

# ECONOMIC SURVEY



सत्यमेव जयते  
Government of India

## 2023-24

### HIGHLIGHTS



# **Economic Survey 2023-24**

## **Highlights**

The 'Highlights' document of the Economic Survey 2023-24 features the salient aspects of each of the thirteen chapters in the Survey, assembled chapter-wise. The highlights are stated through charts, infographics, tables, and minimum use of text, which limits the size of the document to 30-35 pages. The 'Highlights' document thus presents the Survey in a nutshell to enable its easier understanding. I am hopeful that readers will be able to relate to the 'Highlights' document and be motivated to locate relevant content in the Survey for deeper study.

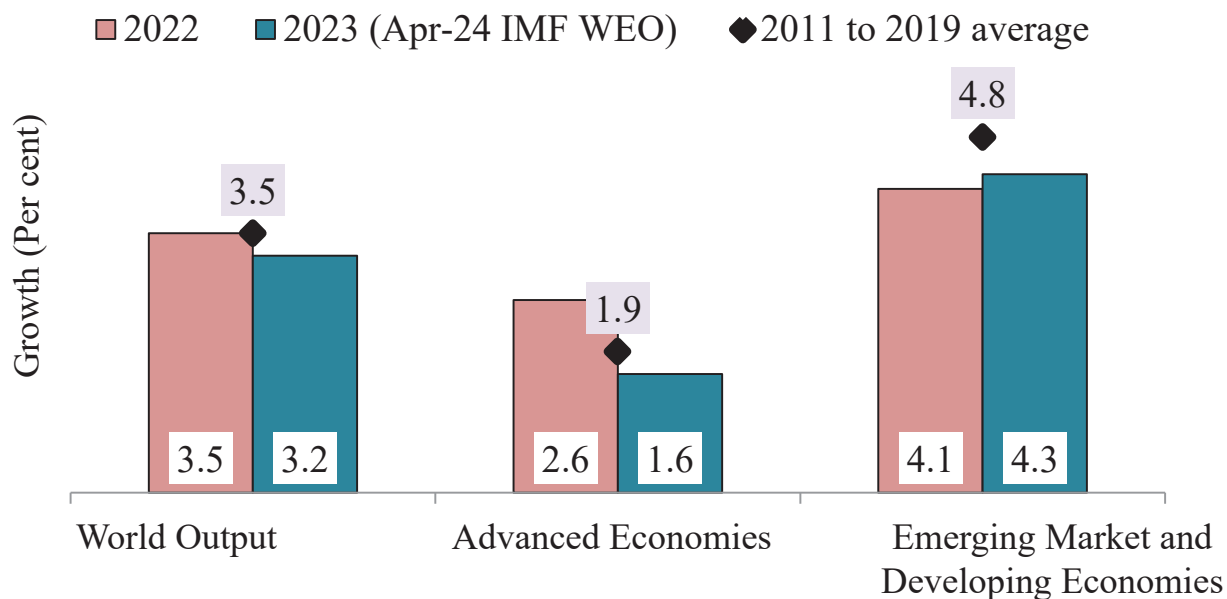
**V. Anantha Nageswaran**  
Chief Economic Adviser  
Ministry of Finance  
Government of India

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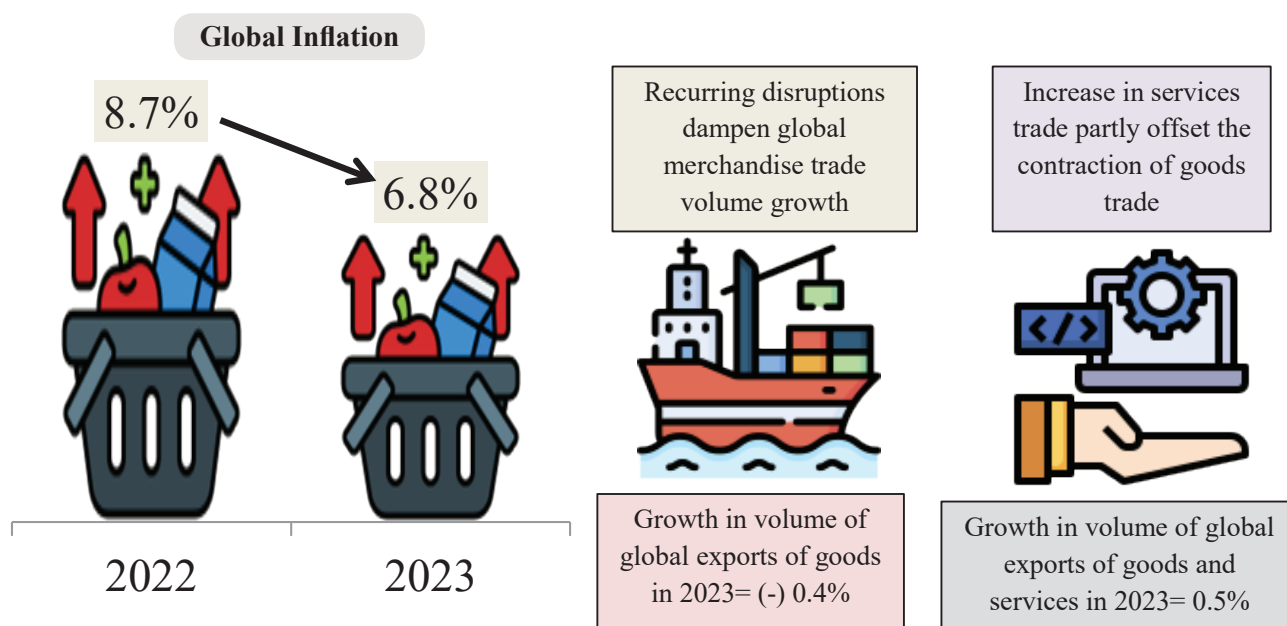
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# State of the Economy: Steady as She Goes

Global economic growth has been better than expected

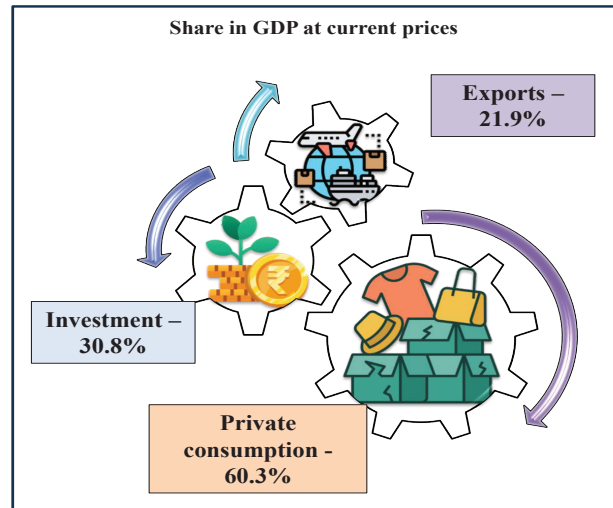
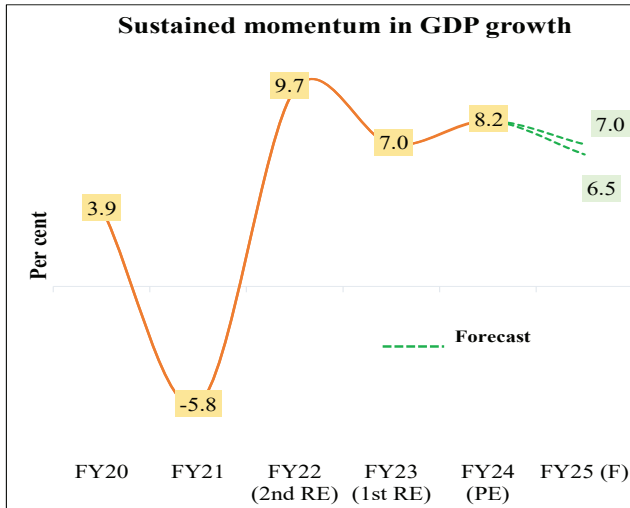


Global inflationary pressures easing. Merchandise trade dampened in 2023





## India's GDP growth expected to remain robust. Steady private consumption and emerging investment drive growth



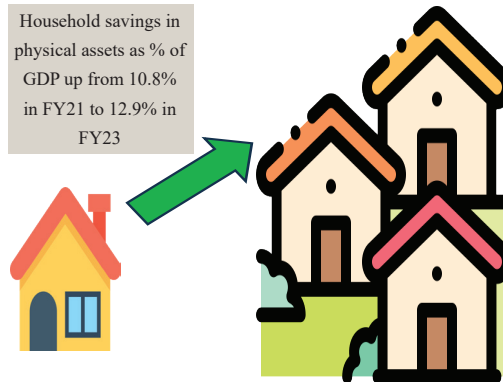
## Investment being driven by public and private capex with households also pitching in

### Government capex crowding in private investment



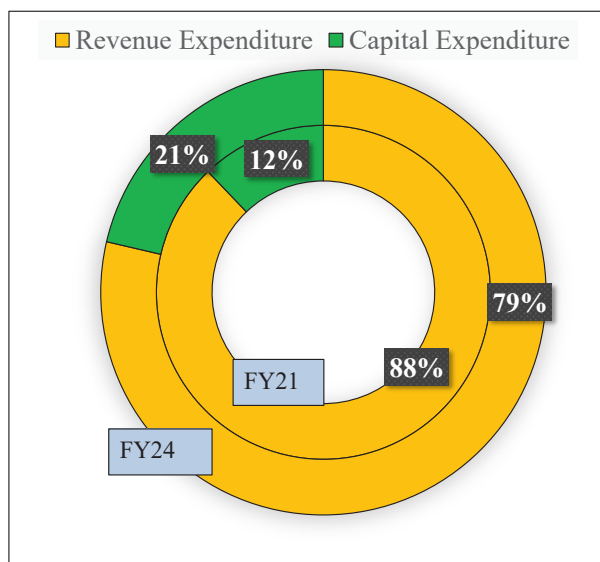
\*Axis bank research

### Increasing appetite for investment in housing

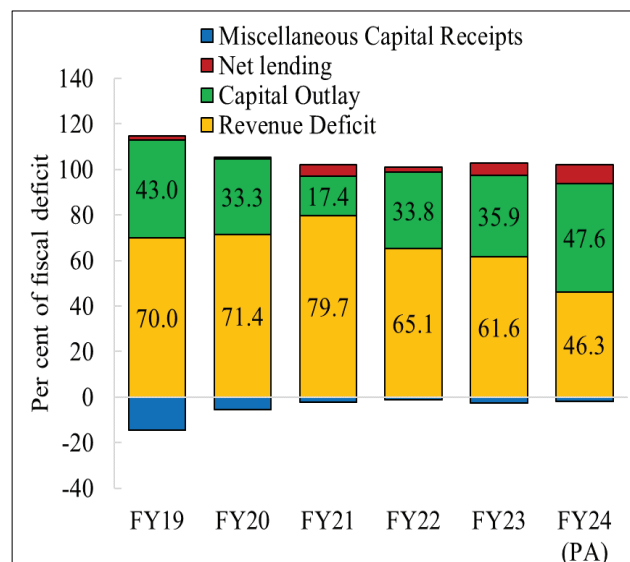


## Quality of Union Government expenditure is improving

### Higher share of capex in total expenditure

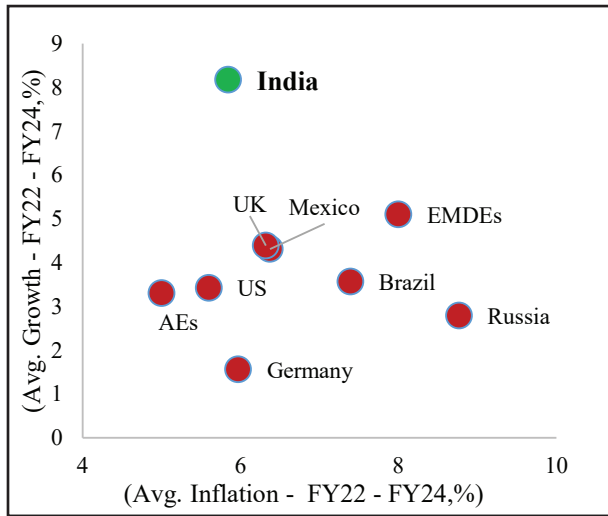


### Decomposition of fiscal deficit shows increasing investment orientation

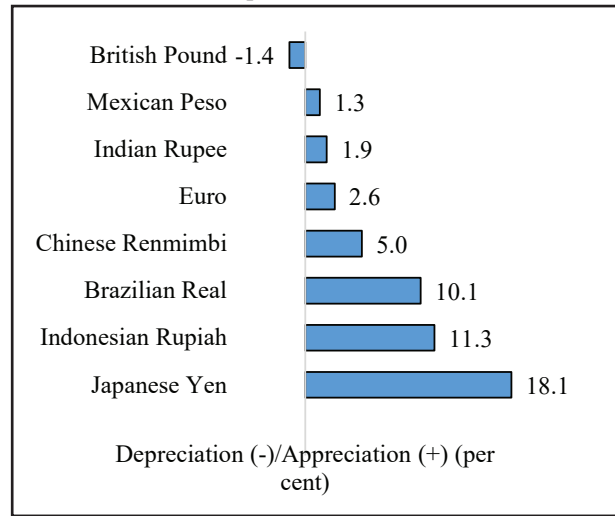


## Relatively low domestic inflation, high growth and stable external sector are imparting resilience to the economy

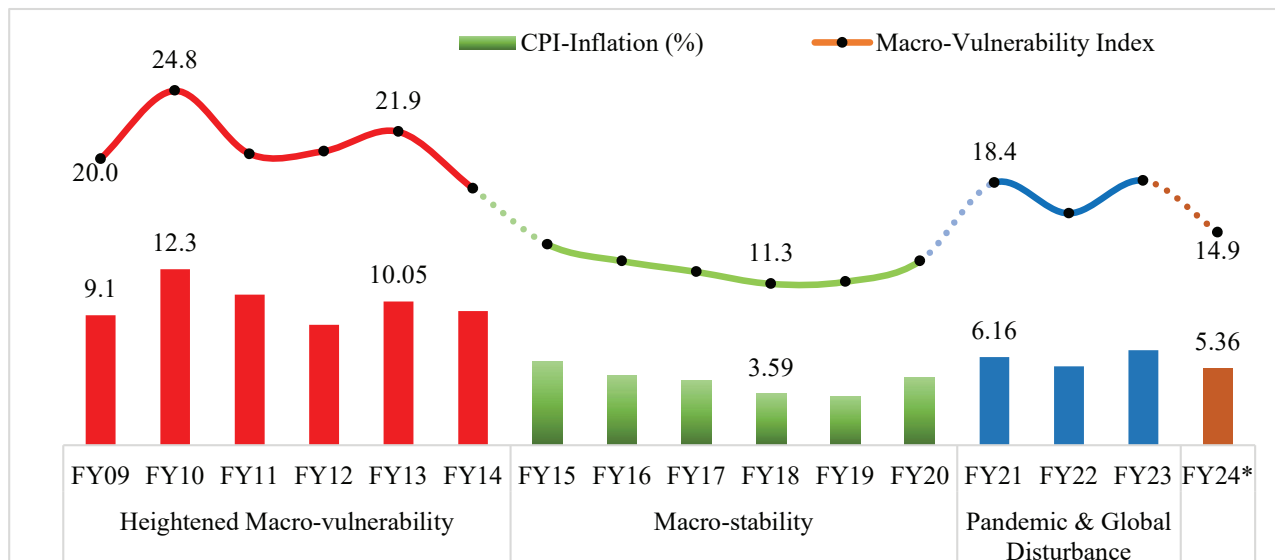
India a high-growth and low-inflation economy



