

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2722
ANSWERED ON:09.12.2011
GROWTH OF GDP
Biju Shri P. K.;Yadav Shri Om Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been a decline in the growth of Gross Domestic Product (GDP) during the current financial year;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the corrective steps taken by the Government in this regard?

Answer

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

(a)&(b) As per the Central Statistical Organisation, the Indian economy achieved a growth rate of 7.3 per cent in the first half of 2011-12 as against a growth rate of 8.6 per cent in the corresponding period of 2010-11 in terms of GDP at factor cost at 2004-5 prices. The slower growth could be attributed to global slowdown and tight monetary policy to control inflation.

(c) 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.