

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2289

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Global Slowdown and Indian Economy

Khaira Shri Chandrakant Bhaurao;Laguri Smt. Sakuntala;Malyadri Shri Sriram;Thomas Prof. Kuruppassery Varkey

Will the Minister of FINANCE be pleased to state:

- (a) the ratings given to India by the International Monetary Fund (IMF) Report in terms of economic growth;
- (b) whether IMF has warned of a global slowdown of economic growth and if so, the details thereof;
- (c) whether the Government has taken adequate policy measures to check the impact of global slowdown on Indian economy and maintain higher growth rate;
- (d) if so, the details thereof and the steps taken by the Government in this regard; and
- (e) the extent to which the Government has succeeded in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): The International Monetary Fund (IMF) does not give numerical ratings for countries in terms of economic growth. As per the World Economic Outlook (WEO) released by the IMF in October, 2015, the GDP growth rate for India has been projected to increase from 7.3 per cent in 2014-15 and 2015-16 to 7.5 per cent in 2016-17.

(b): IMF projects global growth to decline from 3.4 per cent in 2014 to 3.1 per cent in 2015 and then to pick up in 2016 to an annual rate of 3.6 per cent. It expects this growth to be driven by a rebound in advanced economies, supported by the decline in oil prices, with the US playing the most important role. In advanced economies, growth is projected to rise from 1.8 per cent in 2014 to 2.0 per cent in 2015 and 2.2 per cent in 2016 (lower than the July estimate by 0.1 per cent 0.2 per cent, respectively). Emerging Market Economies (EMEs) GDP growth is expected to slow down to 4 per cent in 2015 from 4.6 per cent in 2014 before rising again to 4.5 per cent in 2016.

(c) & (d): The Government of India has taken various initiatives to accelerate the growth of the economy which, inter alia, include; fillip to manufacturing and infrastructure through higher public investment and fiscal incentives; reforms and liberalization of foreign direct investment in selected sectors; Skill India and Digital India initiatives; measures to de-bottleneck the supply of key raw-materials like coal; "Make in India" initiative along with the attendant facilitatory measures for a more conducive environment for investment; financial inclusion through 'Pradhan Mantri Jan DhanYojana' which also helps to strengthen banking and insurance services; introduction of 'Gold Monetization Schemes' to mobilize the gold held by the household and institutions in the country for productive use and reduce the country's reliance on the import of the gold to meet domestic demand; launching of Micro Units Development and Refinance Agency Ltd. (MUDRA); boost to agricultural sector with focus on micro irrigation, watershed development, soil conservation and credit, along with various measures to improve clarity and transparency in economic policy-making. Fiscal reforms with emphasis on consolidation, expenditure reforms and rationalization of tax structure, could also contribute to higher growth.

(e): As per the revised estimates released by Central Statistics Office (CSO), the growth rate of GDP at constant market (base: 2011-12) prices is estimated at 7.3 per cent in 2014-15 and 7.2 per cent in the first half of 2015-16.
