

Summary of the

ECONOMIC SURVEY



2022-23



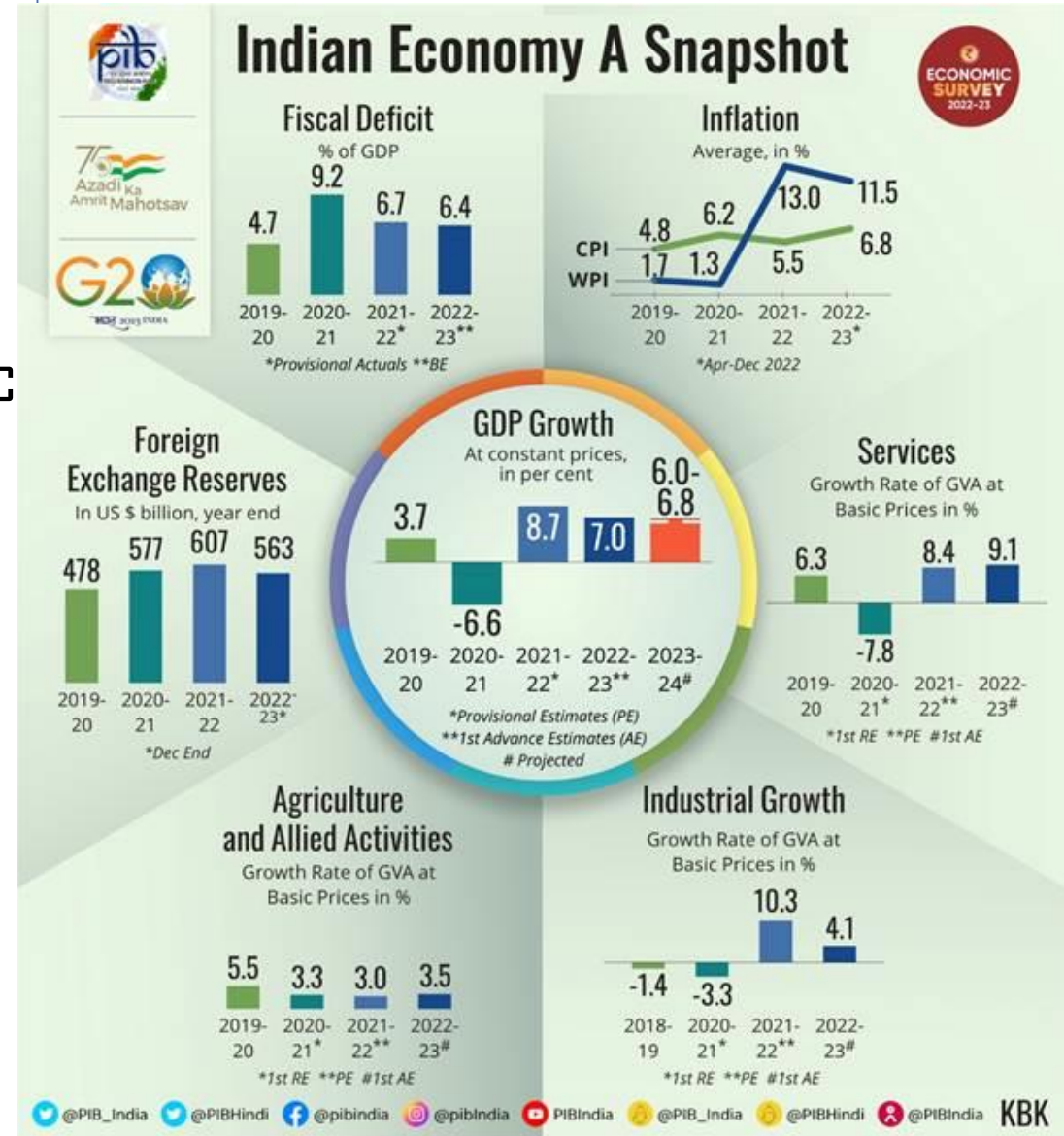
BY - DR GAURAV GARG

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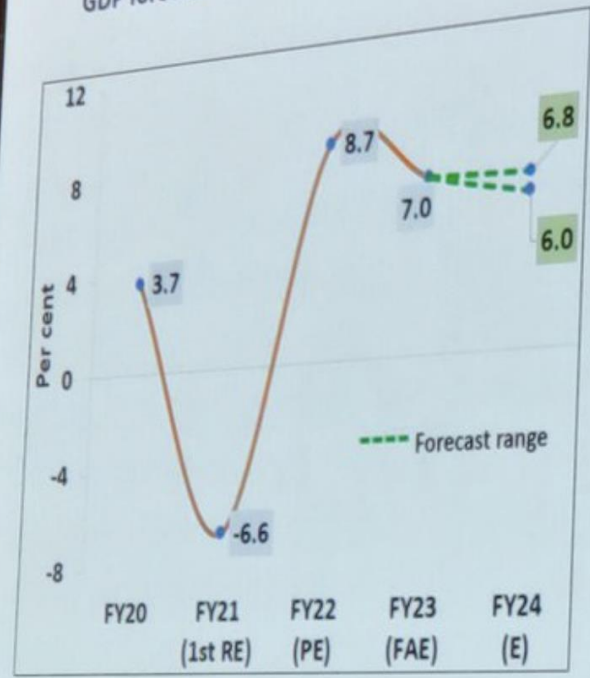
India to witness GDP growth of **6.0 per cent to 6.8 per cent** in 2023-24, depending on the trajectory of economic and political developments globally.

India will remain fastest growing major economy in the world

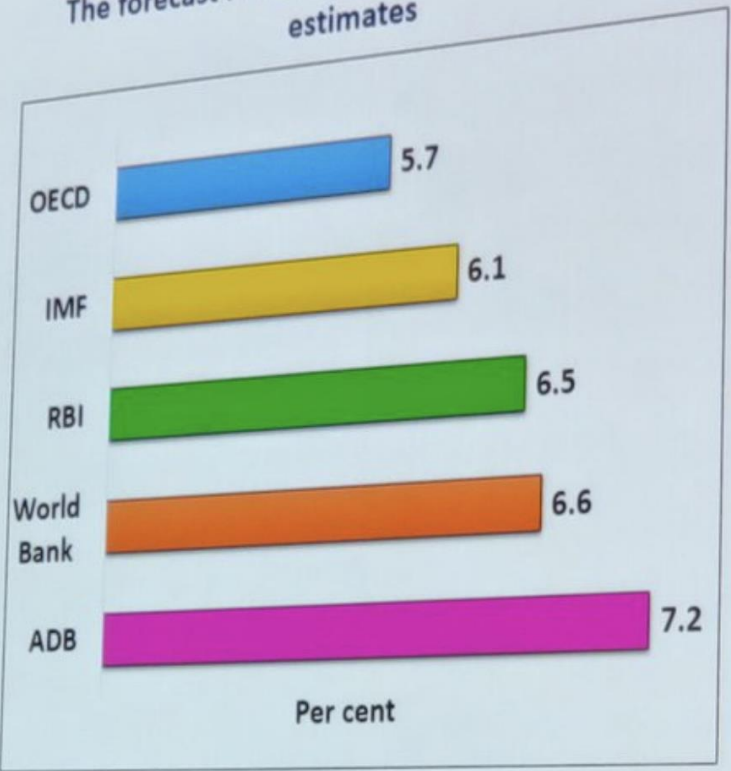


India's GDP growth is expected to remain robust

GDP forecast builds on a completed recovery



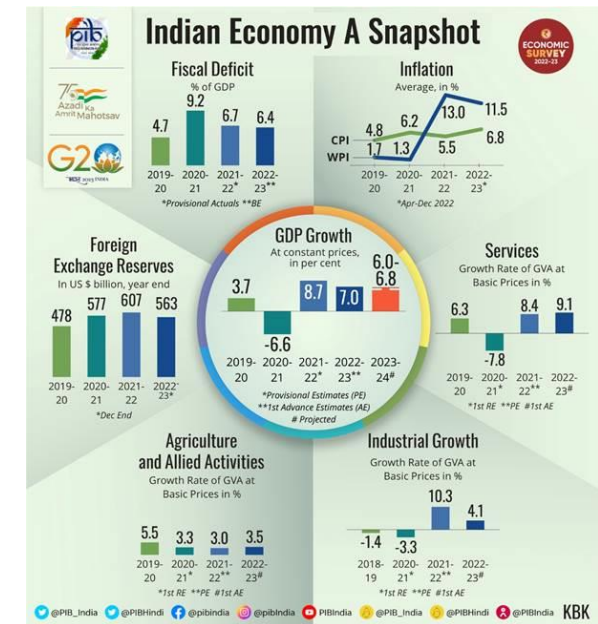
The forecast remains well within the range of estimates



