

**GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA**

UNSTARRED QUESTION NO:5773
ANSWERED ON:08.09.2011
CREDIBILITY OF DATA
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Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has expressed apprehensions on the reliability of the statistics released by the Government;
- (b) if so, the details thereof;
- (c) the criteria laid down by the Government in respect of collecting the data of prices, industrial production, unemployment and labour; and
- (d) the steps taken by the Government to increase the credibility of data ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE), MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND
MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANTH KUMAR JENA)

(a) & (b) : The Governor, Reserve Bank of India (RBI) has made his observations regarding high variations in the revisions of Index of Industrial Production (IIP), price indices and the Gross Domestic Product (GDP) as well as the data on unemployment throwing up a paradox as they simultaneously indicate fewer jobs created in the five year period to 2010 along with a decline in the long term unemployment rate. The facts relating to these observations are as under:

The changes in IIP numbers relating to years of the recent past are primarily due to change of IIP base from 1993-94 to 2004-05.

The advance estimates of Gross Domestic Product (GDP) are made by using the partial information available at the time of estimation and so the final estimate is at variance with the advance estimates. IIP and price indices also undergo changes in the revisions for the same reason.

The rate of employment/unemployment is the percentage of persons employed/unemployed out of total number of persons in the labour force.

The decline in unemployment happened in the five year period to 2010 because number of persons remaining out of labour force to pursue education/ higher education had substantially increased during the period.

(c) : For compilation of monthly Consumer Price Index (CPI) by the Ministry, data on prices of identified items are collected on monthly basis from representative markets spread across the rural and urban areas of the country every month. For compilation of IIP, data on monthly production of various items are obtained from various Government source agencies including the Department of Industrial Policy and Promotion. The indices are compiled according to the standard statistical procedure approved by the expert committees. Data on unemployment and labour are collected through the National Sample Survey (NSS) conducted nation wide once in five years.

(d): Standards and procedures for collection of data are adopted in consultation with the experts in the field under the overall guidance of the National Statistical Commission. In addition, two specific measures have been taken recently to improve the quality and credibility of data viz. introduction of new series of CPI to measure inflation at all India and State levels, and revision of base year of IIP from 1993-94 to 2004-05 to take into account the structural changes in the industry.