

PRESS NOTE

ON

FIRST ADVANCE ESTIMATES OF NATIONAL INCOME 2017-18



CENTRAL STATISTICS OFFICE

MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

GOVERNMENT OF INDIA

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FIRST ADVANCE ESTIMATES OF NATIONAL INCOME, 2017-18

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the First Advance estimates of national income at constant (2011-12) and current prices, for the financial year 2017-18. These are presented in Statements 1-4.

2. The First Advance Estimates of GDP have been released in accordance with the release calendar of National Accounts[®]. The approach for compiling the advance estimates is based on benchmark-indicator method. The Sector-wise estimates are obtained by extrapolation of indicators like (i) Index of Industrial Production of first 7 months of the financial year, (ii) financial performance of listed companies in the private corporate sector available upto quarter ending September, 2017 (iii) 1st advance estimates of crop production, (iv) accounts of Central & State Governments, information on indicators like deposits & credits, passenger and freight earnings of railways, passengers and cargo handled by civil aviation, cargo handled at major sea ports, sales of commercial vehicles etc. available for first 8 months of the financial year. With the introduction of Goods and Services Tax (GST) from 1st July 2017 and consequent changes in the tax structure, the total tax revenue used for GDP compilation include non-GST revenue and GST revenue. For the year 2017-18, the Budget estimates of tax revenue as provided by Controller General of Accounts (CGA) has been used for estimating taxes on products at current prices. For compiling taxes on products at constant prices, volume extrapolation is done using volume growth of taxed goods and services and aggregated to get the total volume of taxes. Annual forecast of indicators which are available for first 7/8 months is based on regression using seasonal dummies to account for seasonal fluctuations. Some indicators like IIP has been compiled by dividing the cumulative value for the first 7 months of the current financial year by average of ratio of cumulative value of 7 months to the annual value of past years. The salient features of the estimates are detailed below:

A. ESTIMATES AT CONSTANT (2011-12) PRICES

Gross Domestic Product

3. Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2017-18 is likely to attain a level of ₹129.85 lakh crore, as against the Provisional Estimate of GDP for the year 2016-17 of ₹ 121.90 lakh crore, released on 31st May 2017. The growth in GDP during 2017-18 is estimated at 6.5 percent as compared to the growth rate of 7.1 per cent in 2016-17.

Gross Value Added (GVA) at Basic Prices

4. Real GVA, i.e, GVA at basic constant prices (2011-12) is anticipated to increase from ₹111.85 lakh crore in 2016-17 to ₹118.71 lakh crore in 2017-18. Anticipated growth of real GVA at basic prices in 2017-18 is 6.1 percent as against 6.6 percent in 2016-17.

5. The sectors which registered growth rate of over 7.0 percent are, 'public administration, defence and other services', 'Trade, hotels, transport, communication and services related to broadcasting', 'electricity, gas, water supply and other utility services' and 'financial, real estate and professional services'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'manufacturing', and 'construction' is estimated to be 2.1 per cent, 2.9 per cent, 4.6 percent and 3.6 percent respectively.

Agriculture, forestry and fishing

6. The 'agriculture, forestry and fishing' sector is likely to show a growth of 2.1 per cent in its GVA during 2017-18, as against the previous year's growth rate of 4.9 percent. The GVA estimates of this sector have been compiled using the First Advance Estimates of production of major kharif crops for 2017-18 and targets based on rabi sowings. According to the information furnished by the Department of Agriculture and Cooperation (DAC), the production of food grains during the Kharif season of agriculture year 2017-18 was 134.67 million tonnes as compared to 138.52 million tonnes during the same period in 2016-17. In case of livestock sector, estimates of production, mainly in the form of production targets for milk, egg, meat and wool from the Department of Animal Husbandry, Ministry of Agriculture has been used.