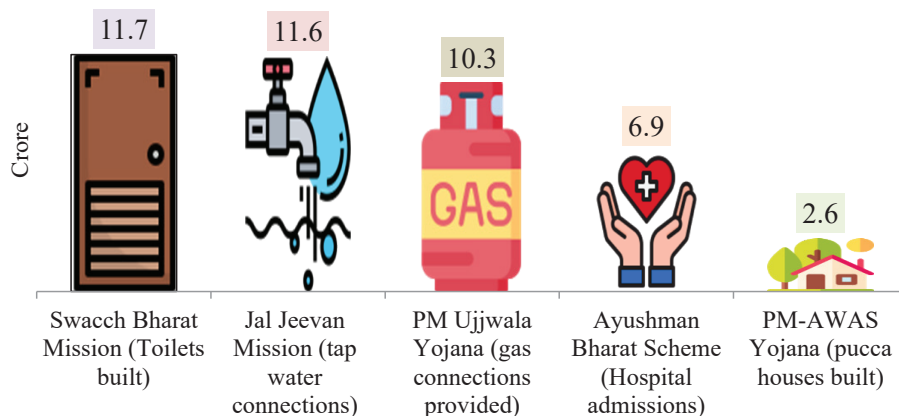
The ₹ was one of the most stable currencies over Apr'23 – Jun'24



## Improving macroeconomic stability



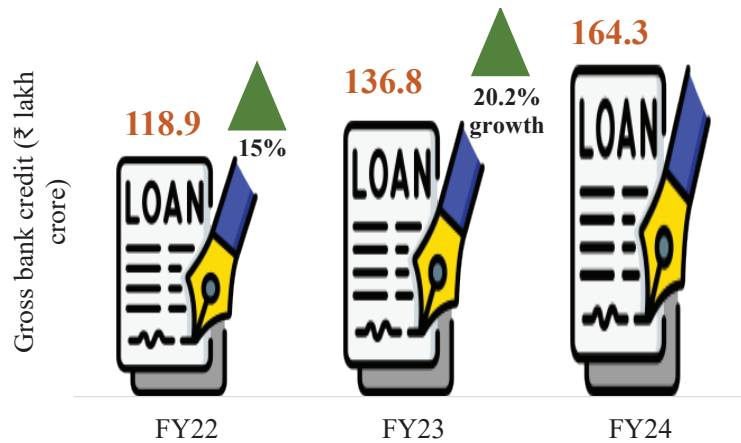
## Government is ensuring inclusivity of growth



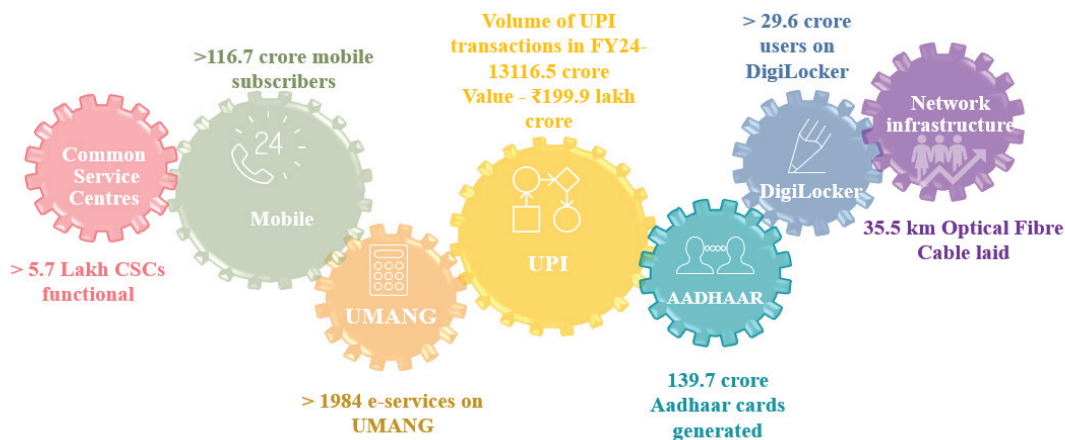
Beneficiaries under various schemes since their inception

# Monetary Management and Financial intermediation: Stability is the Watchword

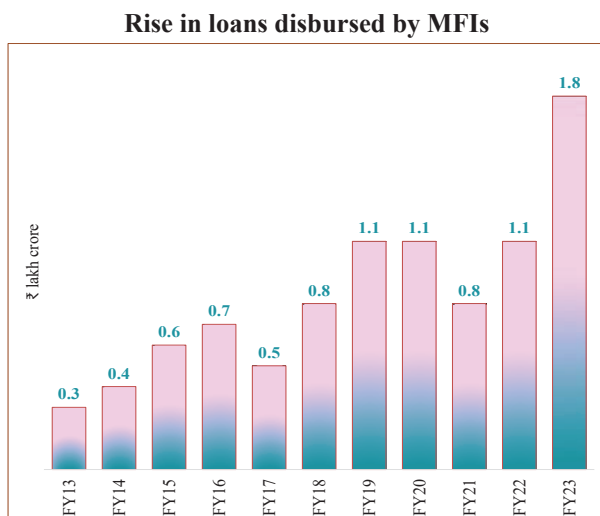
## Double-digit growth in bank credit



## India's Digital Public Infrastructure: Churning the Wheels of the Economy



## Microfinance Institutions (MFIs): facilitating Financial Inclusion



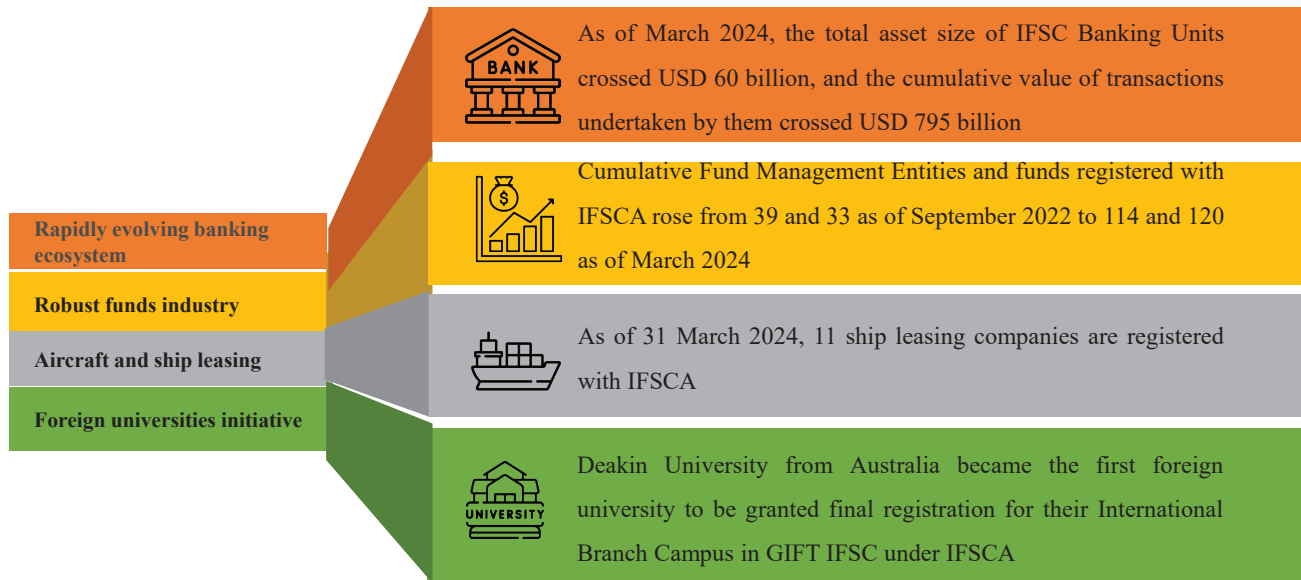
India has the second-largest microfinance sector

Women constitute 98 per cent of the total clients of MFIs

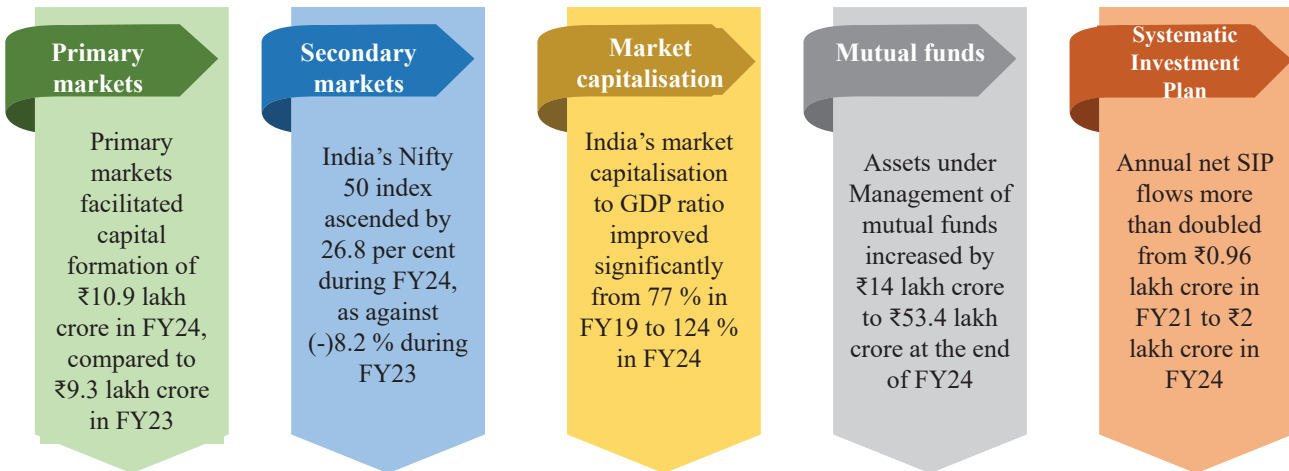
MFIs have reached out to over 532 lakh clients with a total loan outstanding of ₹1.8 lakh crore under micro-credit

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

## GIFT City: Emerging as a dominant gateway for India's financial sector

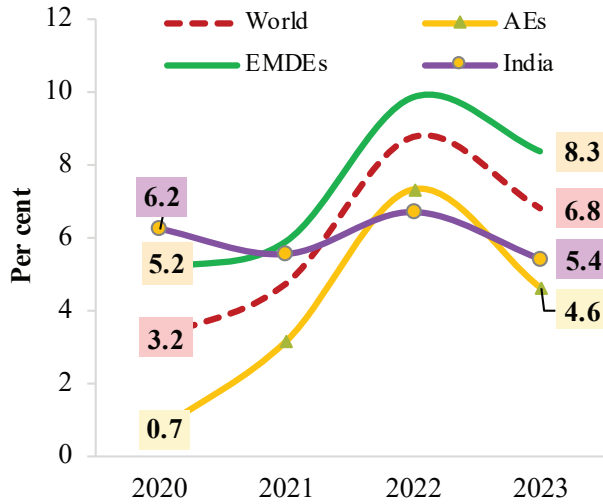


## Indian capital markets emerged as one of the best-performing among emerging markets in FY24

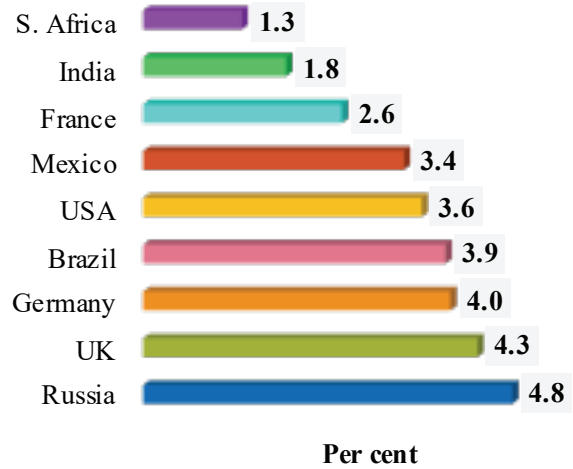


# Prices and Inflation: Under Control

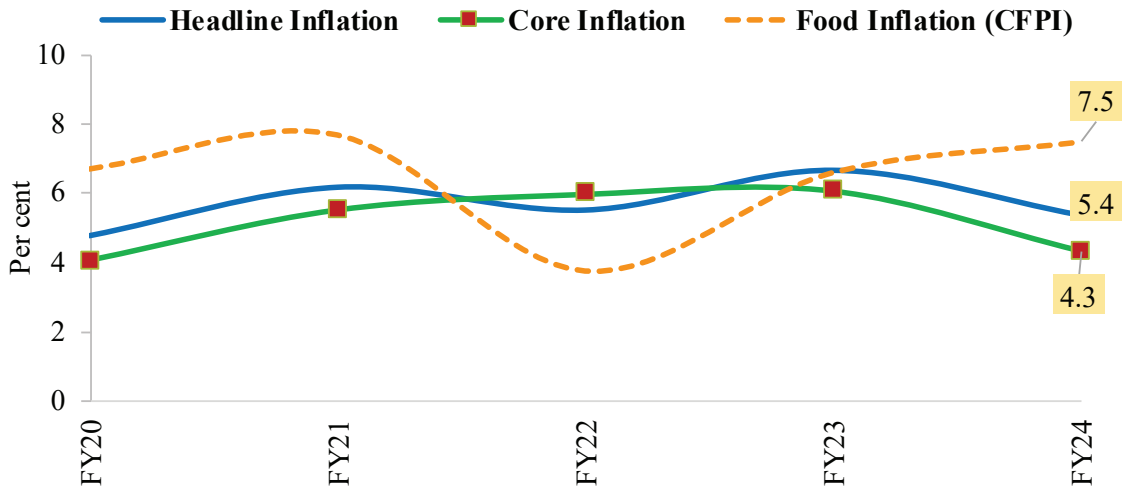
## India's inflation lower than EMDEs in 2023



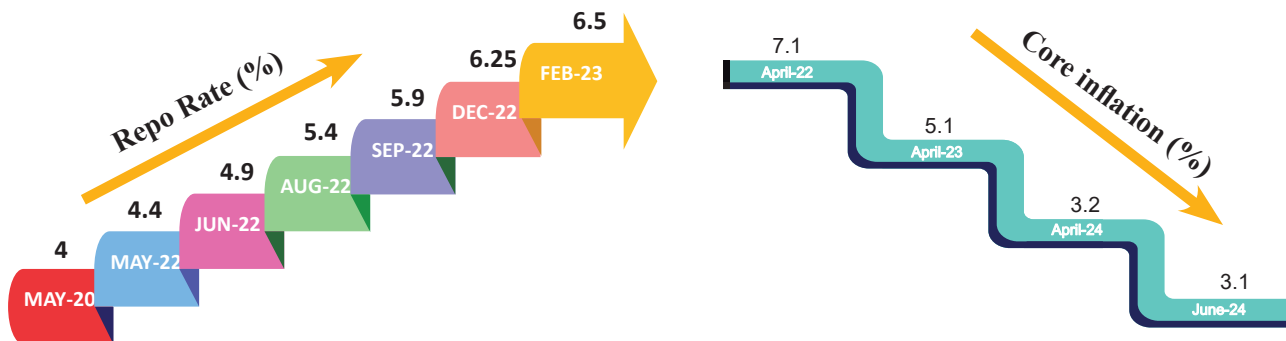
## India has one of the lowest average deviations (2021-2023) from inflation target (Actual - Target)

