



## Economic Survey 2019-20: Key Figures

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- **GDP growth** pegged at 6-6.5% for 2020-21, up from 5% in 2019-20. The Survey also said that India's GDP growth is not overstated.
- **Government Expenditure**
  - The Survey called for **rationalization of non-committed revenue** expenditures like **subsidies** as a considerable proportion of revenue expenditure like interest payments,

wages and salaries and pensions is committed.

- However, the Survey has also **warned against cutting capital expenditure.**

- **Share of formal employment increased** from 17.9% in 2011-12 to 22.8% in 2017-18 reflecting formalization in the economy.
  - In 2018, India witnessed an increase of about 80 % in the creation of new firms in comparison to 2014. As per World Bank's data on Entrepreneurship, India ranks third in the number of new firms created.
- **Inflation declines** sharply from 3.2% in April 2019 to 2.6% in December 2019, reflecting weakening of demand pressure in the economy.
  - It needs to be noted that when demand surpasses supply, it leads to higher prices i.e. Demand pull inflation.
- **India's Balance of Payments (BoP)**
  - The Balance of Payments position improved to USD 433.7 billion in September 2019 because of narrowing **Current Account Deficit (CAD)** which is 1.5% of GDP in the first half of 2019-20.
- **Foreign Direct Investment:** Net FDI inflows remained buoyant attracting USD 24.4 billion in the first eight months of 2019-20, much higher than the corresponding period of 2018-19.
- **Remittances**
  - Net overseas remittances in the first half of 2019-20 were more than 50% of total receivables in 2018-19, standing at USD 38.4 billion.
  - As per World Bank report of 2019, India's **17.5 million diaspora** made it the top remittance-recipient country in 2018.
- **Merchandise Trade**
  - India's merchandise trade balance **improved** from 2009-14 to 2014-19, although most of the improvement in the latter period was due to **more than 50% decline in crude prices in 2016-17.**
  - India's top five trading partners continue to be USA, China, UAE, Saudi Arabia and Hong Kong.
- **Performance of Key Sectors**
  - **Industrial Sector:** As per **Index of Industrial Production (IIP)**, the sector registered a growth of 0.6% in 2019-20 (April-November) as compared to 5.0 % during 2018-19 (April-November).
  - **Service Sector:** The Services Sector accounted for about 55% of the economy and Gross Value Added (GVA) growth, two-thirds of total FDI inflows into India and about 38% of the total exports.
  - **Agriculture sector**
    - The share of agriculture and allied sectors in the total GVA of the country has been continuously declining on account of relatively higher growth performance of non-agricultural sectors, a natural outcome of development process. Also, livestock income has become an important secondary source of income for millions of rural families.
    - Agricultural productivity is also constrained by lower level of mechanization in agriculture which is about 40 % in India, much lower than China (59.5 %) and Brazil (75 %).
- **Ease of Doing Business:** Suggestions for Improving Rank in **Ease of Doing Business** (Rank 63 in 2019)
  - **Close coordination** between the Logistics division of the Ministry of Commerce and Industry, the Central Board of Indirect Taxes and Customs, Ministry of Shipping and the different port authorities.
  - Individual sectors such as tourism or manufacturing require a more targeted approach that maps out the regulatory and process bottlenecks for each segment.

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