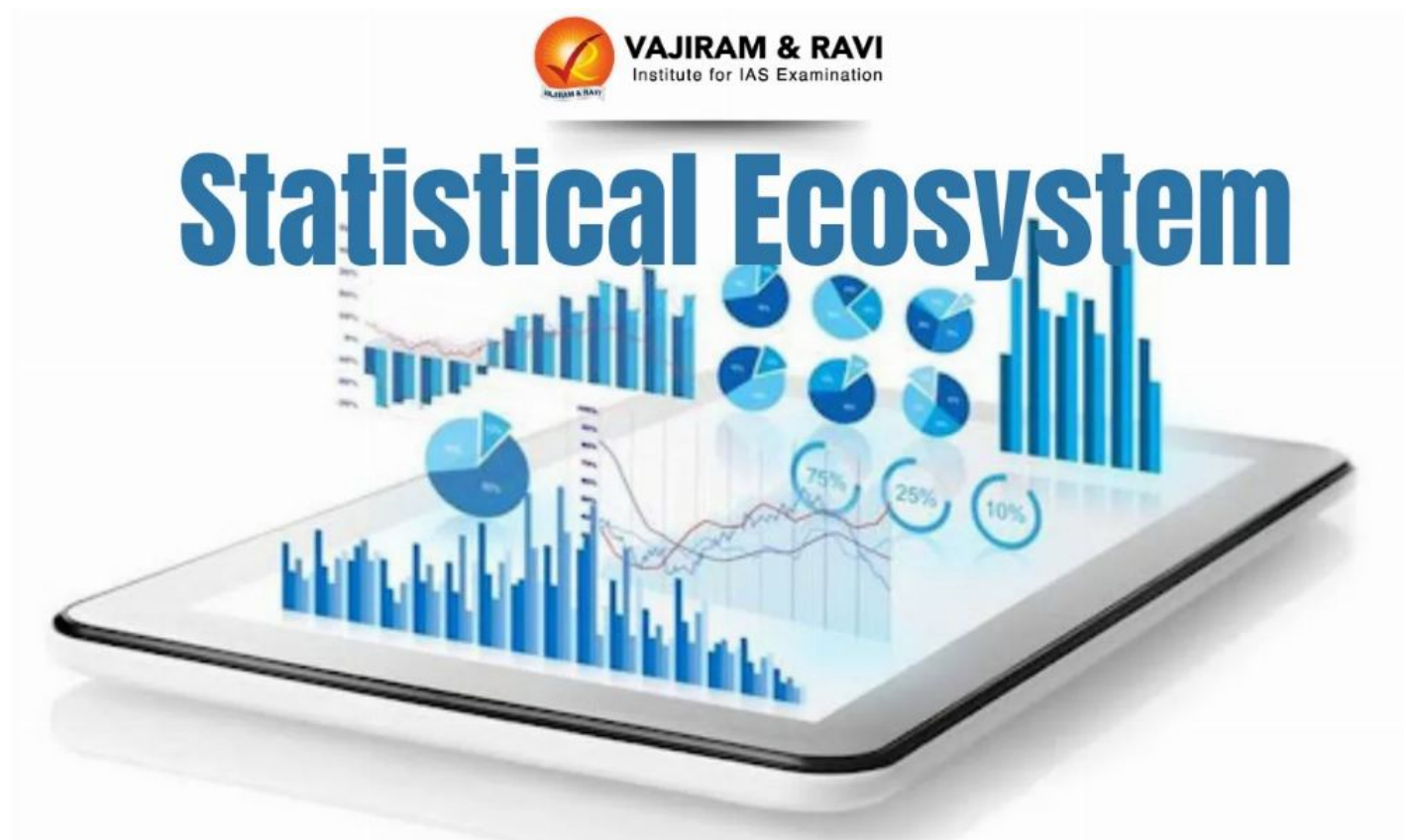


Strengthening India's Statistical Ecosystem - Explained

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Statistical Ecosystem Latest News

- The Ministry of Statistics and Programme Implementation has announced plans to use data from the Annual Survey of Unincorporated Sector Enterprises and the Periodic Labour Force Survey to develop a District Domestic Product (DDP) framework for more accurate, district-level economic estimation.

MoSPI to Use ASUSE and PLFS Surveys for Accurate District Domestic Product Estimation

- The **Ministry of Statistics and Programme Implementation (MoSPI)** has announced a significant step toward improving India's statistical architecture by integrating two major datasets to calculate the District Domestic Product:
 - The **Annual Survey of Unincorporated Sector Enterprises (ASUSE)** and
 - The **Periodic Labour Force Survey (PLFS)**
- This initiative aims to provide more accurate, district-level economic data and empower states to make evidence-based policy decisions.

