

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

**LOK SABHA
UNSTARRED QUESTION NO. 2330**

TO BE ANSWERED ON MARCH 09, 2018 / PHALGUNA 18, 1939 (SAKA)

DOMESTIC CAPITAL INVESTMENT

2330: SHRI SANKAR PRASAD DATTA:

Will the Minister of **FINANCE** be pleased to state:

- (a) the details of total domestic capital investment and foreign capital investment separately during the last three years;
- (b) whether the Government has plans to encourage domestic capital investments and if so, the details thereof;
- (c) the measures taken or proposed to be taken by the Government to increase domestic capital investment; and
- (d) whether adequate steps have been taken to strengthen economic credentials and make India strongest economics of the world and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PON. RADHAKRISHNAN)

(a): The details on Gross Capital Formation of the economy for the last three years are as under: -

Year		2014-15	2015-16	2016-17
Gross Capital Formation (in Rs. Crore)	At current prices	41,79,779	44,42,347	46,71,426
	At constant (2011-12) prices	36,59,763	39,24,530	40,84,802

The details of FDI inflow reported during the last three years are as under: -

Year	2014-15	2015-16	2016-17
FDI Inflow (in US\$ billions)	45.15	55.56	60.08

(b) to (d): Government has taken various initiatives to boost investment and growth of the economy which, *inter-alia*, include; fillip to manufacturing, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the Foreign Direct Investment (FDI) policy and special package for textile industry. Initiatives and various facilitation measures under flagship programmes like Make-in-India, Start-up India, Stand-up India, Skill India and Digital India would improve the attractiveness and competitiveness of India globally and would help to develop a fresh investment cycle. The government has also launched a phased program for bank recapitalization, which entails infusion of capital to the public sector banks, to encourage banks to enhance lending. The Insolvency and Bankruptcy Code has been enacted and the National Company Law Tribunal established to achieve insolvency resolution in a time bound manner. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities.

Budget 2018-19 included various measures to provide a push to the economy, which among others, include major push to infrastructure via higher allocation to rail & road sector, reduced corporate tax rate of 25 per cent for companies with turnover up to Rs. 250 crore which is expected to help 99 per cent of MSMEs, formulation of a policy on Gold, monetization of CPSE assets and using Fintech for enabling access to finance for MSMEs, among others. Government also announced various measures in the Budget 2017-18 to promote growth in the economy which includes push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction, and focus on coastal connectivity and launch of the Bharatmala Pariyojana for highways development.
