

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**CONSIDERING THE CURRENT GLOBAL CONTEXT AND THE SLOWDOWN IN
THE DOMESTIC INDUSTRIAL SECTOR, THE GROWTH PERFORMANCE IN
SECOND QUARTER OF CURRENT FISCAL IS NOT ALL THAT DISAPPOINTING;
CONFIDENT OF RECOVERING SOME OF THE LOSS IN GROWTH
MOMENTUM: FM**

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. The Union Finance Minister Shri Pranab Mukherjee said though second quarter (Q2) estimates of the Gross Domestic Product (GDP) are low by our recent growth experience yet considering the current global context and the slowdown in the domestic industrial sector, the growth performance is not all that disappointing. Earlier the Central Statistical Organisation(CSO) has released the second quarter (Q2) estimates of the Gross Domestic Product. The GDP growth in Q2 2011-12 at factor cost and at 2004-05 prices is estimated at 6.9 per cent. With that the first half (H1) growth for 2011-12 amounts to 7.3 per cent in real terms.

In terms of sectoral break-up,the GDP growth in Q2 is 3.2 per cent in agriculture, forestry and fishing sector, 3.2 percent in industry and 9.3 per cent in services sector. The Finance Minister Shri Mukherjee said that the main reason for decline in the GDP growth is slowdown in industrial growth, in particular in investment growth. The negative growth in mining sector along with slowdown in construction sector has also contributed to the decline in the Q2 GDP growth, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said that going forward, he is confident that we will be recovering some of the loss in our growth momentum. The Finance Minister Shri Mukherjee said that there are some encouraging signs. He said that exports have increased by a robust 52 per cent in dollar terms during

April-September 2011, though there has been a slowdown in October. The Finance Minister Shri Mukherjee said that some key sectors such as power and steel have also shown stronger growth despite odds. Shri Mukherjee said that the Government has now put in place the New Manufacturing Policy to give a big push to the manufacturing sector. He said that agriculture is expected to provide a buffer with indication of good Kharif crop and improved sowing, as of date, for Rabi crops. The service sector has retained its growth momentum at near double digits, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said that the Government is committed to its indicated fiscal balance for the year 2011-12. The Finance Minister Shri Mukherjee said that we are monitoring our resource mobilization efforts as well as our expenditure. He said that we would not hesitate to take the required correctives to remain on the path of fiscal prudence so that the short to medium-term growth prospects are not undermined.

DSM/GN