

**PRESS INFORMATION BUREAU
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**PRESS NOTE
ADVANCE ESTIMATES OF NATIONAL INCOME, 2007-08**

The Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation has released the advance estimates of national income at constant (1999-2000) and current prices, for the financial year 2007-08.

2. These advance estimates are based on anticipated level of agricultural and industrial production, analysis of budget estimates of government expenditure and performance of key sectors like, railways, transport other than railways, communication, banking and insurance, available so far. The advance estimates at current prices are derived by estimating the implicit price deflators (IPDs) at sectoral level from the relevant price indices. The salient features of these estimates are detailed below:

I ADVANCE ESTIMATES OF NATIONAL INCOME, 2007-08

Estimates at Constant (1999-2000) Prices

Gross Domestic Product

3. Gross Domestic Product (GDP) at factor cost at constant (1999-2000) prices in the year 2007-08 is likely to attain a level of Rs. 31,14,452 crore, as against the Quick Estimates of GDP for the year 2006-07 of Rs. 28,64,310 crore, released on 31st January 2008. The growth in GDP during 2007-08 is estimated at 8.7 per cent as compared to the growth rate of 9.6 per cent in 2006-07.

4. The growth rate of 8.7 per cent in GDP during 2007-08 has mainly been due to the growth rates of over 5 per cent in the sectors of 'manufacturing', 'electricity, gas and water supply', 'construction', 'trade, hotels, transport and communication', 'financing, insurance, real estate and business services', and 'community, social and personal services'.

Agriculture

5. The 'agriculture, forestry and fishing' sector is likely to show a growth rate of 2.6 per cent in its GDP during 2007-08, as against the previous year's growth rate of 3.8 per cent.

Industry

6. According to the latest estimates available on the Index of Industrial Production (IIP), the index of mining, manufacturing and electricity registered growth rates of 4.9 per cent, 9.8 per cent and 7.0 per cent, respectively during April-November, 2007-08, as compared to the growth rates of 4.2 per cent, 11.8 per cent and 7.3 per cent in these sectors during April-November, 2006-07. The key indicators of construction sector, namely, cement and steel have registered growth rates of 7.4 per cent and 6.5 per cent, respectively during April-November 2007-08, as against the corresponding growth rates of 10.8 per cent and 11.2 per cent, respectively in these items during April-November, 2006-07.

Services

7. The estimated growth in GDP for the trade, hotels, transport and communication sectors during 2007-08 is placed at 14.2 per cent, mainly on account of a growth during April-November, 2007-08 of 8.0 per cent in Railway revenue earning freight traffic (against 10.1 per cent in April-November, 2006-07), 13.1 per cent in cargo handled at major ports (against 8.0 per cent in April-November, 2006-07), 4.8 per cent in the production of commercial vehicles (against 34.1 per cent in April-November, 2006-07), 21.9 per cent in passengers handled in civil aviation (against 27.9 per cent in April-November, 2006-07), 9.5 per cent in air cargo handled (against 6.9 per cent in April-November, 2006-07), and 43.6 per cent in stock of telephone connections (against 51.5 per cent in April-November, 2006-07). The sector, 'financing, insurance, real estate and business services', is expected to show a growth rate of 11.7 per cent during 2007-08, on account of 26.7 per cent growth in aggregate deposits (against 21.4 per cent in April-November, 2006-07) and 24.2 per cent growth in bank credit (against 28.8 per cent in April-November, 2006-07) during November 2006 to November 2007. The growth rate of 'community, social and personal services' during 2007-08 is estimated to be 7.0 per cent.

National Income

8. The net national product (NNP) at factor cost, also known as national income, at 1999-2000 prices is likely to be Rs. 27,60,325 crore during 2007-08, as against the previous year's Quick Estimate of Rs. 25,30,495 crore. In terms of growth rates, the national income is expected to rise by 9.1 per cent during 2007-08 in comparison to the growth rate of 9.7 per cent in 2006-07.

Per Capita Income

9. The per capita income in real terms (at 1999-2000 prices) during 2007-08 is likely to attain a level of Rs. 24,256 as compared to the Quick Estimate for the year 2006-07 of Rs. 22,553. The growth rate in per capita income is estimated at 7.5 per cent during 2007-08, as against the previous year's estimate of 8.1 per cent.

Estimates at Current Prices

Gross Domestic Product

10. GDP at factor cost at current prices in the year 2007-08 is likely to attain a level of Rs. 42,83,040 crore, showing a growth rate of 13.0 per cent over the Quick Estimates of GDP for the year 2006-07 of Rs. 37,90,063 crore.

