

'CSO sourced data must be respected'

Current GDP growth on upward curve, says Finance Commission Chairman

N. ANAND
CHENNAI

The Central Statistics Office (CSO) is a respected and credible organisation and its value and credibility should not be marred in any way, said Finance Commission Chairman N.K. Singh.

To a query on the reliability of the new back-series GDP data released last week, he said: "CSO sourced data, figures and methodology deserve a degree of respect, which it traditionally had. Indian official statistics have a track record and it is accepted globally. We have to respect it. Otherwise, we will be doing a disservice."

Mr. Singh was in the city to deliver the fifth G. Ramachandran Memorial Lecture organised by the Southern Indian Chamber of Commerce and Industry.

On the current GDP



N.K.Singh

growth trend, he said it was on the upward curve and would most likely hit the 8% target by early 2019.

"We need to do everything. Our macroeconomic stability looks to be durable; monetary and fiscal policy looks to be in tandem and I hope that in the coming period GDP would improve further," he said.

Indian official statistics have a track record and it is accepted globally

N.K. SINGH
Chairman, Finance Commission

Asked about the State deficit and how it could be tackled, he said the deficit varied from State to State. In some States, debt-to-GDP ratio was closer to 20%. In other States, they were misaligned, Mr. Singh said.

States' debt

"We would need to calibrate the debt part of each State in accordance with their potential. For instance, in a State where debt-to-GDP ratio is 28% or 29%, bringing it down to 20% in one year would not be practicable. We have to give a credible debt trajectory, which is

both practicable and fair," he said. He said that fiscal federalism faced eight primary challenges that included the issue of Finance Commission and GST council; future of the VII schedule; broad issue of Centrally Sponsored Schemes; changes preceding the 15th Finance Commission; institutional mechanisms for fostering a robust and dynamic federal compact; issue of conditional transfers; revenue deficit grants; and restriction of borrowings by States.

"Addressing these, and more importantly reconciling many inherent contradictions remains problematic. We are grappling with these complexities and hopefully will arrive at conclusions which will be fair, balanced, transparent, equitable and above all rational," Mr. Singh said.