

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

STARRED QUESTION NO:4  
ANSWERED ON:08.08.2012  
GROWTH OF ECONOMY  
Das Gupta Shri Gurudas

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Planning Commission has projected the growth of Indian economy during the Twelfth Plan period to be lower than estimated earlier;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the measures taken by the Government to achieve higher growth rate?

**Answer**

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

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 4 REGARDING "GROWTH OF ECONOMY" RAISED BY SHRI GURUDAS DASGUPTA FOR ANSWER ON 8th AUGUST, 2012.

(a) to (c): The Planning Commission will shortly finalise the target growth rate for the economy in the Twelfth Plan period. The Approach Paper to the Twelfth Five Year Plan as approved by the National Development Council (NDC) had projected that the economy could target an average annual growth rate of 9 per cent during the 12th Plan period (2012-17). However, subsequent to the approval of the Approach Paper by NDC, there have been important developments in the global economic environment and their impact on the domestic economy is reflected in the growth rate of 6.5 per cent in 2011-12 with the growth rate for the last quarter of 2011-12 being only 5.3 per cent. The global economic situation continues to be uncertain. It will therefore be difficult to stay with the earlier target of 9 per cent average annual GDP growth rate during Twelfth Plan period. However, the Commission will take a view on what is feasible in terms of restoring the economy to rapid growth. The revised target will be submitted to NDC as in its normal course later this year.

The Approach Paper to the Twelfth Five Year Plan highlights various strategies and steps needed to achieve rapid and inclusive growth rates in different sectors of the economy. It recognizes the need for higher levels of investments in agriculture, both by the public and private sector along with reforms to streamline the incentive structures which will yield better results. Seeds and irrigation have been identified as the priority areas for raising the productivity on the supply side. On the demand side, the need to remove most of the controls that have denied a unified and seamless all India market for most agricultural products has been identified as key priority area. In the manufacturing sector, issues like improvement in the global competitiveness, development of physical infrastructure, role of small and medium enterprises, availability of skilled workforce etc. have been identified as the priority areas. Further, accelerating the pace of investment in infrastructure, strengthening of the social sectors such as education and health, overcoming environmental challenges, enabling service sector to contribute substantially towards economic growth etc. have been identified as thrust areas. For both agriculture and manufacturing, development of infrastructure is crucial. The Twelfth Plan will outline a viable strategy for infrastructure development. The above mentioned measures will help in achieving higher, sustainable and inclusive growth during the Twelfth Five Year Plan.