

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 disbursal 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<sub>3</sub>), 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 44<sup>th</sup> in 2018 to 38<sup>th</sup> 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.
- Total annual energy savings of 51 million tonnes of oil equivalent translates to a total annual cost savings of ₹1,94,320 Crore and emissions reduction of around 306 million tonnes.
- Expanding renewable energy and clean fuels will increase demand for land and water.
- Government issued sovereign green bonds amounting to ₹16,000 Crore in January-February 2023 followed by ₹20,000 Crore in October-December 2023.

### **Chapter 7: Social Sector - Benefits that Empower**

- The new welfare approach focuses on increasing the impact per rupee spent. The digitisation of healthcare, education and governance has been a force multiplier for every rupee spent on a welfare programme.
- Between FY18 and FY24, nominal GDP has grown at a CAGR of around 9.5 per cent while the welfare expenditure has grown at a CAGR of 12.8 per cent.
- Gini coefficient, an indicator of inequality, has declined from 0.283 to 0.266 for the rural sector and from 0.363 to 0.314 for the urban sector of the country.
- More than 34.7 crore Ayushman Bharat cards have been generated, and the scheme has covered 7.37 crore hospital admissions.
- The challenge of ensuring mental health is intrinsically and economically valuable. 22 mental disorders are covered under the Ayushman Bharat – PMJAY health insurance.

- ‘Poshan Bhi Padhai Bhi’ programme for early childhood education aims to develop the world’s largest, universal, high-quality preschool network at Anganwadi Centres.
- Vidyanjali initiative played crucial role in enhancing educational experiences of over 1.44 cr. students facilitating community engagement and through volunteer contributions.
- The rise in enrolment in higher education has been driven by underprivileged sections such as SC, ST and OBC, with a faster growth in female enrolment across sections, witnessing 31.6 per cent increase since FY15.
- India is making rapid progress in R&D, with nearly one lakh patents granted in FY24, compared to less than 25,000 patent grants in FY20.
- Government provisioned ₹ 3.10 lakh crore in FY25; this shows a 218.8 per cent increase over FY14 (BE).
- Under PM-AWAS-Gramin, 2.63 crore houses were constructed for the poor in the last nine years (as of 10 July 2024).
- 15.14 lakh km road construction completed under Gram Sadak Yojana since 2014-15 (as of 10 July 2024).

### **Chapter 8: Employment and Skill Development: Towards Quality**

- Indian labour market indicators have improved in the last six years, with the unemployment rate declining to 3.2 per cent in 2022-23.
- The quarterly urban unemployment rate for people aged 15 years and above declined to 6.7 percent in the quarter ending March 2024 from 6.8 per cent in the corresponding quarter of the previous year.
- According to PLFS, more than 45 per cent of the workforce is employed in agriculture, 11.4 per cent in manufacturing, 28.9 per cent in services, and 13.0 percent is in construction.
- According to PLFS, youth (age 15-29 years) unemployment rate has declined from 17.8 per cent in 2017-18 to 10 per cent in 2022-23.
- Nearly two-thirds of the new subscribers in the EPFO payroll have been from the 18-28 years band.
- From the gender perspective, the female labour force participation rate (FLFPR) has been rising for six years.
- As per ASI 2021-22, employment in the organized manufacturing sector recovered to above the pre pandemic level, with the employment per factory continuing its pre-pandemic rise.
- During FY15-FY22, the wages per worker in rural areas grew at 6.9 per cent CAGR vis-à-vis a corresponding 6.1 per cent CAGR in urban areas.
- Number of factories employing more than 100 workers saw 11.8 per cent growth over FY18 to FY22.
- Employment has been rising in bigger factories (employing more than 100 workers) than in smaller ones, suggesting a scaling up of manufacturing units.
- The yearly net payroll additions to the EPFO more than doubled from 61.1 lakh in FY19 to 131.5 lakh in FY24.
- The EPFO membership numbers grew by an impressive 8.4 per cent CAGR between FY15 and FY24.
- Manufacturing sector is less exposed to AI as industrial robots are neither as nimble nor as cost-effective as human labour.
- The gig workforce is expected to expand to 2.35 crore by 2029–30.
- Indian economy needs to generate an average of nearly 78.5 lakh jobs annually until 2030 in the non-farm sector to cater to the rising workforce.
- Compared to 50.7 crore persons in 2022, the country would need to care for 64.7 crore persons in 2050.
- Direct public investment equivalent to 2 per cent of GDP has the potential to generate 11 million jobs, nearly 70 per cent of which will go to women.

### **Chapter 9: Agriculture and Food Management – Plenty of Upside Left If We Get It Right**

- Agriculture and allied sector registered an average annual growth rate of 4.18 per cent at constant prices over the last five years.
- The allied sectors of Indian agriculture are steadily emerging as robust growth centres and promising sources for improving farm incomes.

- As of 31 January 2024, the total credit disbursed to agriculture amounted to ₹ 22.84 lakh Crore.
- As of January 31, 2024, banks issued 7.5 crores Kisan Credit Card (KCC) with a limit of ₹9.4 lakh crores.
- An area of 90.0 lakh hectares has been covered under micro irrigation in the country under the Per drop more crop (PDMC) from 2015-16 to 2023-24.
- It is estimated that for every rupee invested in agricultural research (including education), there is a payoff of ₹ 13.85.

### **Chapter 10: Industry - Small and Medium Matters**

- Economic growth of 8.2 per cent in FY24 was supported by an industrial growth rate of 9.5 per cent.
- Despite disruptions on many fronts, the manufacturing sector achieved an average annual growth rate of 5.2 per cent in the last decade with the major growth drivers being chemicals, wood products and furniture, transport equipment, pharmaceuticals, machinery, and equipment.
- Accelerated Coal production over the past five years has helped in reducing import dependence.
- India's pharmaceutical market stands as world's third largest by volume with the valuation of USD 50 billion.
- India is the world's second-largest clothing manufacturer and one of the top five exporting nations.
- India's electronics manufacturing sector accounts for an estimated 3.7 per cent of the global market share in FY22.
- PLI schemes attracted over ₹1.28 Lakh Crore of investment until May 2024, which has led to production/sales of ₹10.8 Lakh Crore and employment generation (direct & indirect) of over ₹8.5 Lakh.
- Industry must take the lead in incentivising R&D and innovation and improving the skill levels of the workforce by forging active collaboration with academia.

### **Chapter 11: Services - Fuelling Growth Opportunities**

- Services sector contribution to the overall Gross Value Added (GVA) has now reached to the level prior to pandemic i.e. about 55%.
- The services sector has the highest number of active companies (65 per cent). A total number of 16,91,495 active companies exist in India as of 31 March 2024.
- Globally, India's services exports constituted 4.4 per cent of the world's commercial services exports in 2022.
- Computer services and business services exports accounted for about 73 per cent of India's services exports and witnessed a 9.6 per cent growth YoY in FY24.
- India's share in digitally delivered services exports globally increased to 6.0 per cent in 2023 from 4.4 per cent in 2019.
- The aviation sector in India has grown substantially, with a 15 per cent YoY increase in total air passengers handled at Indian airports in FY24.
- Air cargo handled at Indian airports increased by 7 per cent YoY to 33.7 lakh tonnes in FY24.
- FY24 ended with an outstanding services sector credit of ₹45.9 lakh crore in March 2024, with a YoY growth of 22.9 per cent.
- Passenger traffic originating in Indian Railways increased by about 5.2 per cent in FY24 compared to the previous year.
- Revenue-earning freight in FY24 (excluding Konkan Railway Corporation Limited) witnessed an increase of 5.3 per cent in FY24 over the previous year.
- Tourism industry witnessed over 92 lakh foreign tourist arrivals in 2023, implying a YoY increase of 43.5 per cent.
- In 2023, residential real estate sales in India were at their highest since 2013, witnessing a 33 per cent YoY growth, with a total sale of 4.1 lakh units in the top eight cities.
- Global Capability Centres (GCCs) in India have grown significantly, from over 1,000 centres in FY15 to more than 1,580 centres by FY23.
- The Indian e-commerce industry is expected to cross USD 350 billion by 2030.
- The overall tele-density (number of telephones per 100 population) in India increased from 75.2 per cent in March 2014 to 85.7 per cent in March 2024. The internet density also increased to 68.2 per cent in March 2024.
- As of 31 March, 2024, 6,83,175 kilometers of Optical Fibre Cable (OFC) has been laid, connecting a total of 2,06,709 Gram Panchayats (GPs) by OFC in the BharatNet phase I & II.

- Two significant transformations are reshaping India's services landscape: the rapid technology-driven transformation of domestic service delivery and the diversification of India's services exports.

### **Chapter12: Infrastructure – Lifting Potential Growth**

- Buoyant public sector investment has had a pivotal role in funding large-scale infrastructure projects in the recent years.
- The average pace of NH construction increased by nearly 3 times from 11.7 km per day in FY14 to around 34 km per day by FY24.
- Capital expenditure on Railways has increased by 77 percent in the past 5 years, with significant investments in the construction of new lines, gauge conversion and doubling.
- Indian Railways to introduce Vande metro trainset coaches in FY 25.
- In FY24, new terminal buildings at 21 airports have been operationalised which has led to an overall increase in passenger handling capacity by approximately 62 million passengers per annum.
- India's rank in the International Shipments category in the World Bank Logistics Performance Index has improved to 22nd in 2023 from 44th in 2014.
- The clean energy sector in India saw new investment of ₹8.5 lakh crore (USD 102.4 billion) between 2014 and 2023.

### **Chapter 13: Climate Change and India: Why We Must Look at the Problem Through Our Lens**

- Current global strategies for climate change are flawed and not universally applicable.
- The Western approach does not seek to address the root of the problem, i.e. overconsumption, but rather chooses to substitute the means to achieve overconsumption.
- A one-size-fits-all approach will not work, and developing countries need to be free to choose their own pathways.
- India's ethos emphasizes a harmonious relationship with nature, in contrast to the culture of over consumption in other parts of the developed world.
- Shift towards the 'traditional multi-generational households' would create the pathway towards sustainable housing.
- "Mission LiFE" focuses on human-nature harmony promoting mindful consumption than over consumption that lies at the root of global climate change problem.

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