

PRESS NOTE

ON

FIRST ADVANCE ESTIMATES OF NATIONAL INCOME 2016-17



CENTRAL STATISTICS OFFICE

MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

GOVERNMENT OF INDIA

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The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation have released the First Advance estimates of national income at constant (2011-12) and current prices, for the financial year 2016-17. These are presented in Statements 1-4.

2. The First Advance Estimates of GDP have been released in accordance with the release calendar of National Accounts@. The approach for compiling the advance estimates is based on benchmark-indicator method. The Sector-wise estimates are obtained by extrapolation of indicators like (i) Index of Industrial Production of first 7 months of the financial year, (ii) financial performance of listed companies in the private corporate sector available upto quarter ending September, 2016 (ii) 1st advance estimates of crop production, (iii) accounts of Central & State Governments, information on indicators like sales tax, deposits & credits, passenger and freight earnings of railways, passengers and cargo handled by civil aviation, cargo handled at major sea ports, sales of commercial vehicles etc. available for first 7/8 months of the financial year. The salient features of the estimates are detailed below:

A. ESTIMATES AT CONSTANT (2011-12) PRICES

Gross Domestic Product

3. Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of ₹121.55 lakh crore, as against the Provisional Estimate of GDP for the year 2015-16 of ₹113.50 lakh crore, released on 31st May 2016. The growth in GDP during 2016-17 is estimated at 7.1 per cent as compared to the growth rate of 7.6 per cent in 2015-16.

Gross Value Added (GVA) at Basic Prices

4. Real GVA, i.e, GVA at basic constant prices (2011-12) is anticipated to increase from ₹104.27 lakh crore in 2015-16 to ₹111.53 lakh crore in 2016-17. Anticipated growth of real GVA at basic prices in 2016-17 is 7.0 percent against 7.2 percent in 2015-16.

5. The sectors which registered growth rate of over 7.0 percent are, 'public administration, defence and other services', 'financial, real estate and professional services' and 'manufacturing'.

The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply and other utility services', 'construction' and 'Trade, hotels, transport, communication and services related to broadcasting' is estimated to be 4.1 per cent, (-)1.8 per cent, 6.5 percent, 2.9 per cent and 6.0 percent respectively.

Agriculture

6. The 'agriculture, forestry and fishing' sector is likely to show a growth of 4.1 per cent in its GVA during 2016-17, as against the previous year's growth rate of 1.2 per cent. The GVA estimates of this sector have been compiled using the First Advance Estimates of production of major Kharif crops for 2016-17 and targets based on rabi sowings. According to the information furnished by the Department of Agriculture and Cooperation (DAC), the production growth of food grains during the Kharif season of agriculture year 2016-17 was 8.9 percent as compared to decline of 3.2 percent during the same period in 2015-16. In case of livestock sector, estimates of production, mainly in the form of targets are available for milk, egg, and wool, from the Department of Animal Husbandry, Ministry of Agriculture. Around 39.0 percent of GVA of this sector is based on livestock products, forestry and fisheries, which registered a combined growth of above 3.7 percent in 2016-17.

Mining and quarrying

7. GVA at basic prices for 2016-17 from 'mining and quarrying' sector is estimated to decline by 1.8 percent as compared to growth of 7.4 percent in 2015-16. The key indicators of mining sector, namely, production of coal, crude oil and natural gas registered growth rates of 1.6 per cent, (-)3.5 percent and (-)3.7 percent respectively during April-November 2016-17 as compared to 4.3 percent, (-)0.4 percent and (-)2.3 percent respectively during April-November, 2015-16. The growth rates observed in these items have been used to extrapolate the Provisional Estimates of value of output of coal, crude petroleum, and other major and minor minerals, respectively. IIP of mining registered growth rate of (-)0.2 percent during April-October, 2016-17 as compared to 2.2 percent during April-October, 2015-16. Advance Estimate of IIP for 2016-17 of this sector, compiled by dividing the cumulative index for the first 7 months of the current financial year, by the average of ratio of 7 months index to the annual index of past years has been used. The private corporate sector growth in the mining sector was estimated using latest available information on major listed companies during first half of 2016-17.

