from the PC's (Planning Commission) series of total investment at current and constant 1960/61 prices. Due to non-availability of separate series of fixed investment and inventories cost index, the estimates of fixed investment and changes in stock at constant 1967/68 prices are worked out via investment cost index.

Price deflator in GNP is worked out from the Mission's series of gross national product at current and constant 1967/68 market prices.

Table 5 presents the indices of wholesale prices, price deflators implicit in NDP at factor and GNP at market prices and investment cost index for FYs 1960/61 to 1968/69.

Table 5

Indices of Wholesale Prices, Price Deflators Implicit in NDP and GNP, and investment cost index

FYs 1960/61 to 1968/69

(1967/68 = 100)

FYs	Wholesale price index	Price deflator implicit in NDP at factor cost	Price deflator implicit in GNP at market prices	Investment cost index
1960/61	58.80	60.96	61.18	66.09
1961/62	58.90	62.17	62.46	68.74
1962/63	60.22	64.54	64.88	71.38
1963/64	63.70	70.83	71.00	73.36
1964/65	71.89	76.74	76.81	76.01
1965/66	77.73	82.97	83.16	83.28
1966/67	90.07	93.46	93.49	95.17
1967/68	100.00	100.00	100.00	100.00
1968/69	99.80	101.00	101.08	102.50

Statistical Notes to Table C-1

Derivation of GNP and Total Available Resources and its disposition - FYs 1960/61 to 1965/66 at Current and Constant 1967/68 prices

The estimates at current prices of net domestic product, net earned income from abroad and indirect taxes less subsidies are taken from the "White Paper" on national income. The estimates of net foreign balances at current prices are either taken from Table C-4 or are reconstructed from balance of payments data on the basis of methodology adopted for Table C-4. Net foreign balance inflow at current prices is converted at pre-June 6, 1966rate of exchange i.e. $1 equals rupees 4.76. Estimates of total gross fixed investment and changes in stocks (from Tables 1 and 2 of Appendix) are deducted from total available resources to arrive at total consumption at current prices. Government consumption (from Table 3 of Appendix) is then deducted from total consumption at current prices to derive private consumption as residual.

Table A details the derivation of total available resources and their disposal for these years at current prices.

Table B shows the derivation of GNP, total available resources and its disposition at constant 1967/68 market prices. The steps involved in converting the current price series into constant 1966/67 market prices are as follows:

(i) Net domestic product and indirect taxes less subsidies are converted at constant 1967/68 market prices via price deflator implicit in net domestic product. The formula adopted is:

$$\text{NDP in year (x) at 1967/68 prices} = \frac{\text{NDP at current prices} \times \text{Index of price deflator implicit in NDP in 1967/68}}{\text{Index of price deflator implicit in NDP in year (x)}}$$

(ii) Depreciation/replacement estimates are converted at constant 1967/68 market prices via investment cost index.

(iii) Net foreign balances are converted at post-devaluation rate of $1 equals Rs. 7.50.

(iv) The sum of net domestic product, net earned income from abroad, depreciation and indirect taxes less subsidies equal GNP at constant 1967/68 market prices. Net foreign balances are added to the derived GNP estimates to arrive at total available resources.

(v) Gross fixed investment and changes in stocks figures are converted at constant 1967/68 market prices via investment index. (See Table 3 of Appendix)

(vi) Gross investment (fixed investment plus changes in stocks) are deducted from total available resources to derive total consumption.

(vii) Private and government consumption at 1967/68 market prices are derived on the assumption that ratio of private consumption to government consumption at 1967/68 prices is the same proportion as the ratio of private consumption to government consumption at current prices in each year.

Derivation of GNP for FYs 1966/67 to 1969/70

1966/67: CSO's "White Paper" on national income estimates gross national product at factor cost of Rs. 25,461 crores at current prices. On the basis of revised budget data of GOI and Central Government, indirect taxes less subsidies are estimated at Rs. 2,239 crores. Adding the estimate of indirect taxes less subsidies to GNP at factor cost, the GNP at market prices is estimated at Rs.27,700 crores.

FYs 1967/68 and 1968/69: The procedure for forecasting gross national product at market prices is based on either estimating or projecting the growth of individual sectors of the economy to derive at an estimate/projection of net domestic product at factor cost, and then adding an estimate (or projection) of net earned income from abroad, depreciation and indirect taxes less subsidies to NDP at factor cost estimate (or projection) to arrive at the estimate (or projection) of gross national product at market prices.

FY 1967/68: In the absence of GOI estimates, the Mission has constructed the estimate of gross national products on the basis of latest available data on production estimates in agriculture and industry, while the rest of the sectors are estimated either on historical trends and/or the relationship of the individual sector to production in agriculture and industry.

Agriculture and Allied Activities: The estimate is geared to 100 million metric tons of foodgrains production, (corresponds to a 34.1 percent increase in value terms over the 1966/67 level) and an estimated increase of 14.0 percent in major non-grain crop output. The gross value of output in this sector is expected to increase by 19 1/2 percent over the previous year level. After deducting an estimate of inputs, the net growth rate is estimated at 20.68 percent over the previous year level.

Mining and Quarrying and Electricity: The growth rate is linked to mining and quarrying and electricity components of industrial production.

Table A: Derivation of GNP, Total Available Resources and its Disposition
FYs 1960/61 to 1965/66

(Rs. crores at current prices)

	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66
1. NET DOMESTIC PRODUCT AT FACTOR COST	13,525	14,413	15,287	17,679	20,572	21,228
2. NET EARNED INCOME FROM ABROAD	- 72	- 98	- 108	- 116	- 148	- 164
3. DEPRECIATION	736	810	930	991	1,100	1,199
4. INDIRECT TAXES LESS SUBSIDIES	948	1,080	1,265	1,566	1,784	2,010
5. GROSS NATIONAL PRODUCT AT MARKET PRICES (1+2+3+4)	15,137	16,205	17,374	20,120	23,308	24,273
6. NET FOREIGN BALANCE	457	360	478	446	628	641
7. TOTAL AVAILABLE RESOURCES (5+6)	15,594	16,565	17,852	20,566	23,936	24,914
8. TOTAL FIXED INVESTMENT	1,913	2,271	2,636	3,033	3,491	3,923
of which:						
(a) public sector	(906)	(1,091)	(1,326)	(1,611)	(1,906)	(2,143)
(b) private sector	(1,007)	(1,180)	(1,310)	(1,472)	(1,585)	(1,780)
9. CHANGES IN STOCKS	400	194	274	311	365	- 50
10. TOTAL CONSUMPTION (7-8-9)	13,281	14,100	14,942	17,172	20,080	21,041
of which:						
(a) Government - all levels	(1,100)	(1,223)	(1,480)	(1,916)	(2,055)	(2,376)
(b) Private	(12,181)	(12,877)	(13,462)	(15,256)	(18,025)	(18,665)
11. TOTAL NATIONAL SAVINGS (8+9-6)	1,856	2,105	2,432	2,948	3,228	3,232

