

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION No. 1511
TO BE ANSWERED ON 14 MARCH 2023**

Impact on the economy due to slow down of global economy

1511. Dr. C.M. Ramesh:

Will the Minister of FINANCE be pleased to state:

- (a) whether global economic slow down would have an impact on country's export and Gross Domestic Product (GDP) growth, if so, the details thereof; and
- (b) the details of steps taken by Government and role of RBI in this regard?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The IMF has estimated the growth of world output to decline from 6.2 per cent in 2021 to 3.4 per cent in 2022, and further to 2.9 per cent in 2023. This is likely to impact India's export and GDP growth. However, India's export growth during April-January 2022-23 continues to be robust at 8.5 per cent. India's real GDP growth in 2022-23 is also strong at 7 per cent, as estimated by the National Statistical Office, Ministry of Statistics and Programme Implementation.

(b): The Government of India has implemented several measures to boost GDP growth. These include near universalization of vaccination involving more than 200 crore doses that strengthened domestic demand and opened up contact-intensive services sector. The surge in capital expenditure of the central government since the budget of 2021-22 has helped increase the investment rate in the economy and also induced private investment. The PLI schemes across 14 sectors have started to increase production and investment in the economy.

The Budget 2023-24 has also announced specific measures to improve growth. These include 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); 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 creating 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. The RBI has the mandate of inflation targeting keeping it in the tolerance band of 2-6 per cent.
