PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA
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GROWTH RATE BELOW OUR EXPECTATIONS: SAYS FINANCE MINISTRY

New Delhi, Agrahayana 09, 1934
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The Ministry of Finance has issued the following statement regarding the estimates released today by the Central Statistics Office (CSO) for the second quarter of GDP for 2012-13 today:

Central Statistics Office (CSO) released the estimates for the second quarter of GDP for 2012-13 today.

Growth in GDP at factor cost at constant (2004-05) prices (real GDP) for the second quarter (Q2) of 2012-13 is placed at 5.3 per cent as against 6.7 per cent in Q2 of 2011-12. This is a little lower than the growth rate of 5.5 per cent achieved in Q1 of 2012-13 but at the same level as achieved in Q4 of 2011-12. The growth rate for the first half (H1) of the current financial year works out to 5.4 per cent as against 7.3 percent in the H1 of 2011-12. Overall, the growth rate is below our expectations.

At the sectoral level, the growth rate is 1.2 per cent for Agriculture and Allied sectors, 2.8 per cent for Industry sector and 7.2 per cent for Services sector. The growth rates were 3.1 per cent, 3.7 per cent and 8.8 percent respectively for these sectors in Q2 of 2011-12.

The reduction in growth in **Agriculture and Allied sectors** has been on account of rainfall being lower than normal particularly in June-July. The impact on the khariff crop has pulled down the growth rate.

In the **Industry sector**, growth has been lower mainly on account of a reduction in growth of manufacturing sector from 2.9 per cent in Q2 of 2011-12 to 0.8 per cent in the second quarter of the current year.

Although the growth rate of **Services sector** showed some improvement in Q2 of 2012-13 vis-à-vis the Q1, it still remains below the trend level.