

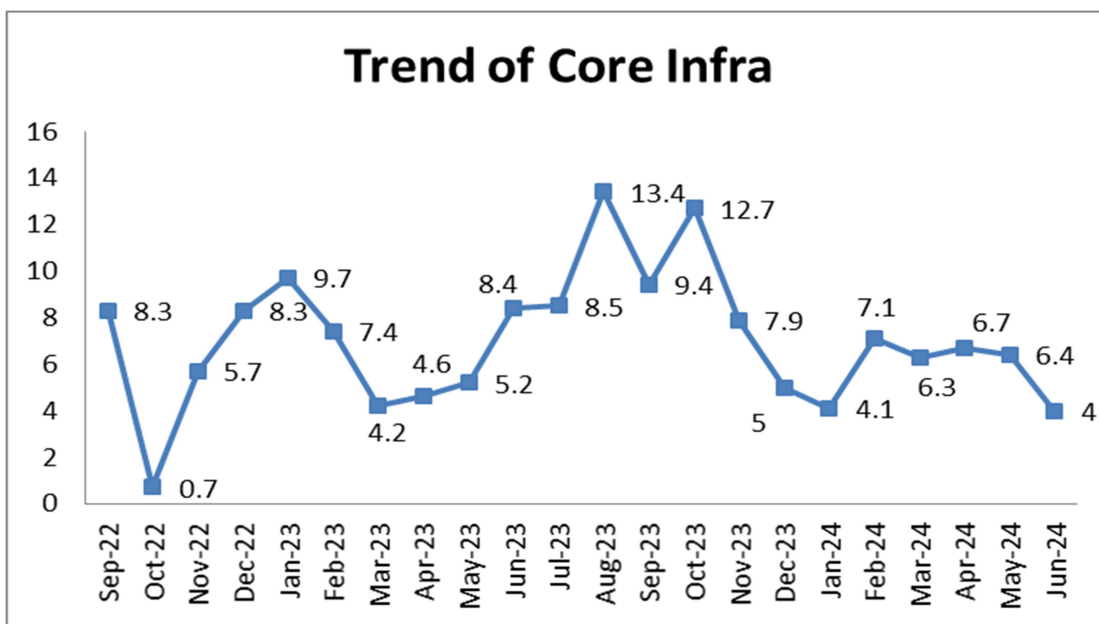
Recent Economic Developments - July 2024

1. Core infra grows at 4% in May 2024
2. Fiscal Deficit stands at 8.1% of actuals to BEs of June 2024
3. *G20 Labour and Employment Ministers' meeting finalizes the text of the Labour and Employment track.*
4. *Commerce Secretary participates in the 14th BRICS Trade Ministers' meeting*
5. *India- Saudi Arabia hold first meeting of the High-Level Task Force on Investments*
6. *Hon'ble Prime Minister chairs 9th Governing Council Meeting of NITI Aayog*

1. Core infra grows at 4% in May 2024

The combined Index of Eight Core Industries (ICI) increased by 4% (provisional) in June, 2024 as compared to the Index in June, 2023. The production of Coal, Electricity, Natural Gas, Steel, Fertilizer and Cement recorded positive growth in June 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 14.8%, **Crude oil** at -2.6%, **Natural Gas** at 3.3%, **Refinery Products** at -1.5%, **Fertilizers** at 2.4%, **Steel** at 2.7%, **Cement** at 1.9% and **Electricity** at 7.7% in June 2024 as 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 6.8%, Cement at -0.6% and Electricity at 13.7% in May 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.

2. Fiscal Deficit stands at 8.1% of actuals to BEs of June 2024

The gross fiscal deficit of the Central Government stands at 8.1% of the actuals to budget estimates (BEs) in June 2024 as compared to 25.3% of the actuals to budget estimates in the previous year. The primary deficit and revenue deficit stand at -25.9% and -6.2% respectively, of the actuals to revised estimates in FY 2024-25 as compared to 29.4% and 21.1%, of the actuals to revised estimates in FY 2023-24.

