

New GDP Series with Base Year 2022–23 Reflects the Evolving Dynamics of the Indian Economy

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India's new series of Gross Domestic Product (GDP) marks a significant advancement in its National Statistical System. India's MOSPI (Ministry of Statistics and Programme Implementation) has revised the base year from 2011-12 to 2022-23 to provide a more accurate picture of India's growth and development.

The revision integrates improved methodologies, expanded data sources and updated sectoral weights to better reflect the evolving structure of the Indian economy. The new series includes both annual and quarterly estimates of GDP and Gross Value Added (GVA), offering policy-makers, researchers and businesses a more comprehensive framework for analysing economic trends and growth patterns. India has experienced a major transformation over the past decade, driven by faster procedures enabled by technological progress, digital processes and innovation. The new series is significant in light of these economic changes. It captures all such developments and more precisely reflects the national accounts.

Why Revising the Base Year Matters

Updating the base year for national accounts is a globally accepted statistical practice followed by most countries. As economies evolve, changes occur in production structures, consumption behaviour, technology adoption and relative price levels. Without periodic revisions, GDP estimates may fail to accurately reflect the real structure and scale of economic activity.

India's previous base year revision occurred in 2015, when the base year was updated from 2004–05 to 2011–12. Since then, the country has experienced significant economic changes. The rapid growth of digital services, the expansion of online commerce, the increasing use of financial technology and the emergence of new industries have greatly transformed the economic landscape. The adoption of 2022–23 as the new base year is especially appropriate. That year reflects a relatively normal economic period following the disruptions caused by the COVID-19 pandemic and benefits from the availability of extensive digital and administrative datasets across sectors. By selecting this base year, statisticians can better capture current economic trends and incorporate more comprehensive information into GDP estimation.

Capturing India's Emerging Growth Drivers

One of the key contributions of the new GDP series is that it more accurately captures the transformation of the Indian economy over the past decade. India is increasingly transitioning toward a technology-driven, knowledge-based economy, where digital platforms, innovation ecosystems, artificial intelligence and start-up entrepreneurship play an expanding role in creating economic value.

The government of India has launched various initiatives such as Digital India, UPI and the widespread digital payment system. The Aadhar has facilitated and accelerated digitalisation processes in the economy. These platforms have recorded millions of transactions and brought breakthroughs in consumer services, improved financial inclusion and strengthened business operations. New economic opportunities have emerged significantly through digital services, fintech platforms and e-commerce, marking major progress in economic transactions.

At the same time, India has become one of the world's leading start-up ecosystems, hosting thousands of technology-driven companies operating in sectors such as artificial intelligence, biotechnology, financial technology, logistics and online marketplaces. Venture capital investments, innovation hubs and research-driven entrepreneurship are transforming the landscape of economic production and value creation.

The revised GDP series, with 2022–23 as the base year, allows the national accounts to better capture these structural shifts. Enhanced data sources, more detailed sectoral classifications and advanced estimation techniques facilitate more effective measurement of emerging sectors. Consequently, the updated base year provides a more accurate picture of India's growth trajectory, including the increasing influence of digitalisation, innovation, artificial intelligence and start-up ecosystems on the economy.

Revised Growth Projections and Economic Momentum

The new GDP series also offers updated estimates of India's economic performance, reaffirming the resilience and strength of the Indian economy. According to the revised data, real GDP for FY 2025–26 is estimated at ₹322.58 lakh crore, compared to ₹299.89 lakh crore in FY 2024–25. This results in a real GDP

growth rate of 7.6 per cent in FY 2025–26, slightly higher than the 7.1 per cent growth recorded in FY 2024–25. Nominal GDP at current prices is projected to reach ₹345.47 lakh crore in FY 2025–26, up from ₹318.07 lakh crore in FY 2024–25, indicating an 8.6 per cent increase. These figures highlight the sustained growth of economic activity and the resilience of domestic demand even amidst global uncertainties.

Quarterly estimates also emphasise ongoing economic momentum. In the third quarter of FY 2025–26 (October–December), real GDP is forecasted at ₹84.54 lakh crore, with a 7.8 per cent year-on-year growth, while nominal GDP rose by 8.9 per cent in the same period. The robust quarterly results reflect resilient consumption demand, increasing investment activity and strong growth in the services sector.

Looking ahead, economic prospects remain optimistic, with growth for FY 2026–27 projected to range between 7 and 7.4 per cent, supported by strong domestic demand, increased investment activity and the continued strength of the services sector. These projections indicate that India's economic growth continues to be broad-based and resilient, even amid changing global economic conditions.

