

Estimation of Balanced GDP via Reconciliation in SUT- Indian Experience

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Abstract

All product-wise statistical discrepancies are to be reconciled in the balancing of Supply and Use Table (SUT). Reconciled SUT provides estimate of a balanced gross domestic product (GDP) that is unique whether judged from production or final expenditure approach. This balanced GDP is used as a proxy for income in the sequence of accounts of 2008 System of National Accounts (SNA) where there is no place for statistical discrepancies in any of the income accounts.

The present paper discusses the points for SUT reconciliation exercise in the Indian context where though the estimates of private final consumption expenditure, fixed capital formation, and basic materials in construction are obtained by commodity flow approach but still reconciliation is cumbersome. Also challenges in obtaining a balanced GDP estimate at regional level are discussed.

Key Words: Product-wise reconciliation, SUT, 2008 SNA, GDP, Commodity flow approach, PFCE, GFCF, Regional SUT