

1.1 The State Domestic Product (SDP) at factor cost is regarded as the most important single economic indicator to measure the growth and pattern of economic development of a state. The structure of a State economy and its performance by economic activity can be looked upon by the estimates of its Gross / Net State Domestic Product by different sectors. The Per Capita Income is a useful measure of the prosperity of an economy. True, it cannot accurately capture some vital aspects of human welfare like the health and educational standards of the society, nor does it take environmental degradation into account, but it is still believed to be the best single parameter of a region's welfare. This indicator is now frequently used by the Planning Commission (PC) and Finance Commission (FC) for devolution of a part of plan resources and distribution of proceeds of central taxes to different states.

1.2 As we know, in our federal structure, the Centre has a larger opportunity to raise resources but the states have to provide a greater share of public services. So the Centre shares some funds with the States on the basis of a certain formula designed by Finance Commission. The formula is a complex one based on the need, capability and efficiency of the State. Very broadly speaking, population, area, fiscal efficiency and fiscal capacity distance from the richest state are the basic parameters on which the devolution formula depends, with fiscal capacity distance (FCD) being the most important of all parameters (almost 50% weightage). Now the FCD is derived by a complex method that, crudely speaking, takes into account the distance of the per capita revenue potential of the state from the per capita revenue potential of the richest state. The measurement of revenue potential crucially depends on the size of the economy captured by SDP.

1.3 Under the current system of preparation of estimates for Budget of coming financial year, the advance estimate of Gross Domestic Product ( GDP ) / Gross State Domestic Product (GSDP) for ongoing financial year plays a crucial measure. The forecast of GDP growth of 5 per cent for the financial year, 2012-13 declared by Central Statistics Office (CSO) under Ministry of Statistics & Programme Implementation (MoSPI) indicates higher fiscal deficit to GDP ratio of the Indian Economy. Already the growth of GSDP of West Bengal for first two quarters of this fiscal observed to be higher than the national GDP.

1.4 The present series of estimates of Gross and Net Domestic Product of West Bengal have been given with 2004-05 as base year. The estimates for the year 2004-05 onwards have been revised incorporating the updated information supplied by Central Statistics Office of MOSPI, Government of India and different departments of Government of West Bengal.

**Advance Estimates of Gross State Domestic Product & Net State Domestic Product for the year 2012-13 at constant prices (2004-05).**

1.5 The Advance Estimate of GSDP at factor cost at constant price (2004-05) in 2012-13 is estimated at ₹ 365919.83 crore which registered a forecast of growth of 7.67 per cent in this fiscal over the previous year whereas the growth of GDP of All India is estimated at 5.0 per cent. The Advance Estimate of NSDP at factor cost at constant price (2004-05) in 2012-13 is estimated at ₹ 331469.80 crore registering a forecast of growth of 7.81 per cent over the previous year. The forecast of growth in Per Capita Income is estimated to the tune of 6.84 per cent in this fiscal.

1.6 The sectors which registered growth rate of over 5 per cent are 'Manufacturing (unregd.)', 'Construction', 'Electricity, Gas & Water Supply', 'Transport, Storage & Communication', 'Trade, Hotel & Restaurant', 'Financing, Insurance, Real Estate & Business Services' & 'Community, Social & Personal Services'. There also may be growth in the sectors of 'Agriculture' (2.63%), 'Manufacturing (Regd.)' (4.49%).

**Table 1.1**  
**Advance Estimates of NSDP of West Bengal at Constant (2004-05) Prices**

Sector	2011-12 (Q) (₹ In crore)	2012-13(A) (₹ In crore)	% change over previous year
Agriculture, Forestry & Fishery	54577.69	55974.36	2.56
Mining & Quarrying	1822.41	1766.14	-3.09
Manufacturing	26603.01	27913.71	4.93
Construction	19266.77	21171.09	9.88
Electricity, Gas & Water Supply	2931.66	3099.48	5.72
Trade, Hotels, Transport & Communication	90907.15	99368.91	9.31
Financing, Insurance, Real Estate & Business Services	54338.70	58713.92	8.05
Community, Social & Personal Services	57005.23	63462.19	11.33
Total	307452.62	331469.80	7.81
Per Capita Income (₹)	34166.34	36504.68	6.84

Q= Quick, A=Advance.

Source : Bureau of Applied Economics & Statistics, Govt. of West Bengal.

