

Government of India
Press Information Bureau

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1st Meeting Of The Working Group To Make India USD 5 Trillion Economy

The 1st meeting of the Working Group on USD 5 Trillion Indian Economy was held on 15.03.2018 in New Delhi chaired by Hon'ble Minister of Commerce and Industry (CIM) and was attended by Secretaries to the Government of India and representatives from NITI Aayog, CII, FICCI, NASSCOM, NCAER, Morgan Stanley, PwC, IIFT, IFC and FISME.

Hon'ble CIM pointed out that the present USD 2.6 trillion Indian economy will become a USD 5 trillion Indian economy in due course. The key was the timeline within which it will be achieved. The objective of constituting the Working Group was to chart out this timeline, along with suitable strategies to achieve the same. The USD 5 trillion economy could be achieved in the next seven to eight years with the services, industrial and agricultural sectors contributing USD 3, 1 and 1 trillion each approximately.

The key points highlighted in the meeting were:

- i. India has the largest population of millennials and it was crucial to fulfil their aspirations by creating appropriate physical and social infrastructure. Several tier-II cities need to be created to make growth more inclusive.
- ii. Around 80 per cent of the global trade happens through Global Value Chains (GVCs). Indian industry needs to align itself with these GVCs. Most of the enterprises involved in GVCs are medium enterprises. It is this category that needs to expand.
- iii. Growth of GDP will come from four items: Government expenditure, Private Expenditure, Investment and Exports. Strategies under each need to be carried out on the ground. Greater private investment in infrastructure and asset recycling by moving towards private ownership of assets like ports, airports, bus operations needs to be encouraged.

- iv. Growth needs to come from the Indian States and further below from the districts too.
- v. Institutions in India need to be stronger, including the regulatory framework. There needs to be rationalisation of laws that allow sensible regulations, transparency and fairness.
- vi. Demand needs to be consolidated by coalescing requests for proposals (RFPs) in different sectors, by the government.

It was decided to set up smaller groups to work out the sectoral targets and the roadmap ahead.

MM/RC