

During the Fourth Plan the annual rate of growth of national income was 4.9 per cent and that of real per capita income was 2.6 per cent. The sharp increase in prices during 1973 and 1973-74 and the shortfalls in production on account of lower utilisation of capacity were the principal factors responsible for a lower growth rate during the Fourth Plan.

During the Fifth Plan (1974-79) the average annual increase in national income was of the order of 4.9 per cent and that of per capita income was barely 2.6 per cent. On the whole, the performance of the economy during the Fifth Plan can be considered very satisfactory. India's national income registered a growth rate of 5.4 per cent during the Sixth Plan (1980-85) with a per capita income growth rate of 3.1 per cent.

During the Seventh Plan (1985-90), India's NNP grew on the average at the rate of 5.5% per annum and the annual growth of per capita NNP was 3.3%. Obviously, Seventh Plan achieved its objective of 5 per cent growth rate of NNP along with 3% targetted growth rate of per capita NNP. This was a welcome development.

TABLE 5: Annual Average Growth Rate in Various Plans

	At 1999-00 prices	
	NP at factor cost	Per Capita NNP
First Plan (1951-56)	4.4	2.6
Second Plan (1956-61)	3.8	1.7
Third Plan (1961-66)	2.6	0.4
Annual Plans (1966-69)	3.9	1.6
Fourth Plan (1969-74)	3.1	0.8
Fifth Plan (1974-79)	4.9	2.6
Annual Plan (1979-80)	-6.0	-8.2
Sixth Plan (1980-85)	5.4	3.1
Seventh Plan (1985-90)	5.5	3.3
Two Annual Plan (1990-92)	5.5	3.3
Eighth Plan (1992-97)	6.7	4.5
Ninth Plan (1997-2002)	5.3	3.3
Tenth Plan (2002-07)	7.8	6.1
Eleventh Plan	7.6	6.2

Source: CSO, *National Accounts Statistics*, and *Economic Survey* (2012-13)

During the Eighth Plan (1992-97) NNP growth rate of the order of 6.7 per cent has been achieved with a per capita growth of about 4.5 per cent. This healthy trend needs to be sustained. During the Tenth Plan (2002-07), NNP growth rate was 7.8 per cent per and the per capita NNP growth was 6.1 per cent – the highest recorded so far. During Eleventh Plan, rate of growth of NNP remained 7.6 per cent and 6.2 per cent in per Capita NNP.

(iii) Trends in distribution of national income by industrial origin

The following broad trends in the changing composition of the domestic production are (Refer Table 6).

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2010-11, we find deceleration in growth. A new series of national income has also started since 2011-12. We find growth of NNP decelerating to 6.3 per cent from 8.5 per cent between 2004-05 and 2010-11. Likewise growth of per capita income decelerated to 4.8 per cent during this period.

TABLE 4: Net National Product at Factor Cost and Per Capita NNP

	NNP (₹ crores)	Per capita NNP (₹)	NNP (₹ crores)	Per Capita NNP (₹)	
	At 1999-00 prices		At Current Prices		
1950-51	204,924	5,708	9,152	255	
1960-61	3,09,045	7,121	15,593	359	
1970-71	4,37,719	8,091	40,135	742	
1980-81	5,83,548	8,594	1,21,129	1,784	
1990-91	9,67,773	11,535	4,56,409	5,440	
2000-01	16,47,903	16,172	17,00,467	16,688	
2001-02	17,43,466	16,764	18,49,360	17,782	
2004-05	21,04,520	19,325	25,26,408	23,199	
	At 2004-05 prices		At Current Prices		
2004-05	26,23,995	24,095	26,23,995	24,095	
2005-06	28,72,212	25,969	30,06,469	27,133	
2006-07	31,49,912	28,074	34,87,172	31,080	
2007-08	34,49,970	30,316	40,31,881	35,430	
2008-09	36,69,890	31,801	46,85,873	40,605	
2009-10	39,59,653	33,843	53,95,688	46,117	
2010-11	42,93,585	36,202	64,06,834	54,021	
	At 2011-12 prices		At Current Prices		
2011-12	78,46,531	64,316	78,46,531	64,316	
2012-13	81,93,427	66,344	88,41,733	71,593	
2013-14	87,51,834	69,959	1,00,56,523	80,388	
2014-15	93,88,992	74,104	1,11,17,615	87,748	
	Rates of Growth				
1950-51 to 1960-61		4.2	2.3	5.5	3.2
1960-61 to 1970-71		3.5	1.2	9.9	7.5
1970-71 to 1980-81		2.9	0.6	11.7	9.2
1980-81 to 1990-91		5.2	3.0	14.2	11.8
1990-91 to 2000-01		5.5	3.4	14.0	11.9
2000-01 to 2004-05		7.5	5.9	12.4	10.7
1950-51 to 1980-81		3.5	1.4	9.0	6.7
1980-81 to 2000-01		5.6	3.2	14.1	11.8
2000-01 to 2004-05		6.4	4.7	10.5	3.6
2004-05 to 2010-11		8.5	7.0	16.0	14.4
2011-12 to 2014-15		6.3	4.8	12.4	10.9

Source: Compiled and computed from data given in *Economic Survey* (2013-14), CSO National Accounts Statistics, 2011 Press Note: Provisional estimates of National Income 2014-15, 29th May 2015.

(ii) Annual Growth Rates During the Plans

During the First Plan, annual average growth rate of NNP was 4.4 per cent (at 1999-00 prices), which to declined 3.8 per cent during the Second Plan. However, during the Third Plan, annual average increase in national income slumped down to 2.6 per cent which was just sufficient to neutralize the growth of population. This is indicated by the fact that the