

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:1058  
ANSWERED ON:29.11.2005  
ECONOMIC DEVELOPMENT  
Rao Shri Sambasiva Rayapati

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether India has emerged as a fourth largest nation in terms of purchasing power parity;
- (b) if so, measures taken to further improve its position;
- (c) whether Purchasing Power Parity is yet another measure for world economies where in US topped with \$10 trillion, followed by China, Japan and India; and
- (d) if so, the steps taken by the Government to maintain Purchasing Power Parity and to achieve in over all economic growth in the world market?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (d): Yes, Sir. As per the World Bank's 'World Development Indicators database' of July 2005, Indian economy in 2004 ranks fourth in terms of Purchasing Power Parity (PPP) Gross Domestic Product (GDP) \$ 3362.96 billion.

Purchasing Power Parity (PPP) can be used as another measure of the real value of output produced by an economy compared to other economies. PPP uses conversion factors to take into account the differences in the relative prices of goods and services – particularly non-tradeables. This measure has emerged under the UN's International Comparison Programme. In terms of the Purchasing Power Parity (PPP) Gross Domestic Product (GDP), the US ranks first with \$ 11628.08 billion, China with \$ 7123.71 billion and Japan with \$ 3774.08 billion for the year 2004.

Achieving high and sustained growth in the economy has been a primary objective of the policies of the Government. The Government has been taking measures to accelerate growth through enhanced investment and infrastructure facilities. Growth of industry and development of human resources, inter alia, are steps aimed at achieving overall economic growth.