

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:184

ANSWERED ON:04.08.2006

GROWTH RATE QUESTION

Gaikwad Shri Eknath Mahadeo;Singh Shri Kirti Vardhan

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

- (a) Whether there is slowdown in the economy and the demand for credit from industry and retail sector has gone down as compared to the previous year;
- (b) If so, the reasons therefor;
- (c) Whether the Government expects to achieve the growth rate of 8.4 per cent recorded during 2005-06;
- (d) If so, the details thereof; and
- (e) If not, the reasons therefor?

**Answer**

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 184 ON 'GROWTH RATE' FOR 4.8.2006

(a) & (b): No Sir. There are no indications of a slowdown in the economy in 2006-07. The industry and service sectors are expected to maintain a high growth momentum. Demand for bank credit from the commercial sector also remained strong during the first quarter of 2006-07. Bank credit to commercial sector up to July 7, 2006 expanded by Rs. 40,789 crore, higher than that of Rs. 26,053 crore during the corresponding period of the previous year.

(c to e ) As per the revised estimates released by the Central Statistical Organisation, the real GDP growth during 2005-06 was 8.4 per cent. Agriculture, industry, and services sectors grew at 3.9 per cent, 8.7 per cent and 10.0 per cent, respectively. The growth momentum is expected to be continued in the current year.