Mining and quarrying

7. GVA at basic prices for 2017-18 from 'mining and quarrying' sector is estimated to grow by 2.9 percent as compared to growth of 1.8 percent in 2016-17. The key indicators of mining sector, namely, production of coal, crude oil and natural gas registered growth rates of 1.5 per cent, (-)0.2 percent and 3.7 percent respectively during April-November, 2017-18. Annual forecast of production estimated in respect of these items have been used to extrapolate the Provisional Estimates of value of output of coal, crude petroleum, and other major and minor minerals, respectively. IIP of mining registered growth rate of 3.4 percent during April-October, 2017-18. The advance estimate of IIP of Mining compiled for the current year has been used for compilation. The private corporate sector growth in the mining sector for 2017-18 is estimated using the information available on the performance of major listed companies during the first half of financial year 2017-18.

Manufacturing

8. GVA at basic prices for 2017-18 from 'manufacturing' sector is estimated to grow by 4.6 percent as compared to growth of 7.9 percent in 2016-17. The private corporate sector growth in

the manufacturing sector for 2017-18 is estimated using latest available information on major listed companies during first half of financial year 2017-18. The private corporate sector growth (which has a share of over 70 percent in the manufacturing sector) as estimated from available data of listed companies is 7.4 percent at current prices during 2017-18. The quasi corporate and unorganized segment (which include individual proprietorship and partnerships and khadi & village Industries has a share of around 21 percent in the manufacturing sector) has been estimated using IIP of manufacturing. The advance estimates of IIP for the current year at 2-digit level is used to extrapolate the previous year's value added estimates at 2-digit level, separately for the quasi corporate and household sectors. IIP manufacturing registered growth of 2.1 percent during April-October, 2017-18. The Wholesale Price Index (WPI), in respect of the manufactured products registered a growth of 2.6 percent during April-November, 2017-18.

Electricity, gas, water supply and other utility services

9. GVA at basic prices for 2017-18 from 'Electricity, Gas, water supply and other utility services' sector is expected to grow by 7.5 percent as compared to growth of 7.2 percent in 2016-17. Advance Estimate of IIP of Electricity compiled for 2017-18 has been used for compilation. IIP of Electricity registered a growth rate of 5.3 percent during April-October, 2017-18.

Construction

10. GVA at basic prices for 2017-18 from 'Construction' sector is expected to grow by 3.6 percent as compared to growth of 1.7 percent in 2016-17. Key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rates of 0.6 percent and 4.2 percent respectively during April-November, 2017-18.

Trade, hotels and transport & communication and services related to broadcasting

11. The estimated growth in GVA for the trade, hotels, transport and communication and services related to broadcasting services during 2017-18 is placed at 8.7 per cent as against growth of 7.8 percent in the previous year. GVA from Trade sector is estimated using an index of turnover based on Sales tax. With introduction of GST, sales tax data is now subsumed under GST. Therefore, a comparable estimate of turnover based on sales tax has been estimated. Methodology of estimation is as explained in the Annexure to the press note on estimates of GDP for the second quarter (July-September) of 2017-18 released on 30th November, 2017. Among the other services sectors, the key indicators of railways, namely, the net tonne kilometres and passenger kilometres have shown growth rate of 4.8 percent and 3.2 percent respectively during April-November 2017-18. Cargo handled at major sea ports registered growth of 3.5 percent during April-November, 2017-18. Passengers and cargo handled by civil aviation increased by 15.1 percent and 18.2 percent respectively during April- November, 2017-18. Sales of commercial vehicles registered growth of 10.6 percent during April-November, 2017-18.

Financial, insurance, real estate and professional services

12. The estimated growth in GVA for this sector during 2017-18 is placed at 7.3 percent as compared to growth of 5.7 percent in 2016-17. The key indicators of this sector are the growth of

corporate sector for real estate sector and computer related activities which are estimated using latest available information on listed companies for the first half of financial year 2017-18. The combined growth in aggregate bank deposits and credits as on 10 November 2017 was 8.4 per cent.