GOVERNMENT OF INDIA UNION GOVERNMENT ACCOUNTS AT A GLANCE AS AT THE END OF June 2024

(Rs. in Crore)^{@@}

			Budget Estimates 2024-2025*	Actuals@ upto June 2024	% of Actuals to Budget Estimates	
			Rs.	Rs.	Current	COPY**

1	<u>Revenue Receipts</u>		3001275	829677	27.6%	(22.4%)
2	<u>Tax Revenue (Net)</u>	<u>(Details)</u>	2601574	549633	21.1%	(18.6%)
3	<u>Non-Tax Revenue</u>	<u>(Details)</u>	399701	280044	70.1%	(51.4%)
4	<u>Non-Debt Capital Receipts</u>	<u>(Details)</u>	79000	4520	5.7%	(12.7%)
5	<u>Recovery of Loans</u>		29000	4516	15.6%	(28.1%)
6	<u>Other Receipts</u>		50000	4	0.0%	(6.9%)
7	<u>Total Receipts (1+4)</u>		3080275	834197	27.1%	(22.1%)
8	<u>Revenue Expenditure</u>		3654657	788858	21.6%	(22.0%)
9	<i>of which</i> <u>Interest Payments</u>		1190440	264052	22.2%	(22.6%)
10	<u>Capital Expenditure</u>		1111111	181051	16.3%	(27.8%)
11	<i>of which</i> <u>Loans disbursed</u>		171527	30009	17.5%	(27.2%)
12	<u>Total Expenditure (8+10)</u>	<u>(Details)</u>	4765768	969909	20.4%	(23.3%)
13	<u>Fiscal Deficit (12-7)</u>		1685494	135712	8.1%	(25.3%)

14	Revenue Deficit (8-1)		653383	-40819	-6.2%	(21.1%)
15	Primary Deficit (13-9)		495054	-128340	-25.9%	(29.4%)

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 JUNE 2024

**SOURCES OF FINANCING THE DEFICIT
AS AT THE END OF JUNE 2024**

(Rs. in Crore)^{@@}

		Budget Estimates 2024-2025	Actuals@ upto June 2024	% of Actuals to Budget Estimates	
		Rs.	Rs.	Current	COPPY**
1	External Financing	15952.29	44.49	0%	(18%)

2	<u>Domestic Financing</u>	1669541.58	135667.04	8%	(25%)
	(a) <u>Market Borrowings</u>	1225181.77	144201.98	12%	(33%)
	(b) <u>Securities against Small Savings</u>	466201.00	24389.77	5%	(-12%)
	(c) <u>State Provident Funds</u>	5200.00	-1955.83	-38%	(2%)
	(d) <u>Special Deposits</u>	0.00	-122.09		
	(e) <u>National Small Saving Fund</u>	0.00	66072.61		
	- i- <u>Savings Deposit and Certificates</u>	300562.88	65601.64	22%	(31%)
	- ii- <u>Public Provident Funds</u>	123446.09	8453.07	7%	(13%)
	-iii- <u>Investment In Securities</u>	-429125.64	-19216.17	4%	(-15%)
	- iv- <u>Income/Expenditure of NSSF</u>	5116.67	11234.07	220%	(63%)
	(f) <u>Others</u>	-30590.57	21580.60	-71%	(269%)
	(g) Cash Balance {Decrease(+)/Increase(-)}	3549.38	4496.00	127%	(-42%)
	(h) <u>Investment (-) / Redemption (+) of Surplus Cash</u>		- 122996.00		
	(i) <u>Ways & Means Advances</u>		0.00		
3	TOTAL FINANCING	1685493.87	135711.53	8%	(25%)

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Details

AS AT THE END OF JUNE 2024

MAJOR SUBSIDIES AS AT THE END OF JUNE 2024

(Rs in Crore) @@

	Budget Estimates 2024- 2025*	Actuals@ upto June, 2024	COPPY	% of Actuals to Budget Estimates		
				Rs.	Rs.	
	Rs.	Rs.	Rs.	Current	COPPY**	
1	Food Subsidy	205250.01	61968.97	41534.00	30%	(21%)
2	Nutrient Based Fertilizers Subsidy	45000.00	7914.17	16035.28	18%	(36%)
3	Urea Subsidy	118999.80	19910.75	29077.25	17%	(22%)
4	Petroleum	11925.01	380.13	388.61	3%	(17%)

