

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

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**UNSTARRED QUESTION NO. 1984.
TO BE ANSWERED ON FRIDAY, THE 17TH MARCH, 2023.**

GROWTH RATE OF INDIAN ECONOMY

**1984 SHRI PRAMOD TIWARI:
SHRI AKHILESH PRASAD SINGH:**

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether it is a fact that India's economy is expected to reach USD 30 trillion in the coming 30 years;
- (b) if so, details to back up the claim;
- (c) the details regarding the growth rate of the economy during the last five years; and
- (d) the steps taken by Government to increase the growth rate of the country during the last five years?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) & (b): As per the World Economic Outlook (WEO) October 2022 report of the International Monetary Fund (IMF), India's Gross Domestic Product (GDP) stood at USD 3.2 trillion in 2021-22. To reach USD 30 trillion, the Indian economy needs to grow at an average annual growth rate of 7.5-8.0 per cent in nominal dollar terms in the next 30 years.

(c): Data on GDP growth rate during last five years is given in the table below:

	2017-18	2018-19	2019-20 (3rd RE)	2020-21 (2nd RE)	2021-22 (1st RE)
GDP growth rate (at current prices) (per cent)	11.0	10.6	6.4	-1.4	18.4

Source: NSO, MoSPI

Note: RE-Revised Estimate

(d): To boost growth, various initiatives have been taken by the government during the last five years. Key initiatives include the launch of Make in India to boost manufacturing in India, Start-up India to build an ecosystem for nurturing innovation and start-ups, the introduction of the Insolvency and Bankruptcy Code (IBC) to de-stress the banking sector, rationalization of labour laws to increase employment, and reduction in the corporate tax rate to boost private investment, among others. Additional initiatives included a special package for the textile industry, regional connectivity

measures for the transport sector, and power sector schemes including Ujjwal DISCOM Assurance Yojana (UDAY). The introduction of the Goods and Services Tax (GST) has improved the growth momentum in the economy by reducing barriers to trade, business, and related economic activities.

In 2020-21, the Government announced a special economic and comprehensive package under AtmaNirbhar Bharat to combat the impact of the COVID-19 pandemic and to revive economic growth. The package included Pradhan Mantri Garib Kalyan Rojgar Abhiyaan, higher allocation under MGNREGS, credit guarantee schemes, and equity infusion-based relief measures for small enterprises including non-banking financial companies (NBFCs). Structural reforms were also announced as part of the AtmaNirbhar Bharat Package which includes a change in the definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.

In the Union Budget 2021-22 the Capex budget was increased by 34.5 percent over the previous year, Production Linked Incentive (PLI) scheme was expanded to 14 sectors, and Mega Investment Textile Parks (MITRA) scheme was introduced, among others. Other major reforms included National Monetization Pipeline of public sector assets, privatization of public sector banks and insurance companies, reforms-based result-linked power distribution sector scheme, increasing of FDI in insurance sector from 49 per cent to 74 per cent, and rationalization of custom duties.

In the Union Budget 2022-23, the Capex budget was again increased by 35.4 per cent over the previous year, PM Gatishakti was launched for integrated planning of infrastructure and synchronized project implementation across all concerned Central Ministries, Departments and State Governments, and Emergency Credit Line Guarantee Scheme (ECLGS) was extended to provide continued support to MSMEs, among others. As part of the Atmanirbhar Bharat Mission, the government also commenced implementation of the National Infrastructure Pipeline of projects to drive economic growth in the years ahead. The National Logistics Policy was launched in September 2022 to lower the cost of logistics at par with other developed countries. Financial inclusion and banking services were deepened to reach the last mile with the launch of 75 Digital Banking Units across 75 districts.

The Union Budget 2023-24 has also announced specific measures to drive growth. These include a substantial 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 start-ups by young entrepreneurs in rural areas, among others. Direct capital investment by the Centre is also complemented by Grants-in-Aid to States for the creation of capital assets. The 'Effective Capital Expenditure' of the Centre was accordingly budgeted at 13.7 lakh crore (4.5 per cent of GDP) for 2023-24.

To increase private investment in infrastructure, the newly established Infrastructure Finance Secretariat will provide the oversight. 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.
