



ECONOMIC SURVEY 2024:

REAL GDP

GROWTH AT 6.5-7%





Narendra Modi ✓

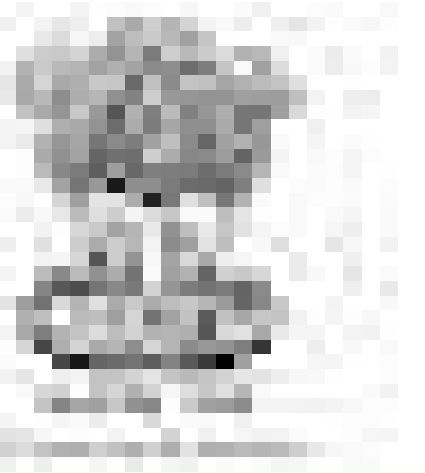
@narendramodi

The Economic Survey highlights the prevailing strengths of our economy and also showcases the outcomes of the various reforms our Government has brought.

It also identifies areas for further growth and progress as we move towards building a Viksit Bharat.

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ECONOMIC SURVEY 2023-24



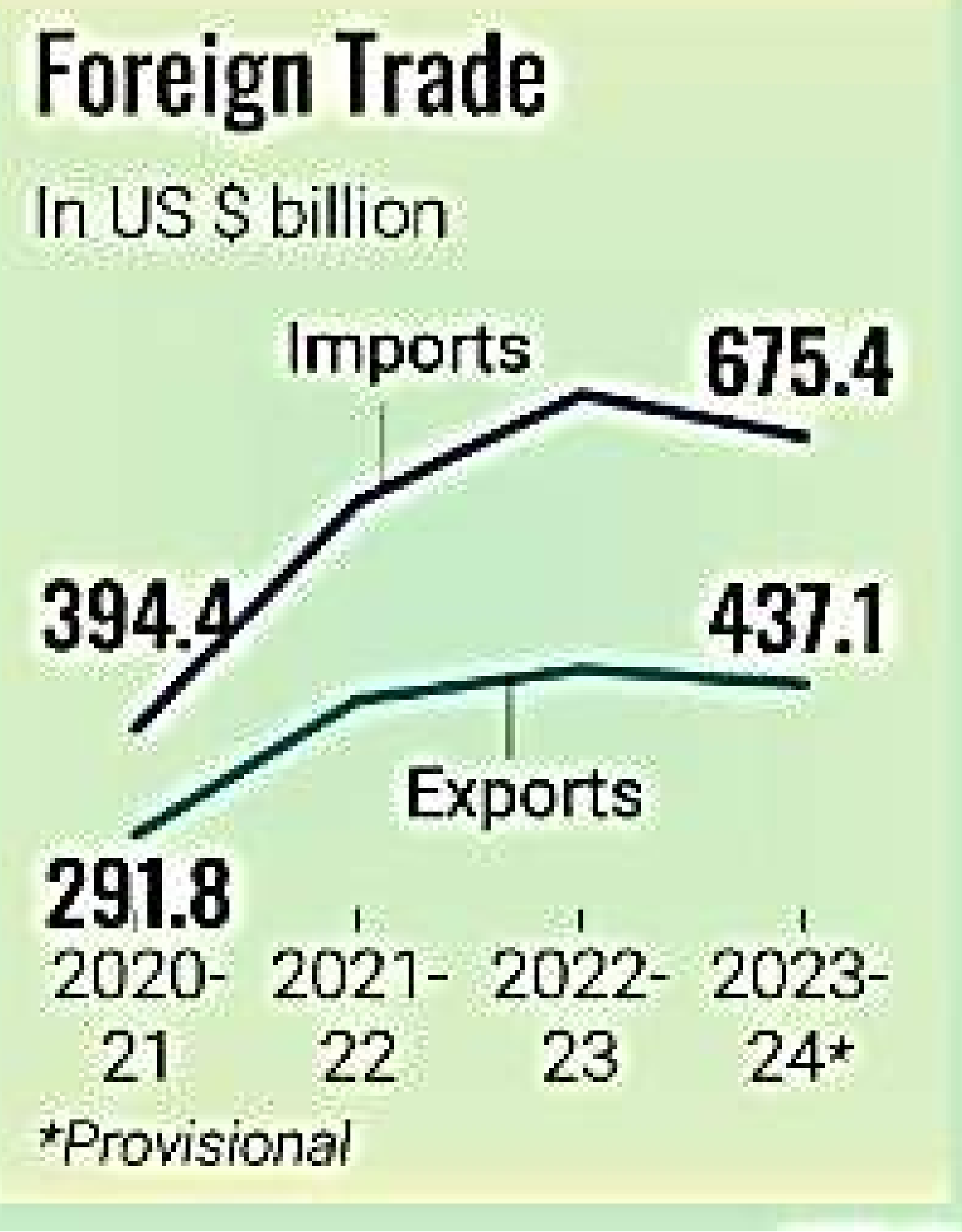
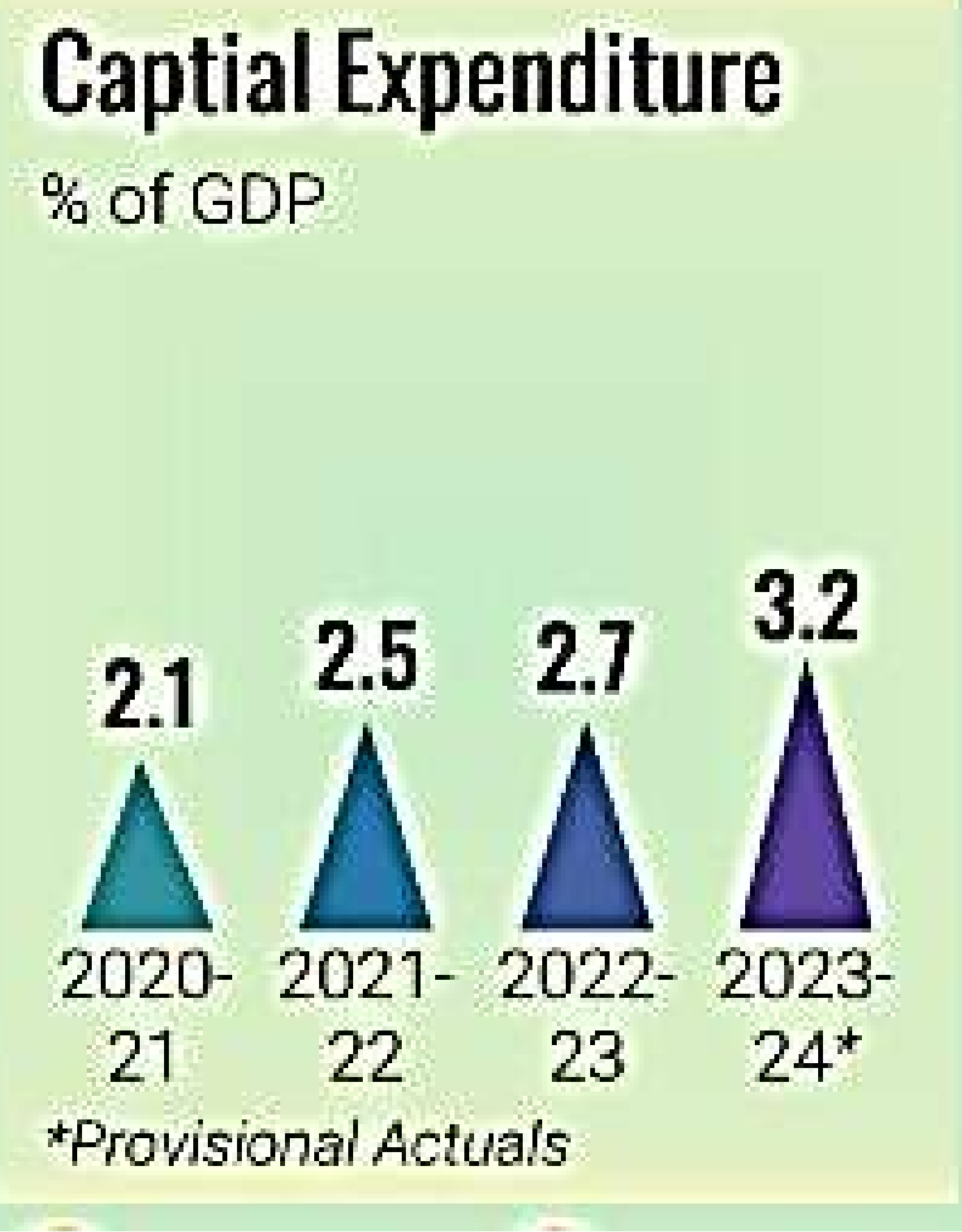
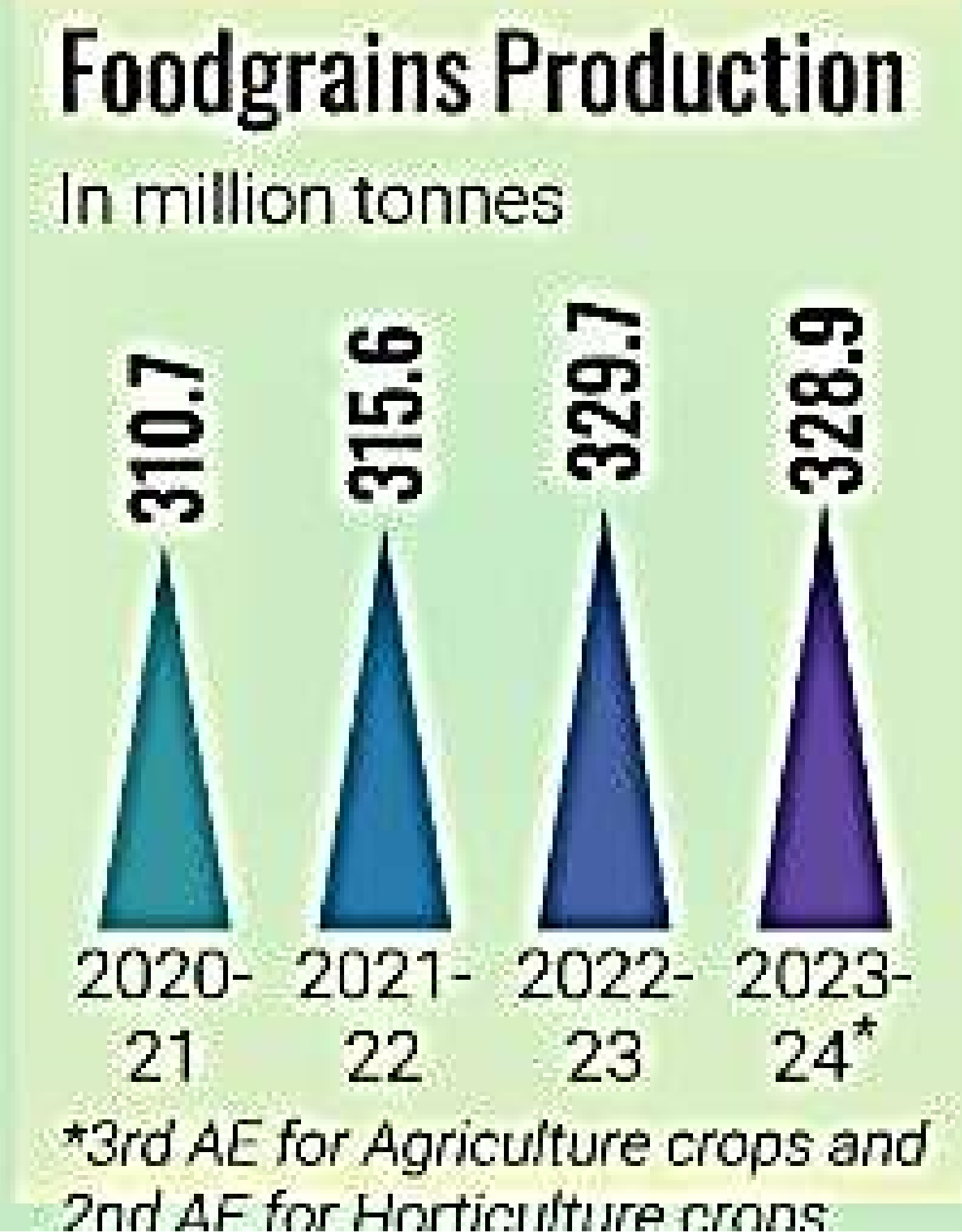
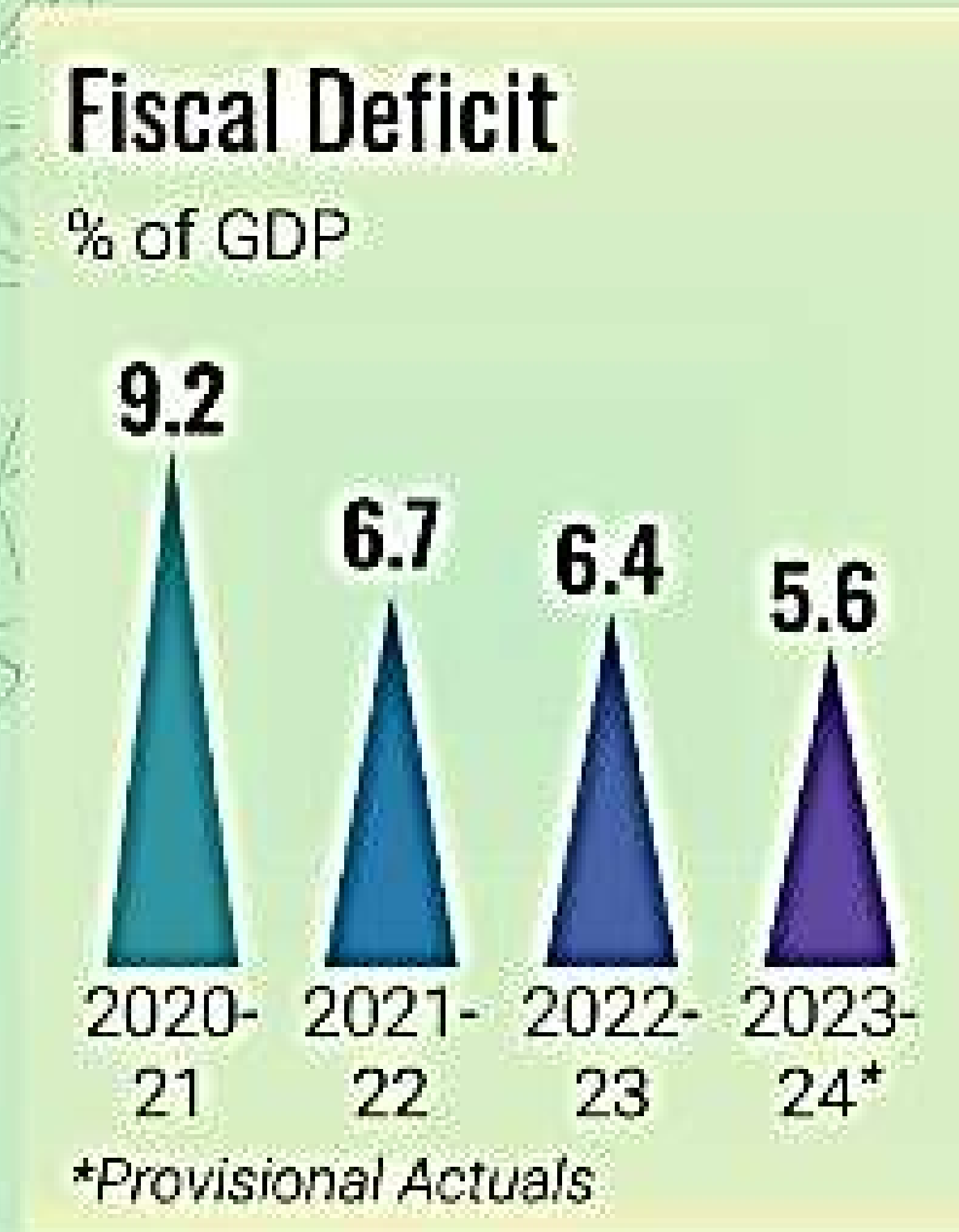
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What is the Economic Survey?

- The Economic Survey is a comprehensive review or annual report of Indian economy during the closed financial year. Prepared by the Economics Division of the Department of Economic Affairs of the Finance Ministry under the guidance of the India's Chief Economic Advisor (CEA).
- It functions as a summary of the government's economic performance, major developmental programmes, and policy initiatives; besides also providing an outlook for the upcoming financial year.





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

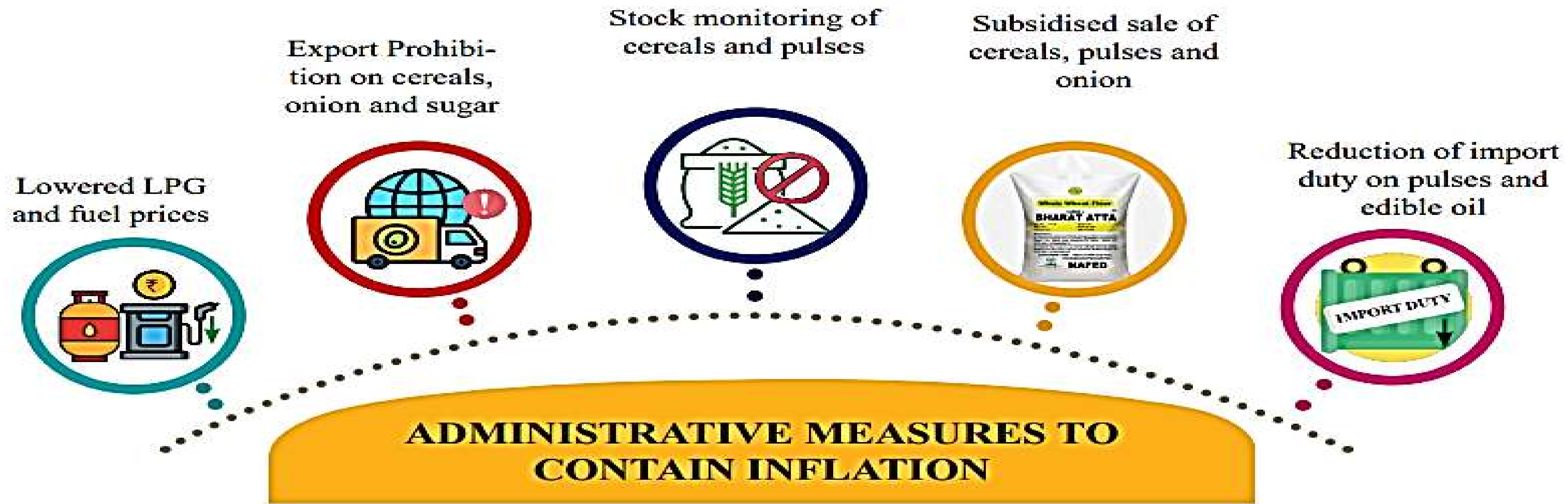


Prices and Inflation

Inflation moderated with policy interventions in FY24

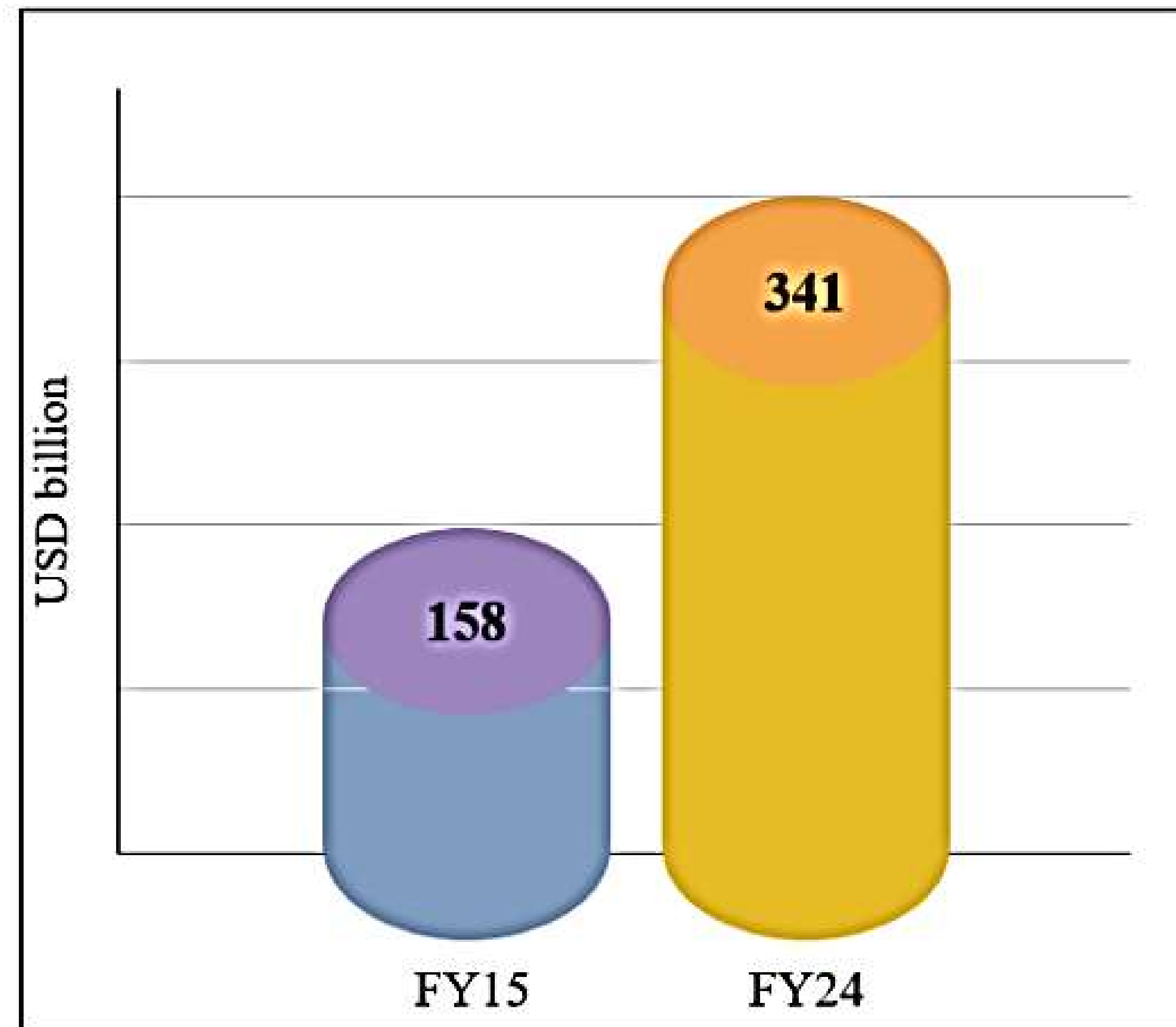
- Most States & UTs witnessed decreased inflation rates in FY24 compared to FY23, with 29 out of 36 recording rates below 6% in FY24
- Core inflation declined by around 4 percentage points between April 2022 and June 2024
- Core services inflation eased to a 9-year low in FY24
- Core goods inflation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





