



**Swadeshi Shodh Sansthan**

धर्मस्य मूलं अर्थः

# **Economic Survey 2023-24 Summary**

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# 1. What are the trends in Global Macroeconomic Indicators?

- The global economy grew at 3.2 per cent in 2023 ; advanced economies and EMDEs grew at 1.6 and 4.3% respectively.
- All major economies have surpassed pre-pandemic GDP levels.
- The Red Sea crisis amid heightened geopolitical tensions in the Middle East eased a year later leading to decline in inflationary pressure.
- Headline inflation across countries declined, however, core inflation remained sticky on account of services inflation and a strong labour market, especially in most advanced economies. The persistence of core inflation prompted many central banks to maintain policy rates at a high level or further increase them in 2023.
- Global general government fiscal deficit (as a per cent of GDP) rose by 1.6 percentage points in 2023 compared to 2022.
- The global volume of exports of goods and services grew at 0.5 per cent in 2023 compared to 2022.
- Global FDI flows declined in 2023 as compared to 2022 due to high geopolitical conflicts, high borrowing costs and global economic fracturing.



## 2. Why India's GDP growth has shown resilience and is expected to remain robust?

- During the post covid years, India Economy has grown at the rate of 9.7, 7.0, 8.2 per cent respectively for the financial years 2021-22, 2022-23 and 2023-24. For the FY 2024-25, the economy is expected to grow between 6.5 to 7.0% respectively. Steady private consumption and emerging investment are the major drivers of growth.
- The share of private consumption in total GDP of the country at current prices is 60.3% and that of investment is 30.8%. Exports contribute 29.1% to total GDP growth.
- Investment being driven by public and private capex with households also pitching in. For example, Household savings in physical assets as % of GDP up from 10.8% in FY21 to 12.9% in FY23.
- Quality of Union Government expenditure is improving. For example, capital expenditure has grown from 12 to 21% during FY 2021 to 2025. Moreover, decomposition of fiscal deficit shows increasing investment orientation as capital outlay as a % of total fiscal deficit has increased from 43 to 47.6% during FY 2019 to 2025.
- Relatively low inflation, high growth and stable external sector are imparting resilience to the economy.

# 3. What are trends in Union Govt's receipts and expenditure?



## A. Trends in Receipts

### I. Consolidation of Union Government Finances

- Fiscal, revenue and primary deficits declined to 5.6, 2.6 and 2.0% t respectively in 2023 as compared to 2022.
- Nearly 48% of the fiscal deficit is utilized for capital outlay suggesting productivity of borrowed resources.

### II. Buoyancy in revenues continues in FY24

- Revenue receipts of government increased by 14.5%t in FY24, with robust growth in tax and non-tax revenues.
- Increase in gross tax revenue to GDP (11.7%) is driven by strong direct tax growth.
- There is increase in indirect taxes in FY24 mainly driven by a 12.7 per cent growth in GST collection.

## B. Trends in Expenditure

- Total expenditure declined to 15.0 per cent of GDP in FY 24 from 17.7 per cent in FY21.
- The capital expenditure for FY24 stood at ₹9.5 lakh crore, an increase of 28.2%, (2.8 times of FY20).
- Expenditure on major subsidies fell by 22.1%, led by a decrease in fertiliser & food subsidies, in FY24.



## 4. Discuss the trends in Money Supply during 2023-24.

- There is increase of Reserve Money (M0) due to increase in net foreign assets.
- The growth in Broad Money (M3) was 11.2 per cent during March 2024, compared to 9 per cent a year ago. Amongst sources, bank credit to the commercial sector significantly contributed to the increase in M3, with a share of 67.1 per cent, supplemented by net bank credit to the Government (29.4 per cent).
- The Monetary Policy Committee (MPC) maintained the status quo on the policy repo rate at 6.5 per cent in FY24.
- Nearly 98 per cent of the ₹2,000 denomination banknotes have returned to the banking system causing acceleration in aggregate deposits and broad money (M3).
- As of 22 March 2024, the Money Multiplier (MM) was 5.4 against 5.2 a year ago.



