

New GDP series to spur IMF rating upgrade

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The International Monetary Fund (IMF) is set to upgrade its 'C' rating for India's national accounts data adequacy soon after the Centre unveils the new series of data to track retail inflation and economic output in February 2026.

The rethink in the IMF is likely driven by recent consultations by its staff with Indian officials that highlighted the ongoing improvements in India's real sector statistics along with issues they raised in the Fund's data adequacy assessment of its current data series.

The IMF has rated India's national accounts data with a 'C' grade in its

Data Adequacy Assessment (DAA) for the second consecutive year, in the Fund's 2025 Article IV report on the country released this week. The 'C' rating is the second-lowest level in a four-tier scale of A to D, and denotes that "the data provided to the Fund have some shortcomings that somewhat hamper surveillance".

India's executive director on the IMF board Urjit Patel, and other officials, in a November 21 statement included in the same report, stated that they appreciate the Fund's listing of changes in India's official data since the last DAA consultation, and "the assurance that DAA ratings will be reassessed once the updated national accounts series are published in February 2026". "Staff have

THE IMF HAS 'ASSURED' THAT ITS 'C' RATING FOR INDIA'S NATIONAL ACCOUNTS DATA WILL BE REASSESSED ONCE THE NEW GDP SERIES IS RELEASED IN FEB 2026

observed that India's official statistics while having some shortcomings are broadly adequate for surveillance," the statement said.

The IMF staff acknowledged India's ongoing work for the national accounts benchmark revision with methodological upgrades in the Gross Domestic Product (GDP) compilation, as well as the update under-



way in the basket of items covered under the Consumer Price Index (CPI) and their weights, to better reflect current consumption patterns.

The government has proposed 2022-23 as the new base year for the GDP series, expected to kick off in February 2026 with a new CPI series using 2024 as the base year. This would be the first such revision since 2015. The new GDP data, apart from the base year shift, will include improvements in volume estimates, factor in critical new data sources, and improve statistical methods for arriving at quarterly GDP numbers.

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Talks between New Delhi and Washington are on virtually and on a regular basis, Agrawal said. Negotiations were launched in March and till now half a dozen rounds of negotiations have been held, with the last informal round being from 15-17 October in Washington. A team of officials from Washington may travel to New Delhi for further discussions.

Despite the lack of a deal and high tariffs, India's exports to the US have risen by \$10 billion this year, said the official. The industry is working towards diversification to deal with the tariffs.

At home, though, the trade deficit widened to a record

\$41.68 billion in October as gold imports trebled and outbound shipments dropped the most in 14 months. The commerce secretary, however, said the deficit was not yet "in the worrying zone". "If you look deep down, one of the key drivers for the trade deficit in October was precious metal imports. The pent-up demand was met in October, and that led to an increase in deficit. Two, we had comparatively lower energy prices impacting the trade deficit on the positive side, but very high precious metal prices, impacted the trade deficit on the higher side," he added.

With inputs from PTI

introduce cyclical biases, and discrepancies between production and expenditure approaches that indicate the need to enhance coverage of the expenditure approach data and the informal sector.

Among the other significant changes in India's data framework, the statement from officials, led by Patel, mentioned that India's balance of payments (BoP) statistics are being released with a lag of two months since the first quarter of 2025-26 (FY26) instead of the earlier one-quarter lag.

Incidentally, the Reserve Bank of India (RBI) Deputy Governor Poonam Gupta said on Wednesday that the central bank is looking to release the BoP numbers on a monthly

basis. "Going ahead, we will endeavour to prepare and release the monthly BoP statistics (albeit at a slightly more aggregate-level and at a lag of approximately 40 days)," she said.

Indian officials sought to impress upon the IMF staff that the current data series coverage is updated based on actual data through private corporate and government accounts data in compiling national accounts statistics. They argued that "more favourable ratings would be warranted in the staff's Data Adequacy Assessment for Surveillance, especially for the national accounts, including coverage and granularity".

THE IMF STAFF ADDED THAT THE USE OF DOUBLE DEFLATION TECHNIQUES USING PRODUCER PRICE INDICES WOULD HELP IMPROVE VOLUME ESTIMATES FURTHER

India-Canada trade deal talks from next week

India and Canada will open discussions next week to resume formal negotiations for the Comprehensive Economic Partnership Agreement (CEPA), said Commerce and Industry Minister Piyush Goyal. The move follows a meeting between Prime Minister Narendra Modi and his Canadian counterpart, Mark Carney, last Sunday on the sidelines of the G20 Summit in Johannesburg, where the two leaders agreed to deepen cooperation in trade, investment, technology and innovation, energy, education, defence and the space sector. Talks are poised to restart after a hiatus of more than two years, during a period marked by a strained bilateral relationship.

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The IMF staff, in their appraisal, said these changes will enhance transparency and are expected to help boost the accuracy of GDP measurement "by mitigating over- or underestimating economic activity due to, for example, the use of an outdated structure of relative prices". They added that the use of double deflation techniques using producer price indices would help improve volume estimates further.

Stressing that enhanced quality, availability, and timeliness of macroeconomic and financial statistics would aid India's policy formulation, the Fund staff advised India to conduct regular benchmark revisions of national accounts, prices and other data sets in line with international best

practices.

"Priority should be given to conducting the population census, last completed in 2011/12, given its importance in ensuring that surveys remain representative. Other opportunities for improvement of the statistical base include the timely provision of consolidated general government fiscal accounts, expanding the available data on NBFCs, and increasing timeliness and granularity of data on systemic linkages across financial institutions," it concluded.

The changes in the statistical framework take care of some of the IMF's concerns behind the 'C' rating for India's national accounts — such as an outdated base year of 2011-12, excessive use of single deflation methods that may

Annual IPO haul set for ₹1.6 trn milestone next week



Equirus Capital's Shah added: "The pricing discipline is likely to continue, as domestic institutional investor support is becoming increasingly crucial and institutional investors envisage longer holding periods and greater engagement.

The outlook for IPOs is optimistic. We expect December to be a busy month, and next year fundraising from IPOs could be around \$20 billion."

Investors, meanwhile, have secured better returns from most new issuances than from already listed stocks. So far in 2025, of the total number of

issues, and according to IPO tracking portal Chittorgarh.com, 56 were listed in the green and around 60 currently are trading above their issue prices.

"Most of the retail investors are looking at it as a different asset class. And they are looking to sell during the listing day. But people get greedy when the price moves up during listing and hold on. Investors looking for listing gains should treat IPOs as trading bets and should have strict stop losses and exit strategies," suggested Ambareesh Baliga, an independent equity analyst.