

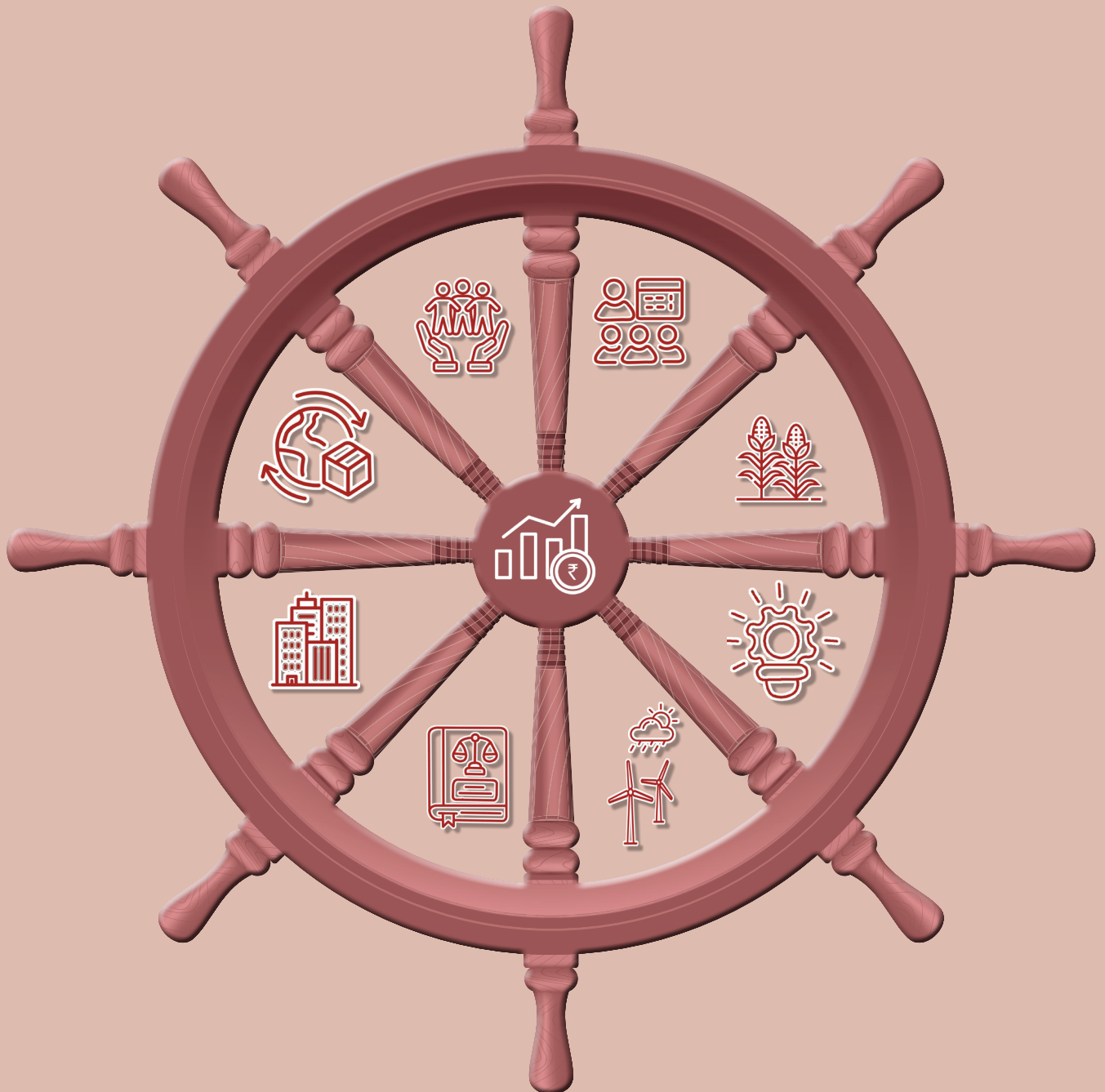
ECONOMIC SURVEY

2024-25

HIGHLIGHTS



सत्यमेव जयते
Government of India



Economic Survey 2024-25

Highlights

The 'Highlights' document of the Economic Survey 2024-25 succinctly presents the key aspects of each of the thirteen chapters using charts, infographics, and minimal text, all within 30 pages. This document provides a visually engaging and easily readable overview of the Survey, encouraging readers to dive deeper into its content for a more comprehensive understanding. It aims to make complex data accessible and relatable, fostering curiosity and further exploration among readers, whether they are policy enthusiasts, students, or professionals.

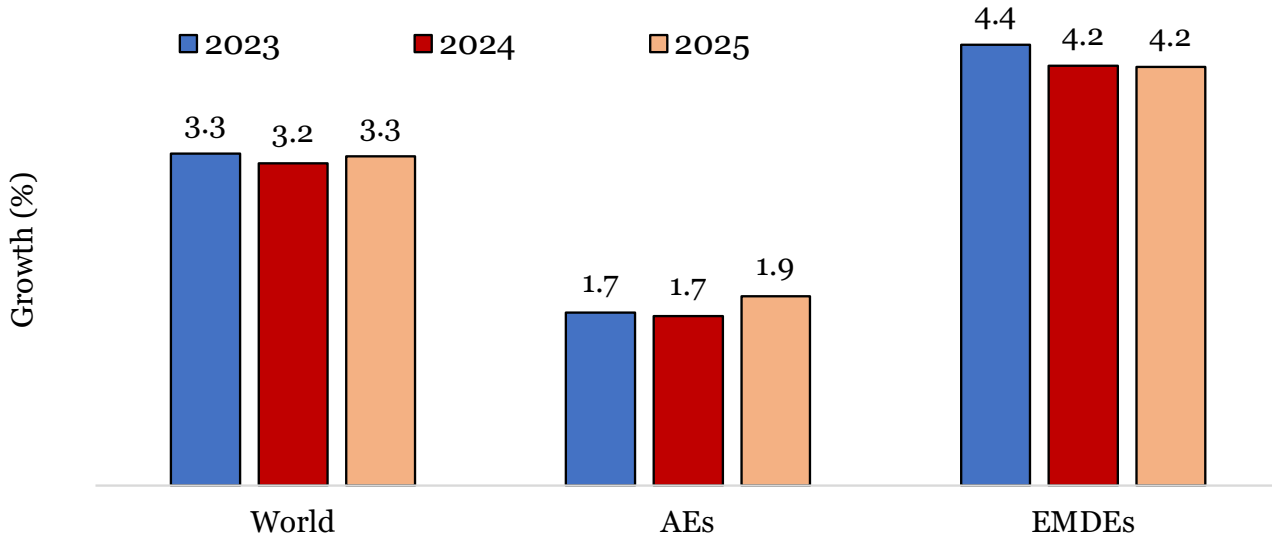
V. Anantha Nageswaran
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Government of India

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State of the Economy: Getting back into the fast lane

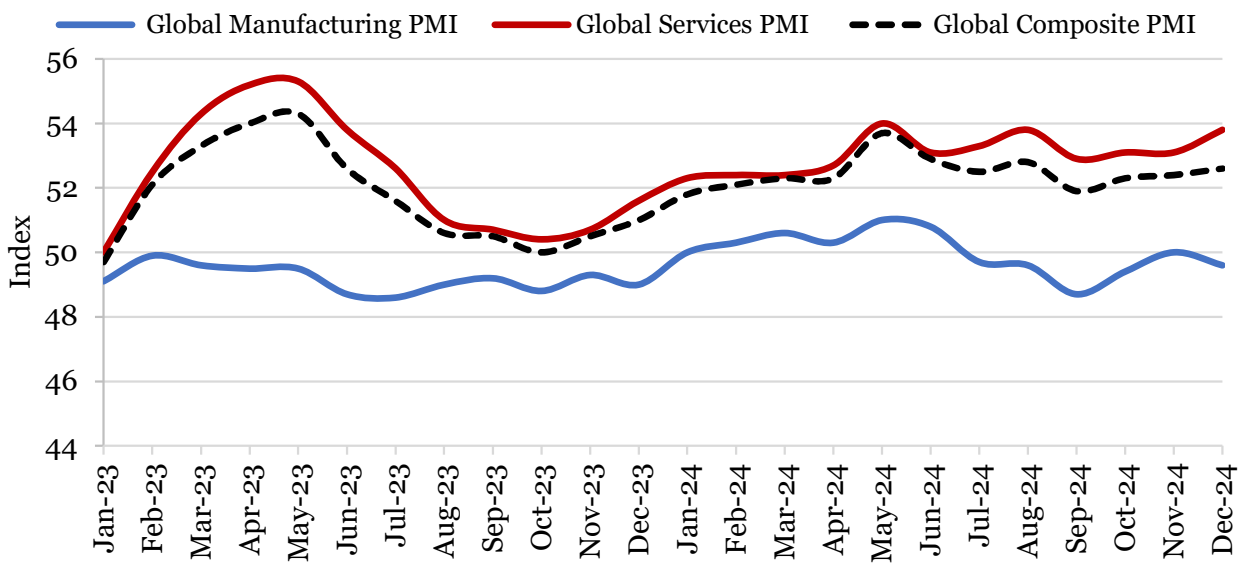
Steady growth outlook across country groups



Source: IMF's World Economic Outlook

Note: AEs- Advanced Economies, EMDEs- Emerging market and developing economies.

Global manufacturing and services PMI trends*



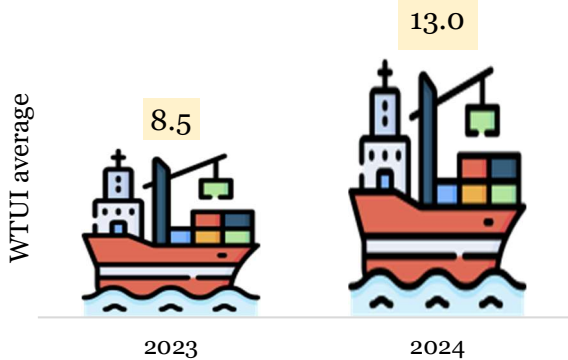
Source: Bloomberg

Note: PMI: Purchasing Managers Index.

*The index varies between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month and below 50, an overall decrease.

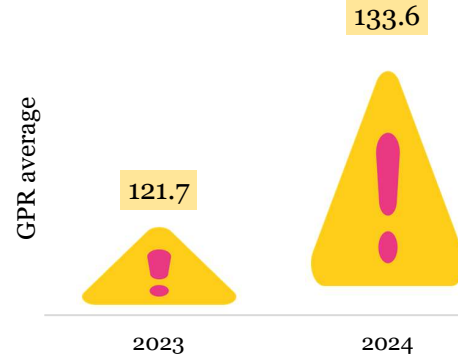
Elevated global uncertainties

Higher World Trade Uncertainty index (WTUI) in 2024



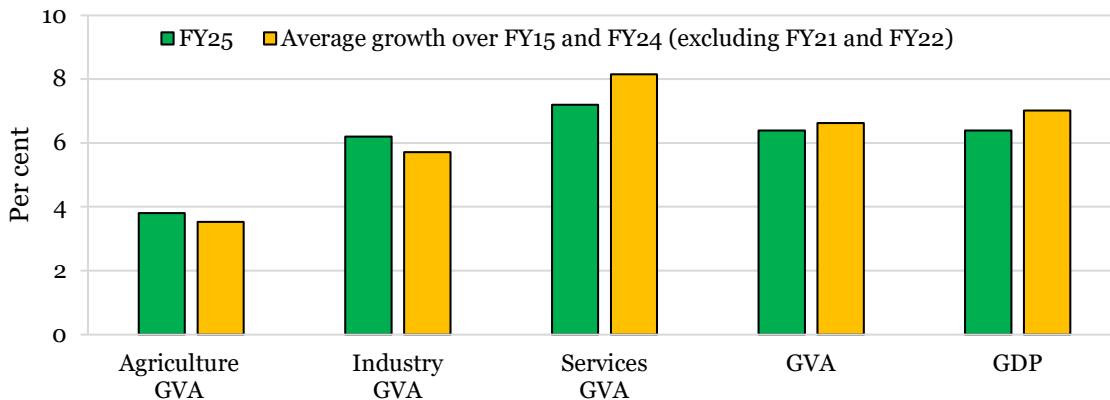
Source: Economic Policy Uncertainty <https://www.policyuncertainty.com/gpr.html>

Higher Geopolitical risk index (GPR) in 2024



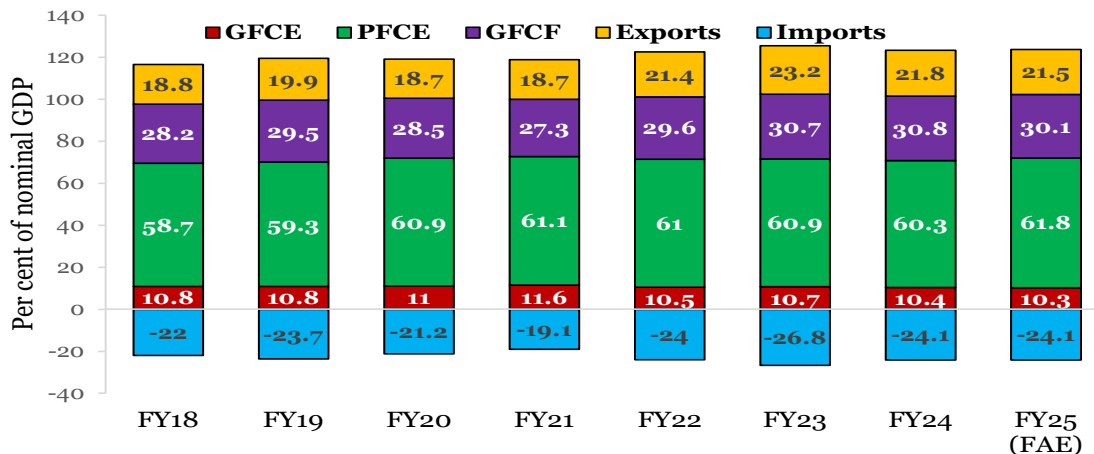
Source: Economic Policy Uncertainty <https://worlduncertaintyindex.com/data/>

