

Press Information Bureau

Government of India

Dated the 9th January 2008

Press Release

1. In pursuance of the recommendation of the National Statistical Commission, the Central Statistical Organization, Ministry of Statistics and PI, Government of India has constituted a High Level Committee on Estimation of Savings and Investments under Dr. C. Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister. Members of the Committee are Dr. Kirit Parikh, Member, Planning Commission; Prof. Ravindra Dholakia, IIM, Ahmedabad; Dr. S. L. Shetty, EPW Research Foundation; Dr. Saumitra Chaudhuri, Member of the Economic Advisory Council to Prime Minister; Shri Ramesh Kolli, Additional Director General, Central Statistical Organisation; Dr. R.B. Barman, Executive Director, Reserve Bank of India (Member Secretary).
2. The terms of reference of this High Level Committee are:
 - i. In the light of the higher growth path of the economy, to undertake a critical review of the available estimates of domestic and national savings and investment in the economy, both in the aggregate and its components with respect to data base, methods of estimation, reliability and interpretational significance;
 - ii. To examine if rapid financial deepening in the economy is getting duly reflected in the estimates of financial savings and suggest improvements, if needed;
 - iii. To examine the feasibility of directly estimating household savings through integrated income and expenditure surveys;
 - iv. To examine the feasibility of arriving at separate estimates for pure households, household enterprises and unincorporated bodies through a suitable method;
 - v. To examine savings in the farm sector in relation to investments;
 - vi. To examine if corporate savings estimation should be done on marked to market basis or the present book value method;
 - vii. To suggest improvements in the methods and procedures used in the estimation of corporate investment and savings;
 - viii. To recommend methods of strengthening public sector savings and investment estimates by taking account of municipalities, city corporations, gram panchayats and other local governments on the one hand and increased private participation in public investments on the other;
 - ix. To examine the empirical methods and procedures used in the estimates based on commodity-flow-method and flow-of-funds method and suggest improvements therein;
 - x. To suggest new data bases, if any, to be devised/built-up for improving the reliability or checking validity of the estimates;
 - xi. To review the existing methodology and suggest improvements in the estimation of capital formation at the regional level.
3. The Committee is expected to submit its report to the Government by June 2008.
