

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA  
UNSTARRED QUESTION NO.402  
TO BE ANSWERED ON MONDAY, FEBRUARY 03, 2026 /*Magha* 14, 1947 (Saka)

**GDP Growth Projection**

402. Shri S.R. Sivalingam:

Will the Minister of FINANCE be pleased to state:

- a) whether Government recognizes the cautious optimism in recent economic reports regarding India's GDP growth projection of 6.5 per cent for Financial Year 2025-26, including the robust 7.4 per cent in the fourth quarter, along side concerns about sustainability amid global headwinds and post pandemic recovery;
- b) the details of measures taken by Government to address structural challenges such as weak rural demand, uneven manufacturing growth and inadequate support for MSMEs hindering broad based expansion; and
- c) the comprehensive steps Government is taking to promote inclusive growth through private investment, job creation in labour intensive sectors, human capital development and policies for green industrialization to ensure long term prosperity?

**ANSWER**

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

- (a) As per the First Advance Estimates of National Accounts for 2025-26 released by the Ministry of Statistics and Programme Implementation, GDP at constant (2011-12) prices (real GDP) is expected to grow by 7.4 per cent year-on-year in 2025-26. For 2026-27, the Economic Survey 2025-26 projects a real GDP growth rate in the range of 6.8 per cent – 7.2 per cent.

(b) The high-frequency indicators point to a firm rural demand. The Government has undertaken a multi-pronged approach to boost economic growth from both the demand and supply side. Rural demand is being supported through flagship schemes such as PM-KISAN, MGNREGS, and PM Awas Yojana (Gramin), alongside initiatives in rural skilling, Self-Help Groups, and cooperatives. New programmes including PM Dhan-Dhaanya Krishi Yojana, National Mission on High-Yielding Seeds, Mission Atmanirbharta in Pulses and other productivity-focused missions aim to enhance rural incomes and resilience.

Manufacturing growth is being promoted through measures such as the Production Linked Incentive (PLI) Scheme, and targeted interventions for employment-intensive sectors, including the Focus Product Scheme for the footwear and leather sector, a scheme to promote the toy sector, and the National Manufacturing Mission.

The Government is also ensuring targeted support to the MSMEs through a wide range of schemes aimed at strengthening entrepreneurship, enabling growth and facilitating employment generation. Key MSME initiatives include the Prime Minister's Employment Generation Programme, PM Vishwakarma Scheme, Credit Guarantee Scheme for Micro and Small Enterprises, Entrepreneurship and Skill Development Programme, Micro and Small Enterprises – Cluster Development Programme, Raising and Accelerating MSME Performance, and the MSME Champions Scheme. These programmes promote broad-based expansion of MSMEs across manufacturing, services, trading and also the women-owned enterprises. Further, the Union Budget 2025–26 enhanced the investment and turnover limits for MSME classification, facilitating scale, efficiency and employment generation.

(c) The Government is implementing comprehensive measures to promote inclusive and sustainable growth. The Union Budget 2025–26 identifies investment as a key engine of growth, supported by credit facilitation, the PLI Scheme and a strong skilling ecosystem. Wide-ranging FDI reforms have been undertaken across sectors, with most sectors open to 100 per cent FDI under the automatic route, except a few strategic sectors. These measures are also expected to support job creation. The government has also undertaken various initiatives for further expanding job opportunities across the country, such as employment generation programmes, employment guarantee schemes, Employment-Linked Incentive schemes, measures for building an ecosystem for skilling, facilitating self-employment, providing a portal for career-related services, and inclusive human resource development. This, coupled with the Government's efforts to provide affordable housing, social security for workers, food security, education, skilling, universal access to basic amenities and high-quality affordable healthcare, is expected to improve the overall well-being and lead to human capital development in the country. The Union Budget 2025-26 also emphasises energy security, expanding clean energy capacity and fostering domestic manufacturing of green technologies to ensure long-term prosperity.

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