India's growth remains close to the decadal average despite global uncertainties



Source: MoSPI, Note: GVA: Gross value added: GDP: Gross domestic product

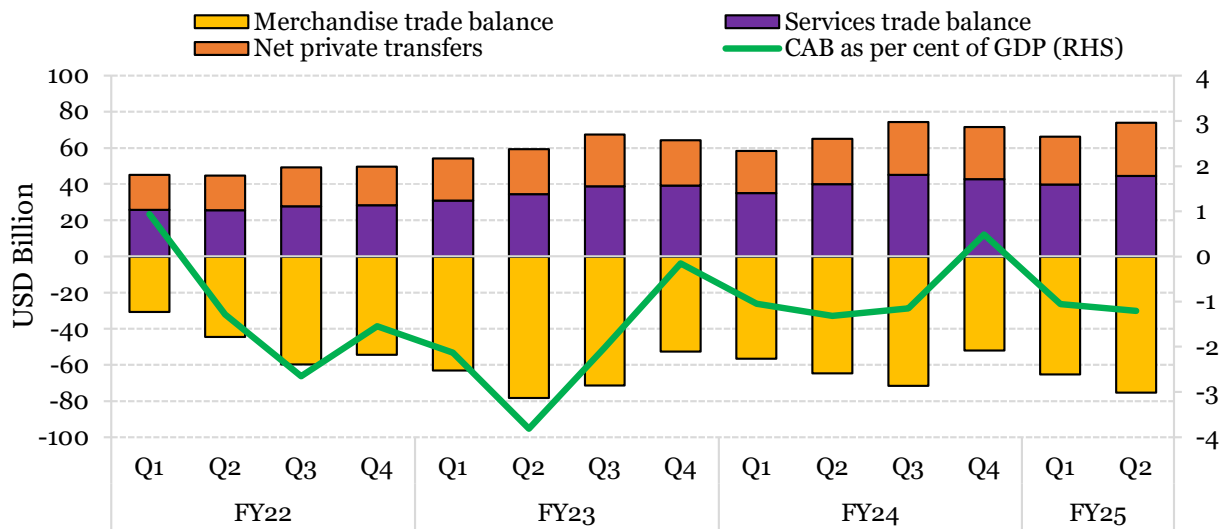
Steady shares of investment and consumption in GDP



Source: MoSPI

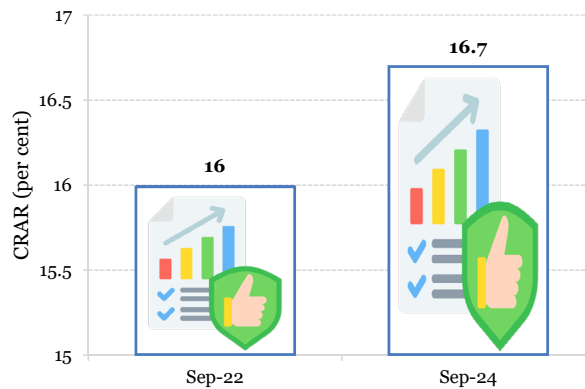
Note: PFCE – Private Final Consumption Expenditure, GFCE- Government Final Consumption Expenditure, GFCE- Gross Fixed Capital Formation

Strong external sector



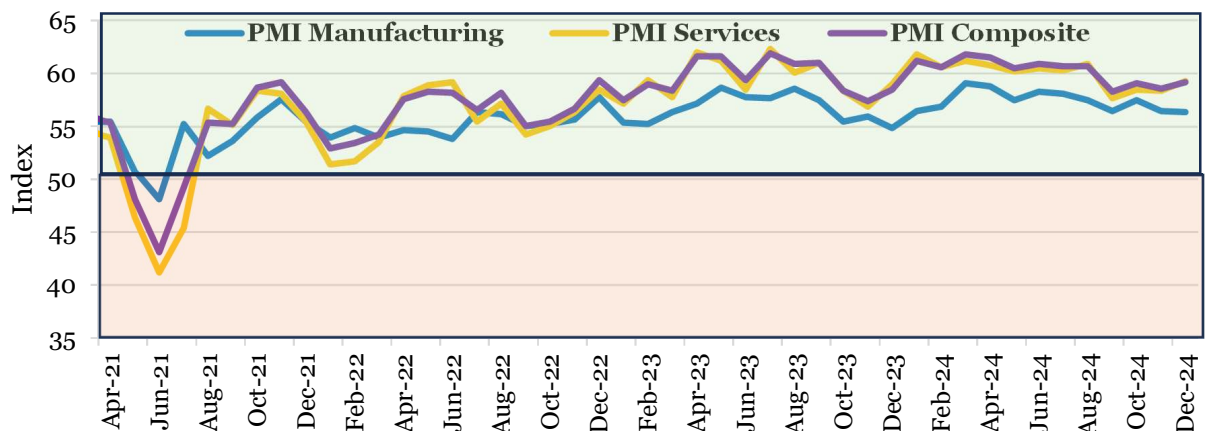
Source: Source: RBI Handbook of Statistics on the Indian Economy
 Note: CAB – Current Account Balance

Stable banking system indicators



Source: Various editions of RBI Financial Stability Report
 Note: CRAR: Capital to risk-weighted assets ratio.

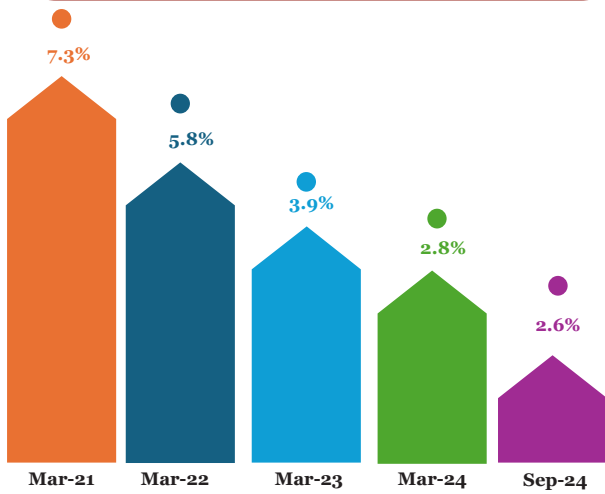
Steadily expanding economic activity



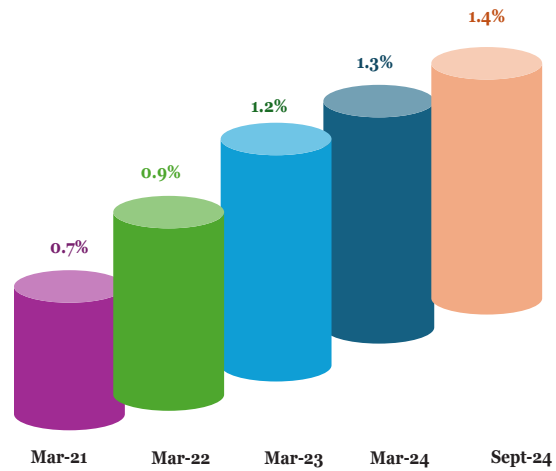
Monetary and Financial Sector Developments: The cart and the horse

Improvement in asset quality of banks

Gross Non-Performing Assets ratio (% of gross advances) of SCBs on a declining trajectory

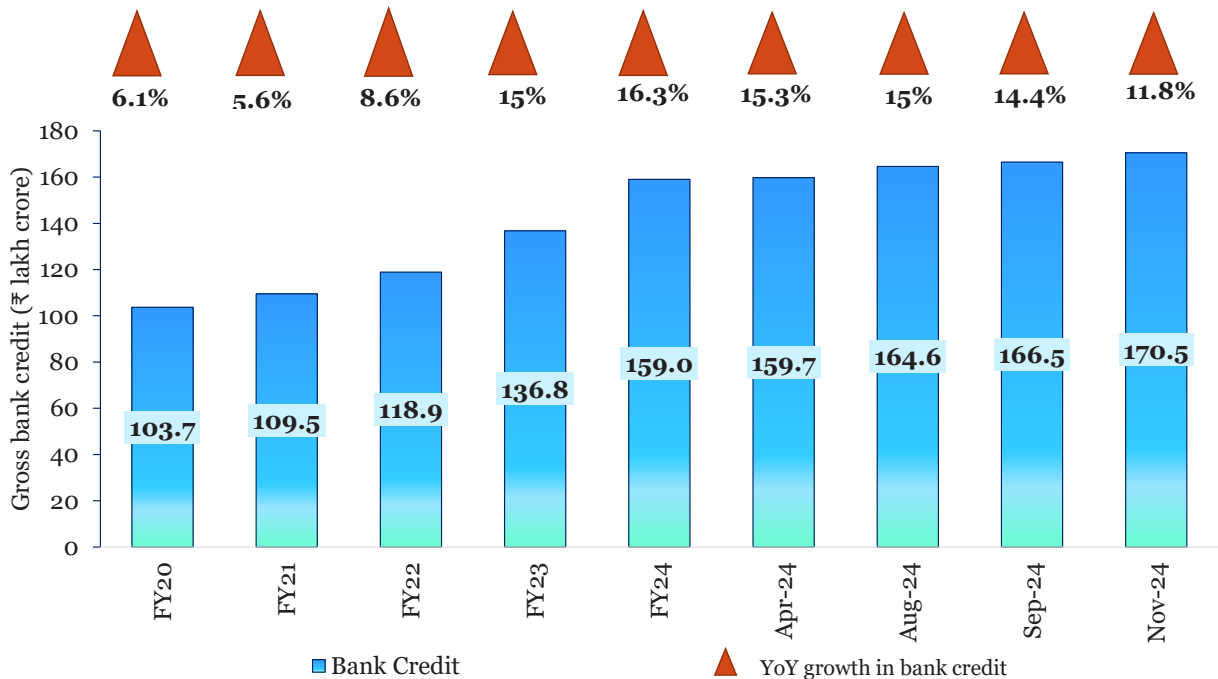


Improvement in the profitability of SCBs reflected in rising Return on Assets (RoA)

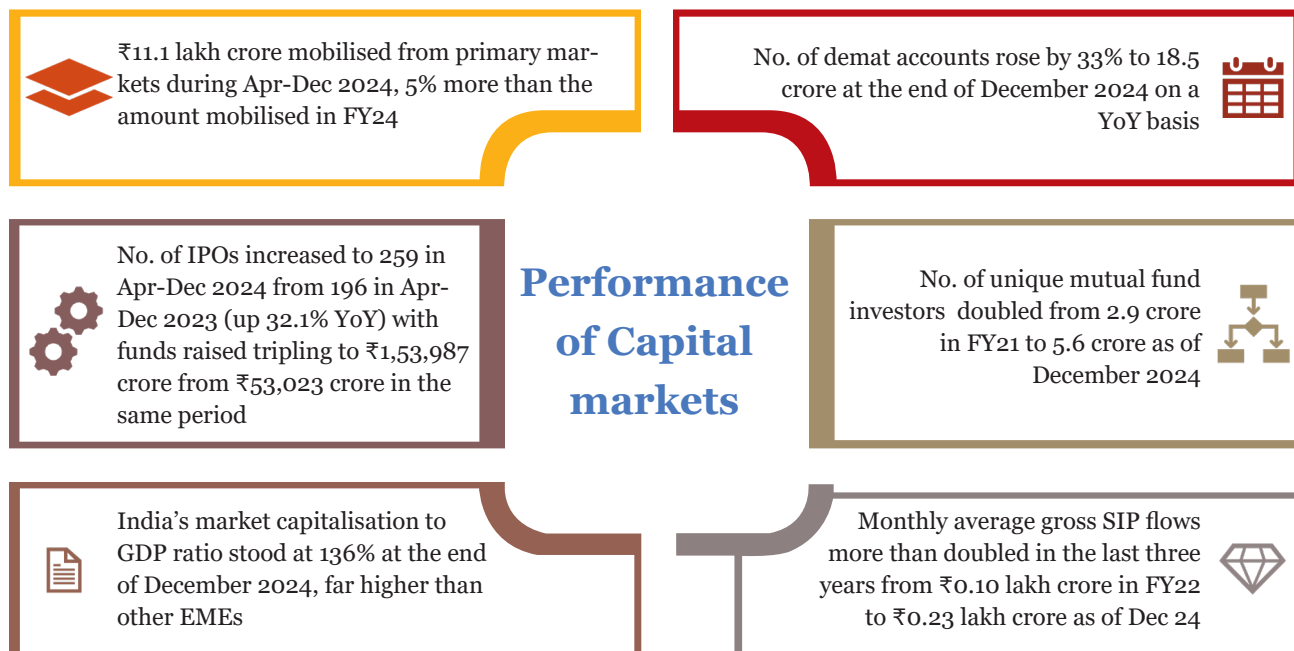


Source: RBI Financial Stability Report, various issues

Bank credit steady



Developments in capital markets



Source: SEBI

Rural Financial Institutions have played a significant role in advancing financial inclusion



Government's strong emphasis on Financial Inclusion

Improvement in RBI's Financial Inclusion Index from 53.9 in March 2021 to 64.2 by March 2024

Performance of Regional Rural Banks



22,069 branches in 700 districts

- 26 States & 3UTs
- 14% share in all branches (all banks)
- 30% share in rural branches (all banks)
- 92% branches in rural/semi-urban areas



₹6.6 lakh crore deposits

- 31.3 crore deposit accounts
- 3.2% share in deposit amount (all banks)
- 13.7% share in deposit accounts (all banks)



