

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:353
ANSWERED ON:23.11.2012
GDP GROWTH IN VARIOUS SECTORS
Anuragi Shri Ghansyam

Will the Minister of FINANCE be pleased to state:

- (a) whether the growth rate of Gross Domestic Product (GDP) is estimated to come down in view of the apprehension of drought in the current financial year;
- (b) if so, the sector-wise growth rate of GDP likely to be obtained this year;
- (c) the growth rate of agricultural sector estimated to remain in the current financial year; and
- (d) the alternative measures taken/likely to be taken to address the problem of shortfall likely to take place in GDP in the various sectors in the country including the agricultural sector and the steep rise likely to take place in the prices of the products?

Answer

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

(a) & (b) As per the latest information available from the Central Statistics Office (CSO), the growth rate of value added (at 2004-05 prices) for agriculture, industry and services sectors for the first quarter of the financial year 2012-13 is estimated to be 2.9 per cent, 3.6 per cent and 6.9 per cent respectively. The growth rate for these sectors in the first quarter of 2011-12 was 3.7 per cent, 5.6 per cent and 10.2 per cent respectively. The growth rate of GDP for the first quarter of the current year was 5.5 per cent vis-a-vis 8.0 per cent in the first quarter of 2011-12.

(c) Information regarding likely growth in the agriculture sector for the current financial year is not available.

(d) The measures recently outlined by the Government to address the slowdown in growth include reduction in the subsidy on diesel, announcement of disinvestment in certain PSUs and steps 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 over the medium term. The other steps 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, strengthening of financial and banking sector, reducing the volatility of exchange rate, etc. and use of buffer stocks to moderate food inflation. For the agriculture sector, in particular, the Government is implementing a number of schemes and providing funds to State Governments for taking new initiatives for increasing farmers' incomes. Some of the major actions taken in the recent past include hike in the minimum support prices of wheat and rice, subsidizing farm loans, steps to boost farm credit, introduction of schemes viz. BGREI (Bringing Green Revolution to Eastern India) to support farmers in eastern India, etc. Several fiscal and administrative measures are being undertaken to further rein in inflation.