

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. 357
TO BE ANSWERED ON AUGUST 10, 2018

INDIAN ECONOMY

†*357. SHRIMATI VEENA DEVI:
SHRI RAM KUMAR SHARMA:

Will the Minister of FINANCE be pleased to state:

- (a) whether as per the World Bank Reports, Indian economy is the sixth largest economy in the world at present and if so, the details thereof along with the reaction of the Government thereto;
- (b) the size/value of Indian economy in dollar terms vis-a-vis the first five economies of the world along with the details of the share of various sectors viz. agriculture, industry, trade and service in Indian economy at present;
- (c) the difference in terms of amount in the economy of India being the sixth and United States being the largest economy of the world and the time limit targeted to be fixed to bridge this gap by India;
- (d) the extent to which the Goods and Services Tax (GST) has helped in achieving the goal of the sixth largest economy in the world; and
- (e) whether the World Bank has pointed out challenges in the form of Non- Performing Assets, etc. and if so, the measures taken/likely to be taken by the Government to address the same?

ANSWER

FINANCE MINISTER
(SHRI PIYUSH GOYAL)

(a) to (e) A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE
LOK SABHA STARRED QUESTION NO. 357
BY SHRIMATI VEENA DEVI AND SHRI RAM KUMAR SHARMA
DUE FOR ANSWER ON AUGUST 10, 2018**

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(a) Second Quarter (Q2) 2018 Update of World Development Indicators database of the World Bank, ranked India sixth in terms of GDP (in current US\$) in 2017.

(b) The GDP (in current US\$) of top six economies of the world for the year 2017, as per the aforementioned Update, is given in the following table.

Table: GDP of the Top Six Economies of the World (Current US\$ Billion for 2017)	
Country	GDP
United States	19391
China	12238
Japan	4872
Germany	3677
United Kingdom	2622
India	2597
<i>Source: Second Quarter (Q2) 2018 Update of World Development Indicators database, World Bank</i>	

As per the information available from Central Statistics Office, the share of different sectors of the Indian economy in total value added (at current basic prices) for the year 2017-18 for agriculture & allied, industry and services (including trade) sectors was 17.1 per cent, 29.1 per cent and 53.9 per cent respectively.

(c) The GDP of United States at US\$19391 billion is nearly 7.5 times higher than India's GDP of US\$ 2597 billion. There is no target to bridge the economy size gap between the US and India.

(d) The overall economic growth and the size of an economy is dependent on several factors that, *inter alia*, include initial stage of development, 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. GST has come into implementation from July1, 2017.

(e) World Bank's India Development Update titled 'India's Growth Story' (March 2018), has raised the issue of non-performing assets, etc. and has stated that reviving bank credit is critically important to support India's economic growth. Towards this end, the Government has launched a phased program for bank recapitalization. This entails infusion of capital to the public sector banks, to the tune of about Rs. 2.11 lakh crore over two years. In addition, RBI initiated schemes, which incentivize banks to come together with their borrowers to rehabilitate stressed assets. Government set up an autonomous Banks Board Bureau to recommend for selection of heads of banks and help them in developing strategies and capital raising plans The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner.
