

Provisional Estimates (PE) of National Income, 2017-18 and Quarterly estimates of Gross Domestic Product for the Fourth quarter (Jan-Mar), 2017-18

GDP grows at 7.7% in Q4 2017-18; Growth in GDP during 2017-18 is estimated at 6.7%

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the Provisional estimates of national income at constant (2011-12) and current prices for the financial year 2017-18 and Quarterly estimates of GDP for the fourth quarter January-March (Q4), 2017-18 both at constant (2011-12) and current prices along with the corresponding quarterly estimates of expenditure components of GDP

According to the Provisional estimates of Gross Domestic Product(GDP) for the fourth quarter (January-March) Q4 of 2017-18, GDP at constant (2011-12) prices in Q4 of 2017-18 is showing a growth rate of 7.7 % in Q4 of 2017-18 as compared to 7.0% in the Q3 of 2017-18.

Growth Rates of GDP		
	Constant prices (2011-12)	Current prices
Annual 2017 -18	6.7	10.0
Q1 2017-18 (April-June)	5.6	8.3
Q2 2017-18 (July-Sep)	6.3	9.5
Q3 2017-18 (Oct-Dec)	7.0	11.0
Q4 2017-18 (Jan-Mar)	7.7	10.9

QUARTERLY ESTIMATES OF GDP FOR THE FOURTH QUARTER (JANUARY-MARCH) OF 2017-18

The first four quarters of a financial year are denoted by Q1, Q2 Q3 and Q4. GDP at constant (2011-12) prices in Q4 of 2017-18 is estimated at Rs. 34.77 lakh crore, as against Rs. 32.27 lakh crore in Q4 of 2016-17, showing a growth rate of 7.7 %. GVA at basic prices at constant (2011-12) prices in Q4 of 2017-18 is estimated at Rs. 31.01 lakh crore, as against Rs. 28.83 lakh crore in Q4 of 2016-17, showing a growth rate of 7.6 %.

Growth rates in various sectors in Q4 of 2017-18 are as follows: 'agriculture, forestry and fishing'(4.5%), 'mining and quarrying' (2.7%), 'manufacturing' (9.1%), 'electricity, gas, water supply and other utility services' (7.7%) 'construction' (11.5%), 'Trade, hotels, transport, communication and services related to broadcasting' (6.8%), 'financial, real estate and professional services' (5.0%), and

'Public administration, defence and Other Services' (13.3%).

Growth rates in various sectors in 2017-18 are: 'agriculture, forestry and fishing'(3.4 %), 'mining and quarrying' (2.9 %), 'manufacturing' (5.7 %), 'electricity, gas, water supply and other utility services' (7.2 %) 'construction' (5.7 %), 'Trade, hotels, transport, communication and services related to broadcasting' (8.0 %), 'financial, real estate and professional services' (6.6 %), and 'Public administration, defence and Other Services' (10%).

QUARTERLY ESTIMATE OF GVA AT BASIC PRICES FOR JANUARY-MARCH (Q4) OF 2017-18 (At 2011-12 Prices)

Industry	GVA AT BASIC PRICE (₹ in crore)												PERCENTAGE CHANGE OVER PREVIOUS YEAR							
	2015-16				2016-17				2017-18				2016-17				2017-18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Agriculture, forestry & fishing	371,195	307,722	311,119	425,180	386,986	324,733	349,317	455,509	398,609	333,334	366,682	475,948	4.3	5.5	7.3	7.1	3.0	2.6	3.1	4.3
2. Mining & quarrying	89,728	65,773	78,536	94,416	99,129	71,728	88,068	112,140	100,811	76,704	89,206	115,185	10.5	9.1	12.1	18.8	1.7	6.9	1.4	2.7
3. Manufacturing	464,777	471,426	449,199	513,388	510,673	507,701	485,508	544,829	501,599	543,682	526,757	594,229	9.9	7.7	8.1	6.1	-1.8	7.1	8.5	9.1
4. Electricity, gas, water supply & other utility services	55,242	57,858	55,230	55,888	62,114	61,945	60,480	60,396	66,537	66,717	64,171	65,072	12.4	7.1	9.5	8.1	7.1	7.7	6.1	7.7
5. Construction	218,498	206,034	216,686	225,222	225,077	213,851	222,748	216,434	229,196	226,536	237,376	241,376	3.0	3.8	2.8	-3.9	1.8	3.1	6.8	11.5
6. Trade, hotels, transport & communication and services related to broadcasting	475,423	467,887	484,591	565,726	517,644	501,747	520,711	597,001	560,913	544,404	565,018	637,348	8.9	7.2	7.5	5.5	8.4	8.5	8.5	8.8
7. Financial, real estate & professional Services	596,365	671,733	507,259	524,557	659,189	727,192	521,674	529,803	714,789	771,317	537,775	556,046	10.5	8.3	2.8	1.0	8.4	6.1	6.9	5.0
8. Public administration, defence and Other Services	291,784	332,806	336,926	315,194	314,250	359,272	372,659	366,923	356,731	381,131	401,202	415,696	7.7	8.0	10.6	16.4	13.5	6.1	7.7	13.3
GVA at Basic Price	256,903	258,129	263,926	271,971	277,963	276,867	282,165	288,903	292,915	293,824	309,246	310,091	8.3	7.2	6.9	6.0	3.6	6.1	6.6	7.6

