

## PRIVATE FINAL CONSUMPTION EXPENDITURE

### Introduction

- 22.1 The Private final consumption expenditure (PFCE) is defined as the expenditure incurred by the resident households and non-profit institutions serving households (NPISH) on final consumption of goods and services, whether made within or outside the economic territory. The resident households and NPISHs incur expenditure while traveling abroad, while non-resident households, NPISHs and extra territorial bodies make final consumption expenditure within the economic territory of the country. Since it is convenient to obtain the estimate of total final consumption expenditure made by all households and NPISHs, whether resident or non-resident using commodity flow approach, 'final consumption expenditure in the domestic market' is derived first. This estimate is then adjusted by adding expenditures by residents, incurred abroad (which forms part of imports) and subtracting the expenditures by non-residents, incurred within the economic territory (which forms part of exports), to obtain the estimate 'final consumption expenditure of resident households and NPISHs'.
- 22.2 The consumption expenditure also includes the imputed gross rent of owner-occupied dwellings, consumption of own account production evaluated at producers' prices and payments, in cash and kind, made available to employees. It also includes the financial intermediary services indirectly measured (FISIM).
- 22.3 The final consumption expenditure of non-profit institutions serving households includes the value of goods and services produced for own use on current account i.e., the value of gross output reduced by the sum of the value of their commodity and non-commodity sales. This includes transfers in kind of non-durable goods and services from government administration, industries and rest of the world. The final consumption expenditure of households and non-profit institutions serving households are estimated together and are not available separately.
- Method of Estimation**
- 22.4 The estimates of PFCE are obtained by following the commodity flow approach. It implies working of commodity balances relating to various items of consumption, taking into account of (i) production; (ii) intermediate consumption in agriculture, manufacturing and other industries; (iii) net imports; (iv) stock variations; (v) consumption on government account and (vi) gross fixed capital formation. For obtaining PFCE, the expenditure incurred by industries as intermediate consumption and all final use (demand) (including imports and exports) other than those by households and non-profit institutions are deducted from the total availability. The quantity of final consumption obtained from commodity balances is generally evaluated at market prices. For services, the estimates of final consumption expenditure is derived from the total output (as measured by the gross earnings) of the agencies providing these services to the consumers after netting out the expenditure by the private enterprises and public sector on these services during the year. The gross earnings of any particular service during a given period is the sum total of the payments received from the consumers of these services in lieu of the services rendered to them.
- 22.5 For food items, PFCE is estimated at two stages. Firstly, the quantity retained by the producers for their own consumption is evaluated at producer's prices which is the same as used for the domestic product and secondly, marketed part is evaluated at retail prices which are the average prices of rural and urban prices collected from National Sample Survey Organisation (NSSO) and Directorate of Economic & Statistics, Ministry of Agriculture respectively. For manufactured items, the value of output is adjusted for excise duty and trade and transport margin (TTM). The TTM'S are separately estimated for various commodities/commodity groups on the basis of price data at various levels; i.e., producers', wholesale, retail etc. Import duty is also added to the value of imports.
- 22.6 The methods of estimation of change in stock of food grains, agricultural commodities other than food grains with the public, registered manufacturing sector, private corporate sector, unregistered manufacturers and NDCUs are given below:
- (i) The estimates of stocks of food grains with public (producers plus traders) are based on methodology given by Prof. Dandekar in his study\*. According to this, consumption of food grains is subtracted from the net availability with the public to arrive at the estimates of change in stocks. This method assumes that the stocks with the public in a bad agriculture year are negligible and per capita consumption of food grains during any two consecutive bad years is almost of the same order.
  - (ii) The estimates of change in stocks in respect of registered manufacturing sector are based on ASI. In the case of private corporate sector, industry-wise estimates of change in stocks are furnished by the RBI to CSO.

- (iii) The estimates of stocks of manufactured goods with the unregistered manufacturers, NDCUs of the government and private traders are based on detailed analysis of annual reports of the public sector enterprises and additional data collected in connection with the Input-Output Table, 1998-99.

[\* "Agriculture, Employment & Poverty", a paper presented at the Conference on the Indian Economy organised by the Centre for Asian Development Studies, Boston University, October 4-7, 1986.]

