

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2922
TO BE ANSWERED ON AUGUST 03, 2018

GROWTH RATE

2922. SHRI ANURAG SINGH THAKUR:

Will the Minister of FINANCE be pleased to state:

- (a) the growth rate registered in the fourth quarter results of GDP data;
- (b) whether the structural reform policies such as demonetisation, Goods and Services Tax and digitization have contributed to this development, if so, the details thereof; and
- (c) the extent to which the double digit growth has benefited the construction sector, FDI, expansion in manufacturing and financial inclusion schemes with regard to employment?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) As per the quarterly estimates of Gross Domestic Product (GDP) released by Central Statistics Office on 31st May 2018, the growth rate of GDP at constant (2011-12) prices was 7.7 per cent for the fourth quarter (January to March 2018) of 2017-18.

(b) GDP of a country depends on a number of factors viz. structural, external, fiscal and monetary factors, hence it is difficult to pinpoint the impact of any specific measure. The Government of India has taken various steps to boost the growth of GDP in the economy. These, *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 policy and special package for textile industry, push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity. For highways development, the Bharatmala Pariyojana has been launched. The Union Cabinet approved a significant increase in the Minimum Support Prices (MSPs) for all kharif crops for 2018-19 season, in order to provide major boost to farmer's income. The government has launched a phased program for bank recapitalization. This entails infusion of capital to the public sector banks, to the tune of about Rs. 2.11 lakh crore over two financial years, which is expected to encourage banks to enhance lending. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. To implement the Code, the National Company Law Tribunal was established. 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, etc.

(c) Does not arise. The real growth of the economy has not been in double digits during 2017-18.