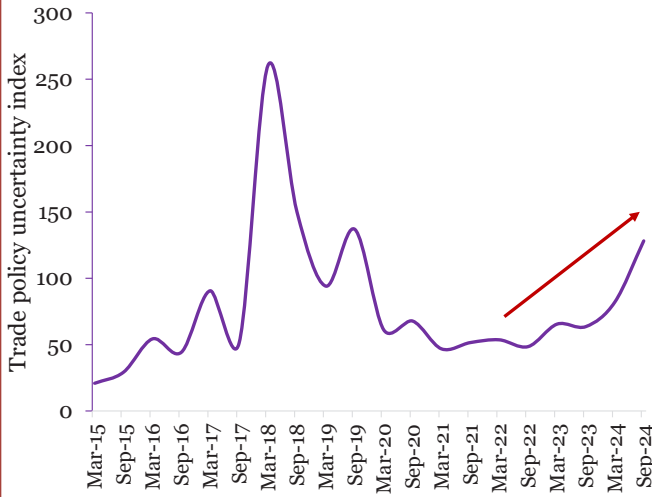
₹4.7 lakh crore advances

- 3 crore loan accounts
- 2.9% share in advances (all banks)
- 8% share in loan accounts (all banks)

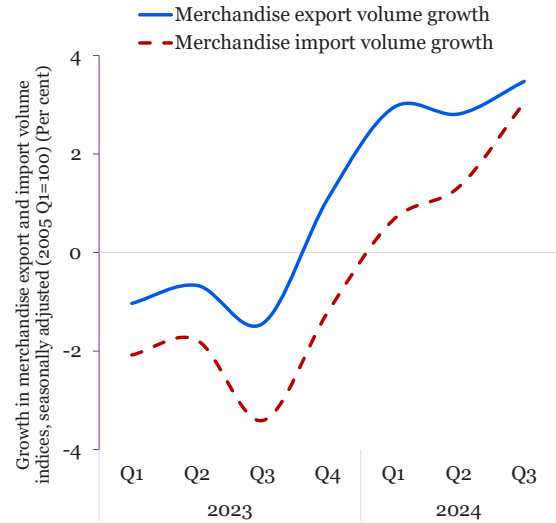
External Sector: Getting FDI right

Global trade dynamics

Rise in global trade uncertainty

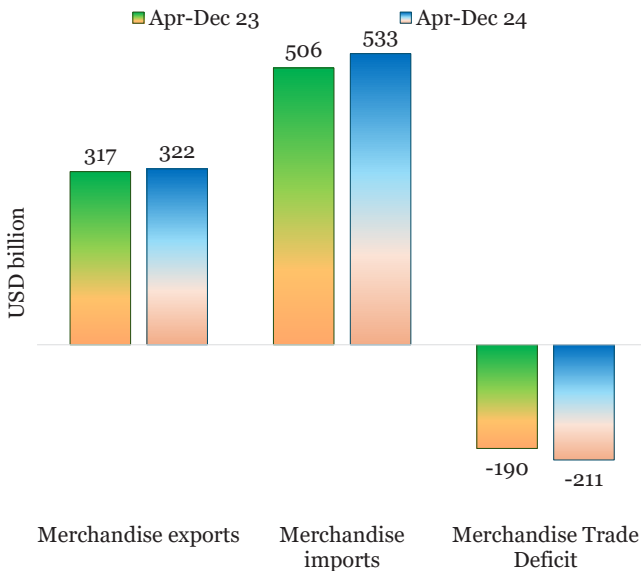


Rebound in global trade in 2024

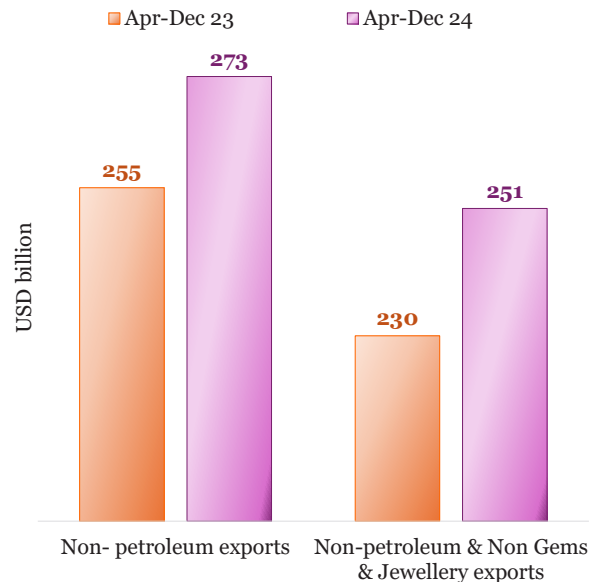


India's trade performance in the first eight months of FY25

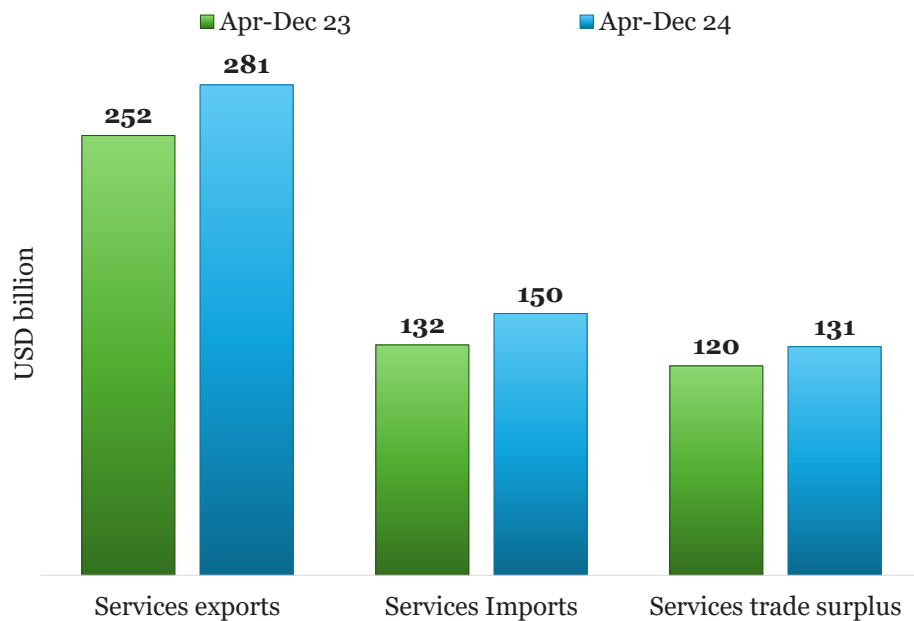
Merchandise trade deficit widened in the first nine months of FY25



Non-petroleum and Non-petroleum & Non-Gems and Jewellery exports performed well in the first nine months of FY25



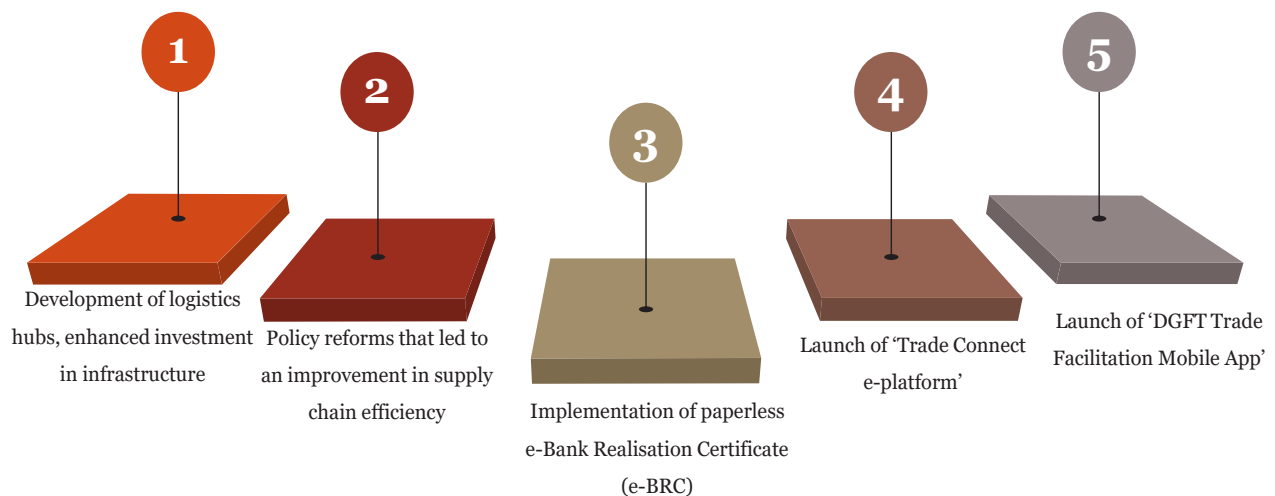
Services trade surplus in the first nine months of FY25



Source: DGCIS, M/o Commerce and Industry

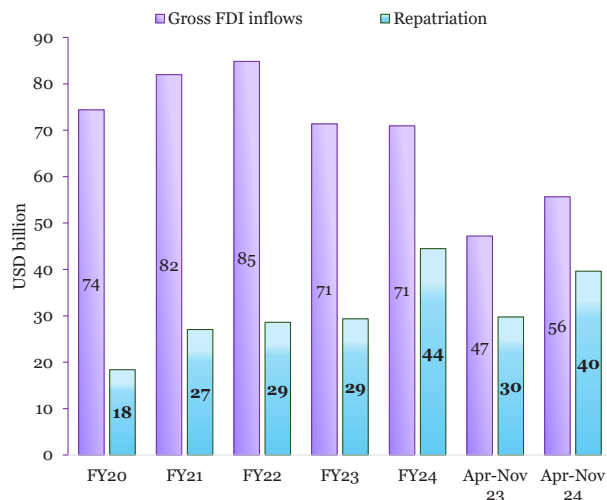
- ♦ Moderate growth in merchandise exports during April-December 2024, primarily due to a decline in the value of petroleum exports, driven by a fall in international oil prices
- ♦ Surge in merchandise imports reflecting a rebound in domestic consumption despite the inflationary impact

Ease of Doing Business initiatives for exporters

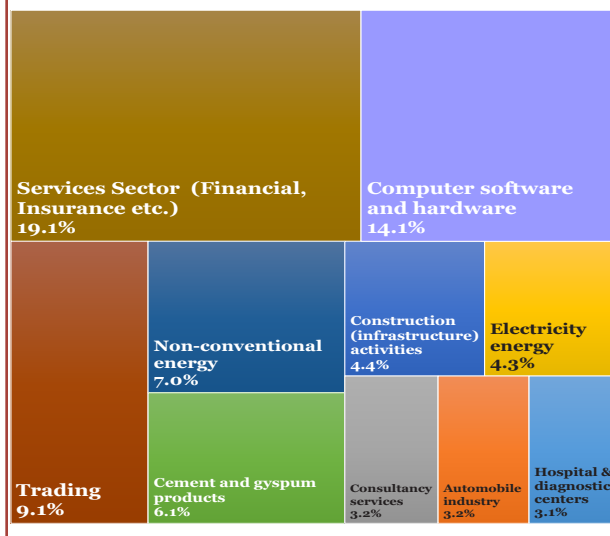


India continues to attract substantial foreign investments

Rise in Gross FDI inflows; Repatriation a sign of profitable exits

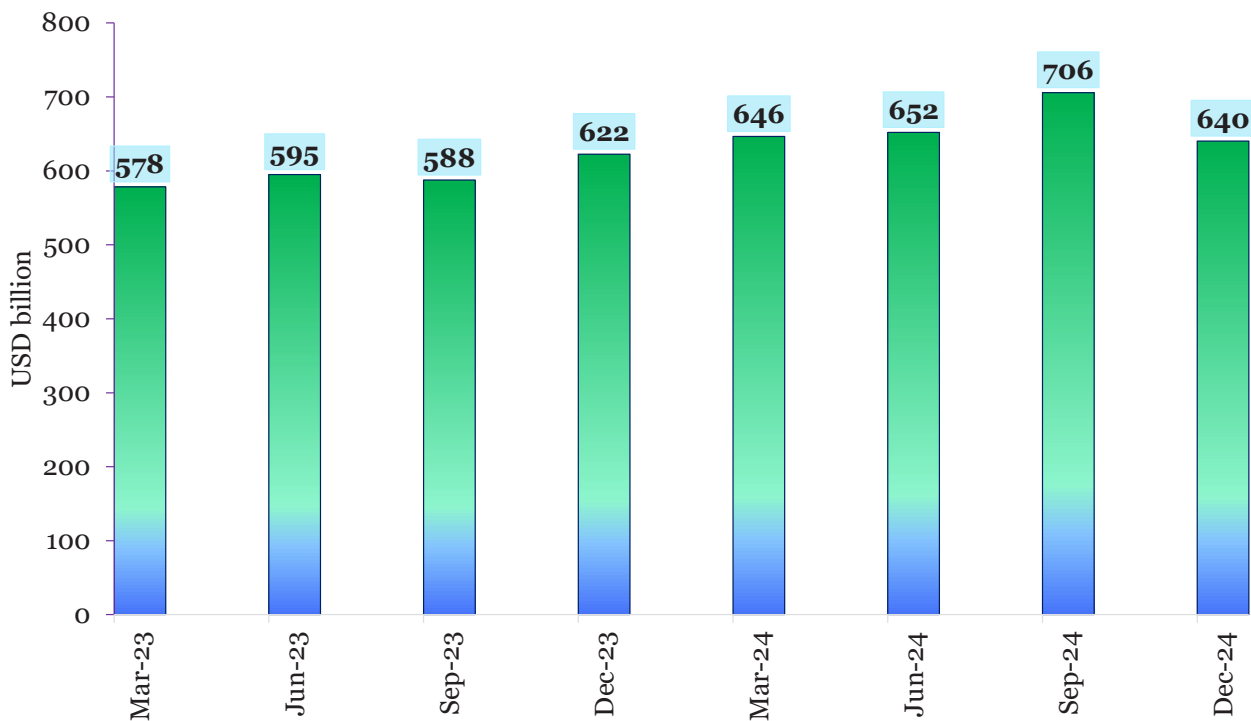


Services sector leads FDI inflows with 19.1% share in H1 FY25, followed by technology, trading and non-conventional energy



