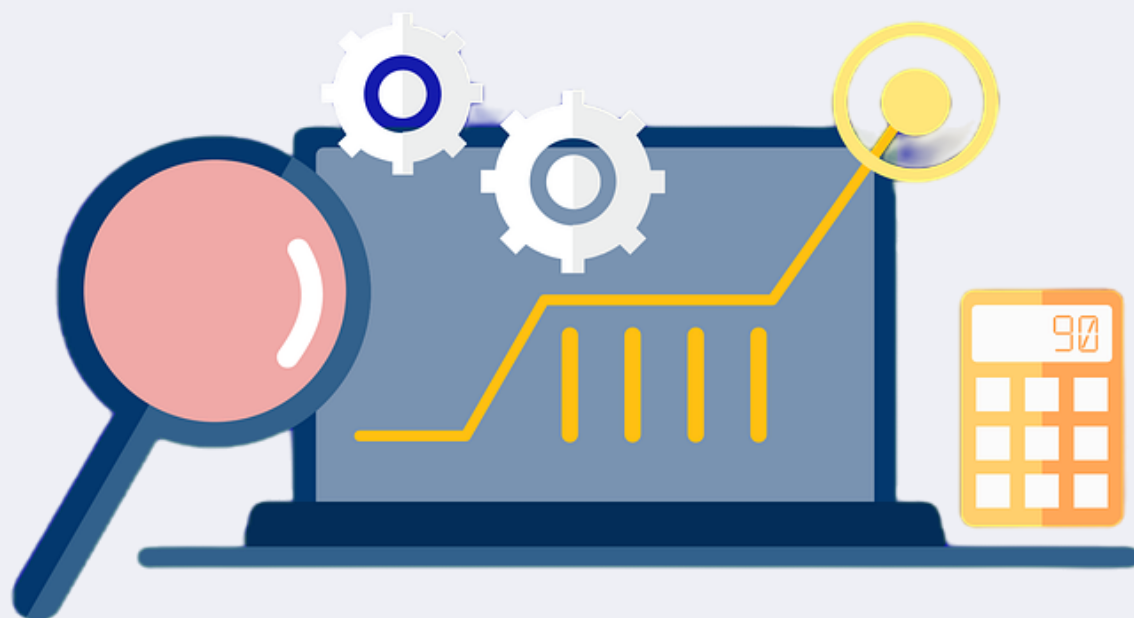


ECONOMIC SURVEY

2022 - 2023



Introduction

The Indian economic survey 2022-23 comes on the background of a dip in the projected growth of the world economy to 2.9% in 2023 from an estimated 3.4% in 2022. India's projected economic growth remained at an average of 6.8% for 2023, which is higher than most of the developed economies. The increased private consumption and increase in the capital expenditure by the government were among the key drivers to boost production and capacity utilisation across the sectors.

The introduction of ease of living and ease of doing business in the recent years has reflected in the economy's robust growth. Bringing back contact-based services like restaurants, hotels, malls managed to get back the people safely to their physical work environments. The post-pandemic recovery along with the government measures have resulted in generating employment as is evident from the declining urban unemployment rate and in the faster net registration in Employee Provident Fund.

India had a good monsoon and holds increased water reservoir levels compared to a decade-back. The government's approach in carefully and consciously framing the policies is the key in maintaining a sustainable recovery amidst the global uncertainties. The present economic survey assesses India's medium-term economic outlook as 'bright'.

