

**GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA
STARRED QUESTION NO. *307
TO BE ANSWERED ON WEDNESDAY, THE 2ND JANUARY, 2019**

ANNOUNCEMENT OF GDP

***307. PROF. PREM SINGH CHANDUMAJRA:**

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether several analysts and economists of the country have strongly criticised the announcement of revised Gross Domestic Product (GDP) for the years 2004-2005 to 2010-2011 along with the announcement of GDP by his Ministry for second quarter of the current financial year;

(b) if so, the reaction of the Government thereto;

(c) whether the released Government data regarding GDP seems opposite to the ground level economy;

(d) if so, the reaction of the Government thereto; and

(e) whether this type of controversial development related data can affect foreign capital investment and if so, the details thereof?

ANSWER

**MINISTER OF STATISTICS AND PROGRAMME IMPLEMENTATION AND
MINISTER OF CHEMICALS AND FERTILIZERS (SHRI D. V. SADANANDA
GOWDA)**

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. *307 for 2nd January, 2019 by PROF. PREM SINGH CHANDUMAJRA regarding Announcement of GDP:

(a) and (b): Ministry of Statistics & Programme Implementation (MoSPI) had revised the base year as 2011-12 in 2015 and has recently released the Back-Series estimates for the year 2004-05 to 2010-11 on 28.11.2018. The Ministry has also released the National Accounts Estimates for the 2nd quarter of 2018-19 on 30.11.2018. There have been several articles in newspaper on the GDP Back-Series. Government has clarified that releasing Back-Series as per changed methodology of current base year is a requirement for making the earlier series comparable with the current series. Back Series estimates are based on the improved methodology of 2011-12 base, which are in line with UN System of National Accounts (SNA) 2008.

The Back-Series estimates have been released after consultation and approval of the methodology by the Advisory Committee on National Account Statistics (ACNAS), which is an expert advisory body on methodology of compilation of National Accounts Statistics. Releasing Back-Series data is a general practice of most National Statistics Offices (NSOs) and MoSPI has done it several times in the past.

(c) and (d): The question does not arise as the Back-Series estimates have used the latest survey results, data sources and methodology which are also being used in the current series. The trends of indicators like Gross Domestic Product (GDP), Gross Value Added (GVA) etc. are largely similar in the revised series (Base 2011-12) as compared to series released with Base 2004-05. The computation of GDP and GVA is complex exercise requiring the economy to be recalibrated using the revised methodology and latest data sources/survey results and thus the growth rates differ. These series captures the structural changes in the economy.

(e): Foreign Direct Investment (FDI) is dependent on several current macroeconomic factors including GDP/GVA. The Back -Series estimates of 2004-05 to 2010-11 are based on the methodology of current Base Year of 2011-12.