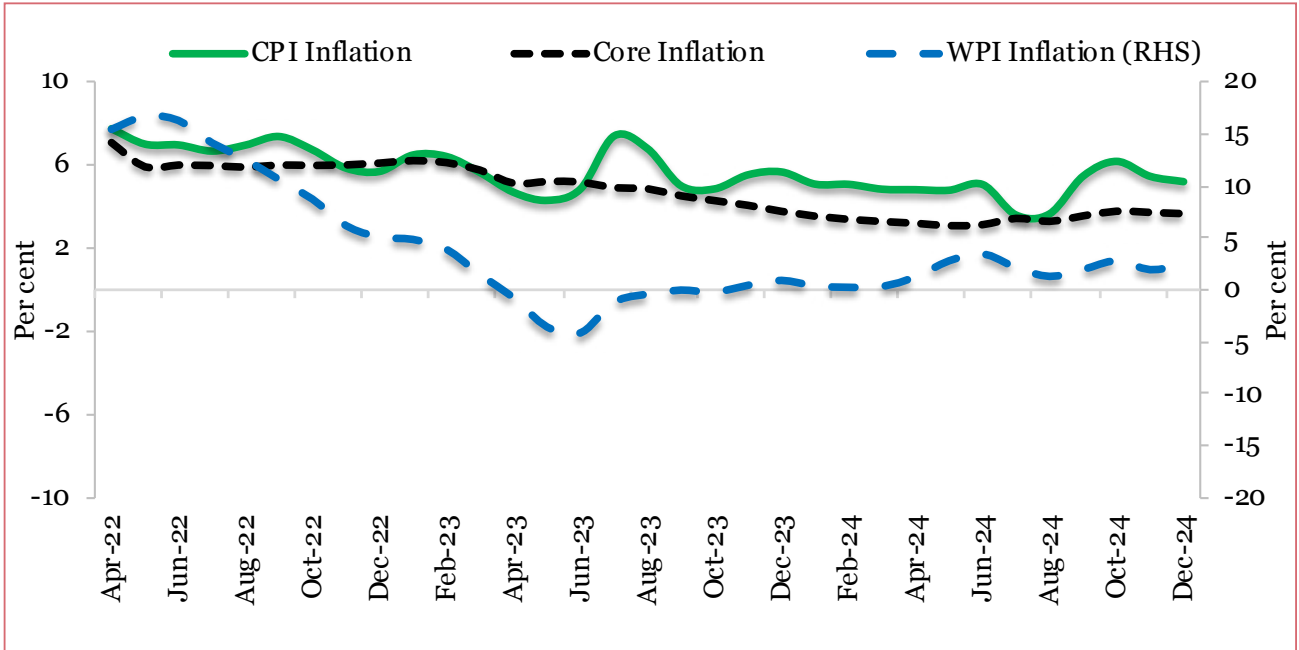
Strengthening Forex Reserves

Forex reserves were at a high of USD 706 billion in September 2024; and stood at USD 640.3 billion by 27 December, 2024, covering 89.9% of external debt



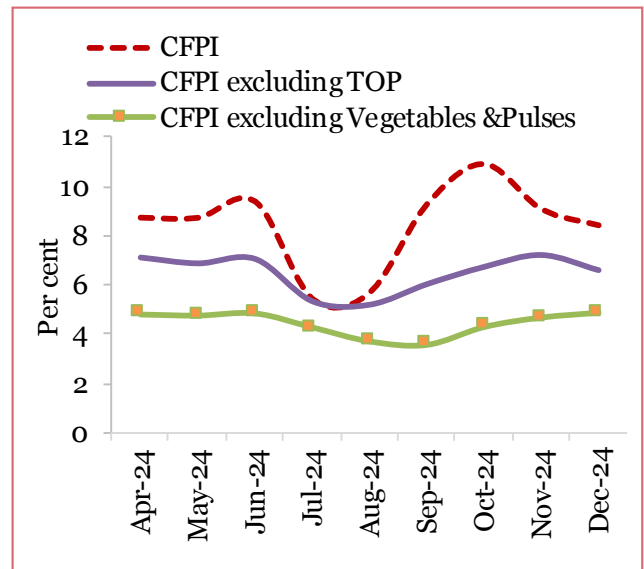
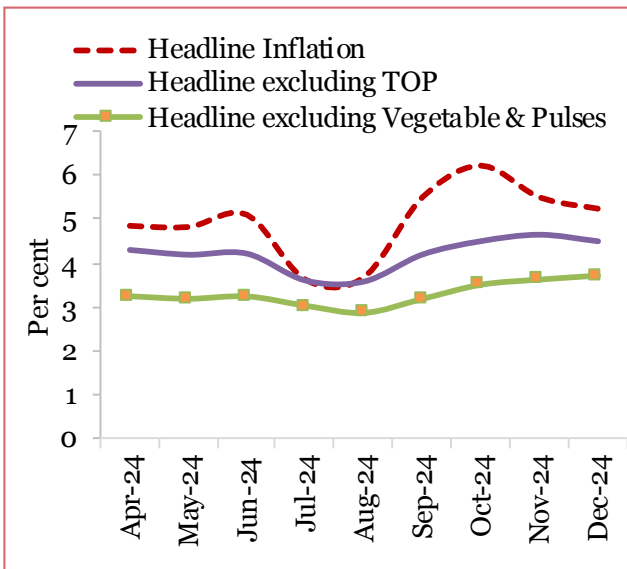
Prices and Inflation: Understanding the Dynamics

Softening core inflation cools headline inflation



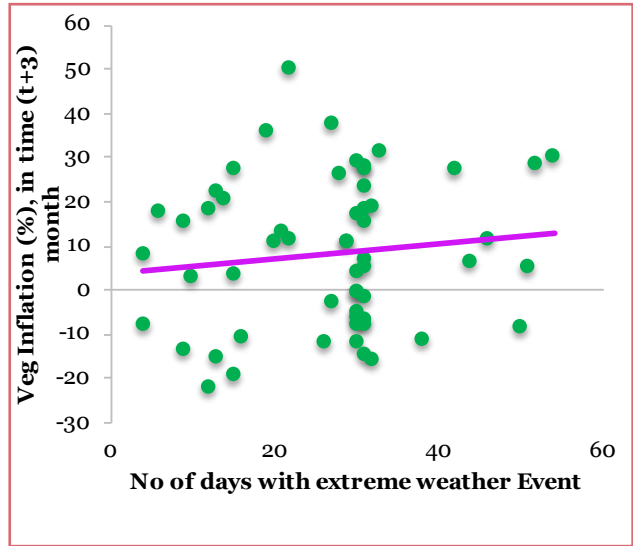
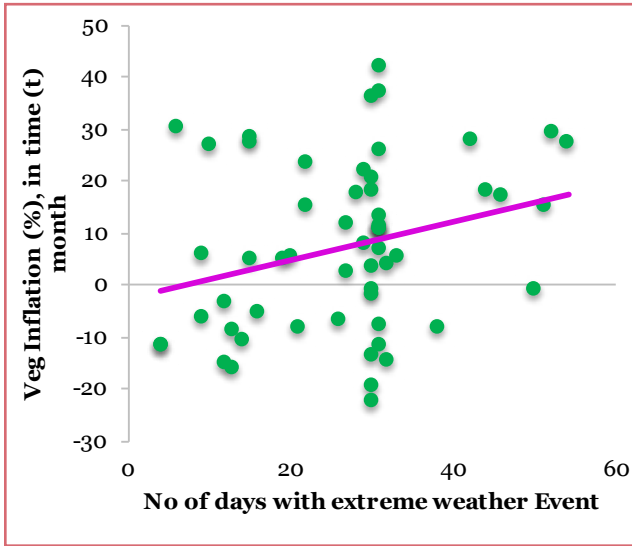
Source: Consumer Price Indices released by CSO, MoSPI

Headline and food inflation driven by few food items



Source: Consumer Price Indices released by CSO, MoSPI

Impact of extreme weather events on vegetable inflation: evident up to three months (April 2020-Dec 2024)



Source: Ministry of Earth Sciences and Consumer Price Indices released by CSO, MoSPI

Administrative measures to control food inflation

CEREALS

- ❖ Stock Limits on Wheat
- ❖ Open Market Sale Scheme: Wheat and Rice
- ❖ Sale Under Bharat Brand: Wheat Flour and Rice

PULSES

- ❖ Sale Under Bharat Brand: Chana, Moong and Masur Dal
- ❖ Duty-Free Import: Desi Chana, Tur, Urad, Masur and Yellow Peas
- ❖ Imposition of Stock Limits: Tur and Desi Chana

VEGETABLES

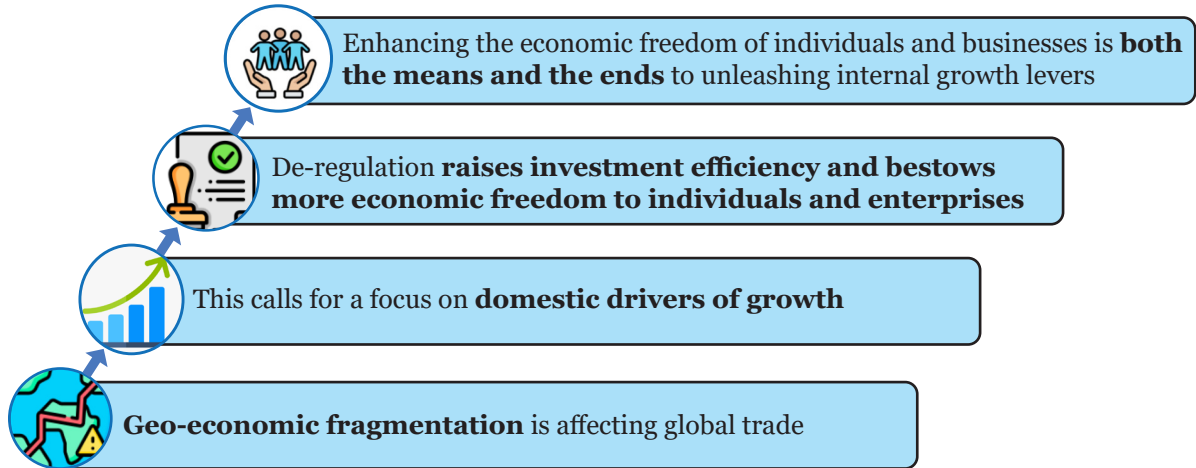
- ❖ Subsidised Sale of Onion and Tomato
- ❖ Buffer Stock of Onion



Source: Various PIB releases

Medium Term Outlook: Deregulation drives growth

Unleashing the domestic drivers of growth and the economic freedom of individuals and businesses



EoDB 2.0 - Undertaking systematic deregulation

Pursued in phase 1



Reduced compliance burden

Saving businesses time and admin costs



Streamlined system, process & info

Eliminating redundancies, clarifying process flows



Digitised system, process & info

Establishing digital means of interaction



Provided incentives

Extending special benefits to key sectors or clusters

To be pursued in phase 2



Liberalise standards and controls

Adopt 'minimum necessary, maximum feasible' norms



Set legal safeguards for enforcement

Ensuring due process of law via hierarchy of safeguards



Reduce tariff or fees

Reducing/removing fees/tariffs paid to govt for utilities



Use risk-based regulation

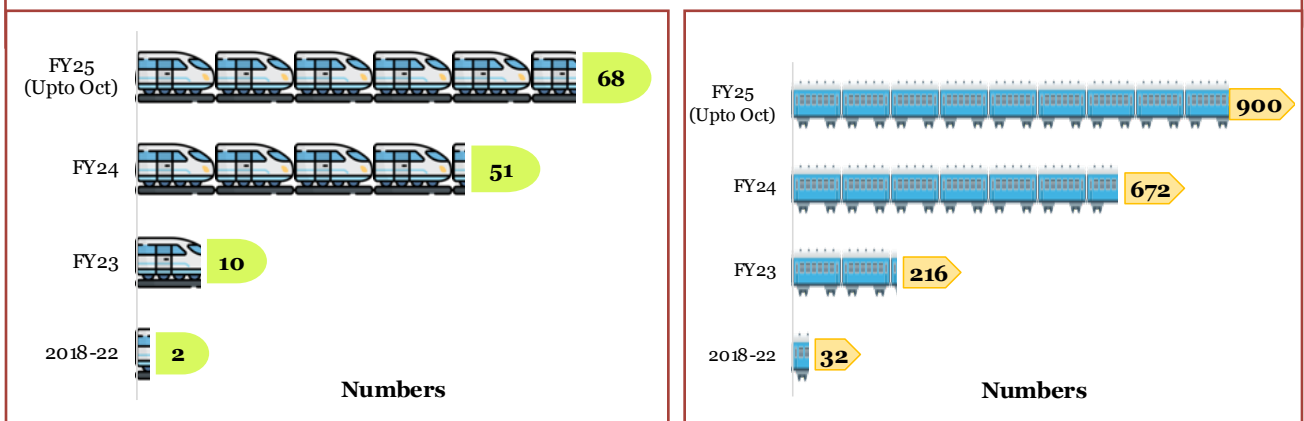
Tailor legal norms to risk profile, involve third parties

Investment and Infrastructure: Keeping it going

Progress in physical connectivity

Railways

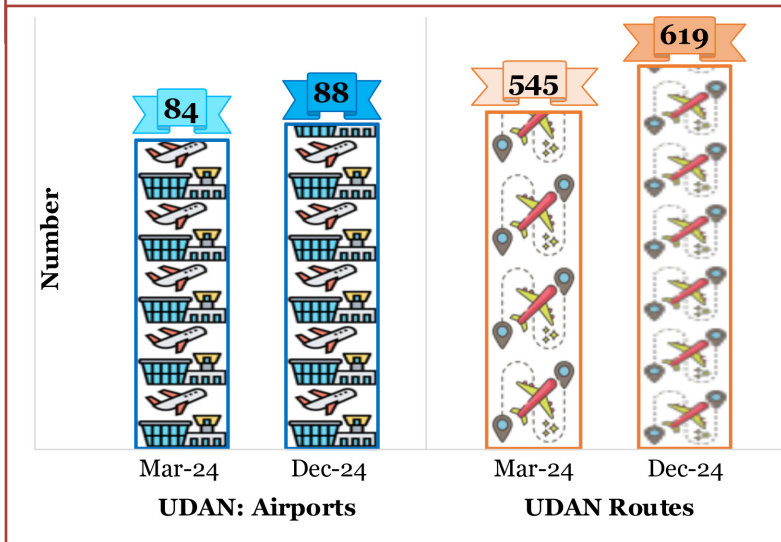
Cumulative no. of Vande Bharat trains and production of coaches



