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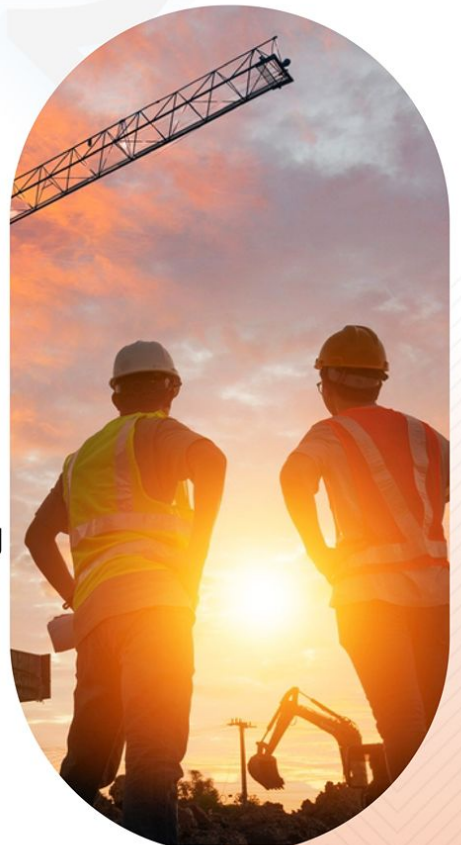
ECONOMIC SURVEY

2023-24

Infrastructure : Lifting Potential Growth

What is Necessary to Continue on the Path of Building Quality Infrastructure

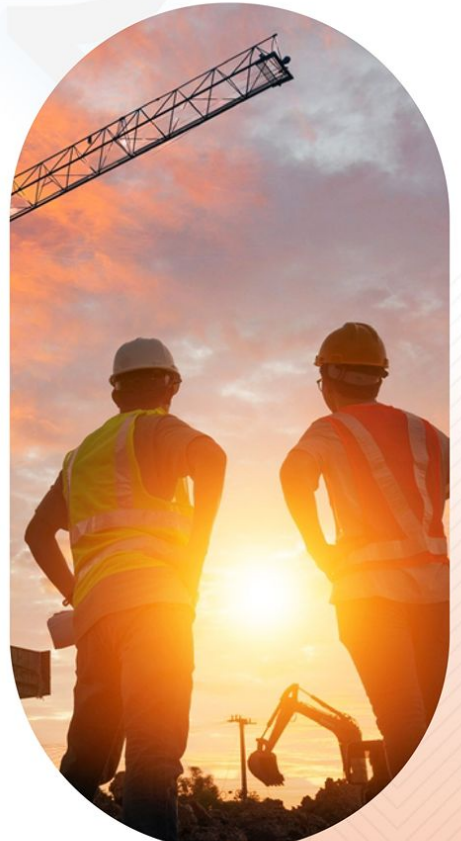
- › Need to have a higher level of private sector financing and resource mobilization from new sources
- › Need policy and institutional support from central as well as state and local governments
- › Construction of an index that tracks utilization rates of infrastructure facilities would shed light on sub-sectors where there is oversupply or shortfall
- › Need systematic collection of information on infrastructure-oriented financial flows
- › Project-wise and sector-wise information on physical progress needs to be revised



Infrastructure : Lifting Potential Growth

Buoyant public sector investment funding large-scale infrastructure projects

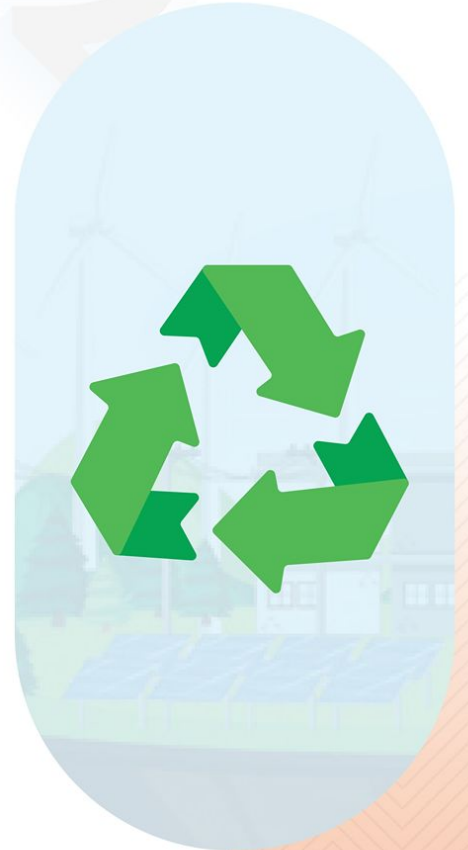
- ▶ Average pace of NH construction up by ~3 times from 11.7 km per day in FY14 to ~34 km per day by FY24
- ▶ Capital expenditure on Railways has increased by 77% in the past 5 years
- ▶ New terminal buildings at 21 airports began operations in FY24, leading to increase in passenger handling capacity by ~ 6.2 crore passengers per annum
- ▶ Under Jal Jeevan Mission, provision of tap water connections has increased to more than 14.89 crore rural households (76.12%)



Climate Change and India

How Mission LiFE can help tackle Climate Change

- Mission LiFE believes that many small, consistent, and pro-planet actions by individuals will collectively work to make a substantial difference
- Mission LiFE offers a list of 75 LiFE Actions for individuals, to live more sustainably
- Mission LiFE promotes circular economy, reuse of waste products, mindful consumption instead of overconsumption, eating local plant-based cuisines with a low ecological footprint, and saving water and energy



Climate Change and India

Developing countries need to be free to choose their own climate action pathways

- India must adopt its own rooted sustainable practices and embrace others' only when they are suitable and sustainable

- India's ethos offers sustainable solutions to problems plaguing market societies



Problem	Solution
Process of meat production threatening permanent degradation of land, water and natural resources	Traditional farming practices such as repurposing farm waste and byproducts from other agricultural activities as animal feed
Nucleated families requiring significant land and environmental resources	Traditional multi-generational households as pathway to sustainable housing

Climate Change and India: *Why We Must Look at the Problem through Our Lens*

Global strategies for climate change are flawed

- › Western approach does not seek to address the root of the problem, i.e., overconsumption
- › Global pursuit of energy-guzzling technologies such as AI and large-scale mining has contributed to higher fossil fuel consumption
- › Their practices ignore humans' underlying relationship with Nature



Open Network For Digital Commerce (ONDC)

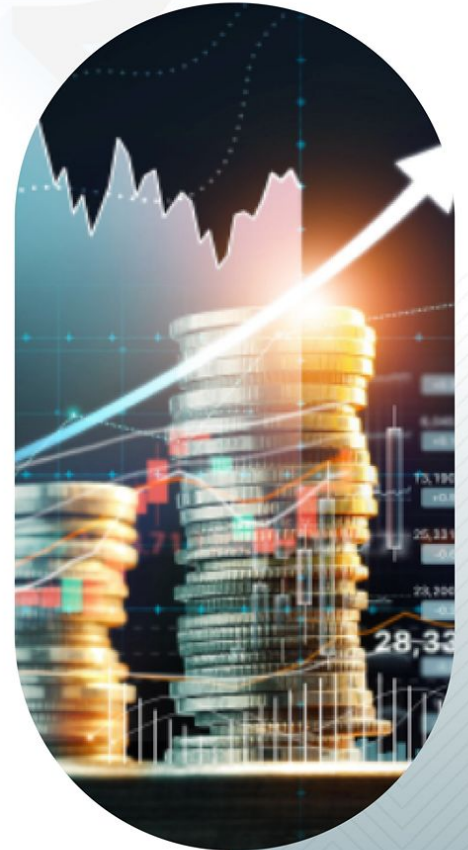
Growth Map

- 68 million transactions since inception
———
- More than 5,35,000 sellers, of which 85% are small sellers
———
- 65 seller applications, 22 buyer applications



Industry: Small and Medium Matters

- ❖ Industrial growth rate of 9.5 % powers economic growth in FY 24
- ❖ Manufacturing and construction nearly reached double-digit growth in FY24
- ❖ 997.2 Mn tonnes of coal produced in FY24, reducing import dependence
- ❖ Steel sector achieved its highest levels of production in FY24
- ❖ 91.76 Lakh guarantees for MSME sector approved under CGTMSE* scheme
- ❖ DPIIT-recognised start-ups increased to more than 1.25 Lakh as on March 2024 from around 300 in 2016



* Credit Guarantee Fund Trust for Micro and Small Enterprises

Agriculture and Food Management

Plenty of Upside Left If We Get It Right

- Share of non-institutional credit has reduced from 90% in 1950 to 23.40% in 2021-22
- Fixed MSP at 1.5 times the All-India weighted average cost of production, assuring remunerative price to farmers
- Need to encourage production patterns and practices consistent with their agro-climatic characteristics
- Need to scale up investment in technology, infrastructure, and reduce post-harvest losses
- States to be Incentivised for improving the market infrastructure



Agriculture and Food Management

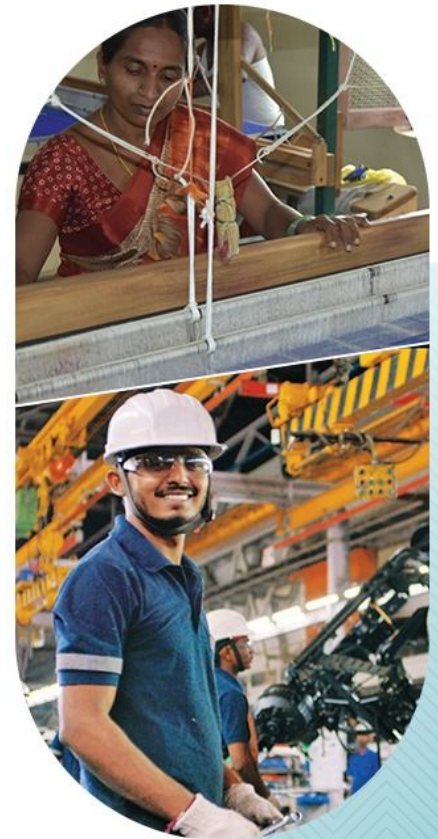
Agriculture sector shows resilience and growth

- Average annual growth rate of 4.18% at constant prices over last 5 years
- Livestock sector grew at CAGR of 7.38% at constant prices from 2014-15 to 2022-23
- 90.0 lakh hectares has been covered under micro irrigation in the country under the PDMC* from 2015-16 to 2023-24
- 8,195 FPOs have registered under the new Farmer Producer Organizations scheme as of 29 Feb 2024
- Free food grains provided to about 81.35 cr beneficiaries under the PMGKAY for a further period of 5 years



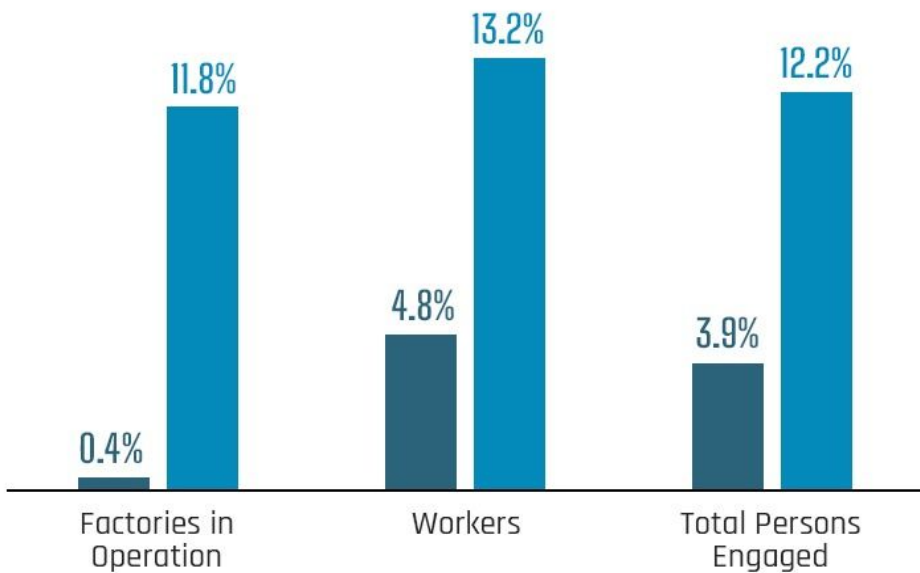
*Per Drop More Crop

Higher Employment Growth in Larger Factories



CAGR between 2017-18 and 2021-22

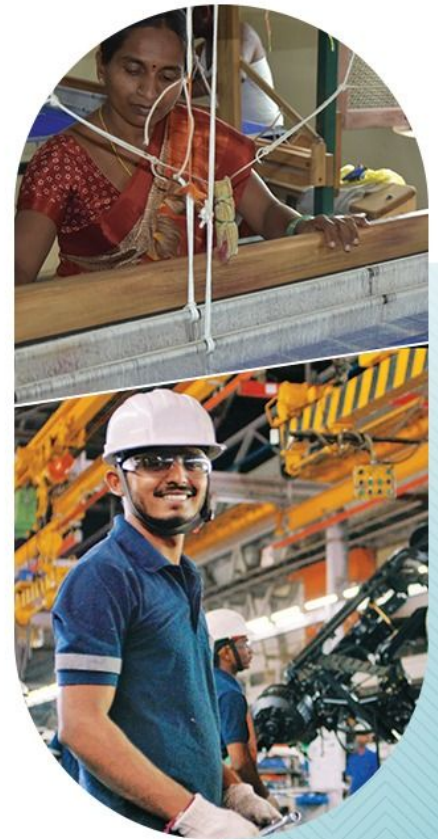
■ Less than 100 Employees ■ More than 100 Employees