1.7 The estimated growth rate of NSDP at constant (2004-05) prices is 7.81 per cent in 2012-13(A) as compared to the growth rate of 6.77 per cent for quick estimate in 2011-12. This growth rate in 2012-13 is attributable to mainly for the sectors of 'Financing, Insurance, Real Estate and Business Services', 'Construction', 'Trade, Hotels, Transport & Communication' and 'Community, Social & Personal Services'. 'Agriculture, Forestry and Fishery' sector and 'Manufacturing' Sector are likely to show growth during 2012-13. These estimates are based on anticipated level of agricultural and industrial production, Index of Industrial Production (April to November, 2012-13), Consumer Price Index (April to December, 2012-13), etc. NSDP at current prices is likely to attain a level of ₹ 576864.89 crore in 2012-13(A) as compared to quick estimates of ₹ 496927.34 crore in 2011-12 showing a growth

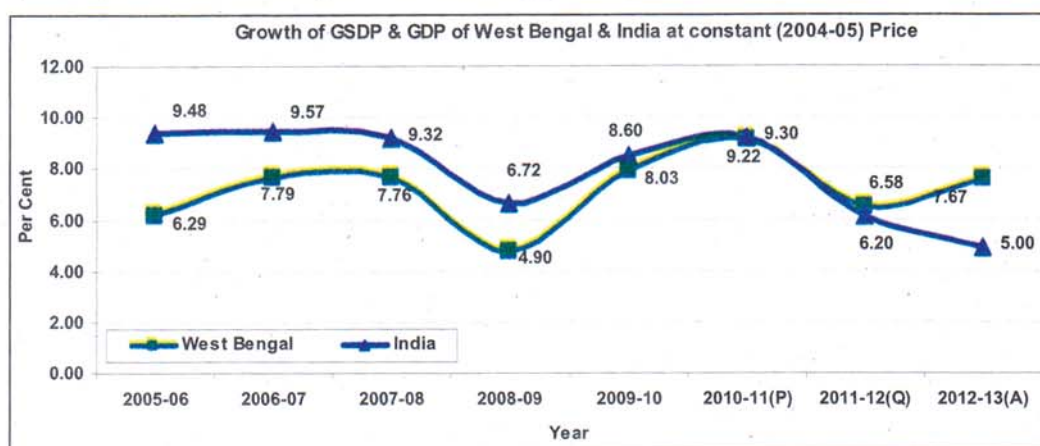


rate of 16.09 per cent. The per capita income at constant prices during 2012-13 is estimated to be ₹ 36504.68 as compared to ₹ 34166.34 during 2011-12 showing a rise of 6.84 per cent.

### Growth Trends

1.8 The Gross Domestic Product (GDP) for All India at factor cost at constant price (2004-05) in the year 2011-12 (Quick) is estimated at ₹ 52,43,583.00 crore where the contribution of GSDP of West Bengal is 10.38 per cent.

1.9 In the Figure, growth of GSDP at constant price (2004-05), shows lower than national GDP up to the year 2010-11 and higher from 2011-12 (Q) onwards.



1.10 Sector wise average growth rates in Ninth Plan period (1997-2002), Tenth Plan period (2002-2007) and Eleventh Plan period (2007-2012) have been furnished in Table 1.2. It shows that growth of service sector in ninth and eleventh plan period was higher than the growth of agriculture & allied sector, industry sector. In the tenth plan period, the growth in the industry sector was the highest among the other sectors. In general, overall growth in eleventh plan period was higher than the growth in ninth and tenth plan period.

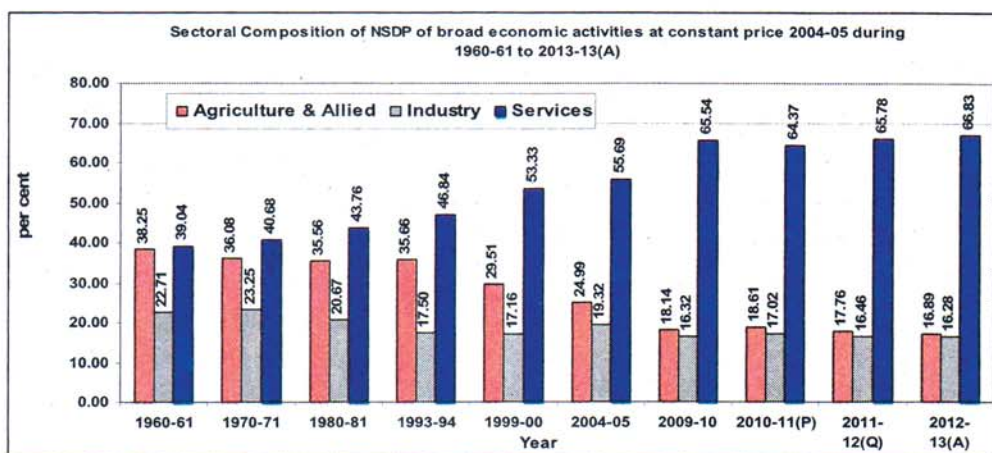
**Table 1.2**  
**Average Growth of GSDP at constant price (2004-05) in Five Year Plan Period**  
(in per cent)