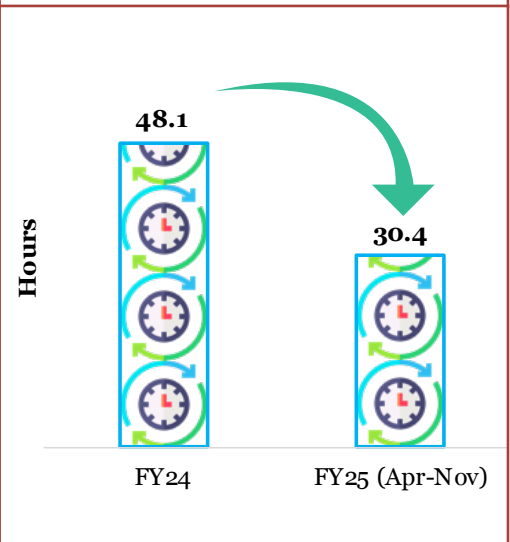
Source: Ministry of Railways

Civil aviation and ports and shipping

Operationalised airport and routes under RCS



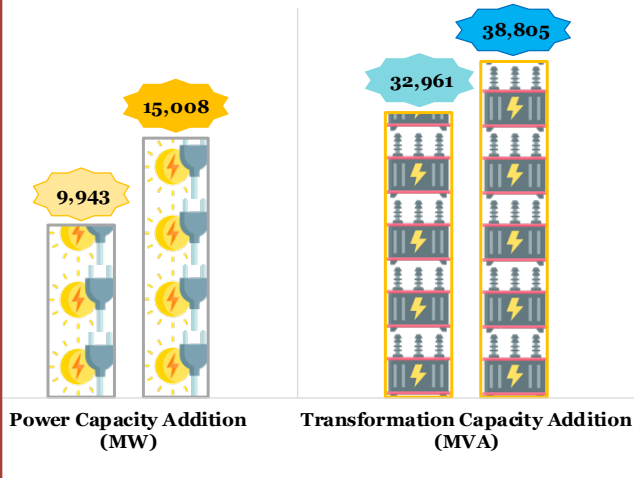
Reduction in average container turnaround time in major ports



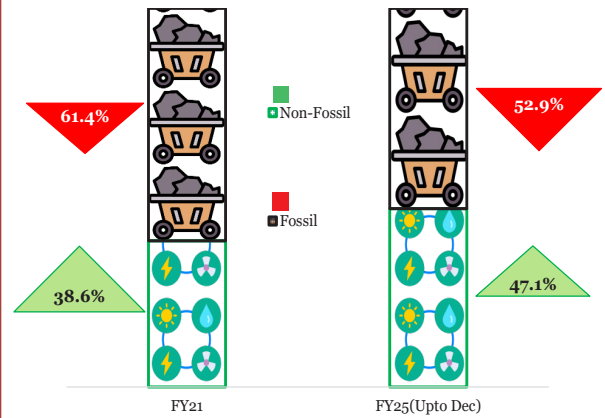
Source: Airport Authority of India Airport and JV/PPP airports, Ministry of Ports, Shipping and Waterways

Power sector

Capacity addition in the power sector



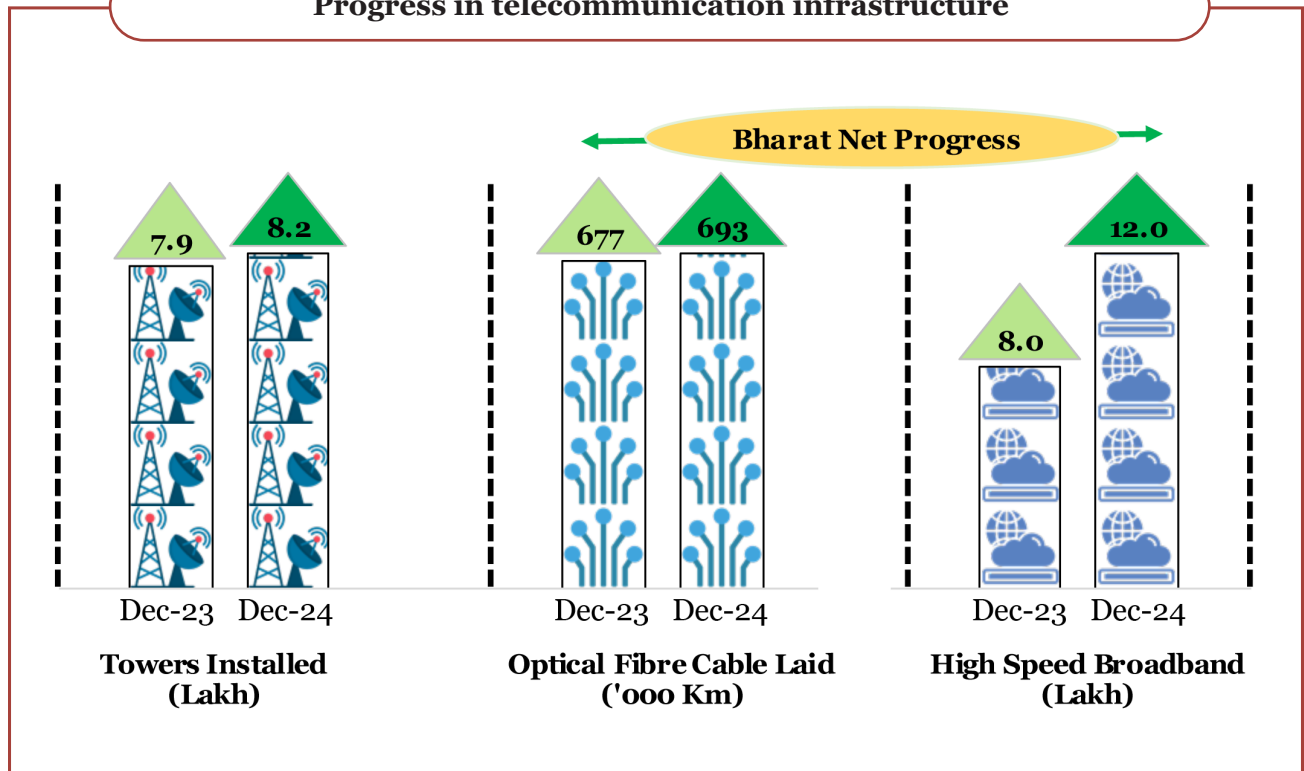
Growing reliance on renewables



Source: Executive Summary Report, Central Electricity Authority

Digital connectivity

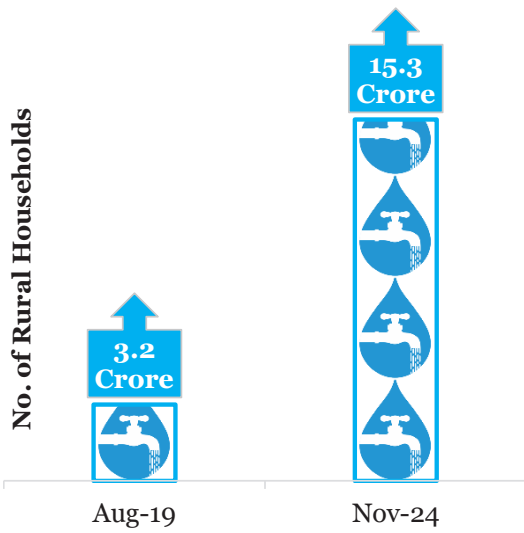
Progress in telecommunication infrastructure



Source: Digital Bharat Nidhi Dashboard, D/o Telecommunications, Ministry of Communications

Rural infrastructure

Progress under Jal Jeevan Mission: Access to safe piped drinking water

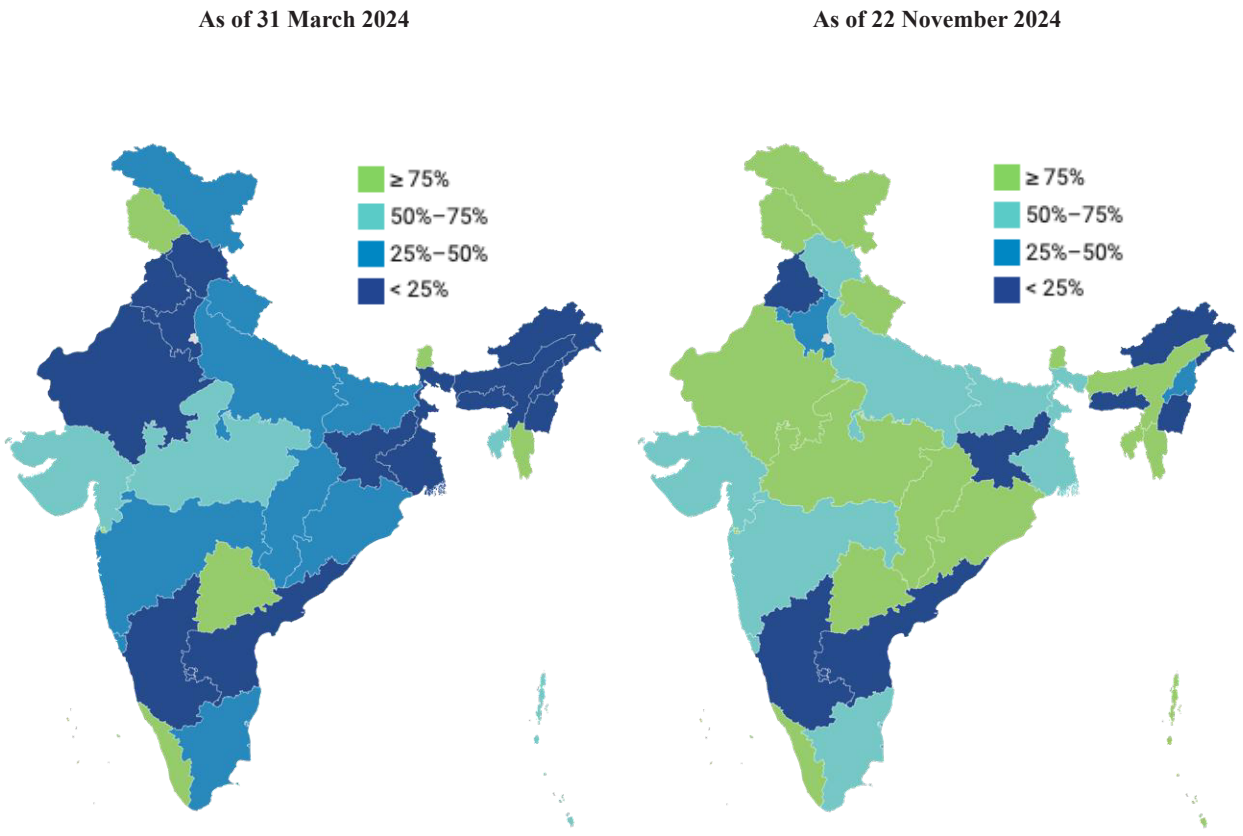


- States achieving full coverage under JJM:**

 1. Arunachal Pradesh
 2. Goa
 3. Haryana
 4. Himachal Pradesh
 5. Gujarat
 6. Punjab
 7. Telangana
 8. Mizoram

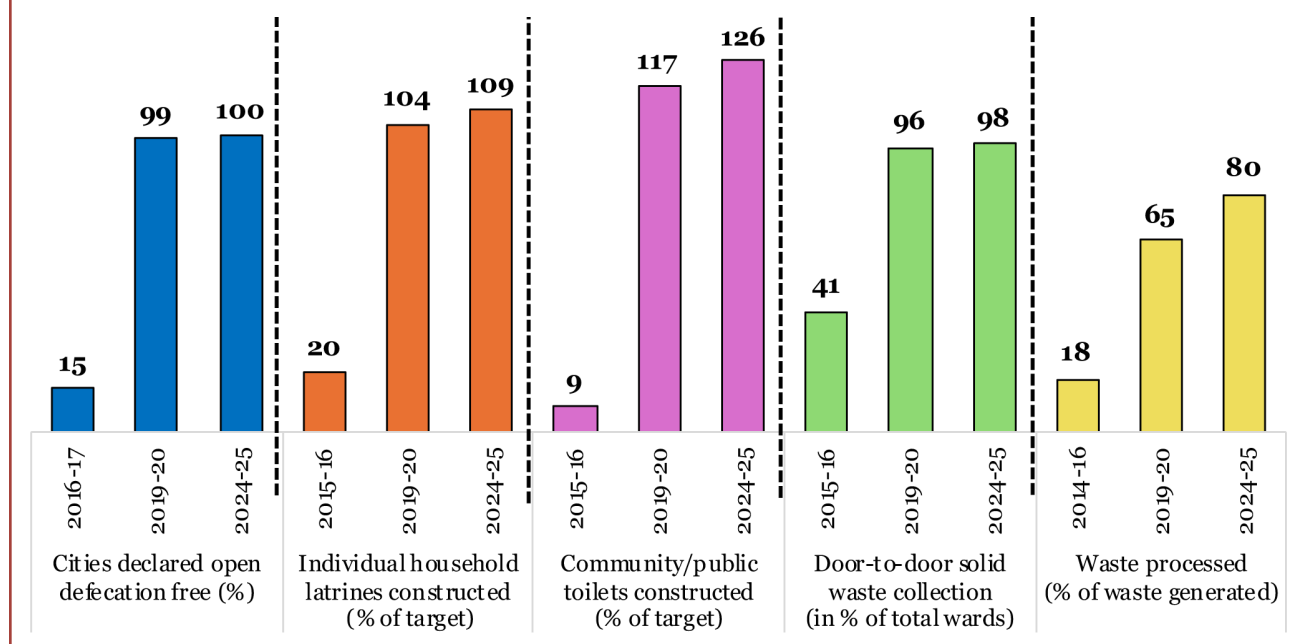
Source: Ministry of Jal Shakti

Increasing number of villages achieving ODF plus status



Urban infrastructure

Progress* under Swachh Bharat Mission-Urban



Source: M/o H&UA

* Note: As on 31st December 2024

Progress under various initiatives



Pradhan Mantri Awas Yojana – Urban: 1.18 crore houses have been sanctioned as of 25 Nov 2024



