

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3028
ANSWERED ON:16.03.2001
AGRO INVESTMENT TO GDP
A. VENKATESH NAIK;RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether ratio of agro investment to GDP has gone down over the years;
- (b) if so, the comparative figures for the last three years;
- (c) whether the Economic Advisory Council of the Prime Minister has recommended that second generation reforms should focus on the agriculture sector;
- (d) if so, whether the Government propose to increase the investment ratio in this sector;
- (e) if so, upto what extent;
- (f) whether any incentive have been proposed to attract the investment towards the agro sector; and
- (g) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : During the seven year period 1993-94 to 1999-2000, the agricultural investment as percent of GDP was constant at 1.6 in the first three years, 1993-94 to 1995-96; declined in 1996-97 to 1.5 percent and to 1.4 percent thereafter during the next two years. However in 1999-2000 it rose again to 1.5 percent.

(c): The Economic Advisory Council of the Prime Minister has highlighted some specific areas that could form an agenda for second generation reforms such as removal of controls on movement and stocking of agricultural products across the country besides moving away from regulations and controls in sugar, fertilizers, milk processing, rice milling cotton etc.

(d) & (e) : Acceleration in agricultural investment is being pursued with vigour through the Rural Infrastructural Development Fund for taking up irrigation schemes and infrastructural projects; Accelerated Irrigation Benefit Programme for additional assistance to States for earlier completion of their large irrigation projects; and National Watershed Development Programme for developing watersheds in various parts of the country etc. Pradhan Mantri Gram Sadak Yojana just introduced would provide rural road connectivity to all habitations for which 50 percent cess on High Speed Diesel (HSD) would be utilised.

(f) & (g) : One of the major incentives for increasing diversification in agriculture and food processing is removal of excise on processed food products.