

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:123  
ANSWERED ON:08.08.2012  
ECONOMIC GROWTH RATE  
Nagar Shri Surendra Singh

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

- (a) the economic growth rate fixed by the Union Government for the next five years;
- (b) the steps proposed to be taken by the Government in this regard; and
- (c) the details of the action plan prepared for poverty alleviation and infrastructure development?

**Answer**

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

(a): The Approach Paper to the Twelfth Five Year Plan as approved by the National Development Council (NDC) projects that the economy is likely to grow at 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 estimated growth rate of Gross Domestic Product (GDP) for the last quarter of 2011-12 which stands at 5.3 per cent. The global economic situation continues to be uncertain, therefore, it may be difficult to achieve the projected 9 per cent average annual GDP growth rate during Twelfth Plan period. The NDC is to take a view on this while approving the Twelfth Five Year Plan.

(b) and (c) : The Approach Paper to the Twelfth Five Year Plan highlights various strategies and steps needed to achieve the targeted growth rates in different sectors. 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. The Approach Paper identifies that the Public investment in infrastructure will have to bear a large part of the infrastructure needs in backward and remote areas to improve connectivity and expand the much needed public services.

The high rate of economic growth that India witnessed recently has contributed significantly to the expansion of India's economy which has blunted the incidence of acute poverty throughout the country. In addition, the government is implementing a number of flagship programmes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Integrated Child Development Scheme (ICDS), Mid-Day Meal Scheme, Sarva Shiksha Abhiyaan (SSA), National Rural Health Mission (NRHM), Rural Drinking Water Supply and Total Sanitation Campaign, Indira Awaas Yojana (IAY), Targeted Public Distribution System (TPDS) etc. towards this end. These interventions are expected to yield better results over time in terms of reduction of poverty and improved access to basic amenities etc. The Approach Paper to the Twelfth Five Year Plan emphasizes the need to build upon the achievements of Eleventh Five Year Plan and strive for sustainable and more inclusive growth.