

Release of Uniform Guideline for Compilation of Gross State Value Added (GSVA) Estimates with Base Year 2022-23

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The Ministry of Statistics and Programme Implementation (MoSPI) has updated the base year of the National Accounts to 2022–23. This revision aims to more accurately capture the current structure of the economy by incorporating modern data sources and improved estimation practices with evolving international standards. In line with this change, States and Union Territories are required to adopt the new base year for compilation of Gross State Domestic Product (GSDP), ensuring greater accuracy, consistency and comparability in assessing regional economic performance.

To guide this transition, the Advisory Committee on National Accounts Statistics (ACNAS) formed a Sub-Committee on Regional Accounts, chaired by Prof. Ravindra H. Dholakia, Former Professor at IIM Ahmedabad, with members from State Governments, the Reserve Bank of India (RBI), NITI Aayog, Academia and Research Institutions. Its mandate is to review concepts, methodologies and emerging data sources for compiling State Domestic Product (SDP) and District Domestic Product (DDP).

The key priorities in compiling Gross State Value Added (GSVA) and GSDP ($\text{GSDP} = \text{GSVA} + \text{Net Taxes on Products}$) are:

- **Expanding data integration:** Incorporating administrative records, sectoral databases, and survey inputs to improve coverage and reliability.
- **Refining methodologies:** Updating estimation techniques to better reflect the evolving economy, especially in emerging service sectors and unincorporated enterprises.
- **Ensuring alignment with national aggregates:** Maintaining consistency between national and state-level estimates to strengthen comparability with national aggregates.
- **Standardizing practices:** Promoting uniform, transparent and comparable methods across States and UTs for Regional Accounts Statistics.

GSDP is essential for measuring the economic performance of individual States. It serves as the primary indicator for analyzing the sectoral growth in State and industrial output, enabling effective fiscal planning, tax collection and competitive development among States.

GSDP is a critical metric in India's fiscal federalism structure. GSDP is extensively used by the Ministry of Finance, Finance Commission, Comptroller and Auditor General (CAG) and other stakeholders for fiscal devolution, policy formulation, resource allocation, budgeting, performance assessment and inter-state comparisons.

In particular, the Finance Commission utilizes GSDP estimates to assess the fiscal capacity and relative economic position of States while recommending the distribution of Central taxes among them. Indicators such as per capita GSDP Distance from the average of top three highest per capita GSDP States, are

important criteria in determining tax devolution and promoting balanced regional development and fiscal equity.

Further, Department of Expenditure (DoE), Ministry of Finance uses GSDP estimates for fixing the borrowing limits of States under the fiscal responsibility framework, as the permissible borrowing ceiling is generally determined as a percentage of GSDP.

At present, 34 States/UTs are compiling GSDP estimates with base year 2011-12, except Lakshadweep and Dadra & Nagar Haveli and Daman & Diu (DNH&DD). In the new series with base year 2022-23, MoSPI is making concerted efforts to onboard all States/UTs, including Lakshadweep and DNH&DD, to ensure complete national coverage and uniformity in the compilation of Regional Accounts Statistics.

The draft guideline for compilation of GSVA was placed on the website of the Ministry of Statistics and Programme Implementation (MoSPI) on 7th April, 2026 for wider dissemination and stakeholders feedback up to 27th April, 2026. Based on the comments and suggestions received, the Uniform Guideline for the compilation of Gross State Value Added (GSVA) with Base Year 2022-23 has been finalized. This guideline will provide a standardized framework aimed at ensuring consistency, reliability and comparability of State-level estimates across all States/UTs.

The final Guideline is now available on the official website of MoSPI (<https://www.mospi.gov.in/product/more/6-Documents>).

Samrat/Pranab

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