

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1836
ANSWERED ON 02 AUGUST 2022

PRIVATE FINAL CONSUMPTION EXPENDITURE (PFCE)

1836. Shri Kumar Ketkar:
Shri Pramod Tiwari:

Will the Minister of Finance be pleased to state:

- (a) whether Private Final Consumption Expenditure (PFCE) makes up 56.9 per cent of Gross Domestic Product (GDP) of the country;
- (b) whether the provisional estimates for Gross Domestic Product (GDP) for the fiscal year 2021-22 show that per capita PFCE declined from ₹ 61,594 in 2019-20 to ₹ 61,215;
- (c) if so, the reasons therefor; and
- (d) the details of steps taken by Government to boost consumption in the last two years?

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): As per the Provisional Estimates of Annual National Income, 2021-22 released by the Ministry of Statistics & Programme Implementation (MoSPI), the Private Final Consumption Expenditure (PFCE) (at current prices) makes up 59.6 per cent of the Gross Domestic Product (GDP) of the country for the financial year 2021-22 (PE).

(b): As per the Provisional Estimates of Annual National Income, 2021-22, Per Capita PFCE at 2011-12 prices was Rs.61,215 in 2021-22 (PE) as compared to Rs. 61,594 in 2019-20 (2nd RE). At current prices Per Capita PFCE was Rs. 1,02,992 in 2021-22 (PE) as compared to Rs. 91,254 in 2019-20 (2nd RE).

(c) & (d): Along with the completion of economic recovery in 2021-22, real per capita consumption in 2021-22 has nearly recovered to its 2019-20 level as consumers are showing a greater inclination to spend with the waning of the pandemic. This is supported by the government taking various measures to boost consumption in the last two years. To provide immediate relief, measures were announced for households under Pradhan Mantri Garib Kalyan Yojana such as in-kind (food; cooking gas) and cash transfers to senior citizens, widows, disabled, women Jan Dhan Account holders, farmers; insurance coverage for workers in the healthcare sector; wage increase for MGNREGA workers; support for building and construction workers; collateral-free loans to self-help groups; reduction in EPF contributions and employment provision for migrant workers under Pradhan Mantri Garib Kalyan Rojgar Abhiyaan, amongst others.

Union Budget 2022-23 also announced a series of measures to give a boost to private consumption, including, an increase in tax deduction limit on employer's contribution to the NPS account of State Government employees, the extension of the Emergency Credit Linked Guarantee Scheme (ECLGS), expansion of Production Linked Incentive Scheme with potential to create new jobs, setting up of 75 Digital Banking Units (DBUs) in 75 districts by Scheduled Commercial Banks etc.