### Sources of data

- 22.7 To obtain commodity balances available for private consumption by following commodity flow approach, we need data on output, seed, feed, wastage, net imports, consumption of partly capital goods and government consumption. Basic data on output and input of various commodities are the same as used for the preparation of estimates of GDP. The wastage ratios for most of the commodities viz., Rice, Wheat, Jowar, Bajra, Mango, Potato etc., are based on the data available in the latest publications of DMI. In case of those commodities for which DMI reports are not available, wastage percentages are based on the discussions with the experts of DMI, wholesalers and retailers dealing in these commodities.
- 22.8 The main sources of data relating to inter-industry consumption are the DMI reports and ASI. The data on imports and exports are available on a regular basis both in quantity and value terms, from the Monthly Statistics of Foreign Trade of India, published by the Directorate General of Commercial Intelligence & Statistics (DGCIS). The allocation of partly capital goods to capital formation and to final consumption is done on the basis of ratios worked out for the year 1981-82 based on AIDIS 1981-82. These ratios have been further updated in the light of 59<sup>th</sup> Round NSSO survey results.
- 22.9 Government consumption expenditure (net purchases of goods and services) for different years is obtained independently from the economic analysis of budget documents. The total expenditure on goods is distributed over commodities/commodity groups on the basis of the norms of the expenditure used for input-output table (latest available IOTT table 1998-99). These norms are arrived at after detailed analysis of item wise expenditure of Central, State and local government bodies budgets and getting relevant break-ups of the office expenditure and miscellaneous items appearing in the budget documents from various government offices through correspondence.

### Estimates at current prices

- 22.10 For the purpose of preparing the estimates, the entire expenditure is divided into 8 groups and the estimates are prepared by 38 expenditure categories. The estimates of private final consumption expenditure by object at group level and category level are given in Table 22.1. These categories cover 67 major items under food and 90 major items under the non-food and services groups. The category-wise coverage is shown in Appendix 22.1. The commodities have also been classified by type of goods into four type viz., durable, semi-durable, non-durable and services. Type wise coverage is given in Appendix 22.2. The item wise detailed methodology followed is given below.

### Cereals & bread

- 22.11 The cereal items include rice, wheat, jowar, bajra, maize, barley, ragi, small millets, gram (whole) etc. The data on production of cereals and 'seed and feed' are the same as those used in the preparation of estimates of domestic product in the agriculture sector. The norms for estimation of marketable surplus in the current series are based on average of three years data for the year 1999-2000, 2000-01 and 2001-02, supplied by the Ministry of Agriculture. The marketing reports of the DMI are used for obtaining percentage norms for wastage in the disposal of cereals between pre-marketing and marketing transactions. The quantity retained for own consumption is a residual of production after deduction of intermediate use viz., seed, feed, etc., and marketable surplus.
- 22.12 The norms for inter-industry consumption of cereals are taken from the IOTT and relevant DMI reports. The quantities of cereals used as inputs in the production of various cereal products are calculated with the help of these norms.
- 22.13 In the marketed surplus, adjustment is made for stock, wastage, net imports, inter-industry consumption and government consumption, to work out net market supplies available for consumption. The quantity retained by the producers and net market supplies are evaluated separately. The ex-farm prices for evaluation of quantity retained by the producers are the same as used in the estimates of domestic product. The average retail prices based on rural retail prices obtained from NSSO and urban retail prices from DESAg are used to evaluate net market supplies. The values of quantity retained and net market supplies available for consumption are added to obtain estimates of final consumption expenditure.
- 22.14 The items 'bread and biscuits' have been combined together in the current (1999-2000 base year) NAS series. The value of output in respect of this item has been taken from the ASI, 1999-00. For the unregistered part, output is estimated using ratios of value of output of unregistered to registered manufacturing. The combined value of output from

registered and unregistered segments is marked up with TTM of these items, to arrive at the value at market prices.

#### Pulses

22.15 The pulses group (whole as well as split) for which the estimates have been prepared are arhar, moong, urd, masoor, gram (split only) and the residual. The basic data on output, as in the case of cereals are from the details available for measurement of domestic product. The production data is adjusted for seed & feed to work out marketed surplus and quantity retained by producers. The marketed surplus is further adjusted to obtain net market supplies available for consumption. The norms for quantities utilised as 'dal' (split pulses) in both the cases (quantity retained and net market supplies) are based on the Marketing Report on Pulses in India, (DMI). The information on yield rates of 'dal' to the 'whole' is based on ASI reports. The quantity of whole and split pulses in case of net market supplies are evaluated at respective retail prices. In case of retention part, it is evaluated at ex-farm price of whole grain which is also the same as used in the estimation of domestic product.

#### Sugar & gur

22.16 The items included are sugarcane, gur, sugar (refined) and palm gur. In case of sugarcane and gur, data on production, seed and feed are the same as utilised for domestic product estimates. Data on production, change of stock, export and import of sugar are taken from the Ministry of Agriculture. The price of sugar used is the retail prices. Data regarding quantity of sugar distributed through public distribution system (PDS) and the corresponding ration prices are obtained from the Department of Food. The value obtained by evaluating quantity of sugar distributed through PDS by retail price and ration price differential is deducted from the final PFCE estimates of sugar. The consumption of palm gur is taken from the annual report of Khadi & Village Industries Commission. Gur used as animal feed is also taken into account while preparing PFCE estimates of gur.

