भारत 2023 INDIA

Economic Division

Monthly Economic Review

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आर्थिक कार्य विभाग
DEPARTMENT OF ECONOMIC AFFAIRS

सत्यमेव जयते

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Abstract

The Indian economy has been remarkably resilient amid a global slowdown, buoyed by solid domestic demand. Major globally renowned rating agencies have also shown confidence in India's economic strength. While one agency has retained India's economic growth at 6.7 per cent for FY24, another has raised India's medium-term potential growth estimate by 70 basis points to 6.2 per cent.

The supply-side economy in FY24 so far vindicates the confidence. In the agriculture sector, rapid progress in the procurement of wheat and rice has ensured a continuous increase in food buffers. Rural demand has sustained sequential momentum in Q2 of FY24 as incomes from foodgrain production have been stable and inflationary pressures moderate. At the same time, increasing production and expansion in sales have been driving growth in the manufacturing sector. Services activity has also been expanding, driven by favourable demand conditions and a strong influx of new businesses. Despite rising input costs, overall sentiment in the services sector remains upbeat, driven, among others, by an upswing in the tourism and hotel industry as leisure and business travel pick up momentum.

On the demand side, private final consumption expenditure (PFCE) has emerged as the strongest driver of India's growth so far in FY24. The festive season has further strengthened consumption demand. While accumulated savings and declining rates of unemployment constitute the underlying strength of consumption demand, the wealth effect emanating from rising real estate prices and growing capitalisation of equity markets may have also strengthened consumption. Strong consumption has also been expressing itself digitally with the UPI transactions reaching an all-time high and crossing 11 billion milestone in October 2023. The digital imprint of consumption, also seen in the substantial volume growth in electronic toll collection, signals a behavioural shift towards a cashless economy.

Merchandise exports during October 2023 have surprised on the upside, with its growth highest in 11 months. Services exports continued to turn out strongly in October 2023 as well. Foreign Portfolio Investors (FPIs), which were net sellers in October 2023, have turned into net buyers in the first half of November 2023. Stability in the rupee and adequacy in forex reserves further support India's improving performance in the external sector.

The Central Government is on track to achieve the budgeted deficit target for the current fiscal year as well. Continued buoyancy in revenue collections supported by prudent expenditure management has enabled the fiscal deficit to be contained within 40 per cent of the Budget Estimate during the first half of the year. The government's emphasis on capital expenditure has continued during the year as well, imparting an impetus to private investment. The recent steep and rapid decline in global crude oil prices removes an important source of potential impact on public finances as well.

Inflationary pressures have also moderated. Consumer price inflation (CPI) declined in October 2023, mainly due to the dip in core (non-food, non-fuel) inflation. The overall CPI-C inflation was at a four-month low, and its core component was the lowest in the last 43 months. The trend in Wholesale Price Index (WPI) also suggests that the cost of principal inputs to production in the economy has declined overall. Apart from the policy measures of the Government, the transmission of the monetary policy tightening may be beginning to take effect. Against a cumulative hike of 250 basis points (bps) in policy repo rate, lending rates have increased by 187 bps in respect of fresh loans and 105 bps in respect of outstanding loans.

The recently released Periodic Labour Force Survey highlights positive trends on the youth and gender fronts. A continuous decline in the annual youth unemployment rate accompanied by greater youth participation in the labour force indicates better utilisation of demographic dividend. This has coincided with steady progress in skill development, with nearly 1.4 crore candidates trained under PM Kaushal Vikas Yojana since 2015. From the gender perspective, the female labour force participation rate (FLFPR) has been rising for six years now. Its being driven by the rural FLFPR could be a culmination of many factors, including continuous high growth in agriculture output and freeing up of women's time due to substantial expansion of access to basic amenities.

