

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 107
TO BE ANSWERED ON JULY 18, 2022

NOMINAL GDP

107. MS. MIMI CHAKRABORTY:

Will the Minister of FINANCE be pleased to state:

- whether it is a fact that since 2014-15 to till date the nominal Gross Domestic Product (GDP) is always higher than the real GDP of the country;
- if so, the details of reports in this regard and the reasons therefor;
- whether it is also a fact that in 2021-22, India's real GDP stood at Rs 147.4 lakh crore while nominal GDP was reported to be Rs 236.6 lakh crore which means that if the goods and services sold today were at 2011-12 prices, they are being written at a 60 per cent higher value today; and
- if so, whether it does not reflect a 60 percent of inflation on rates in seven years' time and if so, the details thereof?

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHURY)

(a) & (b) Since 2014-15, Nominal Gross Domestic Product (GDP) has always been higher than the Real GDP as inflation is added to Real GDP to obtain nominal GDP. Real and Nominal GDP for the year 2014-15 to 2021-22 are given in the table below:

Table 1: Real and Nominal GDP for the year 2014-15 to 2021-22

Year	Real GDP (Crore)	Nominal GDP (Crore)
2014-15	1,05,27,674	1,24,67,959
2015-16	1,13,69,493	1,37,71,874
2016-17	1,23,08,193	1,53,91,669
2017-18	1,31,44,582	1,70,90,042
2018-19 (3 rd RE)	1,39,92,914	1,88,99,668
2019-20 (2 nd RE)	1,45,15,958	2,00,74,856
2020-21 (1 st RE)	1,35,58,473	1,98,00,914
2021-22 (PE)	1,47,35,515	2,36,64,637

Source: NSO, MoSPI. PE : Provisional Estimates. RE : Revised Estimates

(c) & (d) As per National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), nominal GDP in 2021-22 was 60.6 per cent higher than real GDP in 2021-22, calculated at 2011-12 prices. This indicates that the average prices in 2021-22 for all goods and services produced in the economy increased by 60.6 per cent over 2011-12, or approximately 5 per cent per annum during this ten-year period. The increase in prices is suggestive of rising demand in the economy that supports growth of real GDP. From the data provided by NSO, MoSPI, average annual growth of real GDP is estimated at 5.4 per cent during 2011-12 to 2021-22.
