

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

**LOK SABHA
UNSTARRED QUESTION NO. 775**

TO BE ANSWERED ON FRIDAY, DECEMBER 14, 2018 / AGRAHAYANA 23, 1940
(SAKA)

Gross Fixed Capital Formation

775: SHRI RAVNEET SINGH:

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

- (a) whether the Government is aware that private investment i.e. Gross Fixed Capital Formation has remained stagnant for the last four years, if so, the details thereof and the reasons therefor;
- (b) whether the Government's measures for incentivising private sector investments had any effect in boosting private investment, if so, the details thereof and if not, the reasons therefor; and
- (c) whether according to the Reserve Bank of India's OBICUS report the capacity utilization remains low in various sectors such as steel, if so, the details thereof and the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PON. RADHAKRISHNAN)

(a) & (b): The Gross Fixed Capital Formation (GFCF) (at constant prices (2011-12) has registered a growth of 2.6 % in 2014-15; 5.2% in 2015-16; 10.1% in 2016-17 and 7.6% in 2017-18. A Statement indicating details of Gross Fixed Capital Formation (GFCF) during the last four years is Annexure-I.

The Government aims at creating conducive environment by streamlining existing regulations and processes and is continuously taking initiatives to boost industrial growth like 'Make in India' - under which thrust sectors have been identified to provide a push to manufacturing in India, 'Startup India' & 'Ease of Doing Business'. Foreign Direct Investment (FDI) policy and procedures have been simplified and liberalized progressively. Further, several

steps have been taken to mobilize private investment in infrastructure sectors like launching of innovating financial vehicles such as Infrastructure Debt Funds, Infrastructure Investment Trusts (InvITs)/Real Estate Investment Trusts (REITs), developing new Public Private Partnership (PPP) models like Toll-Operate-Transfer and Hybrid Annuity Model, periodic review of Harmonized Master List of Infrastructure Sub-sectors, and establishment of the National Investment and Infrastructure Fund (NIIF). As a result of this, ranking of India has improved from 142 (year 2014) to 77 (year 2018) in the Ease of Doing Business Index.

(c): A Statement indicating estimates of capacity utilization for the Indian manufacturing sector based on Reserve Bank of India's quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS) since Q1:2015-16 is at Annexure-II. Estimates of capacity utilisation based on OBICUS are compiled at the aggregate level and sectoral estimates are not compiled due to limited coverage.

Statement referred to in reply to part (a) & (b) of Lok Sabha Unstarred Question No.775 for answer on 14.12.2018

Annexure-I

Gross Fixed Capital Formation (GFCF)

	Rs. In Crore				
At current prices	2013-14	2014-15	2015-16	2016-17	2017-18#
Public sector	796950	872482	1009258	1091536	-
Private Corp. Sector	1312544	1374301	1652411	1874900	-
Household sector	1406127	1503609	1256568	1386062	-
Total Economy	3515621	3750392	3918237	4352498	4778894

	Rs. In Crore				
At (2011-12) constant prices	2013-14	2014-15	2015-16	2016-17	2017-18#
Public sector	717650	764149	890919	951235	-
Private Corp. Sector	1238677	1214634	1452433	1646183	-
Household sector	1238598	1299314	1104841	1200457	-
Total Economy	3194925	3278097	3448193	3797875	4087557

Provisional estimates of Annual National Income and Quarterly estimates of GDP for the fourth Quarter of 2017-18 published on 31.05.2018. The break up for the financial year 2017-18 is not available

Annexure-II

Statement referred to in reply to part (c) of Lok Sabha Unstarred Question No.775 for answer on 14.12.2018

Estimates of Capacity Utilization (manufacturing sector) from Survey data (RBI's OBICUS)

OBICUS Round	Quarter	Number of Responding companies	Capacity Utilization # (in %)
30	Q1:2015-16	1265	72.3
31	Q2:2015-16	1002	72.2
32	Q3:2015-16	1007	73.8
33	Q4:2015-16	770	75.5
34	Q1:2016-17	872	71.7
35	Q2:2016-17	902	72.0
36	Q3:2016-17	710	71.0
37	Q4:2016-17	724	74.6
38	Q1:2017-18	805	71.2
39	Q2:2017-18	756	71.8
40	Q3:2017-18	940	74.1
41	Q4:2017-18	921	75.2
42	Q1:2018-19	850	73.8

#: The OBICUS collects quantitative data from sampled manufacturing sector companies. The survey coverage varies for each round and, therefore, the estimates are indicative and do not represent any official statistics.