Manufacturing

8. GVA at basic prices for 2016-17 from 'manufacturing' sector is estimated to grow by 7.4 percent as compared to growth of 9.3 percent in 2015-16. The private corporate sector has a share of around 72 percent in the manufacturing sector. The private corporate sector growth in the manufacturing sector was estimated using latest available information on major listed companies during first half of 2016-17. The quasi corporate and unorganized segment (which include individual proprietorship and partnerships and khadi & village Industries has a share of around 23 percent in the manufacturing sector) has been estimated using IIP of manufacturing. The Advance Estimates of IIP at 2-digit industry groups for the current year are initially compiled by dividing the cumulative index for the 7 months of the current year, by the average of ratio of 7 months

index to the annual index of past years. The estimated IIP so derived for the current year at 2-digit level is used to extrapolate the previous year's value added estimates at 2-digit level, separately for the quasi corporate and household sectors. IIP manufacturing registered growth rates of (-) 1.0 during April-October, 2016-17 as compared to 5.1 percent during April-October, 2015-16. The wholesale price index (WPI), in respect of the manufactured products registered a growth of 2.0 per cent during April-November, 2016-17 as compared to (-)1.3 percent during April-November, 2015-16.

Electricity, Gas, water supply and other utility services

9. GVA at basic prices for 2016-17 from 'Electricity, Gas, water supply and other utility services' sector is expected to grow by 6.5 percent as compared to growth of 6.6 percent in 2015-16. The Advance Estimates of key indicator of this sector, namely, IIP of Electricity compiled by dividing the cumulative index for the 7 months of the current year, by the average of ratio of 7 months index to the annual index of past years has been used. IIP of Electricity registered a growth rate of 4.6 percent during April-October, 2016-17 as against 5.2 percent growth during April-October, 2015-16.

Construction

10. GVA at basic prices for 2016-17 from 'Construction' sector is expected to grow by 2.9 percent as compared to growth of 3.9 percent in 2015-16. Key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rates of 4.3 percent and 3.0 percent respectively during April-November, 2016-17.

Trade, hotels and Transport & communication and services related to broadcasting

11. The estimated growth in GVA for the trade, hotels, transport and communication and services related to broadcasting services during 2016-17 is placed at 6.0 per cent as against growth of 9.0 percent in the previous year. Key indicator used for estimating GVA from Trade sector is the sales tax growth. As per the available monthly data on state accounts available from CAG website, sales tax collection is expected to grow by 8.6 percent during 2016-17. WPI of all commodities registered 2.8 percent growth during April-November 2016-17 as against (-)3.3 percent during April-November, 2015-16. Among the other services sectors, the key indicators of railways, namely, the net tonne kilometres and passenger kilometres have shown growth rate of (-) 7.4 per cent and (-) 0.4 percent respectively during April-November 2016-17. Cargo handled at major sea ports increased by 6.8 per cent during April-November, 2016-17 as compared to 3.4 percent during April-November, 2015-16. Passengers and cargo handled by civil aviation increased by 19.6 per cent and 9.9 per cent respectively during April-November, 2016-17 as compared to 16.5 percent and 5.9 percent respectively during April-November, 2015-16. Sales of commercial vehicles registered growth of 4.7 percent during April-November, 2016-17 as compared to 8.1 percent during April-November, 2015-16.

Financial, insurance, real estate and professional services

12. The estimated growth in GVA for this sector during 2016-17 is placed at 9.0 percent as compared to growth of 10.3 percent in 2015-16. Major component of this industry is the real estate and professional services which has a share of 71.0 percent. The key indicators of this sector are the quarterly growth of corporate sector for real estate sector and computer related activities which was estimated using latest available information on listed companies for the first half of 2016-17. The other indicators of this sector, viz., aggregate bank deposits and bank credits have shown growth rates of 9.8 per cent, and 9.1 per cent, respectively as on October 2016 as against growth of 10.5 percent and 8.8 percent respectively as on October 2015.

