

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
UNSTARRED QUESTION No. 2992
TO BE ANSWERED ON 14.03.2018**

ESTIMATION OF GDP

2992. SHRI KIRTI AZAD :
SHRI RAMESH CHANDER KAUSHIK:

Will the Minister of PLANNING be pleased to state:

- (a) whether various methods are used for the estimation of the Gross Domestic Product (GDP) which have given different results;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of the methods being adopted by the Government at present; and
- (d) the year-wise estimates of the GDP during the period 2012-14 to 2014-17, year-wise?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS**

(RAO INDERJIT SINGH)

a) to (c): Gross domestic product (GDP) can be estimated by summing gross value added (GVA) of different kinds of activities and net taxes on products as well as by using expenditure approach. GVA can be estimated by Production approach as Output minus Material Inputs or by using Income approach as Compensation of Employees plus operating surplus plus Depreciation. Either of these two approaches are adopted depending on the data availability. GDP can be compiled using expenditure approach by estimating final consumption expenditure of households and government, capital formation, imports and exports. Although, conceptually all the approaches of compiling GDP has to lead to the same number, this does not emerge naturally from data compilations because of wide disparity of data sources, differences in coverage, valuation and lags in recording. The difference, technically known as 'discrepancy' is shown in the expenditure side to match the GDP numbers emanating from the two approaches. This is because GDP estimated as GVA at basic prices plus net taxes on products is regarded as firmer estimate. This is as recommended by System of National Accounts (SNA) and the practice is consistent with the SNA, 2008.

(d): the figures of Gross Domestic Product (GDP) at current prices with base 2011-12 are given below:

	2012-13	2013-14	2014-15	2015-16	2016-17
GDP at Current Prices (Rs. in Crore)	99,44,013	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714