Public administration and defence and other services

13. GVA at basic prices for 2017-18 from this sector is expected to grow by 9.4 percent as compared to growth of 11.3 percent in 2016-17. The key indicator of this sector namely, Union Government expenditure net of interest payments and subsidies grew by 14.6 percent during April-November 2017-18.

Per Capita Income

14. The per capita income in real terms (at 2011-12 prices) during 2017-18 is likely to attain a level of ₹86660 as compared to ₹82269 for the year 2016-17. The growth rate in per capita income is estimated at 5.3 per cent during 2017-18, as against 5.7 per cent in the previous year.

B. ESTIMATES AT CURRENT PRICES

15. Price indices used as deflators

The wholesale price index (WPI), in respect of the groups - food articles, manufactured products, electricity and all commodities, has risen by 2.0 per cent, 2.6 per cent, 0.4 percent and 2.8 percent, respectively during April-November 2017-18. The Consumer Price Index(CPI) has shown a rise of 3.0 per cent during April-November, 2017-18.

Gross Domestic Product

16. GDP is derived by adding taxes on products net of subsidies on products to GVA at basic prices. GDP at current prices in the year 2017-18 is likely to attain a level of ₹166.28 lakh crore, as against ₹151.84 lakh crore in 2016-17 showing a growth rate of 9.5 per cent.

National Income

17. The nominal Net National Income (NNI), also known as national income (at current prices) is likely to be ₹147.11 lakh crore during 2017-18, as against ₹134.08 lakh crore for the year 2016-17. In terms of growth rates, the national income registered a growth rate of 9.7 per cent in 2017-18 as against the previous year's growth rate of 11.0 per cent.

Per Capita Income

18. The per capita net national income during 2017-18 is estimated to be ₹111,782 showing a rise of 8.3 per cent as compared to ₹103,219 during 2016-17 with the growth rate of 9.7 percent.

C. ANNUAL ESTIMATES OF FINAL EXPENDITURES OF GDP, 2017-18

19. Along with the First Advance Estimates of GVA at basic prices by economic activity, the First Advance Estimates of expenditures of the GDP at current and constant (2011-12) prices are also released. These estimates have been compiled using the data from the same sources as those used for compiling GVA estimates by economic activity, detailed data available on merchandise trade in respect of imports and exports, balance of payments, and expenditure of Central and State 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

20. Private Final Consumption Expenditure (PFCE) at current prices is estimated at ₹97.75 lakh crore in 2017-18 as against ₹89.27 lakh crore in 2016-17. At constant (2011-12) prices, the PFCE is estimated at ₹72.38 lakh crore in 2017-18 as against ₹68.07 lakh crore in 2016-17. In terms of GDP, the rates of PFCE at current and constant (2011-12) prices during 2017-18 are estimated at 58.8 percent and 55.7 percent, respectively, as against the corresponding rates of 58.8 per cent and 55.8 per cent, respectively in 2016-17.

Government Final Consumption Expenditure

21. Government Final Consumption Expenditure (GFCE) at current prices is estimated at ₹19.77 lakh crore in 2017-18 as against ₹17.69 lakh crore in 2016-17. At constant (2011-12) prices, the GFCE is estimated at ₹14.54 lakh crore in 2017-18 as against ₹13.40 lakh crore in 2016-17. In terms of GDP, the rates of GFCE at current and constant (2011-12) prices during 2017-18 are estimated at 11.9 per cent and 11.2 per cent, respectively, as against the corresponding rates of 11.7 per cent and 11.0 per cent, respectively in 2016-17.

Gross Fixed Capital Formation

22. Gross Fixed Capital Formation (GFCF) at current prices is estimated at ₹43.84 lakh crore in 2017-18 as against ₹41.18 lakh crore in 2016-17. At constant (2011-12) prices, the GFCF is estimated at ₹37.65 lakh crore in 2017-18 as against ₹36.02 lakh crore in 2016-17. In terms of GDP, the rates of GFCF at current and constant (2011-12) prices during 2017-18 are estimated at 26.4 per cent and 29.0 per cent, respectively, as against the corresponding rates of 27.1 per cent and 29.5 per cent, respectively in 2016-17. The GFCF is expected to register growth rate of 6.5 percent at current prices and 4.5 percent at constant prices.