Public administration and defence and other services

13. GVA at basic prices for 2016-17 from this sector is expected to grow by 12.8 percent as compared to growth of 6.6 percent in 2015-16. The key indicator of this sector namely, Union Government expenditure net of interest payments and subsidies grew by 25.3 percent during April-November 2016-17.

Per Capita Income

14. The per capita income in real terms (at 2011-12 prices) during 2016-17 is likely to attain a level of ₹81805 as compared to ₹77,435 for the year 2015-16. The growth rate in per capita income is estimated at 5.6 per cent during 2016-17, as against 6.2 per cent in the previous year.

B. ESTIMATES AT CURRENT PRICES**15. Price indices used as deflators**

The wholesale price index (WPI), in respect of the groups - food articles, manufactured products, electricity and all commodities, has risen by 6.9 per cent, 2.0 per cent, (-)1.4 per cent and 2.8 percent, respectively during April-November 2016-17. The consumer price index has shown a rise of 5.0 per cent during April-November, 2016-17.

Gross Domestic Product

16. GDP is derived by adding taxes on products net of subsidies on products to GVA at basic prices. GDP at current prices in the year 2016-17 is likely to attain a level of ₹151.93 lakh crore, as against ₹135.76 lakh crore in 2015-16 showing a growth rate of 11.9 per cent.

National Income

17. The nominal Net National Income (NNI), also known as national income (at current prices) is likely to be ₹133.81 lakh crore during 2016-17, as against ₹119.69 lakh crore for the year 2015-16. In terms of growth rates, the national income registered a growth rate of 11.8 per cent in 2016-17 as against the previous year's growth rate of 8.7 per cent.

Per Capita Income

18. The per capita net national income during 2016-17 is estimated to be ₹103,007 showing a rise of 10.4 per cent as compared to ₹93,293 during 2015-16 with the growth rate of 7.4 percent.

C. ANNUAL ESTIMATES OF FINAL EXPENDITURES OF GDP, 2016-17

19. Along with the First Advance Estimates of GVA at basic prices by economic activity, the First Advance Estimates of expenditures of the GDP at current and constant (2011-12) prices are also released. These estimates have been compiled using the data from the same sources as those used for compiling GVA estimates by economic activity, detailed data available on merchandise trade in respect of imports and exports, balance of payments, and expenditure of Central Government. As various components of expenditure on gross domestic product, namely, consumption expenditure and capital formation, are normally measured at market prices, the discussion in the following paragraphs is in terms of market prices only.

Private Final Consumption Expenditure

20. Private Final Consumption Expenditure (PFCE) at current prices is estimated at ₹89.72 lakh crore in 2016-17 as against ₹80.78 lakh crore in 2015-16. At constant (2011-12) prices, the PFCE is estimated at ₹67.13 lakh crore in 2016-17 as against ₹63.01 lakh crore in 2015-16. In terms of GDP, the rates of PFCE at current and constant (2011-12) prices during 2016-17 are estimated at 59.1 per cent and 55.2 per cent, respectively, as against the corresponding rates of 59.5 per cent and 55.5 per cent, respectively in 2015-16.

Government Final Consumption Expenditure

21. Government Final Consumption Expenditure (GFCE) at current prices is estimated at ₹18.61 lakh crore in 2016-17 as against ₹14.39 lakh crore in 2015-16. At constant (2011-12) prices, the GFCE is estimated at ₹13.95 lakh crore in 2016-17 as against ₹11.27 lakh crore in 2015-16. In terms of GDP, the rates of GFCE at current and constant (2011-12) prices during 2016-17 are estimated at 12.3 per cent and 11.5 per cent, respectively, as against the corresponding rates of 10.6 per cent and 9.9 per cent, respectively in 2015-16.