Table B: Derivation of GNP, Total Available Resources and its Disposition
FYs 1960/61 to 1965/66

(Rs. crores at constant 1967/68 market prices)

	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66
1. NET DOMESTIC PRODUCT AT FACTOR COST	22,187	23,183	23,686	24,960	26,807	25,585
2. NET EARNED INCOME FROM ABROAD	- 113	- 150	- 170	- 283	- 233	- 258
3. DEPRECIATION	1,114	1,178	1,303	1,351	1,447	1,440
4. INDIRECT TAXES LESS SUBSIDIES	1,555	1,737	1,960	2,211	2,325	2,423
5. GROSS NATIONAL PRODUCT AT MARKET PRICES (1+2+3+4)	24,743	25,944	26,779	28,339	30,346	29,190
6. NET FOREIGN BALANCE	720	567	753	702	989	1,010
7. TOTAL AVAILABLE RESOURCES (5+6)	25,463	26,511	27,532	29,041	31,335	30,200
8. TOTAL FIXED INVESTMENT of which:	2,895	3,304	3,693	4,203	4,593	4,710
(a) Public Sector	(1,371)	(1,587)	(1,858)	(2,196)	(2,508)	(2,573)
(b) Private Sector	(1,524)	(1,717)	(1,835)	(2,007)	(2,085)	(2,137)
9. CHANGES IN STOCKS	605	282	383	423	480	- 60
10. GROSS INVESTMENT (8+9)	3,500	3,586	4,076	4,626	5,073	4,650
11. TOTAL CONSUMPTION (7-8-9) of which:	21,963	22,925	23,456	24,415	26,262	25,550
(a) Government all levels	(1,819)	(1,989)	(2,323)	(2,724)	(2,688)	(2,885)
(b) Private	(20,144)	(20,936)	(21,133)	(21,691)	(23,574)	(22,665)
11. NATIONAL SAVINGS (8+9-6) or (10-6)	2,780	3,019	3,323	3,924	4,084	3,640

Large Scale Manufacturing: The decline of 1.2 percent is based on the decline of the same order in the manufacturing component of the index of industrial production. The manufacturing index shows that the decline of 1.2 percent is the net effect of a 6 percent decline in metals and equipment (accounting for 36 percent of manuf. output in 1967/68), a 0.5 percent decline in agri-based industries (37.3% manuf. output) and an increase of 4.6 percent in the "residual" category of manufacturing. The decline in agri-based industries is contributed mainly by the reduced availabilities of domestic agricultural raw materials especially of raw cotton (despite some additional supplement from imports).

The estimates of net product from railways, communications and public administration (including defense) are derived from the budgets of the Railways and Government budgets. The data thus derived are adjusted for increase in money wages.

The remaining sectors are estimated either on the basis of historical trend or in relation to activity levels in agriculture and industry.

On the above basis, the net domestic product at factor cost is expected to increase by 11.3 percent, with most of the increase in income contributed by the agricultural sector which shows an increase of 20.7 percent, while the non-agricultural sectors show a marginal increase of 2.0 percent due to slack in non-agricultural activity in the first six to eight months of fiscal year 1967/68 under the impact of 1966/67 drought.

FY 1968/69

Agriculture and Allied Activities: The estimate is geared to 98 million metric tons of foodgrains production (2 million tons short from 1967/68 bumper level) assuming normal weather, and an estimated increase of 3.75 percent major non-grain crop output. The increase of 3.75 percent in non-grain output is mainly accounted for by 25 percent increase in sugarcane output, while most of other non-grain crops show marginal decreases from the previous year level on the basis of normal weather. Livestock output is expected to increase by 5 percent. Thus, the gross value of output on the whole is expected to increase only by 1.5 percent, while net product is estimated to increase by 1.0 percent.

Large Scale Manufacturing: The overall growth rate of 6.4 percent is based on expected increase of 6.1 percent in agri-based industries (mainly on account of larger availability of raw materials from 1967/68 and 1968/69 crops), a 6.5% increase in metals and equipment component due to pick-up in private domestic investment demand and additional export orders for engineering goods, and a slight acceleration from 4 1/2 percent to 7 1/2 percent in the "residual" category of manufacturing.

Mining and Quarrying: The 6 percent growth rate is based on the historical fact that mining and quarrying grows almost at the same rate as the rate of growth in large scale manufacturing.

Electricity, Gas etc.: The growth rate of 11.0 percent is also based on the historical rate of growth.

The remaining sectors are estimated either on an historical trend basis or on the relationship of activity level in these sectors to activity levels in agriculture and industry.

On the above basis, overall net domestic product is expected to show an increase of 2.9 percent. The non-agricultural sectors contribute most of the increase this year as they increase by 5.1 percent while agricultural sector shows only an increase of 1.0 percent.

Depreciation: Depreciation estimates are taken from Table 2 of the Appendix to Table C-1.

Indirect Taxes less subsidies are based on the estimates of budget receipts in the GOI and state government budgets. The data contained in the budgets are adjusted for estimates of tax receipts of levels of government other than GOI and states. The estimates thus derived at current prices is adjusted via price deflator implicit in net domestic product at factor cost.

The resulting estimate/projection of net domestic product at factor cost are given in Table C.

FY 1969/70

The projection for this year is the same as adopted for Case III of Annexure A of Program Memorandum. For details, see Annexure A of Program Memorandum.

The estimates/projections for FYs 1966/67 to 1969/70 have been converted at constant 1967/68 market prices via price deflators implicit in net domestic product and investment. Table D details the estimates of gross national product, total available resources and its disposition at constant 1967/68 prices for FYs 1966/67 to 1969/70.

