

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5913
ANSWERED ON:02.05.2003
RECESSION IN INDIAN ECONOMY
RAMDAS ATHAWALE

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) Whether the recession in the world economy is likely to have serious impact on our economy, export and domestic market;
- (b) if so, the details in this regard; and
- (c) the remedial measures taken by the government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (b) & (c) : According to the latest World Economic Outlook (April 2003) of the International Monetary Fund (IMF), the Indian economy is expected to grow by 5.1 percent in 2003. This growth rate of the Indian economy will be higher than the projected growth rates for the world economy (3.2 percent), advanced economies (1.9 percent) and developing countries (5.0 percent). According to provisional estimates released by the Directorate General of Commercial Intelligence & Statistics (DGCIS), India's exports during 2002-03 grew at a robust rate of 18.05 percent (in US dollar terms). The domestic economy was also upbeat on account of buoyant performance by industry and services. The fundamentals of the economy have remained strong despite subdued growth of world trade and a weak global recovery. The latest Union Budget (2003-04), formulated against the backdrop of growing geo-political uncertainties and a sluggish global economic recovery, has announced initiatives for stimulating infrastructure development, agriculture, manufacturing sector efficiency and exports. These initiatives are expected to sustain and accelerate the growth momentum in the domestic economy.