



The image features a dark blue background with a faint, glowing line graph showing an upward trend. In the foreground, there are four stacks of gold coins of increasing height from left to right. The text "ECONOMIC SURVEY" is prominently displayed in the center in a bold, yellow, sans-serif font.

# ECONOMIC SURVEY

**Economic Survey 2021-22**



## **Key Highlights**

- ✚ The GDP growth rate for the fiscal year FY23 is pegged at 8-8.5%.
- ✚ Economic Survey expects FY22 India's GDP growth to be at 9.2 % after contracting -7.3% in FY21.
- ✚ The said growth is supported by widespread vaccination drive, gains from supply side reforms and easing regulations, robust export growth and availability of fiscal space to ramp up capital spending.
- ✚ Growth projections is based on oil projection of \$70-75 Per barrel in FY23 against current price of \$90
- ✚ Agriculture grew by 3.9% in FY22 after growing 3.6% in FY21.
- ✚ Contact Intensive Service sector to grow at 8.2% in FY22, although the spread of Omicron variant brings in a degree of uncertainty for near term.
- ✚ Service sector continues to be one of the key driver of India's and contributes over 50% to GDP.
- ✚ The GDP growth of Industry is pegged at 11.8% in FY22 after contracting -7.0% in FY21.
- ✚ The inflation has reappeared as global phenomena due to surge in energy prices, disruption in global supply chains, increase in in-put costs and freight costs.
- ✚ Retail Inflation during April-December FY22 stood at 5.2% from 6.6% in the corresponding period of FY21
- ✚ WPI inflation increased to 12.5% in Apr-Dec FY22 and remained high during the current fiscal due to low base in previous year, pickup in economic activity, Sharp increase in international prices of crude oil and other imported inputs and high freight costs.
- ✚ In order to achieve ambitious GDP target of \$5 trillion by FY25, India needs to spend about \$1.4 trillion over these years in infrastructure.
- ✚ Railways capital expenditure has seen substantial increase from an average Rs.45980crs during FY09-14 to Rs.155,181 crsin FY21& has been budgeted to further increase to Rs.215,058.
- ✚ Per day road construction increased to 36.5 kms in FY21, a rise of 30.4% compared to the previous year.
- ✚ Over all, during Apr-Nov 2021, Rs.1.81 lakh crore have been raised through equity issues via diverse mode viz: IPO, rights, QIP, and preferential issue.
- ✚ Combination of high foreign exchange reserves (\$634 bn as on Dec 2021), sustained foreign direct investment (\$48.4 bn Apr-Oct 2021), and rising export earnings will provide adequate buffer against possible global liquidity tapering in FY23.
- ✚ Bank credit growth stands at 9.2% as on Dec 2021 as against 5.3% in the beginning of April 2021.
- ✚ Sharp surge in receipts from the Central Government (Apr-Nov, FY21) by 67.2% as against expected growth of 9.6% in FY22 budget estimates
- ✚ Further sharp surge in of 80% in non-tax revenues which was on account of RBI's surplus transfer of Rs.991 bn further bolstered the central kitty.
- ✚ The Budget FY22 has envisaged to mobilize Rs.,1.75 lakh crs through disinvestment and government has been able to raise Rs.9330 crs so far.
- ✚ National Monetization pipeline (NPM) has estimated aggregate monetization potential of Rs.6.0 lac crores through sale of core assets of Central Government over a four year period of FY22-25.
- ✚ Fiscal deficit for April to Nov, 2021 has been contained at 46.2% of BE of Rs.15.07 lac crs, which is nearly one third of the proportion reached during the same period of the previous two years.
- ✚ In April-November 2021 Rs 89,066 crore was raised through 75 IPO issues versus 29 companies which raised Rs 14,733 crore in the same period in 2020.



- ✚ Unified Payments Interface (UPI) is currently the single largest retail payment with the country seeing 4.6 billion transactions worth Rs.8.26 lac crs in December 2021 alone. One of the main objective of UPI was to replace cash for low value transaction.
- ✚ Index of Industrial Production (IIP) grew at 17.4% YoY during April-Nov, 2021 as compared to -15.3 % in April-Nov, 2020.
- ✚ Net profit to sales ratio of large corporates reached an all-time high of 10.6% in July-Sep quarter of 2021-22 despite the pandemic (RBI Study).
- ✚ 157.94 crore doses of COVID-19 vaccines was administered as on 16th January 2022; 91.39 crore first dose and 66.05 crore second dose.
- ✚ With revival of economy, employment indicators bounced back to pre-pandemic levels during last quarter of 2020-21.
- ✚ In August 2021, the Plastic Waste Management Amendment Rules, 2021, was notified which is aimed at phasing out single use plastic by 2022.
- ✚ Over all macro-economic stability indicators suggests that the Indian economy is well placed to take challenges of FY23.



**Aum Capital RESEARCH DESK**

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