

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4672

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GDP GROWTH

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Will the Minister of FINANCE be pleased to state:

(a) the Budget Estimates (BE), Revised Estimates (RE) and Actuals with respect to the Gross Domestic Product (GDP) growth of the country during each of the last three years along with reasons for the reduction in the RE figures, if any;

(b) the reaction of the Government thereto; and

(c) the steps taken/proposed to be taken by the Government to improve the economic growth rate of the country?

Answer

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

(a) & (b) The revisions in the growth rate of Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices for the last three years are given in the table below:

| | | | | | |
|--------------------------|---------|---------|-----|-----|--|
| (Percent) | | | | | |
| 2010-11 | 2011-12 | 2012-13 | | | |
| Advance Estimates | 8.6 | 6.9 | 5.0 | | |
| Provisional Estimates | | 8.5 | 6.5 | 5.0 | |
| First Revised Estimates | 8.4 | 6.2 | 4.5 | | |
| Second Revised Estimates | 9.3 | 6.7 | | | |
| Third Revised Estimates | | 8.9 | | | |

Source: Central Statistics Office

Advance Estimates (AEs) of GDP growth are prepared using sector-wise indicators of growth, as available for eight or nine months of the financial year. AEs are revised in the Provisional Estimates on the basis of information that becomes available for the entire financial year. Subsequent revisions in the First, Second and Third Revised Estimates are done based on the availability of: revised estimates and actuals of the budgetary transactions of the Central and State Governments; financial statements of major public sector undertakings (PSUs) of Central and State Governments, private corporate sector, etc.; detailed production information on sectors like agriculture, animal husbandry, civil aviation, etc; improved coverage of accounts of PSUs, autonomous bodies, local bodies, private corporate sector; data from the State Directorates of Economics & Statistics; results of the Annual Survey of Industries for manufacturing sector; and improved coverage of State-level information. The revision of GDP growth estimates is, thus, necessitated by the incorporation of fresh and revised information, as and when they become available.

(c) The Government of India has taken several steps to increase the rate of growth in the economy that, inter alia, include: measures to speed up implementation of projects through the Cabinet Committee on Investment, chaired by the Prime Minister; boost to infrastructure financing by encouraging Infrastructure Debt Funds and steps to enhance credit to infrastructure companies; strengthening of financial and banking sectors; steps to achieve fiscal consolidation and to control current account deficit and inflation, thereby providing a stable macro-economic environment conducive to growth; liberalisation of foreign capital inflows, including foreign direct investment, to several sectors; and, steps to boost manufacturing growth. In the Interim Budget 2014-15, the Government has announced reduction in excise duties in certain sectors of the economy in order to stimulate growth.