

Ministry of Finance



# HIGHLIGHTS OF ECONOMIC SURVEY 2024-25

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INDIA'S REAL GDP AND GVA GROWTH ESTIMATED AT 6.4 PER CENT IN FY25 (FIRST ADVANCE ESTIMATES)

THE REAL GDP GROWTH TO GROW BETWEEN 6.3 AND 6.8 PER CENT IN FY26

THRUST ON GRASSROOTS-LEVEL STRUCTURAL REFORMS AND DEREGULATION TO BOOST MEDIUM-TERM GROWTH POTENTIAL AND GLOBAL COMPETITIVENESS

GEO-ECONOMIC FRAGMENTATION (GEF) IS REPLACING GLOBALIZATION LEADING TO IMMINENT ECONOMIC REALIGNMENTS AND READJUSTMENTS

FOCUS OF REFORMS AND EASE OF DOING BUSINESS 2.0 TO CREATE INDIA'S *MITTELSTAND*, I.E. INDIA'S SME SECTOR TO MEET THE REQUIREMENTS OF INFRASTRUCTURE PRIVATE SECTOR PARTICIPATION WILL BE CRUCIAL

CAPEX IMPROVED CONTINUOUSLY FROM FY21 TO FY24 AND POST GENERAL ELECTIONS, IT GREW YOY BY 8.2 PER CENT CAPITAL EXPENDITURE ON KEY INFRASTRUCTURE SECTORS GROWN AT A RATE OF 38.8 PER CENT FROM FY20 TO FY24

RBI AND THE IMF PROJECT INDIA'S CONSUMER PRICE INFLATION WILL ALIGN WITH TARGET OF 4 PER CENT IN FY26

RETAIL HEADLINE INFLATION SOFTENED FROM 5.4 PER CENT  
IN FY24 TO 4.9 PER CENT IN APRIL –DECEMBER 2024

BANK CREDIT HAS GROWN AT A STEADY RATE WITH CREDIT  
GROWTH CONVERGING TOWARDS DEPOSIT GROWTH

GNPA OF SCHEDULED COMMERCIAL BANKS DECLINED TO A  
12-YEAR LOW OF 2.6 PER CENT

₹3.6 LAKH CRORE REALIZED IN RESOLUTION OF 1,068 PLANS  
TILL SEPTEMBER 2024 UNDER INSOLVENCY AND  
BANKRUPTCY CODE

₹11.1 LAKH CRORE MOBILISED THROUGH EQUITY AND DEBT  
TILL DECEMBER 2024, A 5% INCREASE THAN PREVIOUS YEAR

BSE STOCK MARKET CAPITALISATION TO GDP RATIO STOOD  
AT 136 PER CENT, FAR HIGHER THAN CHINA (65 PER CENT)  
AND BRAZIL (37 PER CENT)

OVERALL EXPORTS GREW BY 6 PER CENT, SERVICES BY 11.6  
PER CENT (YOY) IN THE FIRST NINE MONTHS OF FY25

INDIA RANKS 2ND LARGEST EXPORTER IN THE WORLD IN  
'TELECOMMUNICATIONS, COMPUTER, & INFORMATION  
SERVICES', AS PER UNCTAD

FOREX AT USD 640.3 BILLION, SUFFICIENT TO COVER 10.9  
MONTHS OF IMPORTS AND 90 PER CENT OF EXTERNAL DEBT  
GOVERNMENT'S SPACE VISION 2047 INCLUDES GAGANYAAN  
MISSION AND CHANDRAYAAN-4 LUNAR SAMPLE RETURN  
MISSION

DRASTIC REDUCTION ON SMARTPHONE IMPORTS, 99 PER  
CENT NOW MANUFACTURED DOMESTICALLY: ECONOMIC  
SURVEY 2024-25

WIPO REPORT 2022 - INDIA RANKS SIXTH AMONG THE TOP  
10 PATENT FILING OFFICES GLOBALLY

₹50,000 CRORE SELF-RELIANT INDIA FUND LAUNCHED TO  
PROVIDE EQUITY FUNDING TO MSMES

INDIA'S SERVICES EXPORT GROWTH SURGED TO 12.8 PER  
CENT DURING APRIL–NOVEMBER FY25, UP FROM 5.7 PER  
CENT IN FY24

THE TOURISM SECTOR'S CONTRIBUTION TO GDP RETURNED  
TO ITS PRE-PANDEMIC LEVEL OF 5 PER CENT IN FY23

AGRICULTURE AND ALLIED ACTIVITIES SECTOR  
CONTRIBUTES APPROXIMATELY 16 PER CENT OF THE  
COUNTRY'S GDP FOR FY24 (PE) AT CURRENT PRICES

KHARIF FOODGRAIN PRODUCTION IS EXPECTED TO REACH  
1647.05 LMT, AN INCREASE OF 89.37 LMT FROM PREVIOUS  
YEAR

FISHERIES SECTOR SHOWN HIGHEST CAGR OF 8.7 PER  
CENT, FOLLOWED BY LIVESTOCK WITH A CAGR OF 5.8 PER  
CENT

INSTALLED ELECTRICITY GENERATION CAPACITY FROM  
NON-FOSSIL FUEL SOURCE ACCOUNTS FOR 46.8 PER CENT  
OF THE TOTAL CAPACITY

ADDITIONAL CARBON SINK OF 2.29 BILLION TONNES CO<sub>2</sub>  
EQUIVALENT HAS BEEN CREATED BETWEEN 2005 AND 2023

BY 2030, LIFE MEASURES COULD SAVE CONSUMERS  
AROUND USD 440 BILLION GLOBALLY

SOCIAL SERVICES EXPENDITURE REGISTERS AN ANNUAL  
GROWTH RATE OF 15 PER CENT FROM FY 21 TO FY 25

GOVERNMENT HEALTH EXPENDITURE INCREASES FROM  
29.0 PER CENT TO 48.0 PER CENT; EXPENDITURE BY PEOPLE  
ON HEALTH DECLINES FROM 62.6 PER CENT TO 39.4 PER  
CENT

## UNEMPLOYMENT RATE DECLINES TO 3.2 PER CENT IN 2023-24 FROM 6.0 PER CENT IN 2017-18

GROWING DIGITAL ECONOMY AND RENEWABLE ENERGY SECTORS PROVIDE ENHANCED OPPORTUNITIES FOR JOB CREATION, ESSENTIAL FOR ACHIEVING VIKSIT BHARAT'S VISION

PM-INTERNSHIP SCHEME EMERGES AS TRANSFORMATIVE CATALYST FOR EMPLOYMENT GENERATION

BARRIERS TO LARGE-SCALE AI ADOPTION PERSIST IN PRESENT, LEADING TO A WINDOW FOR POLICYMAKERS TO ACT

COLLABORATIVE EFFORT BETWEEN GOVERNMENT, PRIVATE SECTOR, AND ACADEMIA ESSENTIAL TO MINIMISE ADVERSE SOCIETAL EFFECTS OF AI-DRIVEN TRANSFORMATION

Union Minister of Finance and Corporate Affairs, Smt Nirmala Sitharaman presented the Economic Survey 2024-25 in the Parliament today. The highlights of the survey are as follows;

### State of the Economy: Getting Back into the Fast Lane

1. India's real GDP growth is estimated at 6.4 per cent in FY25 (as per first advance estimates of national income), which equates nearly to its decadal average.
2. Real gross value added (GVA) is also estimated to grow by 6.4 per cent FY25.
3. The global economy on an average grew by 3.3 per cent in 2023 against the IMF projection of 3.2 per cent growth in the next five years.
4. The real GDP growth in FY26 is expected to grow between 6.3 and 6.8 per cent, keeping in mind the upsides and downsides to growth.
5. Thrust on grassroots-level structural reforms and deregulation to reinforce the medium-term growth potential and boost global competitiveness of Indian economy.
6. Geopolitical tensions, ongoing conflicts and global trade policy risks continue to pose significant challenges to the global economic outlook.
7. Retail headline inflation has softened from 5.4 per cent in FY24 to 4.9 per cent in April –December 2024.
8. Capital expenditure (CAPEX) improved continuously from FY21 to FY24. Post general elections, CAPEX grew YOY by 8.2 per cent during July –November 2024.
9. India accounts for seventh-largest share in global services exports, underscoring India's global competitiveness in the sector.

10. During April to December 2024, non-Petroleum and non-Gems & Jewellery exports went up by 9.1 per cent reflecting resilience of India's merchandise exports amid volatile global conditions.

### Monetary and Financial Sector Developments: The Card and the Horse

1. Bank credit has grown at a steady rate with credit growth converging towards deposit growth.
2. Profitability of Scheduled Commercial Banks improved, reflected in a fall in gross non-performing assets (GNPAs) and rise in capital to risk weighted asset ratio (CRAR).
3. Credit growth outpaced nominal GDP growth for two successive years. The credit-GDP gap narrowed to (-) 0.3 per cent in Q1 of FY25 from (-) 10.3 per cent in Q1 of FY23, indicating sustainable bank credit growth.
4. Banking sector exhibits improvement in asset quality, robust capital buffers, and strong operational performance.
5. The gross non-performing assets (GNPAs) of Scheduled Commercial Banks declined to a 12-year low of 2.6 per cent of gross loans and advances at the end of September 2024.
6. Under Insolvency and Bankruptcy Code, ₹3.6 lakh crore realized in resolution of 1,068 plans till September 2024. It amounts to 161 per cent against the liquidation value and 86.1 per cent of the fair value of the assets involved.
7. Indian stock markets outperformed its emerging market peers despite election-driven market volatility challenges.
8. The total resource mobilisation from primary markets (equity and debt) stands at ₹11.1 lakh crore from April to December 2024, five per cent more than the amount mobilised during FY24.
9. BSE stock market capitalisation to GDP ratio stood at 136 per cent at the end of December 2024, far higher than other Emerging Market Economies like China (65 per cent) and Brazil (37 per cent).
10. India's insurance market continued its upward trajectory, with total insurance premiums growing by 7.7 per cent in FY24, reaching ₹11.2 lakh crore.
11. India's pension sector experienced significant growth, with the total number of pension subscribers growing by 16 per cent (YoY) as of September 2024.

### External Sector: Getting FDI Right

1. India's external sector continues to display resilience amidst global uncertainties and headwinds.
2. Overall exports (merchandise + services) grew by 6 per cent (YOY) in the first nine months of FY25. Services sector by 11.6 per cent during the same time.
3. India commands 10.2 per cent of the global export market in 'Telecommunications, Computer, & Information Services', ranking 2nd largest exporter in the world, as per UNCTAD.
4. India's current account deficit (CAD) stood at 1.2 per cent of GDP in Q2 of FY25, supported by rising net services receipts and an increase in private transfer receipts.
5. Gross Foreign Direct Investment (FDI) inflows recorded a revival in FY25, increasing from USD 47.2 billion in the first eight months of FY24 to USD 55.6 billion in the same period of FY25, a YoY growth of 17.9 per cent.

6. India's FOREX reserves stood at USD 640.3 billion as of the end of December 2024, sufficient to cover 10.9 months of imports and approximately 90 per cent of the country's external debt.
7. India's external debt remained stable over the past few years, with the external debt to GDP ratio standing at 19.4 per cent at the end of September 2024.

### Prices and Inflation: Understanding the Dynamics

1. As per the IMF, the global inflation rate moderated to 5.7 per cent by 2024 from its peak of 8.7 per cent in 2022.
2. Retail inflation in India saw a reduction from 5.4 per cent in FY24 to 4.9 per cent in FY25 (April-December 2024).
3. RBI and the IMF project India's consumer price inflation will gradually align with the target of around 4 per cent in FY26.
4. Development of climate-resilient crop varieties and enhanced farming practices are essential to mitigate the effects of extreme weather events and achieve long-term price stability.

### Medium-Term Outlook: Deregulation Drives Growth

1. Indian economy is in the middle of a change that represents an unprecedented economic challenge and opportunity. Geo-Economic Fragmentation (GEF) is replacing globalization leading to imminent economic realignments and readjustments.
2. To realize the vision of *Viksit Bharat* by 2047 India will need to achieve a growth rate of around 8 per cent at constant prices, on average, for about a decade or two.
3. The Medium-term growth outlook for India must consider the new global realities - GEF, China's manufacturing prowess, and dependency of efforts for energy transition on China.
4. India to focus on systematic deregulation to reinvigorate the domestic levers of growth and empower individuals and organisations to pursue legitimate economic activity with ease.
5. Systemic deregulation or enhancing economic freedom for individuals and small businesses is arguably the most important policy priority to bolster India's medium-term growth prospects.
6. Focus of reforms and economic policy must now be on systematic deregulation under Ease of Doing Business 2.0 and creation of a viable *Mittelstand*, i.e. India's SME sector.
7. In the next step, States must work on liberalising standards and controls, setting legal safeguards for enforcement, reducing tariffs and fees, and applying risk-based regulation.

### Investment and Infrastructure: Keeping it Going

1. The central focus of the Government in the last five years was on increasing public spending on infrastructure, and speeding up approvals and resource mobilization.
2. The Union Government's capital expenditure on key infrastructure sectors has grown at a rate of 38.8 per cent from FY20 to FY24.
3. Under railway connectivity, 2031 km of railway network was commissioned between April and November, 2024, and 17 new pairs of Vande Bharat trains were introduced between April and October 2024.



4. Under road network, **5853 km of National Highways** was constructed in FY25 (April-Dec).
5. Under National Industrial Corridor Development Programme, a total of 383 plots covering **3788 acres have been allotted for industrial use** for various sectors in phase 1.
6. Operational efficiency improved reduction in average container turnaround time in major ports from **48.1 hours in FY24 to 30.4 hours during FY25** (Apr-Nov), significantly improving **port connectivity**.
7. A 15.8 per cent year-on-year increase in renewable energy capacity of solar and wind power by December 2024.
8. The share of renewable energy in India's total installed capacity now stands at 47 per cent.
9. Government's schemes like the DDUGJY and the SAUBHAGYA improved electricity access in rural areas, electrifying 18,374 villages and providing electricity to 2.9 crore households.
10. The government's digital connectivity initiatives have gained traction, particularly with the rollout of 5G services across all states and union territories by October 2024.
11. Efforts to provide 4G mobile services to remote areas under the Universal Service Obligation Fund (now Digital Bharat Nidhi) have made significant strides, with over 10,700 villages covered by December 2024.
12. Under the **Jal Jeevan Mission**, over 12 **crore families** have gained access of piped drinking water since its launch.
13. Under Phase II of the Swachh Bharat Mission-Grameen, during April to November 2024, 1.92 lakh villages were incrementally declared ODF Plus under the model category, taking the total number of **ODF Plus villages to 3.64 lakh**.
14. In urban areas, the **Pradhan Mantri Awas Yojana has completed over 89 lakh houses**.
15. City transportation network is expanding rapidly, with metro and rapid rail systems operational or under construction in 29 cities, covering over 1,000 kilometers.
16. Real Estate (Regulation & Development) Act, 2016, ensured regulation and transparency of Real Estate sector. By January 2025, **over 1.38 lakh real estate projects registered**, and 1.38 lakh complaints were resolved.
17. India currently operates 56 active space assets. The government's Space Vision 2047 includes ambitious projects like the **Gaganyaan mission** and the **Chandrayaan-4 Lunar Sample Return Mission**.
18. Public sector investment alone cannot meet the requirements of infrastructure, and **private sector participation will be crucial** to bridge the gap.
19. The government has created mechanisms such as the National Infrastructure Pipeline and National Monetisation Pipeline to facilitate private sector involvement in infrastructure.

### **Industry: All about Business Reforms**

1. The industrial sector expected to grow by 6.2 per cent in FY-25 (first advance estimates), driven by robust growth in electricity and construction.
2. The government has been actively promoting Smart Manufacturing and Industry 4.0, supporting the establishment of **SAMARTH Udyog centres**.
3. In FY24, the **Indian automobile domestic sales grew by 12.5 per cent**.