Deeper Insights from the New GDP Series

The new GDP series provides deeper insights into the main factors influencing India's growth. The base-year nominal GDP for FY 2022–23 is set at ₹261.18 lakh crore, offering a stable benchmark for future estimates. Real GDP for FY 2023–24 has been adjusted to ₹280.01 lakh crore, with a growth rate of 7.2 per cent, while nominal GDP has increased to ₹289.84 lakh crore, up 11 per cent despite global economic challenges. For FY 2024–25, real GDP is projected at ₹299.89 lakh crore, growing by 7.1 per cent, with nominal GDP reaching ₹318.07 lakh crore, reflecting a 9.7 per cent growth.

Structural Composition of the Indian Economy

The revised GDP series also offers valuable insights into the sectoral makeup of the Indian economy. The services sector remains the largest contributor to economic activity, accounting for more than half of the country's Gross Value Added. This highlights the ongoing growth of sectors such as information technology services, finance, trade, transport, communication, tourism and professional services.

The secondary sector, which covers manufacturing, construction, electricity and utilities, makes up about a quarter of the country's economic output. Manufacturing has grown stronger in recent years thanks to policy initiatives like the Production Linked Incentive (PLI) schemes, increasing domestic demand and greater integration with global supply chains.

The primary sector, including agriculture, forestry and fishing, continues to play a vital role in India's economy,

contributing about one-fifth of the total GVA. Although agricultural growth remains relatively modest compared to other sectors, it remains essential for food security and rural livelihoods.

Strengthening the statistical framework

A major highlight of the new GDP series is the significant improvement in the statistical framework for measuring economic activity. Over the past decade, the availability of administrative and digital datasets has grown substantially, allowing statisticians to track economic activity more accurately.

The revised framework includes data from several modern administrative sources, such as Goods and Services Tax (GST) records, the Public Finance Management System (PFMS) and the e-Vahan vehicle registration database. These datasets offer valuable insights into economic transactions and allow for more precise measurement of sectoral activity.

The methodology also includes improvements, such as double deflation for manufacturing sectors and more detailed industry-level price deflators, that enhance the accuracy of constant-price estimates and provide a better measure of real economic growth.

Additionally, surveys such as the Annual Survey of Unincorporated Sector Enterprises (ASUSE) and the Periodic Labour Force Survey (PLFS) help improve estimates of activities in the informal and household sectors. Since a significant part of India's economy operates outside the formal corporate sector, these surveys are vital for ensuring that national accounts accurately reflect the full extent of economic activity.

Consumption, Savings and Investment Patterns

The revised national accounts also offer insights into the changing structure of consumption, savings and investment in India. Private Final Consumption Expenditure (PFCE) remains the largest part of GDP, making up nearly 56 per cent of total GDP, highlighting the significance of domestic demand as the main force behind economic growth.

Government consumption has also steadily grown in recent years, particularly in sectors such as infrastructure development, healthcare, education and social welfare programs. Public investment in infrastructure has been crucial in stimulating economic activity and improving connectivity across regions.

Investment activity also remains robust. Gross Capital Formation reached ₹109.25 lakh crore in FY 2024–25, reflecting ongoing investments in infrastructure, manufacturing capacity and the expansion of the services sector. High investment levels are essential for maintaining long-term economic growth and increasing productivity.

Households continue to play a vital role in India's savings system. With over 62 percent of total savings coming from households, domestic savings remain a key source of funding for investment and economic growth.

A Clearer Picture of India's Growth Trajectory

The introduction of the GDP series with 2022–23 as the base year marks a significant milestone in India's statistical and economic governance framework. By adopting improved methodologies, richer datasets and broader sectoral coverage, the revised series offers a more accurate view of India's changing economic landscape.

Most importantly, the new base year reflects the

transformation of the Indian economy led by digitalisation, innovation, artificial intelligence, start-up ecosystems and technology-enabled services. These emerging sectors are increasingly shaping the country's growth trajectory and will play a vital role in the coming decades.

With sustained GDP growth exceeding 7 per cent on average in the post-COVID years, strong domestic consumption, expanding investment and a rapidly growing digital economy, India continues to strengthen its position as one of the world's fastest-growing major economies. The updated statistical framework will thus be a vital tool for evidence-based policymaking and economic planning as India advances toward its long-term goal of becoming a "Viksit Bharat" or developed economy.

About Author



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