

EXPECTED PRODUCTION AND ITS PATTERN 1985-86

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The purpose of estimating the total production in 1985-86 is to have a long term perspective in planning for utilities that are necessary for adequate economic development. For instance we have to plan very much ahead for projects like roads and port facilities, because it takes several years before a project starts giving its fruits. It may take 5 to 10 years for planning and constructing these major facilities and once constructed they should be able to meet the demand for traffic for at least 5 to 10 years. Therefore we should have some estimates of expected traffic of about 15 to 20 years hence. To know the expected traffic main object is to have an estimate of likely production in as much disaggregated fashion as possible and also have an estimate of traffic that will be generated on account of that production volume and pattern.

The task of estimating the production 15 years hence is made comparatively easier by the fact that we are not required to have a most probable value but rather a reasonable upper limit to the requirements of production and accompanying traffic at that moment. For instance if we expect that reasonable opportunities being given to the economy, the rate of growth can easily come up to 5 per cent per capita, we have to estimate production etc. at that level of growth rather than worry ourselves whether internal and international environment will not come in our way of achieving that rate of growth within that period. All these facilities have to be provided on the basis of rather an optimistic view of the future growth. However, this view should not be so much optimistic as to involve us in unnecessary expenditure of the scarce resource of capital, which would otherwise have been used for some other industries to give quicker return and thus a larger push to the economic development of the country.

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