#### Oil & oilseeds

22.17 Oilseeds for which the estimates are prepared are sesamum, linseed, rape seed and mustard seed and other oilseeds. The oil items are Vanaspati (hydrogenated oil), mustard, coconut, gingelly, groundnut, linseed, castor oils and the residual. The basic data on production relating to oilseeds are the same as those utilised for the estimation of domestic product. In the case of oilseeds, inter-industry norms are based on DMI Reports. The quantity of oilseeds retained by the producers is evaluated at producer's prices. The production data on the edible oils is directly obtained from the Ministry of Agriculture. Utilisation of oils for Vanaspati manufacturing are derived on the basis of data relating to quantity of different raw oils

used in the Vanaspati industry supplied by the Directorate of Vanaspati, Vegetable Oils & Fats. The valuation is done on the basis of retail prices which are average prices of rural & urban areas obtained from NSSO & DESAg respectively. The data on output and stock variation of Vanaspati are taken from the Monthly Abstract of Statistics (MAS) brought out by the CSO.

#### Fruits & vegetables

22.18 Under this group items like banana, mango, grapes, citrus fruits, cashew kernel, onion etc, groundnut, fruits and vegetable products, coconut and copra are covered. Production figures for all these commodities are the same as used for the estimation of domestic product. Inter-industry consumption norms are based on respective DMI reports. Inter-industry consumption for mango, citrus fruits, and other fruits are considered for fruits and vegetable products also. The wastage norms in respect of mangoes, banana, citrus fruits, grapes, onion and vegetables are based on either DMI reports or discussions with the subject matter experts.

#### Potatoes and other tubers

22.19 This group covers potato, sweet potato and tapioca. The output is the same as used for the estimation of domestic product. Inter-industry consumption for potatoes is also considered for fruits and vegetable products. Wastage ratios are based on DMI reports.

#### Milk and milk products

22.20 The items which are included in the estimates of private consumption of milk and milk products are (i) milk consumed as such, (ii) pasteurised milk, (iii) butter, (iv) lassi and (v) other milk products. The basic data on output and prices are the same as those utilised for preparation of domestic product estimates. The value of milk products and the pasteurised milk is estimated on the basis of input-output data from ASI. Account has also been taken of the dairy products in the manufacturing sector and the relevant data is obtained from ASI. Milk production is also adjusted for wastage.

#### Meat, eggs and fish

22.21 For meat and poultry, the estimates are prepared in respect of beef, pork, mutton, goat meat, buffalo meat, other meat products, duck and chicken including eggs. The basic data on output and prices are the same as those utilised for estimation of domestic product. While preparing private consumption estimates of fish and its products, quantity approach is followed. The quantity of fish utilised for domestic consumption viz., marine, inland and fish products are considered separately. The production estimates are duly adjusted for net imports and wastages.

#### Coffee, tea and cocoa

22.22 The data in respect of production, utilisation, stock variation, net imports and prices in respect of tea

and coffee are obtained from the Annual Reports, 'Tea Statistics' (Tea Board) and 'Coffee Statistics' (Coffee Board). In the case of coffee the production is available for the coffee seeds which are converted to coffee powder. For instant coffee the specific conversion ratios are supplied by the Coffee Board. Year-wise quantity of raw coffee used for instant coffee is also obtained from Coffee Board.

#### Spices

- 22.23 The base year estimates of spices have been prepared by using the value of per capita consumption available in the in the 55<sup>th</sup> Round NSSO consumer expenditure survey in the current series. For the subsequent years, the growth in per capita consumption expenditure observed between NSS 50<sup>th</sup> and 55<sup>th</sup> Rounds has been used.

#### Other food

- 22.24 This sub-group consists of salt, sugar confectionery and 'other foods'. The 'other foods' consist of items like malted food, sago, papad, multi-purpose food etc. The estimates of salt are built up on the basis of NSSO consumer expenditure survey results. The output of sugar confectionery and other foods for the registered manufacturing sector part is obtained from the ASI survey results. In case of other food, the value of output is adjusted for stocks only. No adjustment is made for net imports and stocks while preparing estimates of sugar confectionery. For the unregistered part, output is estimated using ratios of value of output of unregistered to registered manufacturing.

#### Beverages

- 22.25 For alcoholic and non-alcoholic beverages the value of output for registered manufacturing sector is obtained from the ASI. For the unregistered part, output is estimated using ratios of value of output of unregistered to registered manufacturing. The value of output thus arrived at for the registered and unregistered sectors are adjusted for stocks and excise duties.