Urban transport: Metro rail systems: 1010 kilometres currently operational in 23 cities and an additional 980 kilometres underway



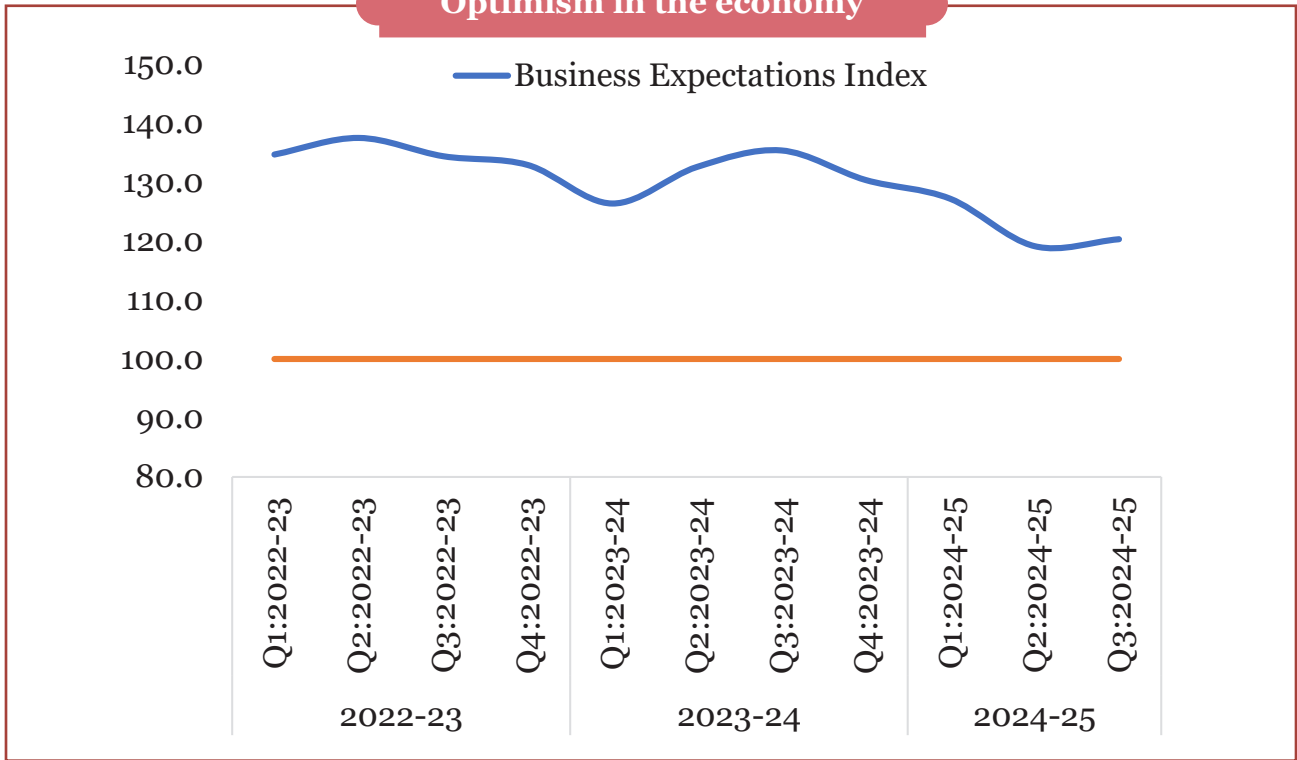
Atal Mission for Rejuvenation and Urban Transformation: tap water coverage increased to 70%, and sewerage coverage risen to 62%



Smart Cities Mission: 93% projects completed as of 13 Jan 2025

Industry: All about business reforms

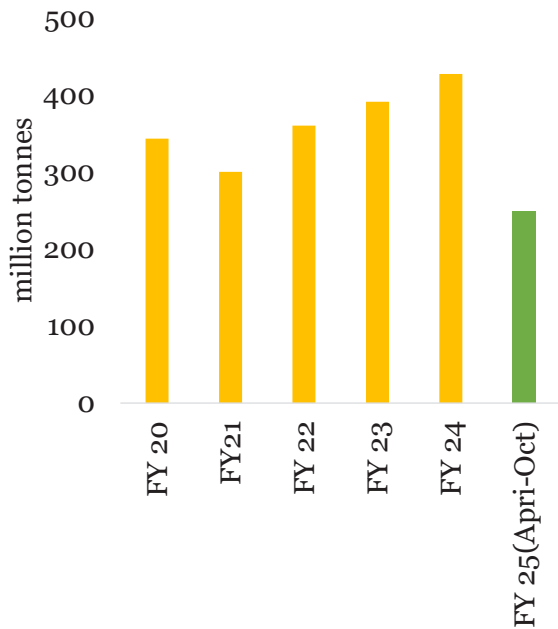
Optimism in the economy



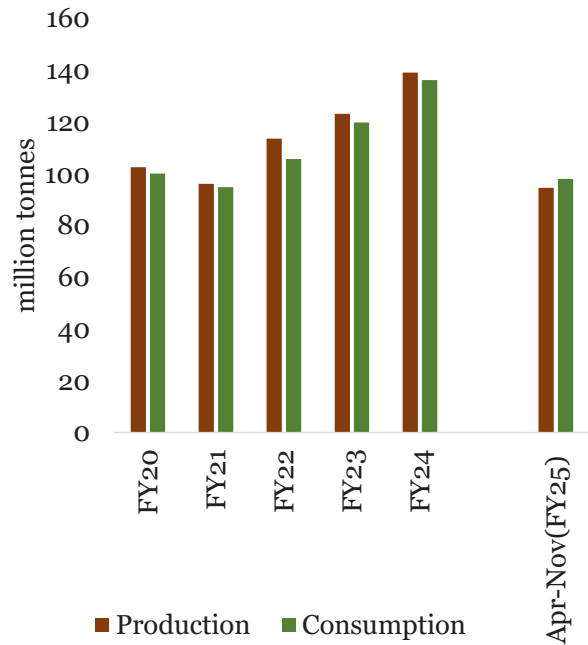
Note: >100 optimistic <100 pessimistic.

Growth in cement and steel production driving India's infrastructure

Rising cement production

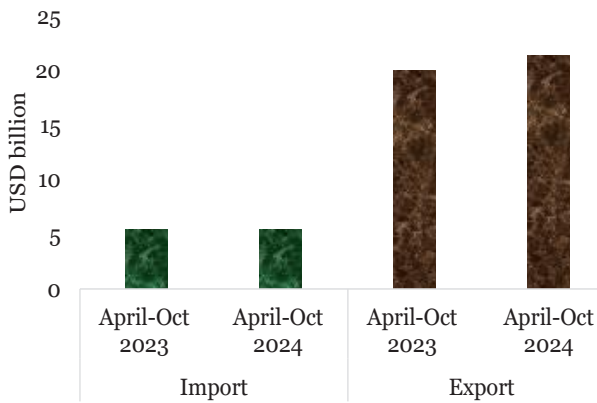


Steady increase in production and consumption of steel

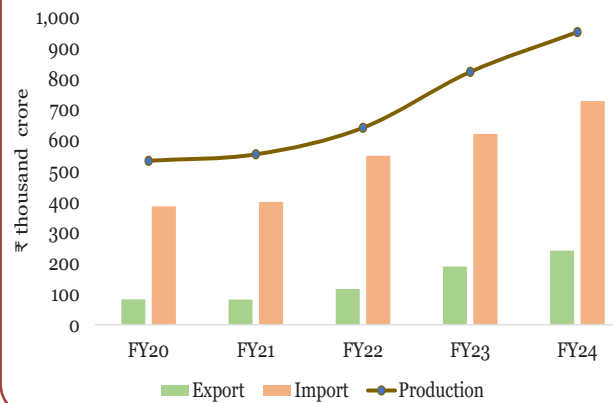


Performance of consumer goods industries

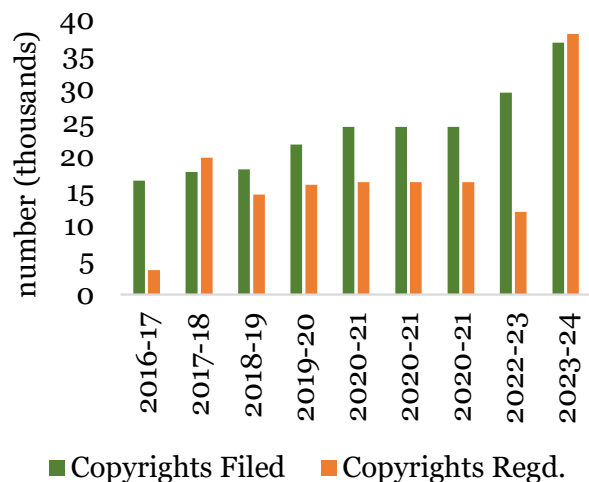
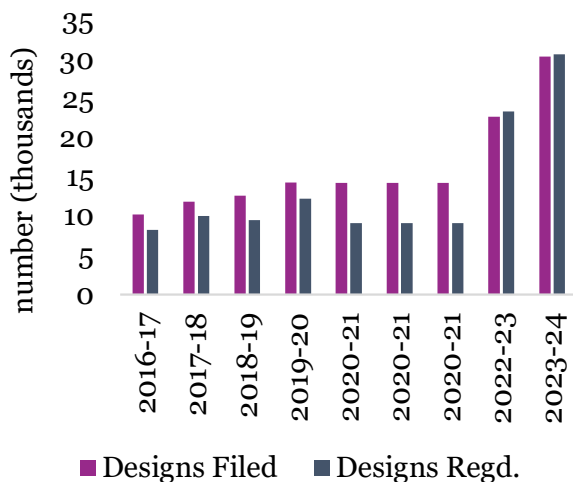
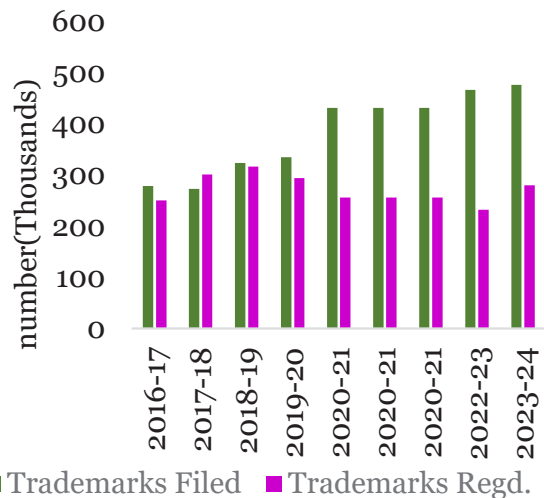
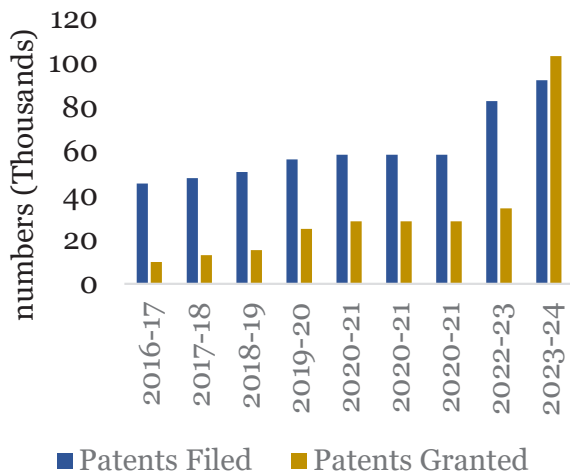
Growth in textile exports



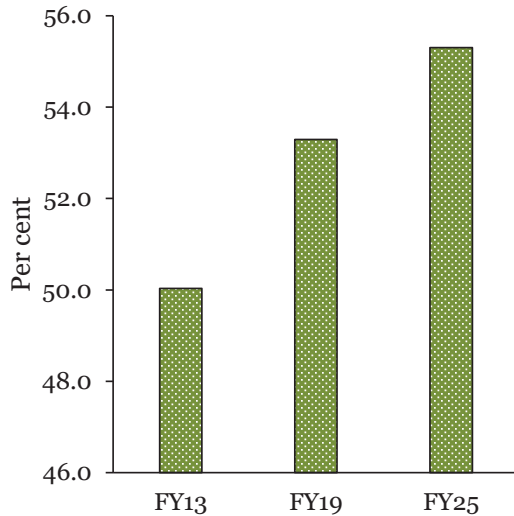
Increased momentum of electronics industry



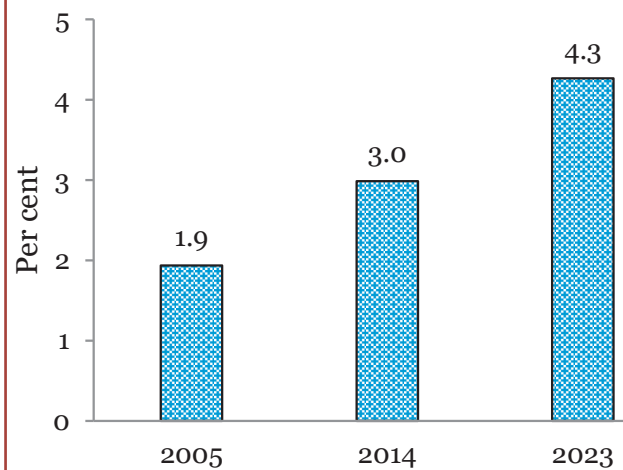
Intellectual properties are growing fast in India



Increasing trend of services sector share in GVA



India's increasing share in global services exports



Challenges, opportunities and way forward for services

New Challenges

Offshore Work

Traditional apprenticeship model faces challenges of inadequate direct supervision, language barriers, information gaps and differences in regulatory provisions across countries