Source: Annual Survey of Industries

Employment and Skill Development: Towards Quality

- Unemployment rate declined to 3.2% in 2022-23 as per Periodic Labour Force Survey
—————
- Net payroll additions under EPFO have more than doubled in the past five years
—————
- Rising youth and female participation in the workforce an opportunity to tap the demographic and gender dividend
—————
- Need to strike a balance between deploying capital and labour
—————
- Indian economy needs to generate an average of 78.5 lakh jobs in non-farm sector annually until 2030



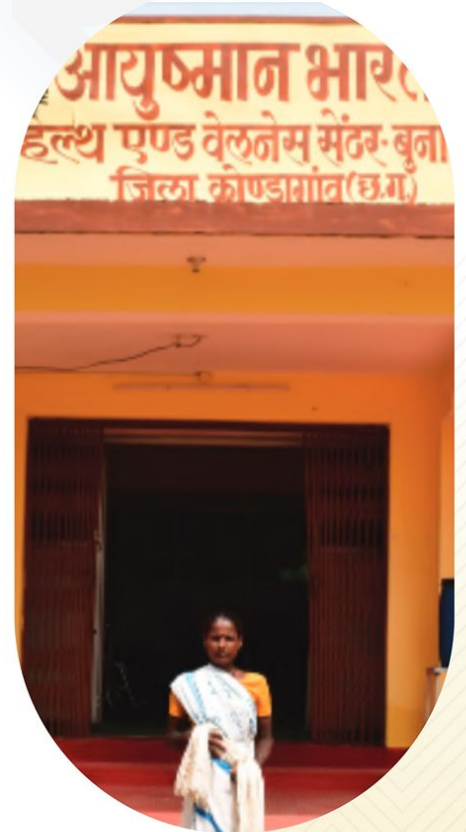
Social Sector – Benefits that Empower

**Health Expenditure grows at Compound
Annual Growth Rate of 15.8% between
FY18 to FY24**

- › 34.73 crore Ayushman Bharat cards generated, 7.37 crore hospital admissions covered (as of 8 July 2024)

- › 10,000th PM Jan Aushadhi Kendra inaugurated in AIIMS Deoghar last year

- › More than 300 AMRIT pharmacies operating in the country, providing subsidized medicines for critical illnesses

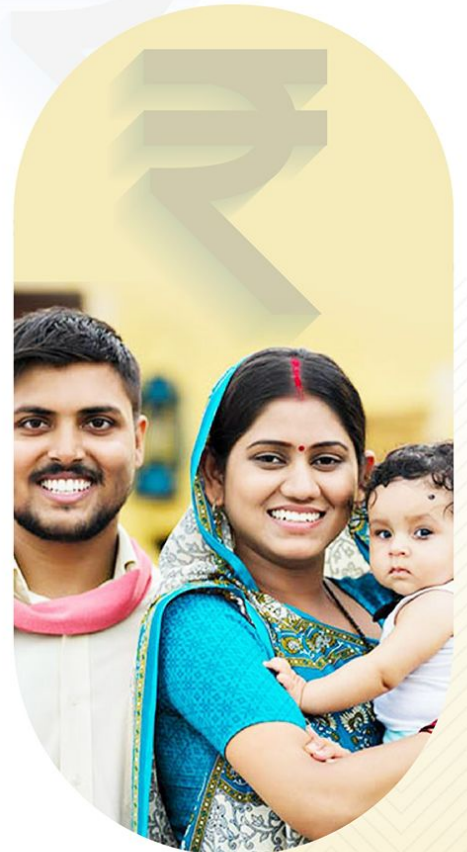


Social Sector – Benefits that Empower

Governance and unity of purpose at all levels of government key to successful implementation of social programmes

- › A host of enabling programmes reinforces better quality of life in the hinterland

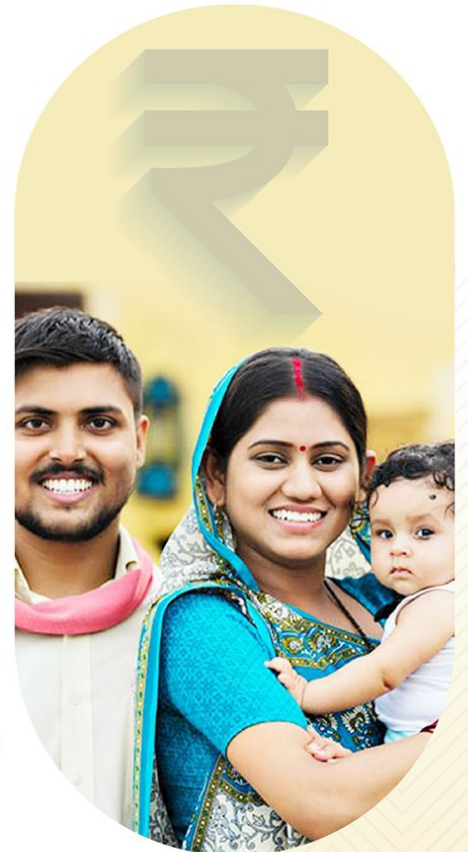
- › To maximise the efficiency of translating spending into outcomes, many channels at the ground level need to be unclogged



Social Sector – Benefits that Empower

Indian Economy moving forward with a Reformed
Approach to Welfare

- › Expenditure on social services increases to 7.8% of GDP, health expenditure increases to 1.9% of GDP in FY24
- › NEP 2020 leading to across-the-board transformation of education sector
- › Ayushman Bharat saving lives; saves more than 1.25 lakh crore of out-of-pocket expenditure for poor and deprived families
- › DAY-NRLM programme covers over 89 Mn women through 83 lakh Self Help Groups; empirically associated with women's empowerment



