

Recent Economic Developments - June 2024

- 1. India's external debt was placed at US\$ 663.8 billion at end-March 2024, an increase of US\$ 39.7 billion over its level at end-March 2023**
- 2. Fiscal Deficit stands at 3% of actuals to BEs of May 2024**
- 3. Core infra grows at 6.3 % in May 2024**
- 4. RBI Financial Stability Report, June 2024**
- 5. Launch of Web Portal and Krishi Katha blog site for faster bank settlements and to amplify the voice of Indian farmers**
- 6. Two Geoportals launched by Hon'ble Union Minister Dr. Jitendra Singh**
- 7. Hon'ble Union Ministers of State for Health and Family Welfare, Shri Prataprao Ganpatrao Jadhav and Smt. Anupriya Singh Patel unveil three initiatives at the आयुष्मान भारत, गुणवत्त स्वास्थ्य event**
- 8. Record growth in Mining sector in May 2024**
- 9. Ministry of Statistics and Programme Implementation launches eSankhyiki portal**
- 10. Ladakh Achieves Full Functional Literacy**

- 1. India's external debt was placed at US\$ 663.8 billion at end-March 2024, an increase of US\$ 39.7 billion over its level at end-March 2023**

At end-March 2024, India's external debt was placed at US\$ 663.8 billion, an increase of US\$ 39.7 billion over its level at end-March 2023

Major highlights

1. The external debt to GDP ratio declined to 18.7 per cent at end-March 2024 from 19.0 per cent at end-March 2023.
2. Valuation effect due to the appreciation of the US dollar vis-à-vis the Indian rupee and other major currencies such as yen, the euro and SDR2 amounted to US\$ 8.7 billion.
3. Excluding the valuation effect, external debt would have increased by US\$ 48.4 billion instead of US\$ 39.7 billion at end-

March 2024 over end-March 2023.

4. At end-March 2024, long-term debt (with original maturity of above one year) was placed at US\$ 541.2 billion, recording an increase of US\$ 45.6 billion over its level at end-March 2023.
5. The share of short-term debt (with original maturity of up to one year) in total external debt declined to 18.5 per cent at end-March 2024 from 20.6 per cent at end-March 2023. Similarly, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 19.0 per cent at end-March 2024 (22.2 per cent at end-March 2023).
6. Short-term debt on residual maturity basis (i.e., debt obligations that include long term debt by original maturity falling due over the next twelve months and short term debt by original maturity) constituted 42.9 per cent of total external debt at end-March 2024 (44.0 per cent at end-March 2023) and stood at 44.1 per cent of foreign exchange reserves (47.4 per cent at end-March 2023) .
7. US dollar-denominated debt remained the largest component of India's external debt, with a share of 53.8 percent at end-March 2024, followed by debt denominated in the Indian rupee (31.5 per cent), yen (5.8 per cent), SDR (5.4 per cent), and euro (2.8 per cent).
8. Outstanding debt of both government and non-government sectors increased at end-March 2024 over the level a year ago.
9. The share of outstanding debt of non-financial corporations in total external debt was the highest at 37.4 per cent, followed by deposit-taking corporations (except the central bank) (28.1 per cent), general government (22.4 per cent) and other financial corporations (7.3 per cent).
10. Loans remained the largest component of external debt, with a share of 33.4 per cent, followed by currency and deposits (23.3 per cent), trade credit and advances (17.9 per cent) and debt securities (17.3 per cent).

Debt service (i.e., principal repayments and interest payments) increased to 6.7 per cent of current receipts at end-March 2024 from 5.3 per cent at end-March 2023, reflecting higher debt service.

2. Fiscal Deficit stands at 3% of actuals to BEs of May 2024

The gross fiscal deficit of the Central Government stands at 3% of the actuals to budget estimates (BEs) in May 2024 as compared to 11.8% of the actuals to budget estimates in the previous year. The primary deficit and revenue deficit stand at -14.8% and -13.9% respectively, of the actuals to revised estimates in

FY 2024-25 as compared to 14.1% and 5.2%, of the actuals to revised estimates in FY 2023-24.