Source: PHD Research Bureau, compiled from MOSPI

The PFCE and GFCF at constant (2011-12) prices in Q4 of 2017-18 are estimated at Rs 18.99 lakh crore and Rs 11.19 lakh crore, respectively. The rates of PFCE and GFCF as percentage of GDP in Q4 of 2017-18 is 54.6% and 32.2%, respectively, as against the corresponding rates of 55.2% and 30.3%, respectively in Q4 of 2016-17. GFCE at constant (2011-12) prices in Q4 of 2017-18 is estimated at Rs 3.3 lakh crore as against Rs 2.8 lakh crore in Q4 of 2016-17. The rate of GFCE as percentage of GDP in Q4 of 2017-18 is 9.5% as against the corresponding rate of 8.8% in Q4 of 2016-17.

QUARTERLY ESTIMATES OF FINAL EXPENDITURES OF GDP FOR JANUARY-MARCH (Q4) OF 2017-18 (at 2011-12 prices)

Item	₹ crore								RATES of GDP (%)							
	2016-17				2017-18				2016-17				2017-18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Private Final Consumption Expenditure (PFCE)	1,593,219	1,619,781	1,817,549	1,779,784	1,703,974	1,730,288	1,923,991	1,898,844	54.0	54.3	59.9	55.2	54.7	54.5	59.3	54.6
2. Government Final Consumption Expenditure	313,990	360,466	304,372	283,296	369,303	374,216	325,145	331,031	10.6	12.1	10.0	8.8	11.8	11.8	10.0	9.5
3. Gross Fixed Capital Formation (GFCF)	960,255	921,132	938,951	977,537	968,141	976,881	1,024,096	1,118,528	32.5	30.9	31.0	30.3	31.8	30.8	31.6	32.2
4. Change in Stocks	22,498	22,367	21,389	24,002	21,840	23,672	22,935	23,873	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
5. Valuables	37,008	39,235	37,644	45,828	82,235	60,530	51,654	59,186	1.3	1.3	1.2	1.4	2.6	1.9	1.6	1.7
6. Exports	603,715	612,621	617,872	655,470	639,145	653,613	656,096	679,160	20.4	20.5	20.4	20.3	20.5	20.6	20.2	19.5
7. Less Imports	625,621	654,228	675,543	656,235	741,150	719,530	746,691	727,508	21.2	21.9	22.3	20.3	23.8	22.7	23.0	20.9
8. Discrepancies	46,358	62,743	-30,143	117,276	72,929	72,420	-13,558	91,713	1.6	2.1	-1.0	3.6	2.3	2.3	-0.4	2.6
GDP	2,953,421	2,983,537	3,032,091	3,256,958	3,318,417	3,372,110	3,343,489	3,476,827	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GDP Growth rates	8.1	7.6	6.8	6.1	5.6	6.3	7.8	7.7								

Source: PHD Research Bureau, compiled from MOSPI

PROVISIONAL ESTIMATES OF NATIONAL INCOME, 2017-18

a) Estimates at Constant (2011-12) Prices

Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2017- 18 is likely to attain a level of Rs. 130.11 lakh crore, as against the First Revised Estimate of GDP for the year 2016-17 of Rs. 121.96 lakh crore, released on 31st January 2018. The growth in GDP during 2017-18 is estimated at 6.7% as compared to the growth rate of 7.1% in 2016- 17.

Real GVA, i.e, GVA at basic constant prices (2011-12) is anticipated to increase from Rs. 112.48 lakh crore in 2016-17 to Rs. 119.76 lakh crore in 2017-18. Anticipated growth of real GVA at basic prices in 2017-18 is 6.5% as against 7.1% in 2016-17.

The sectors which registered growth rate of over 7.0 % are 'public administration, defence and other services' (10%), 'trade, hotels, transport, communication and services related to broadcasting' (8%), 'electricity, gas, water supply and other utility services' (7.2%). The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'manufacturing', and 'construction' and 'financial, real estate and professional services' is estimated to be 3.4%, 2.9%, 5.7% and 5.7% and 6.6% respectively.

