

GDP forecast for Indian economy by Moody's

2075. SHRI PRABHAT JHA:

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Will the Minister of FINANCE be pleased to state:

(a) whether international rating agency Moody's on 9 August, 2012, has cut the GDP forecast for Indian economy to 5.5% in 2012-13;

(b) if so, the details thereof;

(c) the reasons for the same;

(d) whether as per the Moody's confidence among Indian firms has been crushed by weak demand, elevated interest rates, high inflation and the instability;

(e) if so, the details thereof; and

(f) the details of reaction and response of the Government to Moody's comments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) According to the Moody's Analytics, India's Gross Domestic Product (GDP) growth is forecast to be 5.5 per cent in 2012 and 6 per cent in 2013 respectively. Turbulent conditions in the global economy, little policy response from the Government and the Central Bank as well as poor monsoons in India are amongst the reasons indicated behind the latest revisions in India's growth forecast.

(d) to (f) Moody's Analytics observation on the confidence among Indian firms has been made as part of the analysis and outlook of the Indian economy and corporate sector published mainly to guide prospective investors. Various agencies like International Monetary Fund, World Bank as well as research organizations within the country and outside and credit rating agencies bring out forecasts regarding growth rate of the economy. These forecasts, based on specific assumptions, often differ from one another and do not represent the views of the Government of India. However, the Government takes into cognizance the concerns expressed by all stakeholders regarding the pace of the country's economic growth, and takes appropriate action.