

**MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
ECONOMIC DIVISION**

**LOK SABHA UNSTARRED QUESTION No. 1665
DUE FOR ANSWERED ON 31 JULY 2023**

Country's Economic Growth

1665. MS. RAMYA HARIDAS:

Will the Minister of FINANCE be pleased to state:

- (a) the growth rate of the country's economy during the last ten years, year-wise;
- (b) the steps taken or proposed to be taken by the Government to increase the economic growth of the country;
- (c) whether the Government has identified the sources for resource mobilisation to increase the economic growth; and
- (d) if so, the details thereof?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a): The real and nominal growth rate of India's economy during the last ten years is given in the table below: -

Table: India's Real and Nominal GDP growth rate 2013-14 to 2022-23

	Real GDP growth rate	Nominal GDP growth rate
2013-14	6.4	13.0
2014-15	7.4	11.0
2015-16	8.0	10.5
2016-17	8.3	11.8
2017-18	6.8	11.0
2018-19	6.5	10.6
2019-20 (3rd RE)	3.9	6.4
2020-21 (2nd RE)	-5.8	-1.4
2021-22 (1st RE)	9.1	18.4
2022-23 (PE)	7.2	16.1

Source: National Statistical Office, Ministry of Statistics and Programme Implementation

(b): The Government, over the past few years, have taken various initiatives that have contributed to the high growth of the Indian economy. Policy support has included the introduction and application of the Insolvency and Bankruptcy Code (IBC), Goods and Services Tax Reform, cut in the Corporate Tax Rate, the Make in India and Start-up India strategies, and Production Linked Incentive Schemes, among others. The Government has also focused on a capex-led growth strategy and substantially increased its capital investment outlay during the last three years.

The Union Budget 2023-24 has taken further steps to sustain the high growth of India's economy. These include a substantial increase in capital investment outlay for the third year in a row by 33 per cent to ₹10 lakh crore (3.3 per cent of GDP). Direct capital investment by the Centre is also complemented by Grants-in-Aid to States for the creation of capital assets. The 'Effective Capital Expenditure' of the Centre was accordingly budgeted at 13.7 lakh crore (4.5 per cent of GDP) for 2023-24.

(c) and (d): The Government has taken various initiatives for resource mobilisation, including additional resource generation, and curbing wasteful expenditure.

To generate additional resources, systemic changes have been brought in the Direct tax administration like rationalisation of corporate and personal income tax, prefilling of forms, rolling out of Common IT Return Form for taxpayers' convenience, and faceless assessment ensuring easing compliance and leading to growth in direct tax revenue. The implementation of the Goods and Services Tax has also improved revenue collection. GST collections from August 2017 (since the inception of GST) to June 2023 stood at ₹80.5 lakh crore. Further, liberal, and transparent policies for attracting Foreign Direct Investment (FDI), wherein most sectors, except certain strategically important sectors, are open for 100 per cent FDI under the automatic route, have also increased FDI inflows. As per the UNCTAD World Investment Report 2022, India stood at 8th position globally in terms of FDI inflows in 2022, with FDI inflows of USD 49 billion, making it the third-largest host country for announced greenfield projects and the second-largest for international project finance deals. The Government has also launched National Monetisation Pipeline. In the Union Budget 2022-23, the Government announced the issuance of Sovereign Green Bonds to mobilise resources for green infrastructure.

Expenditure reforms have also been undertaken, including, among others, the introduction of a Public Financial Management System (PFMS) for tracking expenditure flows; reorganisation of development schemes leading to rationalisation, merger and dropping of schemes so as to ensure efficient management of public expenditure; introduction of Direct Benefit Transfer (DBT) in a large number of schemes for better targeting of subsidies and public expenditure; introduction of e-procurement and adoption of a Government e-Marketplace (GeM) for various Government procurements.
