

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GROWTH IN THE SECOND QUARTER OF THE CURRENT FINANCIAL YEAR 2014-15
HAS BEEN BROADLY ON THE EXPECTED LINES: FINANCE MINISTRY**

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The Ministry of Finance observes that the growth in the Second Quarter of the current Financial Year 2014-15 has been broadly on the expected lines. Making its observation on the estimates of GDP for Q2 for 2014-15 released today, the Ministry states that in view of lower than expected monsoon in the current year vis-à-vis a good monsoon in 2013-14, lower growth in agriculture sector was expected. Similarly, in view of slower growth of IIP in the second quarter vis-à-vis the first quarter and in particular the manufacturing component; a lower growth in industry sector vis-à-vis the first quarter is not surprising, the Ministry added.

The Ministry observes that the overall and sectoral growth rates in Second Quarter for 2014-15 are lower than what was observed in the First Quarter except for services sector, where the growth has been little higher than in the first quarter. The Ministry further observes that this has been on account of an improvement in trade, hotels, transport and communication services as well as community, social and personal services.

It may be mentioned that the Economic Survey 2013-14 had predicted that the growth of GDP to be in the range of 5.4 to 5.9 per cent. In the first half of the year the growth has been 5.5 per cent, which is broadly in line with the projections as well as the expectations, the Ministry added.

Earlier, the Central Statistics Office (CSO) released the estimates of GDP for second quarter for 2014-15 today.

Growth in GDP at factor cost at constant (2004-05) prices (real GDP) for the second quarter (Q2) of 2014-15 is estimated to be 5.3 per cent as against 5.2 per cent in Q2 of 2013-14. The growth rate for the full year 2013-14 was 4.7 per cent. In the first quarter the growth rate was 5.7 per cent. The growth rate for the first half (H1) of the current year works out to 5.5 per cent as against a growth of 4.9 per cent in H1 of 2013-14.

At the sectoral level, the growth rate has been estimated to be 3.2 per cent for agriculture and allied sectors, 2.2 per cent for industry sector and 7.1 per cent for services sector in Q2 of 2014-15. This growth was 5.0 per cent, 2.6 per cent and 6.3 per cent respectively for these sectors in Q2 of 2013-14. The growth rate during H1 of the current year works out to 3.5 per cent for agriculture and allied sectors, 3.2 per cent for industry sector and 6.9 per cent for services sector. The growth was 4.5 per cent, 1.1 per cent and 6.8 per cent respectively for these sectors per cent in H1 of 2013-14.
