

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 78**  
**ANSWERED ON 03.02.2020**

**5 TRILLION DOLLAR ECONOMY**

78. SHRI S. MUNISWAMY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to build 5 Trillion Dollar Economy in the country;
- (b) if so, the details thereof; and
- (c) the time by which it is likely to be achieved?

**ANSWER**

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

(a) to (c): The Economic Survey 2018-19 mentions that Indian economy aspires to become a USD 5 trillion economy by 2024-25. The Indian economy needs to grow at a high and robust growth rate along with high levels of investment to achieve this goal. Government has been undertaking continuous measures for improving the investment climate and boosting the economic growth rate of the economy. Introduction of Insolvency and Bankruptcy Code (IBC) in 2016 is a significant step towards cleaning and strengthening the financial system of the country. Implementation of Goods and Services Tax in 2017 stands out as the most important measure for improving ease of doing business in the country. This is reflected in the World Bank's Ease of Doing Business 2020 Report which improves India's ranking by 14 positions from 77 in 2018 to 63 in 2019. Make-in-India programme is a major initiative towards increasing the indigenous capacity of the country to produce world class goods and services. Continuous liberalization has resulted in record and unprecedented inflows of foreign direct investment into the country. All along Government has kept inflation under control, fiscal spending disciplined and current account deficit manageable to ensure macroeconomic stability so necessary to sustaining a healthy investment climate in the country. More recently government has cut corporate tax rate from 30 percent to 22 percent to boost investment activity in the country. 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 135 basis points during 2019 by the Reserve Bank of India and mandating of banks to link their lending rates with external benchmarks for reducing the cost of capital for investors.

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