Agriculture, forestry and fishing

- The 'agriculture, forestry and fishing' registered a growth rate of 3.4% in its GVA during 2017-18, as against the previous year's growth rate of 6.3%. The GVA estimates of this sector have been compiled using the Third Advance Estimates of production of food grains for 2017-18 which was 279.51 million tonnes in 2017-18 which is higher than the second advance estimates of food grain production during 2017-18 of 277.49 million tonnes and final estimates of 275.11 million tonnes during the agricultural year 2016-17.

Mining and quarrying

- The growth in the GVA at basic prices for 2017-18 from 'mining and quarrying' sector is estimated to be 2.9% as compared to growth of 13.0% in 2016-17. The key indicators of mining sector, namely, production of coal, crude oil registered growth rates of 2.5%, (-)0.9% during 2017-18. IIP of mining grew by 2.3% in 2017-18 as against 5.3 % in 2016-17.

Manufacturing

- The growth in the GVA at basic prices for 2017-18 from 'manufacturing' sector is estimated to be 5.7% as compared to growth of 7.9% in 2016-17. The private corporate sector growth (which has a share of around 70 % in the manufacturing sector) as estimated using available data of major listed companies was 9.0% at current prices during 2017-18.

Electricity, gas, water supply and other utility services

- GVA at basic prices for 2017-18 from 'Electricity, gas, water supply and other utility services' sector is estimated to grow by 7.2% as compared to growth of 9.2% in 2016-17. The key indicator of this sector, namely, IIP of Electricity registered a growth rate of 5.4% during April-March, 2017-18.

Construction

- GVA at basic prices for 2017-18 from 'Construction' sector is estimated to grow by 5.7% as compared to growth of 1.3% in 2016-17. Key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rates of 6.3% and 7.8%, respectively, during 2017-18 as compared to (-)1.2% and 3.1% respectively, during 2016-17.

Trade, hotels, transport, communication and services related to broadcasting

- GVA at basic prices for 2017-18 from this sector is estimated to grow by 8.0% as compared to growth of 7.2% in 2016-17. GVA from Trade sector is estimated using an index of turnover based on Sales tax. With introduction of GST, sales tax data is now subsumed under GST. Therefore, a comparable estimate of turnover based on sales tax has been estimated.

Financial, insurance, real estate and professional services

- GVA at basic prices for 2017-18 from this sector is estimated to grow by 7.2 % as compared to growth of 6.0 % in 2016-17. Major component of this industry is the real estate and professional services which has a share of 72.0 %.

Public administration, defence and other services

- GVA at basic prices for 2017-18 from this sector is estimated to grow by 10.1 % as compared to growth of 10.7 % in 2016-17. The key indicator of this sector namely, Union government revenue expenditure net of interest payments and subsidies grew by 16.7 % during April-December, 2017-18 as compared to 21.8 % in April-December, 2016-17.

Provisional Estimates of GVA at Basic Price by Economic Activity (At 2011-12 prices)

Industry	₹ crore)				
	2015-16	2016-17	2017-18 (PE)	Percentage change over previous year	
				2016-17	2017-18
1. Agriculture, forestry & fishing	1615216	1716746	1,774,573	6.3	3.4
2. Mining & quarrying	328453	371066	381,965	13.0	2.9
3. Manufacturing	1898790	2048711	2,166,267	7.9	5.7
4. Electricity, gas, water supply & other utility services	224198	244934	262,496	9.2	7.2
5. Construction	866440	878110	928,484	1.3	5.7
6. Trade, hotels, transport, communication and services related to broadcasting	1993627	2137102	2,307,684	7.2	8.0
7. Financial, real estate & professional services	2299913	2437857	2,599,927	6.0	6.6
8. Public administration, defence and Other services	1276710	1413103	1,554,759	10.7	10.0
GVA at Basic Price	10,503,348	11,247,629	11,976,155	7.1	6.5

PE: Provisional Estimates

Source: PHD Research Bureau, compiled from MOSPI

ANNUAL ESTIMATES OF FINAL EXPENDITURES OF GDP, 2017-18

Private Final Consumption Expenditure

- Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs 99.14 lakh crore in 2017-18 as against Rs 90.05 lakh crore in 2016-17. At constant (2011-12) prices, the PFCE is estimated at Rs 72.59 lakh crore in 2017-18 as against Rs 68.12 lakh crore in 2016-17. In terms of GDP, the rates of PFCE at current and constant (2011-12) prices during 2017-18 are estimated at 59.1% and 55.8%, respectively, as against the corresponding rates of 59.0% and 55.9%, respectively in 2016-17.

