

# **ECONOMIC SURVEY**

## **1992 - 93**



**GOVERNMENT OF INDIA**

# **ECONOMIC SURVEY 1992-93**

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
ECONOMIC DIVISION**

## CONTENTS

1	1	General Review
1		Growth Performance
4		The Balance of Payments
6		Inflation
8		The Strategy for Economic Reform
17		Conclusion
18	2	Public Finance
21		Fiscal and Budgetary Developments in 1991-92
28		Fiscal and Budgetary Developments in 1992-93
40		Eighth Five Year Plan
42		Performance of Departmental Enterprises
44		Outlook
45	3	Money and Finance
46		Money and Credit
52		Monetary and Credit Trends
54		Scheduled Commercial Banks
56		Term Lending Institutions
59		Money Market Trends
62		Irregularities and Fraudulent Transactions in Securities Trading
63		Financial Sector Reforms
66		Developments in Capital Market
71		Outlook
72	4	Prices and Distribution
73		Measuring Inflation
79		Price Movements in Major Groups
83		Sub-sectoral Price Movements
87		Long-term Trends in WPI
88		Measures to Control Inflation
89		The Public Distribution System
92		Outlook

94	5	Balance of payments
95		Recent Developments in Balance of Payments
98		Merchandise Trade
103		External Sector Policies
111		External Finance
117		Drawals from the IMF
117		Foreign Exchange Reserves
117		External Debt
119		Outlook
121	6	Industrial Policies and Performance
122		Industrial Policy Reforms
125		Industrial Production, 1991-92
129		Industrial Production, 1992-93
130		Performance of Selected Industries
139		Small-Scale and Village Industries
140		Industrial Sickness
142		Industrial Relations
143		Investment Climate
143		Public Sector Enterprises
152		Outlook
153	7	Agriculture
154		Monsoon during 1992
156		Production Performance during 1991-92 and Prospects during 1992-93
160		Plantation Crops
161		Irrigation
162		Seeds
162		Fertilisers
164		Pesticides
165		Agricultural Credit
166		Comprehensive Crop Insurance Scheme
166		Investment
167		Agricultural Research and Extension
167		Animal Husbandry and Dairy Development
167		Poultry
168		Fisheries
168		Agricultural Marketing
169		Agricultural Policy Resolution
169		Outlook

170	8	<b>Infrastructure</b>
172		Coal
175		Power
179		Petroleum, Oil and Lubricants
182		Renewable Sources of Energy
184		Railways
185		Ports
187		Shipping
187		Road and Road Transport
188		Civil Aviation
191		The Post
192		Telecommunications
195		Outlook
196	9	<b>Social Sectors</b>
199		Population and Family Welfare
201		Literacy and Education
205		Development of Youth and Sports
205		Cultural Developments
206		Health
208		Development of Women and Children
208		Welfare of Weaker Sections
210		Housing
213		Water Supply and Sanitation
214		Labour and Labour Welfare
216		Special Employment Programmes
218		Outlook

## **BOXES**

32	2.1 Changes in Personal Income Tax in 1992-93
33	2.2 Changes in Capital Gains and Wealth Tax in 1992-93
35	2.3 Changes in Import Duties in 1992-93
36	2.4 Changes in Excise in 1992-93
37	2.5 Post Budget Developments in 1992-93
38	2.6 Tax Reforms Committee's Recommendations on Corporate Taxes
39	2.7 Tax Reforms Committee's Recommendations on Customs and Excise
41	2.8 Plan Objectives
43	2.9 Highlights of Railway Budget 1992-93
48	3.1 Credit Policy Measures in 1992-93
60	3.2 SEBI Guidelines for Financial Institutions' Capital Issues
64	3.3 Banking Sector Reforms
69	3.4 Measures to Strengthen Government Securities Market
73	4.1 The Wholesale Price Index
104	5.1 Principal Elements of Balance of Payments Strategy
105	5.2 LERMS - Main Features
114	5.3 ECB Guidelines
119	5.4 Task Force on External Debt Statistics: Recommendations
122	6.1 Industrial Licensing
211	9.1 National Housing Policy: Objectives

## TABLES

2	1.1	Key Indicators
4	1.2	Indicators of Changes in the Output of Services 1990-91 to 1992-93
20	2.1	Central Government Deficit (Per Cent of GDP at Current Market Prices)
22	2.2	Centre's Revenue Receipts and Revenue Expenditure (Per Cent of GDP)
23	2.3	Economic Classification of Total Expenditure of Central Government
24	2.4	Capital Formation by the Central Government and its Financing
25	2.5	Outstanding Liabilities of the Central Government
26	2.6	Interest on Outstanding Liabilities of Central Government
27	2.7	Budgetary Transactions of the Central and State Governments and Union Territories
30	2.8	Additional Resource Mobilisation in the Central and Railway Budgets for 1992-93
40	2.9	Annual Plan Outlay: Centre, States and Union Territories
47	3.1	Monetary Targets for 1992-93: IMF Programme
50	3.2	Selected Interest Rates of Scheduled Commercial Banks
51	3.3	Selective Credit Controls on Bank Advances
52	3.4	Sources of Change in Reserve Money
53	3.5	Sources of Change in Money Stock
55	3.6	Scheduled Commercial Banks - Selected Indicators
57	3.7	Sectoral Deployment of Gross Bank Credit
58	3.8	Working Results of Scheduled Commercial Banks
59	3.9	Published Profits of the Public Sector Banks
60	3.10	Financial Assistance Sanctioned and Disbursed by All India Financial Institutions
70	3.11	Issues and Approvals for New Issues by Public Limited Companies
74	4.1	Comparison of Measures of Inflation Based on the Limited Companies
75	4.2	Annual Rate of Inflation in WPI and CPI
77	4.3	Annual Rate of Inflation in Essential Commodities
78	4.4	Gross Margin of Retail Prices over Wholesale Prices in Selected Market Centres - 1992
79	4.5	Month-end Wholesale and Retail Prices in 37 markets - 1992
80	4.6	Wholesale Price Movement in Major Groups
82	4.7	Annual Rate of Inflation (WPI) during 1990-91 to 1992-93
84	4.8	Variation in Wholesale Prices of Selected Commodities
85	4.9	Annual (Point-to-point) Rate of Inflation in Administered Items
86	4.10	Commodities Showing Decrease (10 per cent and above) in WPI during 1992
87	4.11	Extent of Price Rise and Share in Inflation: 1982-83 to 1992-93
90	4.12	Procurement and Minimum Support Prices
91	4.13	Distribution of Foodgrains under the Public Distribution System
91	4.14	Procurement of Foodgrains
92	4.15	Stocks of Foodgrains

96	5.1	Balance of Payments : Key Indicators
98	5.2	Trends in Foreign Trade
100	5.3	Imports by Major Commodity Groups
101	5.4	Exports to GCA and RPA Countries
102	5.5	Exports by Major Commodity Groups
106	5.6	Trends in Rupee Nominal and Real Effective Exchange Rate
107	5.7	Approval of Imports of Capital Goods under EPCG Scheme
108	5.8	Performance of Export Processing Zones since 1989
108	5.9	Entitlement to Special Import Licences
110	5.10	Country-wise Break-up of Foreign Investment Approved, 1990-92
112	5.11	External Assistance
113	5.12	External Commercial Borrowing
116	5.13	Monthly Inflows/Outflows under NR(E)R, FCNR and FC(B&D) Deposits
116	5.14	Rates of Interest on Term Deposits under NR(E)R and FCNR Accounts
117	5.15	Drawals from International Monetary Fund, 1990-92
118	5.16	Movements in Foreign Exchange Reserves
118	5.17	External Debt and Debt Servicing : Key Indicators
125	6.1	Annual Growth rates in Major Sectors of Industry
126	6.2	Recent Trends in Month-wise and Quarter-wise Growth in IIP (1980-81=100)
128	6.3	Trends in the Output of the Manufacturing Sector
129	6.4	Growth Rates of 172 Industries (Use-based Group-wise)
131	6.5	Output of Iron and Steel
133	6.6	Output of Fertilizers
135	6.7	Profile of the Sugar Industry
136	6.8	Production of Electronics, 1988-89 to 1991-92
137	6.9	Production of Fabrics
138	6.10	Production of Spun Yarn
139	6.11	Results of SSI Census and ASI
141	6.12	Industrial Sickness
142	6.13	Viability Position of Sick and Weak Units : End-March 1991
143	6.14	Man-days Lost on Account of Strikes and Lockouts
144	6.15	Selected Indicators on Industrial Approvals and Sanctions
146	6.16	Profitability Profile of Central PSEs
148	6.17	Public Enterprises: Plan Investment and Budget Support
150	6.18	Disinvestment of PSE Shares
150	6.19	Disinvestment in October 1992
151	6.20	Disinvestment in December 1992
154	7.1	Monsoon Performance (June-September)
156	7.2	Cumulative Rainfall Indices weighted by Kharif Cereals Production - State-wise
157	7.3	Performance of Agricultural Production
159	7.4	Production of Oilseeds
161	7.5	Development of Irrigation Potential and Its Utilisation
163	7.6	Area Under High Yielding Varieties of Seeds
163	7.7	Consumption of Chemical Fertilizers
164	7.8	Fertilizers: Production, Imports and Subsidies
165	7.9	Disbursement of Agricultural Credit
166	7.10	Progress of Comprehensive Crop Insurance Scheme