Climate Change and Energy Transition

Mission-mode Approach to Address Climate Change

- ❖ India's energy needs expected to grow 2 to 2.5 times by 2047
- ❖ Mission LiFE envisaged as a mass movement to address climate change
- ❖ Support to voluntary environmental actions such as the Green Credit Programme
- ❖ Sovereign green bonds worth ₹16,000 Cr issued in Jan-Feb 2023 followed by ₹20,000 Cr in Oct-Dec 2023
- ❖ India has led several international initiatives like the International Solar Alliance, towards climate change mitigation & building resilience



Climate Change and Energy Transition

Status of India's Climate Action

- ❖ Cumulative installed solar capacity of **82.64 GW** as on 30 April 2024
- ❖ Carbon sink (tree and forest cover) of 1.97 Bn tonnes of CO₂ equivalent has already been created between 2005 and 2019
- ❖ Emission intensity of India's GDP reduced by 33% in 2019 (from 2005 level)
- ❖ Share of non-fossil sources in installed electricity generation capacity has reached **45.4%***
- ❖ Addition of 30 GW of solar capacity through rooftop solar under PM-Surya Ghar Yojana

* As of 31 May 2024

Medium-Term Outlook

A GROWTH VISION FOR NEW INDIA

The growth strategy for Amrit Kaal is predicated on six key areas

- ◊ Deliberate focus on boosting private investment
—————
- ◊ Growth & expansion of India's Mittelstand (MSMEs)
—————
- ◊ Agriculture as an engine of future growth
—————
- ◊ To secure financing of green transition in India
—————
- ◊ Bridging education-employment gap
—————
- ◊ Focused building of state capacity



India's External Sector: A sturdy Trajectory at the Global Front

- India's services exports more than doubled in 9 years
—————
- India's rank in World Bank's Logistics Performance Index improved from 44th in 2018 to 38th in 2023
—————
- India emerging as a top remittance recipient country globally, reaching a milestone of USD 120 Bn remittance in 2023
—————
- Increase in the share of *GVC-related trade in Gross trade

*GVC: Global Value Chains



Prices and Inflation

India's Inflation Outlook

- Expected decline in global commodity prices bodes well for Indian inflation
- Inflation to fall to 4.5% in FY25 and to 4.1% in FY26: Reserve Bank of India
- Inflation to be at 4.6% in 2024 and at 4.2% in 2025: International Monetary Fund



Prices and Inflation

Inflation moderated with policy
interventions in FY24

- Most States & UTs witnessed decreased inflation rates in FY24 compared to FY23, with 29 out of 36 recording rates below 6% in FY24
- Core inflation declined by around 4 percentage points between April 2022 and June 2024
- Core services inflation eased to a 9-year low in FY24
- Core goods inflation declined to a 4-year low in FY24



Prices and Inflation

Inflation moderated with policy interventions in FY24

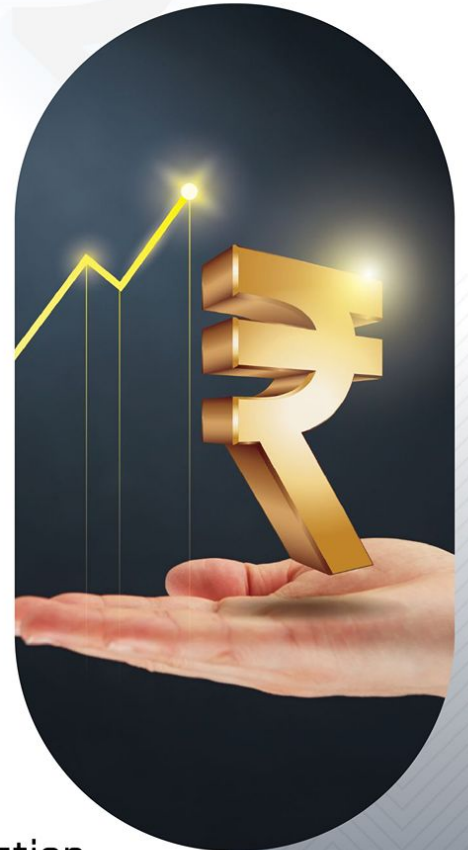
- India's inflation lower than that of EMDEs* in 2023
- Reduction in prices of LPG, Petrol and Diesel led to decline in LPG, Petrol and Diesel inflation
- Actions taken by the government to mitigate food inflation; Subsidised sale of cereals, pulses & onion, Reduction of import duty on pulses & edible oil, Stock monitoring of cereals & pulses
- Subsidised sale of essential food items under "Bharat" brand

*EMDE: Emerging Market & Developing Economies



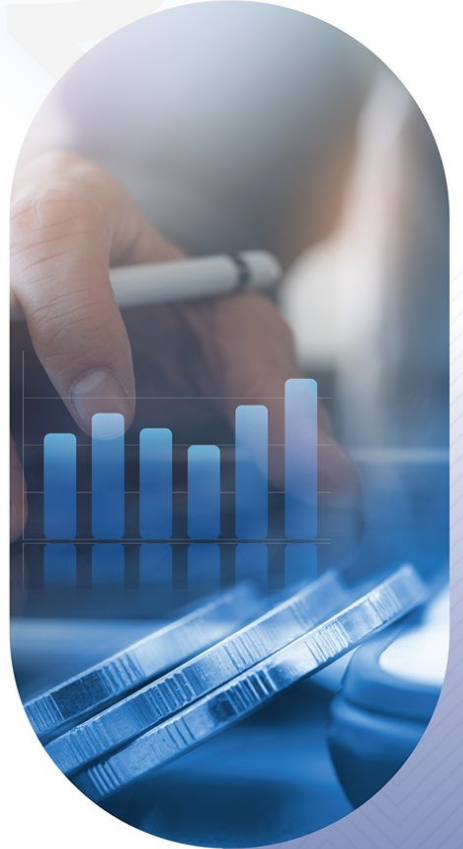
Stable Monetary Management & Financial Intermediation

- › India's Banking & Financial sectors project stellar performance in FY24
- › Double-digit growth in bank credit, gross & net non-performing assets at multi-year lows
- › Primary capital markets facilitated capital formation of ₹ 10.9 lakh crore during FY24
- › Target-based approach followed for Financial Inclusion with emphasis on promoting India's Digital Public Infrastructure