National Income

11. The NNP at factor cost at current prices is anticipated to be Rs.37,70,302 crore during 2007-08, as compared to Rs. 33,25,817 crore during 2006-07, showing a rise of 13.4 per cent.

Per Capita Income

12. The per capita income at current prices during 2007-08 is estimated to be Rs. 33,131 as compared to Rs. 29,642 during 2006-07, showing a rise of 11.8 per cent.

II ESTIMATES OF EXPENDITURES ON GDP, 2007-08

12. Alongwith the Advance Estimates of GDP by economic activity, the CSO is also releasing for the first time, the Advance Estimates of expenditures of the GDP at current and constant (1999-2000) prices. These estimates have been compiled using the data on indicators available from the same sources as those used for compiling GDP estimates by economic activity, detailed data available on merchandise trade in respect of imports and exports, balance of payments, and monthly accounts of central government. As various components of expenditure on gross domestic product, namely, consumption expenditure and capital formation, are normally measured at market prices, the discussion in the following paragraphs is in terms of market prices only.

Private Final Consumption Expenditure

13. Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs.

26,04,380 crore in 2007-08 as against Rs. 23,12,105 crore in 2006-07. At constant (1999-2000) prices, the PFCE is estimated at Rs. 19,51,126 crore in 2007-08 as against Rs. 18,26,490 crore in 2006-07. In terms of GDP at market prices, the rates of PFCE at current and constant (1999-2000) prices during 2007-08 are estimated at 55.5 per cent and 57.6 per cent, respectively, as against the corresponding rates of 55.8 per cent and 58.6 per cent, respectively in 2006-07.

Government Final Consumption Expenditure

14. Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs. 4,73,862 crore in 2007-08 as against Rs. 4,27,007 crore in 2006-07. At constant (1999-2000) prices, the GFCE is estimated at Rs. 3,23,187 crore in 2007-08 as against Rs. 3,06,420 crore in 2006-07. In terms of GDP at market prices, the rates of GFCE at current and constant (1999-2000) prices during 2007-08 are estimated at 10.1 per cent and 9.5 per cent, respectively, as against the corresponding rates of 10.3 per cent and 9.8 per cent, respectively in 2006-07.

Gross Fixed Capital Formation

15. Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs. 16,25,914 crore in 2007-08 as against Rs. 13,46,501 crore in 2006-07. At constant (1999-2000) prices, the GFCF is estimated at Rs. 11,04,522 crore in 2007-08 as against Rs. 9,54,350 crore in 2006-07. In terms of GDP at market prices, the rates of GFCF at current and constant (1999-2000) prices during 2007-08 are estimated at 34.6 per cent and 32.6 per cent, respectively, as against the corresponding rates of 32.5 per cent and 30.6 per cent, respectively in 2006-07. Thus, there is an increase of 2.1 percentage points in the estimated GFCF at current prices during 2007-08. The rates of Change in Stocks and Valuables at current prices during 2007-08 are estimated at 2.3 per cent and 1.5 per cent, respectively.

18. Estimates of gross/net national product, gross/net domestic product and per capita income, alongwith GDP at factor cost by kind of economic activity and the Expenditures on GDP for the years 2004-05, 2006-07 and 2007-08, at constant (1999-2000) and current prices are given in Statements 1 to 4.

STATEMENT 1: Advance Estimates of National Income and Expenditures on GDP, 2007-08
(At 1999-2000 prices)

Item	2005-06	2006-07 (QE)	2007-08 (AE)
A. ESTIMATES AT AGGREGATE LEVEL			
1. NATIONAL PRODUCT (Rs. Crore)			
1.1 Gross national product (GNP) at factor cost	25,93,160	28,45,156 (9.7)	31,02,004 (9.0)
1.2 Net national product (NNP) at factor cost	23,06,894	25,30,495 (9.7)	27,60,325 (9.1)
2. DOMESTIC PRODUCT (Rs. Crore)			
2.1 Gross domestic product (GDP) at factor cost	26,12,847	28,64,310 (9.6)	31,14,452 (8.7)
2.2 Gross domestic product (GDP) at market prices	28,41,967	31,17,372 (9.7)	33,89,614 (8.7)
2.3 Net domestic product (NDP) at factor cost	23,26,581	25,49,649 (9.6)	27,72,772 (8.8)
2.4 Private Final Consumption Expenditure (PFCE)	17,05,663	18,26,490	19,51,126
2.5 Government Final Consumption Expenditure	2,88,495	3,06,420	3,23,187
2.6 Gross Fixed Capital Formation (GFCF)	8,28,986	9,54,350	11,04,522
2.7 Change in Stocks (CIS)	61,702	64,091	67,334
2.8 Valuables	33,140	38,091	50,327
2.9 Exports	5,39,460	6,41,228	6,82,056
2.10 <i>Less</i> Imports	6,19,076	7,70,961	8,20,449
2.11 <i>Discrepancies</i>	3,597	57,663	31,511
B. ESTIMATES AT PER CAPITA LEVEL			
Population (million)	1,106	1,122	1,138
Per capita NNP at factor cost (Rs.)	20,858	22,553 (8.1)	24,256 (7.5)