Table C

Derivation of Estimates of Gross National Product
FYs 1967/68 and 1968/69

(Rs. crores at 1966/67 prices)

Sector	Income a/ originated in 1966/67	1967/68 (USAID Estimate) Percent change from prev. year	1967/68 (USAID Estimate) Income originating (Rs. crores)	1968/69 (USAID Estimate) Percent change from prev. year	1968/69 (USAID Estimate) Income originating (Rs. crores)
1. Agriculture and allied activities	12,051	+ 20.68	14,543	+ 1.0 b/	14,688
2. Mining and Quarrying	255	- 1.2	252	+ 6.0	267
3. Large scale manufacturing	2,051	- 1.2	2,026	+ 6.4	2,156
4. Small scale manufacturing	1,327	+ 2.5	1,360	+ 6.0	1,442
5. Construction	1,083	+ 2.0	1,105	+ 5.0	1,160
6. Electricity, gas etc.	158	+ 12.9	178	+11.0	198
7. Transport and Communications					
a. Railways	398	-	398	+ 4.5	416
b. Communications	141	+ 8.0	152	+ 8.0	164
c. Other Transport	512	+ 3.0	527	+ 5.0	553
8. Trade, storage, hotels etc.	2,650	+ 2.5	2,716	+ 5.2	2,857
9. Banking and Insurance	398	+ 5.0	418	+ 7.0	447
10. Real Estate and Ownership of Dwellings	625	+ 3.0	644	+ 3.0	663
11. Public Administration and Defence	1,199	+ 3.0	1,235	+ 3.0	1,272
12. Other Services	1,541	+ 2.5	1,580	+ 4.0	1,643
NET DOMESTIC PRODUCT	24,389	+ 11.26	27,134	+ 2.92	27,926
NET EARNED INCOME FROM ABROAD	- 232		- 234		- 310
DEPRECIATION	1,304	+ 7.36	1,400	+ 7.86	1,510
INDIRECT TAXES LESS SUBSIDIES	2,239	+ 2.72	2,300	+14.09	2,624
GROSS NATIONAL PRODUCT	27,700	+ 10.47	30,600	+ 3.76	31,750

a/ Source: Estimates of National Income (Revised Series) 1960/61 to 1966/67
b/ Based on 100 and 98 million metric tons of foodgrains production in agricultural years 1967/68 and 1968/69, respectively.

Table D

Derivation of GNP, Total Available Resources and its Disposition
FYs 1966/67 to 1969/70 at constant 1967/68 prices

(Rs. crores)

	FYs 1966/67	1967/68	1968/69	1969/70
1. NET DOMESTIC PRODUCT	26,096	29,034	29,880	31,445
2. NET EARNED INCOME FROM ABROAD	- 232	- 234	- 310	- 364
3. DEPRECIATION	1,370	1,475	1,579	1,720
4. INDIRECT TAXES LESS SUBSIDIES	2,396	2,460	2,808	3,028
5. GROSS NATIONAL PRODUCT AT MARKET PRICES = (1+2+3+4)	29,630	32,735	33,957	35,829
6. NET FOREIGN BALANCES	1,029	975	934	956
7. TOTAL AVAILABLE RESOURCES	30,659	33,710	34,891	36,785
8. TOTAL FIXED INVESTMENT	4,329	4,352	4,543	5,070
of which:				
(a) Public Sector	(2,281)	(2,192)	(2,243)	(2,561)
(b) Private Sector	(2,048)	(2,160)	(2,300)	(2,509)
9. CHANGES IN STOCKS	- 105	630	137	184
10. GROSS INVESTMENT	4,224	4,982	4,680	5,254
11. TOTAL CONSUMPTION = (7-10)	26,435	28,728	30,211	31,531
of which:				
(a) Government - all levels	(2,893)	(2,903)	(2,991)	(3,185)
(b) Private	(23,542)	(25,825)	(27,220)	(28,346)
12. NATIONAL SAVINGS	3,195	4,007	3,746	4,298

AID 1020-14 (4-65) C-2	DATA CURRENT AS OF: August 1968	COOPERATING COUNTRY INDIA	SECURITY CLASSIFICATION UNCLASSIFIED	POPULATION, PRICES, RESERVES AND PRODUCTION	C-2

ITEMS			ACTUAL (1) 19 66/67	ACTUAL (2) 1967/68	ESTIMATED (3) 1968/69	PROJECTED (4) 1969/70	PROJECTED (5) 19	PROJECTED (6) 19	PROJECTED (7) 19
A. POPULATION, MID-YEAR (in millions)	Fiscal ~~XXXXXXX~~ Years unless otherwise noted								
Current Annual Growth Rate 2.49 %			502.04	514.51	527.32	540.45			
B. PRICE INDEXES									
1. COST OF LIVING (Coverage: Working class, All items		1963 ~~XXXX~~ = 100	142.3	159.1	161.5	166.3			
Food			146.6	168.7	171.2				
2. WHOLESALE (Coverage: All India)		1963 ~~XXXX~~ = 100	144.2	160.3	159.9	164.7			
Food Articles			150.6	182.5	179.9				
Industrial Raw Materials			166.6	159.6	156.0				
Manufactures			125.1	127.0	128.4				
Fuel, power, light and lubricants			119.9	135.0	140.8				
3. (OTHER):		1963 ~~XXXX~~ = 100							
4. GNP (Implicit Price Index)		1963/64 ~~XXXX~~ = 100	131.7	140.8	142.4				
C. GOLD AND GROSS FOREIGN EXCHANGE (End of Year)									
1. TOTAL HOLDINGS		($ MILLIONS)	703	787	787	880			
(a) MONETARY GOLD			243	243	243	243			
(b) OFFICIAL FOREIGN EXCHANGE			395	474	474	567			
(c) DEPOSIT MONEY BANKS			65	70*	70*	70*			
2. IMF GOLD TRANCHE (Memo Item)									
D. PRODUCTION INDICATORS									
1. INDUSTRY AND MINING									
INDUSTRIAL PRODUCTION INDEX		1963 ~~XXXX~~ = 100	117.7	117.4	125.4	137.8			
MANUFACTURING INDEX		1963 ~~XXXX~~ = 100	116.9	115.5	122.9	134.7			
MINING INDEX		1963 ~~XXXX~~ = 100	110.6	109.3	115.9	126.3			
(OTHER INDEX):		1963 ~~XXXX~~ = 100	141.1	159.2	176.7	201.4			
Output of Major Commodities		Units:							
Cotton yarn		million kilograms	902	925	971	1020			
Jute manufactures		000 metric tons	1116	1156	1133	1200			
Sugar		" " "	2750	2220	2600	3300			
Steel ingots		million M. Tons	6.77	6.34	6.60	7.00			
Cement		" " "	11.06	11.33	12.00	13.00			
2. AGRICULTURE		Crop Years:	1966 /67	19 67 / 68	19 68 / 69	19 69 / 70	19 /	19 /	19 /
AGRICULTURAL PRODUCTION INDEX		1957/58 1959/60 ~~XXXX~~ thru ~~XXXX~~ = 100	104.6	132.7	134.1	140.8			
Output of Major Commodities		Units:							
Foodgrains		million M. tons	75.05	100.00	98.00	102.90			
Sugarcane (in terms of gur)		" " "	9.49	9.49	12.00	12.60			
Raw cotton		million bales of 180 kgs. each	5.60	6.30	6.30	6.50			
Raw jute & mesta		" " "	6.56	7.87	6.70	7.60			
Oilseeds (5 major)		million M. Tons	6.49	8.63	8.38	8.80			

* As of December, 1967. Same figures are repeated for the subsequent years.