## 5. How Microfinance development in India led to financial inclusion in the country?

- There is rise in loans disbursed by MFIs from 0.8 to 1.8 Lakh crore from FY 13 to FY 23.
- India has the second-largest microfinance sector.
- Women constitute 98 per cent of the total clients of MFIs.
- MFIs have reached out to over 532 lakh clients with a total loan outstanding of ₹1.8 lakh crore under micro-credit.
- Rise in RBI's Financial Inclusion Index from 60.1 in March 2023 to 64.2 in March 2024 indicates improvement in access, usage, and quality of the financial sector in India.



## 6. In what ways Indian capital market emerged as one of the best-performing among emerging markets in FY24?

- **Primary Markets:** Primary markets facilitated capital formation of ₹10.9 lakh crore in FY24, compared to ₹9.3 lakh crore in FY23.
- **Secondary Markets:** India's Nifty 50 index ascended by 26.8 per cent during FY24, as against (-)8.2 % during FY23.
- **Market Capitalisation:** India's market capitalisation to GDP ratio improved significantly from 77 % in FY19 to 124 % in FY24.
- **Mutual Funds:** Assets under Management of mutual funds increased by ₹14 lakh crore to ₹53.4 lakh crore at the end of FY24.
- **Systematic Investment Plan:** Annual net SIP flows more than doubled from ₹0.96 lakh crore in FY21 to ₹2 lakh crore in FY24.



## 7. What are the trends of Inflation in India? Discuss the steps taken to control Inflation.

- India's retail headline, core and food inflation for the year 2023 is reported to be 5.4, 4.3 and 7.5 per cent respectively. It was lower than emerging market and developing economies (EMDEs). Following steps have been taken at different levels to contain inflation.
- Repo rate has been increased from 4 to 6.5% during 2020 to 2023.
- Lowered LPG and fuel prices.
- Export Prohibition on cereals, onion and sugar.
- Stock monitoring of cereals and pulses.
- Subsidised sale of cereals, pulses and onion.
- Reduction of import duty on pulses and edible oil.





## 8. Discuss the trends of food inflation in India.

- Food inflation based on the Consumer Food Price Index (CFPI) increased from 3.8 per cent in FY22 to 6.6 per cent in FY23 and further to 7.5 per cent in FY24. Following are the causes of rising food prices.
- The production prospects of vegetables and pulses were particularly impacted by unfavourable weather conditions.
- Increase in the price of milk took place due to a decrease in artificial inseminations during the peak days of the pandemic, and higher costs for animal feed.
- As 50 per cent of the total edible oil requirement is being imported, the global inflation affects its prices.



## 9. What are the achievements of service sector of India?

- India's services exports more than doubled in nine years. The service sector exports have increased from 158 to 341 billion USD during FY 15 to FY 24.
- India's services exports share in world services exports is 4.3%. India had second rank in World's telecommunication, computer & information services exports.
- India has 6th rank in World's personal, cultural & recreational services exports. India has 8th rank in world's other business service exports.
- India's rank in World Bank's logistics performance has improved from 44th in 2018 to 38th in 2023.



## 10. How can India benefit from China plus one strategy?

- China plus one strategy refers to the global trend where companies diversify their manufacturing and supply chains by establishing operations in countries other than China.
- India can benefit from China plus one strategy by promoting FDI from China and by reducing imports dependence from China.
- There is evidence of trade diversion from China as reflected in an increase in India's electronic exports to US, resulting in a rise in trade surplus.



## 11. Discuss the major trends of India's foreign trade.

- India's share in global goods exports was 1.8 per cent in FY24, against an average of 1.7 per cent during FY16-FY20. Similarly, its share in global services exports rose to 4.3 per cent in FY23 from an average of 3.3 per cent during FY16-FY20.
- Merchandise exports rose to USD 437 billion in FY24, whereas merchandise imports contracted from USD 716 billion in FY23 to USD 675.4 billion in FY24.
- In FY24, UAE, Singapore, China, Russia, and Australia emerged as India's major export partners.



## 12. What are the indicators of India's Stable External Sector?

- Decline in External debt to GDP ratio from nearly 24% in 2015 to 19% of GDP in 2024.
- India witnessed the most significant increase in foreign exchange reserves holdings of 68 billion USD during April 23 to March 2024.
- Highest level of FPI inflows witnessed in FY24 (44.1 billion USD) after FY15 (42.2 billion USD).
- Current account surplus in Q4 of FY24 led to a moderation in current account deficit in FY24.
- India emerged as the top remittance recipient in the World in 2023.
- Robust foreign inflows and comfortable trade deficits are expected to keep the rupee stable as well as within a comfortable range.



## 13. What are the latest trends in Indian Agriculture Sector?

- Agriculture and allied sector registered an average annual growth rate of 4.18 per cent at constant prices over the last five years.
- The growth rate of the agriculture sector stood at 1.4 per cent in 2023-24, which is below 4.7 per cent in 2022-23.
- Foodgrain production was reported to be 329.7 million tonnes in 2022-23, and 328.8 million tonnes in 2023-24.
- Oilseeds production was reported to be reached 41.4 million tonnes in 2023-24.
- 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.



## 14. What are the reasons of resilient Agriculture Sector Growth?

- The Indian agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2% in the country's GDP at current prices. The sector has registered an average annual growth rate of 4.18 per cent at constant prices over the last five years.
- Fixing MSP at 1.5 times the all-India weighted average cost of production- assuring remunerative prices to farmers.
- The allied sectors of agriculture are emerging as robust growth centres and promise improvement in farm incomes.
- Growth in the livestock sector significantly boosted the per capita availability of milk, eggs, and meat.
- The fisheries sector has grown at a compound annual rate of 8.9 per cent between 2014-15 and 2022-23 (at constant prices).



# 15. What is farmer-friendly policy framework as suggested by Economic Survey?

1. Not banning futures or options at the first sign of price spikes.
2. Invoking export bans only under exceptional circumstances and allowing domestic consumers to substitute, especially if the agricultural commodities in question are not essential consumption items such as foodgrains.
3. India's inflation targeting framework should consider targeting inflation, excluding food as higher food prices are, more often, not demand-induced but supply-induced. Hardships caused by higher food prices for poor can be handled through welfare policies.
4. Need for increasing the Total Net Irrigated Area as several states are well below the national average and India's irrigation efficiency is only 30-40 percent for surface water and 50-60 per cent for groundwater,
5. Making farming consistent with climate considerations. Grains such as rice and sugarcane are water-guzzling crops and cultivation of paddy gives rise to methane emissions.





## 16. What are the trends in food-processing sector?

- The GVA of the food processing sector was ₹1.92 lakh crore in 2022-23 and it constituted 7.66 per cent of GVA in Manufacturing in 2022-23.
- India is the largest producer of milk and the second largest producer of fruits, vegetables and sugar.
- The food processing industry in India is one of the largest employers in organized manufacturing, with a 12.02 per cent share in the total employment in the organised sector.
- The value of agri-food exports, including processed food exports during 2022-23, was USD46.44Billion, accounting for about 11.7 per cent of India's total exports.
- The share of processed food exports also increased from 14.9 per cent in 2017-18 to 23.4 percent in 2022-23.



# 17. What is the Growth Strategy for Amrit Kaala as envisaged in Economic Survey 2023-24?

- Boost private sector investment to 35 per cent of GDP through a 1 conducive policy and regulatory environment.
- Strengthen India's MSME sector through deregulation at the state and local government levels. Push for sector-specific, tailored skilling of MSME entrepreneurs and developing a clear-cut export strategy.
- Remove growth impediments in the agricultural sector and allow markets 3 to function in the interest of the farmer.
- Secure financing of green transition in India.
- Bridge the education – employment gap.
- Build state capacity and capability.



