



Economic survey 2022-23

Description

Theme:

- The Ministry of Finance releases the Economic Survey of India on an annual basis. The Survey is presented to the Parliament by the Ministry of Finance's Department of Economic Affairs, usually preceding the Union Budget. It is prepared under the direction of India's Chief Economic Adviser.
- The Economic Survey of India 2022-23 was presented by the Finance Minister of India, Nirmala Sitharaman, on February 1, 2023. It was the 75th Economic Survey of India. The survey covered the period from April 1, 2022, to March 31, 2023. Let us discuss the findings of this survey and highlight its key points.

India's Impressive Economic Recovery:

- India is expected to achieve a GDP growth rate of 6% to 6.8% in 2023-24.
- Factors contributing to the optimistic growth forecast include an increase in private consumption, higher capital expenditure, improvements in corporate and banking balance sheets, credit growth in MSMEs, and high growth in the service sector.
- Despite challenges such as the ongoing Russia-Ukraine conflict and interest rate hikes by central banks across the globe, India is expected to show the highest growth rate in the world.
- Inflation in India has been higher than the RBI mandate of 6%, but it has reached its peak and is expected to only fall from here on.

Positive Indicators of India's Economic and Social Progress:

1. Economic Progress:

- India's foreign exchange reserves are at a comfortable level of \$580 billion in May 2023, reflecting a strong balance of payments position and the confidence of foreign investors in

India's economy. This is despite multiple problems like the ongoing war in Ukraine, rising inflation, and supply chain disruptions.

- India's food grain production has reached an all-time high of 323.55 million metric tonnes. This is the highest-ever food grain production in the country.
- India is now the 7th largest service exporter in the world.
- The Indian stock market has been performing better than the rest of the world, with benchmark indices reaching all-time highs.
- India has a relatively low level of total debt as a percentage of Gross National Income and short-term debt as a percentage of total debt.
- India's exports have risen by 16% to \$332.8 billion from April to December 2022, which is the highest level of exports in any six-month period, indicating strong global demand for Indian goods and services.

2. Social Progress:

- India has made significant improvements in health indicators, with a reduction in maternal and child mortality ratios, a decrease in the need for out-of-pocket expenditure on healthcare, an increase in institutional births, and a reduction in stunting in under-5 children.
- There has been a significant reduction in the dropout rate of children and a lower pupil-to-teacher ratio in schools, indicating an improvement in the quality of education in India.
- India is the largest recipient of remittances in 2022, highlighting the significant contribution of the Indian diaspora to the country's economy.
- India is also taking significant steps to combat climate change through initiatives such as the National Action Plan on Climate Change, the National Green Hydrogen Mission, and the promotion of renewable energy through the PLI scheme for solar PC modules.

Improvement in Physical Infrastructure:

- The PM Gati Shakti National Plan, the National Monetisation pipeline, the National Logistics policy, and the Open Network for Digital Commerce are some of the government's efforts towards improving physical and digital infrastructure.
- The National Infrastructure Pipeline and the National Monetisation Pipeline are examples of the government's commitment to developing infrastructure in the country.
- The government's vision for infrastructure development includes public-private partnerships, with 56 projects being granted in-principle approval with a total project cost of ₹57,870.1 crore under the Viability Gap Funding (VGF) scheme from 2014-15 to 2022-23.
- The National Logistics Policy of the government strives to establish a logistics environment in the country that is integrated, cost-effective, technology-driven, resilient, sustainable, and reliable.



ECONOMIC SURVEY 2022-23

GD Topics

Improvement of Digital Public Infrastructure:

- UPI-based transactions grew in value (121 per cent) and volume (115 per cent) terms, between 2019-22, paving the way for its international adoption.
- The total telephone subscriber base in India increased to 117.8 crore (as of Sept,22), with 44.3 per cent of subscribers in rural India.
- Legislations are being introduced for enhanced user privacy and to create an ecosystem for standard, open, and interoperable protocols, underlining robust data governance

- Reforms for MSMEs have yielded positive results, with the Champions portal for grievance redressal and the Emergency Credit Line Guarantee Scheme leading to increased business and GST revenue.
- Digital platforms have transformed India's financial services, and the e-commerce market is projected to grow at 18% annually through 2025.

Strong Industrial and Services Sectors:

- The Gross Value Added (GVA) of the industrial sector increased by 3.7% during the first half (H1) of the fiscal year 2022-23, which is higher than the average growth of 2.8% achieved during the first half of the previous decade.
- The services sector is expected to grow at 9.1% in FY23, with a robust expansion in PMI services since July 2022.
- Credit to the services sector grew by over 16% since July 2022 and received US\$ 7.1 billion in FDI equity inflows in FY22.
- The real estate sector sustained growth, taking housing sales to pre-pandemic levels, with a 50% rise between 2021 and 2022.
- The tourism sector is showing signs of revival, with foreign tourist arrivals growing month-on-month with the resumption of international flights and the easing of Covid-19 regulations.

Opportunities for India:

- The Economic Survey 2022-23 identifies opportunities for the Indian economy, including a young and growing population, a large domestic market, and a favourable investment climate.
- India is well-positioned to take advantage of global opportunities such as the rise of new technologies and growing demand from emerging markets.
- In addition, the survey highlights India's strengths, such as a strong entrepreneurial spirit, a rapidly growing digital economy, and a strategic location.
- However, addressing challenges such as poverty, inequality, and infrastructure bottlenecks is necessary for India to fully realize its potential as a global economic powerhouse.

Conclusion:

The Indian Economic Survey for 2022-23 paints a picture of a resilient and growing economy despite the challenges posed by the Covid-19 pandemic, the Russia-Ukraine conflict and interest rate hikes by central banks across the globe. The survey highlights the government's efforts to boost demand and supply in various sectors, with a particular focus on infrastructure development, digitization, and innovation. The survey's positive outlook for the economy is reinforced by the projected growth rates and the government's commitment to fiscal prudence and structural reforms. The Indian economy has shown remarkable resilience in the face of unprecedented challenges, and the policies and initiatives outlined in the Economic Survey offer hope for a bright future for India.

Your Turn...

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