Sector	Growth in Plan Period		
	Ninth Plan (1997-2002)	Tenth Plan (2002-2007)	Eleventh Plan (2007-2012)
Agriculture and Allied	3.29	1.63	2.38
Industry	6.64	8.01	5.07

Services	8.62	7.79	9.74
Total	6.53	6.19	7.30

Source: Bureau of Applied Economics & Statistics (BAE&S), Government of West Bengal

1.11 The following Chart reveals that Sectoral contribution to NSDP at constant price ( converted base 2004-05) shows declining trend in 'Agriculture & Allied' and 'Industry' sectors but contribution of 'Service' Sector in the State Income plays important role after '80s .



Source: Bureau of Applied Economics & Statistics (BAE&S), Government of West Bengal

1.12 The year wise estimates of Net State Domestic Product (NSDP) of West Bengal have been prepared using the updated information relating to different sectors of the State economy. Taking 2004-05 as point of reference, the annual growth of NSDP of West Bengal during 2005-06 to 2012-13 is furnished in Table 1.3.

**Table 1.3**  
**Annual Growth in NSDP of West Bengal at Constant (2004-05) Prices**

Sectors	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	2011-12 (Q)	2012-13 (A)	Average Growth
Primary	1.97	1.88	5.06	-2.86	6.17	-0.92	1.48	2.38	1.90
Secondary	3.24	9.28	8.09	-6.57	10.50	8.71	3.74	6.93	5.49
Tertiary	9.32	10.03	8.79	9.95	7.61	13.11	9.12	9.54	9.68
Total NSDP	6.30	7.85	7.78	4.03	7.77	9.40	6.77	7.81	7.21
Per Capita Income	5.12	6.68	6.67	3.02	6.75	8.39	5.78	6.84	6.16

P= Provisional, Q=Quick, A=Advance

Source: Bureau of Applied Economics & Statistics (BAE&S), Government of West Bengal



1.13 The State envisaged an annual average growth of 7.21 per cent in its NSDP at constant prices during 2005-06 to 2012-13(A). It is observed from the table that the average growth of the secondary sector comprising manufacturing, electricity, gas and water supply and construction during the same period was 5.49 per cent along with 9.68 per cent growth in tertiary sector of the State economy. The average growth in primary sector (1.90 per cent) was low due to negative growth of agriculture in 2008-09 and 2010-11. The rate of growth of Per Capita Income of West Bengal, an indicator of well being of the people, at constant 2004-05 prices was above 5 per cent during the last seven years except for 2008-09. The average growth of PCI during 2005-06 to 2012-13(A) is being 6.16 per cent.

1.14 The pattern of growth measured in terms of annual estimates of NSDP of West Bengal during the period from 2005-06 to 2012-13(A) at constant 2004-05 prices is furnished in Table 1.4. The average growth of the Industry sector comprising mining and quarrying, manufacturing, electricity, gas and water supply and construction during the same period was 5.04 per cent. In the Service sector, the average growth was high at 9.68 per cent. Agricultural and Allied Sector registered an average growth rate of 2.12 per cent during 2005-06 to 2012-13(A).