Total Major Subsidies	381174.82	90174.02	87035.14	24%	(23%)
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**Financial Year runs from "April to March"*

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

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

3. G20 Labour and Employment Ministers' meeting finalizes the text of the Labour and Employment track.

The G20 Labour and Employment Ministers' (LEMM) assembled in Fortaleza, Brazil have approved the Labour and Employment Ministerial declaration on 26th July, 2024. The final text was approved after the conclusion of the two-day long Labour & Employment Ministers' meeting (LEMM) on 25-26 July, under the Presidency of Brazil. Indian delegation was led by Minister of State for Labour & Employment Smt. Shobha Karandlaje. Brazil along with India and South Africa, the previous and the next host of the G20, were members of troika.

During the two-day Labour & Employment ministers made interventions on key focus areas of the Labour & Employment track, viz.

1. Just Transition: The declaration emphasizes the need for governments to develop and support active inclusion policies aimed at fostering strong, sustainable, balanced and inclusive economic growth.

2. The creation of quality jobs and the promotion of decent work to ensure social inclusion and eliminate poverty and hunger: It recognizes that creating formal jobs and promoting decent work are the most effective social tools for achieving a fairer and more equitable income distribution.

During the intervention in her session on 'Creation of Quality Jobs and the Promotion of Decent Work Jobs to Ensure Social Inclusion and Eliminate Poverty and Hunger', Smt. Karandlaje informed that India has generated over 80 million employment opportunities from 2017-18 to 2021-22, averaging over 20 million jobs per year and the youth unemployment rate has dropped from 17.8% in 2017-18 to 10% in 2022-23, with increased youth participation in the labour force.

3. Gender Equality and the promotion of diversity in the World of work : The declaration also stresses the need to create and promote decent work and deliver effective labour market

policies, such as skills development, access to training and lifelong learning and job matching, aligned with the skills needs and demands of the economy and in consultation with social partners.

During the intervention on 'Gender Equality and Promotion of Diversity in the World of Work', Union Minister said that India has made significant strides in promoting gender equality at workplace through robust legislative measures. "The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, outlines strict procedures ensuring a safer work environment for women.

4. The use of technologies as a means of improving everyone's quality of life: During the session on 'The Use of Technologies as a Means of Improving Everyone's Quality of Life', Smt Karandlaje said that India has leveraged digital platforms through 'Digital India Mission' to open up new avenues for entrepreneurship and employment. "Government of India launched e-Shram portal in 2021 with the objective to create a national database of all unorganised workers including Construction Workers, Gig and Platform workers, Street Vendors, Domestic Workers, Migrant workers etc., seeded with unique identification number i.e. Aadhaar.

4. Hon'ble Commerce Secretary participates in the 14th BRICS Trade Ministers' meeting

Hon'ble Commerce Secretary Shri Sunil Barthwal attended the 14th BRICS Trade Ministers' Meeting held on 26 July 2024 under the BRICS Presidency of Russian Federation. The theme of BRICS this year is "*Strengthening Multilateralism for Just Global Development*". While congratulating the Russian Presidency for the bringing in proposal on contemporary issues, Shri Sunil Barthwal, welcomed the new members of BRICS (Iran, Egypt, Ethiopia and UAE) and congratulated them on their fruitful participation in discussions, this year.

The Commerce Secretary expressed the need for strengthening the multilateral trading system with WTO at its core, effective functioning of Joint Value Chains, expanding interaction among MSMEs, India's successful story on Digitalization and e-commerce and the relevance of cooperation among Special Economic Zones.

On strengthening Multilateralism, he reiterated on the urgent need for resolving the issues including the permanent solution to Public Stock Holding, constitution of two-tier Dispute Settlement system, WTO Reform to be based on the principles & objectives of WTO, leading to more responsive to development requirements of emerging economies, invigorating the WTO through "30 for 30" bringing in at least 30 operational improvements to the WTO before the organization completes 30 years in 2025.

