

LOK SABHA
UNSTARRED QUESTION NO. 500
TO BE ANSWERED ON JULY 20, 2018

GDP GROWTH RATE

500. SHRI VENKATESH BABU T.G.

Will the Minister of FINANCE be pleased to state:

- whether there has been a fall in Gross Domestic Product (GDP) growth rate and if so, the details thereof during the last three years, year/sector-wise;
- whether the Government has taken any steps to boost the GDP growth rate; and
- if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) As per the Provisional Estimates available from Central Statistics Office released on 31st May 2018, the growth rate of GDP (at constant 2011-12 prices) was 6.7 per cent in 2017-18 as against the growth rate of 7.1 per cent in 2016-17 and 8.2 per cent in 2015-16. The sectoral details of real growth of gross value added (GVA) at basic prices for 2015-16, 2016-17 and 2017-18 are given in the following table.

Table: Growth in Gross Value Added at Constant (2011-12) Basic Prices (Per cent)			
Sector	2015-16[@]	2016-17[#]	2017-18[*]
Agriculture, forestry & fishing	0.6	6.3	3.4
Industry	9.8	6.8	5.5
<i>of which</i> Manufacturing	12.8	7.9	5.7
Services	9.6	7.5	7.9
GVA at basic prices	8.1	7.1	6.5

Source: Based on information available from Central Statistics Office; * : Provisional Estimates; #: 1st Revised Estimates
@: 2nd Revised Estimates

(b) & (c) 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.