171	8.1	Trends in the Performance of Infrastructure Sectors
172	8.2	Trends in the Coal Sector
173	8.3	Productivity in the Coal Sector in Terms of (OMS)
175	8.4	Sector-wise Offtake of Raw Coal
175	8.5	Trends in the Power Sector (Utilities only)
176	8.6	Plant Load Factors: Achievement
177	8.7	Addition to Generation Capacity
178	8.8	Gross Subsidies in the State Power Sectors
179	8.9	Trends in Petroleum Sector
181	8.10	Consumption of Petroleum Products
184	8.11	Performance of the Railways
185	8.12	Trends in Traffic at Major Ports
186	8.13	Commodity-wise Capacity and Actual Traffic Handled at Major Ports
189	8.14	Performance of Air India
189	8.15	Performance of Indian Airlines
191	8.16	Performance of the International Airport Authority of India
193	8.17	Performance of Telecommunications
197	9.1	Estimates of Incidence of Poverty
198	9.2	Selected Indicators of Development
198	9.3	Selected Indicators of Development for Major States
199	9.4	Birth Rate, Death Rate and Infant Mortality Rate
199	9.5	Performance of the Family Welfare Programme
200	9.6	Couple Protection under the Family Planning Programme
201	9.7	Growth of Recognised Educational Institutes
202	9.8	Enrolment and Teachers in Primary and Upper Primary Schools
203	9.9	Enrolment and Teachers in High/Higher Secondary Schools
206	9.10	Expansion of Health Services
213	9.11	Population with Drinking Water and Sanitation Facilities
214	9.12	Employment in the Organised Public and Private Sectors
215	9.13	Job-Seekers (Matric & above) on the Live Register of Employment Exchanges
217	9.14	Achievements of Special Employment Programmes in Rural Areas
218	9.15	Achievements under Nehru Rozgar Yojana

## FIGURES

1		Selected Economic Indicators
3	1.1	Annual Growth of Industrial Production
7	1.2	Trends in Inflation with and without the Effect of Administered Price Rise
8	1.3	Centre's Budgetary Deficit as Per Cent of GDP and Year-end Deficit
18	2.1	Centre's Budgetary Deficit
22	2.2	Centre's Revenue Expenditure
29	2.3	Budgetary Deficit
61	3.1	Call Money Rates
68	3.2	Ordinary Share Price Index: 1991 and 1992
74	4.1	Annual Rates of Inflation (WPI)
76	4.2	Annual Rates of Inflation (WPI and CPI): Essential Commodities
81	4.3	Financial Year Changes in WPI: All Commodities Administered Price Rise
82	4.4	Annual Rates of Inflation in WPI: All Commodities and Major Groups
97	5.1	Foreign Currency Assets
98	5.2	Foreign Trade
100	5.3	Composition of India's Imports
102	5.4	Composition of India's Exports
103	5.5	Destination of India's Exports
104	5.6	Sources of India's Imports
115	5.7	Flows of NRI and FC(B&O) Deposits
126	6.1	Rates of Change of Industrial Production
127	6.2	Monthly Indices of Industrial Production
130	6.3	Production of Selected Industries-I
131	6.4	Production of Selected Industries-II
155	7.1	Rainfall Index Weighted by Kharif Cereal Production
156	7.2	Agricultural Production
157	7.3	Index of Agricultural Production
158	7.4	Foodgrains Production
172	8.1	Performance of Infrastructure Sector

