

New quarterly GDP estimates to include GST, e-Vahan data

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India's new quarterly national accounts (QNA) series to be released from next month will have an expanded suite of data sources, including aggregated goods and services tax (GST) data cross classified by goods, services and constitution of business; e-Vahan data and data on consumption of natural gas.

This will be part of a larger overhaul of the gross domestic product (GDP) series with 2022-23 base year, slated to be released on February 27, 2026.

"These new data sources will improve the estimates for those sectors for which no high frequency indicators were available in the existing series as well as will enhance the granularity in the estimation of each institutional sector," the statistics ministry said in a discussion paper released on Friday.

The QNA series will also leverage

techniques recommended in the IMF's Quarterly National Accounts Manual 2017 to remove discontinuities between annual benchmarks and quarterly indicators, a key irritant for short-term analysis and seasonal adjustment, replacing the pro-rata benchmarking method under the 2011-2012 series with a Proportional Benchmarking method.

The ministry has decided to use the Proportional Denton method based on sector-wise evaluation for benchmarking in the QNA series. The method adjusts high-frequency data (monthly /quarterly) to align with

more accurate, low-frequency benchmarks (annual) while preserving the period-to-period growth rates of the indicator series.

On the revisions in production-side indicators, the ministry seeks to include volume extrapolation for agriculture using expanded crop production data, double deflation in manufacturing via output and input

wholesale prices index (WPI) and updated weights from the Annual Survey of Industries (ASI), marking a conceptual change from the current single deflation practice. Financial intermediation services indirectly measured (FISM)-based calculations for banks using quarterly loan-deposit rates have also been proposed.

On the demand side, quarterly private consumption will be built "bottom up" using Classification of Individual Consumption According to Purpose (COICOP 2018), the latest Household Consumer Expenditure Survey and a mix of GST, index of industrial production (IIP), administrative data on electricity, gas and railways, and e Vahan for vehicle purchases, rather than relying on highly aggregated deflation of annual private final consumption expenditure (PFCE).

For states, the paper outlines a parallel methodological upgrade for gross state domestic product (GSDP), still focused on the production and income approaches but with a more dynamic methodology.