GOVERNMENT OF INDIA
UNION GOVERNMENT ACCOUNTS
AT A GLANCE
AS AT THE END OF May 2024
(Rs. in Crore)**

			Budget Estimates 2024-2025*	Actuals@ upto May 2024	% of Actuals to Budget Estimates	
			Rs.	Rs.	Current	COPPY**
1	Revenue Receipts		3001275	570758	19.0%	(15.7%)
2	Tax Revenue (Net)	(Details)	2601574	319036	12.3%	(11.9%)
3	Non-Tax Revenue	(Details)	399701	251722	63.0%	(44.6%)
4	Non-Debt Capital Receipts	(Details)	79000	2087	2.6%	(3.6%)
5	Recovery of Loans		29000	2083	7.2%	(12.8%)
6	Other Receipts		50000	4	0.0%	(0.1%)
7	Total Receipts (1+4)		3080275	572845	18.6%	(15.3%)
8	Revenue Expenditure		3654657	479835	13.1%	(13.1%)
9	<i>of which</i> Interest Payments		1190440	123810	10.4%	(10.2%)
10	Capital Expenditure		1111111	143625	12.9%	(16.8%)
11	<i>of which</i> Loans disbursed		171527	22702	13.2%	(10.5%)

12	Total Expenditure (8+10)	(Details)	4765768	623460	13.1%	(13.9%)
13	Fiscal Deficit (12-7)		1685494	50615	3.0%	(11.8%)
14	Revenue Deficit (8-1)		653383	-90923	-13.9%	(5.2%)
15	Primary Deficit (13-9)		495054	-73195	-14.8%	(14.1%)

Note :- Fiscal deficit figure shown in monthly accounts during a financial year is not necessarily an indicator of fiscal deficit for the year as it gets impacted by temporal mismatch between flow of non-debt receipts and expenditure up to that month on account of various transitional factors both on receipt and expenditure side, which may get substantially offset by the end of the financial year.

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

Details
AS AT THE END OF MAY 2024

SOURCES OF FINANCING THE DEFICIT
AS AT THE END OF MAY 2024
(Rs. in Crore)^{@@}

		Budget Estimates 2024-2025	Actuals@ upto May 2024	% of Actuals to Budget Estimates	
		Rs.	Rs.	Current	COPPY**
1	External Financing	15952.29	1198.75	8%	(18%)

2	<u>Domestic Financing</u>	1669541.58	49415.97	3%	(12%)
	(a) <u>Market Borrowings</u>	1225181.77	155089.05	13%	(15%)
	(b) <u>Securities against Small Savings</u>	466201.00	- 106760.24	-23%	(-10%)
	(c) <u>State Provident Funds</u>	5200.00	89.63	2%	(5%)
	(d) <u>Special Deposits</u>	0.00	-81.73		
	(e) <u>National Small Saving Fund</u>	0.00	171840.82		
	- i- <u>Savings Deposit and Certificates</u>	300562.88	44836.79	15%	(21%)
	- ii- <u>Public Provident Funds</u>	123446.09	7382.38	6%	(11%)
	-iii- <u>Investment In Securities</u>	-429125.64	111870.67	-26%	(-12%)
	- iv- <u>Income/Expenditure of NSSF</u>	5116.67	7750.98	151%	(50%)
	(f) <u>Others</u>	-30590.57	61110.44	-200%	(106%)
	(g) Cash Balance {Decrease(+)/Increase(-)}	3549.38	4406.00	124%	(-42%)
	(h) <u>Investment (-) / Redemption (+) of Surplus Cash</u>		- 236278.00		
	(i) <u>Ways & Means Advances</u>		0.00		
3	TOTAL FINANCING	1685493.87	50614.72	3%	(12%)

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Details

AS AT THE END OF MAY 2024

**MAJOR SUBSIDIES
AS AT THE END OF MAY 2024
(Rs in Crore) @@**

		Budget Estimates 2024-2025*	Actuals@ upto May, 2024	COPPY	% of Actuals to Budget Estimates	
		Rs.	Rs.	Rs.	Current	COPPY**
1	Food Subsidy	205250.01	38539.12	30805.22	19%	(16%)
2	Nutrient Based Fertilizers Subsidy	45000.00	3583.42	9473.06	8%	(22%)
3	Urea Subsidy	118999.80	12442.67	15038.04	10%	(11%)
4	Petroleum	11925.01	122.45	0.00	1%	(0%)
	Total Major Subsidies	381174.82	54687.66	55316.32	14%	(15%)

