

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2776
TO BE ANSWERED ON AUGUST 03, 2018

FALL IN GDP

2776. SHRI V. ELUMALAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether India's economic growth was pushed downward in 2017 due to the goods and services tax as well as protracted issues of corporate and bank balance sheet problems;
- (b) if so, the details thereof;
- (c) whether India's GDP grew at 6.6 per cent in 2017 down from 7.1 per cent in 2016, if so, the details thereof;
- (d) whether India's GDP is likely to grow 7.2 per cent in 2018 and 7.4 per cent next financial year; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) to (c): As per the provisional estimates of national income released by Central Statistics Office on 31st May 2018, the growth rate of GDP (at constant 2011-12 prices) was 6.7 per cent in 2017-18 as against 7.1 per cent in 2016-17. The overall economic growth of the economy is dependent on many factors that, inter alia, include the rate of capital formation and savings, utilization of technology, availability of infrastructure, efficiency of resource allocation, quality of institutions, governance and the policy framework in place, money supply and degree of financial development. It is hence difficult to assess exclusive impact of GST and corporate & bank balance sheet on the economy.

(d) & (e): Economic Survey 2017-18 presented in January 2018 projected the growth rate of the economy to be in the range of 7 to 7.5 per cent in 2018-19. The World Economic Outlook Update (July 2018) of International Monetary Fund has projected the growth of the Indian economy at 7.3 per cent and 7.5 per cent for 2018 and 2019 respectively.