Robust pathway to India's economic growth for FY 2025

- › Indian Economy projected to grow in real terms, by **6.5% - 7%** in 2024-25
- › Low domestic inflation, high growth & stable external sector imparting resilience to the Indian economy
- › India's GDP growth expected to remain robust with steady private consumption & strong investment demand



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Robust pathway to India's economic growth for FY 2025

- › India's real **GDP** grew by **8.2%** in FY24, exceeding 8% mark in three out of four quarters of FY24



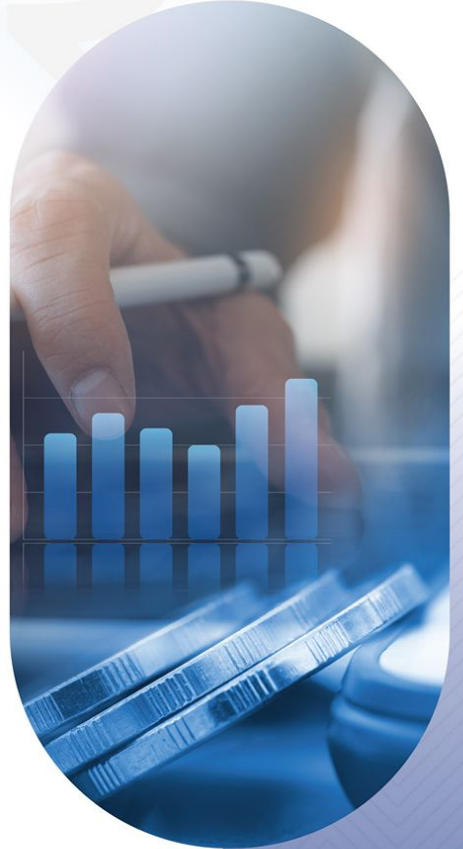
- › Gross Fixed Capital Formation increased by **9%** in real terms in 2023-24