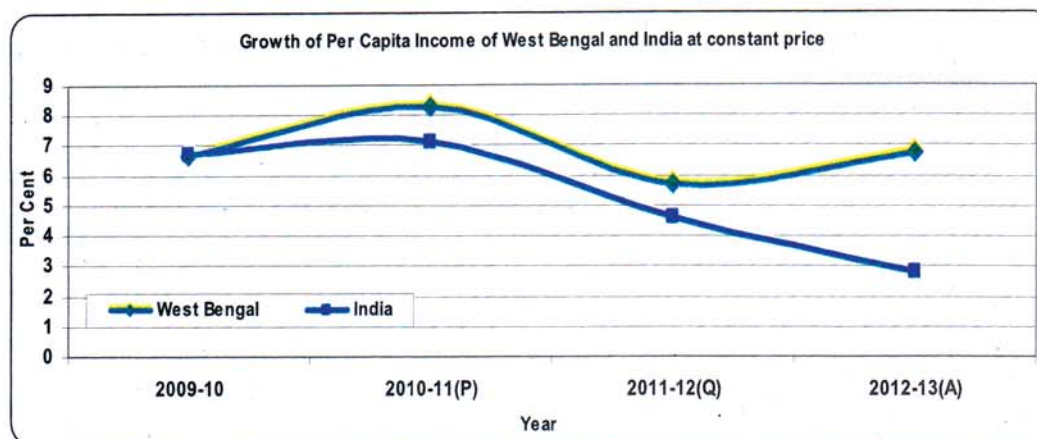
**Table 1.4**  
**Growth in NSDP of West Bengal**  
**(At Constant 2004-05 Prices)**

Year	(in per cent)		
	Agriculture & Allied	Industry	Services
2005-06	2.14	2.95	9.32
2006-07	1.73	9.02	10.03
2007-08	5.93	6.87	8.79
2008-09	-3.03	-6.19	9.95
2009-10	6.54	9.83	7.61
2010-11 (P)	-0.72	8.03	13.11
2011-12(Q)	1.82	3.27	9.12
2012-13(A)	2.56	6.57	9.54

Source: Bureau of Applied Economics & Statistics, Government of West Bengal

P= Provisional, Q=Quick, A=Advance

1.15 The following Chart reflect that after 2009-10, growth of Per Capita Income of West Bengal has been higher than National Growth. The pattern of rise in growth is to be identical. But in Advance Estimate 2012-13, the growth of Per Capita Income of West Bengal expected to be widely divergent from National growth. In the financial year 2012-13(A), the per capita income of West Bengal is likely to be ₹ 36504.68 in against of ₹ 34166.34 in previous year and the same of All India is forecasted to be ₹ 39143 in 2012-13(A) in against of ₹ 38037 in the year 2011-12(Q).



### Structural Composition

1.16 The structure of the State economy during the period from 2004-05 to 2012-13(A) is shown in Table 1.5. It is observed from this table that the share of primary sector reduced from 26.22 per cent in 2004-05 to 17.42 per cent in 2012-13(A). The contribution of the secondary sector was more or less stable during this period. However, a remarkable change was observed in the contribution of the tertiary sector. The contribution of the tertiary sector was 55.69 per cent in 2004-05 which shot up to 66.83 per cent in 2012-13(A). So, the tertiary sector is presently dominating the State economy. Thus, expansion of service sector is mainly the major reason for the growth of the State economy.

**Table 1.5**  
**Percentage Share of Different Sectors in Total NSDP**  
**at Constant (2004-05 ) Prices**

Sectors	(in per cent)								
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11(P)	2011-12(Q)	2012-13(A)
Primary	26.22	25.16	23.76	23.16	21.62	21.31	19.30	18.35	17.42
Secondary	18.09	17.57	17.80	17.84	16.03	16.44	16.33	15.87	15.75
Tertiary	55.69	57.27	58.44	59.00	62.35	62.25	64.37	65.78	66.83
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

P= Provisional, Q=Quick, A=Advance

Source: Bureau of Applied Economics & Statistics (BAE&S), Government of West Bengal.

1.17 Percentage share of NSDP at constant (2004-05) prices of different sub sectors in primary, secondary and tertiary sectors for the period from 2004-05 to 2012-13(A) is given in Table 1.6. From the table, it is observed that in the primary sector, the percentage share of agriculture is the highest in the range of 76 to 78 per cent for all the years followed by the fishery sector. In the secondary sector, the



percentage share of the construction sector is the highest, although its share has decreased over the years except at advance estimate 2012-13. The share of unregistered manufacturing sector was higher than the registered manufacturing sector. In the tertiary sector contribution of communication sector is increasing gradually. The highest contributor in this sector is trade, hotel and restaurant business.

