

**GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA
STARRED QUESTION NO. *55
TO BE ANSWERED ON 05.02.2020**

GDP GROWTH RATE

***55. SHRI A. RAJA:**

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether the Government is aware that National Statistical Office (NSO) has estimated India's GDP growth rate for 2019-20 at 5 per cent;**
- (b) if so, the details thereof;**
- (c) whether it has dipped to its lowest over the last few years;**
- (d) if so, the details thereof and the reasons therefor; and**
- (e) the measures being taken by the Government to raise the GDP and the manner in which the Government proposes to address the adverse impact of the lower GDP in all spheres?**

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING
(RAO INDERJIT SINGH)**

- (a) to (e): A statement is laid on the Table of the House.**

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. *55 FOR 5TH FEBRUARY, 2020 BY SHRI A. RAJA REGARDING GDP GROWTH RATE.

(a): Yes, Sir.

(b): Real GDP or GDP at Constant Prices (2011-12) in the year 2019-20 as per First Advanced Estimates (FAE) is likely to attain a level of ₹147.79 lakh crore, as against the FRE of GDP for the year 2018-19 of ₹139.81 lakh crore, released on 31st January 2020. The growth in real GDP during 2019-20 is estimated at 5.0 per cent as compared to the growth rate of 6.1 per cent in 2018-19.

(c) and (d):The annual GDP Growth Rates at Constant (2011-12) Prices during the last six years are as under:

Year	GDP Growth Rate (In %)
2014-15	7.4
2015-16	8.0
2016-17	8.3
2017-18	7.0
2018-19(FRE)	6.1
2019-20 (FAE)	5.0

FRE-First Revised Estimates, FAE-First Advance Estimates

The Growth of GDP has declined largely due to low growth in Manufacturing and Construction Sector.

(e): Government has been undertaking various measures to boost GDP growth. Introduction of Insolvency and Bankruptcy Code (IBC) in 2016 is a significant step towards strengthening the financial system of the country. Implementation of Goods and Services Tax in 2017 stands out as an important measure for improving ease of doing business in the country. Make-in-India programme is a major initiative towards increasing the indigenous capacity to produce world class goods and services. Continuous liberalization has led to an increase in inflows of foreign direct investment into the country. More recently, Government has cut corporate tax rate from 30 percent to 22 percent to boost investment activity. In particular, the corporate

tax rate has been cut to 15 percent for new domestic manufacturing companies, which is amongst the lowest in the world. This complements a cut in the repo rate by incentivize exporters, fully automated electronic refund for Input Tax Credits in GST, and revised priority sector lending norms for exports credit.

In addition, the Union budget 2020-21 proposes to invest Rs. 100 lakh crore on infrastructure development over the next five years for enhanced connectivity and employment generation. To encourage start-ups, the limit for tax-exemption has been proposed to be increased from Rs. 25 crore to Rs. 100 crore. Moreover, to incentivize business as well as foreign investors, the Dividend Distribution Tax on companies is proposed to be done away with.
