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GSDP – Estimates of Punjab

Explanatory Note on Changes in New Series viz-a-viz Old Series

Central Statistical Organization (CSO) has introduced the New Series of National Accounts Statistics in January 2010 with base year 2004-05, in place of previous series with base year 1999-2000. After that States have also shifted their base from 1999-2000 to 2004-05. Punjab has prepared the estimates with new base year 2004-05 in consultation with CSO in November 2010. These estimates have been compared sector-wise upto 2007-08 with officers of CSO, National Accounts Division.

These estimates are based on the latest available data on Agriculture production, Industrial production, Government expenditure and other current/partial data received on Railways, Communication, non-departmental, commercial undertakings etc. The new series, besides the shifting of the base year from 1999-2000 to 2004-05, incorporates improvements in terms of coverage to the extent possible, latest available results of long term surveys, results on various studies undertaken by the CSO and important procedural changes.

With the introduction of new base year, if other things remain the same there is no change in the estimates at current prices however due to change in coverage and use of new rates and ratios these estimates also under gone change both at the National as well as State level.

Level of GDP

Normally, when the base year of national accounts statistics is changed, there is some change in the levels of GDP estimates. This happens due to widening the coverage and inclusion of latest survey results. The statement below illustrates the changes in the levels of GDP of Punjab due to the introduction of the new series of national accounts in India. The effect of the change in base year and the changes made in the new series ranges from -0.14 in 2004-05 to 8.20 percent in 2009-10 (**Table-1**).

Table:1 GSDP of Punjab 2004-05 to 2008-09(at Current Prices)

(Rs. crores)			
Year	Old series (Base year 1999-2000)	New series (Base year 2004-05)	Difference %
2004-05	96660	96520	(-) 0.14
2005-06	108653	108092	(-)0.52
2006-07	121209	126224	4.14
2007-08(P)	144309	151411	4.92
2008-09(Q)	165804	176581	6.50
2009-10(A)	192364	208145	8.20

At the national level the effect of the change in base year between old and new ranges from 3% to 6%.

Growth rates

There is major change in the overall growth rates of GDP at constant (2004-05) prices with the change in the base year due to changes in growth rates at sectoral level. The major change is mainly on account of higher growth in the registered manufacturing sector following the availability of results of Annual Survey of Industries (ASI), whereas the earlier estimates were based on IIP. The changes in the growth rates in the new and old series are shown in **Table -2**.

Table:2 Growth Rates of Punjab GSDP at Constant Prices

(Rs. Crores)				
Year	Old series (Base year 1999-2000)	New series (Base year 2004-05)	Growth Rate	
			Old Series	New Series
2004-05	81460	96520	-	-
2005-06	85125	101789	4.50	5.46
2006-07	91299	111706	7.25	9.74
2007-08(P)	97577	121947	6.88	9.17
2008-09(Q)	103826	132229	6.40	8.43
2009-10(A)	110775	143975	6.69	8.88

The growth rates at industry level show some major changes, which are on account of changes in procedures, methodology and data sources and use of latest data from long term survey results, the details of which have been explained in the previous paragraphs.

Sector-wise changes in growth rates at constant prices in the old and new

series, during 2005-06 to 2009-10 , at industry level are shown in **Table -3.**

Table-3 Growth Rates of GDP at Industry Level at 2004-05 Prices

Industry	2005-06		2006-07		2007-08(P)		2008-09(Q)		2009-10(A)	
	Old	New	Old	New	Old	New	Old	New	Old	New
1	2	3	4	5	6	7	8	9	10	11
PRIMARY										
1.agriculture,forest ry & fishing	1.98	0.99	2.78	2.89	3.9	3.88	3.41	3.36	3.72	(-)0.19
1.1 agriculture	1.9	0.82	2.82	2.91	4.05	4.06	3.44	3.33	3.76	(-)0.34
1.2 forestry & logging	2.44	3.11	0.28	2.83	3.99	2.61	2.14	2.85	3.07	2.76
1.3 fishing	10.23	10.23	1.23	1.23	(-)9.18	(-)9.18	0.76	9.49	0.75	2.94
2. mining & quarrying	(-)36.13	0.69	6.27	0.91	24.41	22.89	15.35	30	15.33	18.14
Sub Total Primary	1.94	0.99	2.78	2.89	3.92	3.89	3.42	3.38	3.74	(-)0.17
SECONDARY										
3. manufacturing	7.66	7.49	12.25	24.01	7.9	19.13	6.21	14.69	6.40	18.94
3.1 registered	7.26	9.94	11.91	39.07	7.61	27.51	4.37	25.5	4.52	26.51
3.2 unregistered	8.19	5.38	12.68	10.47	8.27	9.65	8.56	0.45	8.70	6.49
4. elect. Gas & water supply	8.06	7.97	9.45	9.4	15.13	15.1	10.88	10.82	11.82	11.77
5. construction	7.84	16.44	9.75	15.14	11.38	13.59	10.57	15.06	10.98	14.75
Sub Total Secondary	7.77	9.89	11.22	19.77	9.77	17.20	8.01	14.36	8.41	17.09
SERVICES										
6. trade, hotels & restaurants	4.16	4.05	5.63	5.57	4.83	5.05	5.23	4.89	5.03	5.17
7. transport, storage & commn.	10.01	8.3	9.21	9.55	13.4	10.03	11.32	9.66	11.86	10.45
7.1 railways	28.64	26.63	9.18	10.35	9.29	6.16	15.7	8.56	11.39	8.36
7.2 transport by other means	5.46	5.21	6.44	7.77	6.31	7.29	6.07	6.76	6.27	7.27
7.3 storage	16.18	(-)11.86	(-)4.13	11.71	9.08	2.8	7.04	7.26	7.04	5.03
7.4 communication	6.67	8.39	13.54	12.05	22.35	19.37	14.19	15.71	16.69	17.54
8. financing, ins., real est. & bus servs.	3.33	6.93	9.81	10.05	6.66	7.97	7.45	8.16	7.50	9.25
8.1 banking & insurance	5.82	16.76	26.46	25.77	15.13	13.29	15.8	15.73	15.47	18.26
8.2 real estate, o'ship of dwellings, bus.servs	2.36	4.58	2.79	4.88	2.39	4.96	2.59	4.81	2.49	4.88
9.1 public administration & defence	2.97	2.19	8.89	4.55	6.14	6.48	6.87	4.41	6.72	5.15
9.2 other services	2.55	6	3.83	7.34	2.88	7.09	3.36	6.81	3.12	7.08
Sub Total Services	4.73	6.30	8.45	8.71	7.35	7.49	7.56	7.52	7.68	8.38
10. GDP (Total)	4.5	5.46	7.25	9.74	6.88	9.17	6.4	8.43	6.69	8.88