Gross Fixed Capital Formation

22. Gross Fixed Capital Formation (GFCF) at current prices is estimated at ₹40.39 lakh crore in 2016-17 as against ₹39.72 lakh crore in 2015-16. At constant (2011-12) prices, the GFCF is estimated at ₹35.35 lakh crore in 2016-17 as against ₹35.41 lakh crore in 2015-16. In terms of GDP, the rates of GFCF at current and constant (2011-12) prices during 2016-17 are estimated at 26.6 per cent and 29.1 per cent, respectively, as against the corresponding rates of 29.3 per cent and 31.2 per cent, respectively in 2015-16. The GFCF is expected to register growth rate of 1.7 percent at current prices and (-)0.2 percent at constant prices.

23. Estimates of Gross/Net National Income and Per Capita Income along with GVA at basic prices by kind of economic activity and the Expenditures of GDP for the years 2014-15 and 2015-16 and 2016-17, at constant (2011-12) and current prices are given in Statements 1 to 4.

24. The next release of second advance estimates of national income for the year 2016-17 and quarterly GDP estimate for the quarter October-December, 2016 (Q3 of 2016-17) will be on 28.02.2017.

STATEMENT 1: First Advance Estimates of National Income and Expenditures on GDP, 2016-17
(At 2011- 12 Prices) (₹ crore)

S.No	Item	2014-15 (1st RE)	2015-16 (PE)	2016-17 (Ist AE)	2015-16	2016-17
	Domestic Product					
1	GVA at basic prices	9727490	10427191	11153038	7.2	7.0
2	Net taxes on products	824660	923058	1001760	11.9	8.5
3	GDP (1+2)	10552151	11350249	12154797	7.6	7.1
4	NDP	9359476	10071784	10787338	7.6	7.1
	Final Expenditures					
5	PFCE	5864283	6301128	6713186	7.4	6.5
6	GFCE	1102607	1126952	1394898	2.2	23.8
7	GFCF	3408251	3540750	3535003	3.9	-0.2
8	CIS	195007	205816	216545	5.5	5.2
9	VALUABLES	173275	173811	115665	0.3	-33.5
10	Exports of goods and services	2508402	2377742	2429080	-5.2	2.2
11	Less Imports of goods and services	2664390	2590793	2491499	-2.8	-3.8
12	Discrepancies	-35284	214843	241919		
13	GDP	10552151	11350249	12154797	7.6	7.1
	RATES TO GDP					
14	PFCE	55.6	55.5	55.2		
15	GFCE	10.4	9.9	11.5		
16	GFCF	32.3	31.2	29.1		
17	CIS	1.8	1.8	1.8		
18	VALUABLES	1.6	1.5	1.0		
19	Exports of goods and services	23.8	20.9	20.0		
20	Less Imports of goods and services	25.2	22.8	20.5		
21	Discrepancies	-0.3	1.9	2.0		
22	GDP	100.0	100.0	100.0		
23	GNI	10427701	11213328	11993865	7.5	7.0
24	NNI	9235026	9934863	10626406	7.6	7.0
	Per Capita Income, Product and Final Consumption					
25	Population* (in million)	1267	1283	1299	1.3	1.2
26	Per Capita GDP	83285	88466	93570	6.2	5.8
27	Per Capita GNI	82302	87399	92332	6.2	5.6
28	Per Capita NNI	72889	77435	81805	6.2	5.6
29	Per Capita PFCE	46285	49112	51680	6.1	5.2

* Relates to mid-financial year

RE: Revised estimates PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 2: First Advance Estimates of National Income and Expenditures on GDP, 2016-17
(At Current Prices) (₹ crore)

