# Economic Survey 2025 Key Highlights

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## Economic Survey 2024-25 Latest News

- Economic Survey 2024-25 was tabled in Parliament by Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman.

## About Economic Survey

- The Economic Survey of India is an annual report released by the Finance Ministry that assesses the country's economic performance over the past year.
- It highlights macroeconomic indicators, economic progress, and potential challenges India may face.
- The survey also suggests policy measures to address future economic challenges.

### Preparation & Presentation

- Prepared by the **Economic Division** of the **Department of Economic Affairs**, under the supervision of the **Chief Economic Advisor (CEA)**.
- Presented **a day before the Union Budget** each year.
- The **first Economic Survey** was released for **1950-51** and was presented along with the Budget until **1964**.

### Significance

- The survey's recommendations are **not binding** on the Budget.
- It is the **most authoritative and comprehensive** government analysis of the Indian economy.
- Provides an **official framework** for economic policy discussions and decision-making.

## Key highlights of Economic Survey 2024-25

- Here are the key highlights of the **Economic Survey 2025**:

### 1. State of the Economy: Back on the Fast Track

- **GDP Growth Outlook**
  - **Real GDP** and **GVA** growth estimated at **6.4% in FY25**, aligning with the decadal average.
  - **FY26 GDP growth projected** between **6.3%-6.8%**, considering economic risks and opportunities.
- **Global & Domestic Challenges**
  - **Global economy grew 3.3% in 2023**, IMF projects **3.2% average growth** over the next five years.
  - **Geopolitical tensions, conflicts, and trade risks** continue to impact global economic stability.
- **Inflation & Investment**
  - Retail inflation softened from 5.4% (FY24) to 4.9% (Apr-Dec 2024).
  - Capital expenditure (CAPEX) rose steadily from FY21-FY24, with an **8.2%** YOY growth (Jul-Nov 2024) post-elections.
- **Trade & Global Competitiveness**
  - **India ranks 7th in global services exports**, showcasing sectoral strength.
  - Non-Petroleum, non-Gems & Jewellery exports grew 9.1% (Apr-Dec 2024), reflecting resilience amid global volatility.

### 2. Monetary & Financial Sector: Stability & Growth

- **Banking Sector Performance**
  - Credit growth steady, aligning with deposit growth.
  - GNPAs at a 12-year low (2.6%), with improved asset quality and strong capital buffers.

    - Credit-GDP gap narrowed to (-) 0.3% in **Q1 FY25**, indicating sustainable growth.
    - ₹3.6 lakh crore recovered under Insolvency and Bankruptcy Code from 1,068 resolutions (Sept 2024).
- **Stock Markets & Capital Mobilization**
    - Indian stock markets outperformed emerging peers despite election volatility.
    - Primary market mobilization at ₹11.1 lakh crore (Apr-Dec 2024), a 5% increase from FY24.
    - BSE market cap to GDP at 136%, surpassing China (65%) & Brazil (37%).
- **Insurance & Pension Growth**
    - Insurance premiums grew 7.7% (FY24), reaching ₹11.2 lakh crore.
    - Pension subscribers increased 16% YoY (Sept 2024).

## 3. External Sector: Resilient & Growing

- Exports grew 6% YoY (FY25); services exports rose 11.6%.
- India ranks 2nd globally in 'Telecommunications, Computer & Information Services' exports (10.2% market share).
- Current Account Deficit (CAD) at 1.2% of GDP (Q2 FY25), supported by rising net services and private transfers.
- **FDI inflows** up 17.9% YoY, reaching USD 55.6 billion (Apr-Nov FY25).
- **FOREX reserves** at USD 640.3 billion (Dec 2024), covering 10.9 months of imports.
- External debt stable, with a debt-to-GDP ratio of 19.4% (Sept 2024).

## 4. Prices & Inflation: Moderating Trends

- Global inflation declined from 8.7% (2022) to 5.7% (2024) (IMF).
- India's retail inflation fell from 5.4% (FY24) to 4.9% (FY25, Apr-Dec 2024).
- RBI & IMF project inflation to align with 4% target by FY26.
- Climate-resilient crops & better farming practices key for long-term price stability.

