

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 221
TO BE ANSWERED ON DECEMBER 4, 2023

FIVE TRILLION ECONOMY

221. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:
SHRI MANNE SRINIVAS REDDY:
SHRI KOMATI REDDY VENKAT REDDY:

Will the Minister of FINANCE

Be pleased to state:

- (a) whether the Government has set aim of five trillion economy;
- (b) if so, whether the exchange rate is an overlooked factor in achieving the said goal;
- (c) if so, the comparative details thereof showing the targets set/achieved since 1947 till now in this regard, if not, the reasons therefor;
- (d) the mechanism developed till now in this regard and the output of various sectors contributing to reach the goals till now; and
- (e) the help extended to such sectors/results yielded till now since 1947?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a)-(b): The government has set the goal of becoming an advanced economy by 2047. In the process, it will become a USD 5 trillion economy early in the Amrit Kaal. This milestone will be crossed with the help of a strong rupee which will result from macroeconomic stability. The exchange rate is not an overlooked factor as it ranks India's GDP size in the world. The IMF projects India to become a USD 5 trillion economy with the third largest GDP in 2027-28.

(c): India is a market economy, and the government monitors economic progress through market-determined GDP and exchange rate. Past data is shown in Table 1 in the Annexure.

(d): Both domestic and international markets are the mechanisms that determine India's GDP, exchange rate and contribution of various sectors to GDP. Table 2 in the Annexure shows the contribution of the broad sectors to the economy in 2022-23.

(e): The Government also contributes to economic progress through policy interventions, including the measures announced in the annual budgets. Major initiatives taken by the government in the last 9 years for directly increasing the GDP include, among others, the implementation of the Insolvency and Bankruptcy (IBC) Code, recapitalisation of Public Sector Banks, rollout of Goods and Services Tax (GST), reduction in Corporate Tax, boost in Effective Capital Expenditure, introduction of Production Linked Incentive (PLI) Scheme in 14 sectors, continuous liberalisation of the FDI regime, and building of Digital Infrastructure.

Annexure

Table 1: GDP in USD and average exchange rate

Year	GDP (in USD Billion)	Exchange Rate (₹/US\$)
1980-81	189.4	8.1
1990-91	326.6	12.8
2000-01	476.6	35.5
2010-11	1708.5	45.6
2020-21	2671.6	63.6
2022-23	3732.2	77.5

Source: NSO, MoSPI and RBI

Table 2: Contribution of Agriculture, Industry and Services to nominal GDP in 2022-23 (in per cent)

Agriculture	Industry	Services
18.4	28.3	53.3

Source: NSO, MoSPI