**Table 1.6**  
**Percentage Share of different Sub Sectors in NSDP at Constant (2004-05) Prices**  
**of Primary , Secondary and Tertiary Sector**

(in per cent)

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11(P)	2011-12(Q)	2012-13(A)
1	Agriculture	77.32	77.12	76.31	77.01	76.09	77.64	78.06	78.17	78.36
2	Forestry	4.70	4.68	4.76	4.77	4.93	4.71	4.62	4.64	4.57
3	Fishery	13.26	13.63	14.22	14.31	14.90	13.90	13.77	13.97	14.01
4	Mining & Quarrying	4.72	4.57	4.71	3.91	4.08	3.75	3.56	3.23	3.06
	<b>Primary</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
5	Manufacturing									
5.1	Manufacturing(Regd.)	25.17	20.48	22.13	23.72	24.46	25.61	24.58	23.95	23.40
5.2	Manufacturing(Unregd.)	26.46	27.72	28.47	29.43	31.08	28.78	30.75	30.56	30.09
6	Construction	41.53	44.52	43.33	40.88	39.97	39.34	38.54	39.48	40.57
7	Electricity, Gas & Water Supply	6.84	7.28	6.07	5.97	4.49	6.27	6.13	6.01	5.94
	<b>Secondary</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
8	Transport, Storage and Communication									
8.1	Railways	2.26	2.24	2.23	2.24	2.26	2.48	2.50	2.55	2.61
8.2	Transport by other means & Storage	10.85	10.45	10.28	10.23	9.85	7.61	7.53	7.07	6.68
8.3	Communication	2.59	3.03	3.66	4.28	4.87	5.28	5.57	6.30	7.15
9	Trade, Hotel & Restaurant	30.43	29.99	29.85	28.97	27.62	28.40	29.94	29.03	28.41
10	Banking & Insurance	12.08	12.65	13.82	14.81	14.15	14.22	13.90	14.44	14.60
11	Real Estate, Ownership of Dwellings & Business Services	12.87	12.98	12.98	13.00	12.92	12.66	12.51	12.43	11.91
12	Public Administration	8.76	8.47	7.44	6.59	8.32	8.54	7.48	7.30	7.38
13	Other Services	20.16	20.19	19.74	19.88	20.01	20.81	20.57	20.88	21.26
	<b>Tertiary</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

P= Provisional, Q=Quick, A=Advance

Source: Bureau of Applied Economics & Statistics (BAE&S), Government of West Bengal

1.18 The aggregate quantum of output has not only increased in the State, there has been a change in its composition as well. There was a decline in the share of primary sector during the last five years. Industrial sector was on a steady track based on expansion of micro and small sector and the unorganized manufacturing sector. Balanced agricultural growth coupled with rising industrial investment has led the tertiary sector of the State economy to grow consistently.

1.19 The performance of different sectors of the State economy can be measured by the estimates of NSDP at disaggregated level. The estimated Net State Domestic Product of West Bengal by industry of origin at constant 2004-05 prices is furnished in Table 1.7.

**Table 1.7**  
**Estimates of Net State Domestic Product of West Bengal by Industry of Origin**  
**(At Constant 2004-05 Prices)**

(₹ in crore)

Sl. No.	Industry	2010-11 (P)	2011-12 (Q)	% Change
1	Agriculture	43383.33	44085.27	1.62
2	Forestry	2565.83	2614.66	1.90
3	Fishery	7653.39	7877.76	2.93
4	Mining & Quarrying	1976.83	1822.41	-7.81
	<b>Primary</b>	<b>55579.38</b>	<b>56400.10</b>	<b>1.48</b>
5	Manufacturing	26026.86	26603.01	2.21
5.1	Manufacturing (Registered)	11561.90	11688.63	1.10
5.2	Manufacturing (Unregistered)	14464.96	14914.38	3.11
6	Construction	18130.20	19266.77	6.27
7	Electricity, Gas & Water Supply	2884.99	2931.66	1.62
	<b>Secondary</b>	<b>47042.05</b>	<b>48801.44</b>	<b>3.74</b>
8	Transport, Storage & Communication			
8.1	Railways	4629.82	5156.40	11.37
8.2	Transport by other means & storage	13962.94	14294.74	2.38
8.3	Communication	10314.50	12734.32	23.46
9	Trade, Hotel & Restaurants	55496.31	58721.69	5.81
10	Banking & Insurance	25770.27	29207.48	13.34
11	Real Estate, Ownership of Dwelling & Business Services	23182.45	25131.22	8.41
12	Public Administration	13866.80	14771.61	6.53
13	Other Services	38125.07	42233.62	10.78
	<b>Tertiary</b>	<b>185348.16</b>	<b>202251.08</b>	<b>9.12</b>
	<b>Total</b>	<b>287969.59</b>	<b>307452.62</b>	<b>6.77</b>
	Per Capita Income (₹)	32298.79	34166.34	5.78

P: Provisional estimates & Q: Quick estimates.

