

## FY05 vs FY12 GDP series: Industry share rises, services falls



**Indivjal Dhasmana**

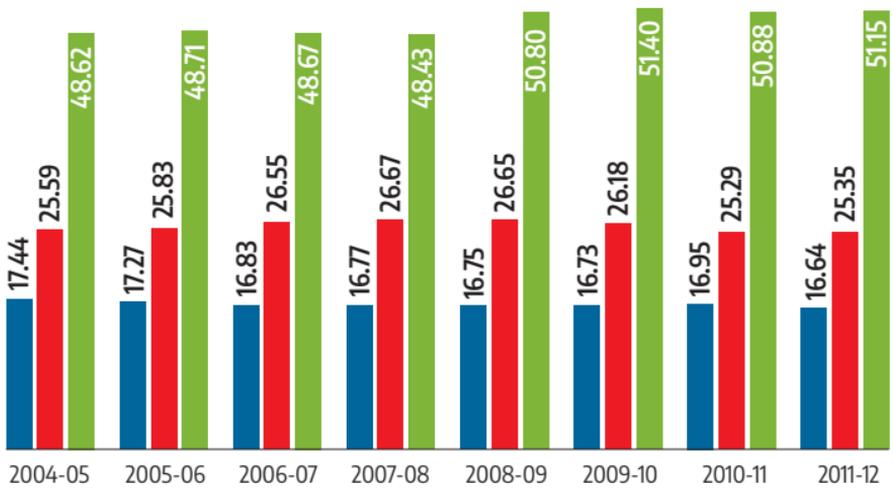
The statistics office is slated to release a new gross domestic product (GDP) series on Friday with 2022-23 as the base year. The new series may not alter the share of the three sectors — agriculture, industry and services — in GDP at current prices if the methodology for computing the numbers is not revised and only the base year is revised. However, the share would change if the methodology is tweaked. The methodology was drastically revised in the 2011-12 series compared to the 2004-05 one, resulting in the changes cited above even for the common years of 2004-05 to 2011-12.

### Services constituted half of GDP

The share of industry never went beyond 26.67 per cent in GDP, while services constituted half of GDP from 2008-09 to 2011-12 in the 2004-05 series.

#### GDP series with 2004-05 as the base year

Share of three sectors in GDP at current prices (%) ■ Agri ■ Industry ■ Services



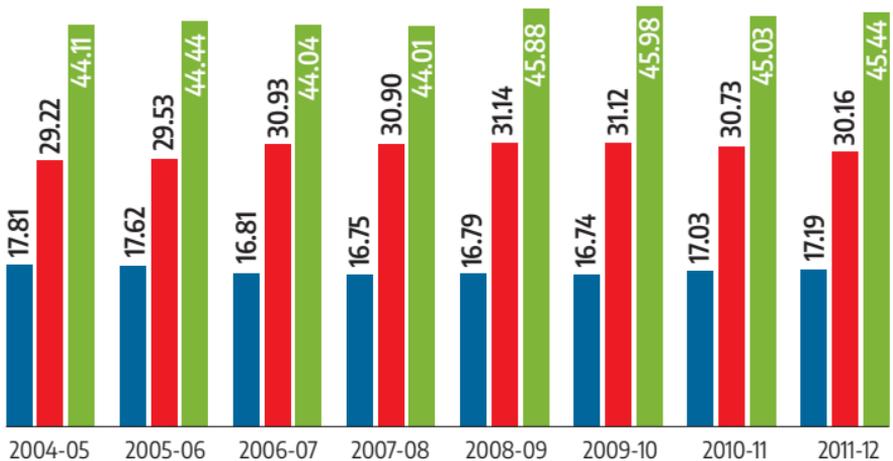
Note: Total would not add to 100 since net indirect taxes were also included in GDP, construction is included in industry; Source: Mospi

### Industry share rises in 2011-12 GDP series

The share of industry never went below 29.22 per cent in GDP, while services never moved above 45.98 per cent in 2011-12 series. The reason could be that the summation of the three sectors' output value resulted in GDP at factor cost in the 2004-05 series and gross value added at basic prices in the 2011-12 series. Basic prices include production taxes and production subsidies while factor cost does not include them. Besides, the industry numbers heavily depended on the Index of Industrial Production, the Annual Survey of Industries in the 2004-05 series, while filings at stock exchanges, MCA-21 are the main source in the 2011-12 series.

#### GDP series with 2011-12 as the base year

Share of three sectors in GDP at current prices (%) ■ Agri ■ Industry ■ Services



Note: Total would not add to 100 since net product taxes were also included in GDP, construction is included in industry; Source: Mospi