

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:4018
ANSWERED ON:18.08.2010
ECONOMIC GROWTH RATE
Naranbhai Shri Kachhadia

Will the Minister of PLANNING be pleased to state:

- (a) whether the growth rate of country's economy is increasing;
- (b) if so, the details thereof;
- (c) whether it is a fact that the basis of growth in the country is industrial development in which service sector has also contributed significantly;
- (d) if so, the details thereof; and
- (e) the details of the contribution of service sector for significant inclusive growth of the country's economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V. NARAYANASAMY)

(a) to (d): The country's economy was on a high growth trajectory recording an annual growth rate of above 9 percent consecutively for three years from 2005-06 to 2007-08. This accelerated growth rate of the economy was due to an average annual growth rate of 8.9 percent in the industrial sector, 10.6 percent in the service sector and 4.5 percent in the agriculture sector during 2005-06 to 2007-08. However, the growth rate in 2008-09 decelerated to 6.7% on account of global slowdown and low growth rate in the agriculture sector. But the economy recovered in 2009-10 registering a growth rate of 7.4% with industry growing at 8.6% and services at 8.2%, as per the Revised Estimates of National Income released by the Central Statistical Organisation (CSO) on 31-05-2010.

(e): The services sector has grown impressively over the years and its share in GDP has increased from 53.1% in 2004-05 to 56.9% in 2009-10. The share of service sector in employment also increased from 28.5% in 2004-05 to 29.4% in 2006-07.