

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2625
ANSWERED ON:09.12.2011
REVISED GDP GROWTH RATE
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has revised the Gross Domestic Product (GDP) growth set for the current year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government is satisfied with the growth in the GDP of the country;
- (d) if so, the details thereof; and
- (e) the action taken/proposed to be taken by the Government to maintain/ accelerate the growth rate in future?

Answer

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

(a)&(b) The Indian economy achieved a growth rate of 8.5 per cent in 2010-11 in terms of GDP at factor cost at 2004-05 prices. The Economic Survey 2010-11, in its outlook had expected a growth rate of 9 per cent for the current year.

As per the Reserve Bank of India, the Indian economy is likely to achieve a growth of 7.6 per cent in 2011-12. The official estimates of growth for the year 2011-12 will be available in February 2012. The slower than expected growth could be attributed to global slowdown and tight monetary policy to control inflation.

(c)&(d) while the economy is expected to slow down in the current year from the levels achieved in 2010-11, India is still among the global frontrunners in terms of growth of GDP.

(e) The Government has pursued prudent macroeconomic policies on an ongoing basis with a countercyclical focus in recent years to obviate the impact of global financial crisis, strengthened structural measures to promote growth, develop product as well as financial markets, and increased social spending to provide a stronger foundation to protect the poor. Specific measures taken in the recent period to boost growth include, among others, enhancing investment in the Infrastructure sector through creation of Infrastructure Debt Fund, focusing on Public Private Partnerships, announcement of New Manufacturing Policy, announcement of new Draft Telecom Policy, introduction of Land Acquisition Bill in the Parliament, and a number of legislative measures to develop banking sector in India.