

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4502
ANSWERED ON:20.08.2010
GROWTH OF INDIAN ECONOMY
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Will the Minister of FINANCE be pleased to state:

- (a) the growth rate of the Gross Domestic Production of each of the 20 largest economies during the last two years and the current year;
- (b) the positions held by India and China amongst the 20 largest economies of the world;
- (c) whether Chinese economy has achieved faster growth rate in comparison to the Indian economy; and
- (d) if so, the details thereof and the reasons therefor alongwith the steps taken to accelerate the growth rate of India's economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): As per the International Monetary Fund (IMF) database of World Economic Outlook(WEO) 2010, the top twenty largest economies, in terms of gross domestic product (GDP), based on purchasing power parity (PPP) are given in the Table below, together with their GDP growth rate during the last two years and projections for the current year.

Table: GDP growth rate in top twenty largest economies during 2008, 2009 and 2010

	(per cent)			
S1 Country	2008	2009	2010	(Projection)
1. United States	0.4	(-)	2.4	3.3
2. China	9.6	9.1	10.5	
3. Japan	(-)	1.2	(-)	5.2 2.4
4. India	6.4	5.7	9.4	
5. Germany	1.2	(-)	4.9	1.4
6. United Kingdom	0.5	(-)	4.9	1.2
7 Russia	5.6	(-)	7.9	4.3
8. France	0.1	(-)	2.5	1.4
9. Brazil	5.1	(-)	0.2	7.1
10. Italy	(-)	1.3	(-)	5.0 0.9
11. Mexico	1.5	(-)	6.5	4.5
12. Korea	2.3	0.2	4.5	
13. Spain	0.9	(-)	3.6	(-) 0.4

14. Canada	0.5	(-)	2.5	3.6
15. Indonesia	6.0		4.5	6.0
16. Turkey	0.7	(-)	4.7	5.2
17. Australia	2.4		1.3	3.0
18. Islamic Republic of Iran	2.3		1.8	3.0
19. Taiwan Province of China	0.7	(-)	1.9	6.5
20. Poland	5.0		1.7	2.7

Source: IMF World Economic Outlook, April and July 2010

Among the top twenty largest economies, China is at the second position and India at the fourth position.

(c) & (d): As per the IMF WEO, July 2010, China achieved growth rate of 9.1 per cent in 2009, while the growth rate of India was 5.7 per cent.

The effect of global economic crisis has been minimal on the Indian economy vis-à-vis most other countries. An unimpaired financial system, large domestic market and fiscal and monetary stimulus have been responsible for the resilience exhibited by the Indian economy.

As a result of the sustained efforts by the Government, the GDP growth in 2009-10 increased to 7.4 per cent vis-à-vis 6.7 per cent in 2008-09. As per the Economic Survey 2009-10, the economy is expected to grow by 8.5 +/- 0.25 per cent in 2010-11, with a full recovery, breaching the 9 per cent mark in 2011-12.