

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 4058
TO BE ANSWERED ON JANUARY 04, 2019

INDIAN ECONOMY

4058. SHRI RATTAN LAL KATARIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether India is the fastest growing economy in the world;
- (b) if so, the details thereof;
- (c) whether the Government proposes to nearly double the size of Indian economy to \$5 trillion; and
- (d) if so, the steps taken by the Government to improve every sector of economy?

ANSWER

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

(a) & (b) As per the International Monetary Fund's World Economic Outlook database (October 2018), India was the fastest growing major economy in the world in 2014-15, 2015-16 and 2016-17. In 2017-18, growth rate of China was slightly higher than that of India. India is projected to be the fastest growing major economy in 2018-19 and 2019-20 as well.

(c) & (d) The Government's intent is to accelerate the growth of Gross Domestic Product (GDP) so that the size of the economy increases at a fast pace. The focus of the Government is to achieve broad-based economic growth spanning all sectors and various steps have been taken for the same, which, *inter-alia*, include; fillip to manufacturing via Make in India programme and measures to improve ease of doing business, concrete measures for transport sector including measures for regional connectivity and power sector via schemes like Ujjwal DISCOM Assurance Yojana (UDAY), starting of Multi Modal Terminal on River Ganga to promote inland waterways. Other measures include comprehensive reforms in the foreign direct investment policy and special package for textile industry. The introduction of the Goods and Services Tax has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities. The Government has launched a phased program for bank recapitalization entailing 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. The Union Cabinet approved a significant increase in the Minimum Support Prices for all Kharif and Rabi crops for 2018-19 season, in order to provide major boost to farmer's income. 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 Micro, Small and Medium Enterprises (MSME), etc. The Government launched a support and outreach program for helping the growth, expansion and facilitation of the MSME sector.