23. Estimates of Gross/Net National Income and Per Capita Income along with GVA at basic prices by kind of economic activity and the Expenditures of GDP for the years 2015-16, 2016-17 and 2017-18, at constant (2011-12) and current prices are given in Statements 1 to 4.

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24. The release of Second Advance Estimates of national income for the year 2017-18 and quarterly GDP estimate for the third quarter (October-December), 2017-18 (Q3 of 2017-18) will be on 28.02.2018.

STATEMENT 1: First Advance Estimates of National Income and Expenditures on GDP, 2017-18
(At 2011- 12 Prices) (₹ crore)

S.No	Item	2015-16	2016-17 (PE)	2017-18 (IstAE)	Percentage change over previous year	
					2016-17	2017-18
	Domestic Product					
1	GVA at basic prices	10490514	11185440	11871320	6.6	6.1
2	Net taxes on products	890488	1004414	1114043	12.8	10.9
3	GDP (1+2)	11381002	12189854	12985363	7.1	6.5
4	NDP	10116809	10841917	11554772	7.2	6.6
	Final Expenditures					
5	PFCE	6262373	6806624	7238252	8.7	6.3
6	GFCE	1109725	1340086	1454468	20.8	8.5
7	GFCF	3518446	3602041	3765058	2.4	4.5
8	CIS	274447	291179	301116	6.1	3.4
9	VALUABLES	180274	148700	254795	-17.5	71.3
10	Exports of goods and services	2378687	2486007	2598033	4.5	4.5
11	Less Imports of goods and services	2510753	2568680	2826793	2.3	10.0
12	Discrepancies	167803	83897	200434		
13	GDP	11381002	12189854	12985363	7.1	6.5
	RATES TO GDP					
14	PFCE	55.0	55.8	55.7		
15	GFCE	9.8	11.0	11.2		
16	GFCF	30.9	29.5	29.0		
17	CIS	2.4	2.4	2.3		
18	VALUABLES	1.6	1.2	2.0		
19	Exports of goods and services	20.9	20.4	20.0		
20	Less Imports of goods and services	22.1	21.1	21.8		
21	Discrepancies	1.5	0.7	1.5		
22	GDP	100.0	100.0	100.0		
23	GNI	11246305	12034713	12835004	7.0	6.6
24	NNI	9982112	10686776	11404413	7.1	6.7
	Per Capita Income, Product and Final Consumption					
25	Population* (in million)	1283	1299	1316	1.2	1.3
26	Per Capita GDP	88706	93840	98673	5.8	5.1
27	Per Capita GNI	87656	92646	97530	5.7	5.3
28	Per Capita NNI	77803	82269	86660	5.7	5.3
29	Per Capita PFCE	48810	52399	55002	7.4	5.0

* Relates to mid-financial year

PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 2: First Advance Estimates of National Income and Expenditures on GDP, 2017-18
(At Current Prices) (₹ crore)

