

Economists sound warning over India data ahead of poll

MUMBAI: A group of more than 100 experts sounded a pre-election alarm Friday over Indian economic data, accusing Prime Minister Narendra Modi's government of tweaking or burying unwelcoming numbers.

Modi is vulnerable over his economic record in the polls starting on April 11, in particular a failure to meet promises to create enough jobs for the million Indians entering the labour market each month.

The warning comes after India's central bank chief quit in December in a spat over alleged government interference. His successor, a Modi ally, oversaw a economy-boosting cut in interest rates last month in his first monetary policy meeting.

The 108 economists and social scientists said in an open letter that Indian statistics were "under a cloud for being influenced and indeed even controlled by political considerations".

"(Any) statistics that cast an iota of doubt on the achievement of the government seem to get revised or suppressed on the basis of some questionable ideology," they said.

The opposition Congress party of Rahul Gandhi, who has called Modi's record on employment a "national disaster", jumped on the letter.

"How much more can this govt. embarrass us on a global level?," the party said on its official Twitter account.

Economists in fellow emerging Asian giant China and abroad have long suspected that data there is also massaged, often noting that full-year gross domestic product hits Beijing's pre-set targets with suspicious regularity.

'Highest in a decade!'

In 2015, the Indian Central Statistics Office (CSO) revised economic output numbers for past years, changing the base year and showing significantly faster — and questionable — growth rates.

The letter also questioned a revised growth rate of 8.2pc in 2016-17, "the highest in a decade!", that "seems to be at variance with the evidence marshalled by many economists".

That raised particular suspicion since it was when "demonetisation" — one of Modi's biggest and most derided economic policies when 86pc of banknotes were withdrawn — hit businesses hard.

This was followed in 2017 by the tardy rollout of a nationwide new Goods and Services Tax (GST), which has been praised by experts but which has had considerable teething problems.

The letter also noted that a major and overdue survey on employment has still not been released. Two senior statistics officials have resigned in protest at the delay.