He stressed upon strengthening the resilience of the supply chain through decentralization and diversification, furthering co-operation in value chains through the G20 generic Mapping framework for GVCs and by enunciating guiding principles for collaboration. In this context, as

an initial step towards digitalization, he stressed on paperless trade including digitalization of documents like the Bill of lading.

He laid emphasis on collaboration for making access to affordable emerging technologies critical for green transition and climate resilience. He also underscored the urgency of accelerating inclusive digital transformation. While referring to India's success story of building up an open source India Stack of Critical Digital Public infrastructure as part of its digital industrialization following the core principles of open access, transparency, trust and respect for data protection and privacy, expressed India's willingness to share its experience with the BRICS countries on the e-revolution in the domains of payments, e-commerce, national identity, banking, education etc.

On the Russian presidency's initiative on cooperation in Special Economic Zones (SEZs), Commerce Secretary acknowledged the transformative impact of SEZs in providing employment, state of art technologies, boosting exports. He underscored the importance of exchanging information and best practices regarding the same.

Further, on the sidelines of BRICS TMM, Commerce secretary had bilateral meetings with the Minister for Economic development Maxim Reshetnikov, Member of the Board (Minister) of Trade, Eurasian Economic Commission Andrey Slepnev, Deputy Minister of Industry and Trade Alexey Gruzdev, and Head of FSVPS, Sergei Dankvert of the Russian Federation as well as with the Deputy Minister for the Department of Trade, Industry & Competition, South Africa, Zuko Godlimpi and the Minister of State for foreign Trade, UAE, Thani Bin Ahmed Al Zeyoudi, wherein bilateral trade issues were discussed in brief for their early resolution.

5. India- Saudi Arabia hold first meeting of the High-Level Task Force on Investments

The first meeting of the India-Saudi Arabia High Level Task Force on Investments, co-chaired by the Principal Secretary to the Prime Minister H.E. Dr. P.K. Mishra and the Saudi Energy Minister His Royal Highness Prince Abdulaziz bin Salman bin Abdulaziz Al Saud was held on 28th July 2024. The two sides reviewed the discussions held between the technical teams of the Task force.

Discussions were held on various opportunities for bilateral investments in diverse areas in public and private sector, including refining and petrochemical plants, new and renewable energy, power, telecom, innovation, among others. The two sides had a detailed review of the measures aimed at promoting two-way investments in a mutually beneficial manner.

Principal Secretary to PM reiterated the firm intention of the Government of India to provide active support to Saudi investments of the order of US\$ 100 billion that were committed during the visit of the Crown Prince and PM of Saudi Arabia. The two sides agreed to regular

consultations between technical teams on both sides to take forward the discussions and reach an agreement on specific investments.

6. Hon'ble Prime Minister chairs 9th Governing Council Meeting of NITI Aayog

Hon'ble Prime Minister Shri Narendra Modi chaired the 9th Governing Council Meeting of NITI Aayog. The Meeting was held at the Rashtrapati Bhavan Cultural Centre, New Delhi. It was attended by Chief Ministers/Lt.Governors representing 20 States and 6 UTs.

Hon'ble Prime Minister observed that India has achieved steady growth in the past ten years. Indian economy, which was ranked 10th largest economy in the world in 2014, has risen to become the 5th largest economy by 2024. He added that now the collective aim of the government and all citizens is to become the third largest economy in the world.

He observed that the vision of Viksit Bharat can be realized through Viksit States, and that the aspiration of Viksit Bharat should reach the grassroot level i.e. to each district, block, and village. For this, each State and District should create a vision for 2047 so as to realise Viksit Bharat @ 2047.

He encouraged States to provide an investor-friendly environment. He also directed NITI Aayog to prepare an 'Investment-friendly Charter' of parameters which would include policies, programmes and processes to be put in place for attracting investments. The States may be monitored on the achievement in these parameters to promote healthy competition among them for attracting investments.

Chief Minister/Lt. Governors gave various suggestions for the vision of Viksit Bharat @ 2047 and also discussed steps being taken in their States. Some of the key suggestions and best practices highlighted were in the field of agriculture, education and skill development, entrepreneurship, drinking water, reducing compliances, governance, digitalisation, women empowerment, cyber security, etc. Several States also shared their endeavours to create a State Vision for 2047.

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Warm regards,

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