

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1262**  
TO BE ANSWERED ON DECEMBER 11, 2023

**GROSS DOMESTIC PRODUCT**

1262. SHRI Y.S. AVINASH REDDY:

Will the Minister of FINANCE

Be pleased to state:

- (a) whether the estimates of Gross Domestic Product (GDP) of the National Statistical Office predicts growth for the quarter, at 7.8 per cent, which was lower than the rate projected by the Reserve Bank of India (RBI) at 8 per cent as some private-sector economists were expecting growth above 8 per cent and in terms of sectoral performance, the agriculture sector grew 3.5 per cent year-on-year (Y-o-Y), though sustaining growth would be difficult, given the prospects of deficient rainfall and the manufacturing sector expanded 4.7 per cent Y-o-Y, which was disappointing;
- (b) if so, the details thereof indicating GDP growth rate comparatively since 2014 year onwards to till date, year-wise along with the reasons for upsurge/downfall; and
- (c) the corrective steps taken/being taken by the Government in this regard?

**ANSWER**

MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a): As per the estimates of Gross Domestic Product released by the National Statistical Office, Ministry of Statistics and Programme Implementation, India's Real GDP grew at 7.8 per cent in Q1 of 2023-24. Growth in Real GDP in Q2 of 2023-24 stood at 7.6 per cent, higher than the Reserve Bank of India (RBI) estimate of 6.5 per cent. The real GDP growth in Q2 of 2023-24 was not only higher than the median projections of 6.8 per cent by professional forecasters but also their highest estimate of 7.4 per cent. The manufacturing sector registered a year-on-year growth of 13.9 per cent in Q2 of 2023-24. The agriculture sector witnessed a growth of 1.2 per cent in Q2 of 2023-24. Sufficient reservoir levels, adequate availability of fertiliser and seeds, growing tractor sales and expanding credit support to the agriculture sector augur well for healthy rabi sowing in the current season.

**(b):** India's GDP growth rate since 2014 till date is given in the table below: -

**Table: India's Real GDP Growth Rate**

<b>Year</b>	<b>Real GDP Growth Rate (Per cent)</b>
2013-14	6.4
2014-15	7.4
2015-16	8.0
2016-17	8.3
2017-18	6.8
2018-19	6.5
2019-20 (3 <sup>rd</sup> RE)	3.9
2020-21 (2 <sup>nd</sup> RE)	-5.8
2021-22 (1 <sup>st</sup> RE)	9.1
2022-23 (PE)	7.2
Q1: 2023-24	7.8
Q2: 2023-24	7.6

Source: NSO, MoSPI

India's Real GDP has witnessed remarkable growth since 2014. However, it contracted by 5.8 per cent in 2020-21 due to the impact of the COVID-19 pandemic. The Indian economy grew substantially at 9.1 per cent in 2021-22, completely recovering the pre-pandemic GDP level of 2019-20. In 2022-23, India's Real GDP expanded by 7.2 per cent, much higher than the growth witnessed in major Advanced Economies and Emerging Market Economies. This highlights the ability of the Indian economy to sustain robust growth despite geo-political headwinds.

**(c):** To boost growth, various initiatives have been taken by the government during the last nine years. Key initiatives include measures aimed at formalisation of the economy, enhancing credit for MSMEs, improving ease of doing business, facilitating economic opportunities for all, and strengthening the banking sector. The measures such as the launch of Make in India to boost manufacturing in India, Start-up India to build an ecosystem for nurturing innovation and start-ups, the introduction of the Insolvency and Bankruptcy Code (IBC), rationalisation of labour laws, reduction in the corporate tax rate, and the introduction of the Goods and Services Tax (GST) have provided a significant opportunity to improve growth momentum by reducing barriers to trade, business, and related economic activities.

Further, a series of measures were announced in the Union Budget 2021-22, including an increase in the Capex budget by 34.5 per cent over 2020-21, an expansion of the Production Linked Incentive (PLI) scheme to 14 sectors, the launch of the National Monetisation Pipeline, increase in FDI limit in the insurance sector from 49 per cent to 74 per cent, among others. In addition to this, in the Union Budget 2022-23, the Capex budget was again increased by 35.4 per cent over the previous year; PM Gatishakti was launched, and the Emergency Credit Line Guarantee Scheme (ECLGS) was extended to provide continued support to MSMEs, among others. The National Logistics Policy was launched in September 2022 to lower the cost of logistics at par with other developed countries.

The Budget 2023-24 has also announced specific measures to improve growth. These include an 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 was also complemented by the provision made for the creation of capital assets through Grants-in-Aid to States. The 'Effective Capital Expenditure' of the Centre has been budgeted at 13.7 lakh crore (4.5 per cent of GDP) for 2023-24. Further, to improve logistics performance, one hundred critical transport infrastructure projects for last and first-mile connectivity for ports, coal, steel, fertiliser, and food grains sectors have been identified.

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