

**PRESS INFORMATION BUREAU
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**PRESS NOTE
ADVANCE ESTIMATES OF NATIONAL INCOME, 2008-09**

The Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation has released the advance estimates of national income at constant (1999-2000) and current prices, for the financial year 2008-09.

2. These advance estimates are based on anticipated level of agricultural and industrial production, analysis of budget estimates of government expenditure and performance of key sectors like, railways, transport other than railways, communication, banking and insurance, available so far. The advance estimates at current prices are derived by estimating the implicit price deflators (IPDs) at sectoral level from the relevant price indices. The salient features of these estimates are detailed below:

I ADVANCE ESTIMATES OF NATIONAL INCOME, 2008-09

Estimates at Constant (1999-2000) Prices

Gross Domestic Product

3. Gross Domestic Product (GDP) at factor cost at constant (1999-2000) prices in the year 2008-09 is likely to attain a level of Rs. 33,51,653 crore, as against the Quick Estimates of GDP for the year 2007-08 of Rs. 31,29,717 crore, released on 30th January 2009. The growth in GDP during 2008-09 is estimated at 7.1 per cent as compared to the growth rate of 9.0 per cent in 2007-08.

4. The growth rate of 7.1 per cent in GDP during 2008-09 has mainly been due to the growth rates of over 5 per cent in the sectors of 'construction', 'trade, hotels, transport and communication', 'financing, insurance, real estate and business services', and 'community, social and personal services'.

Agriculture

5. The 'agriculture, forestry and fishing' sector is likely to show a growth rate of 2.6 per cent in its GDP during 2008-09, as against the previous year's growth rate of 4.9 per cent, mainly on account of anticipated growth rates of 6.0 per cent in horticultural crops, 5.5 per cent in the livestock products and 6.0 per cent in fisheries.

Industry

6. According to the latest estimates available on the Index of Industrial Production (IIP), the index of mining, manufacturing and electricity registered growth rates of 3.4 per cent, 4.0 per cent and 2.9 per cent, respectively during April-November, 2008-09, as compared to the growth rates of 5.1 per cent, 9.8 per cent and 7.0 per cent in these sectors during April-November, 2007-08. The key indicators of construction sector, namely, cement and steel have registered growth rates of 7.0 per cent and 2.7 per cent, respectively during April-December 2008-09, as against the corresponding growth rates of 7.7 per cent and 6.4 per cent, respectively in these items during April-December, 2007-08.

Services

7. The estimated growth in GDP for the trade, hotels, transport and communication sectors during 2008-09 is placed at 10.3 per cent, mainly on account of a growth during April-December, 2008-09 of 6.0 per cent in Railway revenue earning freight traffic (against 8.2 per cent in April-December, 2007-08), 3.4 per cent in cargo handled at major ports (against 12.5 per cent in April-December, 2007-08), 2.5 per cent in air cargo handled (against 13.2 per cent in April-December, 2007-08), and 44.8 per cent in stock of telephone connections (against 46.9 per cent in April-December, 2007-08). The production of commercial vehicles witnessed a fall of 15.5 per cent (against the growth of 4.8 per cent in April-December, 2007-08) and passengers handled in civil aviation decreased by 6.3 per cent (against the growth of 20.4 per cent in April-December, 2007-08), during April – December 2008-09. The sector, 'financing, insurance, real estate and business services', is expected to show a growth rate of 8.6 per cent during 2008-09, on account of 19.2 per cent growth in aggregate deposits and 25.5 per cent growth in bank credit during November 2007 to November 2008 (against the respective growth rates of 26.6 per cent and 24.6 per cent in the corresponding period of previous year). The growth rate of 'community, social and personal services' during 2008-09 is estimated to be 9.3 per cent, mainly on account of increase in the revenue expenditure of central government by 39.2 per cent.

National Income

8. The net national product (NNP) at factor cost, also known as national income, at 1999-2000 prices is likely to be Rs. 29,61,249 crore during 2008-09, as against the previous year's Quick Estimate of Rs. 27,64,795 crore. In terms of growth rates, the national income is expected to rise by 7.1 per cent during 2008-09 in comparison to the growth rate of 9.1 per cent in 2007-08.

Per Capita Income

9. The per capita income in real terms (at 1999-2000 prices) during 2008-09 is likely to attain a level of Rs. 25,661 as compared to the Quick Estimate for the year 2007-08 of Rs. 24,295. The growth rate in per capita income is estimated at 5.6 per cent during 2008-09, as against the previous year's estimate of 7.6 per cent.