Source : Bureau of Applied Economics & Statistics, Govt. of West Bengal.



1.20 NSDP at constant 2004-05 prices of the agriculture sector in the State increased from ₹ 43383.33 crore in 2010-11(P) to ₹ 44085.27 crore in 2011-12(Q) thereby registering a positive growth of 1.62 per cent where it was negative growth (-0.38 ) in the year 2010-11(P).

1.21 The State experienced most favourable monsoon for the Kharif crops during 2011. In view of good rainfall, the Kharif crop was harvested in a very satisfactory level. The vegetable crops suffered much due to heavy downpour. Due to very good pre-monsoon shower, the growth of Jute production was very satisfactory. This year, the entire state received normal monsoon rainfall and post monsoon shower was negligible. Owing to above two factors, Rabi crops like Wheat, Oilseeds and Boro were grown in satisfactory level.

1.22 According to second advance estimate, for the year 2012-13, for overall State, the area under Kharif paddy would be around 40 lakh hectares and production of rice during this season is expected to be about 104 lakh tonnes, which is slightly higher than previous year. The total rice production (Kharif and Rabi) is expected to be around 148 lakh tonnes. The expected production of Maize is 4.20 lakh tonnes. The production of Wheat, Pulses and Oilseeds is expected to be good; the figures are expected to be around 9.00, 2.00 and 7.74 lakh tonnes respectively. The total production of cereals is expected to be around 161.38 lakh tonnes, and that of total foodgrains 163.38 lakh tones in this year. Expected production of Potato is 110 lakh tonnes.

1.23 The cropping intensity which is the ratio of gross cropped area to net sown area, increased to 180 per cent in 2011-12 from 177 per cent in 2010-11. The gross cropped area in State increased by 6 per cent during the period resulting in rise in cropping intensity. It may be noted that the net sown area in the State has also increased during this period.

1.24 The Agri-Horticulture sector in West Bengal holds tremendous potential. There is immense potentiality towards generation of self-employment by cultivation of horticultural crops, their packaging, transportation, marketing and processing. The State also produces a considerable quantity of spices, Coconut, Cashewnut, medicinal and aromatic plants, mushroom. Amongst fruits, Mango, Pineapple, Litchi, Banana, Sapota, Guava etc. are important for commercial cultivation, processing and export. The farmers are also producing non-traditional vegetables like Baby Corn, Brussels sprout, Gherkin, Broccoli etc.

1.25 Area and production of fruits, vegetables and flowers in West Bengal have been increased in the year 2011-12 over the year 2010-11. The State Government has undertaken various measures to promote Horticulture in the State through the Department of Food Processing Industries and Horticulture. Some of these initiatives are National Horticulture Mission, National Bamboo Mission, National Mission on Medicinal Plants, Rastriya Krishi Vikash Yojana etc.

1.26 In industry sector, Index of Industrial Production (IIP) shows growth in Manufacturing sector during 2011-12 and 2012-13 (April to November). In the year 2011-12, growth has been observed in the production of Other Non Metallic Mineral Products; Fabricated Metal Product, Machinery & Equipment; Food Products & Beverages; Wood and Products of Wood; Rubber & Plastic Products whereas during

2012-13 (April to November), it has been observed in Wearing Apparel, Dressing & Dying of fur; Tanning & dressing of leather; Paper & paper products; Printing & Reproduction of Recorded Media; Chemicals & chemical products; Other Non-Metallic Product; Rubber & Plastic Product.

1.27 The State has identified the Information Technology (IT) sector as a priority sector for growth. The IT & ITeS industry in the State today employs more than 1,20,000 professionals. The IT SME companies provide a major portion of this employment in addition to the big names like TCS, WIPRO, IBM, PwC, Cognizant, HCL, HSBC Electronics Data Processing India Pvt. Ltd etc.

1.28 It may be observed that the unregistered manufacturing sector is contributing more to the industrial sector of the State. Each year a large number of manufacturing units is set up in the informal sectors in the State.

