



Centre plans to bring out city level GDP data

With urban India responsible for an increasingly large share of the national GDP, the Centre now hopes to bring out city-level GDP data.

- According to the Housing and Urban Affairs Ministry, this could help cities in generating investments and help municipal bodies to raise funds for their infrastructural needs.
- The Economist Intelligence Unit (EIU) carried out a feasibility study of various models to calculate city-level GDP and submitted its report to the Ministry.
- The EIU has recommended a top-down approach based on sectoral income data for the calculation of city-level GDP as it would balance detail and resource-effectiveness in the long term.
- However, it acknowledges that the data requirements may be too challenging and a top-down approach using household expenditure data may be more feasible in the short term.

Note:

The Economist Intelligence Unit (EIU), created in 1946, is the research and analysis division of The Economist Group and the world leader in global business intelligence.

- As per the government data, The urban sector is likely to account for 75% of India's GDP by 2020 which is an increase from 2011 when urban sector accounted for 60% of the national GDP.
- A recent study by Brookings Institution found that several Indian cities rank in the 300 global cities with the fastest GDP growth rate with Hyderabad (8.7%) and Surat (7.9%) growing at par with the fastest growing Chinese cities that dominate the list.
- The project if approved would likely to begin by the end of this year.

What is GDP?

- Gross Domestic Product (GDP) is the broadest quantitative measure of a nation's total economic activity.
- More specifically, GDP represents the monetary value of all goods and services produced within a nation's geographic borders over a specified period of time.