

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:365

ANSWERED ON:01.03.2002

GDP GROWTH

AJAY CHAKRABORTY;M.V.V.S MURTHI;MANIBHAI RAMJIBHAI CHAUDHARY;NANDIPAKU VENKATASWAMY;NAWAL KISHORE RAJ;SUSHIL KUMAR INDORA;T.M. SELVAGANAPATHI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central for Monitoring Indian Economic cuts (CMIE) GDP Growth to 5 per cent;
- (b) if so, the main factor responsible for the same; and
- (c) the corrective steps taken by Government in this regard?

Answer

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

(a),(b)&(c):The Center for Monitoring Indian Economy(CMIE) in its Press Release dated December 10, 2001 captioned 'CMIE cuts GDP growth to 5.7 per cent for 2001-02' has stated that the Indian economy is estimated to grow by 5.7 per cent during 2001-02 as against the earlier projection of 6 per cent. This downward revision in the growth of real GDP to 5.7 per cent for 2001-02 is based on lower estimated growth in the industrial sector at 3.5 per cent compared with its earlier projection of 4.5 per cent. However, the forecast for agricultural sector and services sectors remain broadly unchanged at 6.5 per cent and 6.6 per cent respectively. The various economic reforms measures undertaken by the Government in area of, industry, external sector and taxation etc. together with the reduction in the bank rate to 6.5 per cent and reduction and rationalisation in the cash reserve ratio for the banking system undertaken by the Reserve Bank of India are expected to have a favourable impact on growth.