## ACRONYMS

ACU	Asian Clearing Union
ADB	Asian Development Bank
AIDS	Acquired Immuno Deficiency Syndrome
API	Annual Parasite Index
ARM	Additional Resource Mobilisation
ASI	Annual Survey of Industries
ASR	Airport Surveillance Radar
BCCL	Bharat Coking Coal Limited
BCR	Balance from Current Revenue
BE	Budget Estimate
BG	Broad Gauge
BIFR	Board for Industrial and Financial Reconstruction
BNP	Balwadi Nutrition Programme
CAD	Command Area Development
CARE	Cooperative for American Relief Everywhere
CBI	Central Bureau of Investigation
CCA	Cumulative Command Area
CCI	Controller of Capital Issues
CCIS	Comprehensive Crop Insurance Scheme
CCS	Cash Compensatory Support
CD	Certificate of Deposit
CEA	Central Electricity Authority
CHC	Community Health Centre
CIL	Coal India Limited
CIP	Central Issue Price
CIS	Commonwealth of Independent States
COB	Carry On Business
CONCOR	Container Corporation of India
COSIP	Colleges Science Improvement Programme
CP	Commercial Paper
CPI	Consumer Price Index
CPI(AL)	Consumer Price Index for Agricultural Labourers
CPI(IW)	Consumer Price Index for Industrial Workers
CPI(UNME)	Consumer Price Index for Urban Non-Manual Employees
CRISIL	Credit Rating Information Services of India Limited
CRR	Cash Reserve Ratio
CSO	Central Statistical Organisation

DAP	Di-Ammonium Phosphate
DEL	Direct Exchange Lines
DFHI	Discount and Finance House of India
DFI	Development Finance Institution
DGCI&S	Director General of Commercial Intelligence & Statistics
DGE&T	Directorate General of Employment and Training
DOT	Department of Telecommunication
DRC	District Rehabilitation Centre
DRI	Differential Rate of Interest
DTL	Demand and Time Liabilities
DVC	Damodar Valley Corporation
DWCRA	Development of Women and Children in Rural Areas
ECB	External Commercial Borrowing
ECE	Early Childhood Education
ECGC	Export Credit Guarantee Corporation
EEC	European Economic Community
EFF	Extended Fund Facility
EGS	Employment Guarantee Scheme
EHTP	Electronics Hardware Technology Park
EIUS	Environmental Improvement of Urban Slums
EOU	Export-Oriented Unit
EPC	Export Promotion Council
EPCG	Export Promotion Capital Goods
EPZ	Export Processing Zone
ESAF	Enlarged Structural Adjustment Facility
ESTP	Electronics Software Technology Park
EWS	Economically Weaker Section
FCNRA	Foreign Currency Non-Resident Accounts
FC(B&O)D	Foreign Currency (Banks and Others) Deposits
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board
GATT	General Agreement on Tariffs and Trade
GCA	General Currency Area
GDP	Gross Domestic Product
GDRM	Global Depository Receipt Mechanism
GER	Gross Enrolment Ratio
GIC	General Insurance Corporation
GRT	Gross Registered Tonnes
HFA	Health for All
HIV	Human Immuno Deficiency Virus
HSD	High Speed Diesel
HUDCO	Housing and Urban Development Corporation
HYV	High Yielding Variety