Comparison with All India Growth Rates

Table-4 Growth rate of Punjab viz-a-viz All India at 2004-05 prices.

Year	India		Punjab	
	Old Series	New Series	Old Series	New Series
2005-06	9.52	9.49	4.50	5.46
2006-07	9.75	9.71	7.25	9.74
2007-08(P)	9.01	9.22	6.88	9.17
2008-09(Q)	6.70	6.72	6.40	8.43
2009-10(A)	NA	7.44	6.69	8.88

Provisional Growth rates for 2008-09 are being prepared on the bases of which quick estimates of 2009-10 and advance estimates of 2010-11 will be prepared. Hence the present growth rates are subject to change.

Sectoral variation in New Series

Primary Sector

In the new base year, there is decline in the growth rate of primary sector from 1.94% to 0.99% in 2005-06 which is mainly due to the decline in agriculture and livestock estimates. It is attributed to the increase in value of inputs and change in rates and ratios on the basis of new surveys in New Series. Major changes in the new series under agriculture including livestock are in the items of (i)Seed (ii)Organic manure (iii) Chemical fertilizers (iv) Feed of livestock (v)Market charges (vi)Pesticides and insecticides (vi)diesel oil. In the succeeding years i.e. 2006-07 and 2007-08 the estimates are almost same as in old series. However the estimates of 2008-09 are under revision with the availability of more data on agriculture production.

Secondary Sector

In the Secondary sector estimates, there is major change in the estimates of registered manufacturing sector. These changes have been duly compared with CSO and figure have been approved by CSO and conveyed to DES Punjab.

Estimates of the old and new series for this sector are as under:

Table-5 GSDP of Registered Manufacturing Sector at Current Prices

Year	Old series (Base year 1999-2000)	New series (Base year 2004-05)	Growth Rate	
			Old Series	New Series
2004-05	6956.40	6786.53		
2005-06	7730.71	7664.46	11.53	12.94
2006-07	9107.58	11469.05	17.81	49.64
2007-08(P)	10178.31	15559.97	11.76	35.67
2008-09(Q)	11092.32	20655.86	8.98	32.75
2009-10(A)	12244.81	27722.23	10.39	34.21

Increase in the GDP is mainly due to change in the methodology as we have switched over to use of actual figures of Annual Survey of Industry of CSO from use of Index of Industrial Production. Earlier the State Data on production for 2003-04 was inflated with in consultation with CSO as the ASI figures were showing lesser growth. Some other states were also using this methodology. State Data on production was not available after 2003-04 as CSO stopped the dispatch of NSSO schedules to DES to avoid duplication.

Tertiary Sector

In the new base year, growth of tertiary sector in 2005-06 is 6.30% as compared to 4.73% in the old series. It is mainly due to increase in the GDP of Banking & Insurance sector which is supra regional sector, the estimates of which are provided by CSO directly. It has increased from 5.82% in old series to 16.76% in new series. Besides, there is some improvement in the GDP of Real Estate and Other Services which include health, education and recreation. The estimates of 2006-07 and 2007-08 are more or less near the old base year .Provisional Estimates of 2008-09 are being prepared.

Per Capita Income

Table : Per capita income of Punjab as compared to All India

Year	At current prices		At Constant 2004-05 prices		(Rupees) Haryana	
	Punjab	India	Punjab	India	Current Prices	Constant Prices
2004-05	32890	24095	32890	24095	37842	37842
2005-06	35817	27183	33681	25969	42133	40314
2006-07	41440	31080	36536	28074	49892	44224
2007-08(P)	48926	35430	39023	30316	58090	47522
2008-09(Q)	56103	40141	41592	31821	67745	51011
2009-10(A)	65202	44345	44478	33588	75390	50692

Per Capita Income of Punjab is higher than All India both at current and constant prices 2004-05 but is less than Haryana both at current and constant prices 2004-05.