

# Economic Survey 2023

## What is the Economic Survey 2023?

The Economic Survey of India comprises all the major government initiatives and gives reasons for the various issues arising around. The government gets the idea about the issues from the Economic Survey, and the solutions suggested are implemented by the government for the following fiscal year. The Economic Survey 2023 also highlights the sectors of the Indian economy in detail with a focus on statistics and immediate issues.

It covers a wide range of topics, including macroeconomic indicators, fiscal and monetary policy, sectoral performance, employment, and social welfare. Released annually by the government, the Economic Survey acts as a guiding compass for policymakers, economists, and businesses, shedding light on key economic indicators, challenges, and opportunities.

## Economic Survey 2023 Key Highlights

The **Finance Minister of India, Nirmala Sitharaman, presented the Economic Survey 2023** ahead of the Union Budget in both houses of the Parliament.

- The survey has mentioned that the economy of India is expected to grow by 7% in real terms in the fiscal year 2023. It also mentioned that India would be the fastest-growing economy in the world.
- As per the Economic Survey 2023, consumer price growth has decreased, and the annual inflation rate is not more than 6%.
- The poll also states that India has become the fifth largest economy in the world, with a GDP of 3.5 trillion US dollars in March 2023.
- In addition, the exports of products have also increased by 16% in the first 9 months of the current FY.

## Contents of Economic Survey 2023

The Economic Survey 2023 contains the view of the ministry on the economic state of India. The survey also represents the Indian economic development in the previous fiscal years and shows the performance of the country on important development programs. Economic Survey 2023 also highlights the new policy initiatives of the Indian government and the economic prospects as well.

## Significance of Economic Survey 2023

Getting an understanding of the economic trends of a country would help in ensuring better application of resources and their allocation in the union budget, and Economic Survey 2023

helped to do that. The survey analyzes industrial, employment, agricultural, and export trends in India. The Economic Survey 2023 also directs the GDP for the coming financial year.

## Who Prepares Economic Survey 2023?

The Department of Economic Affairs is responsible for preparing the Economic Survey 2023 under the leadership of the Chief Economic Advisor. The current chief economic advisor is Dr. V Anantha Nageswaran. In 1950-51 the Finance Ministry came up with the first-ever Who Prepare Economic Survey of India. However, at that time, the Economic Survey was published along with the Budget, but from 1964 the Economic Survey was de-linked from the budget.

## Economic Survey 2023: Key Takeaways

Economic Survey 2023 highlights GDP growth, inflation, employment, agriculture & food management, monetary management, etc. The major highlights from the report are as follows:

### GDP Growth in Economic Survey 2023

- The Indian economy is predicted to increase by 7% in real terms in 2022–2023 after registering an 8.7% growth in 2021–2022. According to the study, the economy saw a full and widespread recovery in 2021–2022 and was ready to resume its pre-pandemic development trajectory.
- In real terms, the baseline GDP growth for 2023–2024 has been predicted to be 6.5 percent. According to the survey, growth will range between 6 and 6.8 percent, depending on the direction of global economic and political developments.
- The Economic Survey 2023 also states that private spending and capital formation played a major role in driving India's growth in 2023–2024.

### Inflation in Economic Survey 2023

- The government used a multi-pronged strategy to manage the rise in price levels, as evidenced by the Economic Survey 2023, which showed that retail inflation was back within the RBI's target range in November 2022.
- While the advanced world saw substantial inflation in 2022 for the first time in three to four decades, India restrained price increases by lowering the export taxes on gasoline and diesel, waiving customs duties on cotton imports, and many other measures.
- Intractable inflation may make borrowing costs "higher for longer" and lengthen the tightening cycle.
- Comparing India's successful handling of inflation to sophisticated economies currently struggling with high inflation rates is particularly notable.

### Employment in Economic Survey 2023

- The creation of jobs has increased, while the unemployment rate in urban areas has decreased, as per Economic Survey 2023.
- The Employee Provident Fund program has experienced an increase in net registration numbers.

