

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3339  
ANSWERED ON:12.02.2014  
ECONOMIC GROWTH  
Thamaraiselvan Shri R.

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

- (a) whether the country will achieve economic growth rate of 7.5-8 per cent in the backdrop of global economic recession;
- (b) if so, the details thereof;
- (c) the reasons for the growth coming down from 9.3 per cent in 2009-10 to 5 per cent in 2012- 13 and 2013-14;
- (d) whether the fluctuations in global economy influence India`s growth in a big way; and
- (e) if so, the reasons therefor and the measures taken by the Government in this regard?

**Answer**

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

(a) & (b): The Approach Paper to the Twelfth Five Year Plan as approved by the National Development Council (NDC) in 2011 had projected a target of an average annual growth rate of 9 per cent during the 12th Plan period. However, due to increased economic uncertainty around the globe and its impact on the domestic economy, the growth target for the Twelfth Five Year Plan has been revised to 8 per cent in the finally approved Twelfth Plan in 2012.

The targets of the Five Year Plans are generally reassessed at the time of Mid- Term Appraisal (MTA). The MTA of the 12th Plan is scheduled to be conducted in 2014-15.

(c): The details of the GDP growth rate during the years 2009-10 to 2013-14 are given in the table below.

Year	GDP growth rate (At Factor Cost, 2004-05 prices) prices)
2009-10	8.6
2010-11	8.9
2011-12@	6.7
2012-13	4.5
2013-14#	4.9
12th Plan target	8.0

first revised estimates; @second revised estimates;  
third revised estimates; # advance estimates  
Source: Central Statistics Office (CSO)

The slowdown in growth can be attributed to a number of global as well as domestic factors viz., uncertainty in the global economy, exacerbation of the Euro Zone crisis, hardening of crude oil prices in the international market, tight monetary policy and supply side bottlenecks etc.

(d): With the growing global linkages of the Indian economy, its growth prospects cannot be viewed in isolation of developments in the world economy. Therefore, external / international factors also play a vital role in the overall growth of the economy. The recent slowdown in GDP growth is partly rooted in external causes.

(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. It is expected that these measures would help revive growth.