

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1868  
ANSWERED ON:05.12.2012  
SCALING DOWN ANNUAL GROWTH TARGET  
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**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Planning Commission endorses scaling down of annual growth target to 8.2%;
- (b) if so, the details thereof;
- (c) whether India has become the fourth largest economy in the world;
- (d) if so, the details thereof;
- (e) whether the country lags behind several nations in per capita income; and
- (f) if so, the reasons therefor?

**Answer**

MINISTER OF STATE FOR PARLIAMENTARY AFFAIRS & PLANNING (SHRI RAJEEV SHUKLA)

(a) & (b): 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. Therefore, the growth target for the 12th Plan has been recently proposed to be revised to 8.2% in the Full Planning Commission Meeting held on 15th September, 2012 and is approved by the Cabinet for the consideration of the NDC.

(c) to (f): As per the World Economic Outlook Database released by the International Monetary Fund (IMF) in October 2012, India's economy figures at 4th position after America, China and Japan in terms of Gross Domestic Product (GDP) on Purchasing Power Parity (PPP) basis in current international dollar. The United States continues to be the largest economy with GDP on PPP basis as US \$ 15,075.68 billion followed by China at US \$ 11,299.79 billion, Japan at US \$ 4,444.14 billion and India at US \$ 4,420.56 billion for the year 2011. The World Economic Outlook Database also contains the per capita Gross Domestic Product (GDP) based on Purchasing Power Parity (PPP) for all the countries. It indicates that the per capita GDP on PPP basis was US \$ 48,327.86 for United States, US \$ 34,748.15 for Japan, US \$ 8,386.68 for China and for India it is estimated as US \$ 3,662.69 in the year 2011. India continues to be a developing economy. The reasons for differences in per capita income of different nations can be attributed to the different levels of development besides other factors such as natural resource endowments, economic policies, political stability, differences in skills & technologies, level of population etc.