## 5. Medium-Term Outlook: Growth Through Deregulation

- **Geo-Economic Fragmentation** (GEF) replacing globalization, driving economic realignments.
- India needs ~8% annual GDP growth to achieve Viksit Bharat 2047 vision.
- Global challenges include GEF, China's manufacturing dominance, and energy transition dependencies.
- Systematic deregulation key to boosting domestic growth and economic freedom.
- Ease of Doing Business 2.0 & SME sector (Mittelstand) crucial for sustained growth.
- States must liberalize regulations, set legal safeguards, and adopt risk-based policies.

## 6. Investment & Infrastructure: Sustaining Growth

- **Public infrastructure** spending surged, with 38.8% capex growth (FY20-FY24).
- **Railway**s: 2031 km commissioned; 17 new Vande Bharat trains added.
- **Roads:** 5853 km of National Highways built in FY25 (Apr-Dec).
- **Industrial Growth**: 383 plots (3788 acres) allocated under the National Industrial Corridor.

- **Ports**: Container turnaround time reduced from 48.1 to 30.4 hours.
- **Renewables**: 15.8% YoY growth; renewables now 47% of installed capacity.
- **Rural Electrification**: 18,374 villages, 2.9 crore households electrified.
- **Digital Expansion**: 5G rolled out nationwide; 4G in 10,700 remote villages.
- **Water & Sanitation**: 12 crore families got piped water; 3.64 lakh villages ODF Plus.
- **Urban Housing**: 89 lakh houses completed under PMAY.
- **Mass Transit**: Metro & rapid rail in 29 cities, covering 1,000+ km.
- **Real Estate**: RERA ensured transparency; 1.38 lakh projects registered.
- **Space Vision 2047**: 56 active assets, projects like Gaganyaan & Chandrayaan-4.
- **Private Sector Role**: National Infra & Monetisation Pipelines launched to boost investment.

## 7. Industry: Driving Business Reforms

- **Industrial Growth**: Expected at 6.2% in FY25, driven by electricity and construction.
- **Smart Manufacturing & Industry 4**.0: Promoted through SAMARTH Udyog centres.
- **Automobile Sales**: Domestic sales grew by 12.5% in FY24.
- **Electronics Production**: Grew at 17.5% CAGR (FY15-FY24); 99% of smartphones made domestically.
- **Pharmaceuticals**: Turnover of ₹4.17 lakh crore in FY24, growing at 10.1% over five years.
- **Patent Filings**: India ranks 6th globally (WIPO Report 2022).
- **MSME Sector**: Emerged as vibrant; Self-Reliant India Fund launched with ₹50,000 crore corpus.
- **Cluster Development**: Micro and Small Enterprises-Cluster Development Programme for nationwide cluster growth.

## 8. Services: New Challenges for the Old War Horse

- **Contribution to GVA:** Service sector’s share rose from **50.6% (FY14)** to **55.3% (FY25)**.
- **Growth Rate:** Services grew at **8% pre-pandemic** and **8.3% post-pandemic** (FY23–FY25).
- **Global Services Exports:** India held **4.3% share** in 2023, ranking **7th** worldwide.
- **Export Growth:** Services exports surged **12.8%** during April–November FY25.
- **Information Services:** Grew at **12.8%** over the last decade, increasing share of GVA from **6.3% to 10.9%**.
- **Indian Railways:** Passenger traffic grew **8%** in FY24, while freight revenue grew by **5.2%**.
- **Tourism:** Contributed **5% to GDP** in FY23, returning to pre-pandemic levels.

## 9. Agriculture and Food Management: Sector of the Future

- **Contribution to GDP**: Agriculture and allied activities contribute 16% to India’s GDP (FY24).
- **Growth Drivers**: High-value sectors like horticulture, livestock, and fisheries are key growth drivers.
- **Kharif Food grain Production**: Expected to reach 1647.05 LMT in 2024, an increase of 89.37 LMT from last year.
- **MSP Increases**: MSP for Arhar and Bajra raised by 59% and 77%, respectively, in FY24-25.
- **Sector Growth**: Fisheries grew at 8.7% CAGR, and livestock at 8% CAGR.
- **Food Security Programs**: PMGKAY and NFSA mark a shift in food security approach. Free food grains under PMGKAY extended for five years.