**Financial Year runs from "April to March"*

***COPPY : Corresponding Period of the Previous Year*

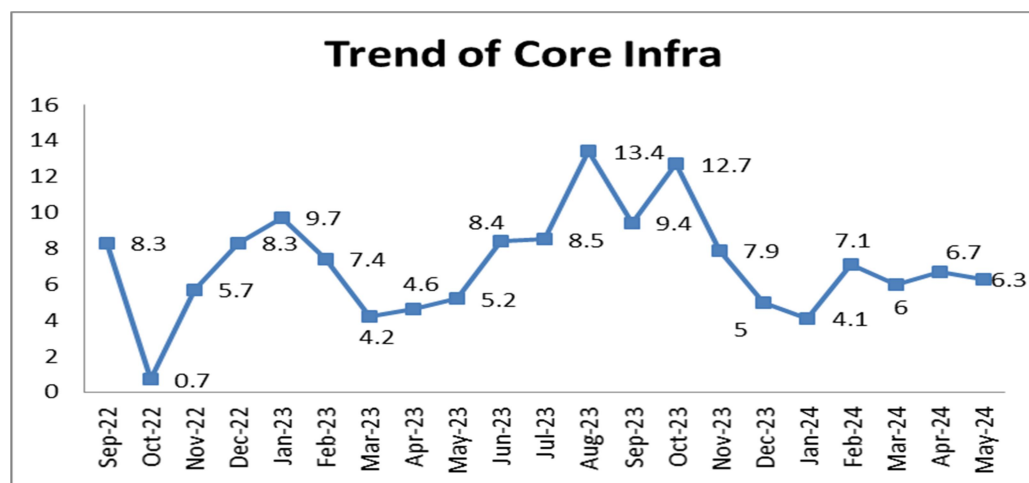
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3. Core infra grows at 6.3 % in May 2024

The combined Index of Eight Core Industries (ICI) increased by 6.3% (provisional) in May, 2024 as compared to the Index in May, 2023. The production of Electricity, Coal, Steel, Natural Gas and Refinery Products recorded positive growth in May 2024. The ICI measures the combined and individual performance of production of eight core industries viz. Cement, Coal, Crude Oil, Electricity, Fertilizers, Natural Gas, Refinery Products and Steel. The Eight Core Industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).

The y-o-y growth rate of Coal stands at 10.2%, Crude oil at -1.1%, Natural Gas at 7.5%, Refinery Products at 0.5%, Fertilizers at -1.7%, Steel at 7.6%, Cement at -0.8% and Electricity at 12.8% in May 2024 as the y-o-y growth rate of Coal stands at 7.5%, Crude oil at 1.6%, Natural Gas at 8.6%, Refinery Products at 3.9%, Fertilizers at -0.8%, Steel at 8.8%, Cement at -0.5% and Electricity at 10.2% in April 2024.



Source: PHD Research Bureau, PHDCCI, compiled from the Ministry of Commerce and Industry.

Note: YoY is calculated over the corresponding month of the previous year.

4. RBI Financial Stability Report, June 2024

The Reserve Bank of India released the Financial Stability Report, June 2024. According to the Report, in the recent past, the World has seen a number of high-impact shocks, and the broader international condition still remains uncertain. The global economy and the financial system are exhibiting resilience amidst heightened risks and uncertainties. The risks of a hard landing for the global economy have declined, despite modest progress in disinflation and ongoing supply chain fragmentation and realignment.

Financial markets have adjusted to changes, including modifications in certain central banks' monetary policy stance, globally. In this setting, the global financial system confronts significant risks such as high levels of public debt, stretched asset values, expanding economic and financial fragmentation, recurrent geopolitical conflicts and dangers linked with financial technology, cyber threats, and climate change. Despite these difficulties, the Indian economy has been demonstrating strength and resilience, with robust macroeconomic fundamentals. India's economic activity is growing steadily and the financial system is stronger and more vibrant than it was before the recent crises. Emerging market economies (EMEs) are still sensitive to external shocks and spillovers.

The Indian economy is growing steadily on the back of strong macroeconomic foundations and a strong and stable banking system. Moderate inflation, a strong external position, and continued fiscal consolidation are supporting business and consumer confidence. Domestic financial conditions are supported by solid balance sheets of financial institutions, which include strong capital buffers, improved asset quality, and robust profitability.

Rising profitability and reduced non-performing assets have supported India's scheduled commercial banks. Return on assets and return on equity are at decadal highs at 1.3% and 13.8%, respectively, while gross non-performing assets and net non-performing assets ratios have dropped to multi-year lows of 2.8% and 0.6%, respectively.

Global regulatory efforts continue to focus on supporting financial stability, ensuring effective implementation of global norms and their refinement. India's domestic regulatory measures continue to improve the safety and resilience of the financial system. Amidst this environment, geopolitical concerns, tighter global financial conditions, and capital outflows as the most significant near-term risks for India.