SECURITY CLASSIFICATION: UNCLASSIFIED

BEST AVAILABLE

Notes Relating to Table C-2

A. Population, Mid-fiscal Year

The annual growth rate is taken at 2.49 percent for FYs 1967/68 to 1969/70. The actual figures for 1966/67 and 1967/68 are derived from CSO's (Central Statistical Organization) estimates of national income and per capita income. These estimates of population are consistent with those of the Office of Registrar General, the agency responsible for the census operations and population projections.

B. Prices

B.1. Cost of Living Index

It has been observed that movements in the cost of living index closely follow the movements in the wholesale price index with some lags and adjustments. Based on actual data, the movements in the two series from years FY 1962/63 onwards were as follows:

	Wholesale price index	Consumer price index
	(Percent change from previous year)	
FY 1963/64	+ 5.8	+ 4.6
1964/65	+12.9	+11.5
1965/66	+ 8.1	+ 7.6
1966/67	+11.6	+11.3
1967/68	+11.1	+11.5
Cumulative percent change from 1962/63 to 1967/68	+66.1	+62.6

Therefore, the All India Cost of Living Index (based on data collected from 17 major urban centers) is estimated to increase by 1 1/2 percent during FY 1968/69 (based on April-July 1968 data and an estimate for the remaining months) as against a decline of 0.2 percent in the wholesale price index. Food prices are also estimated to increase at the same rate as the increase in overall cost of living index. For FY 1969/70, the cost of living index is projected to increase by 3 percent over the 1968/69 level, a rate similar to the one projected for the wholesale price index.

B.2. Wholesale Price Index

The wholesale price index and its components with base 1962=100 is derived from the original GOI series with FY 1952/53 base by applying conversion factors to the original series. The index for 1968/69 is estimated to decline by 0.2 percent. This estimate is based on actual data on prices up to September 14 and an estimate for the remaining period (i.e. up to March, 1969) on the basis of likely trends in the various groups and sub-groups of the index. This trend assumes that industrial raw materials (major portion of weights for oilseeds, raw cotton and raw jute) will remain firm around higher levels, manufacture prices will contine to edge upwards under the impact of rising industrial (agri-based) raw material prices and an upward adjustment of prices to rising industrial wages, and likelihood of below normal seasonal decrease in food prices. Table 1 presents the quarterly movement in prices from FY 1964/65 onwards.

The projected 3 percent increase in wholesale price index for 1969/70 is consistent with assumptions underlying the projections of income growth, investment rates, net imports of goods and services and maintenance of government budgetary deficit at 1967/68 level.

B.4. GNP (Implicit Price Index)

This index is taken from Table C-1.

C. Gold and Gross Foreign Exchange

Data are derived from Balance of Payments Annex.

Table 1

Wholesale Prices
(1963=100)

	All Commodities	Food Articles	Liquor & Tobacco	Fuel, Power, light and lubricants	Industrial Raw Materials	Manufactures
WEIGHT IN THE INDEX	(100.0)	(50.4)	(2.1)	(3.0)	(15.5)	(29.0)
FYs 1964/65	115.2	120.5	113.7	106.2	118.5	105.4
April-June	108.2	111.5	106.3	104.6	109.4	102.0
July-Sept.	116.9	124.0	112.0	105.2	120.4	104.0
Oct.-Dec.	118.6	125.1	116.5	106.5	121.6	106.9
Jan.-March	117.4	121.3	119.8	108.6	122.6	108.4
1965/66	124.6	127.2	118.3	110.7	137.7	114.5
April-June	117.8	119.7	120.1	107.6	126.4	110.9
July-Sept.	124.7	129.5	119.8	108.9	135.0	112.6
Oct.-Dec.	126.9	130.1	118.0	110.4	142.5	115.2
Jan.-March	128.7	129.7	115.2	115.8	147.0	119.2
1966/67	144.2	150.6	112.9	119.9	166.6	125.1
April-June	136.8	139.6	113.0	116.1	160.5	122.4
July-Sept.	143.1	148.4	112.4	117.4	168.9	123.8
Oct.-Dec.	144.8	151.9	112.7	118.7	162.9	125.6
Jan.-March	152.3	161.9	113.6	127.6	173.8	128.5
1967/68	160.3	182.5	118.4	135.0	159.6	127.0
April-June	157.7	173.8	111.1	128.6	170.3	128.6
July-Sept.	166.1	194.0	115.5	133.5	160.5	127.0
Oct.-Dec.	162.8	187.6	117.9	140.2	158.4	126.8
Jan.-March	154.6	174.8	128.5	137.6	149.2	125.6
1968/69	159.9	179.9	161.4	140.8	156.0	128.4
April-June	154.9	176.3	144.6	139.5	144.7	125.4
July-Sept. (Est.)	161.6	182.7	166.4	141.3	157.9	128.3
Oct.-Dec. (Est.)	161.5	180.9	167.2	141.3	160.3	129.7
Jan.-March (Est.)	161.5	179.5	168.1	141.3	163.1	130.5

D. Production Indicators

D.1. Industry and Mining

Indices of industrial production are expressed here on a 1960=100 base. These are derived from the official series with base 1960=100. The weightage in the official series are: 84.91 percent for manufacturing, 9.72 percent for mining and 5.37 percent for electricity. The figures thru FY 1967/68 are derived from the published sources. The industrial production in FY 1968/69 is estimated to increase by 6.6 percent over the previous year level on the following assumptions:

(i) The agri-based industries are expected to increase by 6.1 percent on account of larger availabilities of raw materials (except raw jute) from 1967/68 and 1968/69 crops. The implicit production targets for major industries in this group are as follows:

		1967/68	1968/69	Percent increase from previous year
Cotton yarn	(million kgs.)	925	971	+ 5.0
Mill cloth	(" meters)	4,243	4,455	+ 5.0
Jute Manuf.	('000 m. Tons)	1,156	1,133	- 2.0
Sugar	(" " ")	2,220	2,600	+17.1
Tea	(" " ")	382	394	+ 3.1

(ii) The metals and equipment will increase by 6.5 percent over the 1967/68 depressed level with some pick up from private domestic investment and additions in export orders.

(iii) The "residual" category of manufacturing (other than agri-based and metals and equipment) will increase by 7.5 per cent from the 1967/68 growth rate of 4.5 percent.