Estimates at Current Prices

Gross Domestic Product

10. GDP at factor cost at current prices in the year 2008-09 is likely to attain a level of Rs. 49,89,804 crore, showing a growth rate of 15.5 per cent over the Quick Estimates of GDP for the year 2007-08 of Rs. 43,20,892 crore.

National Income

11. The NNP at factor cost at current prices is anticipated to be Rs. 43,94,913 crore during 2008-09, as compared to Rs. 37,87,597 crore during 2007-08, showing a rise of 16.0 per cent.

Per Capita Income

12. The per capita income at current prices during 2008-09 is estimated to be Rs. 38,084 as compared to Rs. 33,283 during 2007-08, showing a rise of 14.4 per cent.

II ESTIMATES OF EXPENDITURES ON GDP, 2008-09

12. Alongwith the Advance Estimates of GDP by economic activity, the CSO is also releasing the Advance Estimates of expenditures of the GDP at current and constant (1999-2000)

prices. These estimates have been compiled using the data on indicators available from the same sources as those used for compiling GDP estimates by economic activity, detailed data available on merchandise trade in respect of imports and exports, balance of payments, and monthly accounts of central 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

13. Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs. 29,88,897 crore in 2008-09 as against Rs. 25,96,084 crore in 2007-08. At constant (1999-2000) prices, the PFCE is estimated at Rs. 20,77,231 crore in 2008-09 as against Rs. 19,45,668 crore in 2007-08. In terms of GDP at market prices, the rates of PFCE at current and constant (1999-2000) prices during 2008-09 are estimated at 55.1 per cent and 57.0 per cent, respectively, as against the corresponding rates of 55.0 per cent and 57.2 per cent, respectively in 2007-08.

Government Final Consumption Expenditure

14. Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs. 6,03,318 crore in 2008-09 as against Rs. 4,79,099 crore in 2007-08. At constant (1999-2000) prices, the GFCE is estimated at Rs. 3,87,745 crore in 2008-09 as against Rs. 3,32,033 crore in 2007-08. In terms of GDP at market prices, the rates of GFCE at current and constant (1999-2000) prices during 2008-09 are estimated at 11.1 per cent and 10.6 per cent, respectively, as against the corresponding rates of 10.1 per cent and 9.8 per cent, respectively in 2007-08.

Gross Fixed Capital Formation

15. Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs. 18,75,953 crore in 2008-09 as against Rs. 16,05,440 crore in 2007-08. At constant (1999-2000) prices, the GFCF is estimated at Rs. 11,70,989 crore in 2008-09 as against Rs. 10,75,632 crore in 2007-08. In terms of GDP at market prices, the rates of GFCF at current and constant (1999-2000) prices during 2008-09 are estimated at 34.6 per cent and 32.1 per cent, respectively, as against the corresponding rates of 34.0 per cent and 31.6 per cent, respectively in 2007-08. Thus, there is an increase of 0.6 percentage points in the estimated GFCF at current prices during 2008-09. The rates of Change in Stocks and Valuables at current prices during 2008-09 are estimated at 4.6 per cent and 0.9 per cent, respectively.

18. Estimates of gross/net national product, gross/net domestic product and per capita income, alongwith GDP at factor cost by kind of economic activity and the Expenditures on GDP for the years 2006-07, 2007-08 and 2008-09, at constant (1999-2000) and current prices are given in Statements 1 to 4.

STATEMENT 1: Advance Estimates of National Income and Expenditures on GDP, 2008-09
(At 1999-2000 prices)

Item	2006-07	2007-08 (QE)	2008-09 (AE)
A. ESTIMATES AT AGGREGATE LEVEL			
1. NATIONAL PRODUCT (Rs. Crore)			
1.1 Gross national product (GNP) at factor cost	28,49,838	31,14,864 (9.3)	33,42,926 (7.3)
1.2 Net national product (NNP) at factor cost	25,33,432	27,64,795 (9.1)	29,61,249 (7.1)
2. DOMESTIC PRODUCT (Rs. Crore)			
2.1 Gross domestic product (GDP) at factor cost	28,71,120	31,29,717 (9.0)	33,51,653 (7.1)
2.2 Gross domestic product (GDP) at market prices	31,20,031	34,02,716 (9.1)	36,44,011 (7.1)
2.3 Net domestic product (NDP) at factor cost	25,54,714	27,79,648 (8.8)	29,69,976 (6.8)
2.4 Private Final Consumption Expenditure (PFCE)	17,93,691	19,45,668	20,77,231
2.5 Government Final Consumption Expenditure	3,09,293	3,32,033	3,87,745
2.6 Gross Fixed Capital Formation (GFCF)	9,52,344	10,75,632	11,70,989
2.7 Change in Stocks (CIS)	69,673	1,05,662	1,44,641
2.8 Valuables	38,091	39,118	35,041
2.9 Exports	6,74,670	6,89,003	8,32,564
2.10 <i>Less</i> Imports	7,82,976	8,37,015	10,70,168
2.11 Discrepancies	65,245	52,615	65,968
B. ESTIMATES AT PER CAPITA LEVEL			
Population (million)	1,122	1,138	1,154
Per capita NNP at factor cost (Rs.)	22,580	24,295 (7.6)	25,661 (5.6)

