

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:589
ANSWERED ON:24.11.2006
ECONOMIC GROWTH
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

- (a) The rate of economic growth registered during the first two quarters of the current financial year, and the likely growth during the current year as a whole ;
- (b) The agriculture and industrial growth rate during the said period ;
- (c) The comparative figures with the corresponding growth rate figures during the last two years; and
- (d) The steps taken by the Union Government to achieve rate of growth higher than the previous financial Year ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a) The rate of growth of the economy during the first quarter of the current financial year (April-June, 2006) was 8.9 per cent. The estimates of GDP for the subsequent quarters of 2006-07 are not yet available. Indications are that the overall growth momentum exhibited during financial years 2004-05 and 2005-06 is likely to be sustained during the current year.

(b)&(c) The growth rate of GDP and of the agriculture and industrial sectors during the first quarter of 2006-07 along with comparative figures for the corresponding period of the previous two years is given below

	First Quarter Growth of GDP (figures in per cent)		
	2006-07	2005-06	2004-05
1 GDP	8.9	8.5	7.9
2 Agriculture and allied	3.4	3.4	3.5
3 Industry	9.7	10.2	7.1

Computed at factor cost at constant 1999-2000 prices

(d) The Union Government is placing maximum emphasis on the development of social and physical infrastructure so that the economy can continue on a high growth trajectory.