(iv) The mining index will rise by 6 percent with the increase in larger activity in manufacturing, and this rate approximates the rate of growth in overall index of industrial production.

(v) The electricity generation will rise by 11.0 percent on the basis of historical trend.

The projected growth rate of 9.9 percent in FY 1969/70 assumes a 5 percent increase in gross output in agricultural sector (thus also assuming a 5 percent increase in production of agricultural raw materials of domestic origin), a 11.6 percent increase in gross fixed investment level and a substantial increment in imports (via larger exports and aid). The implicit growth rate in the components of industrial production to achieve 9.9 percent growth in the overall index of industrial production are as follows:

	Weight* in the index in 1968/69	% change from previous year
Manufacture	82.7	9.6
(a) Agri-based		(5.7)
((b) Metals and equipment		((13.0)
(c) Other manuf.		(10.5)
Mining	8.5	9.0
Electricity	8.8	14.0
Industrial Production	100.0	9.9

* Computed.

The estimated or projected levels of output for major commodities for FYs 1968/69 and 1969/70 are made on the basis of its consistency with estimates or projection done for the constructing of the index of industrial production.

D.2. Agriculture

Agricultural Production Index: The index of agricultural production is reported herein on a July-June crop year basis. The index reported herein with base as "average of 1957/58 thru 1959/60" is derived from the GOI official index with base year 1949/50 without changing the original weightage. The average of 1957/58 thru 1959/60 is 126.57, with base 1949/50=100.

The 1966/67 index of 132.7 (1957 thru 1959=100) is based on the "Final" estimates of crop production released in August 1967. The detailed crop production estimates implicit in the index are given in Table 2.

The 1967/68 index at 167.8 (an increase of 26.8 percent from the drought depressed 1966/67 level) is computed on the basis of Agricultural Attache's estimates of crop production for this year. The Agricultural Attache's estimates of grain production at 100 million metric tons is higher by 4.4 million metric tons over the GOI official grain production estimate released in mid-September. Detailed production estimates for all crops implicit in computation of the index is set out in Table 2.

The 1968/69 index at 169.7 (showing a marginal increase of 1.2 percent over 1967/68 bumper level) is geared to food-grain production at 98 million metric tons (a decline of 2.0 percent over the 1967/68 level) and an increase of 5.8 percent in non-grain component of the index. This estimate assumes normal weather in the 1968/69 agricultural crop year. The rationale behind the calculation of foodgrain production is given in Annex D of Program Memorandum. The implicit non-grain production estimates are rough approximations on the basis of past historical trends except for sugarcane and raw jute (including mesta). The substantial increase of 26.4 percent in sugarcane production over the previous year is based on the reports that acreage under cane has increased by 25 percent, while decline of 13.3 percent in raw jute production is based on decline in area and unfavorable weather for raw jute in the early period.

The index for 1969/70 is projected to increase by 5 percent over the previous year level.

Table 2

Computation of the Index of Agricultural Production
(1949/50 = 100)

Crop	Unit	Production 1965/66	Production 1966/67	Production 1967/68	Production 1968/69	% change from previous year 1967/68	% change from previous year 1968/69	Weight in the index	Indices of crop production (Agricultural year 1949-50 = 100) 1965/66	1966/67	1967/68	1968/69	Contribution to the index (weight x index) 1967/68	1968/69
A. FOODGRAINS	'000 M. Tons	72,030	75,049	100,000	98,000	+33.2	- 2.0	(66.9)	120.9	124.6	168.9	166.8	(112.993)	(111.615)
Rice	" "	30,655	30,441	41,000	42,000	+34.7	+ 2.4	35.3	121.8	120.9	162.8	166.7	57.468	58.845
Jowar	" "	7,527	8,944	10,500	9,900	+17.4	- 5.7	5.0	108.2	128.6	151.0	142.4	7.550	7.120
Bajra	" "	3,655	4,503	5,500	4,900	+22.1	-10.9	2.7	114.3	140.8	171.9	153.2	4.641	4.136
Maize	" "	4,760	4,991	5,500	5,700	+10.2	+ 3.6	2.1	169.8	178.1	196.3	203.4	4.122	4.271
Ragi	" "	1,176	1,600	2,000	1,900	+25.0	- 5.0	1.2	76.3	103.8	129.8	123.3	1.558	1.480
Small millets	" "	1,656	1,671	2,000	1,900	+19.7	- 5.0	1.5	85.0	85.8	102.7	97.6	1.540	1.464
Wheat	" "	10,424	11,528	18,000	17,400	+56.1	- 3.3	8.5	154.5	170.8	266.6	257.8	22.661	21.913
Barley	" "	2,377	2,449	2,500	2,300	+ 2.1	- 8.0	2.0	100.1	103.2	105.4	97.0	2.108	1.940
Gram	" "	4,206	3,612	6,000	5,400	+66.1	-10.0	3.7	108.0	92.8	154.1	138.7	5.702	5.132
Tur	" "	1,736	1,731	2,000	1,900	+15.5	- 5.0	1.1	87.6	87.3	100.8	95.8	1.109	1.054
Other Pulses	" "	3,858	3,579	5,000	4,700	+39.7	- 6.0	3.8	92.1	85.4	119.3	112.1	4.533	4.260
B. NON-FOODGRAINS								(33.1)	156.4	148.2	165.8	175.4	(54.877)	(58.044)
Groundnut	'000 M. Tons	4,230	4,485	6,300	6,000	+40.5	- 4.8	5.7	128.1	135.8	190.8	181.6	10.876	10.351
Sesamum	" "	425	404	450	450	+11.4	-	1.2	100.7	95.7	106.6	106.6	1.279	1.279
Rapeseed & Mustard	" "	1,276	1,245	1,350	1,425	+ 8.4	+ 5.6	2.0	157.0	153.2	166.1	175.1	3.322	3.502
Linseed	" "	[illegible],335	[illegible],274	[illegible],400	400	+46.0	-	0.8	80.5	65.8	96.1	96.1	0.769	0.769
Castorseed	" "	80	81	130	110	+60.5	-15.4	0.2	59.3	60.0	96.3	81.5	0.193	0.163
Cotton Lint*	'000 bales of 180 kg.each	5,600	5,600	6,300	6,300	+12.5	-	2.8	183.0	189.5	213.2	213.2	5.970	5.970
Jute	" "	4,471	5,348	6,369	5,400	+19.1	-15.2	1.4	135.5	162.1	193.1	163.7	2.703	2.292
Mesta	" "	1,285	1,214	1,500	1,300	+23.6	-13.3	0.3	192.3	181.6	224.5	194.6	0.673	0.584
Tea	'000 M. Tons	366	375	385	396	+ 2.7	+ 2.9	3.3	137.9	141.1	144.9	149.1	4.782	4.920
Coffee	" "	64	78	71	81	- 9.0	+14.1	0.2	281.6	339.5	308.9	352.5	0.617	0.705
Rubber	" "	50	50	59	57	+18.0	- 3.4	0.1	328.5	328.5	387.6	374.4	0.388	0.374
Sugarcane (in terms of gur)	" "	12,100	9,494	9,494	12,000	-	+26.4	8.7	201.3	158.0	158.0	199.7	13.746	17.374
Tobacco	" "	298	350	335	350	- 4.3	+ 4.5	1.9	112.3	132.6	126.9	132.6	2.411	2.519
Potato	" "	4,060	3,462	4,000	4,200	+15.5	+ 5.0	1.0	234.4	199.9	230.9	242.4	2.309	2.424
Black Pepper	" "	23	23	23	23	-	-	1.2	110.6	109.2	109.2	109.2	1.310	1.310
Chillie	" "	383	403	484	460	+20.0	- 5.0	2.0	128.2	134.7	161.6	153.5	3.232	3.070
Ginger	" "	22	21	15	22	-28.6	+46.7	0.3	142.0	138.7	99.0	145.2	0.297	0.436
ALL COMMODITIES (On the Index basis)		132.7	132.4	167.9	169.7	+26.8	+ 1.2		132.7	132.4	167.9	169.7	167.87	169.66