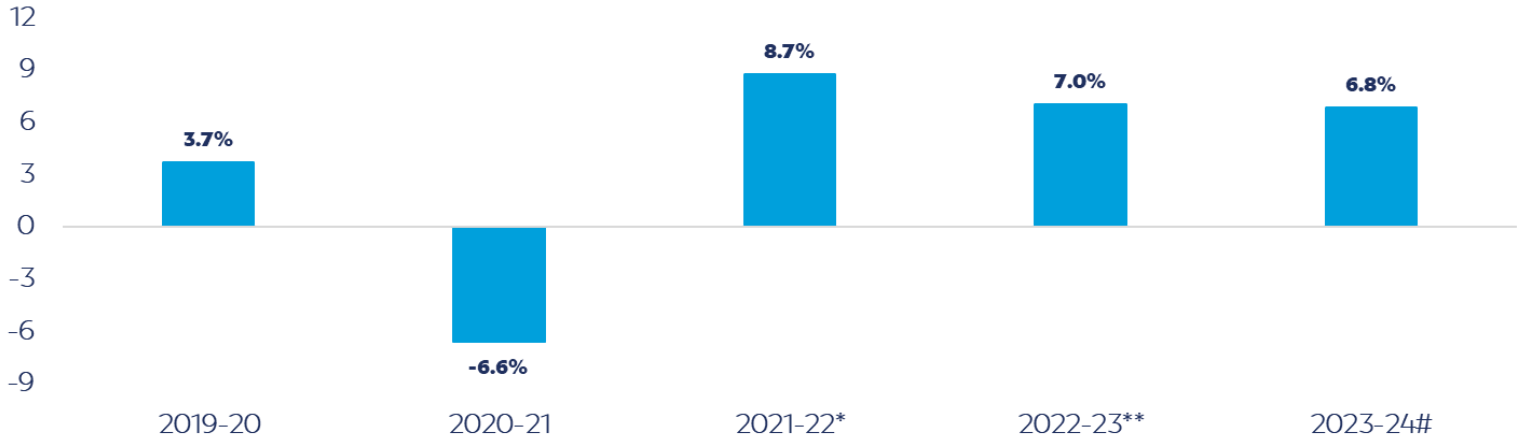


Source: pib.gov.in, Economic survey 2022-23 - Government of India

Numbers that matter

Gross domestic product (GDP) growth rate

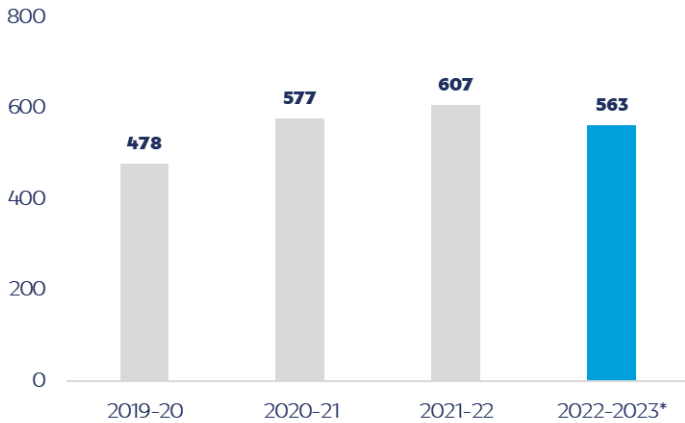
At constant prices



*Provisional estimates (PE), **1st Advance estimates, #Projected

Foreign exchange reserves

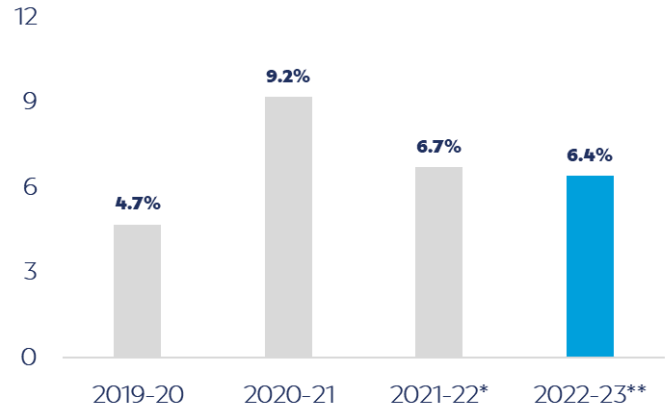
In US\$ billion at year end



*Dec end

Fiscal deficit

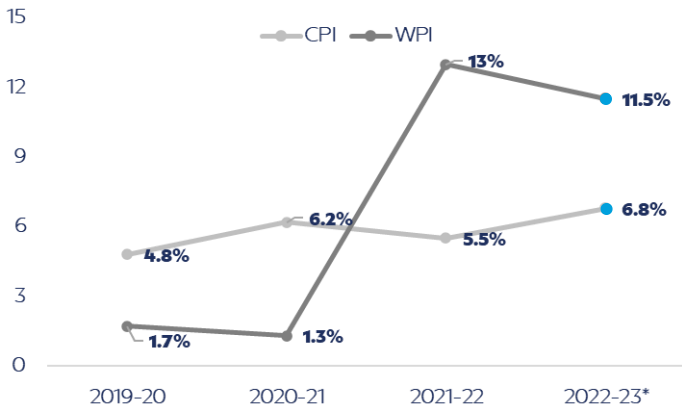
% of GDP



* Provisional actuals, ** Budget estimates

Inflation

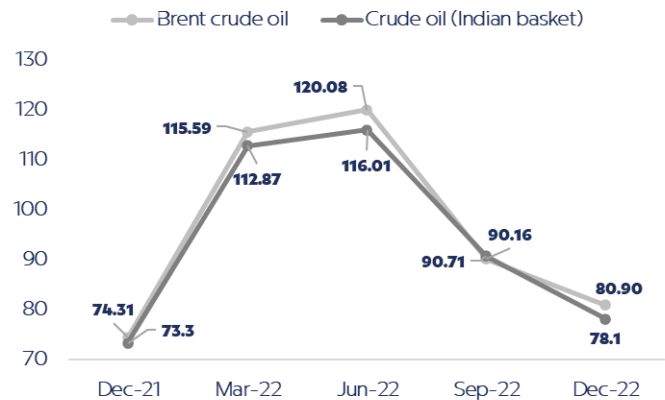
Average



* Apr-Dec 2022
CPI: Consumer Price Index, WPI: Wholesale Price Index

Crude oil prices

Price (US\$/bbl)



Source: pib.gov.in, Economic survey 2022-23, Government of India, IMF Economic Outlook Update-January 2023.

Sectoral highlights

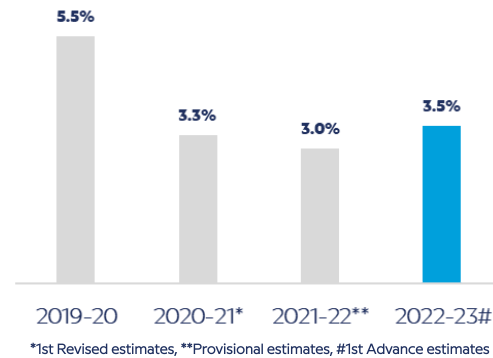
Agriculture & allied



- 65% (2021 data) of the population lives in rural areas and 47% of the population is dependent on agriculture for livelihood.