#### Pan and other intoxicants

- 22.26 This sub-group consists of pan, arecanut, other ingredients of pan (except arecanut) and opium. The estimates of pan are prepared on the basis of per capita consumption as available from the NSSO consumer expenditure survey results. Output estimates of arecanut and opium are the same as used for the domestic product. The estimates of arecanut are further adjusted for net imports. In case of opium, no adjustment is made for imports and stocks.

#### Tobacco & its products

- 22.27 This sub-group consists of commodities like raw tobacco, cigarettes, bidi, snuff, cigar & cheroots and other tobacco products. The output of raw tobacco and price data are the same as utilised for estimation of domestic product. Proportion of quantity of raw tobacco retained by the producers

to total output is based on DMI report. Only quantity retained by producers is evaluated for estimation of PFCE, in respect of raw tobacco consumption. The production data for the registered manufacturing sector part is obtained from the ASI survey results. For the unregistered part, output is estimated using ratios of unregistered to registered value of outputs. To this, excise duty is added and TTM of tobacco applied to arrive at PFCE. For tobacco products like cigar and cheroot, snuff and hukka tobacco, quantity of tobacco products cleared for home consumption is taken from the source data. Conversion ratios of raw tobacco to these products are worked out from the output and input data of ASI. After applying these ratios, quantity of different tobacco products is obtained. The retail prices of these products are based on ASI ex-factory prices marked up by TTM. Due adjustment is made for net imports and wastage.

#### Hotels and restaurants

- 22.28 In the case of hotels and restaurants, the estimates of GVA are converted into the value of output on the basis of the corresponding relationship observed for similar public limited companies. Of the total expenditure, 33 per cent is taken as private consumption.

#### Gross rent and water charges

- 22.29 The expenditure on house rent is estimated to include rented dwellings as well as those which are owner occupied and covers not only the total domestic production on this account but also the expenditure on repairs and maintenance. Water charges are computed for only urban areas at 3 per cent of the gross value added.

#### Fuel and power

- 22.30 The estimates are prepared separately for coal, firewood, vegetable waste, dung cake, kerosene oil, charcoal, lignite, gas coke, electricity, bagasse, liquefied petroleum gas and gobar gas. The data on production and prices in the case of firewood, vegetable waste, dung cake and bagasse are the same as those used for estimation of value of output in GDP estimates. Stock variation is assumed to be nil for these items. The data on output of coal, charcoal, gas coke and lignite are obtained from the Office of the Coal Controller. The evaluation is done at the retail prices as available in the Monthly Abstract of Statistics (MAS). For the years for which relevant data are not available, the base year prices are adjusted by the wholesale price index number. Adjustments for net imports are done in the case of coal only. The share of household consumption for these items is based on the NCAER survey results.

- 22.31 Data on electricity sold to domestic consumers is obtained from the Office of the Central Electricity Authority (CEA.). For liquefied petroleum gas and kerosene, domestic consumption as well as retail prices are taken from the annual publication,

"Indian Petroleum & Natural Gas Statistics" by Ministry of Petroleum and Natural Gas. In case of firewood, production is the same as used for estimation of value of output in the forestry sector. The total value is taken as private final consumption expenditure. Gobar gas consumption is directly taken from the annual report of the Khadi and Village Industries Commission.

#### Manufactured goods

22.32 The database for the preparation of estimates for a majority of manufactured items is same as the one utilised for estimation of domestic product. Since the value of products and by products from 1999-2000 are available at the compilation category-wise and not at the commodity-wise, from the GVA estimates of unregistered manufacturing industry, the value of output at the commodity level is estimated using item level data from ASI, 1999-2000. The item level value of products and by products for the 21 compilation categories have been utilized for developing ratios for items consumed by the households to total value of products and by products corresponding to these compilation categories in the current NAS series for annual estimates.

22.33 For the unregistered part, output is estimated using ratios of value added to value of output in respect of registered manufacturing industry, based on ASI data.

22.34 The distributive margins for the manufacturing industry are estimated on the basis of wholesale and retail prices of representative items received from the various cooperative stores/super bazaars and retail outlets. The distributive margins for certain commodities are also supplemented by DESAG's weekly bulletin of urban retail prices of essential commodities and rural retail prices compiled by NSSO at all India level. The difference between retail price and corresponding wholesale price expressed as a percentage of the latter is taken as the distributive margin. The distributive margins so arrived at are suitably adjusted for margins between ex-factory and wholesale prices. These distributive margins are applied to the imports also. Import duties and excise duties are added to the value of output of different commodities before applying the distributive margins.