- Both in urban and rural areas, the labor markets have improved beyond pre-Covid levels, with unemployment rates dropping from 5.8% in 2018–19 to 4.2% in 2020–21.

### Agriculture and food management in Economic Survey 2023

- In 2020–21, private investment in agriculture increased to 9.3%. In 2021–2022, institutional loans to the agricultural sector increased even more, reaching Rs 18.6 lakh crore.
- From 2018, the minimum support price for all mandatory crops was set at 1.5 times the weighted average production cost for all of India. India's production of food grains increased steadily and reached 315.7 million tonnes in 2021–22.

### Industry in Economic Survey 2023

- For the first half of 2022–2023, the industrial sector's overall gross value added increased by 3.7 percent, exceeding the average growth of 2.8 percent seen in the first half of the previous decade, according to Economic Survey 2023.
- A demand stimulant for industrial growth was supplied by a strong increase in private final consumption expenditures, export stimulus during the first half of the year, an increase in investment demand brought on by increased public capex, and better bank and company balance sheets.
- Since January 2022, credit to micro, small, and medium-sized businesses has increased by an average of almost 30%, and credit to large industries has increased by double digits since October 2022, as per Economic Survey 2023.

### Services in Economic Survey 2023

- In comparison to 2021–2022, the services industry is predicted to increase at a rate of 9.1% in 2022–2023, up from 8.4% as per the Economic Survey 2023.
- With its share in global commercial services exports rising from 3% in 2015 to 4% in 2021, India was one of the top ten exporters of services in that year.
- In 2022–2023, contact-intensive services were expected to return to growth rates seen before the epidemic. From 30–32 percent in April 2021 to 68–70 percent in November 2022, hotel occupancy rates have increased. With an increase in international visitors to India month after month, the tourism industry is beginning to show indications of recovery.

### Monetary management in Economic Survey 2023

- Since April 2022, the RBI's monetary policy tightening has moderated the conditions of excess liquidity, as mentioned in the Economic Survey 2023.
- A virtuous investment cycle will start as a result of the sustained expansion in credit offtake and a rise in private capex.
- Since April 2022, scheduled commercial banks' non-food credit offtake has increased by double digits. The amount of credit given out by non-banking financial institutions has also increased.
- Scheduled commercial banks' gross non-performing assets ratio decreased to 5.0 percent, its lowest level in seven years, according to Economic Survey 2023.

## Economic Survey 2023 Summary

The Indian economy is predicted to increase by 7% in real terms in 2022–2023, according to the most recent Economic Survey 2023. However, growth in 2021–2022 was 8.7%.

- According to this economic analysis, the economy has recovered completely and broadly from the Covid epidemic.
- Therefore, the survey makes a note of this increasing percentage. The economy is experiencing inflation.
- Inflation in April 2022 was 7.8%, which was higher than the reserve bank of India's 6% upper tolerance limit.
- Therefore, the inflation overshoot is above the upper end of the intended range. In our economy, there is fiscal development.
- In addition to direct tax revenue and economic activity, this also included the goods and services tax.
- The expansion in credit offtake is anticipated to continue in the monetary management of our economy. And, in accordance with the poll, to combine with a pick-up in private Capex. So, this is a summary of the Economic Survey 2023.

## Economic Survey 2022

The Economic Survey 2022 was tabled by the Finance Minister in both houses of parliament. The key highlights of Economic Survey 2023 were:

- In 2021–22, it was predicted that the Indian economy would expand by 9.2 percent in real terms.
- The Covid-19 epidemic has a silver lining in agriculture and related industries, which are predicted to rise by 3.9 percent in 2021–22 after growing by 3.6 percent in the previous year as per Economic Survey 2022.
- In 2021–22, economic growth was projected that overall consumption would increase by 7.0 percent, with large contributions coming from government spending.
- Roads (27 percent), railroads (25 percent), power (15 percent), oil and gas pipelines (8 percent), and telecom (8 percent) make up the top five industries that account for almost 83 percent of the total pipeline value (6 percent).
- According to the Economic Survey 2022, revenues saw a significant uptick in FY22.