S.No	Item	2015-16	2016-17 (PE)	2017-18 (IstAE)	Percentage change over previous year	
					2016-17	2017-18
	Domestic Product					
1	GVA at basic prices	12458642	13669914	14897653	9.7	9.0
2	Net taxes on products	1223393	1513795	1729931	23.7	14.3
3	GDP (1+2)	13682035	15183709	16627585	11.0	9.5
4	NDP	12236662	13597811	14899252	11.1	9.6
	Final Expenditures					
5	PFCE	7932331	8927010	9774547	12.5	9.5
6	GFCE	1411460	1769036	1976644	25.3	11.7
7	GFCF	4002781	4117674	4383589	2.9	6.5
8	CIS	301923	328198	346238	8.7	5.5
9	VALUABLES	197256	166287	253587	-15.7	52.5
10	Exports of goods and services	2728643	2911700	3116710	6.7	7.0
11	Less Imports of goods and services	3044917	3133081	3525371	2.9	12.5
12	Discrepancies	152559	96886	301640		
13	GDP	13682035	15183709	16627585	11.0	9.5
	RATES TO GDP					
14	PFCE	58.0	58.8	58.8		
15	GFCE	10.3	11.7	11.9		
16	GFCF	29.3	27.1	26.4		
17	CIS	2.2	2.2	2.1		
18	VALUABLES	1.4	1.1	1.5		
19	Exports of goods and services	19.9	19.2	18.7		
20	Less Imports of goods and services	22.3	20.6	21.2		
21	Discrepancies	1.1	0.6	1.8		
22	GDP	100.0	100.0	100.0		
23	GNI	13522256	14994109	16438895	10.9	9.6
24	NNI	12076882	13408211	14710563	11.0	9.7
25	GNDI	13935339	15379509	16831155	10.4	9.4
26	NNDI	12489965	13793611	15102823	10.4	9.5
	Per Capita Income, Product and Final Consumption					
27	Per Capita GDP	106641	116888	126349	9.6	8.1
28	Per Capita GNI	105396	115428	124916	9.5	8.2
29	Per Capita NNI	94130	103219	111782	9.7	8.3
30	Per Capita GNDI	108615	118395	127896	9.0	8.0
31	Per Capita PFCE	61826	68722	74275	11.2	8.1

PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 3: First Advance Estimates of GVA at Basic Price by Economic Activity
(At 2011-12 prices)

(₹ crore)

Industry	2015-16	2016-17 (PE)	2017-18 (IstAE)	Percentage change over previous year	
				2016-17	2017-18
1. Agriculture, forestry & fishing	1,617,208	1,696,175	1,732,371	4.9	2.1
2. Mining & quarrying	324,740	330,485	339,972	1.8	2.9
3. Manufacturing	1,872,115	2,019,927	2,112,345	7.9	4.6
4. Electricity, gas, water supply & other utility services	224,447	240,590	258,672	7.2	7.5
5. Construction	879,782	894,668	927,085	1.7	3.6
6. Trade, hotels, transport, communication and services related to broadcasting	1,989,161	2,143,956	2,329,801	7.8	8.7
7. Financial, real estate & professional services	2,298,798	2,429,638	2,606,602	5.7	7.3
8. Public administration, defence and Other Services	1,284,263	1,430,002	1,564,473	11.3	9.4
GVA at Basic Price	10,490,514	11,185,440	11,871,320	6.6	6.1

PE: Provisional Estimates; AE: Advance Estimates

STATEMENT 4: First Advance Estimates of GVA at Basic Price by Economic Activity
(At current prices)

(₹ crore)

Industry	2015-16	2016-17 (PE)	2017-18 (IstAE)	Percentage change over previous year	
				2016-17	2017-18
1. Agriculture, forestry & fishing	2,175,547	2,372,085	2,438,546	9.0	2.8
2. Mining & quarrying	296,253	301,921	341,843	1.9	13.2
3. Manufacturing	2,064,820	2,257,413	2,422,101	9.3	7.3
4. Electricity, gas, water supply & other utility services	321,651	342,422	368,269	6.5	7.5
5. Construction	1,006,403	1,041,343	1,109,608	3.5	6.6
6. Trade, hotels, transport, communication and services related to broadcasting	2,294,364	2,519,999	2,825,708	9.8	12.1
7. Financial, real estate & professional services	2,631,120	2,889,048	3,186,115	9.8	10.3
8. Public administration, defence and Other Services	1,668,486	1,945,683	2,205,463	16.6	13.4
GVA at Basic Price	12,458,642	13,669,914	14,897,653	9.7	9.0

PE: Provisional Estimates; AE: Advance Estimates