22.35 In the current NAS series, the allocation of partly capital goods to capital formation and to final consumption has been done, first on the basis of ratios worked out for the year 1981-82 based on AIDIS 1981-82. These are subsequently updated in the light of NSS 59<sup>th</sup> Round survey results.

22.36 The estimates for clothing are prepared under the categories of cotton fabrics, silk fabrics, woolen fabrics and miscellaneous textiles. The basic data on the value of production in respect of registered manufacturing are obtained from the ASI factory

sector. For the unregistered part, output has been estimated using ratios of value of output of unregistered to registered manufacturing.

#### Services

22.37 The services group is classified under the following major heads (i) transport and communication, (ii) recreation, education and cultural services and (iii) miscellaneous goods and services.

#### Transport

22.38 Transport services have been divided into road and rail transport services, water transport, air transport, repair services and services incidental to transport. Road transport is further sub-divided into 'mechanised ' and non-mechanised' while water transport is sub-divided into organised shipping (i.e., Ocean & coastal water transport operated by recognised shipping companies) and unorganised services (i.e., inland boat services plying in rivers & canals and ocean-going sailing vessels, combined as a single item). Air transport consists of services run by the Air India, Indian Airlines and the private airlines.

22.39 The estimates of private consumption in terms of purchase of services in respect of mechanised road transport (buses and tramways, taxis and auto rickshaws), rail transport, air transport and organised water transport are based on the total passenger earnings in these services. In the case of rail, air and organised shipping transport, the data on gross passenger earnings are directly obtained from Annual Reports of the Railway Board, Air India, Indian Airlines & Private Airlines and Ports and Shipping Statistics. While 80 per cent of the gross passenger earnings are treated as PFCE in the case of railways, only 25 per cent of the earnings are taken in the case of air transport. In the case of organised shipping, 75 per cent of the earnings is taken as PFCE.

22.40 As regards other modes of mechanised road transport viz., bus, tramways, taxi and auto rickshaw, the gross passenger earnings are estimated as the product of average 'per vehicle earnings' and the total number of vehicles on the road. The estimates of number of vehicles are available annually in the 'Motor Transport Statistics' published by the Transport Research Division, Ministry of Shipping, Road Transport and Highways. Total earnings of bus, taxi and auto rickshaw are worked out for the year 1999-2000 on the basis of earnings per vehicle and employment as available in the reports of Directory Establishment (DE) Survey, 1979-80 published by CSO and non-directory establishments (NDE) and own account enterprises NSS 34<sup>th</sup> Round (1979-80). The earnings for bus service are suitably adjusted for the earnings of departmental and non-departmental enterprises as estimated for domestic product. These estimates for all the three categories are moved with the help of number of vehicles to arrive at the estimates of

other years at constant prices. To arrive at the estimates at current prices, estimates at constant price are inflated with the help of implicit price indices as used for domestic product. Share of private final consumption is taken as 50 per cent for taxis and 90 per cent for auto rickshaw and buses.

22.41 Non-mechanised road transport comprises of animal drawn transport, three-wheeler, cycle rickshaws, etc. For these services as also for unorganised inland water transport, the output to value added ratios (taken from Directory establishment survey: 34th Round of NSSO Survey) are applied to the estimates of GVA as available separately for rural and urban areas, to obtain the estimates of value of output. A ratio of 95 per cent of this is taken as the private consumption expenditure.

22.42 Repair services and maintenance costs pertaining to owned transport, falling in the ambit of private consumption expenditure includes repairs and maintenance of motorcars, motor cycles/scooters and bicycles. The estimates of the total costs of such repairs and maintenance are worked out as the product of per vehicle average cost per year and the number of vehicles. Annual data in respect of number of cars and two wheelers other than bicycles are available from the 'Motor Transport Statistics'. The number of bicycles is taken from the 'Monthly Abstract of Statistics' (CSO). The per vehicle average cost is estimated on the basis of allowance prescribed for computing the rebate on Income tax in respect of repairs and maintenance of different vehicles. The estimated per vehicle cost of repairs and maintenance is moved further by appropriate price index. The above costs are, however, exclusive of the cost of consumption of tyres and tubes for which separate estimates are prepared by commodity flow method. These estimates cover the consumption in respect of privately owned transport vehicles as well as vehicles plying for hire. Due allowance is made to estimate the part of consumption relating to privately owned vehicles also. The estimates of expenditure on consumer taxes relating to private vehicles obtained for base year are moved with the data on number of vehicles.

22.43 The estimates of private consumption expenditure for services incidental to transport are based on gross agency earnings. The source of data is as those of gross earnings of the various transport services. A ratio of 5 per cent of the agency earnings are ascribed to private consumption expenditure.

