

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1097
TO BE ANSWERED ON 08.02.2021

ECONOMIC GROWTH RATE

1097. SHRI HAJI FAZLUR REHMAN:

Will the Minister of FINANCE be pleased to state:

- whether the economic growth rate of the country has declined from the last year;
- if so, the details thereof;
- the estimated and actual economic growth rate during each of the last five years along with the reasons therefor;
and
- the action plan being formulated or proposed to be formulated by the Government to achieve the estimated economic growth rate of the country?

ANSWER

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

(a) & (b) As per the Estimates of Gross Domestic Product (GDP) released by National Statistical Office (NSO), M/o Statistics and Program Implementation (MoSPI), the annual GDP growth rates at constant (2011-12) prices during the last year and the current year are listed as under :

Financial Year (FY)	Annual GDP growth rate (per cent) at constant 2011-12 prices
FY 2019-20	4.0 (First Revised Estimates)
FY 2020-21	(-)7.7 (First Advance Estimates)

Source: NSO, MoSPI.

(c) Real GDP growth estimates are released by NSO and revised subsequently in accordance with the release calendar of National Accounts data. Real GDP growth estimates published by NSO for the last five years are listed as under :

FY	Real GDP growth rate in per cent (as per estimates of NSO)
2015-16	8.0 (3 rd RE)
2016-17	8.3 (3 rd RE)
2017-18	6.8 (3 rd RE)
2018-19	6.5 (2 nd RE)
2019-20	4.0 (1 st RE)

Note: RE- Revised Estimate Source: NSO, MoSPI.

(d) Government has implemented several major reforms in recent years to boost investment and GDP growth. The Government enacted the Insolvency and Bankruptcy Code (IBC) and recapitalized banks. The other measures taken, inter-alia, include Goods and Services Tax (GST) to simplify the indirect taxation regime, Make-in-India programme to boost domestic manufacturing capacity, liberalization of Foreign Direct Investment (FDI) and Jan Dhan-Aadhaar-Mobile (JAM) Trinity towards greater transparency, efficiency and financial inclusion. In September, 2019 the corporate tax rate was reduced to 15 per cent for new domestic manufacturing companies, which is amongst the lowest in the world. In December 2019, the government announced the Rs.103 lakh crore National Infrastructure Pipeline which would significantly boost infrastructure and spur growth impulses in the economy. The Union Budget 2020-21 also announced a number of growth supporting measures which, inter-alia, include rationalization of personal income tax rates to support domestic demand, a 16-point action plan for holistic development of the agriculture sector and critical measures to boost infrastructure and rural spending.

In FY 2020-21, Government announced a special economic and comprehensive package under AtmaNirbhar Bharat including measures taken by RBI amounting to about Rs. 27.1 lakh crores – more than 13 per cent of India's GDP – to combat the impact of the COVID-19 pandemic and to revive economic growth. The package included, among others, in-kind and cash transfer relief measures for households, employment provision measures under Pradhan Mantri Garib Kalyan Rojgar Abhiyaan and increased allocation under MGNREGS, credit guarantee and equity infusion-based relief

measures for MSMEs and NBFCs and regulatory and compliance measures. Structural reforms were also announced as part of the AtmaNirbhar Bharat Package which, inter alia, included deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms. The implementation of the package is reviewed and monitored regularly.

The Union Budget 2021-22 has also announced a number of measures to support broad-based and inclusive economic development under six pillars listed as under :

(i) Health and Wellbeing

Key measures include a holistic approach to strengthen healthcare with focus on three areas- Preventive, Curative, and Wellbeing, Rs. 35,000 crore for COVID-19 vaccine, roll out of Made-in-India Pneumococcal Vaccine across the country, launching of a new centrally sponsored scheme PM AtmaNirbhar Swasth Bharat Yojana in addition to National Health Mission, Mission Poshan 2.0, Universal Coverage of Water Supply, Urban Swachh Bharat Mission 2.0, Clean Air, Scrapping policy, etc.

(ii) Physical & Financial Capital, and Infrastructure

Key measures include Production Linked Incentive scheme (PLI) in 13 Sectors, Mega Investment Textiles Parks (MITRA), 7 Textile Parks, expansion of National Infrastructure Pipeline (NIP) to 7,400 projects, creation of institutional structures for Infrastructure Financing, National Monetization Pipeline, sharp increase in Capital Budget, economic corridors, flagship corridors/expressways, National Rail Plan for India (2030), future dedicated freight corridor projects, strengthening of urban infrastructure, launching of National Hydrogen Energy Mission 2021-22, extension of Ujjwala Scheme to cover 1 crore more beneficiaries, development of a world class Fin-Tech hub, increasing FDI limit in insurance sector from 49 percent to 74 percent, setting up of Asset Reconstruction Company Limited and Asset Management Company, recapitalization of PSBs easing compliance requirement of small companies, amendments to the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961, decriminalization of the Limited Liability Partnership (LLP) Act, 2008, promoting start-ups and innovators by incentivizing the incorporation of one person companies, strengthening NCLT framework, new policy for Strategic Disinvestment, Government Financial Reforms such as universal application of Treasury Single Account (TSA) System, rationalization of Centrally Sponsored Schemes, development of Multi-State Cooperatives, etc.

(iii) Inclusive Development for Aspirational India

Key measures include ensuring MSP at minimum 1.5 times the cost of production across all commodities, extension of SWAMITVA Scheme to all States/UTs, enhancing agricultural credit and infrastructure funds, investments to develop modern fishing harbours and fish landing centres, One Nation One Ration Card, Rs. 15,700 crore budget allocation to MSME Sector, etc.

(iv) Reinvigorating Human Capital

Key measures include qualitative strengthening of 15000 schools under National Education Policy, setting up of 100 new Sainik Schools, Higher Education Commission of India, Central University in Leh, 750 Eklavya model residential schools in tribal areas, revamped Post Matric Scholarship Scheme for welfare of SCs, measures to enhance skilling like realignment of existing National Apprenticeship Training Scheme (NATS), etc.

(v) Innovation and R&D

Key measures include Rs. 50,000 crore outlay under National Research Foundation (NRF), Rs. 1,500 crore for financial incentives to promote digital modes of payment, PSLV-CS51 launch, Gaganyaan mission activities, launching of Deep Ocean Mission, etc.

(vi) Minimum Government and Maximum Governance

Key measures include reforms to rationalize the functioning of Tribunals, National Commission for Allied Healthcare Professionals Bill in Parliament to ensure transparent and efficient regulation of the 56 allied healthcare professions, National Nursing and Midwifery Commission Bill to bring transparency, efficiency and governance reforms in the nursing profession, setting up of a Conciliation Mechanism for quick resolution of contractual disputes, Rs. 3768 crores for India's first digital census, Rs.1000 crores for the welfare of tea workers especially women and their children in Assam and West Bengal, etc.
