

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:5421
ANSWERED ON:09.05.2012
DEVELOPMENT OF PRODUCTION SECTOR
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Will the Minister of PLANNING be pleased to state:

- (a) whether the production in the sectors which have specific contribution in the development of the country is declining;
- (b) if so, the reaction of the Government thereto; and
- (c) the efforts made by the Government to increase the production in the sectors which contribute in infrastructural development of the country especially to avoid the external impacts?

Answer

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

(a)&(b): The details of the sector-wise annual Gross Domestic Product (GDP) growth rates at constant (2004-05 prices) for the last five years as against the Eleventh Five Year Plan targets are given as under.

Year	Agriculture	Industry	Services	Total
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2007-08	5.8	8.3	10.4	9.3
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2008-09	0.1	4.1	10.3	6.7
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2009-10	1.0	7.3	11.0	8.4
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2010-11	7.0	5.9	9.7	8.4
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2011-12	2.5	3.7	8.7	6.9
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Average (2007-08 to 2011-12)	3.3	6.7	9.9	7.9
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11th Five Year Plan Target	4	10-11	9-11	9
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Source: Central Statistics Office (CSO)
Planning Commission

The figures for 2011-12 are based on the Advanced Estimates and figures for 2010-11 are based on Quick Estimates.

The production in agriculture, industry and services sectors has registered an increase consistently during the Eleventh Five Year Plan period as is evident from the growth rates mentioned above. However, there may be a shortfall in achievement of targeted growth rates in the agriculture sector during this period mainly on account of the fact that some parts of the country faced a drought like situation in 2008-09 which continued in 2009-10 also. Similarly, there may be a shortfall in the targeted growth rate in industrial sector also due to global economic slowdown, inflationary pressure and high degree of volatility in the global oil prices.

The Government responded to the situation through suitable fiscal and monetary measures to overcome the situation. The Approach Paper to the Twelfth Five Year Plan recognizes the need for higher levels of investments in agriculture both by the public and private sector which can yield better results if the reforms are undertaken to streamline the incentive structures for the farmers and the institutional frameworks in which agriculture and related activities take place. In the manufacturing sector issues like improvement in the global competitiveness, development of physical infrastructure, role of small and medium enterprises, skilled workforce etc. have been identified as the priority areas.

(c): The Approach Paper to the Twelfth Five Year Plan states that the total investment in infrastructure which includes roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation is estimated to have increased from 5.7 per cent of GDP in the base year of the Eleventh Plan to around 8.0 per cent in the last year of the Plan. The pace of investment has been particularly buoyant in some sectors, notably telecommunications, oil and gas pipelines, while falling short of targets in electricity, railways, roads and ports. Efforts to attract private investment into infrastructure through the PPP route have met with considerable success both at Central and State levels. Therefore, accelerating the pace of investment in infrastructure has been identified as one of the thrust areas which is critical for sustaining and accelerating growth as well as insulating the economy from adverse external developments.