

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3580  
ANSWERED ON:24.08.2011  
ECONOMIC GROWTH RATE  
Aaron Rashid Shri J.M.

**Will the Minister of PLANNING be pleased to state:**

- (a) whether amid persistent high inflation, the Government is likely to pare down the economic growth rate for the year 2011-12;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/being taken by the Government to achieve the targeted growth rate in every sector specially in manufacturing and corporate sectors?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) to (c): The growth target for the economy is fixed for the entire five years period during the formulation of Five Year Plan. The Eleventh Five Year Plan (2007-12) envisaged an annual average growth rate of 9 percent in Gross Domestic Product (GDP) to be achieved during the plan period. Against this, the growth rate realised during the first four years of the plan is estimated as 8.1 percent per year on average. This moderation in growth performance is attributed to global economic crisis, low growth in agriculture caused by bad monsoon and rising food prices among others. In view of the slowdown in the growth performance realised during 2008-09 and prevailing domestic and global economic scenario, the Mid-Term Appraisal of the Eleventh Five Year Plan has revised the growth target for the plan to an annual average GDP growth rate of 8.1%.

The Eleventh Five Year Plan adopts an inclusive growth model as its development strategy in which a variety of programmes and schemes have a growth enhancing impact through creation of physical and social infrastructure. The detailed strategy in respect of each sector of the economy to achieve the targets has been spelt out in the Eleventh Five Year Plan document. However, some of the major schemes aimed at accelerating the growth rate of agriculture sector include: Accelerated Irrigation Benefit Programme (AIBP), Accelerated Power Development Reform Programme (APDRP), Rashtriya Krishi Vikas Yojana (RKVY). In addition, implementation of other schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Pradhan Mantri Gram Sadak Yojana (PMGSY) aimed at improving rural infrastructure would have implications for agricultural productivity. The measures to speed up the growth process in the manufacturing, industry and services sectors, inter alia, include: Technology Upgradation Fund Scheme (TUFS), Industrial Infrastructure Upgradation Scheme (IIUS), Indian Leather Development Programme, Micro and Small Enterprises Cluster Development Programme, Integrated Infrastructure Development (IID) Scheme, Credit Guarantee Scheme for lending to Micro, Small and Medium Enterprises (MSMEs), introduction of Financial Sector (Regulation & Development) Bill 2007, constitution of Financial Inclusion Fund and Financial Inclusion Technology Fund, Viability Gap Funding for Public Private Partnership (PPP) in infrastructure projects, liberalisation of FDI Policy, National Manufacturing Policy on the anvil, creation of Special Economic Zones (SEZs), provision of incentives in the form of tax and duty concessions, Software Technology Parks Scheme (STPI), launching of National Skill Development Mission (NSDM), etc.