#### Communication

22.44 The expenditure of households and private non-profit bodies on postal, telephone and telegraph services are considered in this sector. The basic data are culled out from the Annual Report of the Posts & Telegraphs Department. On

the basis of analysis of communication data, 40 per cent of the total earnings from postal articles, money orders, telephone and telegraph are assumed to be the share of PFCE.

#### Recreation, educational and cultural services

22.45 For recreation and entertainment, the estimates of consumption expenditure are prepared on the basis of rates of entertainment taxes and revenues of State governments. The estimates for educational services are prepared, based on the expenditure incurred by the households. The GVA estimate for education is converted into output on the basis of GVO/GVA ratio. A ratio of 75 percent of the output of the private sector is taken as the PFCE.

#### Medical care & health services

22.46 The estimates of expenditure of the households on medical care and health services were prepared on the basis of the NSSO Consumer Expenditure Survey (CES, 50<sup>th</sup> Round) 1993-94 for the old series. For subsequent years the estimates were built on the basis of inter-survey growth observed in the 43<sup>rd</sup> (1987-88) and 50<sup>th</sup> (1993-94) Round survey results. For the present series, the PFCE estimates are based on the 52nd Round NSS Health Care Survey. PFCE for subsequent years is projected using the growth rate in the per capita consumption expenditure between 52nd and 57th Round CES. The receipt by Central government on account of Central Government Health Scheme compiled from the Central government budget is also taken as an item of household consumption.

#### Miscellaneous goods and services

22.47 This group covers two categories of services viz., (i) personal care and effect (barber and beauty shops, religious services, other personal and sanitary services,) (ii) other miscellaneous services (Banking charges, legal, business and insurance services) and (iii) personal goods n.e.c. (Jewellery, watches and clocks, leather products, non-metallic mineral products and toilet products). Estimates of gross value added in respect of services except banking and insurance services are converted into value of output on the basis of estimates of total earnings and gross value added.

22.48 The estimates for religious and other community services and other personal services like domestic services, laundry, barber and beauty shops and sanitary services are domestic product based. The total output in the case of religious and domestic services is treated as PFCE while for laundry services and barber & beauty shops 90 per cent and 98 per cent respectively, of output are taken. For business services, 10 per cent of output is assumed to be PFCE while for legal services it is 75 per cent. For tailoring and radio & T. V. services, the share of PFCE is taken as 75 and 95 percent respectively. For sanitary services the share of PFCE is 50 per cent. For other funeral and services n.e.c., the PFCE is taken as 38 per cent.

- 22.49 The private consumption expenditure on banking and insurance charges is estimated as imputed charges. In the case of insurance sub-sector life insurance, insurance on motor vehicles and general insurance are estimated separately. These estimates are the same as used for domestic product estimates. In the case of personal goods, the methodology followed is the same as for manufacturing items.

#### **Estimates at Constant Prices**

- 22.50 In the case of all the food items for which the output estimates are available in quantity terms, the estimates of private final consumption for each of the years have been valued at the prices in the base year i.e., 1999-00, in order to obtain estimates at constant prices. In the case of items like other cereals, other meat products, milk and milk products, other oilseeds, other fruits and vegetables, fruits and vegetable products, sugar confectionery, other food, beverages, cigarettes and tobacco products, where production is in terms of value, the current price estimates are deflated with the wholesale price indices. For all items under manufacturing group where production figures are in value terms only, deflation by appropriate price index of wholesale prices is resorted to for getting the corresponding estimates at constant prices. In the case of services items, the implicit deflator as used while preparing the

estimates of gross value added at current and constant prices is used for deflating the current PFCE estimates to obtain the corresponding constant price estimates.

#### **Quality and Limitations of data base**

- 22.51 The basic data on output and prices are mostly the same as those utilised for the preparation of GDP estimates and as such shortcomings in the GDP estimates would be inherent in the measurement of private consumption as well. The wastage ratios for most of the commodities are based on DMI reports which are sometimes very old. In the case of those commodities for which DMI reports are not available, percentages from unpublished reports or on the basis of discussion with the experts of DMI, wholesalers and retailers are used. The TTMs used for various commodities are based on data obtained from the co-operative stores/super bazaars/retail outlets. The data on retail prices are based on the weekly bulletin of urban retail prices issued by DESAg and rural retail prices data are based on NSSO surveys. The shortcomings in wastage ratios, TTMs and retail prices would also be inherent in the estimates of private final consumption expenditures. Besides, several commodities and services, the percentage of output consumed by households and NPISHs, is based on adhoc information, in the absence of any regular dataflow.