- India emerged as a net exporter of agricultural products, with exports in FY 2021-22 touching a record US\$ 50.2 billion.
- Foodgrains and horticulture production for 2021-22 stood at 315.7 and 342.3 million tonnes respectively.

Agriculture & allied

Growth rate of gross value added (GVA) at basic prices



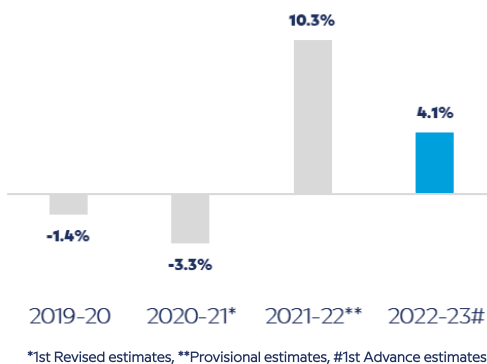
Industry

Growth rate of GVA at basic prices

Industry



- Industry holds a prominent position in the Indian economy, accounting for more than 30% of GDP.
- In FY23, the industry sector witnessed a modest growth of 4.1%.
- Overall GVA by the industrial sector (for the first half of FY 22-23) rose by 3.7%.



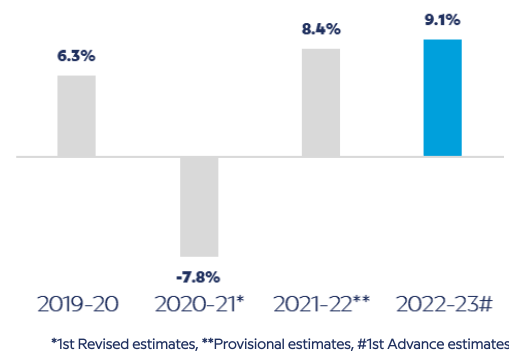
Services



- As per the first advance estimates, 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.
- The services sector grew Year-on-Year (YoY) at 8.4% in FY22 compared to a contraction of 7.8% in the previous FY.
- US\$ 7.1 billion FDI equity inflows in services sector in FY22.

Services

Growth rate of GVA at basic prices



Source: pib.gov.in, Economic survey 2022-23, Government of India, IMF Economic Outlook Update-January 2023.

Economic outlook

- On the background of slow global forecasts India makes a strong recovery in FY 2021-22 ahead of many nations by positioning itself on the pre-pandemic growth track by FY 2022-23.
- The International Monetary Fund (IMF) estimates India to be one of the top two fast-growing significant economies in 2022. In its World Economic Outlook Update, the IMF has forecast India's GDP for 2023 at 6.1% and for 2024 at 6.8%.
- Two major growth drivers for FY 2022-23 were:
 - increase in the private consumption
 - increase in the capital expenditure (Capex) by the central government
- Private consumption replaced the export stimulus and capex increased by 63.4% in the first 8 months of FY 2022-23.

Exports

- India's overall export in April-December 2022 exhibited a positive growth of 16% in dollar terms over the same period last year.
- India is the largest recipient of remittances globally receiving US\$ 100 billion in 2022 as estimated by World Bank.
- Merchandise exports were US\$ 332.8 billion for April-December 2022 exhibiting a growth of 16% over corresponding period of FY 2021-22.

Foreign investments

- Increased from 2.2% to 2.6% as a proportion of GDP.
- FDI inflows rose to 76% at US\$ 21.3 billion in FY 2021-22 from FY 2020-21.

Forex reserves

- Sufficient foreign exchange (forex) reserves to finance the CAD and intervene in the forex market to manage volatility in the Indian rupee (INR).
- 6th largest foreign exchange reserves holder in the world.

Climate change and environment

- Committed to zero pledge, for achieving net zero emissions goal by 2070.
- Achieved Nationally Determined Contribution (NDC) target of 40% of installed electric capacity from non-fossil fuel resources by 2030.
- A favoured destination for renewables; investments in 7 years stand at US\$ 78.1 billion.
- National Green Hydrogen Mission to lead to production capacity of at least 5 MMT of green hydrogen per annum by 2030.

Source: pib.gov.in, Economic survey 2022-23, Government of India, IMF Economic Outlook Update-January 2023.

Economic outlook

Fiscal revenue

- The gross tax revenues registered a YoY growth of 15.5 % from April to November 2022.
- GST taxpayers doubled in 2022 to 1.4 crores and gross GST collections were INR 13.40 lakh crores from April 2022 to December 2022 indicating 24.8 % rise.

Digital public infrastructure

- UPI touched its highest ever mark with 782 crore transactions as at December 2022. UPI-based transactions grew in value (121%) and volume (115%) terms, between 2019-2022, paving the way for its international adoption
- Indian economy has also started benefiting from the efficiency gains resulting from greater formalisation, higher financial inclusion, and economic opportunities created by digital technology-based economic reforms.

Monetary management and financial intermediation

- Non-performing assets (NPAs) declined for NBFCs from 7.2% as at June 2021 to 5.9% as at September 2022.
- The Capital-to-Risk Weighted Assets Ratio (CRAR) remains healthy at 16.0.

// India is the 3rd largest economy in the world in purchasing power parity (PPP) terms and the 5th largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY2022-23 has nearly "recouped" what was lost, "renewed" what had paused, and "re-energised" what had slowed during the pandemic and since the conflict in Europe.

Finally, the growth and evolution of India's public digital infrastructure is a story not just of numbers and milestones but also of thoughtful regulatory and innovation architecture that have enabled it to retain its public good character with enough incentives for the private sector to innovate and invest. The untapped potential is huge, and the country needs to continue to innovate. //

- Economic Survey 2022-23



Source: pib.gov.in, Economic survey 2022-23, Government of India, IMF Economic Outlook Update-January 2023.

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