5. Launch of Web Portal and Krishi Katha blog site for faster bank settlements and to amplify the voice of Indian farmers

The Department of Agriculture and Farmers' Welfare (DA&FW) and NABARD have jointly developed a web portal to automate and speed up the process of settlement of interest subvention claims of banks submitted under the Agriculture Infrastructure Fund (AIF). The web portal was launched by Hon'ble Union Minister for Agriculture and Farmers' Welfare Shri Shivraj Singh Chouhan.

The investments worth ₹72,000 crore have been mobilised with ₹43,000 crore already sanctioned for 67,871 projects under Agriculture Infrastructure Fund. The portal shall be used by banks, Central Project Management Unit (CPMU) of DA&FW and NABARD. The automation of the interest subvention claim and credit guarantee fee claim processing will help the government in releasing accurate interest subvention, reduce the turn-around time and in turn help the farmers and agri entrepreneurs financially and encourage them to take up more such projects for development of agriculture in the country.

A blog site "Krishi Katha" meant to serve as a digital platform to showcase the voice of the Indian farmers, dedicated to amplifying the experiences, insights

and success stories of farmers across the country was also launched by Hon'ble Union Minister Shri Shivraj Singh Chouhan.

The minister highlighted that the launch of Krishi Katha is a significant move towards acknowledging and amplifying the voice of our farmers. The objectives behind this initiative will be helpful in raising awareness, facilitating exchange of knowledge, fostering collaboration and empowering farmers.

6. Two Geoportals namely "Bhuvan Panchayat (Ver. 4.0)" portal and "National Database for Emergency Management (NDEM Ver. 5.0)" launched by Hon'ble Union Minister Dr. Jitendra Singh

Hon'ble Union Minister Dr. Jitendra Singh launched two Geoportals namely "Bhuvan Panchayat (Ver. 4.0)" portal for rural land records and "National Database for Emergency Management (NDEM Ver. 5.0)" developed by the Indian Space Research Organization (ISRO), at Prithvi Bhavan.

'Bhuvan Panchayat Portal' will support "Space based Information Support for Decentralized Planning (SISDP)" and empower the citizens at the grass root level in Panchayats', this is will empower the citizens at the grass root level and allow them to take benefit of these services, to promote ease of living by reducing the need to depend on local administration for land records and revolutionize land record management by digitalization and land revenue management. The tools will provide real time data at the tips of citizens and reduce corruption at the grass roots level.

National Database for Emergency Management (NDEM Ver. 5.0) will provide space-based inputs on natural disasters and aid in disaster risk reduction In India as well as neighboring countries. To prevent the citizens from vagaries of nature and put in place an effective early warning system so that administration can proactively prevent the disasters and inform us regarding the Land use Land change(LULC).

7. Hon'ble Union Ministers of State for Health and Family Welfare, Shri Prataprao Ganpatrao Jadhav and Smt. Anupriya Singh Patel unveils three initiatives at the आयुष्मान भारत, गुणवत्त स्वास्थ्य event

The Hon'ble Union Ministers of State launched a virtual National Quality Assurance Standards (NQAS) assessment for Ayushman Arogya Mandirs (AAM); a dashboard which will help national, state and district health institutions and facilities in quickly monitoring compliance with respect to Indian Public Health Standards (IPHS) and taking actions accordingly; and a spot food license and

registration initiative for food vendors.

NQAS for Integrated Public Health Laboratories (IPHL) was also released. The Standards will improve the quality and competence of management and testing systems in IPHLs which will positively impact the reliability of test results and help gain the trust of clinicians, patients and the public regarding lab outputs. Revised guidelines for Kayakalp were also released.

The launch of the spot food license initiative is a ground-breaking new functionality for the instant issuance of licenses and registrations through the Food Safety and Compliance System (FoSCoS). FoSCoS is a state-of-the-art, pan-India IT platform designed to address all food safety regulatory needs. This innovative system simplifies the licensing and registration processes, offering an enhanced user experience.

8. Record growth in Mining sector in May 2024 Robust Growth in the Production of Key Minerals and Aluminium Metal Record Decline in the Share of Imported Coal in Last Decade

The mining sector has been boosting India on a higher growth path, recently. India is the 2nd largest Aluminium producer, 3rd largest lime producer and 4th largest iron ore producer in the World. India, endowed with the fifth-largest coal reserves globally, stands as the second-largest consumer of coal, propelled by a fast-growing economy.