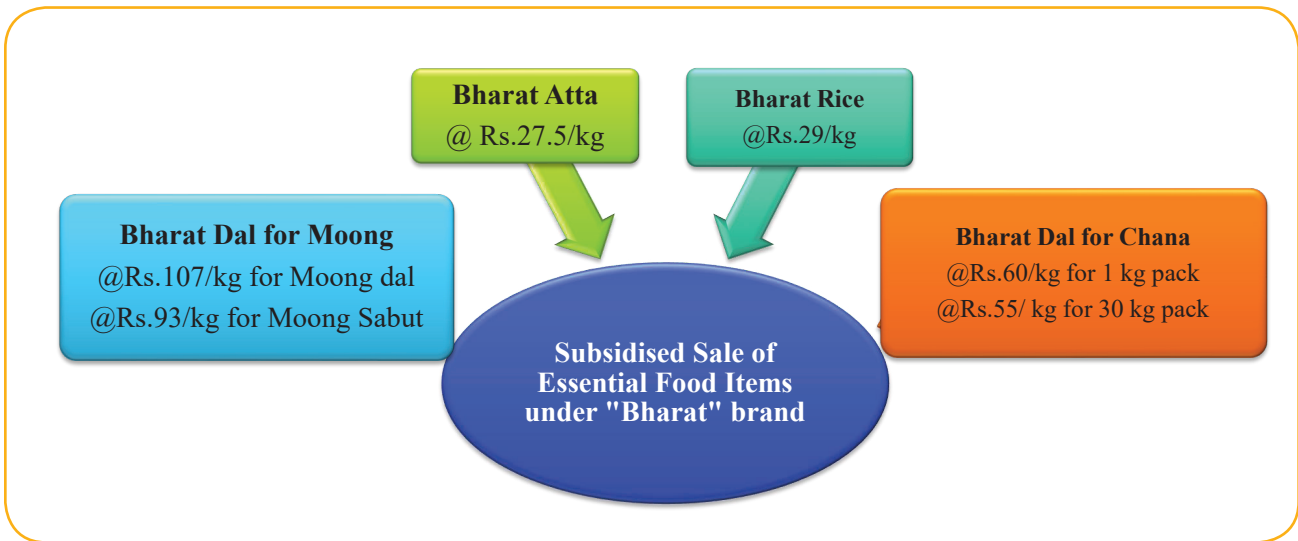
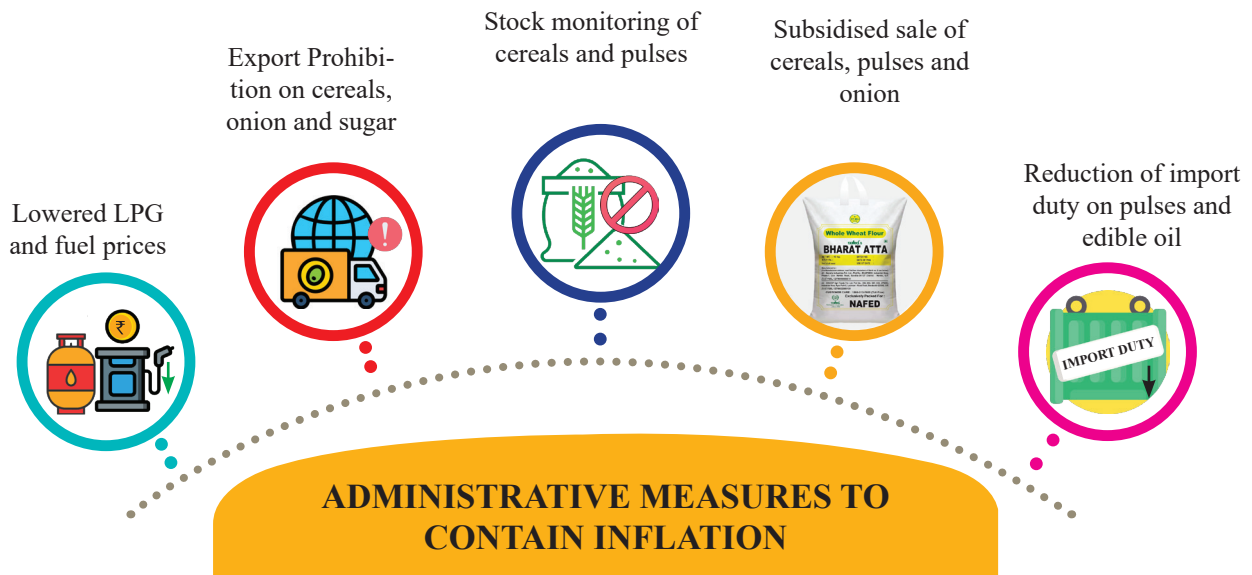


## Headline inflation was the lowest in FY24

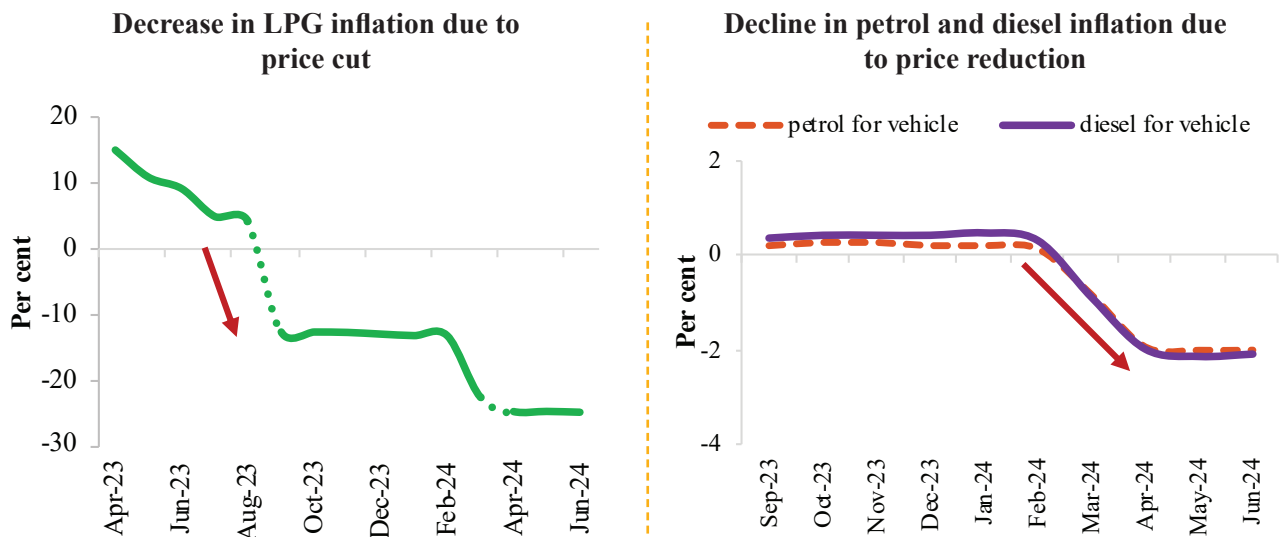


## Monetary policy transmission evident in easing core inflation to 4-year low

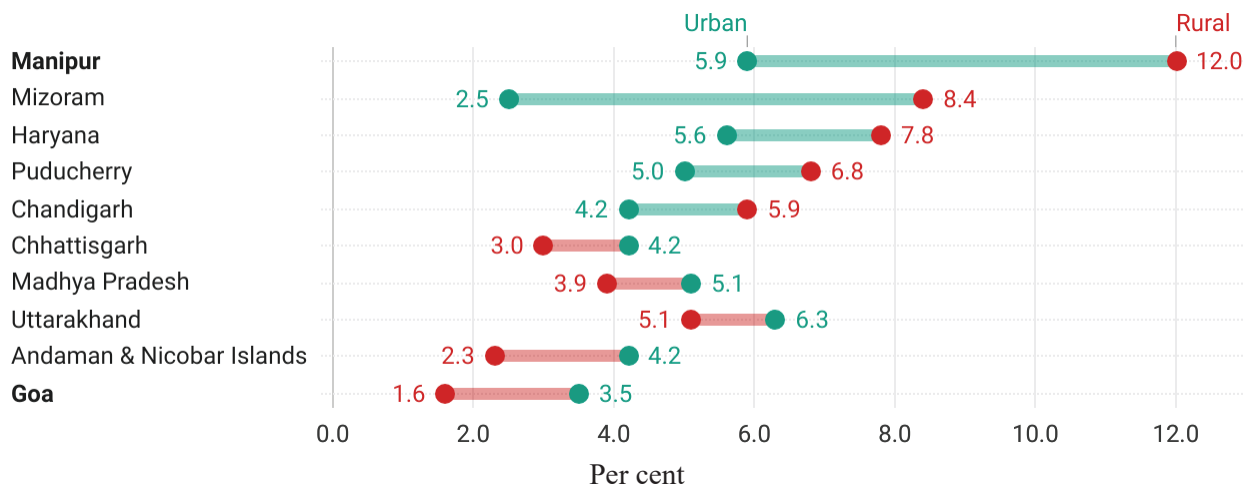




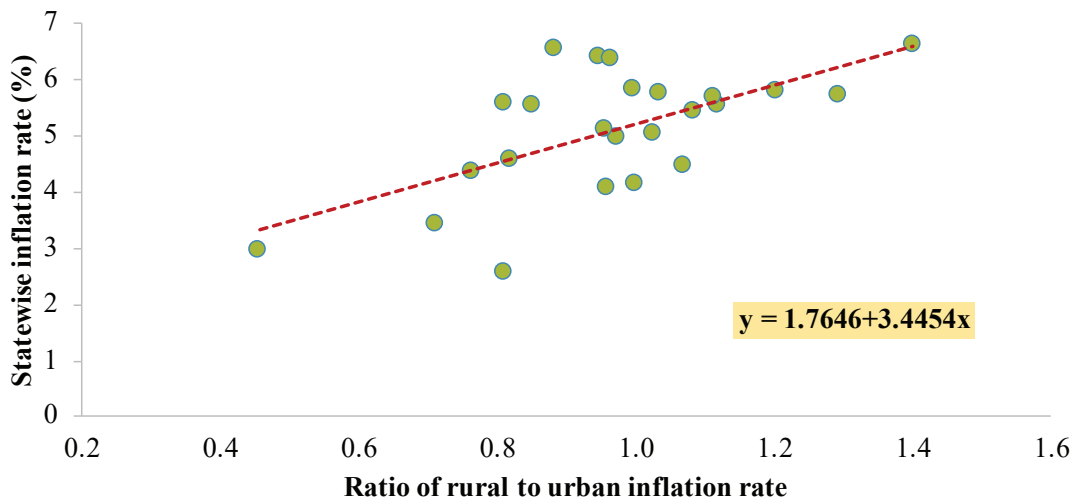
### Impact of government interventions on LPG and fuel inflation



## Rural-urban inflation gap in selected states in FY24

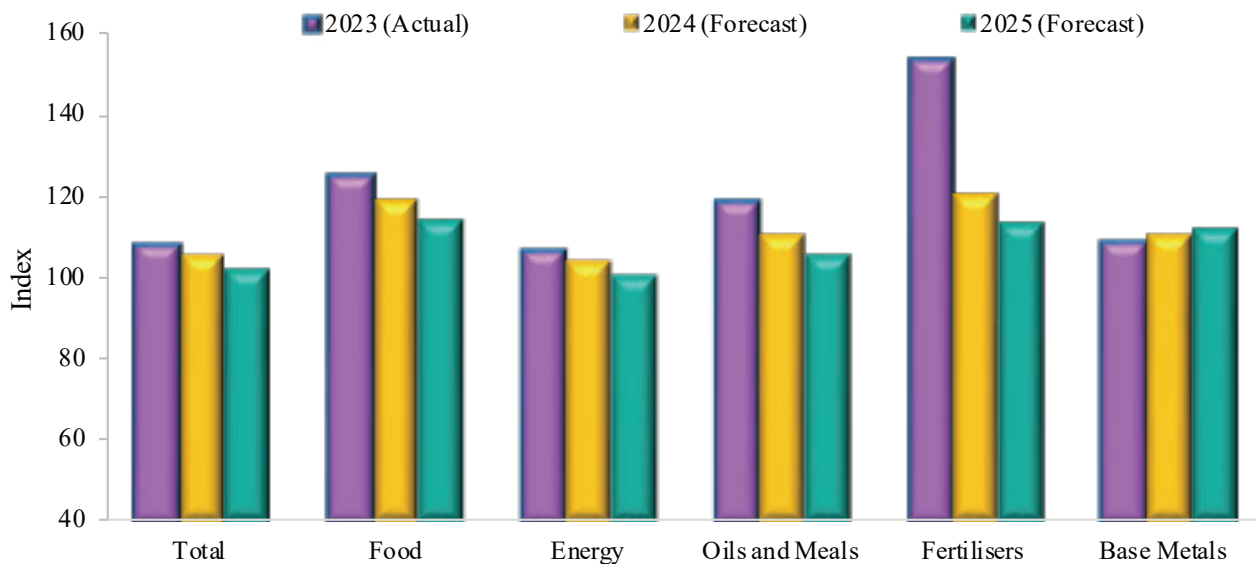


## States\* with higher inflation show a wider rural-urban gap (FY24)



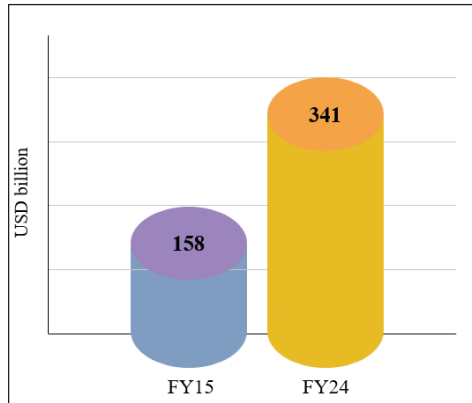
\*The scatter plot is based on 23 major states and NCT of Delhi

## A decline in global commodity prices bodes well for India's inflation outlook



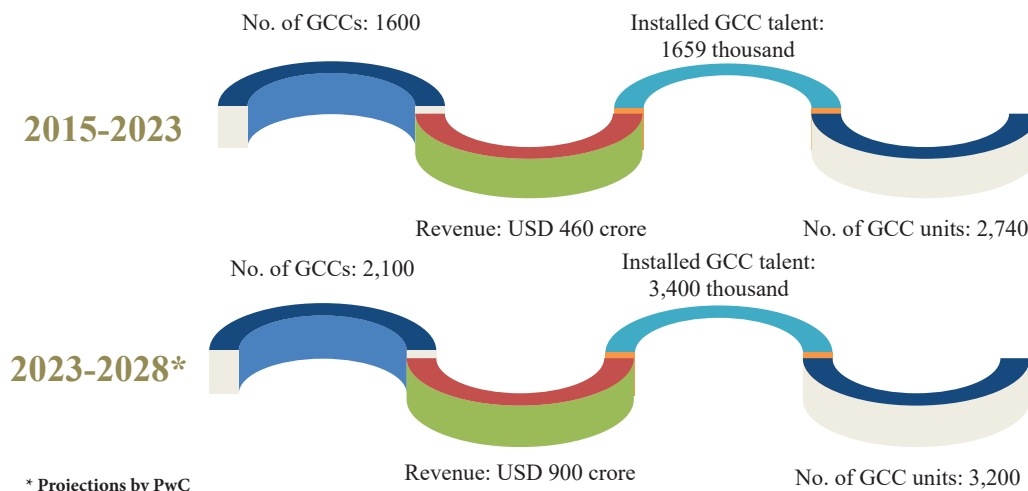
# External Sector: Stability Amid Plenty

## India's services exports more than doubled in nine years

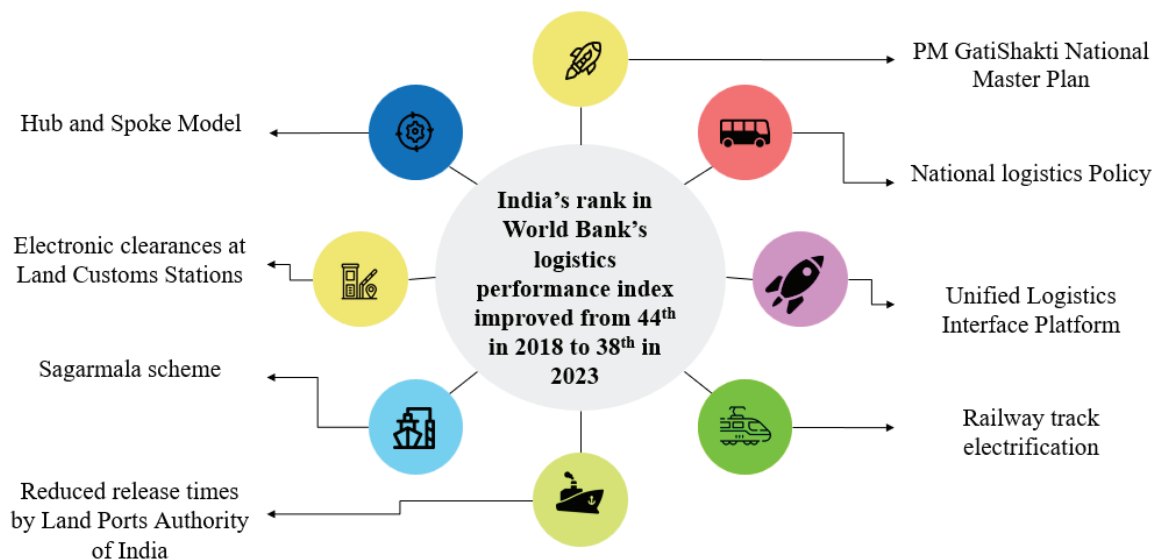


- 4.3% ♦ India's services exports share in world services exports
- 2nd ♦ Rank in World's telecommunication, computer & information services exports
- 6th ♦ Rank in World's personal, cultural & recreational services exports
- 8th ♦ Rank in World's other business service exports

## Remarkable growth of Global Capability Centres in India

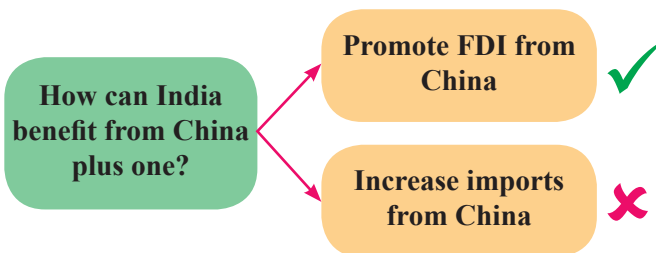
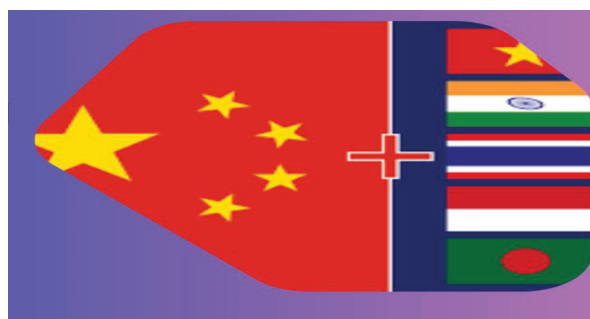


## Improvement in logistics performance

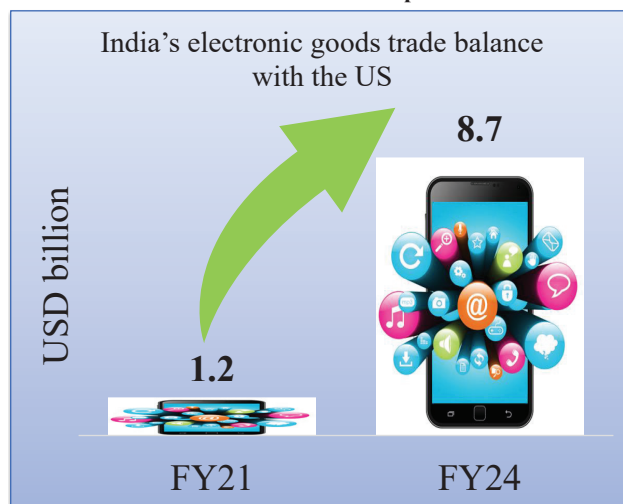




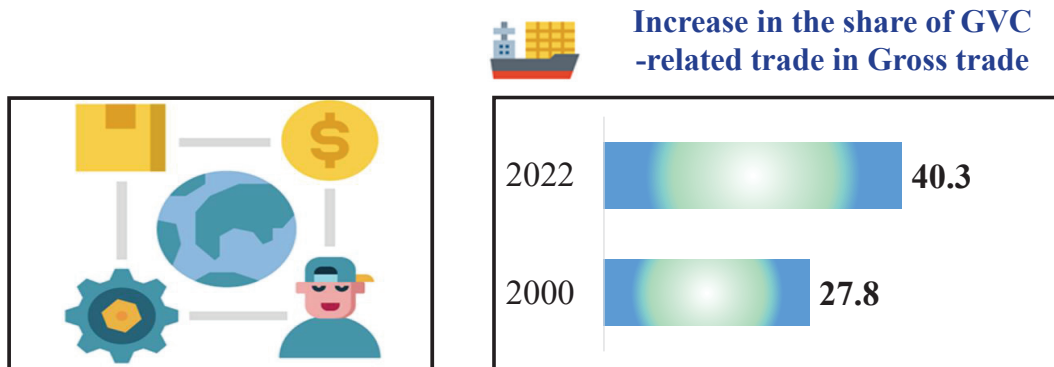
## How can India benefit from China plus one strategy?



Evidence of trade diversion from China is reflected in an increase in India's electronic exports to US, resulting in a rise in trade surplus



## Rise in India's Global Value Chains participation



Rise in share of medium and high-technology manufacturing



Increase in share of high value-added services in services sector



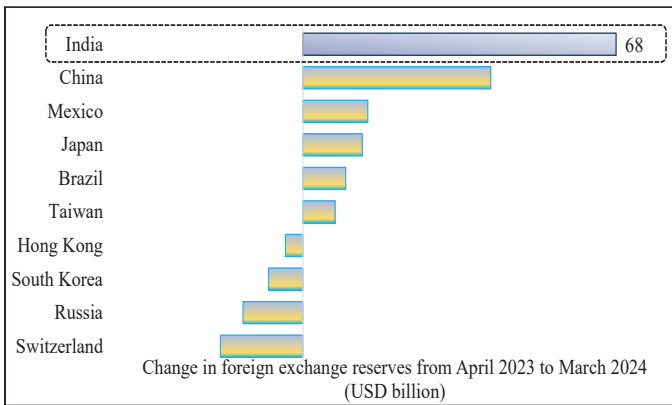
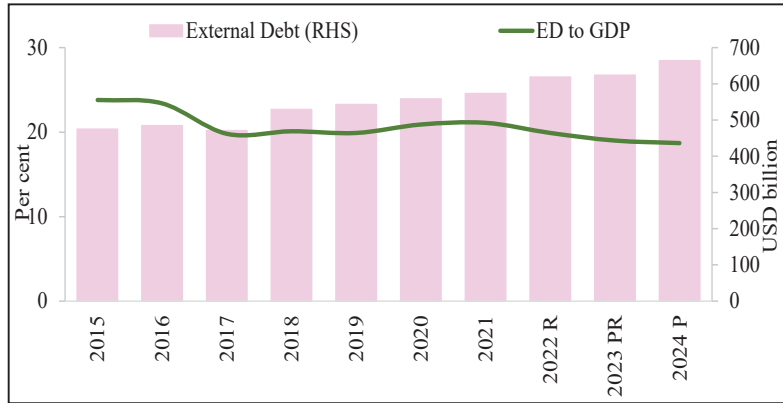
India has begun to move downstream with increase in exports of finished goods

### Policy priorities

- ◆ Developing quality trade infrastructure
- ◆ Integrating MSMEs in the GVC network
- ◆ Simplifying procedures for entry and exit of small businesses
- ◆ Working towards trade facilitation measures

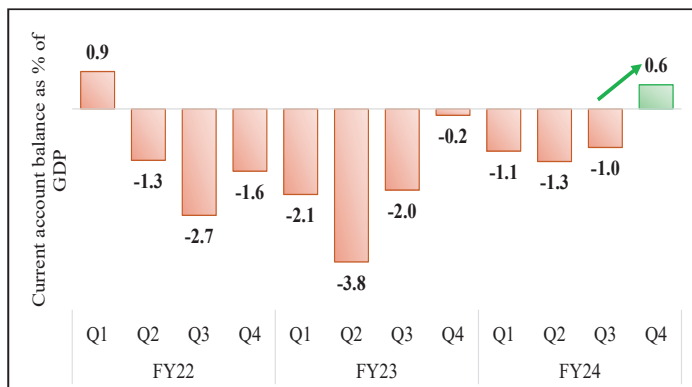
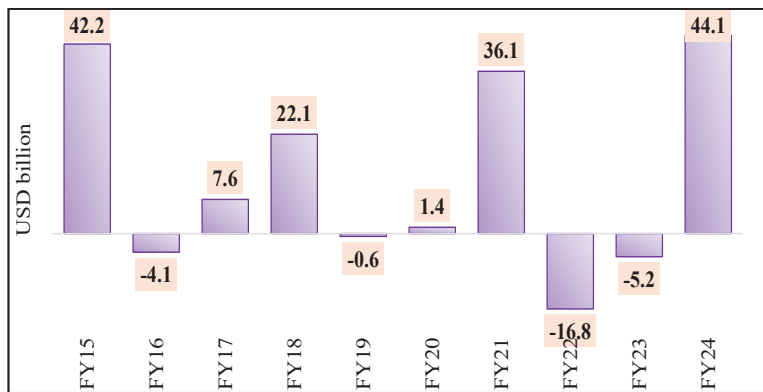
**Stable external sector**

**Decline in External debt to GDP ratio**



**India witnessed the most significant increase in foreign exchange reserves holdings in FY24**







**Highest level of FPI inflows witnessed in FY24 after FY15**

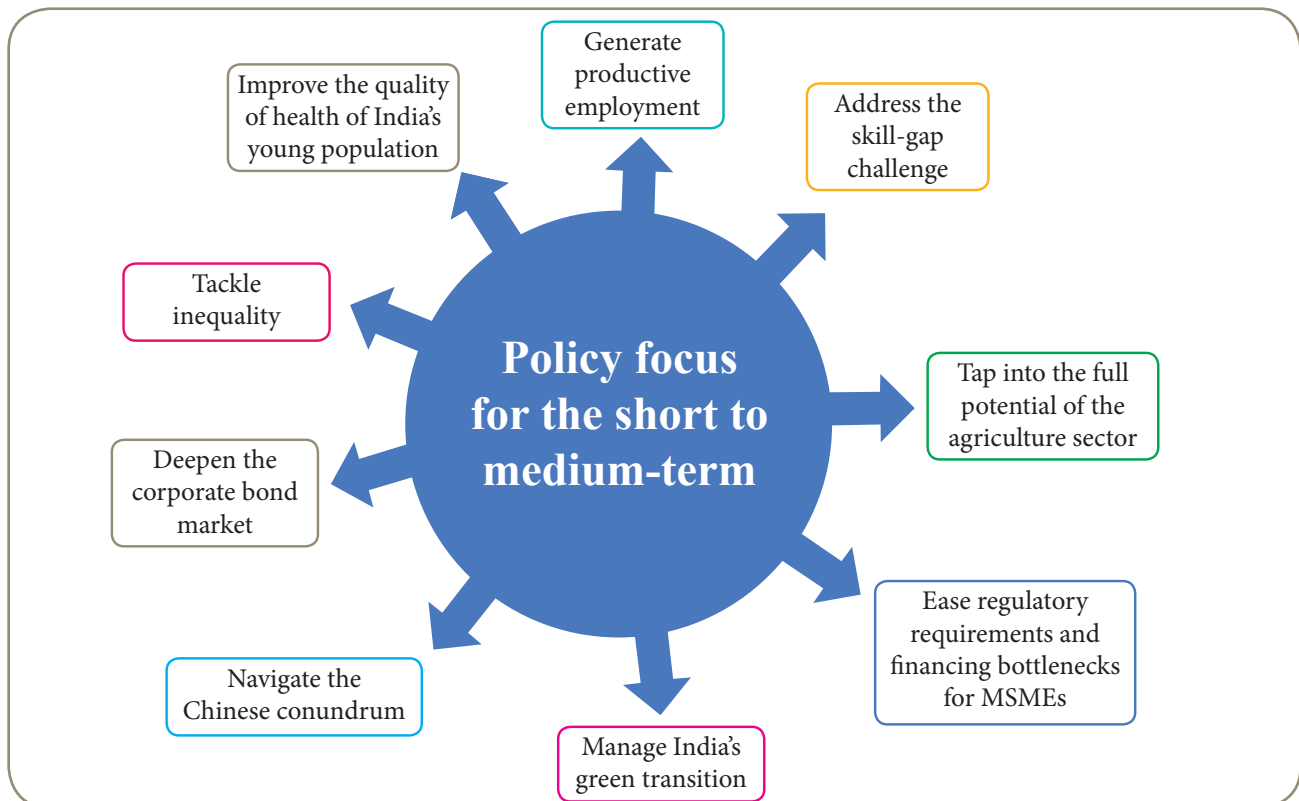


**Current account surplus in Q4 of FY24 led to a moderation in CAD in FY24**

# Medium Term Outlook: A Growth Vision for New India

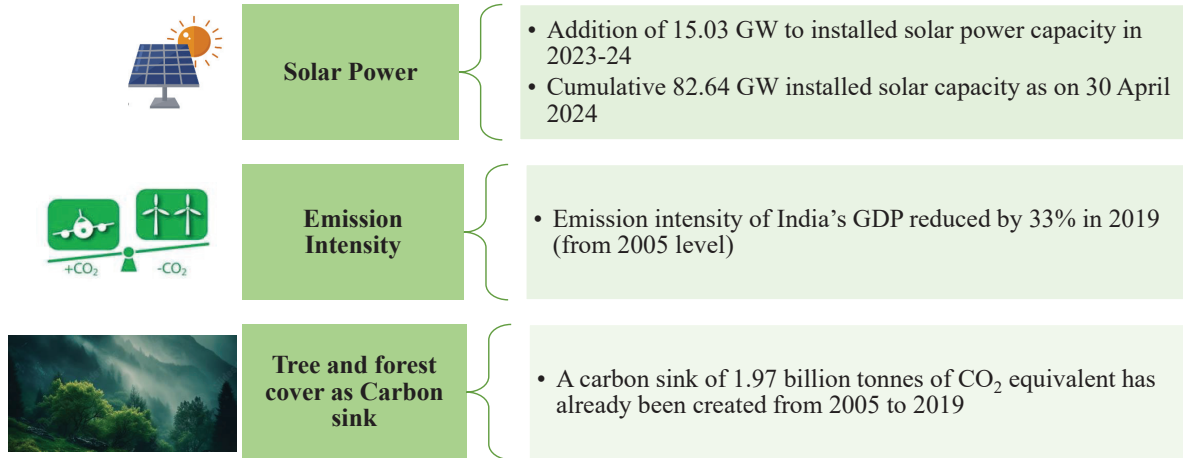
## Growth Strategy for Amrit Kaal : Strong, Sustainable and Inclusive