Opportunities

Servicification

- ◆ Increasing demand for embedded services
- ◆ Adoption of digital technologies and AI in services and manufacturing
- ◆ Encashing the strength of global trade in services

Way Forward

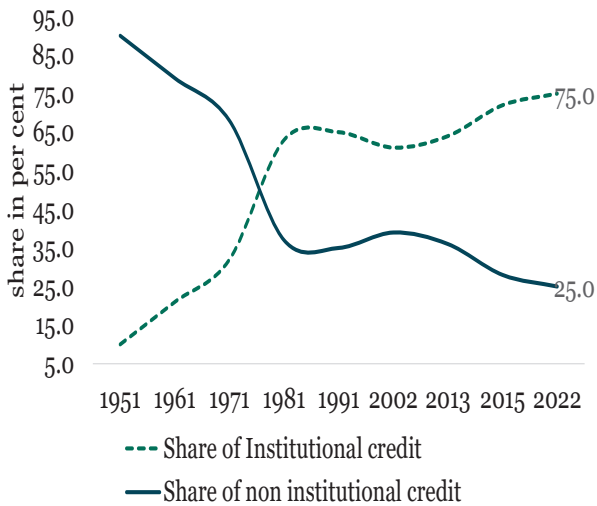
Policy support

Appropriate skilling to reap benefits of digital revolution

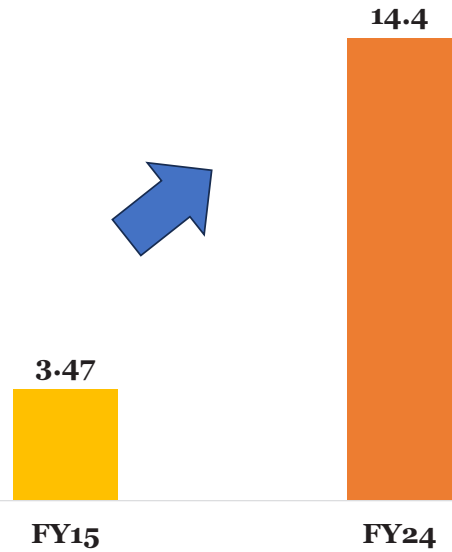
Reform grassroot-level procedures and regulations that hinder growth

Agriculture and Food Management: Sector of the future

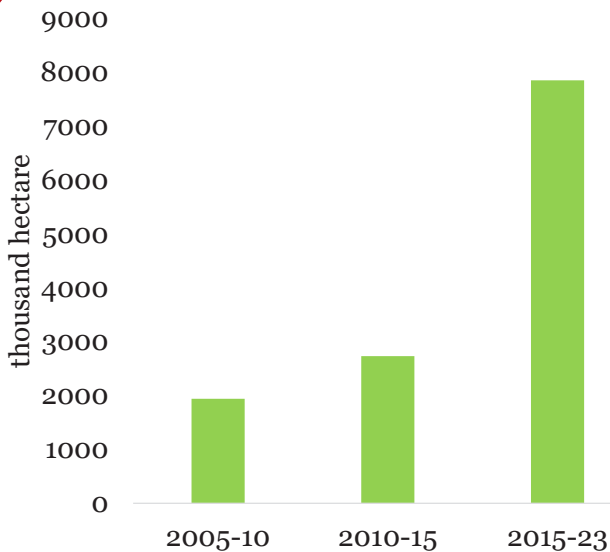
Decline in share of non-institutional credit



Growth in credit flow to small and marginal farmers (₹ in Lakh Crores)



Increase in area under micro-irrigation



Promoting sustainable farming: major measures



10 Climate & Environment: Adaptation matters

Challenges and priorities for India

Challenges

High economic growth to achieve the status of a developed country by 2047 and also become net zero by 2070

International support on finance and technology is highly inadequate. India meets its requirements largely from its own budgetary sources. A small NCQG of USD 300 billion has been set

Follow a low-carbon development path while ensuring job creation and affordable energy security for all, given the limitation of renewable energy

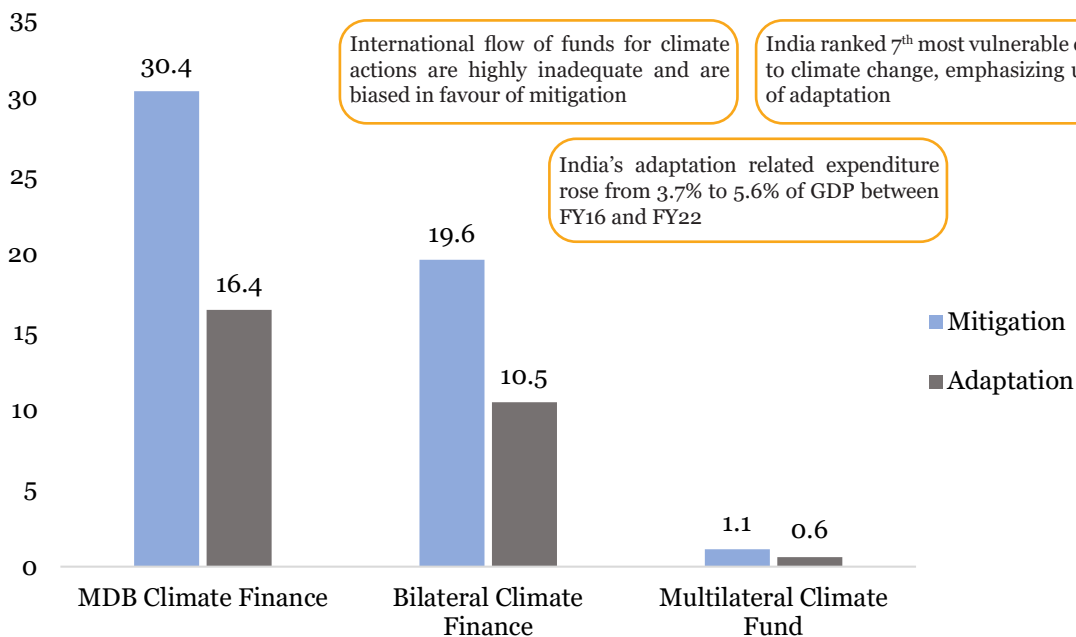
Priorities

Bringing adaptation to the forefront given higher vulnerability to climate change

Reducing emission intensity of its indispensable thermal power through adoption of super-critical (SC), ultra-super-critical (USC) and Advanced Ultra Super Critical (AUSC) technologies

Also focus on environmental sustainability through moderation of consumption and production habits as envisaged under Mission LiFE

Mitigation bias in international flow of funds



International flow of funds for climate actions are highly inadequate and are biased in favour of mitigation

India ranked 7th most vulnerable country to climate change, emphasizing urgency of adaptation

India's adaptation related expenditure rose from 3.7% to 5.6% of GDP between FY16 and FY22

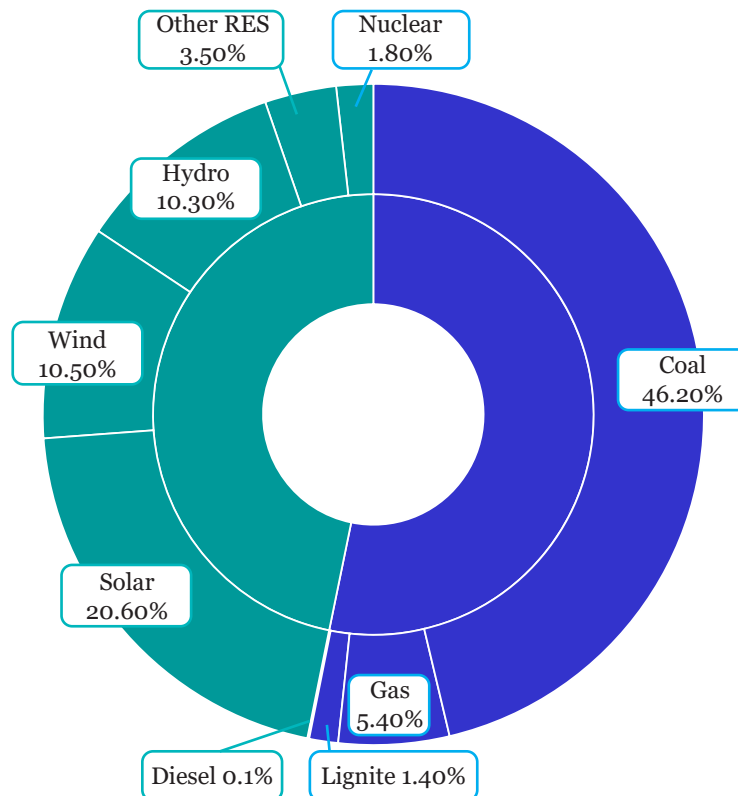
Progress towards India's NDCs

Renewable energy

Against the updated NDC target of 50 per cent by 2030, installed electricity generation capacity from non-fossil fuel sources has reached 46.8 per cent as on 30 November 2024

Forest cover

As per the latest Forest Survey of India 2024, an additional carbon sink of 2.29 billion tonnes CO₂ eq. has been created between 2005 and 2023 against the NDC target of creating an additional carbon sink of 2.5 to 3 billion tonnes CO₂ eq. by 2030



Climate initiatives

India's achievements on its climate commitments is attributed to a wide variety of schemes, policies, financial incentives and regulatory measures to boost renewable energy and green investments

Lifestyle for Environment (LiFE): Harnessing the power of collective action for environment

Power of Collective Action

Lifestyle change by 13% of global population can reduce carbon emission by 20 per cent.

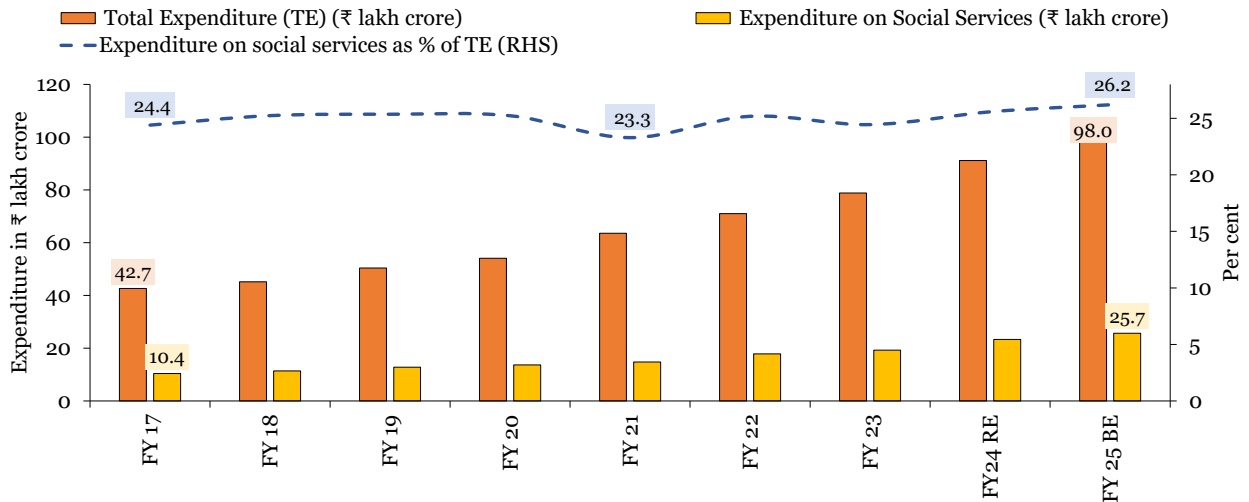
Finishing the food on plate can avoid 90 kgs of annual food waste per person.

Carpool can reduce 780,000 rides per day save 380 million litres of fuel in India.

Recycling one ton of newspaper can avoid 25,000 litres of water wastage.

Social Sector: Extending reach and driving empowerment

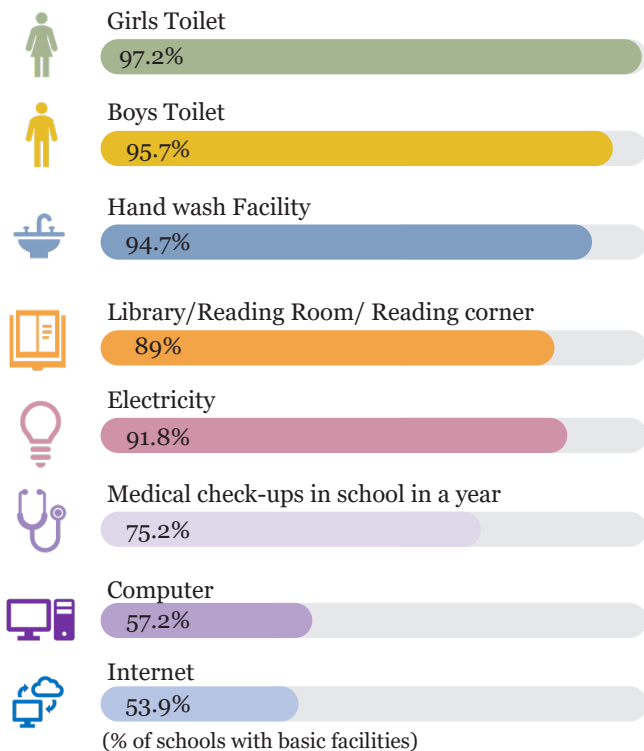
Increase in social services expenditure (Union+States)



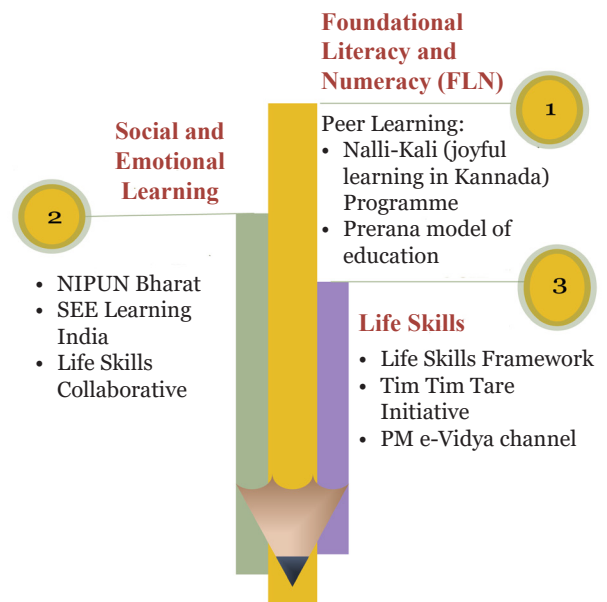
Note: As per the Ministry of Education (MoE) estimates, the total expenditure on education is ₹ 9.7 Lakh Crore for FY 22(BE).

