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**EDITORIAL ANALYSIS**

# New GDP Series — India's 2022-23 Base Year Revision and What It Changes

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**SUBJECTS COVERED****ECONOMY****GS PAPERS****GS3****CURATED & WRITTEN BY****Bharat Choudhary**

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# New GDP Series — India's 2022-23 Base Year Revision and What It Changes

The Hindu 20 March 2026

GS3

**TH** The Hindu

MAINS RELEVANCE: **GS Paper 3**



## INTERVIEW ANGLE

*"India's new GDP series shows a 3-4% lower absolute size than the old series. Does a lower GDP figure mean the economy is actually weaker? How do base year revisions affect policy, investor confidence, and India's global economic ranking?"*

## WHY IN NEWS

The National Statistical Office (NSO) released India's new GDP series with **base year 2022-23** on February 27, 2026 — replacing the decade-old 2011-12 base — with revised estimates showing India as a **\$3.8 trillion economy**, approximately 3–4% lower than prior estimates using the old series.

## WHAT IS A GDP BASE YEAR REVISION?

A **base year** in national accounting is the reference year against which all price changes, sectoral weights, and economic volumes are measured. The base year is changed periodically to:

**Reflect structural changes** in the economy — new industries, services, and consumption patterns since the last base year

**Incorporate better data sources** — new surveys, administrative data (GST, MCA21, PLFS)

**Align with international standards** — UN System of National Accounts (SNA 2008)

### India's GDP base year history:

1948-49 → 1960-61 → 1970-71 → 1980-81 → 1993-94 → **2004-05** → **2011-12** → **2022-23** (current)

The **2011-12 to 2022-23** shift is the latest in this series — necessitated by the COVID-19 disruption (which made 2011-12 a structurally unrepresentative base) and a decade of major economic reforms (GST, IBC, PLI, PMJAY).

## THE REVISED NUMBERS

Year	Old Series (2011-12 base)	New Series (2022-23 base)	Difference
2022-23	₹~269 lakh crore	<b>₹261.18 lakh crore</b>	~3% lower
2023-24	₹~300 lakh crore	<b>₹289.84 lakh crore</b>	~3.4% lower
2024-25 (Advance Estimate)	—	<b>₹318.07 lakh crore</b>	New estimate

**Implication:** India's economy is measured at approximately **\$3.8 trillion** (2024-25) under the new series — still the **5th largest in the world** (nominal USD), behind USA, China, Germany, Japan. However, some projections that placed India overtaking Germany/Japan by specific dates may need revision.

**Growth rates remain broadly similar** — the revision mainly affects **levels** (absolute size), not the directional growth trajectory.

## KEY METHODOLOGICAL IMPROVEMENTS

The new series incorporates several data and measurement upgrades:

### 1. MULTI-ACTIVITY ENTERPRISE SEGREGATION

Previously, large diversified enterprises (conglomerates) were classified under their primary activity. The new series disaggregates their output by activity — giving more precise GVA (Gross Value Added) allocation to manufacturing, services, and trade sub-sectors separately.

### 2. PLFS INTEGRATION (REPLACING STATIC HOUSEHOLD EXTRAPOLATIONS)

The old series used static extrapolations for the household/unorganised sector based on old NSS surveys. The new series integrates annual **Periodic Labour Force Survey (PLFS)** data — capturing real changes in the informal economy more dynamically.

### 3. GST DATA INTEGRATION

Post-July 2017, GST filing data provides near-real-time coverage of formal sector transactions. The new series fully integrates GST return data (GSTR-1, GSTR-3B) for estimating value added in trade and manufacturing.

### 4. BETTER INFORMAL SECTOR CAPTURE

The enterprise surveys (6th Economic Census data, MSME surveys) provide more granular coverage of small businesses, street vendors, and the unorganised sector.

### 5. SECTOR REWEIGHTING

The relative weights of sectors in the economy have changed substantially since 2011-12:

**Manufacturing:** Strong growth — 12.7% in 2023-24, 9.3% in 2024-25

**Tertiary sector:** Now **52.9%** of GVA (up from ~50% in 2011-12)

**Agriculture:** Still ~15% of GVA but 44% of employment — structural gap persists

## THE REMAINING CHALLENGES

The Hindu editorial flags three unresolved challenges:

### 1. STATE-LEVEL GVA ALLOCATION PROBLEM

National-level private corporate GVA cannot be precisely allocated across states because **Ministry of Corporate Affairs (MCA)** company data does not have geographic breakdowns for multi-state operations. The NSO uses proxy variables (ASI data for manufacturing states, GST data by GSTIN location) — but these proxies introduce estimation error at the state GDP level.

### 2. INFORMAL ECONOMY MEASUREMENT GAP

Despite PLFS improvements, the **unorganised sector** — which employs ~90% of India's workforce — remains imprecisely measured. Demonetisation (2016), GST formalization (2017–onwards), and COVID-19 (2020–21) all caused significant structural shifts in informal employment that surveys may still undercount.

