

GDP growth estimates may be revised 1 point

5 REVISIONS ARE MADE AFTER 1ST ADVANCE ESTIMATES

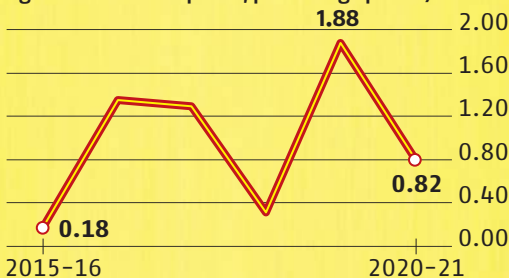
The purpose of the Advance Estimates is to present an early picture of the economy. But a *Business Standard* analysis shows that the gross domestic product will undergo significant revisions over the next three years. The average variation in growth may be as high as a percentage point over the last six years. So, Friday's numbers projecting a 7 per cent growth may be revised by as much as one percentage point, considering past trends.

The difference between the first Advance Estimates for 2020-21, released on January 7, 2021, and the first Revised Estimates released a year afterwards was 0.82 percentage points. While the first Advance Estimates had projected a contraction of 7.4 per cent compared to the final figures of 2019-20, the Revised Estimates indicated a 6.6 per cent contraction. The GDP undergoes five more revisions after the first Advance Estimates, with the final print or third Revised Estimates released after three years. There was a 0.52 percentage point difference in the growth between the first Advance Estimates and the Provisional Estimates released by the end of May. In 2021-22, GDP growth was revised 0.13 percentage points downwards, from 8.8 per cent to 8.68 per cent.

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SIGNIFICANT UPSIDE...

(Difference in growth between the first and last GDP figures in constant prices, percentage points)

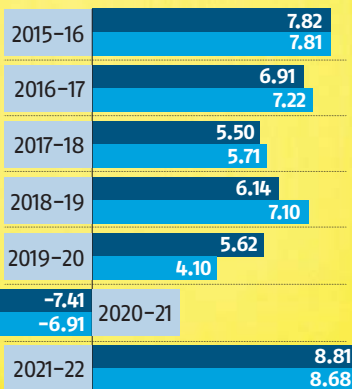


Calculations are made considering third Revised Estimates, wherever available. For 2020-21, first Revised Estimates were used and for 2019-20 second Revised Estimates were considered as final

...EVEN FOR PROVISIONAL ESTIMATES

GDP growth figures (constant prices) in %

■ First Advance Estimate
■ Provisional



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Source: MoSPI, BS analysis