

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

UNSTARRED QUESTION NO:1496
ANSWERED ON:04.03.2015
REPLACEMENT OF GDP WITH GVA
Hooda Shri Deepender Singh

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether the Government proposes to replace Gross Domestic Product (GDP) measures with that of Gross Value Added (GVA);
- (b) if so, the details thereof and the changes involved in the process;
- (c) the manner in which the new measure is better than the previous one;
- (d) whether the same will involve taking into account the value of goods produced in the underground economy; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION,
MINISTER OF STATE FOR MINISTRY OF EXTERNAL AFFAIRS AND MINISTER OF STATE FOR MINISTRY OF OVERSEAS
INDIAN AFFAIRS [GENERAL (Dr.) V.K. SINGH (Retd.)]

(a) No. Gross Value Added (GVA) of an enterprise is measured as the value of the output minus the value of goods and services used to produce the output. On the other hand, Gross Domestic Product (GDP) combines in a single figure all the production carried out by enterprises, Government and households in the country. GDP can thus be said to be equal to the sum of GVA of all enterprises, Government and households in the country. GDP is thus a comprehensive measure of production activity in the economy, and therefore, cannot be replaced by GVA.

(b) to (e) Do not arise.