

GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION
NATIONAL SAMPLE SURVEY OFFICE

New Delhi
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PRESS NOTE ON HOUSEHOLD EXPENDITURE ON SERVICES AND DURABLE
GOODS
NSS 72ND ROUND (JULY, 2014 –JUNE, 2015)

The National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation has released the report titled “ *Key Indicators of Household Expenditure on Services and Durable Goods*” based on the related information collected during July, 2014 to June 2015 as part of NSS 72nd Round. This survey on household expenditure on services and durable goods was the first focused survey of its kind undertaken by National Sample Survey Office.

2. The survey was designed to collect some demographic particulars, detailed information on household expenditure on transport, miscellaneous consumer services, food expenditures incurred in hotel & restaurants, expenditure on repair & maintenance services availed, hotel lodging charges, and on durable goods other than those used exclusively for entrepreneurial activity in India through a nationwide household survey.

3. As household expenditure on services forms an important part of Private Final Consumption Expenditure (PFCE), this focused survey is expected to provide improved estimates of household expenditure on the services as compared to the same based on data collected through usual Consumer Expenditure Survey. Also, in this survey, an attempt has been made to apportion the expenditure by the households on durable goods, when the durables are used both for household consumptions and enterprises.

4. The survey covered the whole of the Indian Union. The results of the survey are based on the sample, canvassed by NSSO, consisting of 7,969 villages and 6,048 urban blocks, spread over all States and Union Territories of the country. The schedule was canvassed in 47,535 households in rural areas and 36,065 households in urban areas during the period July, 2014 –June, 2015.

5. Some key findings on various aspects of Household Expenditure on Services and Durable Goods in the country as obtained from the survey during July, 2014 –June, 2015 are as follows:

I. Transport Services

- Bus / Tram is the most reported means of transport both in rural and urban areas. About 66% households in rural areas and 62% households in urban areas reported expenditure on this particular mode. The next most reported means of transport was Auto Rickshaw (about 38% rural households and about 47% urban households). Taxi, Railways and Rickshaw are the other major modes of transport both in rural and urban areas as reported by the households.
- Expenditures on Bus / Tram, Auto Rickshaw, Taxi and Train account for more than 90% of the total expenditure on Transport both in rural and urban areas.

Expenditure share of railways as mode of transport contributes much higher proportion in urban areas (12.54%) than that in rural areas (4.41%).

- Among different modes of transport, monthly per capita expenditure (MPCE) on Bus/Tram is highest both in rural (₹ 43.43) and urban (₹ 94.89) India.

II. Miscellaneous Consumer Services

- Under this miscellaneous group, 14 broad services were considered. These included domestic services, barber & beauty shops, TV & radio services, laundry, dry cleaning, etc., repair & maintenance, communication, religious services, recreational & cultural services, funeral/burial/cremation-related services, business services, services incidental to transport, tailoring services and sewage disposal & sanitation, other services not elsewhere covered.
- In both rural and urban areas, about 90% or more households reported expenditure on barber & beauty shops and communication services. In case of budget-share of different types of miscellaneous services in rural areas, communication services accounted for the highest share (25.33%) followed by barber & beauty shops (11.07%), TV & radio services (10.58%), repair & maintenance (10.27%) & tailoring services (10.18%). In urban areas, communication services again accounted for highest share of budget (26.33%) followed by domestic services (12.11 %), TV & radio services (10.22%) and recreational & cultural services (9.95%).
- In terms of monthly per capita expenditure (MPCE) also, highest expenditure was found on communication services amounting to ₹ 36.35 and ₹ 102.46 in rural and urban areas respectively.

III. Other Services

- Certain other services like repairs and maintenance of some selected items, Annual Maintenance Contract (AMC), hotel lodging and other selected services, which are not covered in the earlier section are considered here under the broad head “repair & maintenance of selected items, hotel lodging charges, etc ”. All food expenditures in hotels and restaurants were considered under the broad head “food expenditure in hotels ”
- In terms of monthly per capita expenditure (MPCE), expenditure on “repair & maintenance of selected items, hotel lodging charges, etc.” was ₹ 55.77 and ₹ 88.28 in rural and urban areas respectively. On the other hand, the expenditure on “food expenditure in hotels” was ₹ 68.48 and ₹ 178.00 in rural and urban areas respectively.

IV. Durable goods

- The durable goods were grouped into 13 major broad groups, namely, transport equipment, heating, cooling and electricity generation devices, kitchen equipment, equipment for recreation, crockery and utensils, furniture and fixtures, other machines for household work, IT and communication devices, electrical and lighting accessories, productive equipment, sports and medical equipment, miscellaneous durables and jewellery and ornaments.
- The pattern of expenditure on different durable goods and their overall contribution in absolute terms, separately for those purchased for mainly using it

for enterprise purpose and domestic purpose in the households having Non-agricultural Enterprise (NAE) was studied.

- In rural area, the share of budget spent on a particular durable group with reference to total expenditure on durables is highest for transport equipment (about 83%), when the purchase was done mainly for using it for enterprise purpose. The expenditure on each durable group of i) heating, cooling and electricity generation devices ii) IT & communication devices and iii) productive equipment separately accounted for about 4% of budget share. All other durable groups, except furniture & fixtures (1.6%) accounted for very little expenditure (each less than 1% in budget share). When the main purpose of use was for domestic purpose, though the highest budget share was in respect of transport equipment (about 45%), a notably high budget share of about 23% was observed on jewellery and ornaments followed by heating, cooling and electricity generation devices and IT and communication devices (both having a share of about 7% each), and furniture and fixtures (about 5.6%).
- In the urban area, almost similar pattern was observed except the fact that a high share of budget, next to transport equipment, was found for heating, cooling and electricity generation devices (about 7.9%) and for IT and communication devices (7.8%) when the main purpose was for enterprise. When the main purpose was for domestic use, high share of budget, next to transport equipment, was on jewellery and ornaments (18%) followed by IT & Communication (9.9%) and heating, cooling and electricity generation devices (8.1%).
- In terms of absolute values of monthly per capita expenditure (MPCE) on all durable goods by the households having Non Agricultural Enterprise (NAE), a total expenditure of ₹ 436.85 and ₹ 1468.69 were observed for the main purpose of enterprise and domestic use respectively in rural areas. In urban areas, these values were ₹ 379.63 and ₹ 2601.54 respectively.

The publication based on above cited Key Indicators is available on the website (www.mospi.gov.in) of the Ministry of Statistics and Programme Implementation.