External Sector: Stability Amid Plenty

India's services exports more than doubled in nine years



4.3%

◆ India's services exports share in world services exports

2nd

◆ Rank in World's telecommunication, computer & information services exports

6th

◆ Rank in World's personal, cultural & recreational services exports

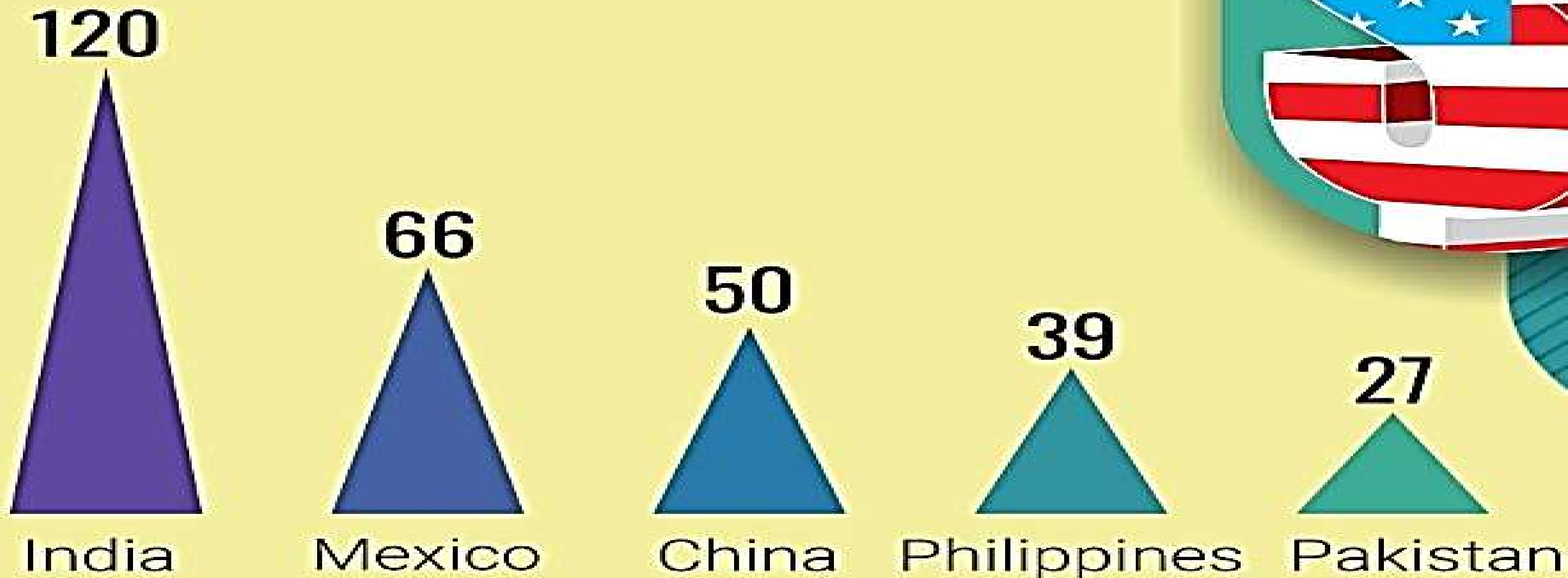
8th

◆ Rank in World's other business service exports



Top Remittance Recipients

During 2023, in US \$ billion

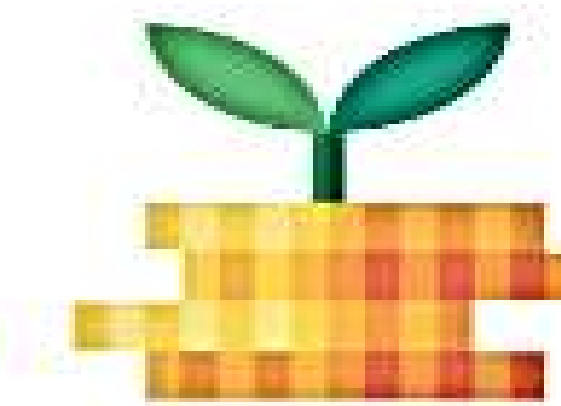
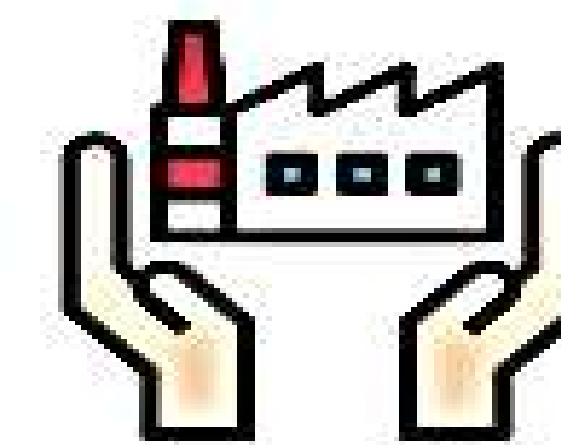


Source: World Bank

Medium Term Outlook: A Growth Vision for New India

Growth Strategy for Amrit Kaal : Strong, Sustainable and Inclusive

- 1** Boost **private sector investment** to 35 per cent of GDP through a conducive policy and regulatory environment
- 2** 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
- 3** Remove growth impediments in the **agricultural sector** and allow markets to function in the interest of the farmer
- 4** Secure financing of **green transition** in India.
- 5** Bridge the **education – employment gap**
- 6** Build **state capacity and capability**



