GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
STARRED QUESTION NO. 167
TO BE ANSWERED ON TUESDAY, AUGUST 04, 2026

Strategy to achieve $5 trillion economy

167. Shri Ratanjit Pratap Narain Singh:

Will the Minister of FINANCE be pleased to state:

(a) the key strategies outlined by Government to achieve the $5 trillion economy target by Financial Year 2029 and how they are aligned with India's long-term growth vision;

(b) the measures undertaken to ensure the participation of key sectors such as manufacturing, services and agriculture in achieving this ambitious economic milestone; and

(c) the role Government envisions for digital infrastructure, innovation and financial inclusion in accelerating economic growth towards the $5 trillion goal?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (c): A statement is laid on the Table of the House.

Statement referred in reply to parts (a) to (c) of the Rajya Sabha Starred Question No. 167 raised by Shri Ratanjit Pratap Narain Singh for answer on 4th August 2026, regarding "Strategy to achieve $5 trillion economy"

(a) and (b) As per the World Economic Outlook database (April 2026) published by IMF, India's GDP at current prices is projected to be around USD 5.1 trillion by 2028-29. The Government has adopted a broad-based growth strategy focusing on enhancing agricultural productivity, promoting manufacturing, supporting MSMEs, expanding infrastructure, improving logistics and ease of doing business, creating an efficient and streamlined tax system through income tax and GST reforms, fostering innovation and digitalisation, strengthening human capital, and ensuring energy security. The strategy is complemented by sustained emphasis on public capital expenditure, liberalising the FDI regime, boosting exports, and strengthening macroeconomic fundamentals through prudent fiscal management and price stability. In addition, the Government is strengthening trade resilience by expanding its network of Free Trade Agreements and Comprehensive Economic Partnership/Cooperation Agreements.

To develop the manufacturing sector, initiatives such as Production Linked Incentives scheme, Make in India, National Logistics Policy, National Single Window System and PM GatiShakti, scheme are aimed at enhancing domestic production, attracting investment, generating employment and improving competitiveness. These efforts are complemented by targeted measures to strengthen MSME sector, including enhancement of guarantees and the Emergency Credit Guarantee Scheme, revision of MSME classification norms, strengthening the Trade Receivables Discounting System (TReDS) ecosystem, simplified Udyam Registration, wider access to the Government e-Marketplace (GeM), and support under the PM Vishwakarma Scheme.

The services sector is being strengthened through the development and deployment of Digital Public Infrastructure, promotion of Global Capability Centres (GCCs), Medical Value Travel and the Orange Economy, strengthening the artificial intelligence and digital ecosystem, and targeted initiatives for skill development and enhancing workforce employability. The Union Budget 2026-27 has announced a number of initiatives to unlock the growth potential of the services sector, including the establishment of the National Institute of Hospitality, creation of Regional Medical Hubs, expansion of Allied Health Professional institutions, development of AVGC (Animation, Visual Effects, Gaming and Comics) Content Creator Labs, support for University Townships, promotion of veterinary and para-veterinary infrastructure, and the Corporate Mitras programme.

In agriculture, the focus is on improving productivity through facilitating investments in irrigation, technology adoption, digital agriculture, crop diversification, post-harvest infrastructure and better market access.

The Union Budgets in recent years have also identified and emphasized on strategic sectors such as semiconductors, electronics, biopharmaceuticals, rare earths, chemicals, capital goods, clean energy and advanced manufacturing as important drivers for growth. These initiatives are complemented by the Pradhan Mantri Skilling and Employability Transformation through Upgraded ITIs (PM-SETU) scheme, which aims to strengthen industry-aligned skilling and create a future-ready workforce for these emerging sectors. Collectively, these measures are expected to strengthen India's medium-term growth prospects and support its long-term vision of Viksit Bharat by 2047.

(c) Digital infrastructure, innovation and financial inclusion are key enablers of productivity, entrepreneurship and inclusive economic growth. The Digital India programme of the Government is transforming India into a digitally empowered society and knowledge-based economy. The robust Digital Public Infrastructure comprising Aadhaar, Jan Dhan accounts, Unified Payments Interface (UPI)), DigiLocker and BharatNet, has expanded access to financial services, improved public service delivery, strengthened Direct Benefit Transfer, reduced transaction costs and promoted transparency and help formalisation of the economy. Digital India has also enabled technology-led transformation across sectors through platforms such as the Government e-Marketplace (GeM), Open Network for Digital Commerce, eSanjeevani, Digital Infrastructure for Knowledge Sharing (DIKSHA), AgriStack, Unified Mobile Application for New-age Governance (UMANG) and PM GatiShakti, improving governance, market access, public service delivery and infrastructure planning. Expansion of India's digital economy is also creating investment and employment opportunities in the economy.

Financial inclusion has been scaled up through initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the Pradhan Mantri Mudra Yojana (PMMY). The development of digital infrastructure contributed significantly in furthering financial inclusion in India. As of June 2026, over 58 crore PMJDY accounts with deposits exceeding ₹3 lakh crore had been opened. Further, PMMY has sanctioned over 57.7 crore collateral-free loans since its launch, amounting to more than ₹40 lakh crore, supporting entrepreneurship and expanding access to institutional credit, particularly for women and micro and small enterprises.

The Government is also strengthening the innovation ecosystem through initiatives such as Startup India, Digital India, the Atal Innovation Mission and the Anusandhan National Research Foundation, which aims to promote research and development (R&D) and foster collaboration among academia, industry, government and research institutions. In addition, the Government has announced a Research, Development and Innovation Fund with a total outlay of ₹1 lakh crore over six years to support private sector-driven innovation in sunrise and strategic sectors. Support for emerging technologies, including Artificial Intelligence, is further enhancing innovation and technology-led growth. All these initiatives are improving productivity, fostering entrepreneurship, enhancing the ease of doing business and supporting broad-based, inclusive and sustainable economic growth towards the USD 5 trillion economy goal.

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