

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO. 40
ANSWERED ON 03.02.2020

ECONOMIC GROWTH

40. SHRI DIBYENDU ADHIKARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether certain foreign organizations have estimated the country's economic growth to below 6 per cent in 2019-20 FY;
- (b) if so, the reasons behind this and the reaction of Government thereto; and
- (c) the details of proposal of Government to improve the financial sector with industry growth and infrastructural development thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) & (b): World Economic Outlook Update (January 2019) published by International Monetary Fund (IMF) has estimated India's GDP growth rate at 4.8 per cent in 2019. The moderation in the growth rate of GDP coincides with a deceleration in growth of global output from 3.6 percent in 2018 to 2.9 percent in 2019 as estimated IMF. Government has been taking several measures with a view to boost the GDP growth of the country. The GDP growth is projected to pick up to 5.8 per cent in 2020 and is further projected to surpass China with a growth rate of 6.5 percent in 2021.

(c): Government recently has taken numerous measures to promote a healthy financial sector. Some of the notable measures are amalgamation of 10 Public Sector Banks (PSBs) to form 4 merged entities with a view to create next generation banks with strong national presence and global reach; roll out of the 'Partial Credit Guarantee Scheme' for purchase of high-rated pooled assets from financially sound Non-Banking Financial Companies (NBFCs)/ Housing Finance Companies (HFCs) by PSBs to guarantee support and enable NBFCs/Housing Finance Companies (HFCs) to resolve any temporary liquidity or cash flow mismatch issues; Budget 2019-20 announced an infusion of Rs. 70,000 crores into Public Sector Banks (PSBs) to boost credit and investment in the economy; Government has approved creation and launch of Bharat Bond Exchange Traded Fund (ETF) -first corporate bond ETF in the country, to create an additional source of funding for Central Public Sector Undertakings (CPSUs), Central Public Sector Enterprises (CPSEs), Central Public Financial Institutions (CPFIs) and other government organizations.

Infrastructure development has been a priority for the government. The National Infrastructure Pipeline, announced in December, 2019 has 6,847 projects valued at more than Rs. 100 lakh crore with Central Ministries/ Department and entities under them accounting for 4,600 projects with state governments responsible for 2,247 projects. The projects to be implemented by Centre and States include Public-Private Partnership (PPP) projects.