Government Final Consumption Expenditure

- Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs 19.08 lakh crore in 2017-18 as against Rs 16.64 lakh crore in 2016-17. At constant (2011-12) prices, the GFCE is estimated at Rs 14.00 lakh crore in 2017-18 as against Rs 12.62 lakh crore in 2016-17. In terms of GDP, the rates of GFCE at current and constant (2011-12) prices during 2017-18 are estimated at 11.4% and 10.8%, respectively, as against the corresponding rates of 10.9% and 10.3%, respectively in 2016-17.

Gross Fixed Capital Formation

- Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs 47.79 lakh crore in 2017-18 as against Rs 43.52 lakh crore in 2016-17. At constant (2011-12) prices, the GFCF is estimated at Rs 40.87 lakh crore in 2017-18 as against Rs 37.98 lakh crore in 2016-17. In terms of GDP, the rates of GFCF at current and constant (2011-12) prices during 2017-18 are estimated at 28.5% and 31.4%, respectively, as against the corresponding rates of 28.5% and 31.1%, respectively in 2016-17. The GFCF is expected to register growth rate of 9.8% at current prices and 7.6% at constant prices during 2017-18.

Provisional Estimates of National Income and Expenditures on GDP, 2017-18(At 2011- 12 Prices) (Rs crore)

S. No.	Item	2015-16	2016-17	2017-18 (PE)	percentage change over previous year	
					2016-17	2017-18
Domestic Product						
1	GVA at basic prices	10503348	11247629	11976155	7.1	6.5
2	NetTaxes on Products	882797	948376	1034688	7.4	9.1
3	GDP (1+2)	11386145	12196006	13010843	7.1	6.7
4	NDP	10119785	10826074	11552178	7.0	6.7
Final Expenditures						
5	PFCE	6351137	6812334	7259098	7.3	6.6
6	GFCE	1125317	1262124	1399695	12.2	10.9
7	GFCF	3448193	3797875	4087557	10.1	7.6
8	CIS	232449	90256	94320	-61.2	4.5
9	VALUABLES	185417	159735	253624	-13.9	58.8
10	Exports of goods and services	2371638	2489079	2627923	5.0	5.6
11	Less Imports of goods and services	2510848	2611628	2934879	4.0	12.4
12	Discrepancies	182842	196232	223504		
13	GDP	11386145	12196006	13010843	7.1	6.7
RATES TO GDP						
14	PFCE	55.8	55.9	55.8		
15	GFCE	9.9	10.3	10.8		
16	GFCF	30.3	31.1	31.4		
17	CIS	2.0	0.7	0.7		
18	VALUABLES	1.6	1.3	1.9		
19	Exports of goods and services	20.8	20.4	20.2		
20	Less Imports of goods and services	22.1	21.4	22.6		
21	Discrepancies	1.6	1.6	1.7		
22	GDP	100.0	100.0	100.0		
23	GNI	11251420	12051525	12864227	7.1	6.7
24	NNI	9985060	10681594	11405563	7.0	6.8
Per Capita Income, Product and Final Consumption						
25	Per Capita GDP (₹)	88746	93888	98867	5.8	5.3
26	Per Capita GNI (₹)	87696	92775	97752	5.8	5.4
27	Per Capita NNI (₹)	77826	82229	86668	5.7	5.4
28	Per Capita PFCE (₹)	49507	57443	55160	5.9	5.2

PE: Provisional Estimates

Source: PHD Research Bureau, compiled from MOSPI

Our View Point

While the Q4 GDP grows at 7.7%, the teething problems of GST are over and now the economy is looking up and growth is expected to strengthen further in FY 2018-19. The construction sector witnessed a growth of 11.5% in Q4 FY2018 from 6.6% in Q3 FY2018. The agriculture sector grew at 4.5% in Q4 FY2018 from 3.1% in Q3 FY2018. Further, the manufacturing sector witnessed a growth of 9.1% in Q4 FY2018 from 8.5% in Q3 FY2018. The public administration, defence and other services witnessed a growth of 13.3% in Q4 FY2018 from 7.7% in Q3 FY2018. The agriculture growth at 4.5% in Q3 FY 18 along with good monsoon expectations would give a boost to consumption demand this financial year FY 19. The growth of gross capital formation at 14.4% is encouraging and indicating that investment cycle is turning up. The significant growth of construction sector is inspiring and indicative of green shoots emerging in the economy post demonetisation and GST. Owing to good monsoon, the growth of agriculture sector at 4.5% in Q4 FY 2018 is encouraging. The growth of manufacturing sector at 9.1% in Q3 FY2018 is encouraging, however, we look forward to see the growth at around 10% in the coming quarters.

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