

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3396

ANSWERED ON:01.08.2014

GROWTH RATE

Premachandran Shri N.K.

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government has reviewed the projected growth rate of the country;
- (b) if so, the details and outcome thereof;
- (c) the existing growth rate and the targeted growth rate during the current Five Year Plan of various sectors of the economy; and
- (d) the steps taken by the Government to achieve the targeted growth rate in these sectors of the economy?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) MINISTRY OF PLANNING, MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE FOR DEFENCE

(RAO INDERJIT SINGH)

(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 targeted growth rate of GDP during the 12th Five Year Plan and growth realized during the first two years of the 12th plan for various sectors of the economy is given below:

Twelfth Plan GDP Targets and Achievements (in %) (At Factor Cost, 2004-05 prices)
Realisation

Target	2012-13	2013-14	
Agriculture	4.0	1.4	4.7
Industry	7.6	1.0	0.4
Services	9.0	7.0	6.8
GDP	8.0	4.5	4.7

Source: CSO First Revised estimates for 2012-13 and Provisional Estimates for 2013-14 released on 30th May 2014.

(d): Several steps have been undertaken to achieve the targeted GDP growth, which includes 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 2014-15 has also outlined several other initiatives to boost investment in infrastructure and industry, that inter alia include FDI in Defence and Insurance sectors, Incentives for Real Estate Investment Trusts (REITs), technology driven second green revolution with focus on higher productivity and including "Protein revolution", development of industrial corridors with emphasis on Smart Cities linked to transport connectivity to spur growth in manufacturing, scheme for development of new airports in Tier I and Tier II Cities, increased investment in road sector etc. It is expected that these measures would help in achieving the targeted growth rate of GDP.