GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION No. †2445
TO BE ANSWERED ON 4 AUGUST 2025/ SRAVANA 13, 1947 (SAKA)

GROSS DOMESTIC PRODUCT GROWTH

†2445. Shri Sanjay Haribhau Jadhav:
Smt. Bharti Pardhi:

Will the Minister of FINANCE be pleased to state:

(a) the revised Gross Domestic Product (GDP) growth estimate for the current financial year along with the major factors contributing to this growth;

(b) the steps being taken by the Government to attract more domestic and foreign investments in key sectors;

(c) the progress made in ease of doing business during the last twelve months; and

(d) the details of the current fiscal deficit as a percentage of GDP and the roadmap of the Government to adhere to the fiscal consolidation targets mentioned in the FRBM Act?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) As per the latest available Provisional Estimates of Gross Domestic Product (GDP) released by the Ministry of Statistics and Programme Implementation, GDP at constant prices is estimated to have grown by 6.5% in 2024-25. This growth was primarily driven by robust performance in the Construction Sector (9.4%), Public Administration, Defence & Other Services (8.9%) and Financial, Real Estate & Professional Services (7.2%). Looking ahead, the Economic Survey 2024-25 has projected GDP growth for the year 2025–26 in the range of 6.3% to 6.8%.

(b) The Government has undertaken a series of initiatives to attract greater domestic and foreign investment, focusing on robust capital expenditure, infrastructure development, financial sector reforms, and enhancing the ease of doing business. The Union Budget 2025–26 identifies investment as one of the four key engines of growth. Complementary measures include credit guarantee schemes, the Production-Linked Incentive (PLI) Scheme, and the creation of a strong skilling ecosystem. In addition, the Government has implemented wide-ranging and transformative Foreign Direct Investment (FDI) reforms across sectors such as Defence, Civil Aviation, Pharmaceuticals, Single Brand Retail, Contract Manufacturing, Digital Media, Insurance and Space. To maintain India's appeal as an investment destination, the FDI policy is reviewed regularly and updated as needed. An investor-friendly framework is in place, with most sectors—except a few of strategic importance—open to 100% FDI under the automatic route, requiring no prior government approval.

(c) The Government of India has consistently undertaken wide-ranging reforms to improve the business environment, attract investments, and promote economic growth. These measures include initiatives undertaken under the Ease of Doing Business programme, comprising the Business Reform Action Plan (BRAP), Business-Ready assessment, Jan Vishwas and Reducing Compliance Burden on Businesses and Citizens. The Jan Vishwas (Amendment of Provisions) Act, 2023, decriminalised 183 provisions across 42 Central Acts, and the Jan Vishwas Bill 2.0 proposed in the Union Budget 2025–26, aims to further ease over 100 legal provisions. Moreover, in a major push to further strengthen the business environment, BRAP 2024, led by the Department for Promotion of Industry and Internal Trade (DPIIT), continues to streamline processes, reduce compliance burdens, and implement digital solutions, while expanding on its initial scope to cover critical sectors such as Labour, Environment, Taxes, Land Administration, Utility Permits, Inspection and Construction, and incorporating new areas like ICT adoption and process reengineering through the Time and Document Study (TDS) to ensure faster and more efficient Government-to-Business service delivery.

(d) The Union Budget 2025-26 has set the fiscal deficit target for 2025–26 at 4.4% of GDP. The Government of India's roadmap for fiscal consolidation is outlined in the Statements of Fiscal Policy presented alongside the Union Budget 2025-26, as required under the Fiscal Responsibility and Budget Management Act, 2003. It states that *"Sans any major macro-economic disruptive exogenous shock(s), and while keeping in mind potential growth trends and emergent development needs, the Government would endeavour to keep fiscal deficit in each year (from FY 2026-27 till FY 2030-31) such that the Central Government debt is on declining path to attain a debt to GDP level of about 50±1 per cent by 31st March 2031 (the last year of the 16th Finance Commission cycle)".*

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