- 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** 

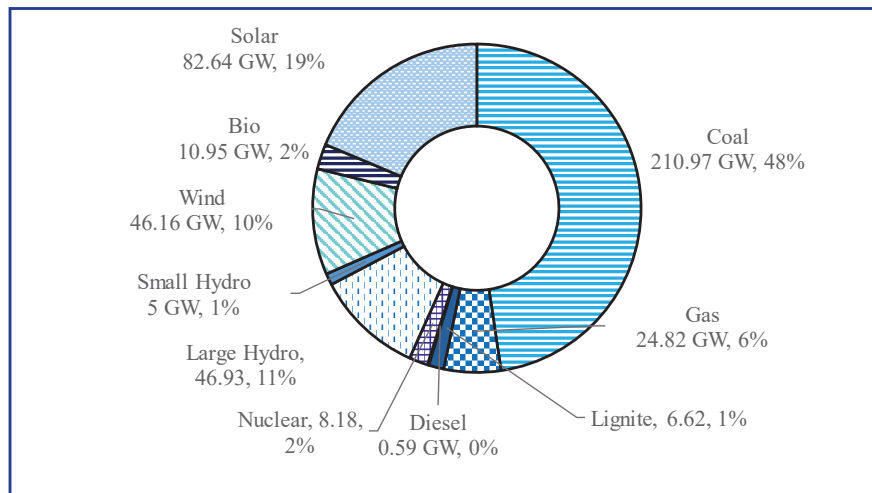


# Climate Change and Energy Transition: Dealing with Trade-Offs

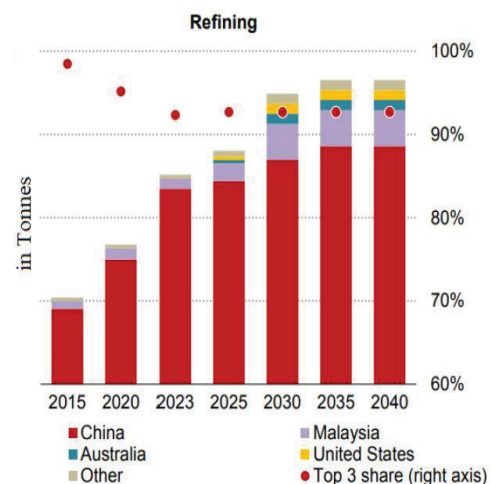
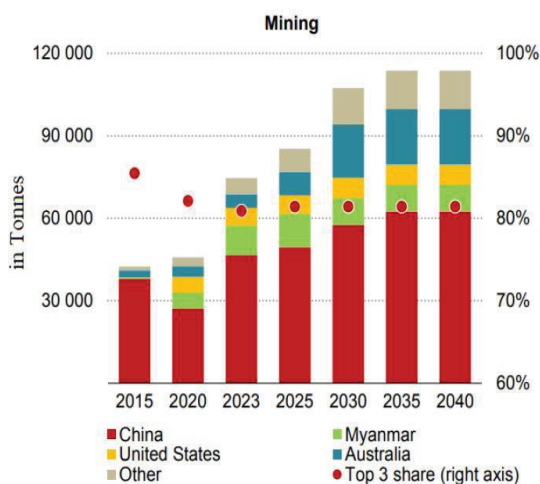
## Present Status of India's Climate Action



## Installed Power Capacity 30 April 2024: 442.8 GW



## Critical and Rare Earth Mineral's Concentration



## PM-Surya Ghar Yojana

- 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
- Reduction of 720 million tonnes of CO<sub>2</sub> equivalent emissions

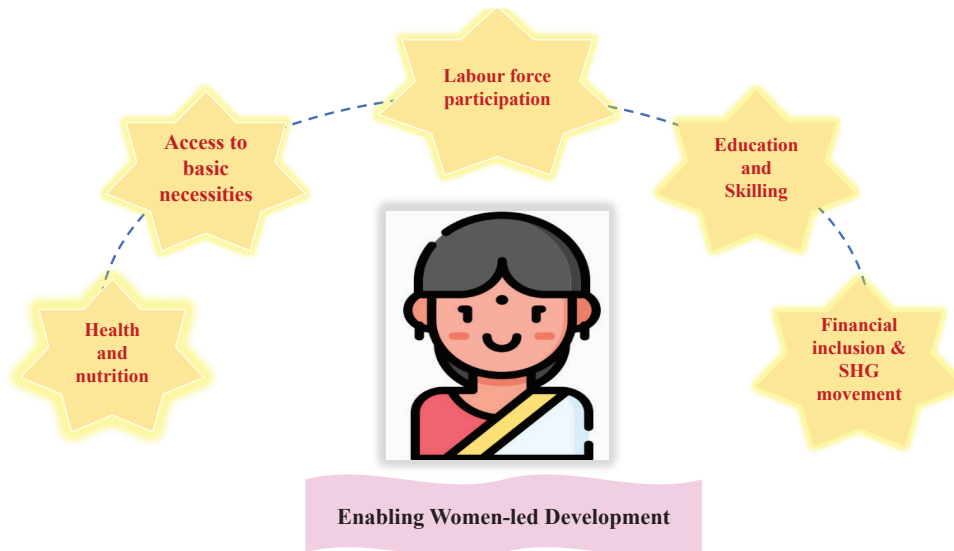
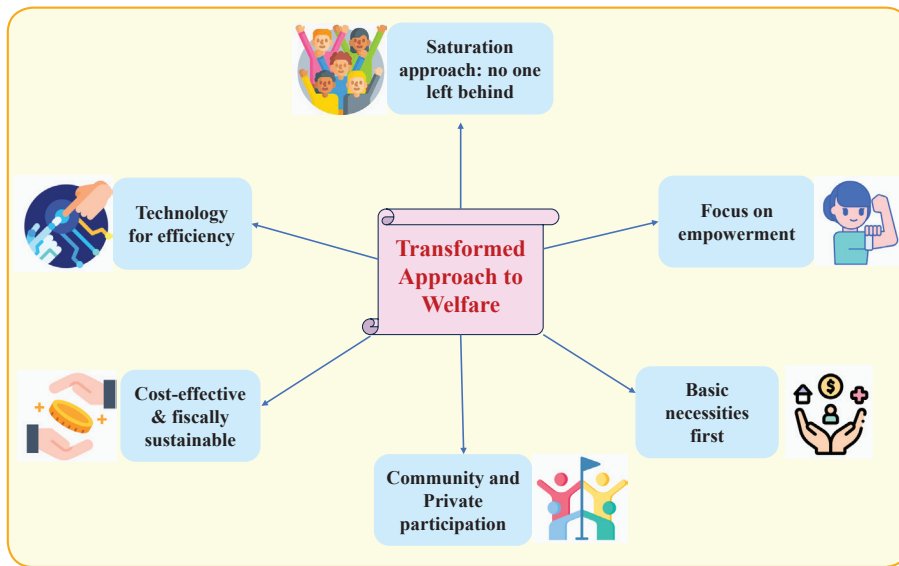


## Steps Taken to Improve Energy Efficiency

- Lifestyle for Environment (LiFE) Mission
- Perform, Achieve, and Trade (PAT)
- Energy Conservation Building Code (ECBC)
- Shunya Labelling Program
- Standards and Labelling (S&L) program
- AC @ 24 campaign



# Social Sector: Benefits that Empower



**Mental Health**

Youth and phone/Internet overuse and 'great rewiring of childhood'

Economic Impact: productivity loss, healthcare cost, higher risk with rising urbanisation and demographic dividend

10.6 per cent adults suffered from mental disorders in India, Treatment gap of 70-92%

Policy action: National Mental Health Programme and Ayushman Bharat


Globally, one out of every two people will develop a mental health disorder in their lifetime\*\*

Need for adequate personnel, breaking the stigma, community action

*\*National Mental Health Survey 2015-16*  
*\*\*McGrath et al., 2023*

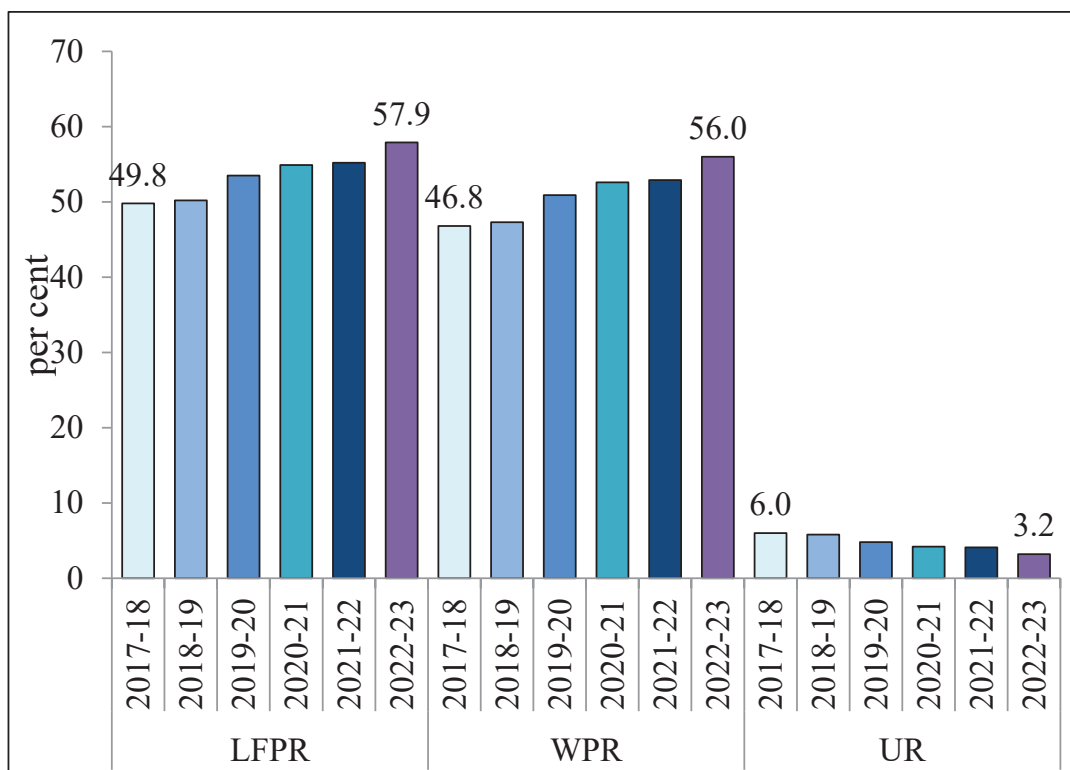
# Employment and Skill Development: Towards Quality

## Evolving Landscape of Jobs



- Artificial Intelligence: Complement or Substitute Labour?**
- Short run Vs. Long Run Impact of AI – replace few jobs and boost productivity across sectors**
- Technological Choice depends on political economy – Acemoglu & Johnson 2024**
- Need for R&D in AI and Plan for AI impact on jobs**
- Rise of Gig Work – need for social security**
- Climate Change and Energy Transition: productivity losses coupled with job creation in new sectors**

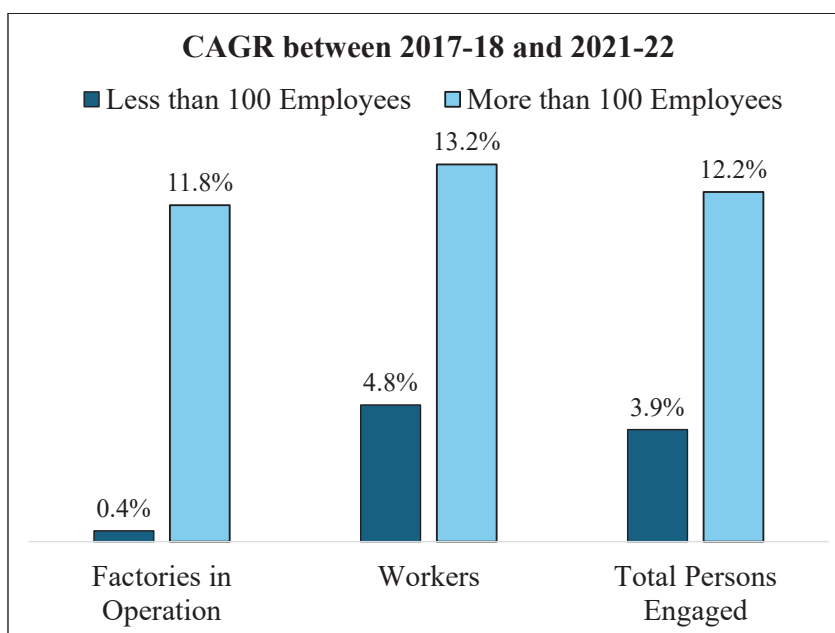
## Improving Labour Market Indicators as per PLFS



Source: Periodic Labour Force Survey (PLFS) annual reports. MoSPI

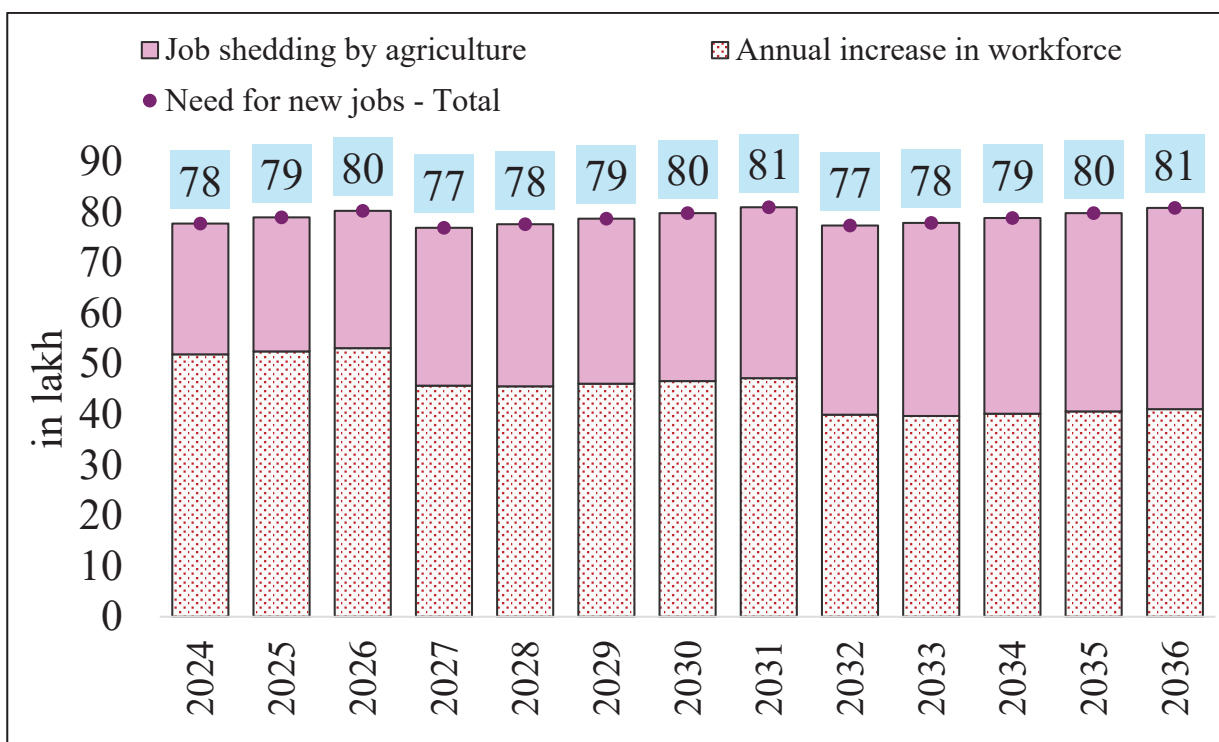
Note: LFPR: labour force participation rate, WPR: worker population ratio, UR: unemployment rate

