

## **REVISION OF BASE YEAR OF NATIONAL ACCOUNTS FROM 2004-05 TO 2011-12 - PROPOSED CHANGES AND CALENDAR**

### **Background**

In accordance with the recommendation of the National Statistical Commission to revise the base year of all economic indices every five years, it is proposed to revise the base year of national accounts from 2004-05 to 2011-12 in 2015. As earlier, the new base year has been selected in line with the latest Quinquennial round of Employment-Unemployment Survey. The new series of national accounts is tentatively scheduled for release on January 31, 2015.

### **New series of national accounts with base year 2011-12**

2. The Advisory Committee on National Accounts Statistics (ACNAS) under the chairmanship of Prof.K.Sundaram, constituted the following sub-committees to look into the issues in the compilation of national accounts and make the necessary recommendations:

a) Sub-Committee on Unorganised Manufacturing & Services Sectors

*Chairman: Prof.K.Sundaram*

b) Sub-Committee on Agriculture and Allied Sectors

*Chairman: Prof. Mahendra Dev*

c) Sub-Committee on Private Corporate Sector including PPPs

*Chairman: Prof.B.N.Goldar*

d) Sub-Committee on System of Indian National Accounts

*Chairman: Dr.A.C.Kulshreshtha*

e) Committee on Private Final Consumption Expenditure

*Chairman: Prof.A.K.Adhikari*

3. Based on the recommendations made by these Sub-Committees, the following major changes are proposed for this base year revision:

- i. Incorporation of the MCA21 database (XBRL and 23 AC/ACA), in lieu of the results obtained from the RBI study on Company Finances; and
- ii. Incorporation, to the extent possible, the recommendations of the SNA 2008.

4. Apart from the above, the new series of national accounts is likely to differ from the existing series on the following accounts:

- i. Incorporation of the results of the recent NSS Surveys, viz. Enterprise Survey (2010-11), Employment-Unemployment Survey (2011-12), All India Debt & Investment Survey, Situation Assessment Survey of Farmers and Survey on Land & Livestock Holdings (2013);
  - ii. Incorporation of the recent Censuses/Surveys conducted by the various subject Ministries, like Population Census (2011), Agriculture Census (2010-11) and Livestock Census (2012);
  - iii. Incorporation of the accounts of local bodies, which have been collected under the 13<sup>th</sup> FC grant-in-aid provided to the Directorates of Economics & Statistics of the State governments;
  - iv. Incorporation of the data/accounts received from Securities and Exchange Board of India (SEBI) and Pension Fund Regulatory & Development Authority (PFRDA) on the different financial corporations under their purview;
  - v. Incorporation of the results of the following studies:
    - a) Study conducted on State-wise yield of meat & by-products of different livestock species by National Research Centre on Meat, Hyderabad;
    - b) Study on estimation of seed, feed and wastage ratios for major food grains by Indian Agricultural Statistics Research Institute (IASRI), New Delhi;
    - c) Study on the inputs in the Construction sector by Central Building Research Institute (CBRI), Roorkee; and
    - d) Study on Harvest and Post-harvest losses of major crops and livestock products in India by Central Institute of Post-Harvest Engineering and Technology (CIPHET), Ludhiana.
  - vi. Incorporation of the recommendations made by the Sub-Committees/ Committee formed under the auspices of ACNAS;
  - vii. Use of Consumer Price Indices-Rural, Urban and Combined, instead of the CPI-AL/RL/IW being used presently;
  - viii. Updation of the various rates and ratios used in the compilation of national accounts using the latest available information.
5. Further, there would also be changes in presentation of national accounts in the press releases and publications by adoption of the latest classifications – National Industry Classification (NIC) 2008, Classification of Individual Consumption by Purpose (COICOP) and Classification of the Functions of Government (COFOG).

### **Use of the revised series of IIP and WPI, to be released with base year 2011-12**

6. The compilation of national accounts involves the incorporation of different indices like IIP, CPI and WPI, and hence, any change in these indices results in the revision of national accounts. This is in accordance with the revision policy of the estimates of GDP and related Macro-economic Aggregates, as available in the public domain.

7. The new series of IIP and WPI are likely to be released by March 2016. The growth in the new series of IIP and WPI would be incorporated in the Provisional Estimates of 2014-15, to be released in May 2016. As any change in the estimates for the years 2011-12 to 2013-14 would need to be associated with the complete reconstruction of all accounts presented in the publication, "National Accounts Statistics", the new series of IIP and WPI would be incorporated in the annual estimates of 2011-12 to 2013-14 in the estimates to be released in January 2017.

### **Nomenclature of the estimates of the new series**

8. As per the revision policy of the national accounts, the estimates for the year 2011-12, 2012-13 and 2013-14 due for release in January 2015 would have been the third Revised Estimates (3<sup>rd</sup> RE), Second Revised Estimates and First Revised Estimates, respectively. However, since these estimates have been compiled afresh, these would be referred to as "New Series" Estimates or NS. Subsequently, these would be referred to as given in the following table-

Year of Release → Fin. Year ↓	2015	2016	2017	2018
2011-12	NS	2 <sup>nd</sup> RE (NS)	3 <sup>rd</sup> RE (NS)	-
2012-13	NS	2 <sup>nd</sup> RE (NS)	3 <sup>rd</sup> RE (NS)	-
2013-14	NS	2 <sup>nd</sup> RE (NS)	3 <sup>rd</sup> RE (NS)	-
2014-15	Advance(in February 2015) and Provisional (in May)	1 <sup>st</sup> RE	2 <sup>nd</sup> RE	3 <sup>rd</sup> RE
2015-16	-	Advance(in February 2016) and Provisional (in May)	1 <sup>st</sup> RE	2 <sup>nd</sup> RE
2016-17	-	-	Advance(in February 2017) and Provisional (in May)	1 <sup>st</sup> RE