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



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



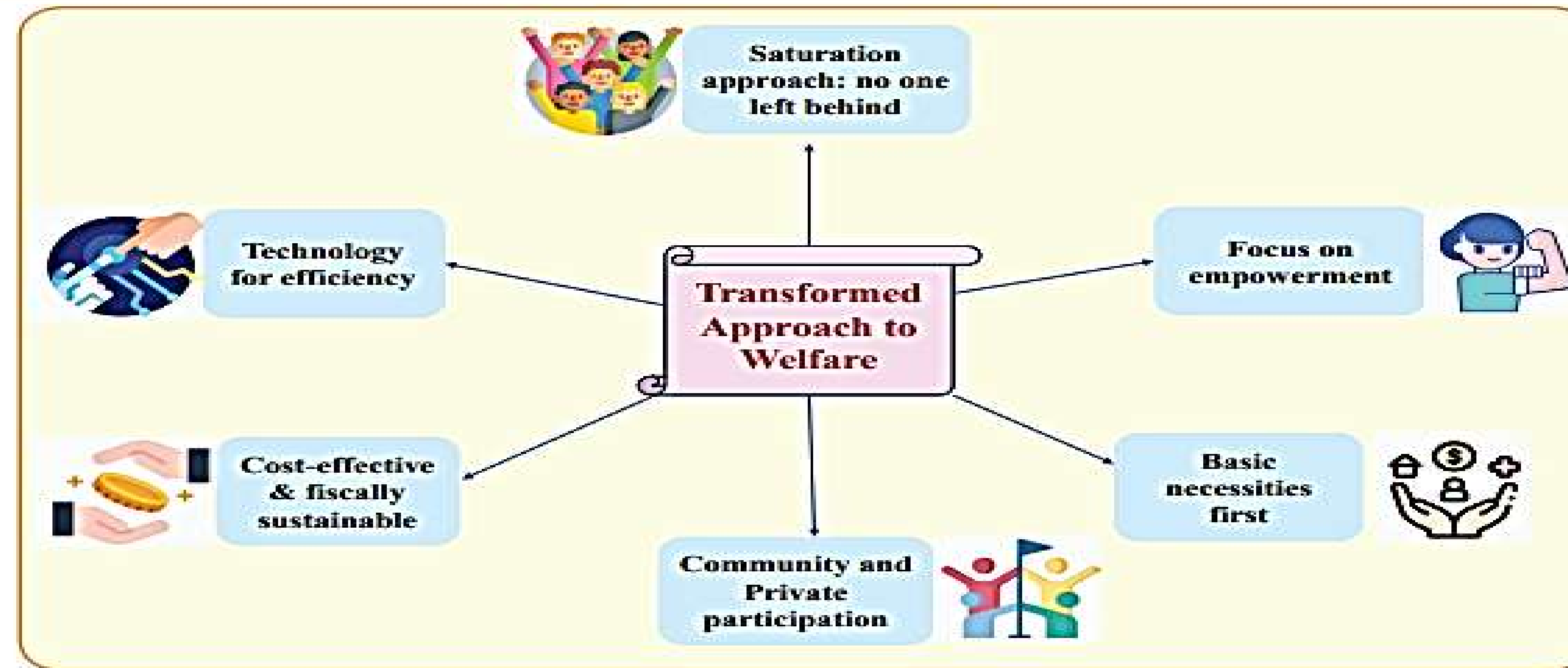
Social Sector – Benefits that Empower

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



Social Sector: Benefits that Empower



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



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



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



Industry: Small and Medium Matters

Progress under Production Linked Incentive*

- ◆ Over ₹1.28 Lakh Crore of investment
- ◆ Export boosted by ₹4 Lakh Crore
- ◆ Production/sales of ₹10.8 Lakh Crore
- ◆ Direct & Indirect employment generation of over 8.5 Lakh



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

Services – Fuelling Growth Opportunities

- About 55 per cent of the total size of the economy in FY24
- Services PMI soared to 61.2, touching new heights in March 2024
- Services export accounted for 44% of India's total exports in FY24
- Technology start-ups rose from around 2,000 in 2014 to approx 31,000 in 2023
- E-commerce industry to cross USD 350 Bn by 2030

*PMI: Purchasing Managers' Index



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

Physical Connectivity Infrastructure

Roads



- ◆ The average pace of NH construction increased by ~3 times between FY14 and FY24
- ◆ Toll digitisation reduced waiting time at toll plazas by nearly 16 times during 2014-24

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
- ◆ Under Sagarmala, 262 projects worth ₹1.4 lakh crore stand completed.

Civil Aviation

- ◆ New terminal buildings at 21 airports in FY24
- ◆ Increase in passenger handling capacity by 62 million passengers per annum



Energy

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

Electric power



- ◆ 190.57 GW of renewable energy (RE) capacity installed by end-March 2024.
- ◆ Clean energy sector had new investment of ₹8.5 lakh crore between 2014 and 2023.

Renewables



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.
- ◆ Swachh Bharat Mission-Urban: Constructed 63.07 lakh individual household latrine units. 6.37 lakh community & public toilets.

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

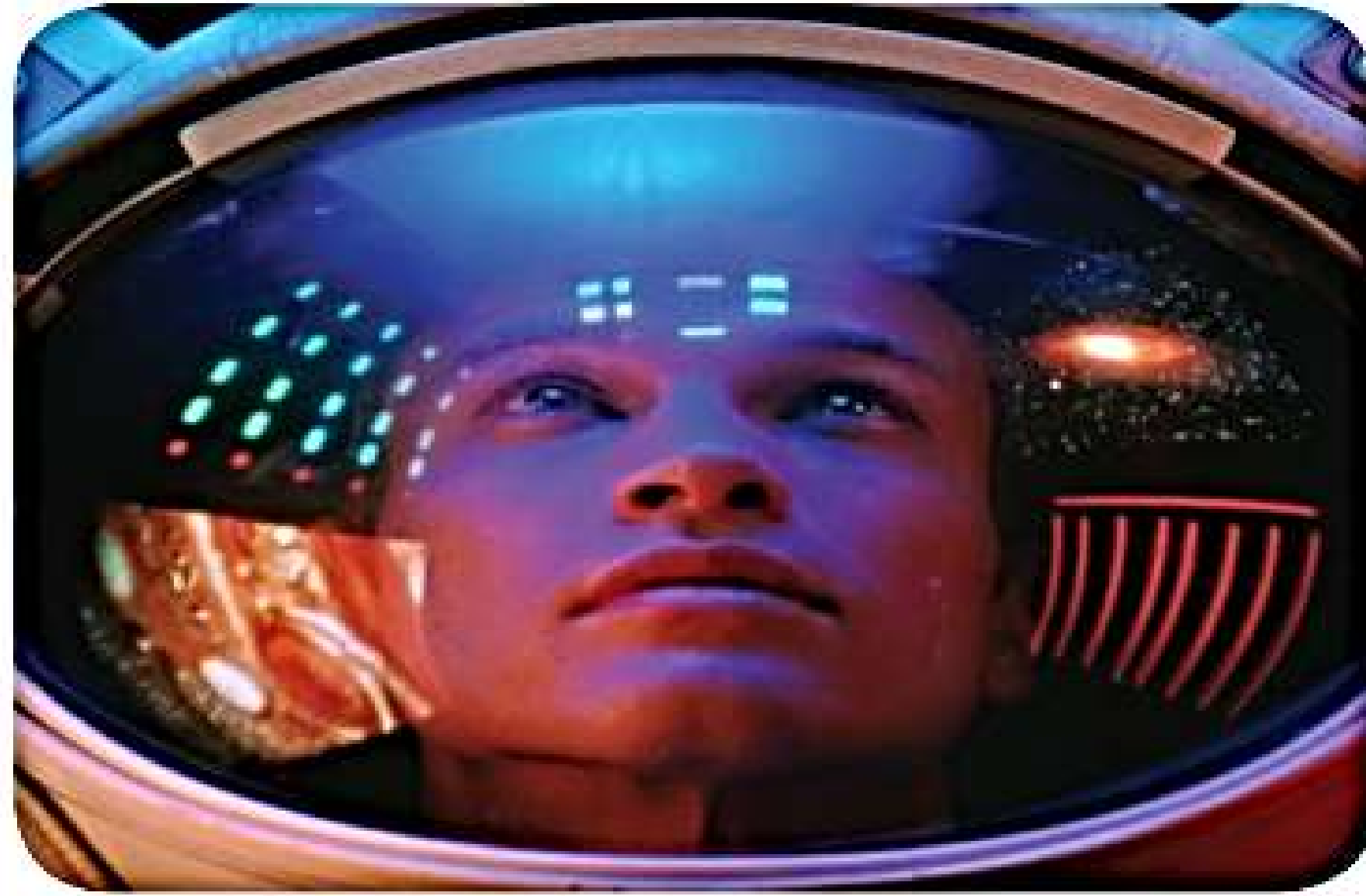
Tourism

- ◆ PRASHAD scheme: 29 new pilgrimage and heritage sites identified
- ◆ Swadesh Darshan 2.0: Outlay of ₹3,800 crore



Space

Space Assets



India has 55 active space assets, including 18 communication satellites, 9 navigation satellites, 5 scientific satellites, 3 meteorological satellites, and 20 earth observation satellites

Digital

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.