## Upscaling of Factories and rising Organised Manufacturing Employment



Source: Annual Survey of Industries

## Annual requirement for non-farm job creation 2024-2036

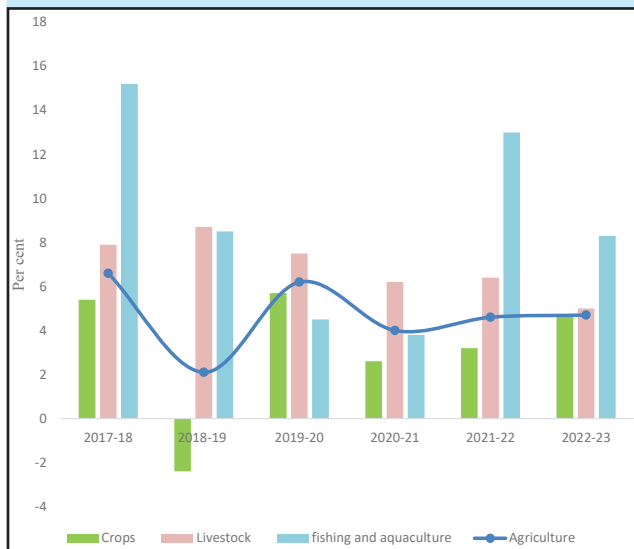


- ◆ Calculations based on assumptions about workforce participation rates and share of agriculture in the workforce.
- ◆ Indian economy needs to generate an average of nearly 78.5 lakh jobs annually until 2030 in the non-farm sector.
- ◆ Quantity and Quality – both matter!

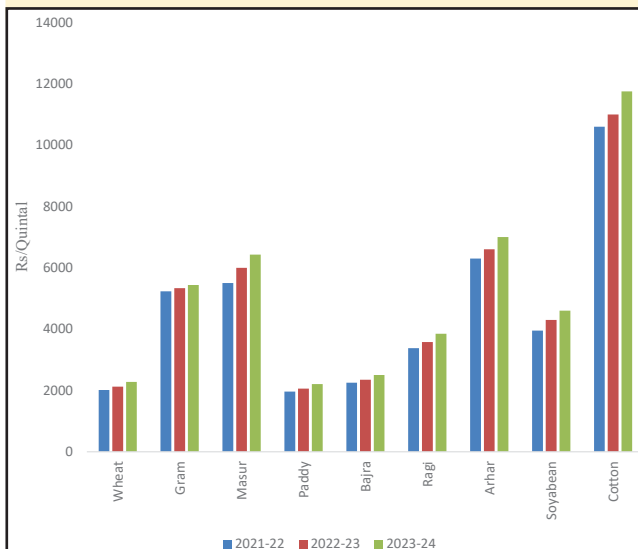


# Agriculture and Food Management: Plenty of Upside Left if we get it Right

India's agricultural sector shows resilience and diverse growth, with notable improvements in fishing and aquaculture over recent years.



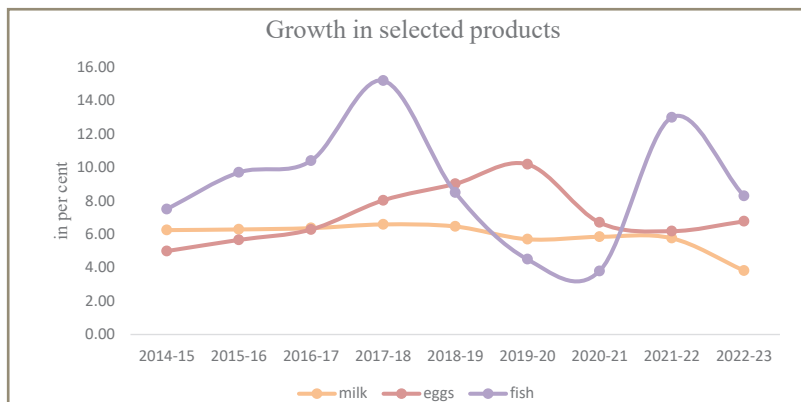
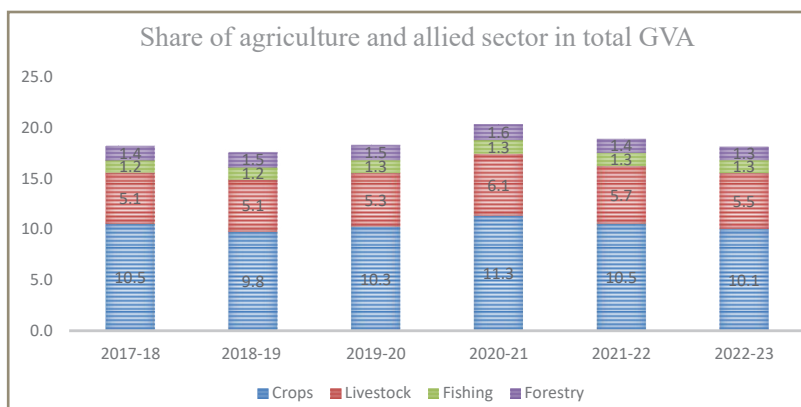
Fixing MSP at one and half times the all-India weighted average cost of production- assuring remunerative prices to farmers



The allied sectors of Indian agriculture are steadily emerging as robust growth centres and promising sources for improving farm incomes.

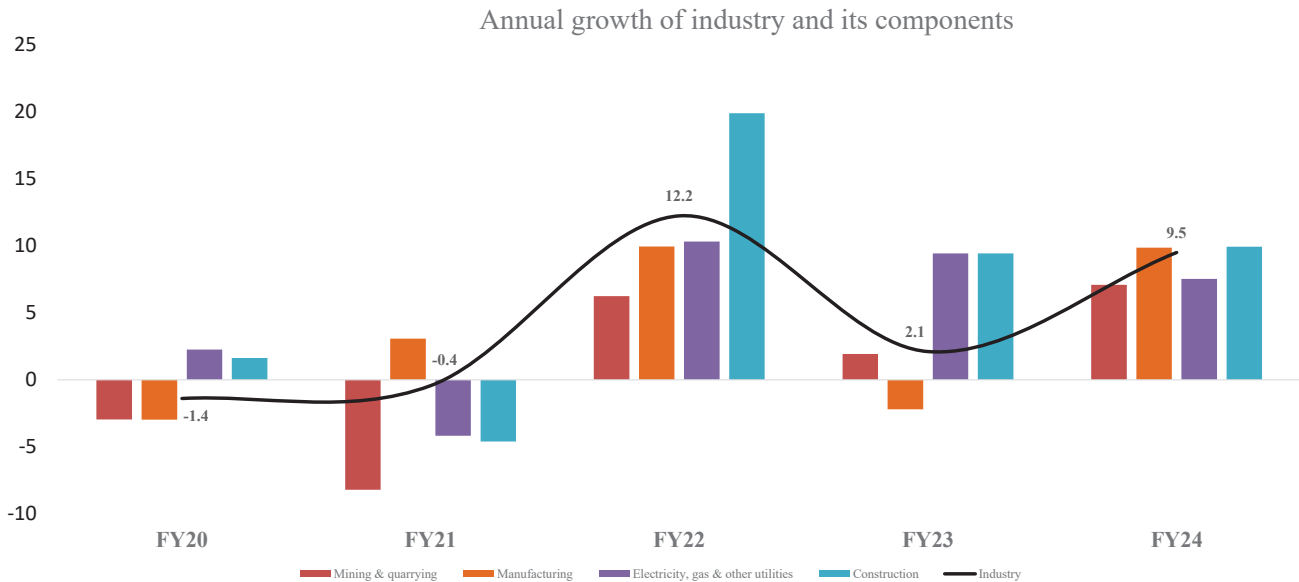
Growth in the livestock sector significantly boosted the per capita availability of milk, eggs, and meat.

The fisheries sector has grown at a compound annual rate of 8.9 per cent between 2014-15 and 2022-23 (at constant prices)



# Industry: Small and Medium Matters

## Industrial growth powers economic growth in FY24

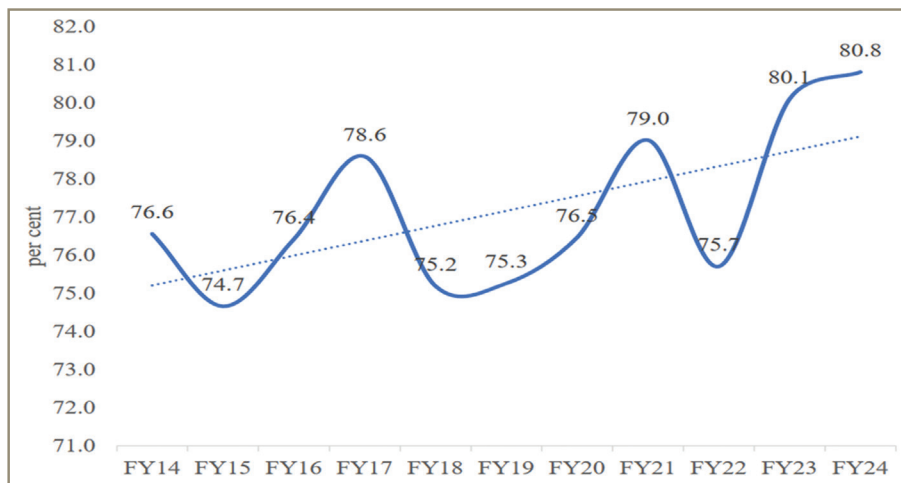


### Key Industrial Intermediates

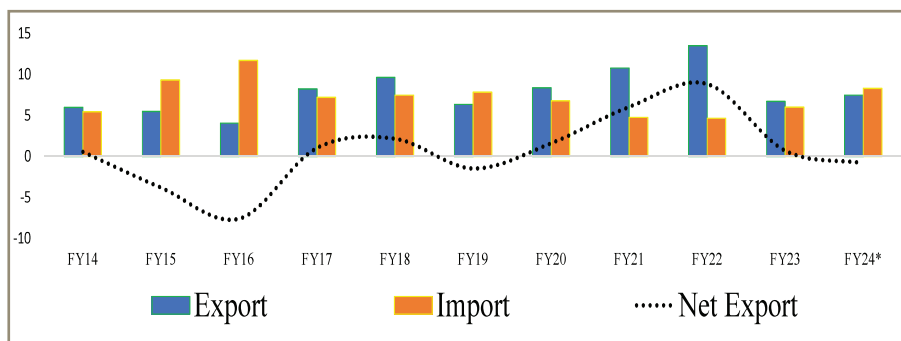


- ◆ Coal: production accelerated reducing import dependence
- ◆ Steel: highest production and consumption in FY24

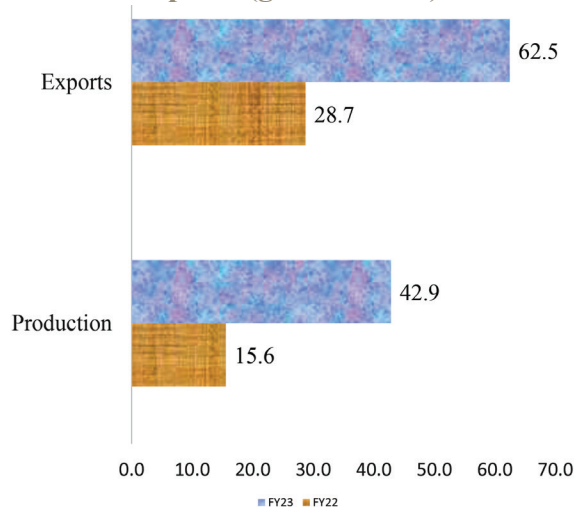
### Coal production as % of domestic consumption improved



### India, a net exporter of finished steel in 4 out of last 5 years (metric tonnes)



### Surge in electronics production and exports (growth in %)



### Strong growth in auto manufacturing in FY 24



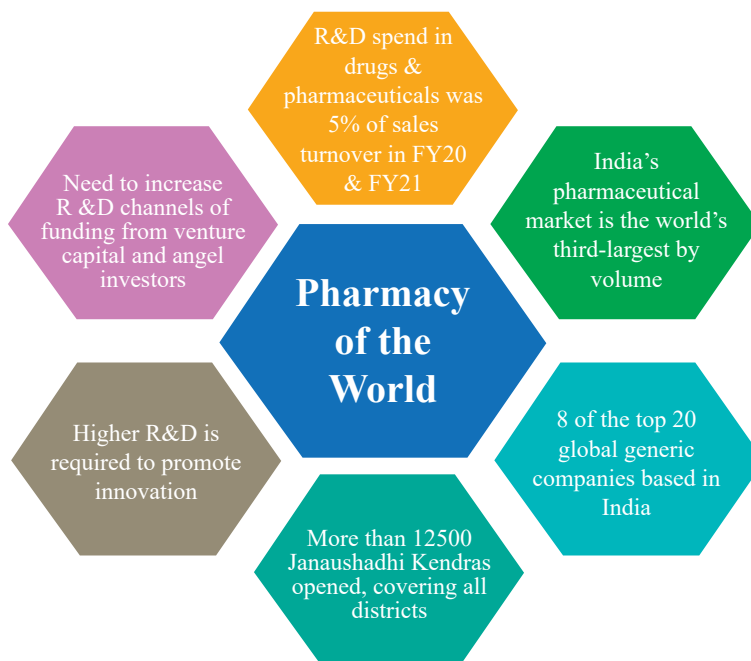
7.1%



16.0%



10.3%



### Progress under PLI until May 2024

Over ₹1.28 lakh  
Crore of  
investment

### PLI scheme

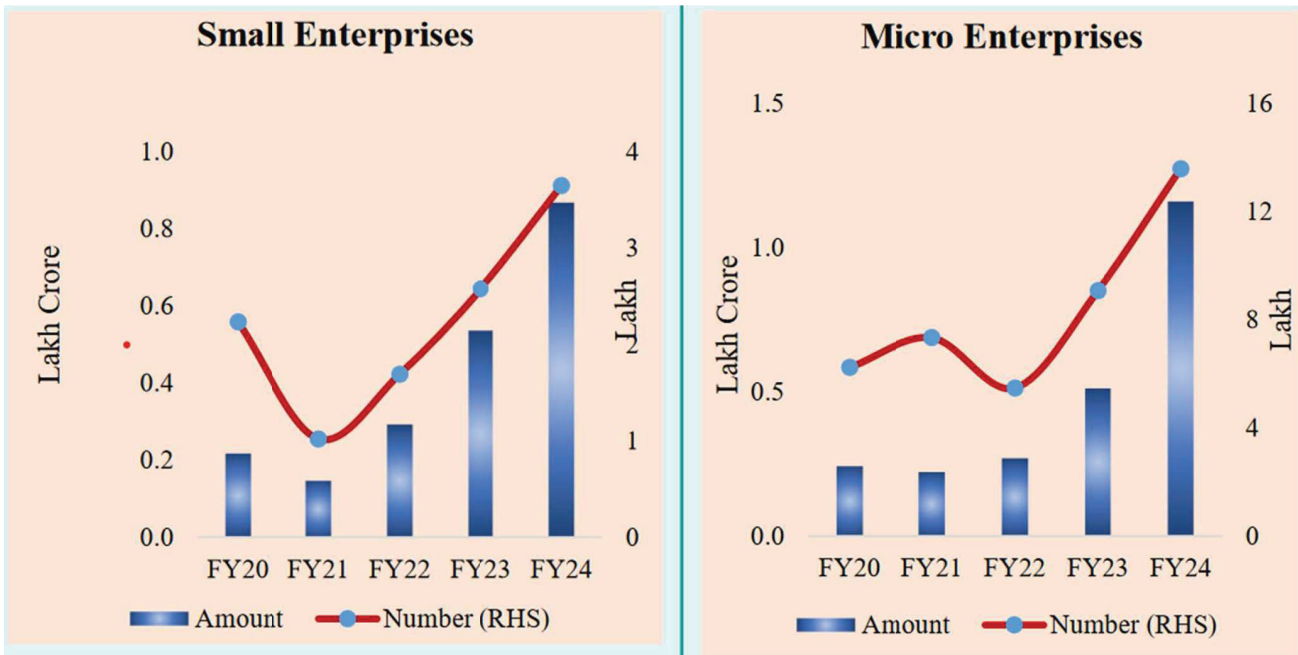


Employment  
generation  
(direct & indirect)  
of over ₹8.5 lakh.

