

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) All the 79 Double Taxation Avoidance Agreements (DTAAs) and the two Tax Information Exchange Agreements (TIEAs) of India which have entered into force contain provisions for confidentiality of information received under the DTAA/TIEA. This is in line with the international standards.

The Government had taken up the case with all its treaty partners to relax the provision of confidentiality. Some of the tax treaty partners have agreed to relax the provision of confidentiality completely or partially by allowing the disclosure of information for non tax purposes with the consent of the supplying state.

High GDP growth

1277. SHRI RAJKUMAR DHOOOT: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has estimated the likely growth of GDP of the country during the current and next financial year;
- (b) if so, the details thereof; and
- (c) what steps Government has taken or propose to take to sustain the high growth rate of GDP of the nation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) As per the advance estimates of National Income 2010-11, released on 7th February, 2011, by Central Statistics Office (CSO), the growth rate in Gross Domestic Product (GDP) at factor cost during 2010-11 is estimated at 8.6 per cent at constant (2004-05) prices. No official growth forecast for 2011-12 has been made by CSO. The Government has been pursuing prudent macroeconomic policies on an ongoing basis with a countercyclical focus in recent years to obviate the impact of global financial crisis, strengthened structural measures to promote growth, develop product as well as financial markets, and increased social spending to provide a stronger foundation to protect the poor.

Inflation and GDP growth rate of India and China

†1278. SHRI RAM JETHMALANI:

SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that economy of world's two countries, China and India, is growing very fast;
- (b) if so, the reaction of Government thereto;

†Original notice of the question was received in Hindi.

(c) whether it is also a fact that despite having higher annual growth rates, China has lower inflation rate than India;

(d) if so, whether it is also a fact that the rate of inflation was estimated at 8.23 per cent and 4.9 per cent respectively in India and China in January, 2011; and

(e) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Yes Sir. The GDP growth rates of India, China, World, Advanced Economies and Emerging and Developing Economies are given in the Table below.

Table 1: Real GDP Growth (percentage)

	2009	2010	2011 (P)
World Output	-0.6	5.0	4.4
Advanced Economies	-3.4	3.0	2.5
Emerging and Developing Economies *	2.6	7.1	6.5
China	9.2	10.3	9.6
India	5.7	9.7	8.4

Source: IMF, World Economic Outlook Update, January, 2011.

P: projected growth. *: including India and China.

(c) to (e) Despite higher annual growth rates, China has lower inflation rate than India. Headline inflation in China for the month of January, 2011, as measured by year-on-year variation in consumer price index was at 4.9 per cent. The corresponding inflation in India, as measured by year-on-year variation in wholesale price index (WPI) was at 8.23 per cent.

The headline inflation in India and China are not strictly comparable. In India, the headline inflation is measured in terms of year-on-year change in wholesale price index and in China, the headline inflation is measured by year-on-year change in consumer price index.

Routing of black money stashed abroad into stock markets

1279. SHRI K.E. ISMAIL:

SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state: