



**Press Information Bureau
Government of India**



Ministry of Finance



**ECONOMIC SURVEY CONSERVATIVELY
PROJECTS A REAL GDP GROWTH OF 6.5–7 PER
CENT IN FY25**

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REAL GDP GROWS BY 8.2 PER CENT IN FY24; EXCEEDS 8 PER CENT IN THREE OUT OF FOUR QUARTERS

RETAIL INFLATION DECLINES TO 5.4 PER CENT IN FY24 DUE TO DEFT ADMINISTRATIVE AND MONETARY POLICIES

ECONOMIC GROWTH OF 8.2 PER CENT SUPPORTED BY INDUSTRIAL GROWTH RATE OF 9.5 PER CENT

29 STATES AND UNION TERRITORIES WITNESS INFLATION RATE BELOW 6 PER CENT

INDIA'S BANKING AND FINANCIAL SECTOR DISPLAYS STELLAR PERFORMANCE; RBI MAINTAINS STEADY POLICY RATE

DOUBLE-DIGIT AND BROAD-BASED GROWTH IN BANK CREDIT

AGRICULTURE AND ALLIED ACTIVITIES WITNESS DOUBLE DIGIT GROWTH IN CREDIT

RBI PROJECTS INFLATION TO FALL TO 4.5 PER CENT IN FY25
INDIA TOP REMITTANCE RECIPIENT COUNTRY GLOBALLY WITH
USD 120 BILLION IN 2023

SIX KEY FOCUS AREAS IN AMRIT KAAL - BOOST PRIVATE
INVESTMENT, EXPANSION OF MSMEs, AGRICULTURE AS
GROWTH ENGINE,

FINANCING GREEN TRANSITION, BRIDGING EDUCATION-
EMPLOYMENT GAP, AND CAPACITY BUILDING OF STATES

INDIA MAKES PROGRESS ON CLIMATE ACTION AND ENERGY
EFFICIENCY; 45.4 PER CENT INSTALLED ELECTRICITY
GENERATION FROM NON-FOSSIL SOURCES

INDIA DECOUPLES ECONOMIC GROWTH FROM GREENHOUSE
GAS EMISSIONS; GDP STANDS AT 7% WHILE EMISSIONS WERE AT
4% BETWEEN 2005-19

GINI COEFFICIENT DECLINES, UNDERSCORES SOCIAL SECTOR
INITIATIVES REDUCE INEQUALITY

MORE THAN 34.7 CRORE AYUSHMAN BHARAT CARDS
GENERATED, 7.37 CRORE HOSPITAL ADMISSIONS COVERED
22 MENTAL DISORDERS COVERED UNDER AYUSHMAN BHARAT
RAPID PROGRESS IN R&D, ONE LAKH PATENTS GRANTED IN
FY24, COMPARED TO LESS THAN 25,000 IN FY20

NET PAYROLL ADDITIONS TO EPFO MORE THAN DOUBLES FROM
61.1 LAKH IN FY19 TO 131.5 LAKH IN FY24

GIG WORKFORCE TO EXPAND TO 2.35 CRORE BY 2029-30

AGRICULTURE AND ALLIED SECTORS REGISTER AVERAGE
ANNUAL GROWTH RATE OF 4.18 PER CENT OVER LAST 5 YEARS

ALLIED AGRI SECTORS EMERGING AS ROBUST GROWTH CENTRES AND SOURCES FOR IMPROVING FARM INCOMES

INVESTMENT IN AGRICULTURE RESEARCH CONTRIBUTES TO FOOD SECURITY; FOR EVERY RUPEE INVESTED, PAYOFF OF ₹13.85

INDIA'S PHARMA MARKET WORLD'S THIRD LARGEST AT USD 50 BILLION

PLI SCHEMES KEY IN ACHIEVING 'AATMANIRBHAR BHARAT' ATTRACT ₹1.28 LAKH CRORE INVESTMENT

INDIA'S SERVICES EXPORTS CONSTITUTE 4.4 % OF WORLD'S COMMERCIAL EXPORTS IN 2022

INDIA'S SHARE IN DIGITALLY DELIVERED SERVICES EXPORTS STANDS AT 6% IN 2023; INDIA HAS 1,580 GLOBAL CAPABILITY CENTRES

INDIA WITNESSES 92 LAKH FOREIGN TOURIST ARRIVALS IN 2023

INDIAN E-COMMERCE INDUSTRY SET TO CROSS USD 350 BILLION BY 2030

AVERAGE PACE OF NH CONSTRUCTION INCREASES 3 TIMES FROM 11.7 KM PER DAY IN FY14 TO AROUND 34 KM PER DAY BY FY24

RAILWAYS CAPEX INCREASES BY 77 PERCENT IN THE PAST 5 YEARS

NEW TERMINAL BUILDINGS AT 21 AIRPORTS OPERATIONALISED

MISSION LIFE FOCUSES ON HUMAN-NATURE HARMONY PROMOTING MINDFUL CONSUMPTION

ECONOMIC SURVEY 2023-24 HIGHLIGHTS

Economic Survey 2023-24 was tabled in Parliament today by Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman. The main highlights of the Economic Survey are as follows;

Chapter 1: State of the Economy – Steady as She Goes

- Economic Survey conservatively projects a real GDP growth of 6.5–7 per cent, with risks evenly balanced, cognizant of the fact that the market expectations are on the higher side.
- India's economy carried forward the momentum it built in FY23 into FY24 despite a gamut of external challenges. The focus on maintaining macroeconomic stability ensured that external challenges had minimal impact on India's economy.
- India's real GDP grew by 8.2 per cent in FY24, exceeding 8 per cent mark in three out of four quarters of FY24.
- On supply side, Gross value added (GVA) grew by 7.2 per cent in FY24 (at 2011-12 prices) and net taxes at constant prices grew by 19.1 per cent in FY24.
- With deft management of administrative and monetary policies, retail inflation reduced from 6.7 per cent in FY23 to 5.4 per cent in FY24.
- Current Account Deficit (CAD) stood at 0.7 per cent of the GDP during FY24, an improvement from the deficit of 2.0 per cent of GDP in FY23.
- Indian economy has recovered and expanded in an orderly fashion post pandemic. The real GDP in FY24 was 20 per cent higher than its level in FY20, a feat that only a very few major economies achieved.
- 55% of tax collected accrued from direct taxes and remaining 45% from indirect taxes.
- Government has been able to ensure free food grains to 81.4 Crore people. Total expenditure allotted to capital spending have progressively enhanced.

Chapter 2: Monetary Management and Financial Intermediation- Stability is the Watchword

- India's banking and financial sectors have displayed a stellar performance in FY24.
- RBI maintained a steady policy rate throughout the year with overall inflation rate under control.
- Monetary Policy committee (MPC) maintained the status quo on the policy repo rate at 6.5 per cent in FY24. Inflation made to gradually align with its target while supporting growth.
- Credit disbursement by Scheduled Commercial Banks (SCBs) stood at ₹164.3 lakh crore, growing by 20.2 per cent at the end of March 2024.
- Growth in broad money (M_3), excluding the impact of merger of HDFC with HDFC Bank, was 11.2 per cent (YoY) as on 22 March 2024, compared to 9 per cent a year ago.
- Double-digit and broad-based growth in bank credit, gross and net non-performing assets at multi-year lows, and improvement in bank asset quality highlight the government's commitment to a healthy and stable banking sector.
- Credit growth remains robust mainly driven by the lending to services and personal loans.
- Agriculture and allied activities witnessed double digits growth in credit during FY24.
- Industrial credit growth was 8.5 per cent compared to 5.2 per cent a year ago.
- IBC has been recognised as an effective solution for the twin balance sheet problem, in the last 8 years, 31,394 corporate debtors involving a value of Rs 13.9 Lakh Crore have been disposed off as of March 2024.

- Primary capital markets facilitated capital formation of ₹10.9 lakh crore during FY24 (approximately 29 per cent of the gross fixed capital formation of private and public corporates during FY23).
- The market capitalisation of the Indian stock market has seen a remarkable surge, with the market capitalisation to GDP ratio being the fifth largest in the world.
- Financial inclusion is not just a goal but also an enabler for sustainable economic growth, reduction of inequality and elimination of poverty. The next big challenge is Digital Financial Inclusion (DFI).
- Dominance of banking support to credit is steadily being reduced and the role of capital markets is rising. As India's financial sector undergoes critical transformation, it must brace for likely vulnerabilities.
- India poised to emerge as one of the fastest-growing insurance markets in the coming decade.
- Indian microfinance sector emerges as the second largest in the world after China.

