

**MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
ECONOMIC DIVISION**

**RAJYA SABHA
UNSTARRED QUESTION No. 1491
TO BE ANSWERED ON 14 MARCH 2023**

Status of the size of Indian economy

1491. Shri Kumar Ketkar:

Will the Minister of FINANCE be pleased to state:

- (a) whether Indian economy has reached upto 5 trillion dollar as announced by the Prime Minister in the year 2018;
- (b) if not, the reasons therefor;
- (c) the level Indian economy has reached; and
- (d) the steps Government has initiated to achieve the target?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a)-(c): As per the World Economic Outlook (WEO) October 2022 report of the International Monetary Fund (IMF), India's GDP stood at USD 3.2 trillion in 2021-22, is projected at USD 3.5 trillion in 2022-23, and forecast to cross USD 5 trillion in 2026-27. The outbreak of the Pandemic in 2020 and Russia-Ukraine conflict in 2022 has set back the World output by a few years, increased inflation in several countries and raised uncertainty in the world economy. Lower uncertainty in the global economic outlook will help India become a USD 5 trillion-dollar economy earlier.

(d): The government has been taking steps to make the country a USD 5 trillion economy at an early date. Some of the important measures in the past include the making of the National Infrastructure pipeline of projects, push to capital expenditure, implementation of Production Linked Incentive (PLI) scheme, finalization of National Monetization Pipeline of public sector assets, and formulation of National Logistics policy. Capital expenditure will be speeded up by PM Gatishakti for integrated planning of infrastructure and synchronized project implementation across all concerned Central Ministries, Departments and State Governments.

The Union Budget 2023-24 further sustains the growth momentum with an increase in capital investment outlay for the third year in a row by 33 per cent to ₹10 lakh crore (3.3 per cent of GDP); the enhanced outlay for PM Awas Yojana, the launch of Aspirational Blocks Programme covering 500 blocks for saturation of essential government services; increase in agriculture credit target to ₹20 lakh crore with a focus on animal husbandry, dairy and fisheries; and setting up of Agriculture Accelerator Fund to encourage agri startups by young entrepreneurs in rural areas, among others. Direct capital investment by the Centre is also complemented by the provision made for the creation of capital assets through Grants-in-Aid to States. The 'Effective Capital Expenditure' of the Centre is budgeted at 13.7 lakh crore (4.5 per cent of GDP) for 2023-24. The newly established Infrastructure Finance Secretariat will oversee the increase in private investment in infrastructure. Further, to improve logistics performance, one hundred critical transport infrastructure projects, for last and first-mile connectivity for ports, coal, steel, fertilizer, and food grains sectors, have been identified and will be prioritised for development.