BASELINE GDP GROWTH OF 6.5 PER CENT IN REAL TERMS IN 2023-24

India to witness GDP growth of **7 per cent** in 2022-23

India saw GDP growth of **8.7 per cent** in FY 2022



Projections for various sectors for FY 2022-23

Services sector - 9.1%

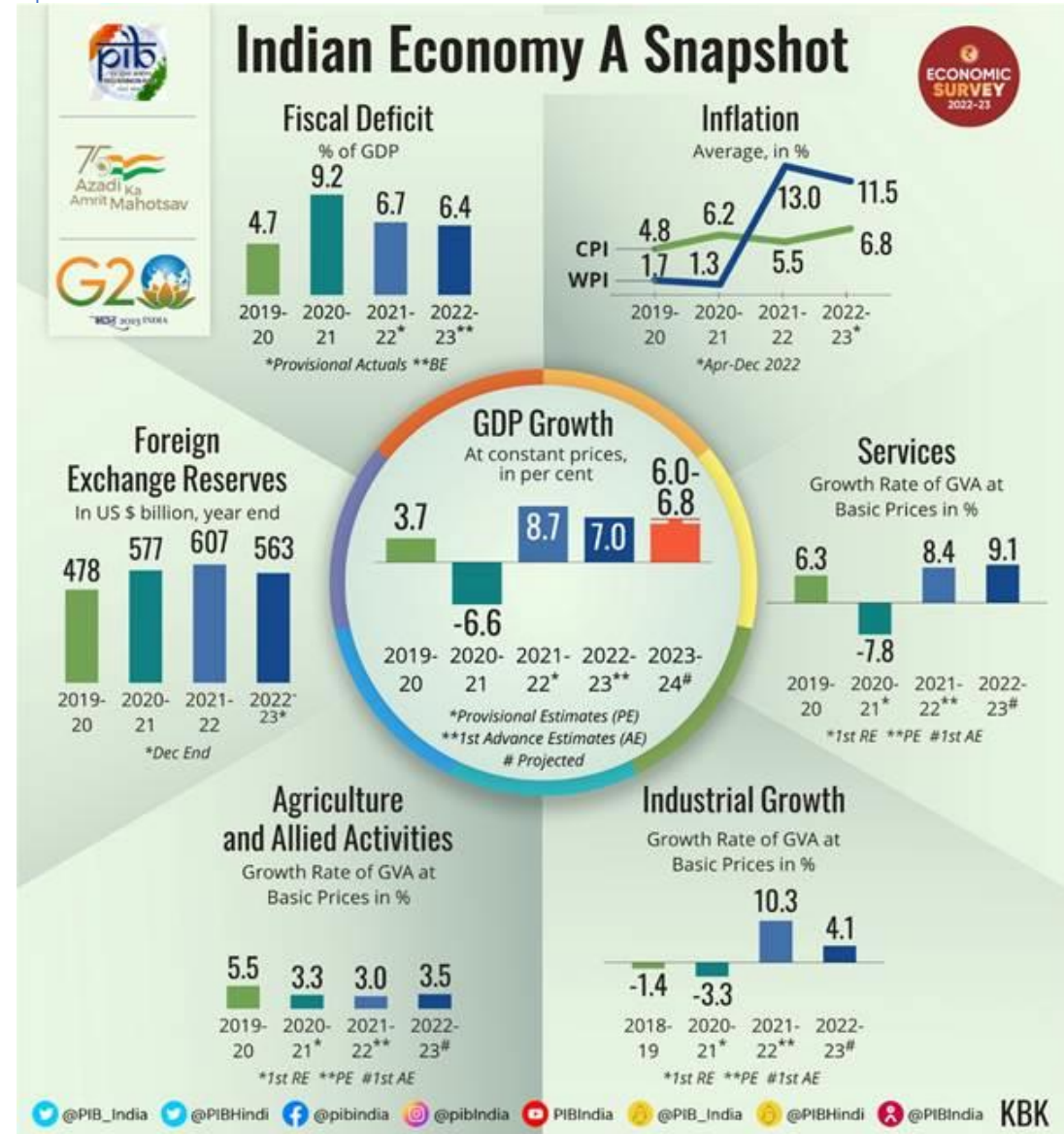
Industrial growth - 4.1%

Agriculture and allied sector - 3.5%

Inflation projection - 6.8% (CPI) & 11.5% (WPI)