- › Retail Inflation declined to **5.4%** in FY24

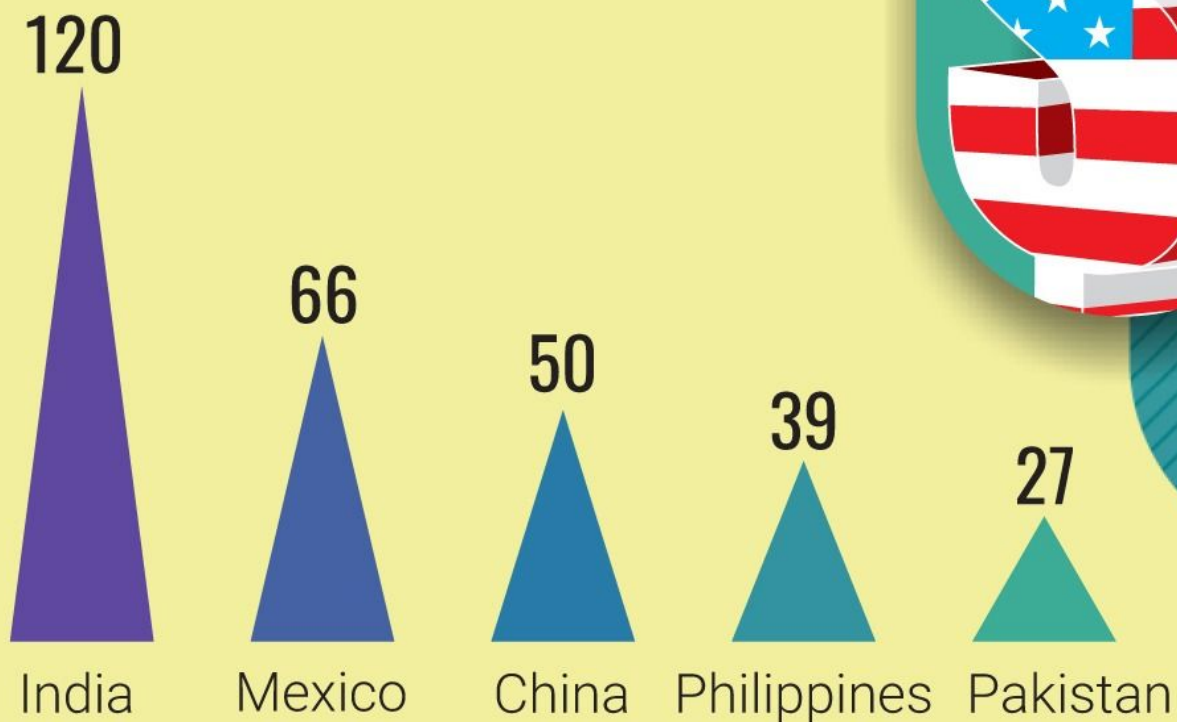


- › Real GDP in FY24 recorded to be **20%** higher than its level in FY20



Top Remittance Recipients

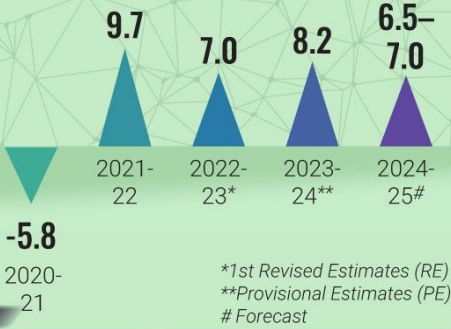
During 2023, in US \$ billion



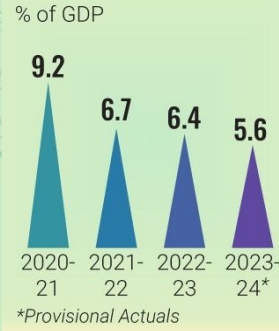
Source: World Bank

Indian Economy: A Snapshot

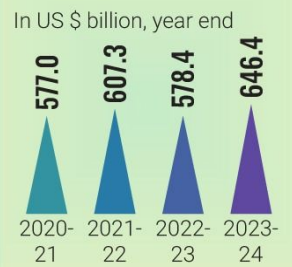
GDP Growth



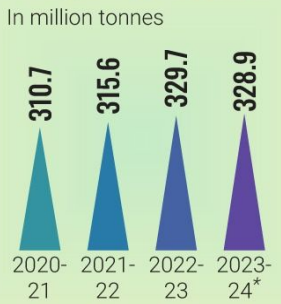
Fiscal Deficit



Foreign Exchange Reserves



Foodgrains Production



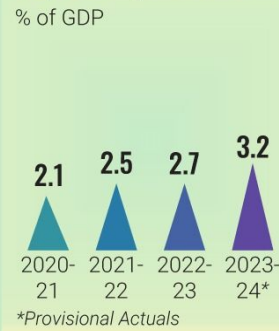
Industrial Growth



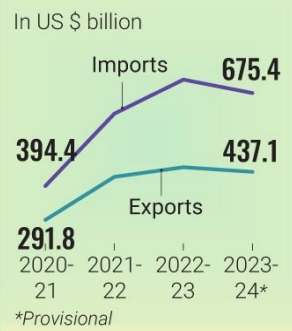
Services



Capital Expenditure

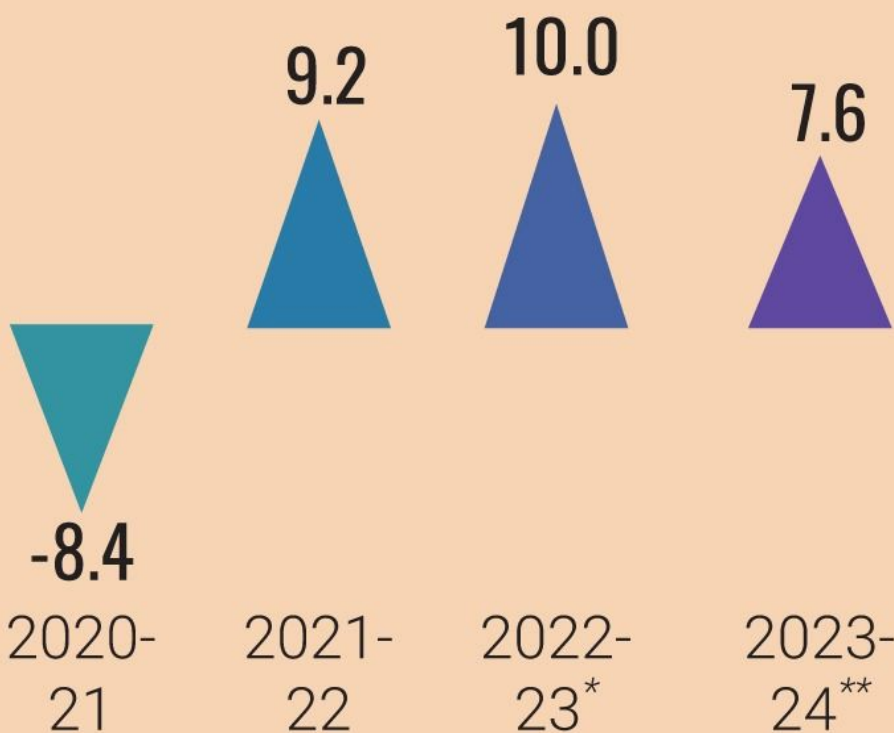


Foreign Trade



Service Sector Growth

Growth Rate of GVA at Basic Prices

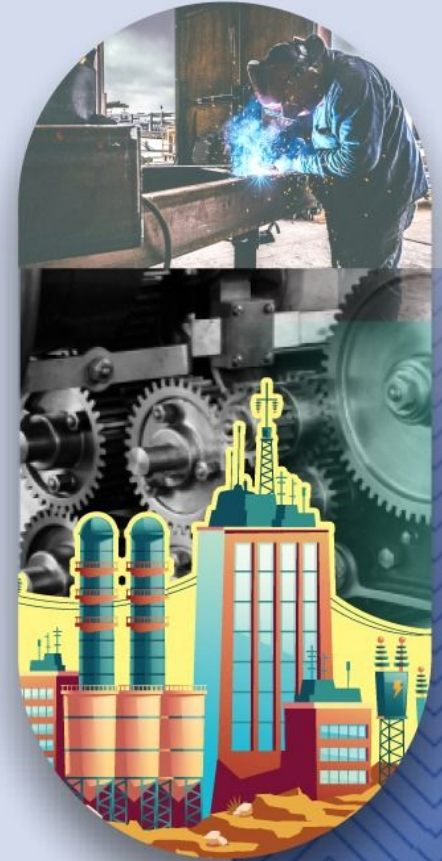
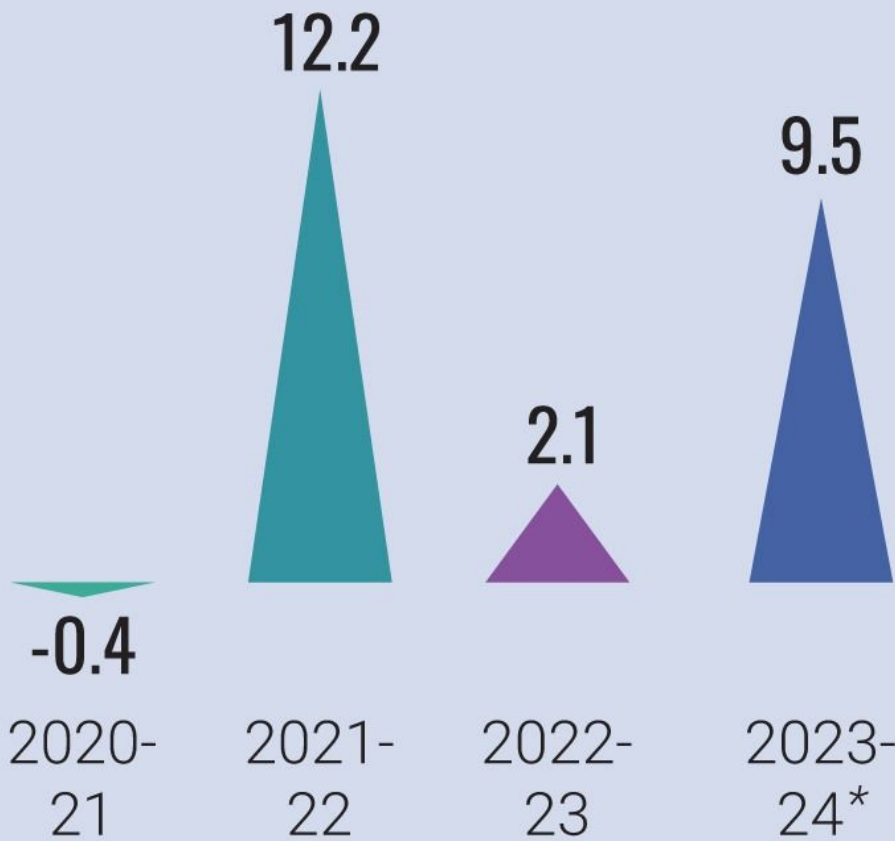