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



Climate Change and India: Why we Must Look at the Problem Through our Lens

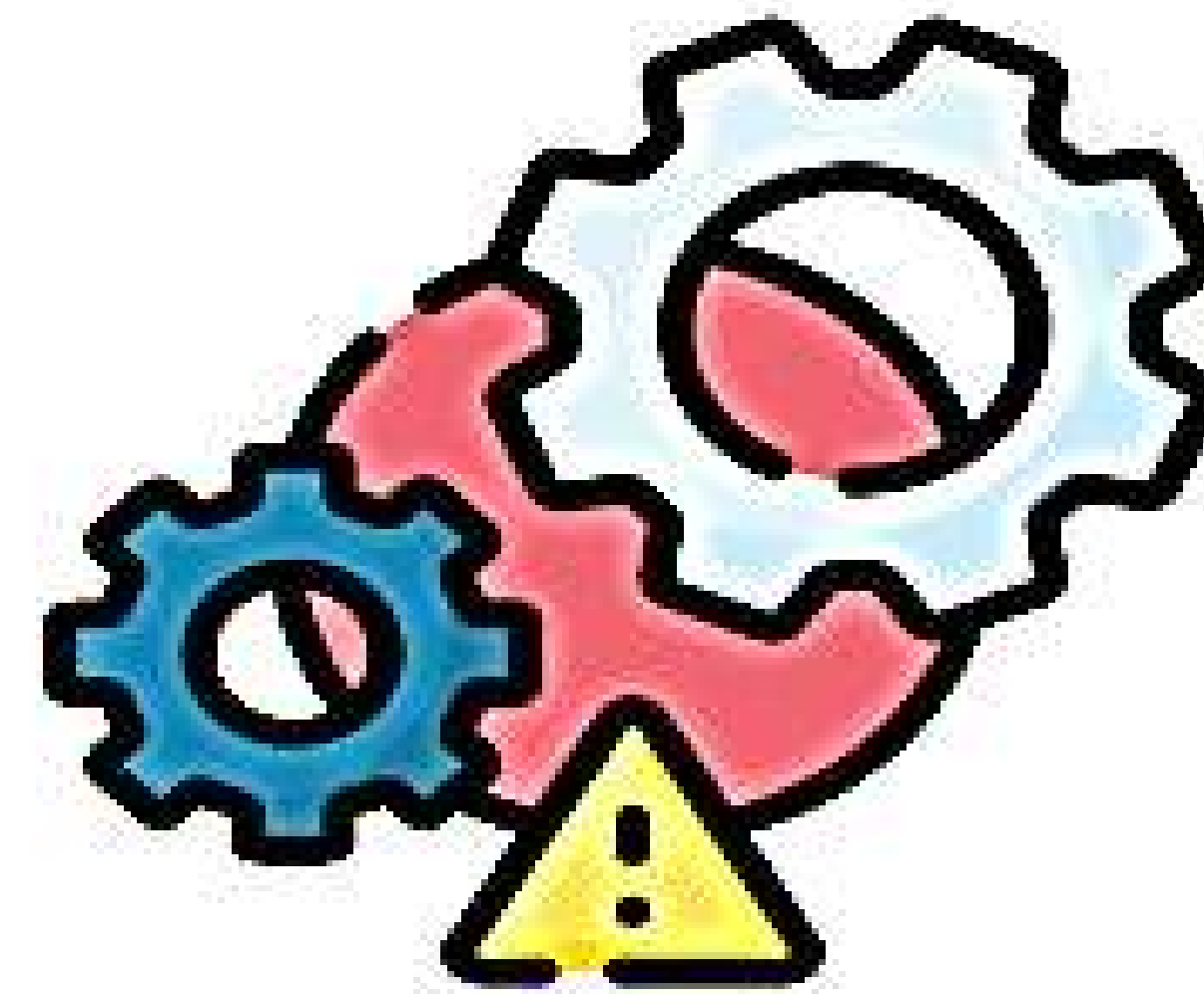
Issues with the current global approaches to addressing Climate Change



Does not seek to address the core issue, i.e. overconsumption



Irrational pursuit of new-age resources is scarring the planet



The current pathways may fall short of addressing climate change



'Scramble' for energy guzzling AI is directly at odds with the climate goals

Climate Change and India:

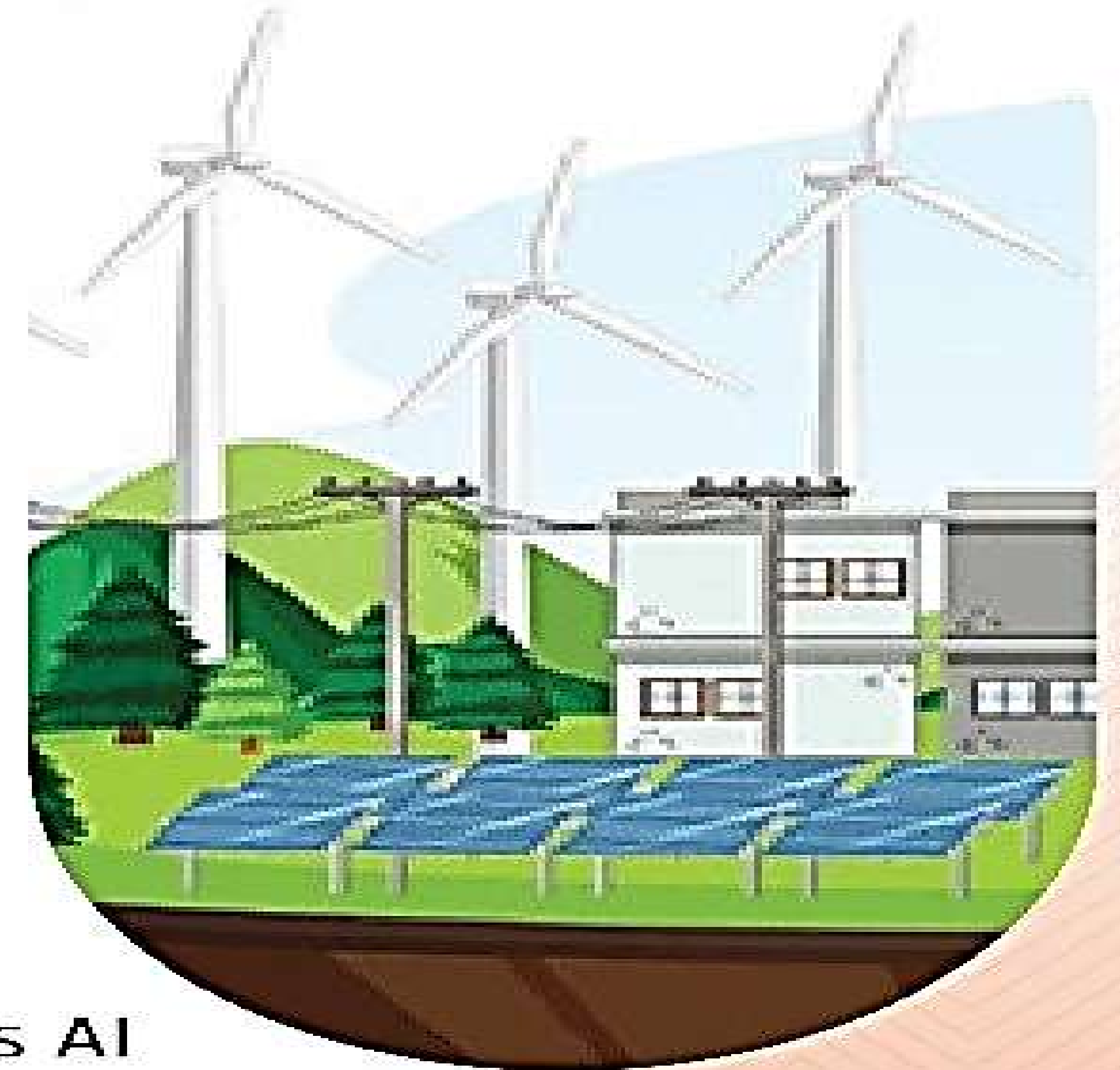
Why We Must Look at the Problem through Our Lens

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



The Path to Sustainable Housing

Returning to Traditional Indian Living Spaces:

- Central Courtyards with well ventilated spaces.
- Avenues for natural lighting and cooling.
- Use of local building materials.
- Local Labour aiding in construction.

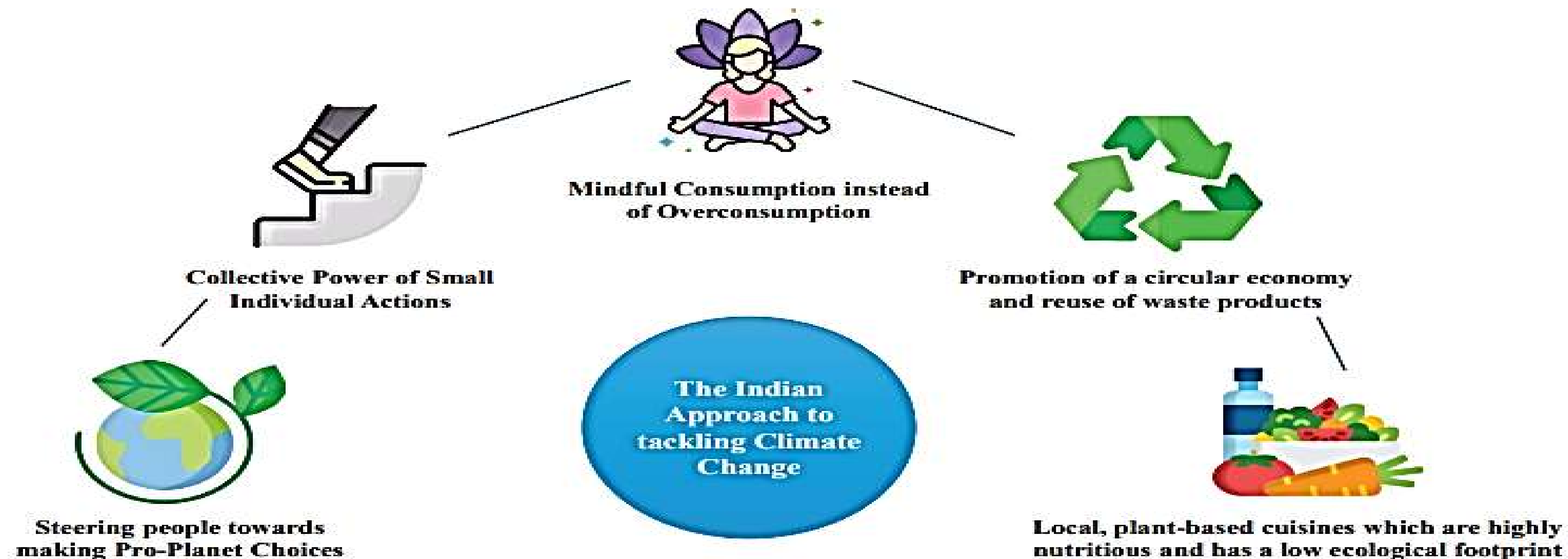


The Path to Sustainable Housing

Encouraging a shift towards multi-generational households as was our tradition:

- Today's nucleated families are a departure from our older societal norms.
- UN Population Fund too recognises the importance of elderly people living in multigenerational households.

The Indian Approach to tackling Climate Change



Mission LiFE proposes a naturally sustainable lifestyle in accordance with nature