IAAI	International Airport Authority of India
IAY	Indira Awaas Yojana
IBRD	International Bank for Reconstruction and Development
ICAR	Indian Council of Agricultural Research
ICDS	Integrated Child Development Service
ICICI	Industrial Credit and Investment Corporation of India
ICOR	Incremental Capital-Output Ratio
ICRA	Investment Information and Credit Rating Agency
ICRR	Incremental Cash Reserve Ratio
IDA	International Development Agency
IDBI	Industrial Development Bank of India
IEC	Information, Education and Communication
IEM	Industrial Entrepreneurs' Memoranda
IFCI	Industrial Financial Corporation of India
IIM	Indian Institute of Management
IIP	Index of Industrial Production
ILO	International Labour Organisation
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IMS	Integrated Management System
IPCL	Indian Petroleum and Chemicals Limited
IPM	Integrated Pest Management
IPRS	International Price Reimbursement Scheme
IRBI	Industrial Reconstruction Bank of India
IRDP	Integrated Rural Development Programme
IREDA	Indian Renewable Energy Development Agency
IT ACT	Income Tax Act
ITDP	Integrated Tribal Development Project
ITI	Indian Telephone Industries
ITI	Industrial Training Institute
IUD	Intra-Uterine Device
JBRI	Japanese Bond Research Institute
JE	Japanese Encephalitis
JPC	Joint Parliamentary Committee
JRY	Jawahar Rozgar Yojana
JSN	Jana Shikshan Nilayam
KVIC	Khadi and Village Industries Commission
LDPT	Long Distance Public Telephone
LDSP	Land Development and Shelter Project
LERMS	Liberalised Exchange Rate Management System
LIC	Life Insurance Corporation
LIG	Low Income Group
LPG	Liquefied Petroleum Gas
LTFP	Long-term Fiscal Policy
LTO	Long Term Operations

M3	Money Supply
MDT	Multi Drug Therapy
MFA	Multi-Fibre Arrangement
MG	Meter Gauge
MILIC	Moderately Indebted Low-Income Country
MISC	Miscellaneous
MMMF	Money Market Mutual Funds
MMTC	Mineral and Metal Trading Corporation
MOP	Muriate of Potash
MOU	Memorandum of Understanding
MPBF	Maximum Permissible Bank Finance
MSSR	Monopulse Secondary Surveillance Radar
MST	Monthly Season Ticket
MWS	Million Wells Scheme
N	Nitrogen
NAA	National Airports Authority
NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agricultural Cooperative Marketing Federation
NAV	Net Asset Value
NBCG	Net Bank Credit to Government
NBFDC	National Backward Classes Finance and Development Corporation
NBO	National Building Organisation
NCC	National Cadet Corps
NCHF	National Cooperative and Housing Federation of India
NCVT	National Council of Vocational Training
NDA	Net Domestic Assets
NEER	Nominal Effective Exchange Rate
NFE	Non-Formal Education
NFEE	Net Foreign Exchange Earnings
NG	Narrow Gauge
NGO	Non-Governmental Organisation
NHB	National Housing Bank
NHP	National Housing Policy
NLC	Neyveli Lignite Corporation
NMEP	National Malaria Eradication Programme
NNP	Net National Product
NORAD	Norwegian Agency for Development
NPE	National Policy on Education
NRCCG	Net Reserve Bank Credit to Central Government
NRER	Non Resident External (Rupee) Accounts
NRF	National Renewal Fund
NRI	Non-Resident Indian
NRR	Net Reproduction Rate
NRSE	New and Renewable Sources of Energy
NRV	Nehru Rozgar Yojana
NR(E)RA	Non-Residents (External) Rupee Account

NSEI	National Stock Exchange of India
NSFDC	National Scheduled Castes and Scheduled Tribes Finance and Development Corporation
NSS	National Service Scheme
NSSO	National Sample Survey Organisation
NSTC	National Sports Talent Contest
OB	Operation Blackboard
OC	Open Cast
OCB	Overseas Corporate Body
OECD	Organisation for Economic Co-operation and Development
OIL	Oil India Limited
OMS	Output per Man-Shift
ONGC	Oil and Natural Gas Commission
OPEC	Organisation of Petroleum Exporting Countries
P	Phosphorus
P & T	Posts and Telecommunication
P <sub>2</sub> O <sub>5</sub>	Phosphate
PACS	Primary Agricultural Credit Society
PCRA	Petroleum Conservation Research Association
PDS	Public Distribution System
PECV	Profit Earning Capacity Value
PHC	Primary Health Centre
PHL	Pawan Hans Limited
PLF	Plant Load Factor
POL	Petroleum, Oil and Lubricants
PSE	Public Sector Enterprise
PSU	Public Sector Undertaking
R&D	Research and Development
RBF	Refinery Boiler Fuel
RBI	Reserve Bank of India
RCMC	Registration-cum-Membership Certificate
RCTFC	Risk Capital & Technology Finance Corporation
RE	Revised Estimate
REER	Real Effective Exchange Rate
REPOS	Repurchasing Obligations
RMP	Registered Medical Practitioner
RPA	Rupee Payment Area
RRB	Regional Rural Bank
RREC	Rural Rehabilitation Extension Centre
RRTC	Regional Rehabilitation Training Centre