*1st Revised Estimates **Provisional Estimates



Industrial Growth

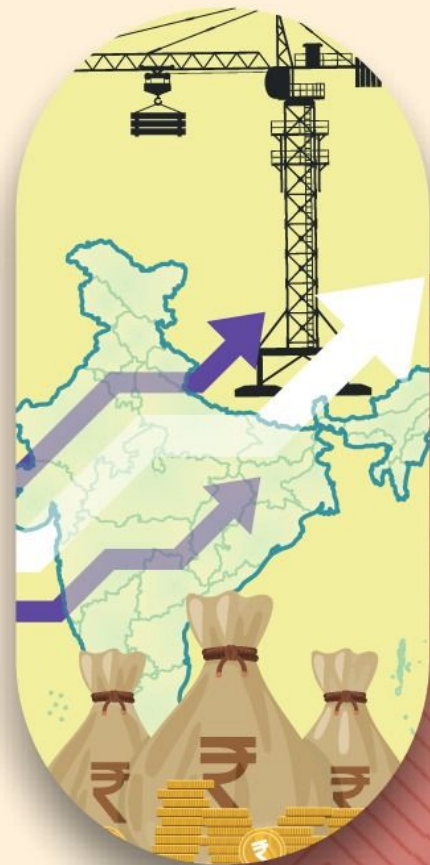
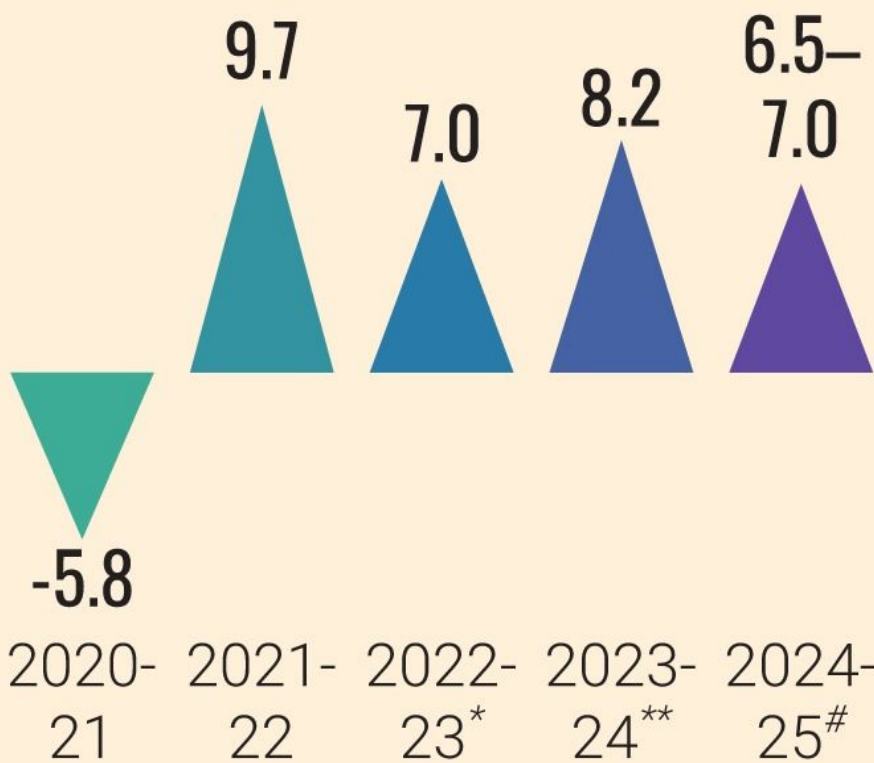
Growth rate at constant prices