### 3. INTERNATIONAL COMPARABILITY LAG

While NSO has moved toward SNA 2008, full implementation of **SNA 2025** (the latest revision) is pending. This affects comparability with advanced economies that have already adopted newer standards.

## THE EDITORIAL'S CORE ARGUMENT

The Hindu argues that the new GDP series is a **statistical advancement but not a cause for complacency**:

**Lower absolute size is not weakness** — It reflects better measurement, not economic decline. The 3-4% revision is within the expected range for a base year shift and does not change India's fundamental growth trajectory.

**The methodology gap matters more than the number** — India's state-level GDP estimates remain methodologically weaker than national estimates. Better disaggregated data collection (enterprise surveys, property registers, satellite-based land use data) is needed to bring state GDP measurement up to national standards.

**Policy uses of GDP need recalibration** — Several fiscal rules (FRBM debt-to-GDP targets, state borrowing limits) are anchored to GDP denominators. A 3-4% lower GDP series means **debt-to-GDP ratios** will appear slightly higher. Parliament and FRBM reviewers need to account for this when

setting fiscal consolidation targets.

**Data quality is a governance issue** — Accurate GDP measurement requires timely, high-quality administrative data. The slowdown in the Economic Census (last completed in 2013-14; 7th Economic Census has been repeatedly delayed) is a systemic weakness in India’s statistical infrastructure.

## INDIA’S STATISTICAL SYSTEM — KEY BODIES

Body	Role
<b>National Statistical Office (NSO)</b>	Apex body for national accounts; conducts PLFS, HCE survey, ASI; publishes GDP estimates
<b>Central Statistics Office (CSO)</b>	Merged into NSO in 2019
<b>MOSPI</b>	Ministry of Statistics and Programme Implementation — nodal ministry
<b>RBI</b>	Publishes complementary macroeconomic data, balance of payments, monetary aggregates
<b>NSSO (National Sample Survey Office)</b>	Now merged into NSO; conducts household surveys
<b>NCA (National Commission on Agriculture)</b>	Agricultural data inputs

**National Statistical Commission (NSC):** Statutory body (2005) to oversee statistical standards — its recommendations are non-binding, which has been a source of criticism regarding data independence.

## UPSC RELEVANCE

*GDP base year history (2011-12 → 2022-23), NSO (National Statistical Office), MOSPI, PLFS (Periodic Labour Force Survey), GVA vs GDP distinction, SNA 2008, India’s GDP rank (5th globally, nominal), India’s GDP 2024-25 (~₹318 lakh crore / \$3.8 trillion), sectoral weights (tertiary 52.9%).*

**Mains GS3:** National income accounting — GDP, GVA, base year methodology, informal sector measurement, statistical infrastructure, FRBM targets, fiscal implications of GDP revision, India’s statistical system (NSO, NSC, MOSPI), state GDP estimation challenges.

**★ FACTS CORNER — KNOWLEDGEPEDIA**
**NEW GDP SERIES (2022-23 BASE):**

Released by: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI)

Release date: February 27, 2026

India's GDP 2022-23 (new series): ₹261.18 lakh crore

India's GDP 2023-24 (new series): ₹289.84 lakh crore

India's GDP 2024-25 (Advance Estimate, new series): ₹318.07 lakh crore (~\$3.8 trillion)

Revision from old series: ~3-4% lower (absolute level)

India's global GDP rank: 5th (nominal USD) — after USA, China, Germany, Japan

**SECTORAL COMPOSITION (2024-25, NEW SERIES):**

Tertiary sector (services): 52.9% of GVA

Manufacturing growth: 12.7% (2023-24), 9.3% (2024-25)

Agriculture: ~15% of GVA; ~44% of employment

**KEY METHODOLOGICAL CHANGES:**

Multi-activity enterprise segregation (more precise GVA allocation)

Annual PLFS data replacing static household extrapolations

Full GST data integration (GSTR-1, GSTR-3B)

Better MSME/informal sector coverage via 6th Economic Census data

**INDIA'S GDP BASE YEAR HISTORY:**

1948-49 → 1960-61 → 1970-71 → 1980-81 → 1993-94 → 2004-05 → 2011-12 → 2022-23

**INDIA'S STATISTICAL BODIES:**

NSO (National Statistical Office): Apex body; merged CSO + NSSO (2019); under MOSPI

National Statistical Commission (NSC): Statutory body (est. 2005); non-binding recommendations

PLFS: Annual survey of employment and wages; launched 2017-18

Economic Census: Last completed 2013-14 (6th); 7th repeatedly delayed

**INTERNATIONAL STANDARDS:**

SNA 2008: UN System of National Accounts — India now aligned

SNA 2025: Newest revision — India yet to implement

**OTHER RELEVANT FACTS:**

FRBM Act 2003: Fiscal Responsibility and Budget Management — targets anchored to GDP denominator

MCA21 database: Ministry of Corporate Affairs company filings — key data source for formal sector

India's informal employment: ~90% of total workforce — hardest to measure accurately

PPP GDP: India is 3rd largest (after USA and China) in purchasing power parity terms

Sources: The Hindu, MOSPI, India Briefing



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