

# 'C-grade' for India's national account statistics: IMF evaluation shows India's new GDP series can't come fast enough

In 2023, the IMF had said India's GDP series with 2011-12 as the base year should be 'rebased as soon as feasible'.

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New Delhi | Updated: December 1, 2025 07:50 AM IST

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In its annual staff report for India for 2025, the International Monetary Fund (IMF) on Wednesday **retained its C-grade** for India's national account statistics, or GDP data, which means the data provided to the Fund have "some shortcomings that somewhat hamper surveillance". On Friday, the Ministry of Statistics and Programme Implementation (MoSPI) said India's GDP growth rate unexpectedly surged to a six-quarter high of 8.2 per cent in July-September from 7.8 per cent in April-June.

As is usually the case when economic data exceeds expectations – economists widely saw growth moderating to 7.3 per cent in the second quarter – questions have again been raised about what the GDP numbers really mean. But the IMF's assessment of India's official statistics also requires an explanation.

### Data adequacy assessment for surveillance

First things first: why is the IMF evaluating India's data?

The assessment is part of the multilateral agency's annual bilateral discussions with its members, which is required by Article IV of the IMF's Articles of Agreement. In these consultations, an IMF staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. A report is prepared following the consultations.

In its report for the 2025 Article IV consultation, the IMF staff said "enhanced quality, availability, and timeliness of macroeconomic and financial statistics would support policy formulation". While acknowledging the Indian government's ongoing effort to update key macroeconomic indicators such as GDP and the Consumer Price Index (CPI), IMF staff also made several suggestions: regular revisions of national accounts, prices, and other key statistics according to international best practices, conducting the population census on a priority basis, and timely provision of consolidated general government – Centre plus states – fiscal accounts, among others.

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The report also contained the Indian government's response, which was that work was ongoing to improve official statistics, with the new GDP and CPI series set to be launched in February 2026. "Given these developments, the authorities considered that more favorable ratings would be warranted in the staff's Data Adequacy Assessment for Surveillance, especially for the national accounts, including coverage and granularity," the report said.

Favourable ratings, however, were not forthcoming, with the IMF staff retaining all the grades from the 2024 Article IV consultation report. While national accounts received a C rating, the overall rating was a B due to the rest of the aspects – prices, government finance statistics, external sector statistics, monetary and financial statistics, and inter-sectoral consistency – all receiving Bs.

Ratings range from A to D. An A rating is given when the data is adequate for IMF surveillance, while B is used for data that has "some" shortcomings but is "broadly adequate". C rating is for data with "some" shortcomings which "somewhat hamper surveillance". Finally, a D rating is used when the data has "serious shortcomings that significantly hamper surveillance".

### What happened before 2024?

The IMF staff's current four-tier rating system is a fairly new development and was implemented only in 2024; as such, the B overall rating for India in the 2024 Article IV consultation report was the first time it had been given such a grade. Prior to that, in 2023, IMF staff had noted that India's data was "broadly adequate". This was the case for several years going back till 2016, when the agency had evaluated the data to be "adequate for surveillance".

It is worth recalling that the last time MoSPI updated the GDP series was in early 2015. The new growth numbers had confounded one and all, with even IMF staff noting in their 2015 report that "large revisions to historical series, the relatively short time span of the revised series, and major discrepancies between GDP by activity and GDP by expenditure complicate analysis".

Why has the IMF, over the years, felt the need to downgrade its assessment of India's official statistics? For one, it has repeatedly pointed out deficiencies that required a resolution. Consider what the agency said in its 2023 report – when no grades were given – about India's GDP data: the series with 2011-12 as the base year is "outdated" and it should be "rebased as soon as feasible".

Another long-standing criticism in the IMF's report has been the use of Wholesale Price Index, and not a Producer Price Index, to deflate many economic activities while arriving at real GDP from nominal GDP.

### What happens next?

To be fair to Indian authorities, the IMF's latest annual report has come just months before MoSPI launches its new GDP series with 2022-23 as the base year. The first quarterly number under the new GDP series – which is expected to see changes in methodology and incorporate new sources of data – will be released on February 27, 2026 when data for October-December 2025 and the second advance estimate for 2025-26 as a whole will be published.

The new GDP series is part of a major statistical overhaul by MoSPI. Days before data under the new GDP series is published, the first CPI inflation number under the updated series will be released on February 12, 2026. Based on the Household Consumption Expenditure Survey for 2023-24 with 2024 as the base year, it will replace the current CPI series, which is based on the 2011-12 survey and has 2012 as the base year.

Some of the other updates include a revised Index of Industrial Production, also with 2022-23 as the base year. Meanwhile, the Reserve Bank of India is also planning to release Balance of Payments data – which includes the key current account balance metric – on a monthly basis in addition to the current quarterly practice.



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