

Global economic slowdown

†2697. SHRI RAM JETHMALANI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the deficit in foreign trade amounting to 153 billion dollars *i.e.* Rs. 8.3 lakh crores in the first 9 months of the current financial year is the major reason for the global economic slow-down;

(b) if so, the Government's reaction in this regard;

(c) whether it is also a fact that due to this deficit, resulting in negative effects on Indian economy, the growth of country has got hampered; and

(d) if so, the facts in this regard and the immediate measures as well as longterm measures proposed to be taken to tackle the present situation?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI RAJEEV SHUKLA): (a) and (b) As per the 'Macroeconomic and Monetary Developments Third Quarter Review 2012-13' released by the Reserve Bank of India in January, 2013, trade deficit of the country during the first nine months of 2012-13 amounted to US \$ 147.2 billion. The global economic crisis, the sovereign debt crisis in Europe and the economic slowdown in developed economies has adversely impacted demand for our exports. The imports have not reduced proportionally because of higher prices of importable commodities and increased demand. The international prices of petroleum, fertilizers, gold, edible oil etc. have increased. Their demand also has increased. These lead to a higher value of imports. As a result the trade deficit has increased.

(c) and (d) With the growing global linkages of the Indian economy, its growth prospects cannot be viewed in isolation of developments in the world economy. Therefore, external/international factors also play a vital role in the overall growth of the economy. The global economy is passing through its most difficult phase since 2008. As per the World Economic Outlook Update released by the International Monetary Fund (IMF) in January 2013, the growth rate of world output slowed from 3.9 per cent in 2011 to 3.2 per cent in 2012 and growth of the Advanced Economies has declined from 1.6 per cent 2011 to 1.3 per cent in 2012. This has

†Original notice of the question was received in Hindi.

directly impacted the export performance of the economy. Sovereign debt crisis in the Euro Zone has proved recessionary and the persistent uncertainty over the fiscal policy of the US has been counter-productive. These developments have resulted in the slowdown of the world economy in general and emerging and developing economies including India in particular. As per the World Economic Outlook Update-released by the International Monetary Fund (IMF) in January 2013, the growth rate of the Gross Domestic Product (GDP) for India has slowed down from 7.9 per cent in 2011 to 4.5 per cent in 2012. As per the Advance Estimates (AE) released by the Central Statistics Office (CSO) on 7th February 2013, the growth in GDP during 2012-13 is estimated at 5.0 per cent as compared to the growth rate of 6.2 per cent in 2011-12.

Several steps have been undertaken to address the slowdown in GDP growth, including the setting up of the Cabinet Committee on Investment (CCI) to fast track large investment projects; strengthening of financial and banking sector; steps to increase infrastructure financing; permitting FDI in areas such as multi-brand retail, power exchanges and aviation. The Union Budget 2013-14 has outlined several initiatives to boost investment in infrastructure and industry, that *inter alia* include encouraging Infrastructure Debt Funds, credit enhancement to infrastructure companies, raising the corpus of Rural Infrastructure Development Fund, introduction of investment allowance for new high value investments, etc. It is expected that these measures would help revive market confidence and boost growth.

Cancellation of Aadhaar Cards

2698. SHRI VIJAYA JAWAHARLAL DARDA: Will the PRIME MINISTER be pleased to state:

(a) whether UIDAI has cancelled 3.84 lakh fake Aadhaar cards, till 31st December, 2012 in spite of loophole - free and unbeatable Unique Identification System;

(b) if so, whether it is with the connivance of the issuing agencies with anti-social elements or through genuine human error;

(c) whether the 'Biometric - Identification' contains an "exceptions" clause;