

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION No. 880
TO BE ANSWERED ON 11 FEBRUARY 2025**

IMPACT OF THE ECONOMIC SLOWDOWN

†880 Shri Parimal Nathwani:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has assessed the impact of the recent economic slowdown on the overall financial health of the country, including GDP growth, employment generation, and key sectors such as manufacturing, agriculture, and services;

(b) if so, the details of the findings and the sectors most adversely affected by the slowdown; and

(c) the measures undertaken by Government to stimulate economic growth, improve investor confidence, and address challenges such as inflation, declining exports, and disruptions in key industries?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b): As per the first advance estimates of GDP for the year 2024-25, the growth rate in agriculture sector is higher than the previous year, while the growth rate in services sector remains robust. India's manufacturing sector was affected by the slowdown in global merchandise trade, particularly in the second quarter of 2024-25. Despite this, India's estimated real GDP growth of 6.4 per cent in 2024-25 is likely to be highest among the major economies of the world. As per the Periodic Labour Force Survey, the all-India annual unemployment rate for individuals aged 15 years and above (usual status) has steadily declined from 6 per cent in 2017-18 to 3.2 per cent in 2023-24. This is also accompanied by an increase in the labour force participation rate and the worker population ratio.

(c): The Union Budget 2025-26 has placed agriculture, MSMEs, investment and exports as engines of growth with various specific measures under each of them. The significant reforms proposed in personal income tax are likely to boost saving and consumption in the economy. The proposed Export Promotion Mission with accompanying measures can stimulate exports. These measures coupled with the emphasis on financial sector reforms, infrastructure investment, job creation, urban development, and, specific measures for industries like footwear, leather, toys, critical minerals, textiles, electronic goods, lithium-ion batteries, shipping and telecommunication are expected to promote investor confidence, industrial activity and overall economic growth. In order to tackle inflation, the Government has taken various measures which include building buffers of key food items and periodically releasing these items into the open market, adopting trade policies to enhance domestic food availability, preventing hoarding by setting and revising stock limits and distributing select food items at subsidised prices through designated retail outlets.