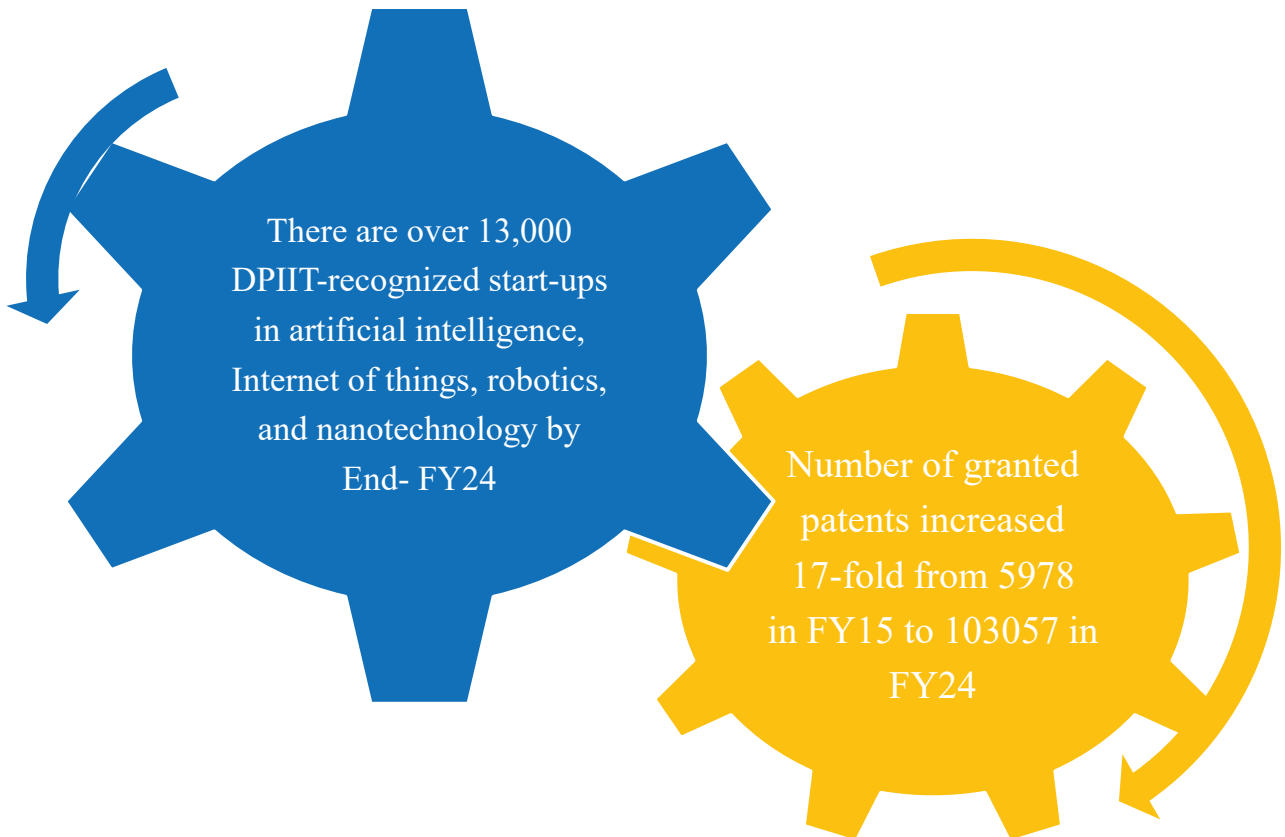
Export boosted  
by ₹4 lakh Crore

Production/sales  
of ₹10.8 lakh  
Crore

**MSME: Guarantees approved under CGTMSE increased considerably**

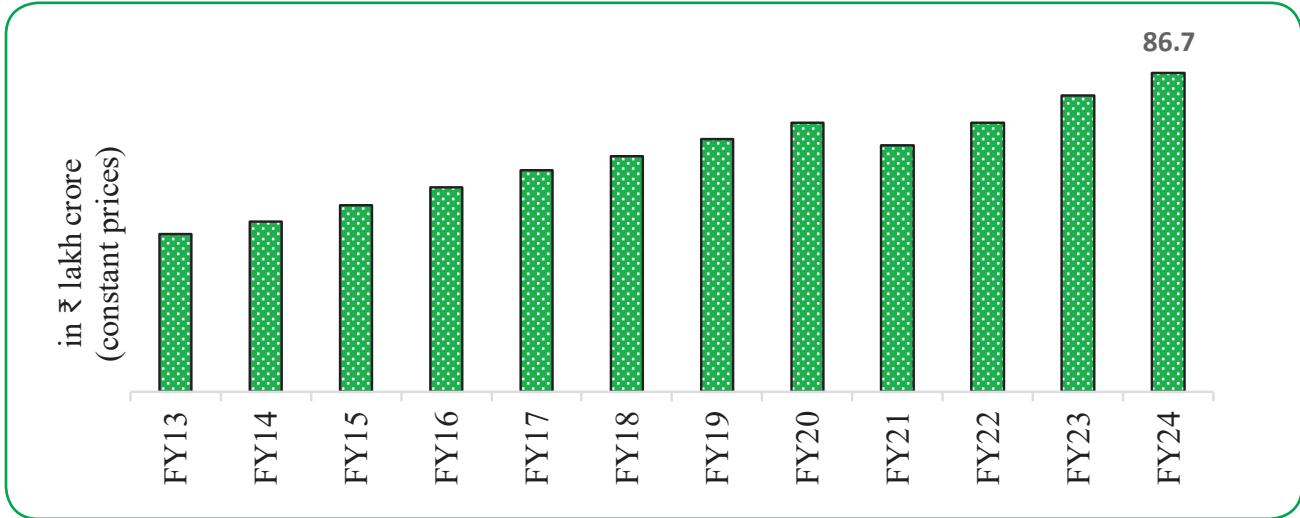


**Flourishing start-up and innovation ecosystem**

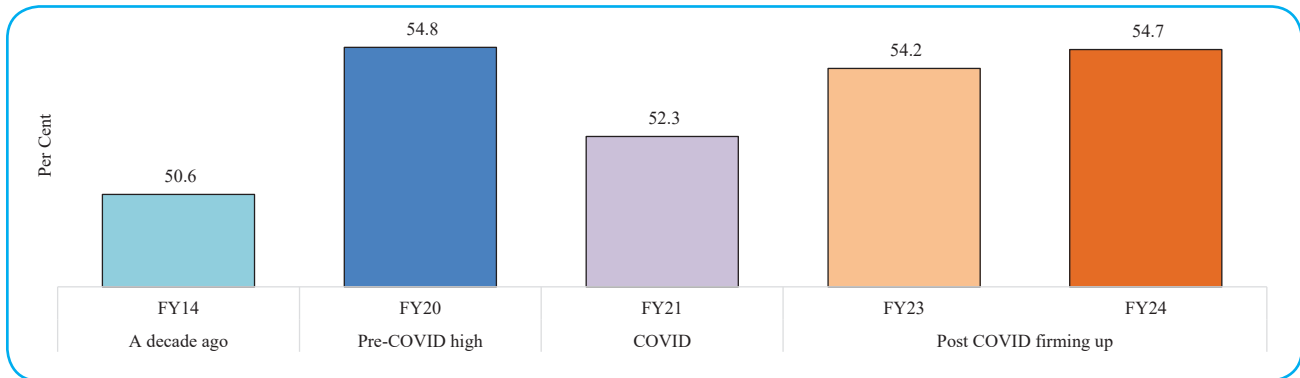


# Services: Fuelling Growth Opportunities

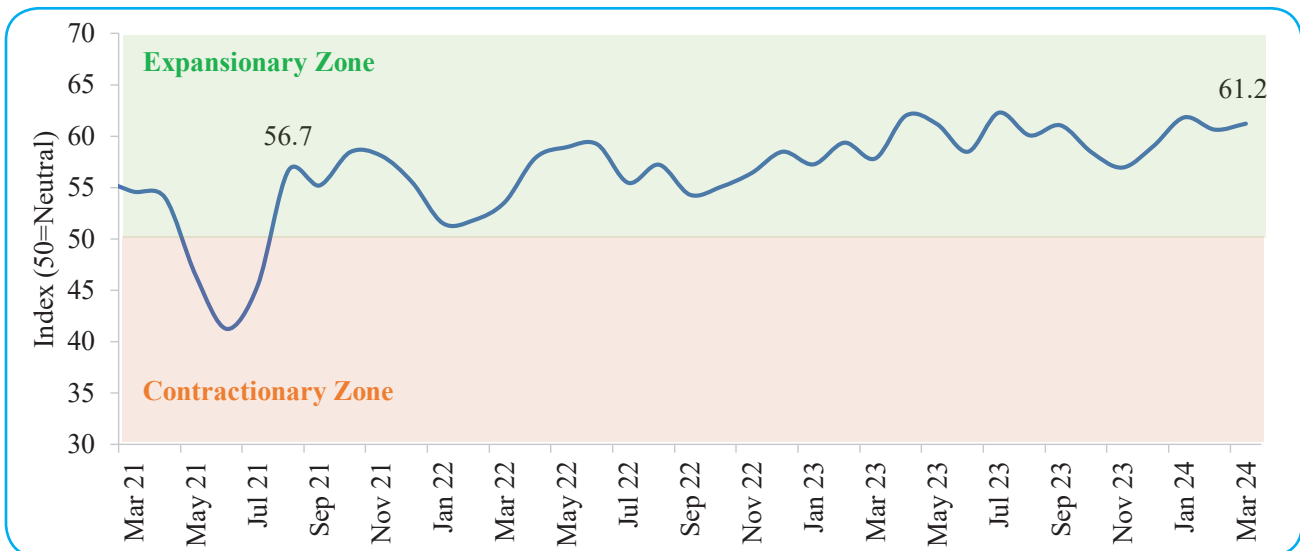
## Increasing trend of GVA in the services sector



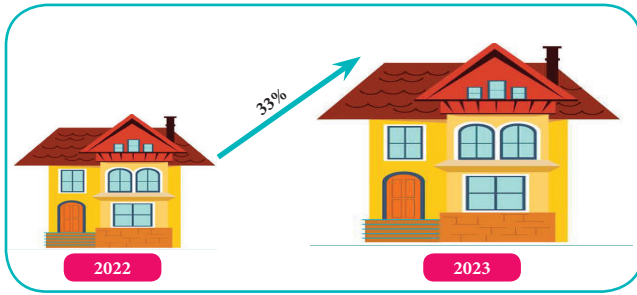
## Post COVID firming up in the share of the services sector in overall GVA



## PMI Services touched new heights in FY24 amidst global flux

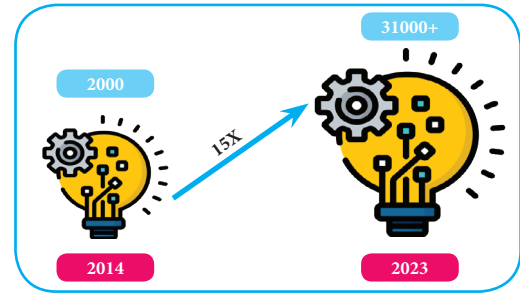


## Booming Residential Real Estate Sales



Source: Proptiger

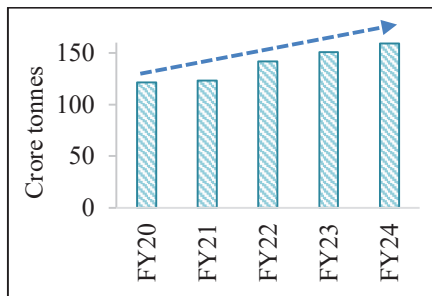
## Rising Tech start-ups in India



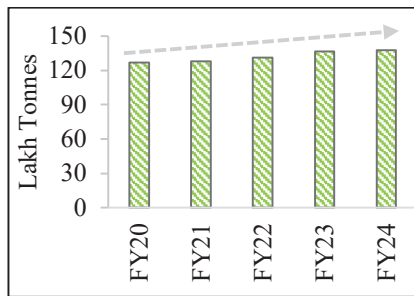
Source: NASSCOM & Zinnov (2023). Weathering the challenges - The Indian tech start-up landscape report 2023

## Physical Connectivity Supporting Economic Activity

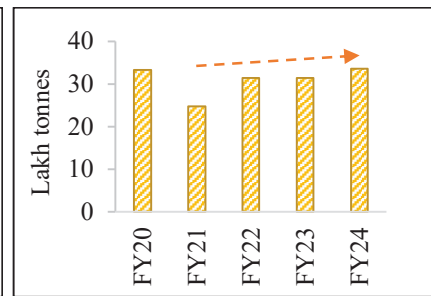
### Persistent progress in railway freight traffic



### Sustained increase in shipping tonnage



### Growth in air cargo traffic



## Growth Map of ONDC (Open Network for Digital Commerce)

**68 million**  
Transactions since inception

**1200+**  
Cities

**65**  
Seller Applications

**12**  
Logistic Service Providers

**85%** Small Sellers

**535,000+**  
Sellers

**9 million**  
Transactions per month

**22**  
Buyer Applications

### Agriculture



- ◆ Around 5,700 Farmer Producer Organisations
- ◆ Over 23,000 transactions in Q4 FY24 alone

### Food & Beverage



- ◆ 18% growth in orders in Q4 FY24
- ◆ Network of 95,000 restaurants in 347 cities

### Fashion & Beauty



- ◆ 11% growth in Q4 FY24
- ◆ More than 6400 sellers
- ◆ 15 Lakh Stock Keeping Units (SKU) in 900 cities