* Trade estimates.

AID 1020-15 (4-65) C-3	DATA CURRENT AS OF: August 1968	COOPERATING COUNTRY INDIA	SECURITY CLASSIFICATION UNCLASSIFIED	CENTRAL GOVERNMENT FINANCES	C-3

Units of National Currency: Rupees Million

Country Fiscal Year Ending: March 31

		FORM AID 10-74 LINE NO.	ACTUAL (1) Accounts FY 19 66 / 67	ACTUAL (2) Rev.Est. FY 19 67 / 68	ESTIMATED (3) Bud.Est. FY 19 68 / 69	PROJECTED (4) FY 19 /	PROJECTED (5) FY 19 /
A. REVENUES	1. TOTAL REVENUES FROM DOMESTIC SOURCES	A.1	32,813	35,483	37,536		
	2. TOTAL REVENUES ORIGINATING FROM COUNTERPART AND FOREIGN GRANTS INCLUDING U.S.	A.2	1,021	124	194		
	(a) TOTAL COUNTERPART AND U.S. GRANTS (Nonadditive)	A.2a	62	73	139		
	TOTAL	A.	33,834	35,607	37,730		
B. EXPENDITURES	1. TOTAL NATIONAL DEFENSE	B.1	10,500	11,364	11,921		
	(a) FROM COUNTERPART, U.S. GRANTS AND LOANS (Nonadditive)	B.1b					
	2. ALL OTHER CURRENT	B.2 - B.6	17,705	20,687	20,661		
	3. TOTAL CAPITAL OUTLAY, CIVIL GOVERNMENT	B.7	19,876	18,484	18,862		
	(a) FROM COUNTERPART, U.S. GRANTS AND LOANS (Nonadditive)	B.7b(2)	4,881	5,959	3,924		
	TOTAL	B.	48,081	50,535	51,444		
C. DEFICIT (-) OR SURPLUS	1. BEFORE TOTAL FOREIGN GRANTS (Counterpart, U.S. and Non-U.S. Grants)	C.1	-15,268	-15,052	-13,908		
	2. AFTER NON-U.S. FOREIGN GRANTS	C.2	-14,309	-15,001	-13,853		
	3. AFTER TOTAL FOREIGN GRANTS (Counterpart, U.S. and Non-U.S. Grants)	C.3	-14,247	-14,928	-13,714		
D. FINANCING THE DEFICIT OR DISPOSAL OF SURPLUS (-) AFTER FOREIGN GRANTS	1. TOTAL DOMESTIC BORROWING (Net)	D.1	6,488	5,372	4,876		
	2. TOTAL FOREIGN BORROWING (Net) INCLUDING U.S.	D.2	7,013	9,011	8,495		
	(a) U.S. LOANS (Net) (Nonadditive)	D.2a	4,819	5,886	3,785		
	3. NET CHANGE IN CASH BALANCE AND OTHER RESERVES	D.3	746	545	343		
	TOTAL (Must Equal C.3 above with sign reversed)		14,247	14,928	13,714		
E. RATIO TO GNP OF DOMESTIC REVENUES AND EXPENDITURES	1. GNP IN CURRENT PRICES	-	277,000	327,145	339,440*		
	2. DOMESTIC REVENUES (From A.1) AS % OF GNP	-	11.84	10.85	11.06		
	3. TOTAL EXPENDITURES (From B.) AS % OF GNP	-	17.36	15.45	15.15		
	4. DEFENSE EXPENDITURES (From B.1) AS % OF GNP	-	3.79	3.47	3.51		

* At 1967/68 prices (Price deflaytor 106.91 over 1966/67 prices)

SECURITY CLASSIFICATION UNCLASSIFIED

BEST AVAILABLE

AID 1020-16 (4-65)	DATA CURRENT AS OF:	COOPERATING COUNTRY	SECURITY CLASSIFICATION	BALANCE OF PAYMENTS (In Millions of U.S. Dollar Equivalents)	C-4
C-4	August 1968	INDIA	UNCLASSIFIED		

