

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 920
TO BE ANSWERED ON DECEMBER 14, 2018

SECTORAL GROWTH

920. SHRI NALIN KUMAR KATEEL:
SHRI D.K. SURESH:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the contribution of various sectors, *i.e.*, service, manufacturing and others to the GDP of the country during the last three years;
- (b) whether there is huge stagnation in manufacturing sector's contribution to the economy, if so, the details thereof;
- (c) whether the Government is taking any serious measures to revive manufacturing sector to produce more employment and contribute to GDP of the country; and
- (d) if so, the details thereof?

ANSWER

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

(a) & (b) The share of various sectors (including manufacturing and services sector) in Gross Value Added (GVA) during last three years is given in the table below.

| Share of sectors in GVA at current prices (per cent) | | | |
|--|------------------|------------------|--------------|
| Sector | 2015-16 (2nd RE) | 2016-17 (1st RE) | 2017-18 (PE) |
| Agriculture, forestry & fishing | 17.7 | 17.9 | 17.1 |
| Industry | 29.8 | 29.3 | 29.1 |
| (Of which) Manufacturing | 16.8 | 16.8 | 16.7 |
| Services | 52.5 | 52.8 | 53.9 |
| Source: Central Statistics Office; Notes: 2 nd RE: Second Revised Estimates, 1 st RE: First Revised Estimates, PE: Provisional Estimates. | | | |

In first half (April-September) of 2018-19, share of manufacturing sector in GVA was 16.9 per cent, higher as compared to 16.5 per cent in the first half of 2017-18.

(c) & (d): Promoting the growth of manufacturing sector and hence increasing its contribution to the economy remains one among the utmost priorities of the Government. The Government has put in place a policy framework to create conducive business environment and improved infrastructure network. The Make in India initiative launched by

the Government focuses on infrastructure development, simplified processes, job creation, skill development and fostering innovation in the select manufacturing sectors. Startup India initiative was launched to build a strong eco-system for nurturing innovation and startups and to drive economic growth and generate employment opportunities. The Government has also taken up a series of measures to improve ease of doing business, which has borne results with the position of India improving from 142nd rank in 2014 to 77th rank in 2018. Further, the Foreign Direct Investment policy has been simplified and liberalized progressively and now most sectors are on automatic route. Pradhan Mantri Mudra Yojana was launched to extend collateral free loans by banks, non-banking financial companies and micro finance institutions to small/micro business enterprises in the non-agricultural sector to individuals to enable them to setup or expand their business activities and to generate self-employment.

In addition, Government announced special package for footwear and leather sector to develop infrastructure, facilitate additional investments, generate employment and increase production. A special package including a slew of labour-friendly measures to promote employment generation, economies of scale and boost exports was introduced in textile and apparel sector. Key initiatives have been announced recently by the Government to help growth, expansion and facilitation of Micro, Small & Medium Enterprises.