1.29 The employment opportunities in unorganized sector are also increasing. For the number of workers engaged in the unorganized enterprises, the share of West Bengal was the highest among the major states of India.

1.30 The estimated NSDP from different components of the tertiary sector, and their relevant growth within the period from 2004-05 to 2011-12 are shown in Table 1.8.

**Table 1.8**  
**Estimates of NSDP at Constant 2004-05 Prices: Tertiary Sectors**

(₹ crore)

Sector	Estimates of NSDP at 2004-05 Prices			
	CARG 2004-05 To 2011-12	2010-11 (P)	2011-12 (Q)	% Change over 2010-11
Railways	11.59	4629.82	5156.40	11.37
Transport & Storage	3.18	13962.94	14294.74	2.38
Communication	24.51	10314.50	12734.32	23.46
Banking & Insurance	12.54	25770.27	29207.48	13.34
Real Estate, Ownership of Dwelling & Business Services	9.14	23182.45	25131.22	8.41
Producer Services	10.50	77859.98	86524.16	11.13
(% to Total Tertiary)		42.01	42.78	
Trade, Hotel & Restaurants	8.96	55496.31	58721.69	5.81
Other Services	10.25	38125.07	42233.62	10.78
Consumer Services	9.48	93621.38	100955.31	7.83
(% to Total Tertiary)		50.51	49.92	
Public Administration (Govt. Service)	6.88	13866.80	14771.61	6.53



(% to Total Tertiary)		7.48	7.30	
Total Tertiary Sector	9.69	185348.16	202251.08	9.12

CARG - Compound Annual Rate of Growth.

P: Provisional, Q: Quick estimates.

Source : Bureau of Applied Economics & Statistics , Govt. of West Bengal.

1.31 In order to facilitate the analysis of the performance of the tertiary sector of the State different components of tertiary sector have been further classified into three sub-groups. These are (1) Producer Services (2) Consumer Services and (3) Government Services. Producer Services consist of Railways, Transport and Storage, Communication, Banking and Insurance and Real Estate, Ownership of Dwelling and Business Services. Consumer Services include Trade, Hotels and Restaurants and Other Services. Finally, Government Services comprises only Public Administration.

1.32 It can be seen from Table 1.8, that during 2004-05 to 2011-12 the compound annual growth rate (CAGR) was highest for the producer services and its the annual growth in 2011-12 was 11.13 per cent. The annual growth of consumer services in 2011-12 was 7.83 per cent, which was 9.48 per cent during 2004-05 to 2011-12. The CAGR for the government services during this period was 6.88 per cent.

1.33 The communication sub-sector of producer services registered a compound annual growth rate of 24.51 per cent during 2004-05 to 2011-12 and its annual growth in 2011-12 over previous year was 23.46 per cent .

1.34 The real estate, ownership of dwellings and business services sector's NSDP at constant 2004-05 prices increased by 8.41 per cent in 2011-12. The compound annual growth rate for this sector during 2004-05 to 2011-12 was 9.14 per cent. The sector includes Software Services as part of the business services component, which have been the main driver of development of this sector.

1.35 In the financial sector banking and insurance service registered a growth of 13.34 per cent in 2011-12 as compared to its previous year's level. The compound annual growth rate for this sector during 2004-05 to 2011-12 was 12.54 per cent .

1.36 The growth in SDP at constant (2004-05) prices of the trade, hotels and restaurants sector (belonging to consumer services) was 5.81 per cent in 2011-12. During the period 2004-05 to 2011-12, the compound annual growth rate of the SDP (at constant prices) of the sector was 8.96 per cent. In case of other services like education, human health, recreation and personal services the growth in NSDP in 2011-12 was 10.78 per cent and also its compound annual growth rate during the period mentioned above was 10.25 per cent.

1.37 The growth in SDP at constant prices from the public administration sector was 6.53 in 2011-12 where it was -0.94 per cent in 2010-11. However, during period from 2004-05 to 2011-12 the SDP from this sector registered a CAGR of 6.88 per cent.

1.38 It is to be mentioned here that along with generation of State Income, collection of Revenue from Tax is of a great importance which actually incurred for Public Services of the State. Regarding this, the following Figures highlight the scenario of the State where the most important Direct Tax like Corporation Tax and Indirect tax like Sales Tax play leading role in collection of Tax Revenue.