All figures converted at $1 = See Notes unless otherwise noted

ITEM	LINE NO.	ACTUAL (1) 19 66/67	ACTUAL (2) 19 67/68	ESTIMATED (3) 19 68/69	PROJECTED (4) 19 69/70	PROJECTED (5) 19 70/71
A. BALANCE ON GOODS AND SERVICES	A	-1372	-1300	-1245	-1274	-1139
1. GOODS: EXPORTS, f.o.b.	1a	1542	1600	1750	1840	1950
IMPORTS (-) c.i.f.	1b	-2770	-2750	-2821	-2918	-2903
NONMONETARY GOLD	2	-	-	-	-	-
TRADE BALANCE	A(1)	-1228	-1150	-1071	-1078	- 953
2. SERVICES: FREIGHT AND INSURANCE	3	59	60	60	60	60
OTHER TRANSPORTATION	4	-	-	-	-	-
TRAVEL	5	8	10	10	12	15
INVESTMENT INCOME	6	- 259	- 268	- 294	- 323	- 321
GOVERNMENT, n.i.e.	7	112	85	90	95	100
U.S. Uses	7a	41	39	40	40	40
OTHER SERVICES	8	- 64	- 37	- 40	- 40	- 40
TOTAL SERVICES, NET	A(2)	- 144	- 150	- 174	- 196	- 186
B. TRANSFER PAYMENTS, NET	B	266	243	299	316	331
1. PRIVATE /Vol. Agencies	9	158	169	197	214	230
P.L. 480 - Title II/	9a	29	34	62	79	95
Pvt. Remittances	9b	129	135	135	135	135
2. CENTRAL GOVERNMENT	10	108	74	102	102	101
U.S. TOTAL	10a	11	29	59	59	58
A.I.D.	10b	9	10	19	15	13
P.L. 480 - Title I Grants	10c	-	-	40	44	45
P.L. 480 - Title II, Emergency Relief	10d	2	19	-	-	-
OTHER, TOTAL /Net	10f	97	45	43	43	43
Canada, Norway etc./	10g	114	62	60	60	60
Indus	10h	- 17	- 17	- 17	- 17	- 17
C. CAPITAL AND MONETARY GOLD, NET	C	1168	1057	946	958	808
NONMONETARY 1. PRIVATE: DIRECT INVESTMENT	11	-	-	-	-	-
OTHER LONG-TERM	12	48	28	32	55	68
Cooley /Cos.	12a	17	14	15	30	30
US Banks & Pvt./	12b	19	2	5	10	20
Others (Net)	12c	12	12	12	15	18
OTHER SHORT-TERM, Net	13	- 3	- 10	-	-	-
2. LOCAL GOVERNMENT, NET	14	-	-	-	-	-

ITEM	LINE NO.	ACTUAL (1) 19 66/67	ACTUAL (2) 19 67/68	ESTIMATED (3) 19 68/69	PROJECTED (4) 19 69/70	PROJECTED (5) 19 70/71
NONMONETARY SECTORS CONTINUED — 3. CENTRAL GOVERNMENT, NET	15	1166	1157	1022	1022	1048
LOANS RECEIVED	15a	1381	1393	1275	1332	1450
U.S., TOTAL	15b	795	732	642	532	550
A.I.D.	15c	250	331	300	300	370
P.L. 480 - Title I (L/C)	15d	500	333	222	97	40
P.L. 480 - Title II $	15e	-	41	70	85	90
Ex-IM	15f	45	27	50	50	50
OTHER, TOTAL	15g	586	661	633	800	900
IBRD/IDA	15h	214	247	)		
U.K.	15i	121	108	)		
Other Consortium	15j	161	219	)633	800	900
Soviet Bloc	15k	74	79	)		
Others	15l	16	8	)		
LOAN REPAYMENTS	15m	247	320	373	412	427
U.S., TOTAL	15n	66	84	99	101	103
Payable in $	15o	31	46	56	55	53
" in L/C	15p	35	38	43	46	50
	15q	-	-	-	-	-
OTHER, TOTAL	15r	181	236	274	311	324
IBRD/IDA	15s	49	54	42	56	58
West Germany	15t	27	27	37	42	47
Soviet Bloc	15u	36	81	80	94	100
Others	15v	69	74	115	119	119
COUNTRY-USE L/C, LIABILITIES TO U.S. Net	15w	- 18	114	105	87	25
OTHER	15x	-	- 30	15	15	-
MONETARY SECTORS — 1. * CENTRAL: LIABILITIES	16	-	-	-	-	-
ASSETS [Increase (-)]	17	-, 11	-	-	-	-
2. INSTITUTIONS: LIABILITIES	18	30	- 36	- 108	- 212	- 208
TO IMF	18a	130	32	- 48	- 120	- 195
TO IBRD AND IDA	18b	-	30	- 15	- 15	-
	18c					
OTHER, TOTAL	18d	- 100	- 98	- 45	- 77	- 13
	18e	-	-	-	-	-
ASSETS [Increase (-)]	19	- 12	- 82	-	93	- 100
IMF SUBSCRIPTION	19a	-	-	-	-	-
MONETARY GOLD	19b	-	-	-	-	-
FOREIGN EXCHANGE	19c	- 12	- 82	-	93	- 100
OTHER, TOTAL	19d	-	-	-	-	-
D. NET ERRORS AND OMISSIONS	D	- 62	-	-	-	-
E. CHANGE IN GOLD AND FOREIGN EXCHANGE (Increase (-)) (Memo Item)		- 12	- 82	-	93	- 100

Remarks:

* COMMERCIAL BANKS

SECURITY CLASSIFICATION: UNCLASSIFIED

Sources and Notes to Table C-4

General Note:

Data for 1966/67 are preliminary actuals. 1967/68 data are estimated. Other years are projections.

Exchange Rate:

India has had an exchange rate of Rs. 4.762 = $ 1 until June 6, 1966 and Rs. 7.50 = $ 1 since then. Data for the Indian FY 1966/67 that were available in dollars at the prevailing exchange rate were used. For figures available only in rupees a weighted exchange rate of Rs. 7 = $ 1 was used.

Sources and Explanatory Notes:

The data are mainly derived from the following sources:

Ref. I - Balance of Payments Annex to the Program Memorandum for FY 1970.

Ref. II - Reserve Bank of India, Report on Currency and Finance - 1967/68

Ref. III - Reserve Bank of India Bulletins.

Lines 1a & 1b: The figures are customs data, same as used in Ref. I. Projections use assumptions given in Case III in Ref. I.

Line 3: The 1966/67 figure was taken from the Economic Survey 1967/68. Net Receipts for the other years are expected around the same level of $60 million.

Line 5: The Travel figures are all estimated. Due to incomplete data, the RBI gives a negative net figure. But this usually gets revised subsequently and the figures used here are based on historical data.

Line 6: This was calculated as given in the following table:

Investment Income Projections
($ millions)

	1966/67	1967/68	1968/69	1969/70	1970/71
PAYMENTS					
Official	- 207	- 223	- 249	- 278	- 276
Foreign exchange	-1182	-1161	-1186	-1199	- 192
Local currency	- 55	- 62	- 63	- 79	- 84
Private	- 80	- 79	- 80	- 80	- 80
Total Payments	- 287	- 302	- 329	- 358	- 356
Total Receipts	28	34	35	35	35
NET INVESTMENT INCOME	- 259	- 268	- 294	- 323	- 321

Sources: Official Payments in Foreign Exchange from MOF. Official Payments in Local Currency from Controller's Office. Private Payments figure for 1966/67 from Economic Survey 1967/68. Others are estimates. Total Receipts data for 1966/67 from RBI Bulletin. Other years estimated.

Line 7: 1966/67 data from Ref.III. Other years are Mission estimates.