Iron ore and Limestone together exhibited record production levels in FY 2023-24, with production of iron ore at 275 million metric ton (MMT) and limestone at 450 MMT in FY 2023-24. Continuing the trend, the production of iron ore has increased from 50 MMT in FY 2023-24 (April-May) to 52 MMT in FY 2024-25 (April-May), with 4% growth. Production of limestone has increased from 77 MMT in FY 2023-24 (April-May) to 79 MMT in FY 2024-25 (April-May), with 2.6% growth.

The production of manganese ore has jumped by 16.7% over corresponding period previous year with a production of 0.7 MMT in FY 2024-25 (April-May). In the non-ferrous metal sector, primary aluminium production in FY 2024-25 (April-May) posted a growth of 1.2% over the corresponding period last year, increasing to 6.98 lakh ton (LT) in FY 2024-25 (April-May) from 6.90 LT in FY 2023-24 (April-May).

Continued growth in production of iron ore and limestone in the current financial year reflects the robust demand conditions in the user industries viz.

steel and cement. Coupled with growth in Aluminium, these growth trends point towards continued strong economic activity in user sectors such as energy, infrastructure, construction, automotive and machinery.

Over the past decade, concerted efforts to bolster coal production have yielded a positive trend. Notably, from fiscal year 2004-05 to fiscal year 2013-14, the compound annual growth rate (CAGR) of coal production stood at 4.4% only. While, from fiscal year 2014-15 to fiscal year 2023-24, this figure rose to around 5.6%.

With strategic focus on optimizing indigenous coal resources and leveraging innovative technological solutions, India continues its journey towards self-reliance or Atmanirbhar in energy security of the nation.

9. Ministry of Statistics and Programme Implementation launches eSankhyiki Portal for Enhanced User Experience and Ease of Data Access

In line with the mandate to enhance user experience and data accessibility through use of cutting-edge technologies and the adoption of global best practices, the Ministry of Statistics and Programme Implementation (MoSPI) has developed an “**eSankhyiki portal**” to provide real-time inputs for planners, policy-makers, researchers and the public at large. The objective of this portal is to establish a comprehensive data management and sharing system for ease of dissemination of official statistics in the country. The eSankhyiki portal was officially launched on Statistics Day by Dr. Arvind Panagariya, Chairman of the 16th Finance Commission of India.

The eSankhyiki Portal has two modules namely: **Data Catalogue Module** which catalogues the major data assets of the Ministry at one place for ease of access and **Macro Indicators Module**, which offers time series data of key macro indicators with features for filtering and visualizing data enabling ease of access for the users.

The first phase of the module includes four major products of MoSPI: National Accounts Statistics, Consumer Price Index, Index of Industrial Production and Annual Survey of Industries, encompassing the data of the last ten years. The portal currently hosts more than 1.7 million records.

10. Ladakh Achieves Full Functional Literacy

Ladakh has been declared as the administrative unit to achieve Full Functional

Literacy under the ULLAS, after having achieved more than 97% literacy by Lieutenant Governor of Ladakh, Dr. B.D. Mishra. This milestone reflects Ladakh's commitment to empowering its citizens through Foundational Literacy and Numeracy, and Critical Life Skills for all. Dr. Mishra informed this in a celebration at Sindhu Sanskritik Kendra (SSK), Leh.

The ceremony included the felicitation of neo-literates and volunteer teachers and the launch of the Annual Achievement Report 2023 of the school department.

ULLAS - Nav Bharat Saaksharta Karyakram or New India Literacy Programme (NILP) is a centrally sponsored scheme implemented from 2022-2027. The scheme aligns with the recommendations of the National Education Policy (NEP) 2020 and aims to empower those adults aged 15 years and above from all backgrounds who could not get due schooling and mainstream them with society to be able to contribute more to the growth story of the country.

The scheme consists of five components – Foundational Literacy and Numeracy, Critical Life Skills, Basic Education, Vocational Skills, and Continuing Education. The vision of the ULLAS Scheme is to make Bharat - Jan Jan Saakshar and is based on the spirit of Kartvya Bodh and is being implemented on volunteerism. The scheme has benefitted more than 77 Lakhs people till now across the country. The ULLAS Mobile App has more than 1.29 Crore learners and 35 lakh volunteer teachers.

Please contact us for any query related to this mail, Dr. Mansi Vinaik, Deputy Secretary, at mansi.vinaik@phdcci.in and Ms. Mansi Nautiyal, Research Associate at mansi.nautiyal@phdcci.in, with a cc to Dr. S P Sharma, Chief Economist | DSG at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.



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