

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:4311

ANSWERED ON:19.12.2012

PER CAPITA INCOME

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Will the Minister of PLANNING be pleased to state:

- (a) whether India is lagging behind several countries in per capita income;
- (b) if so, the details thereof including the per capita income of the country during the last three years, year-wise and the reasons therefor;
- (c) the urban and rural per capita income differentials in the country during the above period, year-wise;
- (d) the price rise of household commodities in comparison to percentage rise in per capita income of the country; and
- (e) the measures taken/being taken by the Government to address the issue?

Answer

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

(a) & (b): Yes, Madam. As per the World Economic Outlook Database released by the International Monetary Fund (IMF) in October 2012, the details of the per capita Gross Domestic Product (GDP) based on Purchasing Power Parity (PPP) for 183 countries for the year 2012 are given at Annexure I. The per capita GDP on PPP basis for India was US \$ 3,403 in the year 2010 and is estimated as US \$ 3,662.69 in 2011 and US \$ 3,851.31 in 2012. 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.

(c): The Central Statistics Office (CSO) has been compiling estimates of rural and urban break up of Per Capita Net Domestic Product (NDP), for the base years of National Accounts Statistics (NAS) series. The latest base year is 2004-05. The per capita income at current prices for the year 2004-05 is estimated as Rs. 16414 in rural areas and Rs. 44172 in urban areas.

(d) & (e): The details of the price rise measured in terms of Wholesale Price Index (WPI) and percentage change in Per Capita Net National Income (NNI) at constant(2004-05) prices for the years 2009-10 to 2011-12 are given in the table below.

Years	WPI Inflation (%)	growth in Per Capita NNI (%)
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2009-2010	3.8	6.6
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2010-2011	9.6	6.4
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2011-2012	8.9	5.2
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Source: Office of the Economic Adviser, Ministry of Commerce & Industry; Central Statistics Office (CSO)

A number of measures have been taken by the Government to improve the growth momentum and to contain the inflationary pressures. On the growth front, steps have been taken to increase Foreign Direct Investment (FDI) which would contribute to both greater capital inflows and over the long run, higher productivity thereby inducing growth. Measures have been taken for fiscal consolidation through rationalization of fuel subsidies and disinvestment along with appropriate monetary measures taken by Reserve Bank of India (RBI) to contain inflation. The tight monetary policy followed by the RBI has the tendency to typically operate through

compression of demand in the short run in order to contain inflation.