Foreign exchange reserves - 563 Billion USD

Fiscal deficit - 6.4% of the GDP

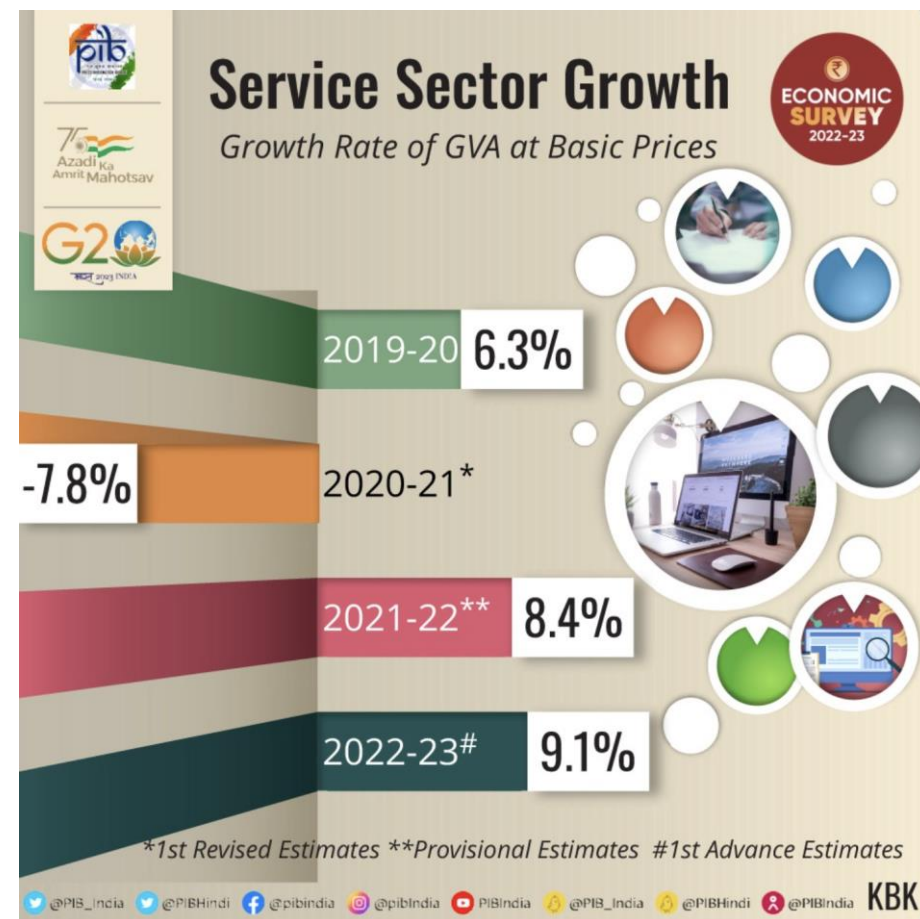


ECONOMIC SURVEY 2022-23

SERVICES SECTOR GREW AT **8.4 % (YoY) IN FY 22**

As per the First Advance Estimates, Gross Value Added (GVA) in the services sector is estimated to grow at 9.1% in FY23, driven by 13.7% growth in the contact-intensive services sector.

India received the highest-ever FDI inflows of US\$ 84.8 billion including **US\$ 7.1 billion FDI equity inflows in the services sector** in FY22.



India's e-commerce market is projected to post impressive gains and grow at 18% annually through 2025. The **Government E-Marketplace (GeM)** attained an annual procurement of **₹1 lakh crore** within FY22, representing a 160% growth compared to last FY.

India is ranked 10th out of the top 46 countries in the World in the Medical Tourism Index FY21

India's fintech adoption rate of 87%, substantially higher than the world average of 64% as per the latest Global FinTech Adoption Index.





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ECONOMIC
SURVEY
2022-23



SERVICES: SOURCE OF STRENGTH

- Strong Growth in Services sector in FY23
- PMI Services witnessed strongest expansion since July 22
- Credit growth to services above 16% since July-22
- 75 Digital Banking Units announced for transforming financial services
- Fashion, grocery, and general merchandise to capture nearly two-thirds of the Indian e-commerce market by 2027

India is a significant player in services trade, being among the top ten services exporter countries in 2021".

