

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2916  
ANSWERED ON:29.08.2012  
CRUSHED CONFIDENCE IN INDIAN FIRMS  
Singh Shri Yashvir

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

- (a) whether international rating agency Moody's on 9th August, 2012 has cut the GDP forecast for Indian economy to 5.5% in 2012-13;
- (b) if so, the reasons for the same;
- (c) whether as per the Moody's confidence among Indian firms has been crushed by weak Central Government that has badly lost its way; and
- (d) if so, the details of reaction and response of the Government to Moody's comments?

**Answer**

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

(a) & (b) According to the Moody's Analytics, India's Gross Domestic Product (GDP) growth is forecast to be 5.5 per cent in 2012 and 6 per cent in 2013 respectively. Turbulent conditions in the global economy, little policy response from the Government and the Central Bank as well as poor monsoons in India are amongst the reasons indicated behind the latest revisions in India's growth forecast.

(c) & (d) Various agencies like International Monetary Fund, World Bank as well as research organizations within the country and outside and credit rating agencies bring out forecasts regarding growth rate of the economy. These forecasts, based on specific assumptions, often differ from one another and do not represent the views of the Government of India. However, the Government takes into cognizance the concerns expressed by all stakeholders regarding the pace of the country's economic growth, and takes appropriate action.