

From: PHD Research Bureau [research@phdcci.in]
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To: sunitag@phdcci.in
Subject: First Advance Estimates of National Income, 2016-17



All Members,

First Advance Estimates of National Income, 2016-17

Growth in GDP during 2016-17 is estimated at 7.1% as compared to the growth rate of 7.6% in 2015-16

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation have released the First Advance estimates of national income at constant (2011-12) and current prices, for the financial year 2016-17.

ESTIMATES AT CONSTANT (2011-12) PRICES

Gross Domestic Product --Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of Rs. 121.55 lakh crore, as against the Provisional Estimate of GDP for the year 2015-16 of Rs. 113.50 lakh crore, released on 31st May 2016. **The growth in GDP during 2016-17 is estimated at 7.1 per cent as compared to the growth rate of 7.6 per cent in 2015-16.**

Gross Value Added (GVA) at Basic Prices -- Real GVA, i.e, GVA at basic constant prices (2011-12) is anticipated to increase from Rs. 104.27 lakh crore in 2015-16 to Rs. 111.53 lakh crore in 2016-17. Anticipated growth of real GVA at basic prices in 2016-17 is 7.0 percent against 7.2 percent in 2015-16. The sectors which registered growth rate of over 7.0 percent are, 'public administration, defence and other services', 'financial, real estate and professional services' and 'manufacturing'.

The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply and other utility services', 'construction' and 'Trade, hotels, transport, communication and services related to broadcasting' is estimated to be 4.1 per cent, (-)1.8 per cent, 6.5 percent, 2.9 per cent and 6.0 percent respectively.

Agriculture-- The 'agriculture, forestry and fishing' sector is likely to show a growth of 4.1 per cent in its GVA during 2016-17, as against the previous year's growth rate of 1.2 per cent. The GVA estimates of this sector have been compiled using the First Advance Estimates of production of major Kharif crops for 2016-17 and targets based on rabi sowings. According to the information furnished by the Department of Agriculture and Cooperation (DAC), the production growth of food grains during the Kharif season of agriculture year 2016-17 was 8.9 percent as compared to decline of 3.2 percent during the same period in 2015-16.

Mining and quarrying -- GVA at basic prices for 2016-17 from 'mining and quarrying' sector is estimated to decline by 1.8 percent as compared to growth of 7.4 percent in 2015-16. The key indicators of mining sector, namely, production of coal, crude oil and natural gas registered growth rates of 1.6 per cent, (-)3.5 percent and (-)3.7 percent respectively during April-November 2016-17 as compared to 4.3 percent, (-)0.4 percent and (-)2.3 percent respectively during April-November, 2015-16.

Manufacturing-- GVA at basic prices for 2016-17 from 'manufacturing' sector is estimated to grow by 7.4 percent as compared to growth of 9.3 percent in 2015-16. The private corporate sector has a share of around 72 percent in the manufacturing sector. The private corporate sector growth in the manufacturing sector was estimated using latest available information on major listed companies during first half of 2016-17. The quasi corporate and unorganized

segment (which include individual proprietorship and partnerships and khadi & village Industries has a share of around 23 percent in the manufacturing sector) has been estimated using IIP of manufacturing. The Advance Estimates of IIP at 2-digit industry groups for the current year are initially compiled by dividing the cumulative index for the 7 months of the current year, by the average of ratio of 7 months index to the annual index of past years.

Electricity, Gas, water supply and other utility services -- GVA at basic prices for 2016-17 from 'Electricity, Gas, water supply and other utility services' sector is expected to grow by 6.5 percent as compared to growth of 6.6 percent in 2015-16. The Advance Estimates of key indicator of this sector, namely, IIP of Electricity compiled by dividing the cumulative index for the 7 months of the current year, by the average of ratio of 7 months index to the annual index of past years has been used. IIP of Electricity registered a growth rate of 4.6 percent during April-October, 2016-17 as against 5.2 percent growth during April-October, 2015-16.

Construction -- GVA at basic prices for 2016-17 from 'Construction' sector is expected to grow by 2.9 percent as compared to growth of 3.9 percent in 2015-16. Key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rates of 4.3 percent and 3.0 percent respectively during April-November, 2016-17.

