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## Current Affairs:02.02.2022

## **Economic Survey 2021-22 Highlights**

The Union Minister of Finance Smt. Nirmala Sitharaman presented the Economic Survey 2021-22 in the Parliament on January 31, 2022. Central Theme of Economic Survey 2021-22 is the "Agile approach". As per first advanced estimates by NSO, Indian economy estimated to grow by 9.2 percent in real terms in 2021-22 (current fiscal).Real term GDP in 2022-23 (FY23) projected to grow by 8-8.5 percent. Economy had contracted by 7.3% in 2020-21 due to impact of pandemic and subsequent nationwide lock-downs.

Recently, the Economic Survey 2021-22 was tabled in Parliament by the Finance Minister soon after the President's address to both Houses of Parliament.

- The central theme of this year's Economic Survey is the "Agile approach".
- This year's survey uses various examples to highlight the use of satellite and geospatial data to reflect the infrastructural growth in the country.



What is the Economic Survey?

- The Economic Survey of India is an annual document released by the Ministry of Finance.
- It contains the most authoritative and updated source of data on India's economy.
  - It is a report that the government presents on the state of the economy in the past one 0 year, the key challenges it anticipates, and their possible solutions.
- It is prepared by the Economics Division of the Department of Economic Affairs (DEA) under the guidance of the Chief Economic Advisor.

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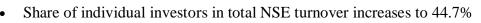
**Cross & Climb, Rohtak** It is usually presented a day before the Union **Budget** is presented in

the **Parliament**.

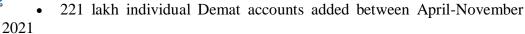
- The **first Economic Survey in India was presented in the year 1950-51.** Up to 1964, it was presented along with the Union Budget. From 1964 onwards, it has been delinked from the Budget.
  - GDP growth rate projected in the range of 8-8.5% for the next fiscal 2022-23 (FY23)
- Growth projections based on oil price projection of \$70-75 per barrel next fiscal, against current price of \$90
- Agriculture least hit by pandemic, sector to grow by 3.9% in 2021-22 after growing 3.6% the previous year
- Disruptions in the global container market not yet over; will continue to impact the global sea trade.
- Crop diversification towards oilseeds, pulses and horticulture needs to be given priority
- Inflation on everyone's mind: Eco Survey flags global resurgence of inflation, warns of imported inflation
- The Survey also went into detail on the government's use of the Barbell approach to COVID-19, saying that this "helped make it possible to target the vulnerable sections/businesses better, keeping the pandemic's economic toll at much less than what could have been"
- Industrial sector likely to grow at 11.8%.

- Survey pegs services sector to see 8.2% growth in 2021-22
- Expenditure on social services rises by 9.8% to Rs 71.61 lakh crore in FY22
- Government consumption is estimated to grow by a strong 7.6% surpassing pre-pandemic levels.
- India's total exports are expected to grow by 16.5% in 2021-22 surpassing pre-pandemic levels.
- Imports are expected to grow by 29.4% in 2021-22
- Consumption has grown 7% in 2021-22 with a significant chunk of it thanks to government spending.
- Middle-class borrowing to own houses well below the 21.1% growth year-on-year; also below the level of the last four years
- Pandemic, job uncertainty continues to make people wary of EMIs, with home loans registering 8% growth in November 2021, 0.4% below 2020
- Railways: Rs 65,157 crore capital expenditure from April to November 2021; capex outlay in the ongoing financial year is at Rs 2.15 lakh crore, which is five times the 2014 level.
- "Railways capex will increase further in coming years and emerge as an engine of national growth," the survey says.
- India has third largest startup ecosystem in the world after US and China.

- Delhi saw 5,000 new startups versus 4,514 in Bengaluru between April 2019 and December 2021
- India sees 44 unicorns in 2021, a new record.
- In April-November 2021 Rs 89,066 crore was raised via 75 IPO issues versus 29 companies which raised Rs 14,733 crore in the same period in 2020
- Forex, low current account deficit and capital inflows keeping external sector well supported



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UPI takes centre stage, with the country seeing 4.6 billion transactions worth Rs 8.26 lakh crore in December 2021 alone

- In April-November 2021, UPI processed more than 24.26 million One Time Mandate create transactions worth Rs 44,381 crore.
- Rs 1.81 lakh crore raised through equity issues

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- "Rate transmission has been higher in public sector banks than in private sector banks in the current monetary easing cycle," says the Survey
- Housing sales expected to see a boost after COVID-19 slump on the back of reduced duties in multiple states
- Five sectors capture around 83% of the aggregate pipeline value: Roads (27%), Railways (25%), Power (15%), Oil & Gas pipelines (8%) and Telecom (6%)
- Government finances to witness consolidation in 2021-22, after uptick in deficit and debt indicators in the previous year
- "Climate finance will remain critical to successful climate action by developing countries, including India," says the Survey

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