

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:351

ANSWERED ON:23.11.2012

GROWTH OF GDP

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

- (a) whether the Government has made any efforts to revive investment policy for the Growth of Gross Domestic Product (GDP);
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to cut Fiscal Deficit?

**Answer**

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

(a) & (b) The measures being undertaken by the Government to revive the economy, inter alia, include better access to finance for manufacturing sector, fast tracking of large investment projects in the areas of power, petroleum and gas, roads, coal, etc., use of buffer stocks to moderate food inflation, strengthening of financial and banking sector, reducing the volatility of exchange rate, etc. Certain specific measures taken by the Government to achieve higher growth, inter alia, include enhancing the level of investment for agriculture sector including irrigation projects, promoting Micro Small & Medium Enterprises (MSME) sector by way of higher allocation of funds, enhancing investment in the infrastructure sector focusing on Public Private Partnerships, a number of legislative measures to develop the financial sector and introduction of a new National Manufacturing Policy, etc. The steps recently outlined include reduction in the subsidy on diesel, announcement of disinvestment in certain PSUs, along with measures to strengthen the investment climate (liberalization of FDI in multi-brand retail, aviation, broadcasting) and are expected to revive market confidence and restore growth momentum.

(c) The Government has recently unveiled a fiscal roadmap aimed at fiscal consolidation. The fiscal deficit is projected to be about 5.3 per cent of GDP in 2012-13. The Government is committed to continue the process of fiscal consolidation in the years to come. The Budget 2012-13 aims to cap the expenditure on central subsidies to 2 per cent of GDP in 2012-13. The reduction in subsidy for diesel along with the announcement of disinvestment in certain PSUs are also likely to reduce the fiscal deficit.