*Provisional Estimates

GDP Growth

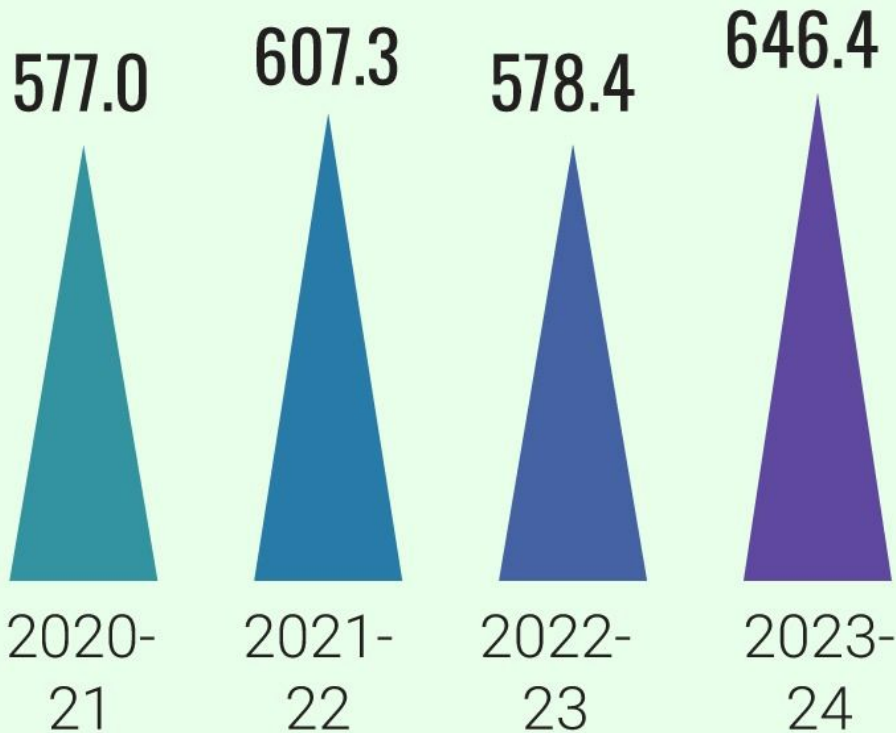
At constant prices, in per cent



*1st Revised Estimates **Provisional Estimates #Forecast

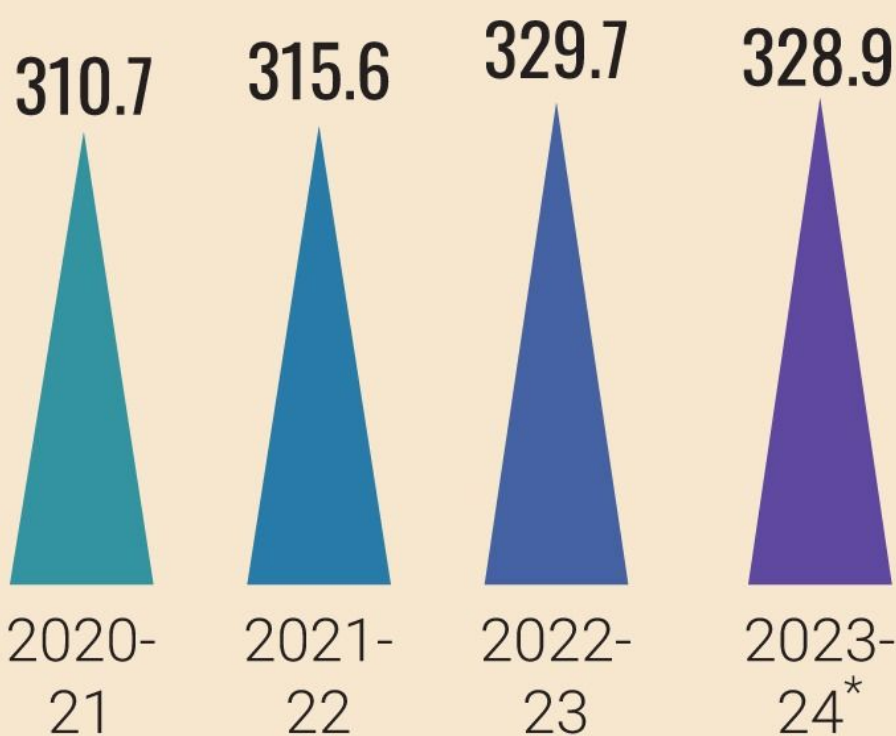
Forex Reserves

In US \$ billion, year end



Foodgrains Production

In million tonnes

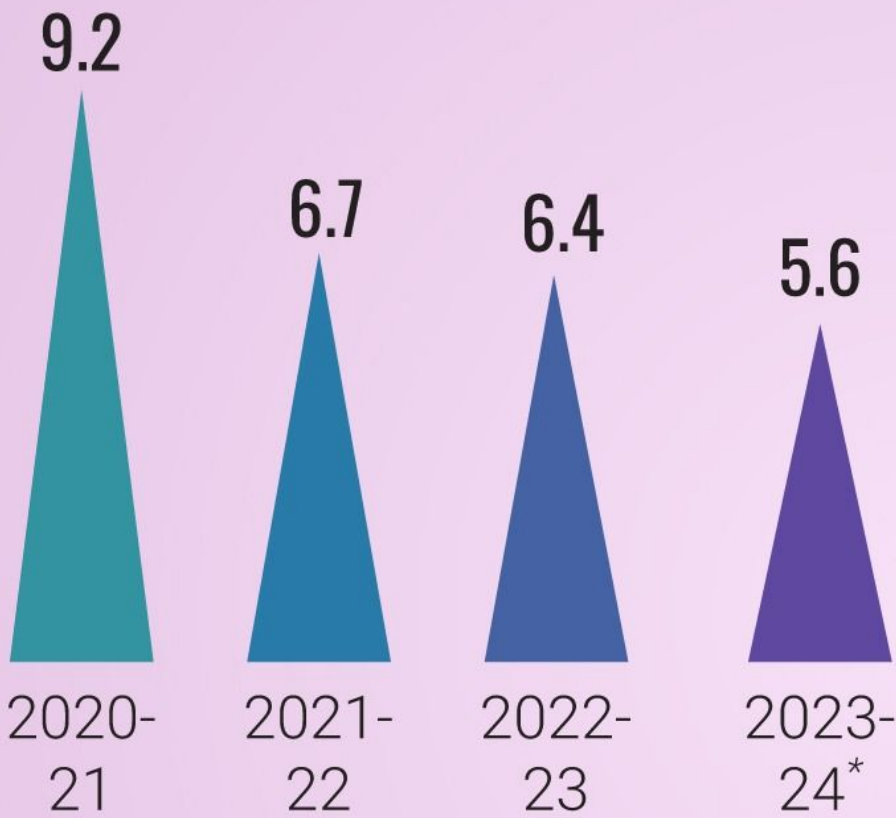


Includes cereals and pulses

**Agricultural Crops as per 3rd Advance estimates and Horticultural Crops as per 2nd Advance Estimates*

Fiscal Deficit

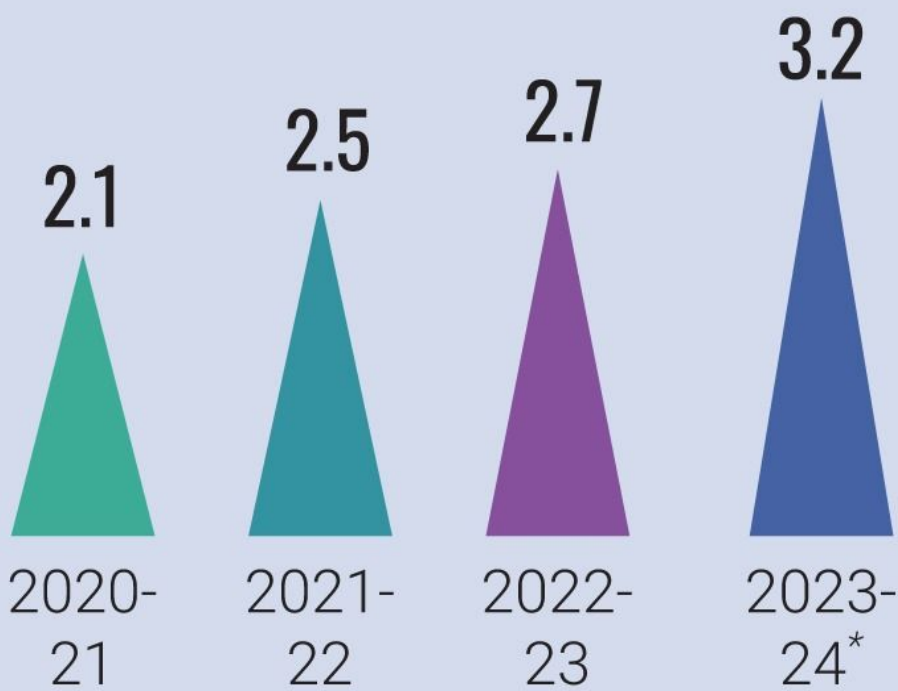
As percentage of GDP



**Provisional Actuals*

Capital Expenditure

As percentage of GDP



*Provisional Actuals