

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA  
UNSTARRED QUESTION NO.3607  
TO BE ANSWERED ON Tuesday, March 24, 2026/ 3 Chaitra, 1948 (Saka)

**GDP growth rate of the country**

**3607 Shri Satnam Singh Sandhu:**

Will the Minister of Finance be pleased to state:

- (a) the GDP growth rate of the country over the last five years, year-wise;
- (b) the key drivers of India's economic expansion and growth projections;
- (c) the Government's strategy to sustain growth amid global challenges like inflation and geopolitical tensions;
- (d) the major sectors contributing to GDP and initiatives supporting technology, green energy and digital industries; and
- (e) the measures to attract FDI and enhance India's global investment competitiveness?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) According to the new series of GDP estimates (Base Year 2022-23) released by the Ministry of Statistics and Programme Implementation (MoSPI), the year-wise details of real GDP growth for the last three years for which data is available under the new series are provided below.

Financial Year	Growth rate of GDP (constant prices) (per cent)
2023-24	7.2
2024-25	7.1
2025-26	7.6

(b) Building on the sustained growth performance in recent years, with real GDP growth remaining above 7 per cent during the last three years as indicated above, growth is projected at 7.0-7.4 per cent for 2026-27, as per the Department of Economic Affairs' Monthly Economic Review for February 2026. This growth has been supported by robust domestic demand, sustained public capital expenditure, prudent fiscal management, moderating inflation, and improved banking and corporate balance sheets. The policy framework outlined in the Union Budget 2026-27 is expected to further support investment-led and inclusive growth.

(c) The Government's strategy has been to strengthen domestic drivers of growth while diversifying trade partnerships to mitigate risks arising from concentration of trade and capital flows amid global uncertainties. Targeted measures, including calibrated changes in import duties and diversification of sourcing of key commodities, have been undertaken to manage the impact of global price volatility. The focus remains on strengthening the domestic manufacturing base, improving ease of doing business, and enhancing supply chain resilience, while maintaining overall macroeconomic stability. A calibrated approach combining public capital expenditure-led growth with a commitment to fiscal consolidation underpins this strategy.

(d) As per the new GDP series (base year 2022-23) and the second advance estimate for 2025-26, the services sector remains the major driver of growth, accounting for 49.3 per cent of nominal GDP, followed by industry at 25.2 per cent, while agriculture contributed 16.2 per cent. The Government's policy focus has been on strengthening the industrial base, including industries in technology, green energy and digital sectors. In the green energy sector, investments are being promoted in solar, wind, green hydrogen, and battery storage systems, including through PLI schemes to support the energy transition and expand domestic manufacturing, along with customs duty exemptions on critical minerals and related inputs to strengthen domestic supply chains. In the technology and digital sectors, the Union Budget 2026-27 provides tax incentives, including a tax holiday for data centres and cloud infrastructure, simplified tax provisions for IT and IT-enabled services, support for artificial intelligence, and continued thrust under the India Semiconductor Mission 2.0 to strengthen domestic semiconductor capabilities.

(e) The Government has undertaken several measures to attract Foreign Direct Investment (FDI) and enhance India's global investment competitiveness through a liberal and transparent policy framework, with most sectors open under the automatic route and policies reviewed regularly. Reforms include enhanced FDI limits in key sectors and permitting 100% FDI in areas such as coal mining, contract manufacturing, insurance intermediaries, and telecommunications. At the same time, the Government has improved the ease of doing business by reducing regulatory burdens, streamlining processes, and strengthening infrastructure and logistics, supported by initiatives such as the National Single Window System, the Business Reforms Action Plan, and compliance-reduction measures. Tax reforms, including GST rationalisation and abolition of angel tax, have further improved the investment climate, alongside flagship programmes such as Make in India, Start-up India, PM GatiShakti, National Industrial Corridor Programme, and PLI schemes.

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