

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2177
ANSWERED ON:06.08.2010
METHOD FOR MEASURING GROWTH
Chanabasappa Shri Udasi Shivkumar;Mirdha Dr. Jyoti

Will the Minister of FINANCE be pleased to state:

- (a) the method followed in measuring the economic growth of the country;
- (b) whether a departure from the current practice is being considered;
- (c) if so, the details thereof and reasons therefor; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d) : The economic growth of the country is measured by the growth of gross domestic product (GDP) at factor cost at constant prices (at a specified base year). GDP is estimated by using three approaches, namely, production (value added), income (factor payments like wages, salaries, interest, rent, profits etc) and expenditure (consumption, investment and net exports). New series of GDP with base year 2004-05 in place of the previous series with base 1999-00 was released on 29.1.2010. No departure from the current methodology used for estimation of GDP is being considered. The revision in methodology of compilation of GDP estimates, if any, will be only during the next base year revision.