S.No	Item	2014-15 (1st RE)	2015-16 (PE)	2016-17 (Ist AE)	2015-16	2016-17
Domestic Product						
1	GVA at basic prices	11472409	12279410	13602175	7.0	10.8
2	Net taxes on products	1015796	1296676	1590413	27.7	22.7
3	GDP (1+2)	12488205	13576086	15192588	8.7	11.9
4	NDP	11155025	12126769	13570701	8.7	11.9
Final Expenditures						
5	PFCE	7193046	8077560	8972423	12.3	11.1
6	GFCE	1365463	1439198	1861284	5.4	29.3
7	GFCF	3844366	3972401	4039237	3.3	1.7
8	CIS	220557	234444	256815	6.3	9.5
9	VALUABLES	192663	187461	138721	-2.7	-26.0
10	Exports of goods and services	2861066	2706892	2861096	-5.4	5.7
11	Less Imports of goods and services	3233123	3051005	3034410	-5.6	-0.5
12	Discrepancies	44168	9135	97422		
13	GDP	12488205	13576086	15192588	8.7	11.9
RATES TO GDP						
14	PFCE	57.6	59.5	59.1		
15	GFCE	10.9	10.6	12.3		
16	GFCF	30.8	29.3	26.6		
17	CIS	1.8	1.7	1.7		
18	VALUABLES	1.5	1.4	0.9		
19	Exports of goods and services	22.9	19.9	18.8		
20	Less Imports of goods and services	25.9	22.5	20.0		
21	Discrepancies	0.4	0.1	0.6		
22	GDP	100.0	100.0	100.0		
23	GNI	12340772	13418745	15002477	8.7	11.8
24	NNI	11007592	11969428	13380590	8.7	11.8
25	GNDI	12745926	13832957	15394372	8.5	11.3
26	NNDI	11412746	12383640	13772485	8.5	11.2
Per Capita Income, Product and Final Consumption						
27	Per Capita GDP	98565	105815	116956	7.4	10.5
28	Per Capita GNI	97402	104589	115493	7.4	10.4
29	Per Capita NNI	86879	93293	103007	7.4	10.4
30	Per Capita GNDI	100599	107817	118509	7.2	9.9
31	Per Capita PFCE	56772	62958	69072	10.9	9.7

* Relates to mid-financial year

RE: Revised estimates PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 3: First Advance Estimates of GVA at Basic Price by Economic Activity
(At 2011-12 prices)

(₹ crore)

Industry	2014-15 (1st RE)	2015-16 (PE)	2016-17 (IstAE)	Per centage change over previous year	
				2015-16	2016-17
1. Agriculture, forestry & fishing	1,584,293	1,604,044	1,669,833	1.2	4.1
2. Mining & quarrying	296,328	318,377	312,663	7.4	-1.8
3. Manufacturing	1,667,069	1,821,926	1,957,026	9.3	7.4
4. Electricity, gas, water supply & other utility services	216,970	231,228	246,188	6.6	6.5
5. Construction	854,636	887,957	913,918	3.9	2.9
6. Trade, hotels, transport, communication and services related to broadcasting	1,833,997	1,998,292	2,117,867	9.0	6.0
7. Financial, real estate & professional services	2,039,460	2,248,845	2,450,391	10.3	9.0
8. Public administration, defence and Other Services	1,234,737	1,316,522	1,485,151	6.6	12.8
GVA at Basic Price	9,727,490	10,427,191	11,153,038	7.2	7.0

RE: Revised estimates PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 4: First Advance Estimates of GVA at Basic Price by Economic Activity
(At current prices)

(₹ crore)

Industry	2014-15 (1st RE)	2015-16 (PE)	2016-17 (IstAE)	Per centage change over previous year	
				2015-16	2016-17
1. Agriculture, forestry & fishing	1,995,251	2,093,081	2,318,239	4.9	10.8
2. Mining & quarrying	304,300	318,672	321,701	4.7	1.0
3. Manufacturing	1,845,541	1,994,330	2,186,573	8.1	9.6
4. Electricity, gas, water supply & other utility services	288,935	320,186	335,457	10.8	4.8
5. Construction	1,003,903	1,016,659	1,075,632	1.3	5.8
6. Trade, hotels, transport, communication and services related to broadcasting	2,140,370	2,281,533	2,482,019	6.6	8.8
7. Financial, real estate & professional services	2,359,279	2,534,422	2,845,239	7.4	12.3
8. Public administration, defence and Other Services	1,534,831	1,720,527	2,037,315	12.1	18.4
GVA at Basic Price	11,472,409	12,279,410	13,602,175	7.0	10.8

RE: Revised estimates PE: Provisional Estimates; AE: Advance Estimates