PRESS RELEASE

PURCHASING POWER PARITIES AND THE SIZE OF INDIAN ECONOMY: RESULTS FROM THE 2017 INTERNATIONAL COMPARISON PROGRAM,

The World Bank has released new Purchasing Power Parities (PPPs) for reference year 2017, under International Comparison Program (ICP), that adjust for differences in the cost of living across economies of the World. Globally 176 economies participated in 2017 cycle of ICP.

2. The International Comparison Program (ICP) is the largest worldwide data-collection initiative, under the guidance of UN Statistical Commission (UNSC), with the goal of producing Purchasing Power Parities (PPPs) which are vital for converting measures of economic activities to be comparable across economies. Along with the PPPs, the ICP also produces Price Level Indices (PLI) and other regionally comparable aggregates of GDP expenditure.

3. India has participated in almost all ICP rounds since its inception in 1970. The Ministry of Statistics and Programme Implementation is National Implementing Agency (NIA) for India, which has the responsibility of planning, coordinating and implementing national ICP activities. India is also proud to have been a co-Chair of the ICP Governing Board along with Statistics Austria for the ICP 2017 cycle.

WORLDWIDE STATUS

4. The Purchasing Power Parities (PPPs) of Indian Rupee per US$ at Gross Domestic Product (GDP) level is now 20.65 in 2017 from 15.55 in 2011. The Exchange Rate of US Dollar to Indian Rupee is now 65.12 from 46.67 during same period. The Price Level Index (PLI)—the ratio of a PPP to its corresponding market exchange rate—is used to compare the price levels of economies, of India is 47.55 in 2017 from 42.99 in 2011.

5. In 2017, India retained and consolidated its global position, as the third largest economy, accounted for 6.7 percent ($8,051 billion out of World total of $119,547 billion) of global Gross Domestic Product (GDP) in terms of PPPs as against China (16.4%) and United States (16.3%), respectively. India is also third largest economy in
terms of its PPP-based share in global Actual Individual Consumption and Global Gross Capital Formation.

REGIONAL STATUS: ASIA-PACIFIC REGION

6. In 2017, India retained its regional position, as the second largest economy, accounted for 20.83% (HK$ 48,395 billion out of Asia-Pacific total of HK$ 232,344 billion) of Regional Gross Domestic Product (GDP) in terms of PPPs where China was at 50.76% (first) and Indonesia at 7.49% (third). India is also second largest economy in terms of its PPP-based share in regional Actual Individual Consumption and regional Gross Capital Formation.

7. Among 22 participating economies in Asia-Pacific region, the Purchasing Power Parities (PPPs) of Indian Rupee per Hong Kong Dollar (HK$) at Gross Domestic Product (GDP) level is now at 3.43 in 2017 from 2.97 in 2011. The Exchange Rate of Hong Kong Dollar to Indian Rupee is now at 8.36 from 6.00 during same period. The Price Level Index (PLI of India has is now at 64.00 in 2017 from 71.00 in 2011.

8. The ICP 2017 results are available on the ICP website and the World Bank’s Databank and Data Catalog. Revised results for 2011, the previous ICP reference year, were also released as well as estimates of annual PPPs for the period 2012-2016. The next ICP comparison will be conducted for reference year 2021.

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