

3. Household Consumer Expenditure Survey

Prelims Level: Economy

Mains: GS-II Indian Economy

Why in News?

- Govt has scrapped this year's NSOs Consumer Expenditure survey Over Data Quality.

Consumer Expenditure Survey:

- The Consumer Expenditure Survey (CES) is usually conducted at quinquennial intervals and the last survey on consumer expenditure was conducted in the 68th round (July 2011 to June 2012).
- It is conducted by National Statistical Office (NSO), MoSPI.
- It generates estimates of household Monthly Per Capita Consumer Expenditure (MPCE) and the distribution of households and persons over the MPCE classes.
- It is designed to collect information regarding expenditure on consumption of goods and services (food and non-food) consumed by households.
- The results, after release, are also used for rebasing of the GDP and other Macro-Economic Indicators.

Highlights of the 2018-19 survey:

- Consumer spending is falling and the report has been withheld due to its 'adverse' findings. There was a significant increase in the divergence in not only the levels in the consumption pattern but also the direction of the change when compared to the other administrative data sources like the actual production of Goods and Services.

Why is the Survey not Published?

- In view of the data quality issues, the Ministry has decided not to release the Consumer Expenditure Survey results of 2017-2018.
- Concerns were raised about the ability/sensitivity of the survey instrument to capture consumption of social services by households especially on health and education.
- The Advisory Committee on National Accounts Statistics has also separately recommended that for rebasing of the GDP series, 2017-18 is not an appropriate year to be used as the new base year.
- The MoSPI is separately examining the feasibility of conducting the next Consumer Expenditure Survey in 2020-2021 and 2021-22 after incorporating all data quality refinements in the survey process.

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- The survey allegedly showed that the average amount spent by an Indian in a month fell 3.7% to Rs 1,446 in 2017-18 from Rs 1,501 in 2011-12.
 - While consumer spending declined 8.8% in 2017-18 in India's villages, it rose 2% over six years in cities, it said.

