

PREFACE

In order to examine the performance of the economy in real terms through the macro economic aggregates like Gross Domestic Product (GDP), national income, consumption expenditure, capital formation etc., estimates of the aggregates are prepared at the prices of selected year known as base year. The basic data available from different primary sources are used to estimate the National Income and related aggregates. The underlying concepts and methodology of compilation has been mostly standardised under the United Nations' System of National Accounts (UN-SNA). The estimates at the prevailing prices of the current year are termed as "at current prices", while those prepared at base year prices are termed "at constant price". The comparison of the estimates at constant prices, which means "in real terms", gives the measure of real growth. The base year of the national accounts is changed periodically to take into account the structural changes which take place in the economy and to depict true picture of the economy through macro aggregates like GDP, consumption expenditure, capital formation etc.

2. The first official estimates of national income were prepared by the Central Statistics Office (CSO) with base year 1948-49 for the estimates at constant prices. These estimates at constant (1948-49) prices along with the corresponding estimates at current prices and the accounts of the Public Authorities were published in the publication, "Estimates of National Income" in 1956. With the gradual improvement in the availability of basic data over the years, a comprehensive review of methodology for national accounts statistics has constantly been undertaken with a view to updating the data base and shifting the base year to a more recent year. As a result, base years of the National Accounts Statistics series have been shifted from 1948-49 to 1960-61 in August 1967, from 1960-61 to 1970-91 in January 1978, from 1970-71 to 1980-81 in February 1988, from 1980-81 to 1993-94 in February 1999, from 1993-94 to 1999-2000 in January 2006 and from 1999-2000 to 2004-05 in March 2010.

3. In the past, National Accounts Statistics were revised decennially changing the base to a year, which ends with '1' to coincide with the Population Census. The 'work force' estimates obtained from the Population Census use to play an important role for the base-year estimates. However, it was observed that data on worker participation rate (WPR) was captured by the NSSO gives very consistent result. Accordingly, the CSO revises the base year of national accounts as per the availability of the workforce estimates based on NSSO survey.

4. In continuation with this practice, the new series of national accounts was released with base year 2004-05 on 31st January 2010 and has used the WPR data available from the Quinquennial NSS 61st round survey.

5. The new series, besides the shifting of the base year to 2004-05, incorporates of some of the recommendations of the System of National Accounts (SNA), 1993 and 2008 with broader coverage to the extent possible.

6. The important latest data series that are used in the new series are the results of (i) NSS 61st round (2004-05) on employment and unemployment and consumer expenditure, (ii) NSS 62nd round (2005-06) on unorganized manufacturing, (iii) NSS 63rd round (2006-07) on services sectors, (iv) All India Livestock Census, 2003, (v) NSS 59th round (2002-03) on All India Debt and Investment survey, (vi) Population Census, 2001, and (vii) All India Census of Small Scale Industries, 2006-07. The results of studies undertaken by the CSO through the Ministry of Agriculture, Ministry of Forestry, State Governments and Input-output matrix prepared by the CSO have been used in the new series for updating the rates and ratios to estimate the production of fodder, market charges paid by the farmers, and yield rates of meat, meat products and meat by-products for different categories of animals, input rate of agriculture and forestry and the trade and transport margins.

7. The improvements in terms of coverage have been mainly the inclusion of production of industrial wood from trees outside the forest (TOF), fodder from forest sources and output of wind power generation in the GDP.

8. The important procedural changes made in the new series are the incorporation of data on (i) area and production of crops as finalized by the States/UTs for the final estimates of GDP; (ii) consumption of fertilizers in agriculture, as provided by the Fertilizer Association of India in lieu of data on dispatches of fertilisers being used at present from the same source in the estimation of inputs of agriculture sector; (iii) results of the CSO's Annual Survey of Industries (ASI) in place of the index of industrial production (IIP) for estimating the GDP of registered manufacturing; (iv) labour input on the basis of work-place as against the present practice of using labour input data on the basis of location in respect of estimation of GDP of unorganised manufacturing and services; and (v) labour input for the organised sector from the NSS Employment and Unemployment Surveys in place of the present source, namely, the Annual Employment Market Intelligence (EMI) of the Directorate General of Employment and Training (DGET), Ministry of Labour.

9. Other procedural changes in the new series include (i) treating R&D expenditures in public sector as capital expenditures in line with the recommendations of 2008 SNA; (ii) adopting the declining balance (of life of assets) method for estimating the consumption of fixed capital and capital stock; (iii) adopting the user cost approach for estimating the services of owner occupied dwellings in rural areas as against the present practice of imputing these services on the basis of rent per dwelling; (iv) estimating the output of communication in nominal terms on the basis of data available on average revenue per user (ARPU); and (v) improvements in the estimation of output, consumption expenditure, saving and capital formation of autonomous government bodies and local bodies by analysing their accounts on a sample basis.

10. Following the introduction of new series in January, 2010, the CSO released a brochure entitled "New Series on National Accounts Statistics", in March, 2010, which contained the changes made in the new series with reference to the coverage, use of new data sources and incorporation of some of the recommendations of the System of National Accounts, 1993 and 2008.

11. The CSO through this publication is releasing back series estimates of National Accounts Statistics for the period 1950-51 to 2004-05, keeping in view the persistent demand for users for comparable set of national accounts statistics from 1950-51 onwards. The data presented in this publication includes estimates of domestic product, capital formation at industry/item level, and other macro – economic aggregates for the years 1950-51 to 2004-05, as per the new series of national accounts statistics with base year 2004-05. We hope, the government agencies, businesses, international agencies, research institutions, individual researchers and other user of National Accounts Statistics will find this publication immensely useful.

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