

New method of GDP computation

96. SHRI ANANDA BHASKAR RAPOLU: Will the Minister of FINANCE be pleased to state:

(a) what are the changes in the method of measuring Gross Domestic Product and variation from base years of 2004- 05 and 2011-12;

(b) what are the variations in the projected GDP numbers, since 2011-12 based on the new method with market prices instead of old method of factor cost; and

(c) what are the policy implications following the new model of GDP measurement and how relevant the new method in comparison with the Global Assessments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) The major changes in the estimation of national income, introduced in the new series of national accounts with base year 2011-12, include the following:

- (i) Headline growth rate will be measured by growth rate in Gross Domestic Product (GDP) at constant market prices, henceforth referred to as 'GDP'. Earlier, growth was measured in terms of growth rate in GDP at factor cost at constant prices.
- (ii) Sector-wise estimates of Gross Value Added (GV A) will be given at basic prices instead of factor cost.
- (iii) Comprehensive coverage of corporate sector in manufacturing and services by incorporating information from the e-governance initiative of Ministry of Corporate Affairs, MCA21.
- (iv) Comprehensive coverage of financial sector by including information from accounts of stock brokers, stock exchanges, asset management companies, mutual funds, pension funds and regulatory bodies.
- (v) Improved coverage of activities of local bodies and autonomous institutions.

(b) The following table gives the comparison of the estimates of GVA at factor cost and GDP at current market prices in the old (2004-05) series and new (2011-12) series (values in ₹ lakh crore).

Year	Old (2004-05 series)	New (2011-12 Series)	Deviation from 2004-05 series (in per cent)
Gross Value Added at factor cost			
2011-12	83.9	82.1	-2.2
2012-13	93.9	92.6	-1.3
2013-14	104.7	104.9	0.2
Gross Domestic Product at market prices			
2011-12	90.1	88.3	-2.0
2012-13	101.1	99.9	-1.2
2013-14	113.6	113.5	-0.1

(c) The numbers of GDP and growth, released under the new series, revealed that the economy has been growing at faster rate since 2012-13 than indicated by the old (2004-05) series, making room for greater flexibility in macroeconomic policy. The methodology adopted in compilation of new series of national income conforms to the internationally accepted standards. Recommendations laid under the System of National Accounts 2008 have been incorporated in the 2011-12 series to the extent of data availability.

Bank accounts for minors

97. SHRI GULAM RASOOL BALLYAWI: Will the Minister of FINANCE be pleased to state:

- (a) whether minors are allowed to have bank accounts in their own names;
- (b) if so, the details thereof; and
- (c) the details of the formalities require to be completed for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) Reserve Bank of India (RBI) advised the banks to allow minors' accounts (fixed, savings and recurring deposits accounts) with mothers as guardians to be opened subject to safeguards in allowing operations in such accounts by ensuring that the minors' accounts opened with guardian are not allowed to be overdrawn and that these always remain in credit.

With a view to promote the objective of financial inclusion and also to bring uniformity among banks in opening and operating minors' accounts, banks are advised as under: