

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

LOK SABHA

UNSTARRED QUESTION NO. 859

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

Capital Investment

859: SHRI KAPIL MORESHWAR PATIL:

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

- (a) the details of total domestic capital investment and foreign capital investment during the last three years, separately;
- (b) whether the Government proposes to promote domestic capital investment and if so, the details thereof;
- (c) the steps taken/proposed to be taken to increase domestic capital investment;
- (d) whether appropriate steps have been taken to increase financial credibility and make India a strong economy; and
- (e) 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:-

(Rs. In crore)

| Year | 2014-15 | 2015-16 | 2016-17 | |
|--------------------------------|---|-----------|-----------|-----------|
| Gross Capital Formation | At current prices (including Net Capital Inflow from Rest of the World (ROW)) | 41,79,779 | 44,42,347 | 46,71,426 |
| | Net Capital Inflow from Rest of the World (ROW) | 1,59,822 | 1,40,399 | 98,854 |
| | 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 | 2015-16 | 2016-17 (Provisional) | 2017-18 (Provisional) |
|--------------------------|---------|--------------------------|--------------------------|
| FDI Equity Inflow | 40,001 | 43,478 | 44,857 |
| Total FDI Inflow | 55,559 | 60,220 | 60,974 |

(b) to (e): 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. Steps taken under the Business Reform Action Plan has led to significant improvement in the Ease of Doing Business, which also has led to greater incentive for domestic and foreign capital investments.

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, monetization of CPSE assets 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. Activation of the National Investment & Infrastructure Fund (NIIF) has also led to greater availability of capital for investment in the infrastructure sector.

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