

GOVERNMENT OF INDIA

MINISTRY OF PLANNING

LOK SABHA

UNSTARRED QUESTION NO: 2198

ANSWERED ON:05.12.2014

GROWTH RATE

ANANT KUMAR DATTATREYA HEGDE

- (a) whether the Government has reviewed the projected growth rate of the country;
- (b) if so, the details and the outcome thereof;
- (c) the existing growth rate and the targeted growth rate during the current Five Year Plan of various sectors of the economy including manufacturing and agriculture sector;
- (d) whether the Government has conducted analysis of such factors obstructing economic growth; and
- (e) if so, the details thereof and the steps taken by the Government to achieve the targeted growth rate in these sectors of the economy?

Will the Minister of PLANNING be pleased to state:-

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING 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 was 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 as follows:

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

	Target	Realisation	
	2012-13	2013-14	
Agriculture	4.0	1.4	4.7
Industry	7.6	7.1	1.0
of which			
Manufacturing	1.1	0.4	-0.7
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) & (e): The factors adversely affecting economic growth, inter alia, include; stalled/delayed projects, downturn in business sentiments, elevated levels of inflation and the resultant tight monetary policy and deteriorating global economic environment. Government of India has taken a number of steps to arrest the slowdown in the economy. `Make in India campaign` has recently been launched for boosting industrial confidence and performance by facilitating investment, fostering innovation, enhancing skill development and protecting intellectual property. The Union

Budget 2014-15 has also outlined several other initiatives to revive growth in manufacturing and infrastructure sectors and to sustain agricultural growth, that inter alia include FDI in Defence, Construction development sector and Insurance sectors; incentives for Real Estate Investment Trusts (REITS); setting up of a `National Adaptation Fund` to meet the vagaries of climate change; establishing a `Price Stabilization Fund` to mitigate the risk of price volatility in the agriculture produce; technology driven second green revolution with focus on higher productivity and including `Protein revolution`; setting up of `Long Term Rural Credit Fund` for providing refinance support to Cooperative Banks and Regional Rural Banks; setting up a National Industrial Corridor Authority; development of industrial corridors with emphasis on Smart Cities linked to transport connectivity, scheme for development of new airports in Tier I and Tier II Cities, increased investment in road sector, etc.