- **Farmer Support**: 11 crore farmers benefited under PM-KISAN, and 23.61 lakh enrolled in PM Kisan Mandhan.

## 10. Climate & Environment: Adaptation Matters

- **Sustainable Development:** India aims for **developed nation status by 2047** with a focus on inclusive and sustainable growth.
- **Non-Fossil Fuel Capacity:46.8%** of India's electricity generation comes from **non-fossil fuels** (2,13,701 MW capacity as of November 2024).
- **Carbon Sink Creation:2.29 billion tonnes CO2 equivalent** additional carbon sink created from 2005 to 2024.
- **LiFE Movement:** India leads the **Lifestyle for Environment (LiFE)** initiative to promote sustainability.
- **Global Impact of LiFE:** By 2030, LiFE could save **USD 440 billion** globally through reduced consumption and lower prices.

## 11. Social Sector: Extending Reach and Driving Empowerment

- **Expenditure Growth:** Social services expenditure (Centre + States) grew at **15% CAGR** from FY21 to FY25.
- **Declining Inequality:** Gini coefficient (measuring income inequality) declined in both **rural** (0.237 in FY24) and **urban** areas (0.284 in FY24), indicating reduced inequality.
- **Government Health Expenditure:** Health expenditure share increased from **29% to 48%**, reducing out-of-pocket expenditure from **62.6% to 39.4%**.
- **Ayushman Bharat Impact:** Over **₹1.25 lakh crore savings** through the **AB PM-JAY** scheme, significantly reducing financial strain on households.
- **Localization of SDGs:** The **Localisation of SDGs** strategy aligns **Gram Panchayat** budgets with **Sustainable Development Goals**.

## 12. Employment and Skill Development: Existential Priorities

- **Unemployment Decline:** Unemployment dropped to **3.2%** in 2023-24 (July-June) from **6.0%** in 2017-18 (July-June).
- **Youthful Demographics:26%** of India's population is aged 10-24, positioning it as one of the youngest nations globally.
- **Women's Entrepreneurship:** The government has launched initiatives to support **women entrepreneurs** with access to credit, marketing, skill development, and startup support.
- **Job Creation:** The **digital economy** and **renewable energy** sectors are crucial for job growth, aligning with the **Viksit Bharat** vision.
- **Skilled Workforce:** The government is building a **skilled ecosystem** to adapt to global trends like **automation, AI, digitalization**, and **climate change**.
- **PM-Internship Scheme:** This initiative is acting as a **transformative catalyst** for employment generation.
- **Formal Employment Growth: EPFO payroll additions** have more than doubled in the past six years, signaling robust formal employment growth.

### 13. Labour in the AI Era: Crisis or Catalyst?

- **AI Revolution:** AI promises to automate valuable work, surpassing human performance in critical decision-making across sectors like healthcare, research, education, and finance.
- **Barriers to AI Adoption:** Challenges like **reliability**, **resource inefficiencies**, and **infrastructure deficits** hinder large-scale AI adoption, providing policymakers time to act.
- **India's Advantage:** As AI is in its early stages, India can strengthen its foundations and harness its **young, tech-savvy** population to integrate AI into the workforce, boosting productivity.
- **Augmented Intelligence:** The future lies in combining **human** and **machine** capabilities, enhancing human potential and improving job efficiency.
- **Collaborative Effort:** Governments, the private sector, and academia must work together to mitigate the societal impacts of AI-driven transformation.

## Economic Survey 2024-25 FAQs

**Q1.** What is the economic situation in India in 2024?

**Ans.** India's economy is growing steadily with GDP growth at 6.4% and moderate inflation, facing global challenges.

**Q2.** What is the real GDP of India in 2024?

**Ans.** India's real GDP growth is estimated at 6.4% for FY25, aligning with the decadal average.

**Q3.** What is the economic survey of India?

**Ans.** An annual report by the Finance Ministry assessing India's economic performance, challenges, and policy recommendations.

**Q4.** What is the ranking of India's economy in 2024?

**An**s. India is the largest democracy and the 5th largest economy in the world.

**Q5**. Who publishes the economic survey?

**Ans.** The Ministry of Finance, specifically the Economic Division under the Chief Economic Advisor, publishes the Economic Survey.

**Source:** PIB | Ministry of Finance

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