Note: The figures in parenthesis show the percentage change over previous year
QE: Quick Estimate; AE: Advance Estimate

STATEMENT 2: Advance Estimates of GDP at Factor Cost by Economic Activity
(At 1999-2000 prices)

Industry	Rs. Crore			Percentage change over previous year	
	2006-07	2007-08 (QE)	2008-09 (AE)	2007-08	2008-09
1. agriculture, forestry & fishing	531315	557122	571668	4.9	2.6
2. mining & quarrying	60038	61999	64891	3.3	4.7
3. manufacturing	440193	476303	496017	8.2	4.1
4. electricity, gas & water supply	60544	63730	66465	5.3	4.3
5. construction	205543	226325	240940	10.1	6.5
6. trade, hotels, transport and communication	778896	875398	965346	12.4	10.3
7. financing, insurance, real estate & business services	409472	457584	496903	11.7	8.6
8. community, social & personal services	385118	411256	449423	6.8	9.3
9. GDP at factor cost	2871120	3129717	3351653	9.0	7.1

STATEMENT 3: Advance Estimates of National Income for the year 2008-09
(At current prices)

Item	2006-07	2007-08 (QE)	2008-09 (AE)
A. ESTIMATES AT AGGREGATE LEVEL			
1. NATIONAL PRODUCT (Rs. Crore)			
1.1 Gross national product (GNP) at factor cost	37,49,606	42,97,047 (14.6)	49,74,696 (15.8)
1.2 Net national product (NNP) at factor cost	33,12,568	37,87,597 (14.3)	43,94,913 (16.0)
2. DOMESTIC PRODUCT (Rs. Crore)			
2.1 Gross domestic product (GDP) at factor cost	37,79,384	43,20,892 (14.3)	49,89,804 (15.5)
2.2 Gross domestic product (GDP) at market prices	41,29,173	47,23,400 (14.4)	54,26,277 (14.9)
2.3 Net domestic product (NDP) at factor cost	33,42,346	38,11,442 (14.0)	44,10,021 (15.7)
2.4 Gross National Disposable Income	42,25,483	48,63,264	56,31,871
2.5 Private Final Consumption Expenditure (PFCE)	23,07,822	25,96,084	29,88,897
2.6 Government Final Consumption Expenditure	4,21,546	4,79,099	6,03,318
2.7 Gross Fixed Capital Formation (GFCF)	13,43,843	16,05,440	18,75,953
2.8 Change in Stocks (CIS)	1,08,956	1,70,315	2,51,410
2.9 Valuables	49,709	53,591	50,668
2.10 Exports	9,16,804	9,99,441	13,02,296
2.11 <i>Less</i> Imports	10,42,263	11,67,786	16,46,253
2.12 Discrepancies	22,756	-12,784	-13
B. ESTIMATES AT PER CAPITA LEVEL			
Population (million)	1,122	1,138	1,154
Per capita NNP at factor cost (Rs.)	29,524	33,283 (12.7)	38,084 (14.4)

Note: The figures in parenthesis show the percentage change over previous year
QE: Quick Estimate; RE: Revised Estimate

STATEMENT 4: Advance Estimates of GDP at Factor Cost by Economic Activity
(At current prices)

Industry	Rs. Crore			Percentage change over previous year	
	2006-07	2007-08 (QE)	2008-09 (AE)	2007-08	2008-09
1. agriculture, forestry & fishing	686044	782597	876563	14.1	12.0
2. mining & quarrying	106024	117431	129671	10.8	10.4
3. manufacturing	617648	705130	799513	14.2	13.4
4. electricity, gas & water supply	70455	76066	80440	8.0	5.8
5. construction	319180	376266	437768	17.9	16.3
6. trade, hotels, transport and communication	947096	1090708	1274534	15.2	16.9
7. financing, insurance, real estate & business services	524019	594096	700943	13.4	18.0
8. community, social & personal services	508917	578598	690373	13.7	19.3
9. GDP at factor cost	3779384	4320892	4989804	14.3	15.5