GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:4222
ANSWERED ON:19.02.2014
EFFORTS TO INCREASE GROWTH RATE
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Will the Minister of PLANNING be pleased to state:

(a) the details of economic, industrial and agricultural growth rates of the country during the last three years and the current year, year-wise;

(b) whether the above growth rates are far less than those of our neighbouring countries;

(c) if so, the details thereof and the reasons therefor;

(d) whether the Government has made efforts to increase the declining growth rates in different sectors; and

(e) if so, the details thereof?

Answer

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

(a): The details of economic growth rate, industrial growth rate and agriculture growth rate of the country during the last three years are given below:

Growth Rates (in %) (At Factor Cost, 2004-05 prices)

Year	Agriculture	Industry	GDP
2010-11	8.6	7.6	8.9
2011-12@	5.0	7.8	6.7
2012-13#	1.4	1.0	4.5
2013-14#	4.6	0.7	4.9

1st Revised Estimates (RE); @ 2nd RE; 3rd RE; # Advance Estimates
Source: Central Statistics Office (CSO)

(b) & (c): As per the World Economic Outlook (WEO) October 2013 released by International Monetary Fund (IMF), the growth rate of GDP at constant prices for India and its neighbouring countries for last three years are given in the table below.

The reasons for differences in GDP growth rates 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.

Country	2010	2011	2012
Afghanistan	8.4	6.1	12.5
Bangladesh	6.4	6.5	6.1
Bhutan	11.7	8.5	9.2
China	10.4	9.3	7.7
India	10.5	6.3	3.2
Maldives	7.1	6.5	0.9
Myanmar	5.3	5.9	6.4
Nepal	4.8	3.4	4.9
Pakistan	2.6	3.7	4.4
Sri Lanka	8.0	8.2	6.4

(d) & (e): Several steps have been undertaken to address the slowdown in GDP growth, including the setting up of the Cabinet Committee on Investment (CCI) to fast track large investment projects; strengthening of financial and banking sector; steps to increase infrastructure financing; permitting FDI in areas such as multi-brand retail, power exchanges and aviation.

The Union Budget 2013-14 has outlined several initiatives to boost investment in infrastructure and industry, that inter alia include encouraging Infrastructure Debt Funds, credit enhancement to infrastructure companies, raising the corpus of Rural Infrastructure Development Fund, introduction of investment allowance for new high value investments, etc.

Regarding agriculture, the initiatives included starting a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives, allocation for Rashtriya Krishi Vikas Yojana and National Food Security Mission, Credit Guarantee Fund to be created in the Small Farmers' Agri Business Corporation with an initial corpus of Rs.100 crore etc. It is expected that these measures would help revive market confidence and boost growth.

The Twelfth Five Year Plan highlights various strategies and steps needed to achieve the targeted growth rates in different sectors. An important facet of the 12th Plan's Strategy for growth is that there is an endeavor to increase the productivity as one of the key drivers of the growth.

The Twelfth Plan identifies key thrust areas for growth in agriculture sector which include viability of farm enterprise and returns to investment, availability and dissemination of appropriate technologies to ensure sustainability of natural resources, improvements in total factor productivity; Plan expenditure on agriculture and in infrastructure along with leveraging the required private investment, governance in terms of institutions that make possible better delivery of services like credit, animal health and of quality inputs like seeds, fertilisers, pesticides and farm machinery, etc.

The Twelfth Five Year Plan emphasizes that given the limited capacity of the services sector to absorb most of the job seekers, the manufacturing sector will have to provide at least 100 million additional jobs by the year 2025. For this purpose a National Manufacturing Plan has been developed for translating various components of the policy into desired outcomes.

In addition, other initiatives such as development of physical infrastructure, improvement in business regulatory environment, promoting the Micro, Small and Medium Enterprises (MSMEs), availability of skilled workforce are the priority areas to boost the manufacturing sector.