### Grocery



- ◆ 52% growth in Q4 FY24
- ◆ Network of 12,858 sellers serving in over 665 cities.
- ◆ Over 6.3 Million SKUs



# 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



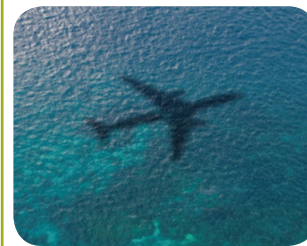
### Water Transport



- ◆ 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	Water & Sanitation	Water Resource Management	Tourism
 <ul style="list-style-type: none"> <li>◆ Khelo India: In FY24, 38 new infrastructure projects were sanctioned; 58 completed.</li> <li>◆ Sports Authority of India: approved 9 infra projects in FY24. 13 completed</li> </ul>	<ul style="list-style-type: none"> <li>◆ Swachh Bharat Mission-Gramin: In FY24, ₹6,802.6 crore utilised.</li> <li>◆ Jal Jeevan Mission: Tap water connection provided to more than 14.89 crore rural households so far.</li> </ul> 	 <ul style="list-style-type: none"> <li>◆ Namami Gange: Adopted Hybrid Annuity Model for sewage treatment plants; 33 projects sanctioned</li> <li>◆ Accelerated Irrigation Benefit Programme: 25.80 lakh hectare of additional irrigation area created during 2016-24</li> </ul>	<ul style="list-style-type: none"> <li>◆ PRASHAD scheme: 29 new pilgrimage and heritage sites identified</li> <li>◆ Swadesh Darshan 2.0: Outlay of ₹3,800 crore</li> </ul> 

## Space

Space Assets
 <p>India has 55 active space assets, including 18 communication satellites, 9 navigation satellites, 5 scientific satellites, 3 meteorological satellites, and 20 earth observation satellites</p>

## Digital

Telecom	Electronics & IT
 <ul style="list-style-type: none"> <li>◆ 8.02 lakh mobile towers as of June 2024.</li> <li>◆ 29.37 lakh Base Transceiver Stations (BTSS) &amp; 4.5 lakh 5G BTSS.</li> <li>◆ BharatNet Project: 6,85,501 km of optical fibre cable (OFC) laid. 2.11 lakh GPs connected by OFC.</li> </ul>	 <ul style="list-style-type: none"> <li>◆ &gt;₹10,300 crore for comprehensive India AI Mission approved</li> <li>◆ AIRAWAT, an AI Supercomputer, secured 75th position in the top 500 global supercomputing list declared at the International Supercomputing Conference 2023 in Germany</li> <li>◆ DigiLocker platform has reached over 26.28 crore registered users.</li> </ul>



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

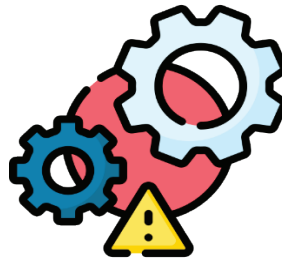
## Issues with the current global approaches to addressing Climate Change



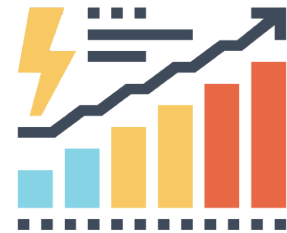
Does not seek to address the core issue, i.e. overconsumption



Irrational pursuit of new-age resources is scarring the planet

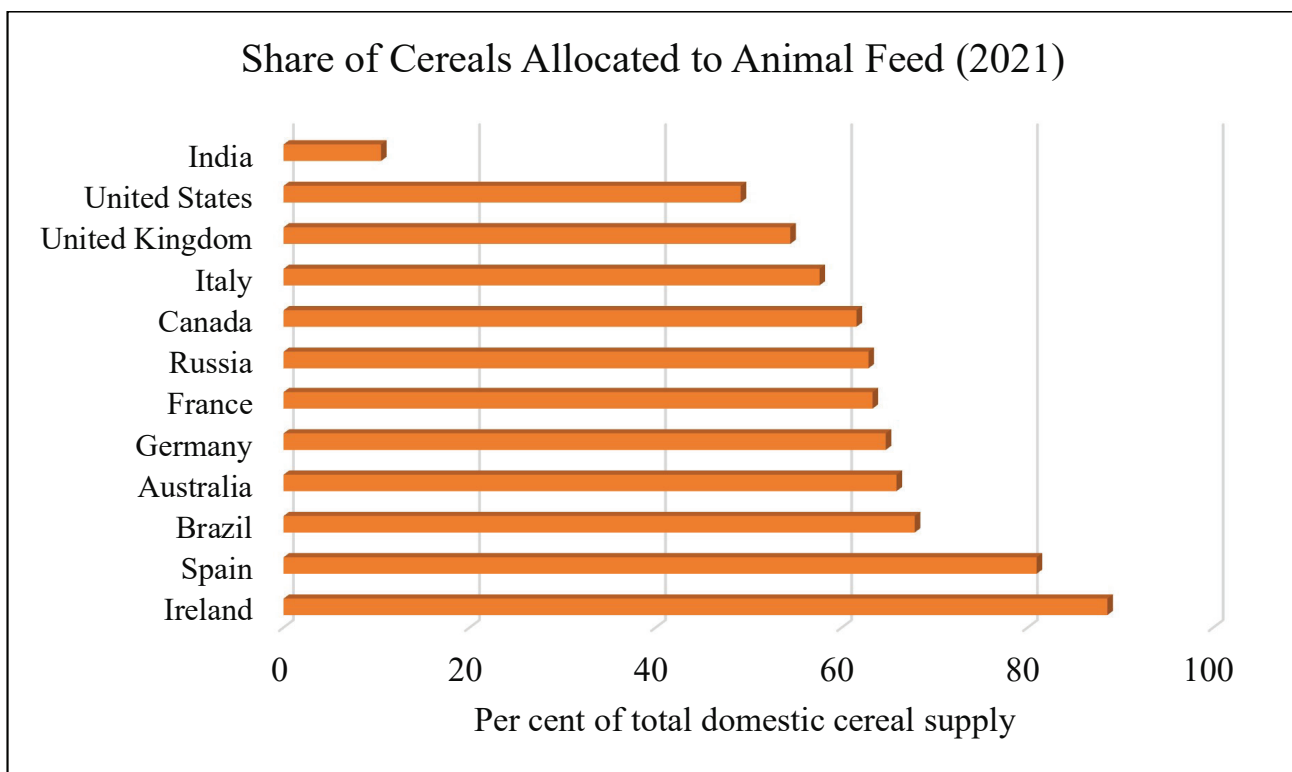


The current pathways may fall short of addressing climate change



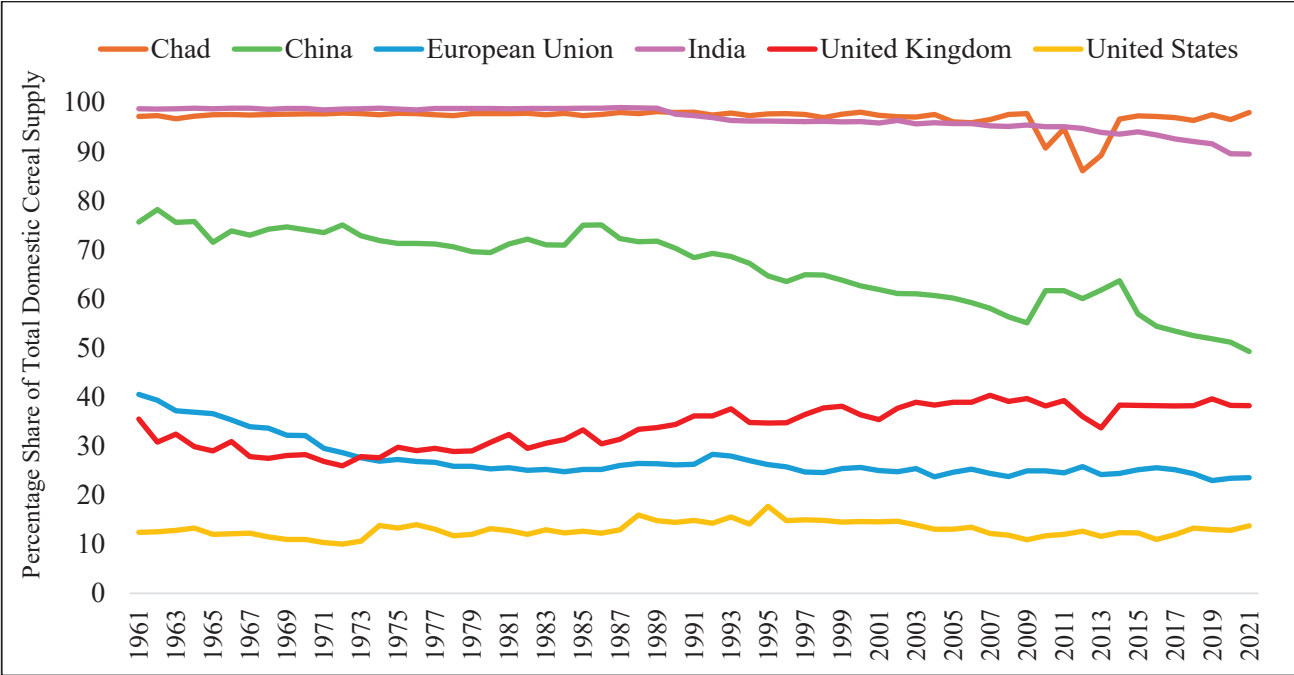
'Scramble' for energy guzzling AI is directly at odds with the climate goals

## The Food-Feed Balance in the West poses a threat to food security as more cereal is produced for animal consumption than for human consumption



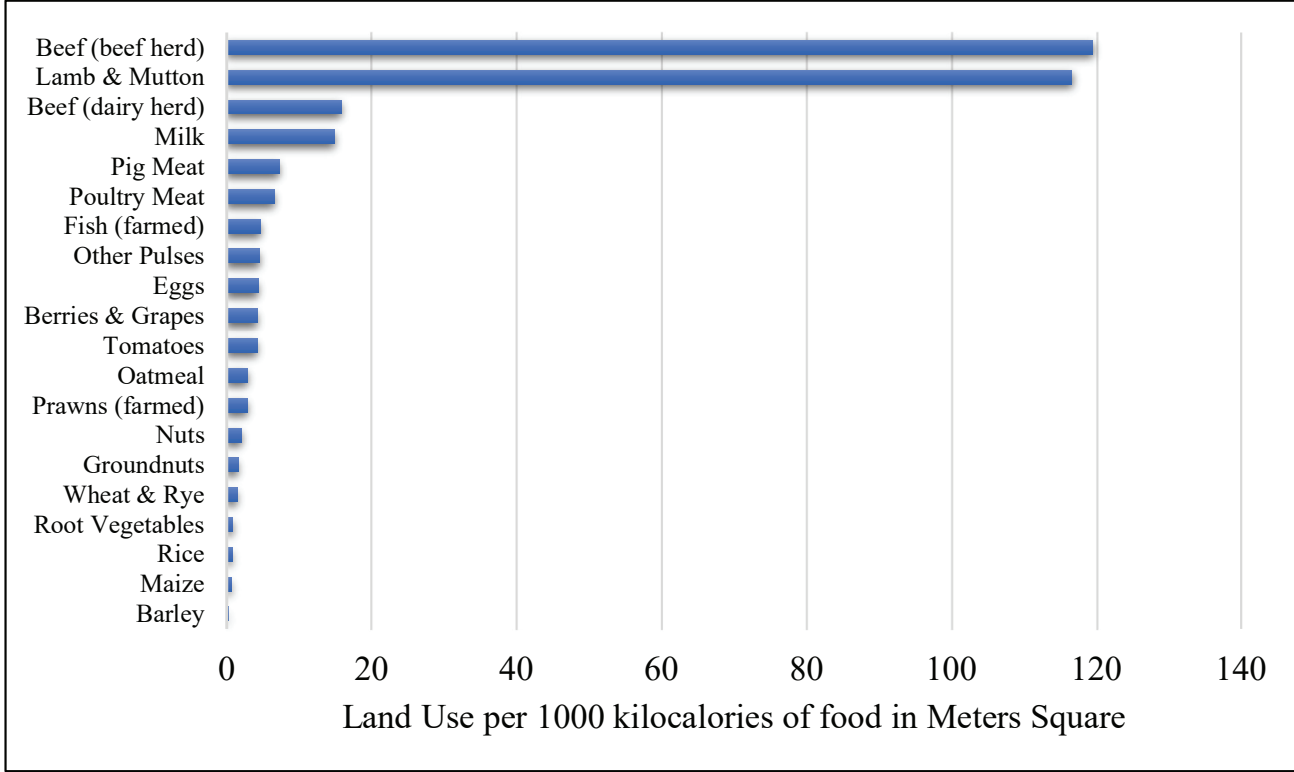
Source: Food and Agriculture Organization of the United Nations (2023)

**In most developed countries, less than one-third of the domestic cereal production is for human consumption**



Source: Food and Agriculture Organization of the United Nations (2023)

**It takes around 100 times as much land to produce 1000 kilocalories of meat compared to plant-based alternatives**

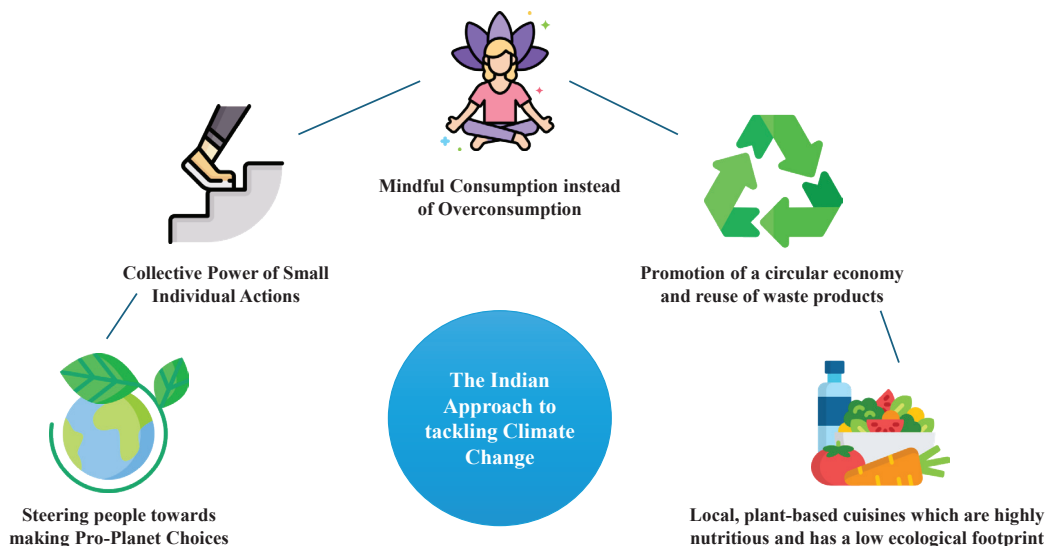


Source: Joseph Poore and Thomas Nemecek (2018). Additional calculations by Our World in Data.

## The Path to Sustainable Housing



## The Indian Approach to tackling Climate Change



## Mission LiFE proposes a naturally sustainable lifestyle in accordance with nature





सत्यमेव जयते  
Government of India

आर्थिक कार्य विभाग  
**DEPARTMENT OF  
ECONOMIC AFFAIRS**