

Title: *Impact of SNA 1993 on India's National Accounting System and Potential Implications of the Revised SNA*

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The annual national accounts of India are presently compiled by the CSO following a mix of SNA 1968 and SNA 1993. The CSO compiles the input-output tables once every 5 years, and the quarterly GDP estimates by economic activity with a timeliness of two months, excepting first quarter which has a timeliness of three months.

The CSO has revised the base year of its national accounts to 1999-2000 in January, 2006 and in this revision exercises, it has incorporated several features of 1993 SNA. The production boundary and the asset boundary of India's national accounts are close to the 1993 SNA recommendations, with some marginal exceptions. India is in Phase-3 of the ISWGNA's six Milestones in the Implementation of 1993 SNA at present. India meets the ISWGNA's minimum requirement for implementation of the 1993 SNA, but falls short of recommended compilations in respect of (i) quarterly expenditures of GDP at current and constant prices, and (ii) annual supply and use tables.

The CSO has plans to compile integrated accounts of all institutional sectors upto capital accounts, the annual supply use tables and quarterly expenditures of GDP at current and constant prices, by March, 2007. The CSO also has plans to compile expenditure data as per the functional classifications, COICOP and COFOG by the same time. This will bring Indian national accounts system to reach the level of Phase 4 of milestones and the recommended compilations of 1993 SNA. There are no immediate plans to compile accounts listed in Phase 5 and Phase 6 of the Milestones.

The main concern in the implementation of 1993 SNA has been the availability of detailed data on income and expenditures of various institutional sectors. India also has large informal or unorganized or household sector and data on this is available only periodically. Lack of a comprehensive business register is also a problem area for launching regular economy wide surveys in the country. However, the CSO is taking measures to switch over to the 1993 SNA by looking at alternative available data sets. The CSO is also keen to implement the 1993 SNA update issues coming under the purview of production, income and capital accounts, as early as possible in consultation with the major data source agencies, such as the Reserve Bank of India.