

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3682
TO BE ANSWERED ON MONDAY, THE 24TH MARCH, 2025

Slowdown in Urban Consumption

3682. Dr. Mohammad Jawed:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has assessed the factors contributing to the slowdown in urban consumption, if so, the details thereof and the steps being taken to address them;
- (b) the measures being implemented by the Government to support sectors most affected by the slowdown in urban consumption, such as electronics, automobiles and grooming services;
- (c) whether the Government has identified specific policies to enhance disposable incomes in urban areas to stimulate consumption and if so, the details thereof; and
- (d) whether the Government has considered a reduction in income tax and GST rates on electronics and to spur demand and to increase consumption?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): As per the Household Consumption Expenditure Survey 2023-24, the estimated average monthly per capita consumption expenditure at current prices for urban areas increased from ₹ 6,459 in 2022-23 to ₹ 6,996 in 2023-24 (without taking into account the values of items received free of cost by the households through various social welfare programmes). The Government has taken various initiatives for stimulating overall economic growth, improving ease of doing business, enabling an ecosystem for skill development and job creation and promoting infrastructure and urban development. In the Union Budget 2025-26, the Government has proposed changes in slabs and rates of personal income tax across the board to benefit the taxpayers. These efforts are expected to increase disposable income, thereby encouraging urban consumption of various goods and services, including consumer durables like electronics and automobiles. GST rates are prescribed based on recommendations of the GST Council. Presently, there is no recommendation of the GST Council for the reduction of GST rates on electronic goods.

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