Building strong foundations for lifelong learning

Improving Basic Facilities in Schools



Building Blocks for a Better Education



Powering rural economy

Pradhan Mantri Gram Sadak Yojana (PMGSY)

7,70,983 km of road length completed

Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)

2.69 crore houses completed

Jal Jeevan Mission

12.2 crore households provided with tap water connections

Swachh Bharat Mission (Gramin)

11.8 crore toilets and 2.51 lakh community sanitary complexes constructed

Mission Amrit Sarovar

68,843 ponds constructed

National Health Mission - Rural

165.6k Sub-centres (SCs)
25.4k Primary Health Centres (PHCs)
5.5k Community Health Centres (CHCs)

Saansad Adarsh Gram Yojana (SAGY)

3,361 Gram Panchayats (GPs) adopted by MPs

Health for all

Affordable Medicine and Immunisation



Over 14000 Jan Aushadhi Kendras



Full immunisation coverage for FY 2023-24 at 93.5 per cent nationally



Insuring health and building Care



Ayushman Bharat Pradhan Mantri Jan Arogya Yojana: Over 36.36 crore Ayushman cards have been issued



Over 1,75,560 Ayushman Arogya Mandirs operationalised with a footfall of over 370 crore

Disruptive technology provides seamless and equitable Healthcare.



72.81 crore ABHA ids created



Under U-WIN 1.7 crore pregnant women & 5.4 crore children tracked; 26.4 crore vaccine doses monitored

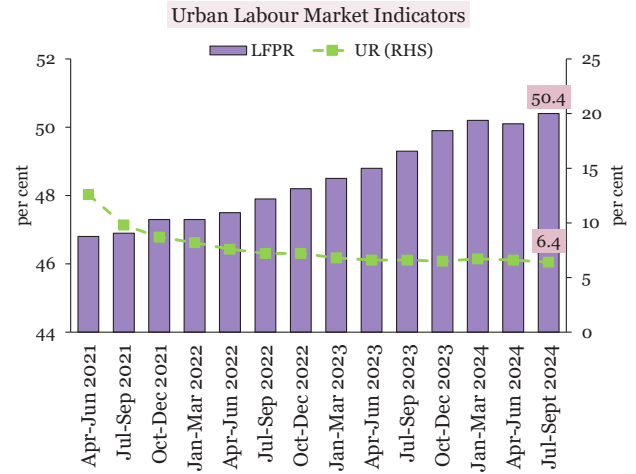
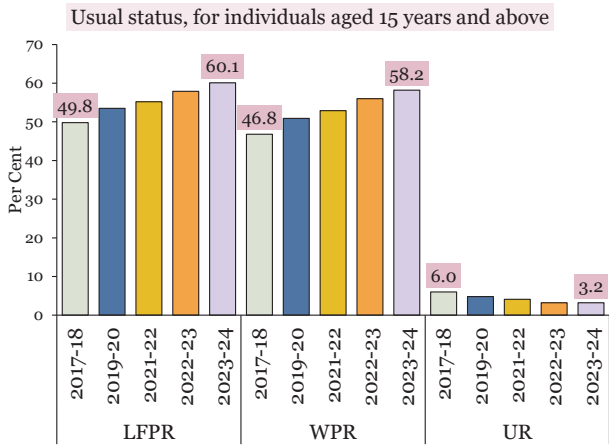


E-Sanjeevani: Serving 31.19 crore patients

Note: As per the latest available figures.

Employment and Skill Development: Existential priorities

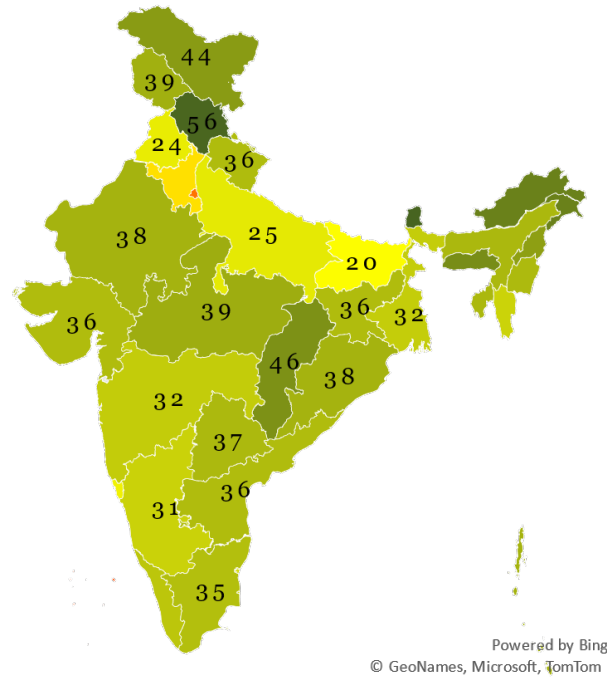
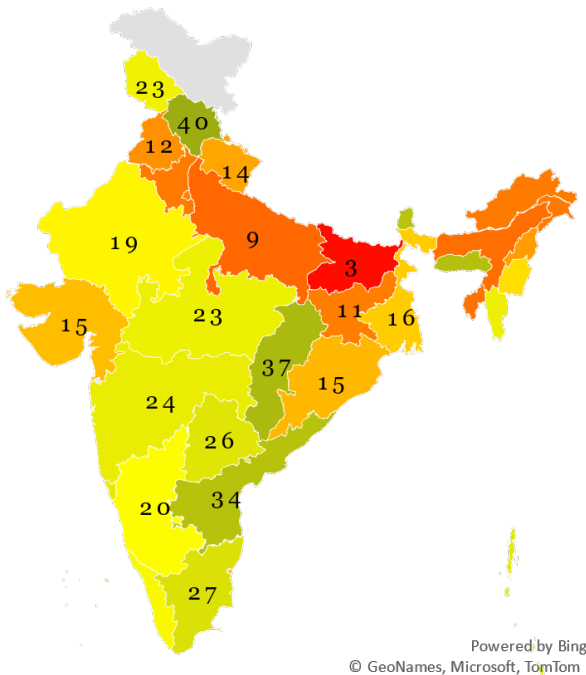
Improving labour market indicators



Source: Periodic Labour Force Survey (PLFS) annual reports. *MoSPI*
 Note: LFPR: labour force participation rate
 WPR: worker population ratio
 UR: unemployment rate

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

Increase in female labour force participation rate

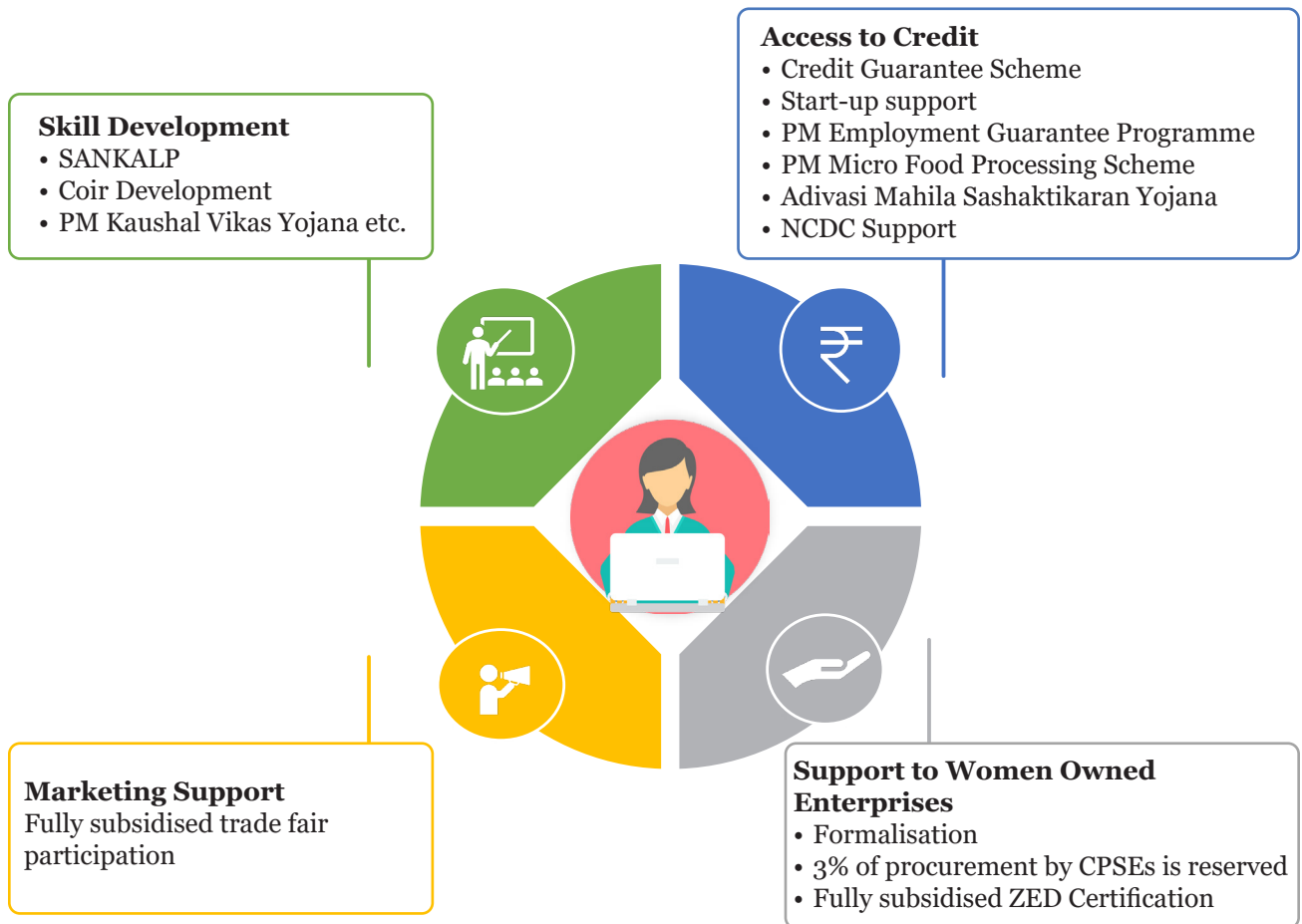


2017-18 2 20 60

2023-24 10 20 60

Boosting female labour force participation

Harnessing the power of women entrepreneurs



Driving job opportunities

Harnessing the Digital Economy for Job Creation



India's digital economy is projected to surpass USD one trillion by 2025.



The gig workforce is projected to reach 2.35 crore by 2029-30.

Building a green workforce



Jobs in the renewable energy sector reached an estimated 1.02 million in 2023.



Hydropower employs ~453K in India's renewable sector, contributing 20% of global jobs globally.

Skilling for a changing world



Reskilling & upskilling

- **CTS at ITIs:** 1.24 Cr enrolled for long-term training
- **PMKVY:** 1.57 Cr trained; 1.21 Cr certified (STT, SP, RPL)
- **JSS:** 27L trained; 26L certified



Women participation

- **PMKVY:** Women's participation is 58 % (FY25)
- **JSS:** Women form 82% of total beneficiaries
- **ITI/NSTI:** Women's participation increased from 9.8% (FY16) to 13.3% (FY24)
- **NAPS:** Women's share grew from 7.7% (FY17) to 22.8% (FY25)



International mobility

- Bilateral partnerships
- G2G Memorandums of Understanding
- Skill India International Centers
- Pre-Departure Orientation Training



New age & future skills

- **NCVET:** 200+ new-age & future skill courses approved
- **PMKVY:** 4.65L enrolled; 3.02L completed; ~98K in training
- **ITIs:** 29 new-age courses added under CTS



Industry partnerships

- **NAPS Portal:** Registered establishments reached 2.38L; 37.94L apprentices engaged
- **New ITI Upgradation Scheme (2024):** Upgrade 1,000 ITIs in hub-and-spoke
- 20L youth to be trained over 5 years in industry-aligned courses



Digital public infrastructure for skilling

- **Skill India Digital Hub Portal:** A transformative platform to empower the skill ecosystem.
- **Democratising Skills:** Easy access to industry-aligned courses.

A Future for human centric automation



Deployment of AI presents both **opportunities** and **challenges** for a **labour rich India**



Past technology revolutions, **when not carefully managed**, have been **painful** with long-lasting adverse impacts



Mitigating the risks to India's labour markets requires robust **Enabling, Insuring, and Stewarding Institutions**



Careful deployment optimised over a long horizon can ensure AI augments labour and delivers broad-based societal benefits



Coordinated efforts between the government, private sector, and academia is required for a future of work where AI is '**Labour Augmenting**' rather than '**Labour Replacing**'

Challenges to scaling AI



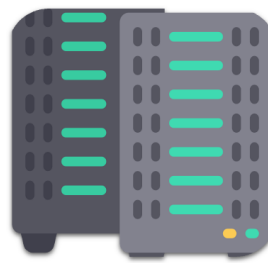
Practicality

Translating breakthroughs into practical, widely adopted applications remains challenging, as AI currently shows experimental and uneven utility



Reliability

Ensuring AI reliability is critical for real-world applications, as failures in key industries like autonomous vehicles or healthcare can prove problematic



Infrastructure

AI at scale requires substantial investments in infrastructure, including data centres, clean data pipelines, and computational resources



Resources

Large Models are resource intensive, requiring high energy consumption, dependency on scarce minerals for hardware, and finance, making sustainable innovation essential



सत्यमेव जयते
Government of India

आर्थिक कार्य विभाग
**DEPARTMENT OF
ECONOMIC AFFAIRS**