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India Revises GDP Base Year to 2022-23

3 March 2026

SUBJECTS COVERED

ECONOMY

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✎ WHY IN NEWS

The Ministry of Statistics and Programme Implementation (MoSPI) released revised National Accounts Statistics on March 3, 2026, adopting **2022-23 as the new base year** for GDP calculation, replacing the earlier 2011-12 base. The revised data shows India's real GDP growth at 7.6% for 2023-24.

INDIA REVISES GDP BASE YEAR TO 2022-23

India's **Ministry of Statistics and Programme Implementation (MoSPI)** has released the revised **National Accounts Statistics** with **2022-23 as the new base year**. The revision is significant because base years are updated periodically to reflect structural changes in the economy — a 12-year-old base year (2011-12) no longer accurately captured the post-pandemic, digitally transformed Indian economy of the 2020s.

Why Base Years Are Revised

A GDP base year serves as the reference point against which real (inflation-adjusted) growth is measured. Over time, the structure of the economy changes — new industries emerge (e.g., digital services, EVs), some sectors shrink, and relative price weights shift. A dated base year distorts growth measurements by using outdated price weights. The **United Nations System of National Accounts (SNA)** recommends updating base years every 5–10 years.

India's base year revision history:

1950-51 → 1960-61 → 1970-71 → 1980-81 → 1993-94 → 1999-2000 → 2004-05 → 2011-12 → **2022-23**

Methodological Shift: Double Deflation

The most significant methodological change is the adoption of **double deflation** – the international best practice recommended under **SNA 2008**.

Method	How It Works
Single deflation (old)	Deflates gross output using one price index; subtracts intermediate consumption at base-year prices
Double deflation (new)	Separately deflates both gross output and intermediate inputs using their respective price deflators

Double deflation provides a more accurate measure of **real value added** at the industry level because input and output prices can move differently. For example, in manufacturing, the price of raw materials (inputs) can rise faster than finished goods (output), which single deflation misses.

Key Numbers from the Revised Series

Indicator	Value
Real GDP growth (2023-24)	7.6%
Nominal GDP growth (2023-24)	~11.4%
GDP (nominal, 2023-24)	₹295 lakh crore (~\$3.57 trillion)
Fiscal deficit (revised)	4.5% of GDP
Central government debt	58.1% of GDP

SNA 2008 Framework

The revision adopts the **System of National Accounts 2008 (SNA 2008)** – the internationally agreed framework maintained jointly by the UN, IMF, World Bank, OECD, and Eurostat. Key features of SNA 2008 include:

- Treating **R&D expenditure as capital formation** (investment), not current expenditure
- Improved treatment of **financial intermediation services** (FISIM)
- Better coverage of the **informal economy** through enterprise surveys
- Inclusion of updated **MCA21 corporate database** for private sector estimation

Improved Data Sources

The revised series uses:

MCA21 database: Ministry of Corporate Affairs' registry of all registered companies — provides annual financial data for corporate sector GDP

NSS Enterprise Surveys: Updated surveys of unorganised/informal sector enterprises

GSTN data: GST Network transaction data for better indirect tax base estimation

PLFS: Periodic Labour Force Survey for employment/compensation data

UPSC Angle — Prelims & GS-3: MoSPI conducts GDP estimation; the National Statistical Office (NSO) is within MoSPI. India's first GDP estimates were published in 1948-49. The GDP deflator (used in national accounts) differs from CPI/WPI. For Prelims: know which ministry does what — MoSPI for statistics, Finance Ministry for budget.

UPSC RELEVANCE

MoSPI, NSO, GDP base year 2022-23, double deflation, SNA 2008, MCA21 database.

MAINS GS-3:

GDP measurement methodology, base year significance, India's growth measurement challenges, informal sector coverage.

★ FACTS CORNER — KNOWLEDGEPEDIA

GDP BASE YEAR REVISION — CORE DATA:

New base year: **2022-23** (earlier: 2011-12)

Announced by: **MoSPI** (Ministry of Statistics & Programme Implementation)

Real GDP growth 2023-24: **7.6%**

Nominal GDP 2023-24: ~₹295 lakh crore (~\$3.57 trillion)

Fiscal deficit (revised): **4.5% of GDP**

Government debt to GDP: **58.1%**

METHODOLOGY CHANGE:

Old method: **Single deflation** (one price index for both output and inputs)

New method: **Double deflation** (separate deflators for output and intermediate inputs)

Framework: **SNA 2008** (UN System of National Accounts 2008)

Why double deflation: More accurate real value-added measurement at industry level

DATA SOURCES USED:

MCA21: Ministry of Corporate Affairs company database

NSS Enterprise Surveys: Informal/unorganised sector coverage

GSTN: GST Network transaction data

PLFS: Periodic Labour Force Survey

BASE YEAR REVISION HISTORY:

1950-51 → 1960-61 → 1970-71 → 1980-81 → 1993-94 → 1999-2000 → 2004-05 → 2011-12 → **2022-23**

SNA 2008 KEY FEATURES:

R&D treated as capital investment (not expense)

Improved FISIM (financial intermediation measurement)

Better informal sector coverage

Joint standard: UN + IMF + World Bank + OECD + Eurostat

OTHER RELEVANT FACTS:

GDP deflator ≠ CPI or WPI; it covers all goods/services in GDP

First national income estimate (India): **Dadabhai Naoroji (1867-68)**; first scientific estimate: **V.K.R.V. Rao (1931-32)**

National Statistical Commission (NSC): statutory advisory body for statistics; chair ≠ Chief Statistician

Chief Statistician of India = Secretary, MoSPI

Base year revision ≠ GDP rebasing; rebasing updates price weights; methodology revision changes estimation techniques

Sources: [MoSPI](#), [Drishti IAS](#), [PIB](#)

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