Services exports registered growth of 27.7% during April-December 2022

Between FY17 and FY23 (as of 5 January 2023), under PMKVY 2.0 about 1.1 crore persons have trained: 83 per cent certified and about 21.4 lakh placed.

Progress of Skill India Mission	
Skill Development Scheme	Progress
<p>PMKVY was first launched in 2015. Presently, the third phase of PMKVY, i.e., PMKVY 3.0 is being implemented across the country since January 2021</p> <p>PMKVY has two training components, viz., Short Term Training (STT) and Recognition of Prior Learning (RPL).</p> <p>Pradhan Mantri Kaushal Kendra set up at District level, are envisaged as state of the art, visible and aspirational model training Centres</p>	<p>Between FY17 and FY23 (as of 5 January 2023), under PMKVY 2.0 about 1.1 crore persons have trained: 83 per cent certified and about 21.4 lakh placed. Under PMKVY 3.0, during FY21 to FY23 (as on 5 January 2023) 7.4 lakh persons have been trained, 66 per cent certified and 41,437 placed.</p> <p>PMKVY also provided training to Shramiks (migrant labourers) affected due to Covid-19. This component covered 116 districts of 6 States, viz., Assam, Bihar, Madhya Pradesh, Odisha, Rajasthan, and Uttar Pradesh. As on 31 October 2022, 1.3 lakh migrants have been trained/ oriented (0.88 lakh in STT and 0.38 lakh in RPL).</p>

<p>Jan Shikshan Sansthan Scheme provides for a lump sum annual grant is released to Jan Shikshan Sansthans (NGOs) for skill training to non-literate, neo-literates, persons with a rudimentary level of education and school dropouts up to class XII in the age group of 15-45 years. The priority groups are women, SC, ST, and other backward sections of society.</p>	<ul style="list-style-type: none"> • From FY20 to FY23 (as of 5 January 2023), 16.0 lakh beneficiaries have been trained of which 28.4 per cent are from urban areas and 69.0 per cent are from rural areas and 2.7 per cent are from tribal areas. Notably, 81 per cent of the trainees are women.
<p>National Apprenticeship Promotion Scheme provides financial support to industrial establishments undertaking apprenticeship programmes under the Apprentices Act, 1961.</p>	<ul style="list-style-type: none"> • Since the launch of the scheme in 2016, as on 31 December 2022, 21.4 lakh apprentices have been engaged by Industries
<p>Craftsmen Training Scheme provides long-term training in 149 trades through 14,938 Industrial Training Institutes (ITIs) across the country</p>	<ul style="list-style-type: none"> • Since 2015, 91.7 lakh students have been trained as on 30 October 2022.
<p>Craft Instructor Training Scheme provides comprehensive training both in skills and training methodology is imparted to the instructor trainees to make them conversant with the methodology of teaching and techniques of transferring hands-on skills, to train skilled manpower for the industry.</p>	<ul style="list-style-type: none"> • During the year FY22, a total of 8,847 trainees have been trained in various National Skill Training Institutes and Institute of Training of Trainers

Making India Skill Capital of the World

With an aim to make India a Skill Capital of the World and improve mobility of Skilled manpower the National Skill Development Corporation (NSDC) International has been set up, which aims to create a network of institutions across India. This network of institutions will be called as Skill India International (SII) Network. It shall be created through the empanelment of state-of-the-art government and private institutions.

- MSDE has also signed MoUs with 11 countries, Australia, Belarus, China, Denmark, France, Germany, Japan, Qatar, Switzerland, UAE, and the United Kingdom in the field of skill development and vocational education training.
- NSDC has also signed 18 B2B MoUs with countries like Australia, Canada, Germany, Japan, Malaysia, Kingdom of Saudi Arabia, UAE, etc.

Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) is a World Bank loan-assisted programme launched in 2018 to decentralise skilling initiatives and align skill development programmes with local demand and aspirations of the youth

Under the National Component and State Components of SANKALP, 64 and 700 projects respectively have been taken up in the area of Skill and Entrepreneurship development and strengthening of monitoring.


- 724 District Skill Committees (DSCs) have been constituted, which are mandated to plan, manage and monitor skilling activities at the District level

- The Survey says, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over **30.6 per cent**, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government.
- The Capital Expenditure (Capex) of the central government, which increased by **63.4 per cent in the first eight months of FY23**, was another growth driver of the Indian economy in the current year.