Line 7a: Figures for 1966/67 and 1967/68 are from U.S. Disbursing Officer. It is expected that US Uses expenditures will stay around $40 million in the projected years.

Line 8: The 1966/67 figure is based on the RBI data, adjusted so as to keep the total services figure given in the RBI Bulletin unchanged. Other years are estimated.

Line 9a: The data are derived from E-2 Tables and from the Food for Peace Office.

Line 9b: Data for 1966/67 are from Ref. III. Others are Mission estimates.

Line 10b: The data are taken from the FY69 and FY 70 Program Budget submission.

Line 10c: Projections are based on information supplied by the Program Office.

Line 10d: Data based on the E-2 Tables in the Program submission.

Line 10g: Ref. III was used for the 1966/67 and 1967/68 data. Projections for other years assume continuation of Canadian wheat grants.

Line 10h: Data are from the RBI Bulletin.

Line 12a: Actuals are from the US Disbursing Office. Projections are based on the information supplied by the Mission Loan Division.

Line 12b: These relate to US Banks' and Boeing Co. loans to Air India. The actuals are from Ref. II. Other years are Mission estimates.

Line 12c: Actuals are RBI data. Projections are Mission estimates.

Line 13: The data are from Ref. III.

Line 15: Loans received - Actuals are from Ref. II except for line 15 d. For line 15 d actuals are from USDO and projections are based on the information with the Program Office. Others are Mission estimates.

Loan Repayments - Data are based on the MOF table which was also used in the BOP Annex. The figures exclude debt relief likely to be $100 million a year. Figures for Line 15p "Payments in L/C" are from Controller's Office.

Line 15w: The changes in Rupee Balances were calculated as in the following Table:

Line 15 w

($ million)

	1966/67	1967/68	1968/69	1969/70	1970/71
Debit(+)	541.2	500.5	422	298	180
Deposits from new arrivals	441.2	390.5	306	163	86
Loan Repayments	35.0	38.0	43	46	50
Interest payments	55.0	62.0	63	79	84
Interest on deposits	10.0	10.0	10	10	10
Credit (-)	558.7	386.7	317	211	155
Loans for Economic Development	500.0	333.3	222	97	40
Grants	0.1	-	40	44	45
Expenditure for US Uses	41.3	39.1	40	40	40
Cooley Loan	17.3	14.3	15	30	30
Net	- 17.5	+113.8	+105	+ 87	+ 25

Lines 15a, 15b, 15f and 15g: For 1968/69 - 1970/71 amounts are estimated aid flow based on possible aid commitment levels. While they are generally consistent with Ref. I, they do not represent firm aid pledges and to some extent reflect requirements as dictated by other elements of the balance of payments projections contained herein.

All other figures are derived from the Balance of Payments Annex (Ref. I).

AID 1020-17 (4-65) C-5	DATA CURRENT AS OF: August 1968	COOPERATING COUNTRY INDIA	SECURITY CLASSIFICATION UNCLASSIFIED

FOREIGN COMMODITY TRADE
(In Millions of U.S. Dollar Equivalents)

C-5

All figures converted at $1 = Rs.4.762 = $ 1 up to 6/6/66 unless otherwise noted.
Rs.7.50 = $ 1 thereafter

				ACTUAL (1) 19 66/67	ACTUAL (2) 19 67/68	ESTIMATED (3) 19 68/69	PROJECTED (4) 19 69/70	PROJECTED (5) 19 70/71
A. COMMODITY EXPORTS (f.o.b.) ($ Millions)	1. MAJOR GROUPS	SITC* GROUP	CATEGORY					
		0 & 1	FOOD, BEVERAGES AND TOBACCO	501	530	545	554	560
		2 & 4	RAW MATERIALS, (EXCLUDING FUELS); AND FATS AND OILS	282	265	310	325	345
		3	MINERAL FUELS	17	12	15	18	20
		6 & 8	MANUFACTURED GOODS	691	730	800	850	905
		5, 7 & 9	ALL OTHER	51	63	80	93	120
		0 - 9	TOTAL EXPORTS	1542	1600	1750	1840	1950
	2. MAIN EXPORT COMMODITIES	ITEM: 659	Jute Manufactures	332	311	320	335	350
		074	Tea	211	240	245	250	258
		658	Cotton Manufactures	101	106	118	125	130
		281	Iron Ore	94	100	114	128	138
		67	Iron and Steel Manufactures	33	73	80	90	100
		611	Leather	82	71	75	80	85
		0517101-0517102	Cashew Kernels	61	57	65	68	70
B. COMMODITY IMPORTS (c.i.f.) ($ Millions)	1. CAPITAL GOODS AND INDUSTRIAL MATERIALS	SITC* GROUP	CATEGORY					
		5	CHEMICALS	262	415	477	529	564
		6 (Nos. 671 - 696)	IRON, STEEL AND NONFERROUS METALS	263	273	346	409	484
		7	MACHINERY AND TRANSPORT EQUIPMENT	768	662	745	831	876
			SUB TOTAL	1293	1350	1568	1769	1924
	2. OTHER	0, 1 & 4	FOOD, BEVERAGES, TOBACCO, FATS AND OILS	961	837	707	585	399
		3	MINERAL FUELS	84	167	172	180	184
			POL PRODUCTS** (Site Nos. 331-332) (Nonadditive)	(84)	(167)	(172)	(180)	(184)
		2, 6 (Other), 8 & 9	ALL OTHER	433	396	374	384	396
		0 - 9	TOTAL IMPORTS	2771	2750	2821	2918	2903
C. TERMS OF TRADE (Indexes)	1. EXPORT PRICE INDEX		1958 = 100	169	169			
	2. IMPORT PRICE INDEX		1958 = 100	150	136			
	3. TERMS OF TRADE INDEX (1 + 2)		1958 = 100	113	124			

* Standard International Trade Classification

** Petroleum and Petroleum Products

SECURITY CLASSIFICATION UNCLASSIFIED

Notes to Table C-5

All figures are customs data.

Exports: The actuals for 1966/67 and 1967/68 are taken from the March 1968 issue of the Monthly Statistics of Foreign Trade of India. The 1967/68 figure is slightly raised from the $1598 million given in the above publication so as to conform with that used in the Balance of Payments Annex to the Program Memorandum. Totals for the other years are the same as those used in the Table C-4 and the Balance of Payments Annex. Estimates for major categories and commodities are based on the Export Annex to the Program Memorandum, and Planning Commission estimates.

Imports: The 1966/67 figures are from the Monthly Statistics of the Foreign Trade of India. All other figures are based on the "Import Projections" Annex to the Balance of Payments Annex to the Program Memorandum.

BEST AVAILABLE