STUDY NOTES · BASIC CONCEPT

What is GDP new series? What is the latest data on latest series?

Indian Economy

26 Feb 2027

What?

The new GDP series refers to India's updated system for calculating Gross Domestic Product (GDP), officially released by the Ministry of Statistics and Programme Implementation (MoSPI) on February 27, 2026. This is the first major revision in over a decade, shifting the base year from 2011–12 to 2022–23.

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What Is a GDP Base Year and Why Change It?

- The base year is a reference period used to measure real (inflation-adjusted) economic growth. Prices from that year serve as the benchmark (index = 100) to calculate constant-price GDP, stripping out inflation effects.
- Base years are revised periodically (ideally every 5–10 years) to reflect structural changes in the economy — new industries, consumption patterns, technology, formalization, and data availability.
- The previous base year (2011–12) had become outdated due to major shifts like GST rollout (2017), digital economy boom, post-COVID recovery, renewable energy growth, and better informal sector coverage.

Why 2022–23 specifically?

- It was deemed a "recent normal year" (post-COVID normalization) with robust, comprehensive data across sectors.
- Recommended by the Advisory Committee on National Accounts Statistics (ACNAS) after consultations.
- Avoided distorted years (e.g., pandemic-affected 2020–21 or GST-transition years).

Key Changes in the New Series (Compared to 2011–12 Series)

The revision aims to make GDP estimates more accurate, comprehensive, and internationally aligned through:

- Updated data sources: Incorporates recent surveys, GST data, e-Vahan records, digital economy metrics, and better informal sector coverage.
- Improved methodology: Moves toward double deflation (separately adjusting input and output prices for more precise real value added).
- Revised sectoral weights: Reflects current economic structure (e.g., higher weight to services/digital sectors, manufacturing resilience).
- Enhanced coverage: Better capture of emerging areas like renewables, gig economy, and post-pandemic shifts.
- Back-series revision: Previous years' data will be recalculated (full back-series expected by December 2026).

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Impact on Recent Growth Figures

The new series generally shows higher growth rates in recent quarters/years due to updated weights and better data:

- Q3 FY26 (Oct–Dec 2025): 7.8% real GDP growth (first print under new series).
- Full FY26 estimate: 7.6% real GDP growth (upward revision from earlier ~7.0–7.4% under old series).
- Manufacturing and services emerged as stronger drivers.

Why It Matters?

- Provides a more realistic picture of India's current economy (faster post-pandemic recovery, digital/services-led growth).
- Helps policymakers, investors, and global agencies (IMF/World Bank) compare India more accurately.
- Signals India's ambition to remain the fastest-growing major economy.

India's economy grew by 7.8% in the third quarter (October–December 2025) of FY 2025–26, according to the first set of data released under the new GDP series with base year 2022–23 (replacing the old 2011–12 series). This figure comes from the Ministry of Statistics and Programme Implementation (MoSPI) / National Statistical Office (NSO) on February 27, 2026.

Key Figures from the New Series

- Real GDP growth (constant prices) in Q3 FY26: 7.8% YoY (up from 7.4% in Q3 FY25 under the old series).
- Nominal GDP growth: 8.9% (higher than the old series estimate of 8.1%).
- Real GVA (Gross Value Added at basic prices): 7.8% growth.
- Sequential comparison: Growth slowed from 8.4% in Q2 FY26 (July–September 2025, revised upward from 8.2% earlier).

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Full-Year FY26 Projection

- Real GDP growth for the entire FY 2025–26: 7.6% (revised upward from the earlier advance estimate of 7.4% under the old series).
- This positions India as the fastest-growing major economy globally.

Reasons for the Revision & New Series

The shift to base year 2022–23 incorporates:

- Updated data sources and improved coverage (better capturing informal sector, digital economy, and post-pandemic changes).
- Revised sector weights and deflators (price indices).
- Methodological upgrades for more accurate reflection of current economic structure.

The new series generally shows higher growth rates in recent quarters compared to the old one, though the underlying narrative of strong recovery remains consistent.

Sectoral Insights (from Available Reports)

- Manufacturing and construction were key drivers in Q3.
- Agriculture moderated (around 4–5%).
- Government spending and investment growth slowed somewhat, but private consumption showed strength (partly due to festive demand and GST rate cuts).

Market & Expert Reactions

- Stock markets reacted positively in early trade on February 27, with Nifty/Sensex up ~0.5–0.8%.
- Economists noted the 7.8% print was encouraging but attributed part of the jump to base effect, methodology, and data revisions.
- It reinforces India's resilience amid global slowdown concerns.

This is the first major release under the new base year, and backward revisions (back-series for previous years) are expected later in 2026.

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Detailed sector-wise GDP breakdown

1. India’s Q3 FY 2025–26 (October–December 2025) real GDP grew by 7.8% year-on-year under the new GDP series with base year 2022–23, as per the Ministry of Statistics and Programme Implementation (MoSPI) data released on February 27, 2026. This is the first major release under the revised series.
2. The detailed sector-wise breakdown is primarily available through Gross Value Added (GVA) at basic prices (constant 2022–23 prices), which grew 7.8% in Q3 FY26 (same as GDP growth rate in this quarter).

Sector-wise Real GVA Growth (Q3 FY26 vs Q3 FY25, constant prices)

Exact quarterly sector-wise GVA growth rates under the new series were not fully itemized in initial press releases, but key sectoral trends and drivers highlighted by MoSPI and reports include:

- Manufacturing — Major driver of growth; contributed significantly to the resilience (double-digit growth in some recent full-year periods, strong in Q3 as well, estimated in the 8–10% range based on momentum from Q2 and overall industrial push).

- Construction — Strong performance (around 8–9% range inferred from secondary sector strength).
- Mining & Quarrying — Positive contribution (around 6–7% range).
- Trade, Hotels, Transport, Communication & Services related to Broadcasting — Key services segment; registered robust growth (full-year trend shows 10.1% in FY26, Q3 likely in 8–10% band with festive demand support).
- Financial, Real Estate & Professional Services — Steady (around 7–9% range).
- Public Administration, Defence & Other Services — Strong (around 9–10% range in recent periods).
- Agriculture, Livestock, Forestry & Fishing — Moderated (around 4–5% range, impacted by uneven monsoon and base effects).
- Secondary Sector (overall) — Boosted growth (above 8–9% momentum).
- Tertiary Sector (overall) — Key driver (above 9% in recent full-year trends).

Full-Year FY 2025–26 Sectoral Insights (from MoSPI & reports)

- Manufacturing — Emerged as a major resilient driver; achieved double-digit growth in FY 2023–24 and again in FY 2025–26.
- Secondary & Tertiary Sectors — Each registered above 9% growth in FY 2025–26.
- Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting — 10.1% growth at constant prices for the full year.
- Primary Sector — Lower contribution (around 2–4% in recent estimates).

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Nominal GVA in Q3 grew 8.2%.

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- The new series (base 2022–23) shows higher growth estimates in recent quarters due to updated weights, better informal sector coverage, and improved deflators.
- Expenditure-side drivers: Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) both grew above 7% in FY26 trends.
- Full detailed sector-wise quarterly tables (with exact % for each sub-sector) are available in MoSPI's official press release and Excel files on mospi.gov.in (released February 27, 2026).

This data confirms India's position as the fastest-growing major economy, with manufacturing and services leading the momentum despite some moderation in agriculture and global headwinds.