SAF	Structural Adjustment Facility
SAI	Sports Authority of India
SAIL	Steel Authority of India Limited
SAL	Structural Adjustment Loan
SAP	State Advised Price
SBI	State Bank of India
SC	Scheduled Castes
SCCL	Singareni Collieries Company Limited
SCI	Shipping Corporation of India
SCICI	Shipping Credit & Investment Company of India
SCP	Special Component Plan
SDR	Special Drawing Right
SEB	State Electricity Board
SEBC	Socially and Educationally Backward Class
SEBI	Securities and Exchange Board of India
SEEU	Scheme of Self-Employment for Educated Unemployed Youth
SEPUP	Self Employment Programme for Urban Poor
SESRU	Self Employment Scheme for Registered Unemployed
SFC	State Financial Corporation
SHASU	Scheme for Housing and Shelter Upgradation
SIA	Secretariat of Industrial Approvals
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SIDA	Swedish International Development Agency
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporation
SIDCO	Small Industries Development Corporation
SIDO	Small Industries Development Organisation
SLR	Statutory Liquidity Ratio
SMP	Statutory Minimum Price
SNP	Special Nutrition Programme
SPDA	Sports Project Development Area
SRS	Sample Registration System
SRTC	State Road Transport Corporation
SRTU	State Road Transport Undertaking
SSI	Small-Scale Industries
ST	Scheduled Tribes
STEP	Support to Training and Employment Programme
STP	Software Technology Park
SUME	Scheme for Urban Micro Enterprises
SUWE	Scheme of Urban Wage Employment
TB	Tuberculosis
TDICI	Technology Development & Information Company of India
TDS	Tax Deducted at Source
TEI	Technical Education Institute
TEU	Twenty-Foot Equivalent
TFCI	Tourism Finance Corporation of India
TISCO	Tata Iron & Steel Company



TLC	Total Literacy Campaign
TRIFED	Tribal Cooperative Marketing Development Federation
TRYSEM	Training of Rural Youth for Self Employment
TSP	Tribal Sub-Plan
TT	Titurus Toxide
T&D	Transmission and Disruption
UBSP	Urban Basic Services for the Poor
UEE	Universalisation of Elementary Education
UG	Under Ground
UGC	Unversity Grants Commission
UNDP	United Nations Development Programme
UNICEF	United Nations International Children and Educational Fund
UT	Union Territory
UTI	Unit Trust of India
VRC	Vocational Rehabilitation Centre
VSAT	Very Small Aperture Terminals
VSP	Vishakapatnam Steel Project
WFP	World Food Programme
WPI	Wholesale Price Index

## NOTES

The following numerical units are used:

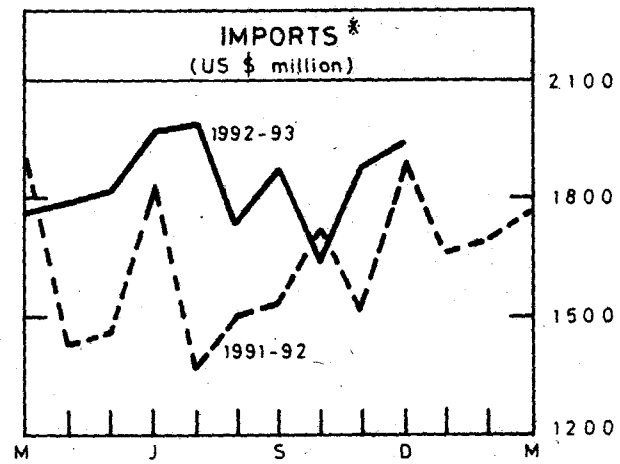
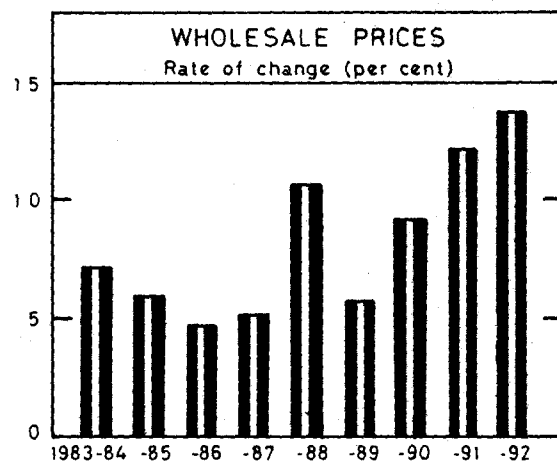
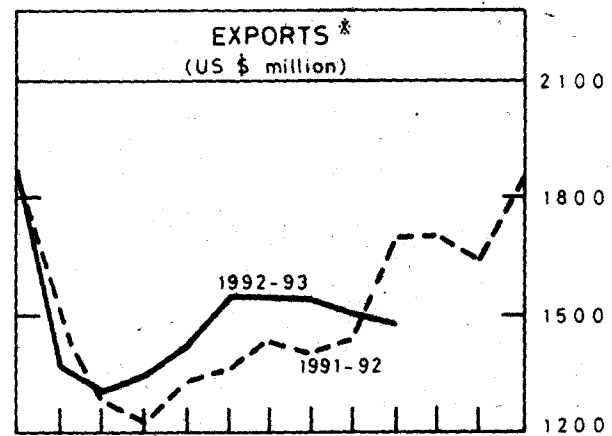
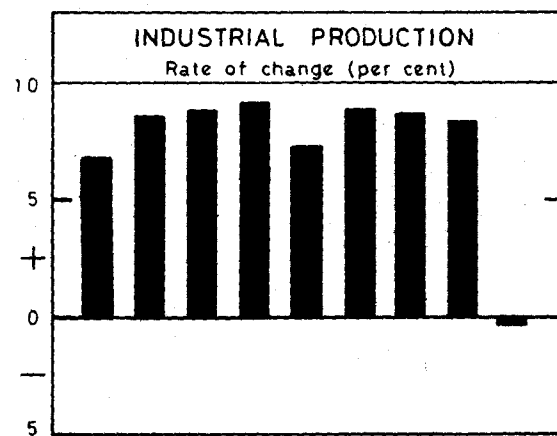
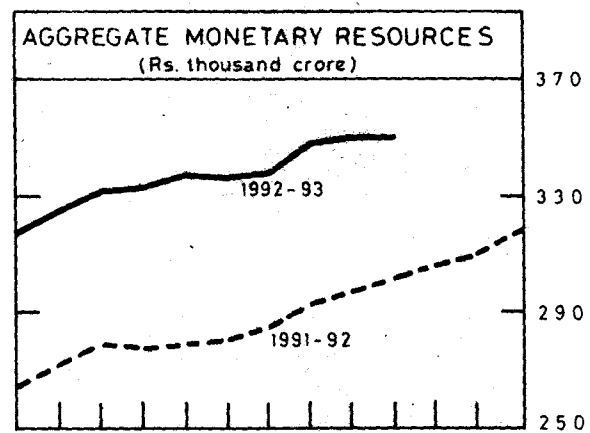
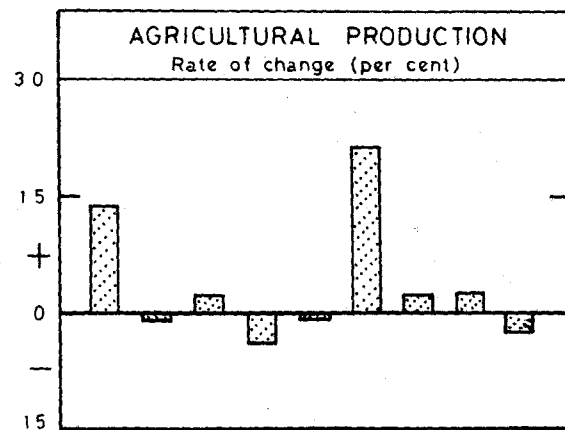
Lakh	100000
Crore	10 million

**Kharif** crops are planted at the outset of the southwest monsoon in June-July and harvested in September-October.

**Rabi** crops are planted in winter, usually between October and December, and harvested in spring, between March and May.

**Warabandi** is construction of channels to carry irrigation water from canals to farms.

# SELECTED ECONOMIC INDICATORS



\* PROVISIONAL