**MAJOR ITEMS COVERED UNDER PRIVATE FINAL CONSUMPTION EXPENDITURE**

**I. FOOD**

**Cereals & Bread**

1. Rice
2. Wheat
3. Jowar
4. Bajra
5. Maize
6. Ragi
7. Barley
8. Small millets
9. Gram whole
10. Other cereals
11. Bread & Biscuits

**Pulses**

12. Arhar
13. Moong
14. Urad
15. Masoor
16. Gram products
17. Other pulses

**Sugar and Gur**

18. Sugarcane
19. Gur
20. Sugar (refined)
21. Palm gur

**Oil & Oilseeds**

22. Vanaspati
23. Mustard oil
24. Coconut oil
25. Gingili oil
26. Groundnut oil
27. Linseed oil
28. Castor oil
29. Other edible oils
30. Sesamum seed
31. Linseed
32. Rape & mustard
33. Other oilseeds
34. Imported oils

**Fruits & Vegetables**

35. Banana
36. Mango
37. Grapes
38. Citrus fruits
39. Cashew kernel
40. Onion
41. other fruits & vegetables
42. Groundnut
43. Fruits & vegetable products
44. Coconut
45. Copra

**Potatoes & Other Tubers**

46. Potato
47. Sweet potato
48. Tapioca

**49. Milk and Milk Product**

- Meat, Eggs & Fish
50. Beef
51. Pork
52. Mutton
53. Goat meat
54. Buffalo meat
55. Other meat products
56. Duck
57. Fowl
58. Chicken
59. Eggs
60. Fish & fish products

**Coffee, Tea & Cocoa**

61. Coffee
62. Tea
63. Cocoa

**Other Food**

64. Spices
65. Salt
66. Sugar confectionery
67. Other food

**Beverages**

68. Non-Alcoholic beverages
69. Alcoholic beverages
- Pan & Other Intoxicants
70. Pan

**71. Arecanut**

**72. Opium**

**Tobacco & its products**

73. Tobacco raw
74. Cigarettes
75. Bidi
76. Snuff
77. Cigar & cheroots
78. Other tobacco products
79. Hotels & restaurants

**II. CLOTHING & FOOTWEAR**

**Clothing**

80. Cotton textiles
81. Silk textiles
82. Woolen textiles
83. Misc. textiles
84. Footwear

**III. GROSS RENT, FUEL & POWER**

**85. Gross rent and water charges**

**Fuel & power**

86. Electricity
87. Liquefied petroleum gas
88. Kerosene oil

**Other Fuel**

89. Coal
90. Firewood
91. Vegetable waste

92. Dung cake	139. Stationery articles Personal goods n.e.c
93. Lignite	140. Fireworks
94. Gas coke	141. Recreation & cultural services
95. Bagasse	142. Education
96. Charcoal	<b>VIII. MISCELLANEOUS GOODS AND SERVICES</b>
97. Gobar gas	<b>Personal care and effects</b>
<b>IV. FURNITURE, FURNISHINGS APPLIANCES &amp; SERVICES</b>	143. Barber & beauty shops
<b>Furniture, Furnishings &amp; repairs Services</b>	144. Religious services
98. Carpet	145. Funeral and other services n.e.c
99. Coir products	146. Sanitary services
100. Wooden furniture	147. Tailoring services
101. Steel furniture	148. TV and Radio services
<b>Refrigerator, cooking and washing appliances etc.</b>	<b>Personal goods n. e. c</b>
102. Non-electrical machinery	149. Jewellery and ornaments
103. Electrical appliances	150. Watches and clocks
104. Refrigerators & air-conditioners	151. Leather products (bag etc)
<b>Glassware, tableware &amp; utensils</b>	152. Non-metallic mineral prod.
105. Glass & glass products	153. Toilet products
106. Earthenware & china pottery	<b>Other miscellaneous services</b>
107. Metal utensils	154. Banking charges
108. Other metal utensils	155. Legal services
<b>Other goods</b>	156. Business services
109. Matches	157. Life insurance
110. Misc. personal goods	
111. Plastic products	
112. Rubber products	
113. Dry and wet batteries	
<b>Services</b>	
114. Domestic services	
115. Laundry, cleaning and dyeing	
116. General Insurance	
<b>V. MEDICAL CARE AND HEALTH SERVICES</b>	
117. Medical care & health services	
<b>VI. TRANSPORT &amp; COMMUNICATION</b>	
<b>Operation of personal transport , Personal transport equipment</b>	
118. Motor vehicles & parts	
119. Motor cycles, scooters and bicycles	
120. Tyres and tubes	
121. Petrol and diesel	
122. Repair charges including insurance	
<b>Purchase of Transport services</b>	
123. Rail	
124. Air	
125. Bus including tramways	
126. Taxi	
127. Auto rickshaws	
128. Non-mechanised road transport	
129. Organised water transport	
130. Unorganised water transport	
131. Services incidental to transport	
132. Communication	
<b>VII. RECREATION, EDUCATION &amp; CULTURAL SERVICES</b>	
Equipment, paper & stationary	
133. TV & Radio	
134. Musical instruments	
135. Photographic goods	
136. Typewriters	
137. Sports and athletic goods	
138. Newspapers, books and magazines	

## ITEMS CLASSIFIED BY TYPE OF GOODS

<p><b>Durable Goods</b></p> <ol style="list-style-type: none"> <li>1. Furniture, fixtures, carpets</li> <li>2. Heating &amp; cooking appliances, refrigerator &amp; air conditioners</li> <li>3. Personal transport equipment</li> <li>4. Radio, TV etc.</li> <li>5. Musical instruments</li> <li>6. Typewriters</li> <li>7. Jewellery ornaments</li> <li>8. Photographic goods</li> </ol>	<p><b>Non-Durable Goods</b></p> <ol style="list-style-type: none"> <li>1. Food, beverages and tobacco</li> <li>2. Fuel and power</li> <li>3. Newspaper, books and magazines</li> <li>4. Toilet products</li> <li>5. Dry and wet batteries</li> <li>6. Petrol and diesel</li> <li>7. Fireworks</li> <li>8. Matches</li> </ol>
<p><b>Semi Durable Goods</b></p> <ol style="list-style-type: none"> <li>1. Clothing and footwear</li> <li>2. Glassware, tableware, household utensils</li> <li>3. Miscellaneous personal goods</li> <li>4. Rubber products</li> <li>5. Plastic products</li> <li>6. Coir products</li> <li>7. Tyres and tubes</li> <li>8. Sports goods, toys</li> <li>9. Pen, nib, pencil, stationery etc.</li> <li>10. Watches and clocks</li> <li>11. Non-metallic mineral products</li> <li>12. Leather products</li> </ol>	<p><b>Services - Household only</b></p> <ol style="list-style-type: none"> <li>1. Rent and water charges</li> <li>2. Domestic and laundry services</li> <li>3. Medical services</li> <li>4. Purchased transport and communication</li> <li>5. Repair charges including insurance</li> <li>6. Entertainment and recreational ser.</li> <li>7. Educational charges</li> <li>8. Personal care and effects</li> <li>9. Other misc. services</li> <li>10. Hotels and restaurants</li> </ol>

Table 22.1

**PRIVATE FINAL CONSUMPTION EXPENDITURE BY OBJECT, 1999-00***(at current prices)**(Rs. Crore)*

Item	PFCE
1. Food, beverages & tobacco	647011
1.1 Food	570005
1.1.1 Cereals & bread	169986
1.1.2 Pulses	18845
1.1.3 Sugar & gur	36986
1.1.4 Oils & oilseeds	30518
1.1.5 Fruits & vegetables	113535
1.1.6 Potatoes & other tubers	10536
1.1.7 Milk & milk products	103681
1.1.8 Meat, egg & fish	50649
1.1.9 Coffee, tea & cocoa	9214
1.1.10 Spices	17715
1.1.11 Other food	8340
1.2 Beverages, pan & intoxicants	19676
1.2.1 Beverages	9667
1.2.2 Pan & other intoxicants	10009
1.3 Tobacco & its products	34395
1.4 Hotels and restaurants	22935
2. Clothing & footwear	66292
2.1 Clothing	57936
2.2 Footwear	8356
3. Gross rent, fuel & power	143558
3.1 Gross rent & water charges	99270
3.2 Fuel & power	44288
3.2.1 Electricity	9859
3.2.2 Liquefied petroleum gas	5971
3.2.3 Kerosene oil	4036
3.2.4 Other fuel	24422
4. Furniture, furnishing, appliances & services	40939
4.1 Furniture furnishing & repairs	1648
4.2 Refrigerator, cooking, washing appliances etc	6257
4.3 Glassware, table- ware & utensils	15284
4.4 Other goods	9510
4.5 Services	8240
5. Medical care & health services	54825
6. Transport and communication	164524
6.1 Personal transport equipment	9178
6.2 Operation of personal transport equipment	47081
6.3 Purchase of transport services	93727
6.4 Communication	14538
7. Recreation, education & cultural services	42779
7.1 Equipment, paper & stationary	17147
7.2 Recreation and cultural services	1851
7.3 Education	23781
8. Miscellaneous goods & services	97613
8.1 Personal care & effects	37588
8.2 Personal goods n.e.c.	26001
8.3 Other miscellaneous services	34024
<b>9. Private final consumption expenditure in domestic market</b>	<b>1257541</b>