

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 2902.
TO BE ANSWERED ON WEDNESDAY, THE 20TH DECEMBER, 2023.**

INDIA'S ECONOMY

**2902. DR. PRITAM GOPINATHRAO MUNDE:
SHRI RAHUL RAMESH SHEWALE:
SHRI CHANDRA SEKHAR SAHU:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Union Government has requested the business community to contribute substantially to bring India's economy to third position in the world;
- (b) if so, the facts thereof along with the response of the business community thereon;
- (c) whether Bharat is moving on a very different path today to strengthen the country's economy;
- (d) if so, the details thereof;
- (e) whether there is an urgent need to take steps to curb rising inflation in the country; and
- (f) if so, the steps taken by the Union Government in this regard and the success achieved so far therefrom?

ANSWER

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) & (b): India is currently the fifth largest economy in the world and aspires to be third largest. The Government has taken a number of initiatives to boost confidence of the business community including increased ease of doing business while creating an ecosystem to enhanced industrialisation and make India globally competitive.

As part of enhanced Ease of Doing Business in the country, systematic and targeted efforts are being made to reduce the number of processes, reduce average time taken, rationalize costs and make it easier to do business in India.

Initiatives like simplification of regulations, opening the strategic sectors for the private players and rationalisation of labour laws have boosted confidence of the business sector. Further, direct tax measures such as the restructuring of the corporate tax rates, reduced tax litigation and removal of tax uncertainties have considerably reduced the compliance burden. Introduction of Insolvency and Bankruptcy Code of India (IBC) in 2016 to resolve insolvency focusing on maximization of value of assets by aiming at reorganization rather than liquidation of the Corporate Debtor. Initiatives like Introduction of SPICe+ and AGILE PRO-S form by Ministry of Corporate Affairs (MCA) and digitization of land records have been top priorities to bring efficiency and transparency.

The reforms taken by Government have resulted in increased Foreign Direct Investment (FDI) inflows in the country. FDI inflows in India stood at US\$ 45.15 billion in 2014-15 and have continuously increased since then, and India registered its highest ever annual FDI inflow of US\$ 84.84 billion in the financial year 2021-22.

(c) & (d): To strengthen the economy several major initiatives have been launched by the Government of India. 'Make in India' is one of the key initiatives which was launched on 25th September, 2014 to facilitate investment, foster innovation, build best in class infrastructure, and make India a hub for manufacturing, design, and innovation. It is one of the unique 'Vocal for Local' initiatives that promoted India's manufacturing domain to the world.

The activities under the Make in India initiative are also being undertaken by several Central Government Ministries/ Departments and various State Governments. Ministries formulate action plans, programmes, schemes and policies for the sectors being dealt by them, while States also have their own Schemes for attracting investments.

In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few.

Production Linked Incentive (PLI) Schemes for 14 key sectors (with an incentive outlay of Rs. 1.97 lakh crore) are under implementation to enhance India's manufacturing capabilities and exports. With announcement of PLI Schemes, significant improvement in production, skills, employment, economic growth and exports is expected over the next five years and more. As of now, 746 applications have been approved across the country in 14 sectors out of which 176 applicants are from MSME sector.

(e) & (f): Due to the anticipated slowdown in advanced economies, inflation risks coming from global commodity prices are likely to be lower in Financial Year 2024-25 than in Financial Year 2023-24. Prompt and adequate measures by the Government of India and the Reserve Bank of India (RBI) have led to inflation being largely under control.
