

Modification in nomenclature of Annual GDP Estimates released at various points of time for a year and statement on policy of revision of Annual and Quarterly Estimates of GDP and related Macro-economic Aggregates

1. The Central Statistics Office under the Ministry of Statistics and Programme Implementation has been bringing out annual estimates of Gross Domestic Product and other macro-economic aggregates since 1956. CSO introduced the advance estimates of national income in the year 1993 and quarterly estimates of GDP in 1999. The annual estimates of GDP for a financial year are brought out first as advance estimates on 7th February or the next working day of each year, two months before the end of a financial year, which are later revised at least three times with a fixed periodicity each time with additional information becoming available during the intervening period. Further, the quarterly estimates are brought out with a timeliness of two months after the completion of a quarter. These estimates are revised at the end of a financial year at the time of release of 4th quarter estimates. Thereafter, quarterly estimates for a financial year are revised based on revision of annual estimates each time these estimates are released for succeeding years. Apart from this regular revision calendar, the estimates are also revised in case of revision of base year of any of the indices used in compilation of these estimates. Most important indices used for compilation of GDP are Index of Industrial Production (IIP), Wholesale Price Index (WPI), Consumer Price Indices- for Industrial Workers(CPI-IW), Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL).

2. It has been decided to change nomenclature of annual estimates and quarterly estimates in the following manner. The paragraph below also brings out the policy of revision of annual and quarterly estimates.

2.1 **Present nomenclature, Revised nomenclature, release date and data used for compilation of each stage of estimation** is given below:

SNo	Nomenclature		Release Date	Data used for compilation
	Present	Revised		
1.	Advance Estimate	Advance Estimate	7 th Feb (in advance before the completion of financial year)	Based on Quick Estimates of the previous financial year released on 31 st January, the sector-wise estimates are obtained by extrapolation using various indicators like (i) Index of Industrial Production of last 8 months of the year,

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				(ii) 2 nd advance estimate of crop production, (iii) expenditure of Central for the last 10 months and State Governments for the last 3 quarters and (iv) growth rates of various indicators of service sector e.g. Gross Trading Index(GTI), deposits & credits, passenger and freight earnings of Railways, civil aviation, number of telephone connections etc.
2.	Revised Estimate	Provisional Estimate	31 st May (two months after completion of a financial year)	Based on information on above indicators, which now become available for the whole of financial year. This includes availability of various indices which have final values as against quick or provisional estimates at the time of advance estimates.
3.	Quick Estimate	First Revised Estimate	31 st January (10 months after completion of a year)	Based on detailed information on the analysis of Budgets of Central and State Governments where Revised Estimates for the relevant financial year are available, analysis of financial statements of public sector undertakings of Central and State Governments, analysis of accounts of limited number of local body accounts etc. Detailed information on about 42 crops both in terms of production and prices and input costs available from latest cost of cultivation studies are used for arriving at the estimates of farm sector in Agriculture. Detailed estimates available on horticulture, animal husbandry and forestry are also

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				used. Estimates of Savings and Disposable income are also arrived apart from Capital Formation by sectors and type of asset including consumption of fixed capital.
4.	Estimate released with the Quick estimate of next year (one year after release of Quick estimate)	Second Revised Estimate	31 st January of succeeding year (one year 10 months after completion of a financial year)	Based on actual expenditure figures available from the Central and State Government budgets, improved coverage of accounts of public sector undertakings and autonomous bodies and local bodies. Use of figures available from Annual Survey of Industries for manufacturing sector in place of IIP used so far.
5.	Estimate released with the Quick estimate of next to next year (two years after the release of Quick estimate)	Third Revised Estimate	31 st January after two succeeding years (2 years and 10 months after completion of a financial year)	Improved coverage of central and state government accounts, accounts of public sector undertakings and accounts of local bodies.

2.2 The advance, provisional and first revised estimates are brought out in the public domain through a Press Release. These press releases also contain 2nd, 3rd and further revised estimates of previous years. The 1st revised estimates of the previous financial year, 2nd and 3rd revised estimates of the preceding years are also brought out in the public domain in the annual 'National Accounts Statistics' publication in the month of May/June. After the release of 3rd revised Estimates of a year, data gets more or less stabilized, but there are always some additional information flowing from the States after the discussions with them of comparable estimates which is incorporated in the annual estimates at the time of subsequent revisions.

3. Quarterly Estimates

3.1 GDP estimates for a quarter (QGDP) are released two months after the end of a quarter. The QGDP estimates are revised alongwith the revisions in the annual estimates, which are normally released in the months of January/February. Other than the annual revisions, the QGDP estimates are revised only at the time of the release of fourth quarter estimates on 31st May of the succeeding year.

3.2 QGDP estimates of Q1, Q2, Q3 and Q4 are brought out in the public domain by Press Release. The Press release includes quarterly data for the current year and previous two years for purposes of comparison. After the release of Q4 estimates in May, when data for all the four quarters of a year becomes available, complete series of quarterly data is uploaded on the website.

3.3 Special revisions in the Quarterly GDP Estimates: In exceptional cases, when indicators like IIP which are used for compilation of QGDP undergo revision on account of change in the base year, it becomes necessary to use them in compilation of quarterly estimates even before these indices are used in the annual GDP estimates. In such cases, the quarterly estimates of the previous quarters are also revised for purposes of comparison. These estimates again get revised when annual estimates are compiled. Whenever these new indicators are taken for compilation for the first time, this is mentioned in the press release. Also exercise of revising the past quarterly estimates is carried out to maintain comparability of the estimates over years. When old data are revised, no separate press note is brought out since new indices have already been used for compilation of GDP estimates. However, in such cases after the whole series is compiled, the same is posted on the website of the Ministry with necessary footnotes explaining reasons of such revision.