## 18. Write a note on PM-Surya Ghar Yojana?

- The Prime Minister had launched the scheme on 13th February, 2024.
- The scheme has the following characteristics.
- Total outlay of Rs.75,021 crore; Installing rooftop solar; Free electricity up to 300 units every month for 1 crore households; Create around 17 lakh direct jobs; Addition of 30 GW of solar capacity through rooftop solar; and Reduction of 720 million tonnes of CO<sub>2</sub> equivalent emissions.



## 19. What is the state of mental health in India?

- Globally, one out of every two people will develop a mental health disorder in their lifetime. 10.6 per cent adults suffered from mental disorders in India, Treatment gap of 70-92%.
- Youth and phone/Internet overuse and ‘great rewiring of childhood’.
- Economic Impact: productivity loss, healthcare cost, higher risk with rising urbanisation and demographic dividend.
- Policy action: National Mental Health Programme and Ayushman Bharat.
- Need for adequate personnel, breaking the stigma, community action.



## 20. Why is India called Pharmacy of the world?

- India's pharmaceutical market currently valued at USD 50 Billion is the world's third largest by volume.
- Around 60,000 generic brands across 60 therapeutic categories, accounting for 20% of global generic drug exports by volume.
- Eight of the top 20 global generic companies are based in India.
- India's pharmaceutical sector boasts high rates of quality compliance, with 703 US FDA approved facilities (as of April 2023), 38612 European GMP-compliant plants (as of November 2022) and 241813 WHO-GMP-approved plants.
- During FY24, the value of export and import of bulk drugs was ₹39,632 Crore and ₹37,722 Crore respectively.
- In December 2023, revised pharma manufacturing rules were notified under schedule-M relating to GMP, a mandatory requirement that safeguards quality and brings the existing regime in line with global standards.
- Recently Govt. has introduced Aatmanirbharta Pursuit which aims to boost domestic manufacturing and Pradhan Mantri Bhartiya Janaushadhi Pariyojana with aim to provide generic medicines at affordable prices.



## 21. What is the state of India's Infrastructure?

### I. Physical Infrastructure

- **Roads:** The average pace of NH construction increased by about 3 times between FY14 and FY24. Toll digitisation reduced waiting time at toll plazas by nearly 16 times.
- **Railway:** Capital expenditure on Railways increased by 77% percent between FY20 and FY24. Significant investments in new lines, gauge conversion and doubling.
- **Water Transport:** India's rank in International Shipments category in Logistics Performance Index improved from 44 in 2014 to 22 in 2023.
- **Civil Aviation:** New terminal buildings at 21 airports in FY24. Increase in passenger handling capacity by 62 million passengers per annum.

### II. Energy

- **Electrical Power:** India targets 50% of cumulative power installed capacity from non-fossil fuel-based energy sources by 2030.
- **Renewables:** UJALA Scheme led to annual energy savings of 48.42 billion kWh and annual savings of ₹19,335 crore in electricity bills.



# 21. What is the state of India's Infrastructure?

Continued...

## III. Urban Sector

- PMAY-U: >1.18 crore houses were sanctioned and more than 84 lakh completed.
- AMRUT Mission: 5,999 projects worth ₹83,327 crore awarded. 5,304 projects worth ₹51,434 crore got completed.
- Metro rail/RRTS: 945 km are operational. 939 km under construction in 27 cities. 86 km operationalised in FY24.
- Swatch Bharat Mission-Urban: Constructed 63.07 lakh individual household latrine units. 6.37 lakh community & public toilets.



# What is the state of India's Infrastructure? Continued...



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## IV. Social and Economic Infrastructure