Dwelling on halt in construction activities during the Pandemic, the Survey underscores that vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market.

This is evident in the housing market witnessing a significant **decline in inventory overhang to 33 months in Q3 of FY23 from 42 months** last year.

Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14

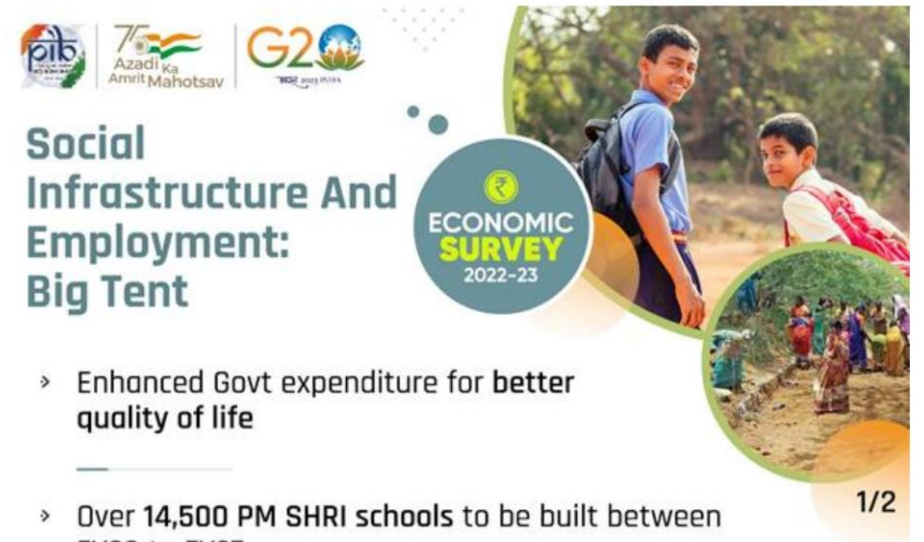


ECONOMIC SURVEY 2022-23

LIFTING POTENTIAL GROWTH WITH PHYSICAL & DIGITAL INFRASTRUCTURE

- PM GatiShakti National Master Plan for seamless movement of people and goods
- National Monetisation Pipeline with ₹ 9.0 lakh crore investment potential
- UPI touched its highest ever mark with 782 crore transaction in Dec 2022
- National Logistics Policy for making Indian logistics competitive globally
- Capacity of major ports nearly doubled in 8 years
- Open Network for Digital Commerce in pipeline
- Open Credit Enablement Network for democratising lending operations

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ECONOMIC SURVEY 2022-23

Social Infrastructure And Employment: Big Tent

- Enhanced Govt expenditure for better quality of life
- Over 14,500 PM SHRI schools to be built between FY23 to FY27
- Rise in number of IITs, IIMs, IIITs
- Urban employment nearing pre-pandemic level
- EPFO based net payroll on the rise: 105.4 lakh in FY23 (till Nov)

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INDUSTRY: STEADY RECOVERY

GVA of the Industrial Sector rose by 3.7 per cent for the first half of FY 22-23

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- Exports of goods and services as a share of GDP have been the highest since FY16 in H1 of FY 22-23
- PMI manufacturing has remained in the expansion zone
- Healthy IIP indicates the beginning of a virtuous investment cycle
- Credit to MSMEs has grown by around 30% since Jan 2022
- Electronics exports rise nearly threefold in FY22
- FDI flows into the Pharma Industry has risen four times in FY22



EXTERNAL SECTOR : WATCHFUL AND HOPEFUL

- Merchandise exports were **US\$ 332.8 bn for April-Dec 2022** exhibiting a growth of **16% from April-Dec 2021**
- India is **7th Largest Service Exporter** in the world
- Largest recipient of remittances** in the world in 2022 (Estimated by World bank)
- India better placed in terms of comfortable forex reserve and low external debt ratio.



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ECONOMIC SURVEY
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Fiscal Developments- Revenue Relish

- Govt on track to achieve the fiscal deficit target for FY23
- Sustained revenue buoyancy over last 2 years
- Increasing average monthly gross GST collections
- Govt capital expenditure as a percent of GDP on the rise
- Modest growth in debt to GDP(%) for India relative to peers
- Positive growth-interest rate differential keeps Govt debt sustainable



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