Chapter 3: Prices and Inflation- Under Control

- Central Government's timely policy interventions and the Reserve Bank of India's price stability measures helped maintain retail inflation at 5.4 per cent - the lowest level since the pandemic.
- Central Government announced price cuts for LPG, petrol, and diesel. As a result, retail fuel inflation stayed low in FY24.
- In August 2023, the price of domestic LPG cylinders was reduced by ₹200 per cylinder across all markets in India. Since then, LPG inflation has been in the deflationary zone.
- Further, Centre lowered the prices of petrol and diesel by ₹2 per litre. Consequently, retail inflation in petrol and diesel used in vehicles also moved to the deflationary zone.
- India's policy adeptly steered through challenges, ensuring price stability despite global uncertainties
- Core services inflation eased to a nine-year low in FY24; at the same time, core goods inflation also declined to a four-year low.
- In FY24, core consumer durables inflation declined due to an improved supply of key input materials to industries.
- Agriculture sector faced challenges due to extreme weather events, depleted reservoirs, and crop damage, which impacted farm output and food prices. Food inflation stood at 6.6 per cent in FY23 and increased to 7.5 per cent in FY24.
- Government took appropriate administrative actions, including dynamic stock management, open market operations, subsidised provision of essential food items and trade policy measures, which helping to mitigate food inflation.
- 29 States and Union Territories recorded inflation below 6 per cent in FY24.
- Besides, States experiencing higher overall inflation tend to have a wider rural-to-urban inflation gap, with rural inflation surpassing urban inflation.

- Going forward, the RBI projects inflation to fall to 4.5 per cent in FY25 and 4.1 per cent in FY26, assuming normal monsoon and no external or policy shocks.
- IMF forecasts inflation of 4.6 per cent in 2024 and 4.2 per cent in 2025 for India.

Chapter 4 : External Sector - Stability Amid Plenty

- India's external sector remained strong amidst on-going geopolitical headwinds accompanied by sticky inflation.
- India's rank in the World Bank's Logistics Performance Index improved by six places, from 44th in 2018 to 38th in 2023, out of 139 countries.
- The moderation in merchandise imports and rising services exports have improved India's current account deficit which narrowed 0.7 per cent in FY24.
- India is gaining market share in global exports of goods and services. Its share in global goods exports was 1.8 per cent in FY24, against an average of 1.7 per cent during FY16-FY20.
- India's services exports grew by 4.9 per cent to USD 341.1 billion in FY24, with growth largely driven by IT/software services and 'other' business services.
- India is the top remittance recipient country globally, with remittances reaching a milestone of USD 120 billion in 2023.
- India's external debt has been sustainable over the years, with the external debt to GDP ratio standing at 18.7 per cent at the end of March 2024.

Chapter 5: Medium-Term Outlook – A Growth Strategy for New India

- Key areas of policy focus in the short to medium term - job and skill creation, tapping the full potential of the agriculture sector, addressing MSME bottlenecks, managing India's green transition, deftly dealing with the Chinese conundrum, deepening the corporate bond market, tackling inequality and improving our young population's quality of health.
- Amrit Kaal's growth strategy based on six key areas - boosting private investment, expansion of MSMEs, agriculture as growth engine, financing green transition, bridging education-employment gap, and building capacity of States.
- For Indian economy to grow at 7 per cent plus, a tripartite compact between the Union Government, State Governments and the private sector is required.

Chapter 6: Climate Change and Energy Transition: Dealing with Trade-Offs

- A report by the International Finance Corporation recognises India's efforts to achieve committed climate actions, highlighting that it is the only G20 nation in line with 2-degree centigrade warming.
- India has made significant progress on climate action in terms of an increase in its renewable energy capacity and improvement in energy efficiency.
- As of 31 May 2024, the share of non-fossil sources in the installed electricity generation capacity has reached 45.4 per cent.
- Further, the country has reduced the emission intensity of its GDP from 2005 levels by 33 per cent in 2019.
- India's GDP between 2005 and 2019 has grown with a Compound Annual Growth Rate (CAGR) of about 7 per cent, whereas the emissions grew at a CAGR of about 4 per cent.
- The Government has launched several clean coal initiatives, including the Coal Gasification Mission.