- **Sports:** Khelo India: In FY24, 38 new infrastructure projects were sanctioned; 58 completed. Sports Authority of India: approved 9 infra projects in FY24. 13 completed.
- **Water & Sanitation:** Swachh Bharat Mission- Gramin: In FY24, ₹6,802.6 crore utilised. Jal Jeevan Mission: Tap water connection provided to more than 14.89 crore rural households so far.
- **Water Resource Management:** Namami Gange: Adopted Hybrid Annuity Model for sewage treatment plants; 33 projects sanctioned. Accelerated Irrigation Benefit Programme: 25.80 lakh hectare of additional irrigation area created during 2016-24.
- **Tourism:** PRASHAD scheme: 29 new pilgrimage and heritage sites identified. Swadesh Darshan 2.0: Outlay of ₹3,800 crore.
- **Space:** India has 55 active space assets, including 18 communication satellites, 9 navigation satellites, 5 scientific satellites, 3 meteorological satellites, and 20 earth observation satellites.
- **Telecom:** 8.02 lakh mobile towers as of June 2024. 29.37 lakh Base Transceiver Stations (BTSs) & 4.5 lakh 5G BTSs. BharatNet Project: 6,85,501 km of optical fibre cable (OFC) laid. 2.11 lakh GPs connected by OFC.
- **Electronics & IT:** >₹10,300 crore for comprehensive India AI Mission approved. AIRAWAT, an AI Supercomputer, secured 75th position in the top 500 global supercomputing list declared at the International Supercomputing Conference 2023 in Germany. DigiLocker platform has reached over 26.28 crore registered users.





## 22. What is National Infrastructure Pipeline (NIP)?

- The Government launched the NIP with a projected infrastructure investment of around ₹111 lakh crore during FY20-25 to provide high quality infrastructure across the country.
- It includes infrastructure projects of more than ₹100 crore each covering greenfield and brownfield investments.
- The transportation sector dominates with a contribution of 58 per cent, followed by the energy sector at 24 per cent, and the water and sanitation sector at 12 per cent, and balance five per cent by other sectors such as social infrastructure, communication, etc.
- NIP currently has over 9,666 projects, out of these projects, 4,413 projects (46 per cent) are under implementation.



## 23. Write a note on private sector participation in Space Sector?

- Indian National Space Promotion and Authorisation Centre (IN-SPACe) – a single window agency to promote and authorise space activities was inaugurated in June 2022 at Ahmedabad.
- 51 MoUs and 34 joint project implementation plans have been signed with various non-governmental entities.
- Several entities in the private sector have developed satellites and functional payloads for operations in outer space viz., PixxelSpace, Digantara, Dhruva Space, Azista BST Aerospace, Tata Advanced Systems Limited, etc.
- Launch of Vikram-S (Prarambh mission), a suborbital launch vehicle from M/s Skyroot Aerospace Pvt. Ltd., Hyderabad, in 2022.
- The first private launchpad and mission control centre was established by M/s Agnikul
- Cosmos Pvt. Ltd., Chennai in ISRO campus at SDSC, SHAR in 2022.
- HAL and L&T consortia has been selected as the Indian industry partner for the end-to end production of five PSLVs.
- The process for transfer of small satellite launch vehicle technology has been initiated.



## 24. What is the status of Smart Cities Mission (SCM)?

- SCM was launched in June 2015 to promote cities that provide core infrastructure, clean and sustainable environment and give a decent quality of life to their citizens through the application of ‘smart solutions’.
- A total number of 100 cities have been selected for development as smart cities.
- As on 20 June 2024, 100 SPVs have undertaken 8,011 multi-sectoral projects worth around ₹1.64 lakh crore; of which 7,153 projects (89 per cent) worth ₹1.43 lakh crore (87 per cent) have been completed.



## 25. What is Atal mission for rejuvenation and urban transformation (AMRUT)?

- AMRUT was launched in June 2015 in 500 cities focused primarily on providing safe and assured drinking water supply universally.
- Contracts for 5,999 projects worth ₹83,327 crore awarded of which 5,304 projects worth ₹51,434 crore (62 per cent) were completed.
- AMRUT 2.0 was launched in October 2021 for five years with a focus on making the cities self-reliant & water secure and providing universal coverage of sewerage & septage management in 500 AMRUT cities.
- Major reforms under AMRUT 2.0 include notification of property tax and user charge, enhancing financial sustainability and water security of urban local bodies, recycle/ reuse of 20 per cent treated used water, double entry accounting system and efficient town planning etc.
- To encourage PPPs, projects worth 10 per cent of allocation in million plus cities are mandated to be implemented in PPP mode.

**Thanks**