Per Capita Income -- The per capita income in real terms (at 2011-12 prices) during 2016-17 is likely to attain a level of Rs. 81805 as compared to Rs. 77,435 for the year 2015-16. The growth rate in per capita income is estimated at 5.6 per cent during 2016-17, as against 6.2 per cent in the previous year.

ESTIMATES AT CURRENT PRICES

Gross Domestic Product -- GDP is derived by adding taxes on products net of subsidies on products to GVA at basic prices. GDP at current prices in the year 2016-17 is likely to attain a level of Rs. 151.93 lakh crore, as against Rs. 135.76 lakh crore in 2015-16 showing a growth rate of 11.9 per cent.

National Income -- The nominal Net National Income (NNI), also known as national income (at current prices) is likely to be Rs. 133.81 lakh crore during 2016-17, as against Rs. 119.69 lakh crore for the year 2015-16. In terms of growth rates, the national income registered a growth rate of 11.8 per cent in 2016-17 as against the previous year's growth rate of 8.7 per cent.

Per Capita Income -- The per capita net national income during 2016-17 is estimated to be Rs. 103,007 showing a rise of 10.4 per cent as compared to Rs. 93,293 during 2015-16 with the growth rate of 7.4 percent.

Private Final Consumption Expenditure -- Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs. 89.72 lakh crore in 2016-17 as against Rs. 80.78 lakh crore in 2015-16. At constant (2011-12) prices, the PFCE is estimated at Rs. 67.13 lakh crore in 2016-17 as against Rs. 63.01 lakh crore in 2015-16. In terms of GDP, the rates of PFCE at current and constant (2011-12) prices during 2016-17 are estimated at 59.1 per cent and 55.2 per cent, respectively, as against the corresponding rates of 59.5 per cent and 55.5 per cent, respectively in 2015-16.

Government Final Consumption Expenditure -- Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs. 18.61 lakh crore in 2016-17 as against Rs. 14.39 lakh crore in 2015-16. At constant (2011-12) prices, the GFCE is estimated at Rs. 13.95 lakh crore in 2016-17 as against Rs. 11.27 lakh crore in 2015-16. In terms of GDP, the rates of GFCE at current and constant (2011-12) prices during 2016-17 are estimated at 12.3 per cent and 11.5 per cent, respectively, as against the corresponding rates of 10.6 per cent and 9.9 per cent, respectively in 2015-16.

Gross Fixed Capital Formation -- Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs. 40.39 lakh crore in 2016-17 as against Rs. 39.72 lakh crore in 2015-16. At constant (2011-12) prices, the GFCF is estimated at Rs. 35.35 lakh crore in 2016-17 as against Rs. 35.41 lakh crore in 2015-16. In terms of GDP, the rates of GFCF at current and constant (2011-12) prices during 2016-17 are estimated at 26.6 per cent and 29.1 per cent, respectively, as against the corresponding rates of 29.3 per cent and 31.2 per cent, respectively in 2015-16. The GFCF is expected to register growth rate of 1.7 percent at current prices and (-)0.2 percent at constant prices.

Industry	(At 2011-12 prices) (Rs crore)			Per centage change over previous year	
	2014-15 (1st RE)	2015-16 (PE)	2016-17 (1stAE)	2015-16	2016-17
	1. Agriculture, forestry & fishing	1,584,293	1,604,044	1,669,833	1.2
2. Mining & quarrying	296,328	318,377	312,663	7.4	-1.8
3. Manufacturing	1,667,069	1,821,926	1,957,026	9.3	7.4
4. Electricity, gas, water supply & other utility services	216,970	231,228	246,188	6.6	6.5
5. Construction	854,636	887,957	913,918	3.9	2.9
6. Trade, hotels, transport, communication and services related to broadcasting	1,833,997	1,998,292	2,117,867	9.0	6.0
7. Financial, real estate & professional services	2,039,460	2,248,845	2,450,391	10.3	9.0
8. Public administration, defence and Other Services	1,234,737	1,316,522	1,485,151	6.6	12.8
GVA at Basic Price	9,727,490	10,427,191	11,153,038	7.2	7.0

Source: MOSPI, RE: Revised estimates PE: Provisional Estimates; AE: Advance Estimates

Please contact for any query related to this mail to Ms. Surbhi Sharma, Senior Research Officer at surbhi@phdcci.in with a cc to Dr. S P Sharma, Chief Economist, PHD Chamber of Commerce & Industry.

Warm regards,

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