

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 3587
TO BE ANSWERED ON MARCH 27, 2018

CSO FORECAST ON GDP GROWTH

3587. SHRI ANUBHAV MOHANTY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Statistics Office has forecasted that the GDP growth in the current financial year will slowdown to a four year low of 6.5% from the provisional 7.1% seen in 2016-17;
- (b) whether the GDP drag down is due to the deceleration in the agriculture and the manufacturing sectors; and
- (c) the measures Government is planning to take to stabilise the GDP?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a) & (b): As per the 2nd Advance Estimates (2nd AE) released by Central Statistics Office on 28th February 2018, the growth rate of Gross Domestic Product (GDP) at constant (2011-12) prices is estimated to be 6.6 per cent in 2017-18, as compared to growth of 7.1 per cent in 2016-17, 8.2 per cent in 2015-16, 7.4 per cent in 2014-15 and 6.4 per cent in 2013-14. The decline in growth in 2017-18 is on account of lower growth in agriculture & allied sector, mining & quarrying and manufacturing sector. On the other hand, growth of services sector is expected to accelerate from 7.5 per cent in 2016-17 to 8.3 per cent in 2017-18.

(c): Promoting growth of the economy has always been the utmost priority of the government. The Government of India has taken various initiatives to boost the growth of the economy which, inter-alia, include; fillip to manufacturing, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the foreign direct investment policy and special package for textile industry, push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity. For highways development the Bharatmala Pariyojana has been launched. The government has launched a phased program for bank recapitalization. This entails infusion of capital to the public sector banks, which is expected to encourage banks to enhance lending. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. To implement the Code, the National Company Law Tribunal was established. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities. Budget 2018-19 included various measures to provide a push to the economy, which among others, include major push to infrastructure via higher allocation to rail & road sector, reduced corporate tax rate of 25 per cent for companies with turnover up to Rs. 250 crore, which is expected to help 99 per cent of MSMEs, etc.
