

AN INTER-INDUSTRY CAPITAL COEFFICIENTS TABLE FOR INDIA — FIRST APPROXIMATION (1960)

P. N. MATHUR, A. R. KULKARNI, S. N. BALDOTA
and P. D. PARKHI

I. Introduction

1. The Economic Division of the Planning Commission has constructed an Input-Output Table (included in this volume) for India for the year 1959 with 29 sectors. For planning and dynamic analytical purposes, however, it is necessary to supplement it with an inter-industry capital table. The input-output table will give the commodity balances for a year but whether the structure of production of different commodities is appropriate for the type of the planned growth envisaged can only be ascertained with the help of an inter-industry capital Matrix.¹

In view of the importance of inter-industry capital table an attempt has been made below to present a tentative table, which can be improved gradually, as and when more information becomes available.

II. Industry Classification

2. It was envisaged that the inter-industry capital table should be utilized in conjunction with 29×29 input-output table constructed by the Economic Division of the Planning Commission. In view of this the same classification of industries was adopted with the following minor adjustments.

(a) The Economic Division's input-output table does not include 'construction' activity. The entire construction column has been shifted in that table to the capital formation column of the final demand. This is not in conformity with the assumptions of the dynamic Input-Output Model. The distinction between capital table and input-output table is that between stock requirements and flow requirements in the production processes of the *same* set of commodities.

¹ The methodology for conducting such an analysis has been discussed in the literature extensively. In particular see Day [1], Leontief [2], Mathur [3], and Stone and Brown [4]. Also see the paper by the senior author included in this volume.