Note: The figures in parenthesis show the percentage change over previous year
QE: Quick Estimate; AE: Advance Estimate

STATEMENT 2: Advance Estimates of GDP at Factor Cost by Economic Activity
(At 1999-2000 prices)

Industry	Rs. Crore			Percentage change over previous year	
	2005-06	2006-07 (QE)	2007-08 (AE)	2006-07	2007-08
1. agriculture, forestry & fishing	511013	530236	543984	3.8	2.6
2. mining & quarrying	55150	58294	60267	5.7	3.4
3. manufacturing	393557	440770	482358	12.0	9.4
4. electricity, gas & water supply	57309	60737	65492	6.0	7.8
5. construction	184255	206338	226200	12.0	9.6
6. trade, hotels, transport and communication	686738	767884	860854	11.8	12.1
7. financing, insurance, real estate & business services	359942	410030	458097	13.9	11.7
8. community, social & personal services	364883	390020	417201	6.9	7.0
9. GDP at factor cost	2612847	2864310	3114452	9.6	8.7

STATEMENT 3: Advance Estimates of National Income for the year 2007-08

(At current prices)

Item	2005-06	2006-07 (QE)	2007-08 (AE)
A. ESTIMATES AT AGGREGATE LEVEL			
1. NATIONAL PRODUCT (Rs. Crore)			
1.1 Gross national product (GNP) at factor cost	32,49,554	37,60,285 (15.7)	42,62,615 (13.4)
1.2 Net national product (NNP) at factor cost	28,70,750	33,25,817 (15.9)	37,70,302 (13.4)
2. DOMESTIC PRODUCT (Rs. Crore)			
2.1 Gross domestic product (GDP) at factor cost	32,75,670	37,90,063 (15.7)	42,83,040 (13.0)
2.2 Gross domestic product (GDP) at market prices	35,80,344	41,45,810 (15.8)	46,93,602 (13.2)
2.3 Net domestic product (NDP) at factor cost	28,96,866	33,55,595 (15.8)	37,90,727 (13.0)
2.4 Gross National Disposable Income	36,62,793	42,42,120	48,18,249
2.5 Private Final Consumption Expenditure (PFCE)	20,55,387	23,12,105	26,04,380
2.6 Government Final Consumption Expenditure	3,73,076	4,27,007	4,73,862
2.7 Gross Fixed Capital Formation (GFCF)	11,09,160	13,46,501	16,25,914
2.8 Change in Stocks (CIS)	86,248	96,103	1,05,921
2.9 Valuables	41,392	49,709	69,059
2.10 Exports	7,12,087	9,15,674	9,94,018
2.11 <i>Less</i> Imports	8,13,466	10,40,797	11,38,477
2.12 Discrepancies	16,460	39,508	-41,075
B. ESTIMATES AT PER CAPITA LEVEL			
Population (million)	1,106	1,122	1,138
Per capita NNP at factor cost (Rs.)	25,956	29,642 (14.2)	33,131 (11.8)

Note: The figures in parenthesis show the percentage change over previous year
 QE: Quick Estimate; RE: Revised Estimate

STATEMENT 4: Advance Estimates of GDP at Factor Cost by Economic Activity
 (At current prices)

Rs. Crore

Industry	2005-06	2006-07 (QE)	2007-08 (AE)	Percentage change over previous year	
				2006-07	2007-08
1. agriculture, forestry & fishing	615844	695423	754561	12.9	8.5
2. mining & quarrying	94153	101816	110757	8.1	8.8
3. manufacturing	519387	617954	708748	19.0	14.7
4. electricity, gas & water supply	64406	70563	76505	9.6	8.4
5. construction	264616	319497	365140	20.7	14.3
6. trade, hotels, transport and communication	815698	949469	1084315	16.4	14.2
7. financing, insurance, real estate & business services	452593	526755	611755	16.4	16.1
8. community, social & personal services	448972	508586	571259	13.3	12.3
9. GDP at factor cost	3275670	3790063	4283040	15.7	13.0