

FM: INDIA NOW 6TH LARGEST ECONOMY IN THE WORLD WITH HIGH GROWTH

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Ministry of Finance

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Fiscal deficit down to 3.4%; average inflation 4.6%

FDI of USD 239 BN in five years

Banks recover Rs 3 Lakh Crores in outstanding loans

Posted On: 01 FEB 2019 1:30PM by PIB Delhi

Under the leadership of the Prime Minister, Shri Narendra Modi, the country has witnessed its best phase of macro-economic stability, becoming the sixth largest economy in the world from being the 11th in the World in 2013-14. Presenting the Interim Budget for the year 2019-20 in Parliament today, the Union Minister for Finance, Corporate Affairs, Railways & Coal, Shri Piyush Goyal said "India is the fastest growing major economy in the world" with an average GDP growth of 7.3% per annum, the highest ever achieved by any Government since economic reforms began in 1991. Shri Goyal said under the leadership of Prime Minister, Shri Narendra Modi, a clean, decisive and stable Government reversed the policy paralysis, laid foundation for sustainable growth and restored the image of the country.

New India by 2022

Shri Goyal said that a New India would celebrate its 75th Independence year in 2022 when every family would have a house with access to water, electricity and toilets; farmers income would have doubled; and the country would be free from terrorism, communalism, corruption and nepotism

Fiscal Deficit and Inflation down

Outlining the broad picture of the State of the Economy, Shri Goyal said the fiscal deficit has been brought down to 3.4% in 2018-19 Revised Estimates from the high of 5.8% in 2011-12 and 4.9 % in 2012-13. Average inflation has been brought down to 4.6% from the high of 10.1% during 2000-2014. In December 2018 inflation was 2.19% only. The Finance Minister said, the Current Account Deficit (CAD) is likely to be only 2.5% of GDP this year, against a high of 5.6% six years ago.

Shri Goyal said due to strong fundamentals and stable regulatory regime, the country attracted

\$239 billion as Foreign Direct Investment (FDI) during the last five years. He cited Goods and Services Tax (GST) as a path breaking next generation structural tax reform undertaken by the Government.

Recovery of Bank Loans

Highlighting the Banking Reforms, Shri Goyal said the Insolvency and Bankruptcy Code has institutionalised a resolution-friendly mechanism and nearly Rs. 3 lakh crores has been recovered by Banks and creditors. He said high stressed non-performing assets (NPAs) amounted to Rs. 5.4 lakh crore in 2014. Since 2015, numerous Asset Quality Reviews and inspections were carried out, and the 4Rs approach of recognition, resolution, re-capitalisation and reforms has been followed. Highlighting the restoration of the health of the Public Sector Banks, the Finance Minister said that recapitalisation has been done with an investment of Rs. 2.6 lakh crore.

Steps against corruption

Listing out the measures undertaken by the Government to bring about a New Era of transparency in Real Estate Sector, the Finance Minister mentioned about The Real Estate (Regulation and Development) Act, 2016 (RERA) and Benami Transaction (Prohibition) Act. He said the Fugitive Economic Offenders Act, 2018 is helping to confiscate and dispose off the assets of economic offenders, who escape the jurisdiction of the country. He said the Government conducted transparent auction of natural resources including coal and spectrum.

Cleanliness

Highlighting the achievements of Swachhata Mission launched by the present government led by the Prime Minister Shri Narendra Modi, Shri Goyal said the country achieved nearly 98% rural sanitation coverage with as many as 5.45 lakh villages being declared open defecation free.

EWS Reservation

To ensure 10% reservation in educational institutions and Government jobs for economically weaker sections, the Government will provide for 25% extra seats i.e. around 2 lacs, while maintaining the existing reservation for SC/ST/Other Backward Classes.

Food grains for poor

To provide food grains at affordable prices to the poor and middle classes, the Finance Minister said about Rs 1,70,000 crore was spent in 2018-19. Rs 60,000 crore has been allocated for Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the Budget Estimate of 2019-20.

GG/DSM/RM/BB

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