

10% growth estimate under UPA is not official data: Govt

'Experimental results' were only for analysis

OUR BUREAU

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The Narendra Modi-led government on Sunday clarified that the back series GDP estimates made public recently, which appeared to show that economic growth exceeded 10 per cent under the erstwhile UPA government, are 'not official.' It also said that these estimates are meant only to facilitate taking a decision for an appropriate approach in dealing with the economy.

The government's clarification came after the Committee on Real Sector Statistics, one of the five committees constituted by the National Statistical Commission, estimated that on a factor cost basis, the Indian economy grew 10.08 per cent in 2006-07 under the then Prime Minister Manmohan Singh, the highest since economic liberalisation in 1991.

The Congress continued to attack the government citing these data points. Addressing the media, senior Congress leader and former Finance Minister P Chidambaram said the numbers establish that the truth cannot be suppressed forever. He alleged that since the advent of the BJP-led NDA government in May 2014, there has been a determined effort to run down the record of the two UPA governments from 2004 to 2014.

The report of the Committee on Real Sector Statistics compares growth rates between the old series (2004-05) and the new series based on 2011-12 prices. Un-



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der the old series (2004-05), the expansion in the Gross Domestic Product (GDP) at factor cost was 9.48 per cent during 2006-07, when Manmohan Singh was Prime Minister. Under the new series (base 2011-12), the growth number was revised upwards to 10.08 per cent.

Similarly, the back-series GDP estimate at market price was revised up from 9.8 per cent to 10.23 per cent in 2007-08 and from 10.26 per cent to 10.78 per cent in 2010-11.

The Committee considered the challenges in bringing out the back series GDP as several new sources used in the current series were not available or not reliable in the earlier series. Three approaches were considered.

The first was based on the new GDP methodology by using the base data wherever available. Another was based on production shift approach, and the third was to project the old series using the base year 2004-05 forward up to,

say, 2014-15, and then adjust it to the 2011-12 base by comparing it with the new series. The Committee used the production shift approach and came out with some experimental results to see how it compares with the earlier series.

Under the lens

The government has now clarified that the Committees' recommendations will be examined by Ministry of Statistics and Program Implementation to decide on the methodology to be adopted for generating back series estimates.

Union Minister Arun Jaitley too underplayed the revised growth projections for the UPA regime, stating that the increase was in line with the global economic boom during that period. "In the global context, all economies were growing during the boom years, which was not peculiar to India. It slowed down after the boom years," Jaitley said in a Facebook post.