

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2293
ANSWERED ON:07.12.2011
AGRICULTURE SECTOR CONTRIBUTION IN GDP
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Will the Minister of PLANNING be pleased to state:

- (a) the components of Gross Domestic Product (GDP) and the contribution of each factor therein;
- (b) whether the contribution of agriculture sector has reduced from 25 per cent to 17 percent in the GDP;
- (c) if so, the reasons therefor;
- (d) whether it has any impact on present Central Schemes like National Rural Employment Guarantee Scheme; and
- (e) if so, the details thereof?

Answer

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

(a): Distribution of Gross Domestic Production (GDP) at factor cost by economic activity at constant (2004-05) prices for the year 2010-11 is presented in the following Table: Table: Distribution of Revised Estimates of GDP at Factor Cost by Economic Activity

(Rs. in Crore) Percent

1 Agriculture, 700390 14.4
Forestry & Fishing

2 Mining & 110009 2.3
Quarrying

3 Manufacturing 772960 15.8

4 Electricity, 93665 1.9
Gas & Water Supply

5 Construction 384629 7.9

6 Trade, Hotels, 1315656 27.0
Transport, & Communication

7 Financing, 848103 17.4
Insurance,
Real Estate &
Business Services

8 Community, 652431 13.4
Social & Personal
Services

Source: Press Note dated 31st May 2011 on Revised Estimates of Annual National Income, 2010-11 of the Central Statistics Office (CSO), Ministry of Statistics and Programme

(b): The contribution of agriculture sector in the GDP has been estimated at 14.4% in 2010-11 as compared to 25% in 1999-2000;

(c): The main reason for a relatively smaller share of the agriculture sector in the overall GDP of the economy has been the high growth achieved in the non-agricultural sectors, especially transport, communications, trade, hotels, financing, insurance, real estate & business services, construction, as a result of which the economy is expected to achieve over 8% growth during the 11th Plan and the slowdown in the growth of agricultural sector since mid-1990's. Some of the main reasons for slow growth of agriculture sector are decline in investment in agriculture sector, degradation of natural resource base, inefficient use of available technology reflected in gap between the realized and potential yields, lack of rural infrastructure etc. Considering significance of agricultural sector for achieving inclusive growth, specific agricultural development initiatives were taken during 11th Plan by introducing Rashtriya Krishi Vikas Yojana, National Food Security Mission, increased emphasis on horticulture development for diversification to high value crops, and enhancing flow of credit to the agriculture sector. The Bharat Nirman programme for improving rural infrastructure and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which dovetails rural employment security with land and water conservation are other major steps which will help in achieving higher agricultural growth. As a result of all these steps there has been some revival in the growth of the agriculture sector during 11th Plan. The average of the annual growth rate of agriculture and allied sectors during first four years of the Eleventh Five-Year Plan is around 3.2 percent as compared to the Tenth Plan growth of around 2.5 percent. The approach paper to the Twelfth Five-Year Plan has projected to increase agricultural growth to 4% per annum so that the economy can achieve a growth rate of 9%.

(d) & (e): The Planning Commission has not conducted any specific study on the impact of reduction in the contribution of agriculture sector in the total GDP on National Rural Employment Guarantee Scheme.