

Indian Economy at Glance

India's economy is the fastest growing major economy globally and is projected to be a top three economic power within 10-15 years. In FY24, India's real GDP grew by 8.2%, marking the third consecutive year of over 7% growth. Growth was driven by robust consumption and investment demand, digitalization, infrastructure development, and the Atmanirbhar Bharat initiative.

India's economic performance for 2023-24:

- Agriculture: Contributed 17.7% to the Gross Value Added (GVA), showcasing its steady role in India's economy, despite its relatively smaller share compared to services and industry.
- Industry: Accounted for 27.6% of GVA. This includes a strong performance in manufacturing and construction, driven by infrastructure projects and real estate demand.
- Services: Dominated with 54.7% of GVA, emphasizing the importance of services like IT, financial services, and communication to India's overall economy.
- The manufacturing sector witnessed significant growth, with a 9.9% increase in GVA for FY24, showing strong momentum due to high demand and improvements in production capacities. The PMI for manufacturing remained consistently above 50, indicating expansion and sustained stability.
- Construction grew by 9.9% in FY24, driven by government infrastructure investments and buoyant demand in both commercial and residential real estate markets. This growth was reflected in record-breaking real estate sales, with 4.1 lakh units sold across the top eight cities, a 33% year-on-year increase.
- Private final consumption expenditure (PFCE) grew by 4.0% in real terms, reflecting stable demand despite global economic uncertainties.
- Gross Fixed Capital Formation (GFCF), particularly by private non-financial corporations, rose by 19.8% in FY23, indicating increased investment and confidence in India's long-term growth prospects.
- Corporate bond issuances surged by 70.5% in FY24, with private placements as the preferred channel. The outstanding stock of corporate bonds grew by 9.6% year-on-year, signaling robust capital raising activity in India's corporate sector.
- The fiscal deficit of the Union Government reduced from ****6.4%**** of GDP in FY23 to 5.6% in FY24, reflecting better fiscal discipline and a strong revenue performance.

- Growth in gross tax revenue (GTR) was 13.4%, driven by a 15.8% increase in direct taxes and a 10.6% rise in indirect taxes. The Goods and Services Tax (GST) collection grew by 12.7%, boosting overall indirect tax revenues.

- External debt as a percentage of GDP stood at 18.7% by March 2024, and the ratio of foreign exchange reserves to total debt remained strong at 97.4%, ensuring India's external sector remained stable.

- The female labor force participation rate increased significantly, rising from 23.3% in 2017-18 to 37% in 2022-23. This growth was driven primarily by rural women entering the workforce, reflecting ongoing structural changes in labor dynamics in India.

Source:

<https://www.indiabudget.gov.in/economicsurvey/>

<https://www.ibef.org/economy/economic-survey-2023-24>