

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:221

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GROWTH RATE

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Will the Minister of FINANCE be pleased to state:

(a) the details of the Gross Domestic Product (GDP) growth achieved during last quarter of the financial year 2011-12; and

(b) the reasons for drop in the growth rate of economy and the reaction of the Government thereto?

Answer

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

(a)As per the quarterly data released by the Central Statistics Office (CSO), India's growth rate (measured in terms of GDP at factor cost in constant 2004-05 prices) was 5.3 per cent in the last quarter of the financial year 2011-12.

(b)The slowdown in the growth of the economy is mainly on account of the slowdown in the industrial sector and lower growth registered in the agriculture sector. This reduction in the growth rate is attributable to both domestic and global factors. Global factors include, in particular, the crisis in the euro-zone and the near-recessionary conditions prevailing in Europe; sluggish growth in several industrialized economies; hardening of international prices of crude oil, etc. Among domestic factors, the tightening of monetary policy in order to control inflation resulted in the slowing down of investment and growth, particularly in the industrial sector.