Context: Strengthening India's Statistical Ecosystem

- At present, India's national and state-level **GDP** data often fail to capture regional variations within districts.
- Most District Domestic Product (DDP) estimates rely on **top-down allocation methods**, proportionately distributing state GDP based on outdated demographic indicators like population.
- This approach has long been criticised by experts who highlighted that the current method results in “near-identical growth rates for districts,” thus masking true inter-district disparities.
- Recognising this data gap, **MoSPI** announced that beginning **January 2025**, the ministry will work with state governments to introduce a **bottom-up estimation model** using detailed datasets from ASUSE and PLFS.

About ASUSE and PLFS

- **Annual Survey of Unincorporated Sector Enterprises (ASUSE)**
 - ASUSE captures detailed data on India's vast **unincorporated non-agricultural sector**, covering **manufacturing, trade, and services enterprises**, including households, micro, and small units.
 - This survey provides insights into the economic and operational characteristics of establishments that often remain outside the formal sector's purview.
 - Earlier released annually, ASUSE now provides **quarterly data** for enhanced frequency and granularity. It serves as a critical input for understanding local enterprise activity, investment, and value addition patterns.
- **Periodic Labour Force Survey (PLFS)**
 - PLFS is conducted by the **National Statistical Office (NSO)** to measure **employment, unemployment, and labor market participation** across rural and urban areas.
 - The survey is now conducted **monthly**, capturing dynamic trends in workforce participation, earnings, and occupational structures.
 - By combining ASUSE (enterprise data) and PLFS (labour data), the government aims to create a **comprehensive database of district-level economic activities**, bridging the enterprise and employment dimensions of local economies.

Purpose and Methodology for Estimating DDP

- The integration of ASUSE and PLFS will allow policymakers to **capture real economic activity at the district level** rather than relying on extrapolated state averages.
- Key features of the initiative include:
 - **Bottom-up estimation:** District-level data will be aggregated upward to form state and national accounts, reversing the current top-down allocation model.
 - **Dual-sector coverage:** The approach accounts for both **enterprise activity** (ASUSE) and **labour participation** (PLFS), ensuring holistic measurement of economic output.
 - **Policy collaboration:** MoSPI is working closely with state governments to align data collection frameworks with local administrative and planning needs.
 - **Inclusion of informal sector:** Since unincorporated enterprises and household-level activities form a large share of India's economy, the new methodology ensures that **informal sector output** is

adequately represented.

Complementary Statistical Initiatives

- The effort to refine DDP estimation is part of MoSPI's broader agenda to **modernise India's statistical system**. Several related initiatives are underway:
 - **Annual Survey of Service Sector Enterprises (ASSSE)**: To be launched in **January 2026**, this will capture the dynamics of **incorporated services** such as IT, financial services, and logistics.
 - **National Household Income Survey (NHIS)**: Scheduled for **February 2026**, it aims to measure income distribution, wealth, and inequality, complementing consumption and employment data.
 - **Expanded data accessibility**: MoSPI has identified over **250 datasets** for improved public access, including data from **GST, E-Vahan, and trade statistics**, to enrich national accounts and research capacity.

Significance of District Domestic Product (DDP)

- The DDP represents the **gross value added (GVA)** within a district's geographical boundaries.
- It serves as a **microeconomic counterpart** to the state's Gross State Domestic Product (GSDP).
- An accurate DDP framework can enable:
 - **Targeted policy interventions** by identifying lagging districts.
 - **Evidence-based fiscal planning** at local levels.
 - **Better assessment of regional inequality** and employment trends.
 - **Alignment with decentralised planning** under India's federal structure.
- The move also aligns with the government's vision of **Viksit Bharat @2047**, where data-driven governance is seen as central to inclusive development.

Challenges and the Way Forward

- While the initiative is promising, implementing district-level GDP estimation faces several challenges:
 - **Data reliability**: Unincorporated sector data can be difficult to capture consistently.
 - **Coordination with states**: States vary in statistical capacity and infrastructure.
 - **Avoiding double-counting**: Integrating enterprise and labour datasets requires precise harmonisation.
- Nonetheless, experts consider this reform a crucial step toward improving the **granularity, reliability, and timeliness of economic data** in India.
- With states like Maharashtra, Tamil Nadu, and Karnataka already experimenting with DDP frameworks, MoSPI's bottom-up model may soon standardise district-level measurement across the country.

Source: **IE** | **FE**

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