

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

LOK SABHA

UNSTARRED QUESTION NO. 2307

TO BE ANSWERED ON WEDNESDAY, THE 26TH DECEMBER, 2018

CALCULATION OF GDP

2307. SHRI ANTO ANTONY:

SHRI RAM KUMAR SHARMA:

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

- (a) whether the Government has adopted a new system/mechanism for calculating GDP and other similar growth;**
- (b) if so, the details thereof and the salient features of the new mechanism;**
- (c) whether the Government has identified major drawbacks of the previous system of calculation/compiling data; and**
- (d) if so, the details thereof and the reasons therefor?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI VIJAY GOEL)

(a) and (b): The Base Year of National Accounts is revised periodically to incorporate the improvements in methodology as per international guidelines and to capture structural changes in economy during the intervening period and using latest available databases. The latest Base Year of National Accounts is 2011-12 and was revised/released in 2015. The 2011-12 Base series is aligned with the System of National Account (SNA)-2008 and has led to a different approach and

methodology in treatment of institutional sectors. The new series also uses latest available data sources like MCA 21 (Ministry of Corporate Affairs database) and updated indices Wholesale Price Index (WPI), Index of Industrial Production (IIP) etc.

(c) and (d): The improvements in the compilation of Gross Domestic Product (GDP) with Base 2011-12 over the earlier series (Base 2004-05) are included in the Press Release of 28 November 2018 and major ones are summarized below:

- The 2004-05 Series followed System of National Account (SNA) 1968 and SNA 1993 whereas 2011-12 Series follows SNA 2008, which is the latest guidelines of UN on National Accounting concepts.**
- In the new series, estimation has been done at basic prices as per SNA 2008 in place of estimation at factor cost.**
- In the current series, Institution-wise compilation of aggregates has been done instead of aggregate approach.**
- Compilation of Financial Services Indirectly Measured (FISIM) was done in 2011-12 Series using the reference rate method rather than averaging credits and deposits.**
- In the new series, sector specific Consumer Price Index (CPI) of sectors of health, education, miscellaneous have been used resulting into better coverage as compared to CPI Industrial workers (IW) & Agriculture Labourers (AL) based on SNA 2008 guidelines.**

The revised methodology was discussed in detail by the Advisory Committee on National Account Statistics (ACNAS) comprising leading experts before being adopted by MoSPI.
