

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:5568
ANSWERED ON:07.09.2011
NATIONAL ECONOMY
Lal Shri Kirodi

Will the Minister of PLANNING be pleased to state:

- (a) whether a meeting of the Planning Commission has been held recently to review the national economy in the backdrop of economic recession and drought due to failure of monsoon;
- (b) if so, the details thereof;
- (c) whether discussions on revised estimates in respect of Eleventh Five Year Plan and State- wise target have been held in the said meeting; and
- (d) if so, the outcome of discussions and the measures proposed to be taken in this regard ?

Answer

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

(a) to (d): The Eleventh Five Year Plan (2007-12) had set a target of 9% average annual growth rate of GDP. The global economic and financial crisis which developed around 2008 had an adverse impact on Indian economy. The problem was further compounded by unfavourable weather conditions and drought – like situation in different parts of the country. As a result, the GDP growth rate declined during 2008-09 and 2009-10.

The Government responded to the situation by announcing three stimulus packages and accelerating the pace of implementation of developmental schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme, various components of Bharat Nirman, etc.

The Mid – Term Appraisal (MTA) of the Eleventh Five Year Plan, undertaken by the Planning Commission revealed that the economy weathered an exceptionally difficult global environment very well. However, the projected annual average growth rate of GDP for the Eleventh Five Year Plan was scaled down to 8.1% at the national level. For improvement of the economic growth rate, the MTA recommended various macroeconomic policy measures such as ensuring fiscal consolidation, providing supportive investment environment, developing infrastructure through Public – Private Participation etc. These issues were deliberated in the meeting of the National Development Council (NDC) held on 24th July 2010. The detailed MTA document is available on Planning Commission's website: http://planningcommission.nic.in/plans/mta/11th_mta/MTA.html