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① India's growth path in the last 5 years must depend on robust domestic investment ~~&~~ sector wise growth ?

Introduction - Recently India has surpassed UK as the 5th largest economy in the world, however it needs an annual growth of [8-9%] of GDP to attain the developed ~~stat~~ nation position.

India's - Composition of growth

① out of leading 8 (GVA) sectors, Agriculture growth remained robust & manufacturing seems to be done well with an increased of 7% in 1Q [2022-23]

② Main intensive ~~grow~~ sectors suffered growth due to COVID-19 & disruption in global supply chain.

③ The ~~ratio~~ of gross fixed capital formation to GDP is 29.2% in 1Q of [2022-23] which is 1% higher than investment rate.

(4) Contribution of net exports in real GDP growth is negative since import exceeds the export growth by a ~~...~~ tangible margin.

(5) Bank credit by (SCB)'s grew by 15%. & GST collection remained high at (1.49 L crore) this may be due to higher inflation in both CPI & WPI.

<u>Investments in</u> domestic sector

(1) The venture capital investment ~~is~~ gearing the economy's growth.

(2) Coal India limited plans to invest 1.22 lakh crore on 500 projects

(3) Toyota group is yet to invest 48 Billion to make electric vechiles aligned with India's climate change goals.

(4) PLI scheme to encourage domestic manufacturing which has generated 2.34 lakh crore across 14 sectors.

Development <u>on sector wise growth</u>

(1) Private capital

expenditures & both corporate & non-corporate spending should also rise.

(ii) with buoyant tax revenue growth, fiscal federalism should strongly focus on making investment in leading sectors.

(iii) Capacity utilization in industry to helps in attracting private investment if demand for goods remaines to be increased

Conclusion – Devolution of Centre's tax could help states to implement policies attracting investment thereby strengthening fiscal federalism & attain developed country status