With more than half of the current financial year witnessing positive developments in the economy, the full financial year should conclude as projected with a strong growth performance and macroeconomic stability. Yet risks on the downside persist. Inflation is one of them that has kept both the government and the RBI on high alert. Financial flows in the external sector also need constant monitoring as they impact the value of ₹ and the balance of payments. A fuller transmission of the monetary policy may also temper domestic demand. The rapid reversal of rate hike expectations in the US and the slide in the US 10-year Treasury yield, coupled with the decline in oil prices, is good news for emerging markets in general, India included. However, the 'priced to perfection' US stocks continue to be a source of potential risk for global stocks. On balance, however, India's growth experience in FY24 will continue to be a positive outlier as compared to other major economies. In the medium term, thanks to the sustained focus on public investment in infrastructure and advances in digital public infrastructure, India can look ahead to the prospect of a longer economic and financial cycle than in the past, subject to global factors.

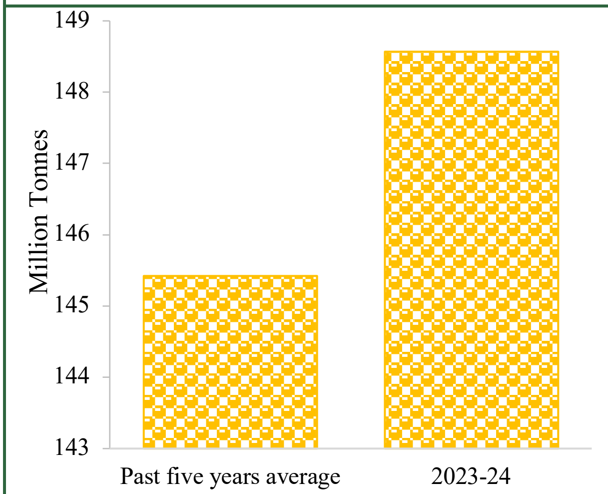
Supply-side growth analysis

Upbeat agricultural output

1. The supply-side components of GDP provide ample evidence of the strengthening of the economy across all sectors. Agriculture is one such sector wherein the sowing of Kharif crops in 2023-24 has been higher than the last year, as well as the average of the past five years. Consequently, the first advance estimates for 2023-24 show the robust expected output of major Kharif crops. Rabi sowing has also shown healthy progress in the current year, building on expectations of robust Rabi output as well. High reservoir levels, adequate availability of fertiliser and seeds, and growing tractor sales support improvements in sowing acreage and output outturns. At the same time, rapid progress in the procurement of wheat and rice has ensured a continuous increase in food buffers. Rising buffer stock would aid in curbing inflationary pressures caused by uneven rainfall distribution in the country, besides strengthening food security.

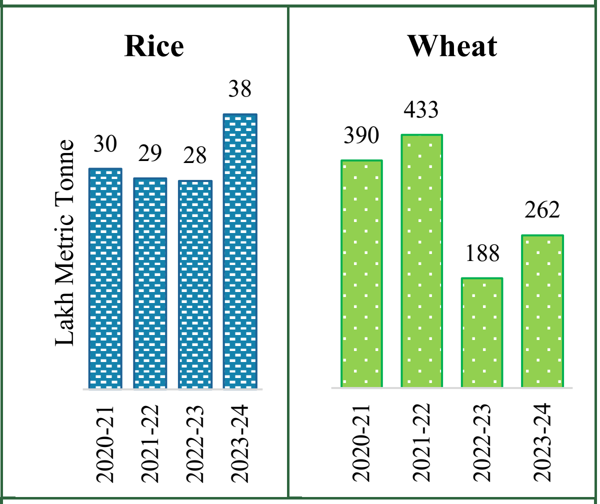
Kharif sowing in 2023-24 was 0.2 per cent higher compared to the previous year and 1.5 per cent higher than the average sowing in the past five years. Area sown under rice and sugarcane were higher than that in the previous year by 1.9 per cent and 7.8 per cent, respectively. Production of Kharif crops is estimated at 148.6 million tonnes in 2023-24, 3.1 million tonnes higher compared to the average foodgrain production in the past five years. As of 10th November 2023, overall rabi sowing stood at 140.8 lakh hectares, 1.6 per cent higher as compared to the previous year. The area sown under rabi oilseeds is 8.9 per cent higher in 2023-24 compared to the previous year, which bodes well for oilseeds production.

Foodgrain production of major Kharif crops in 2023-24 higher than past 5 years' average



Source: Ministry of Agriculture and Farmers Welfare

Increasing Procurement of Wheat and Rice

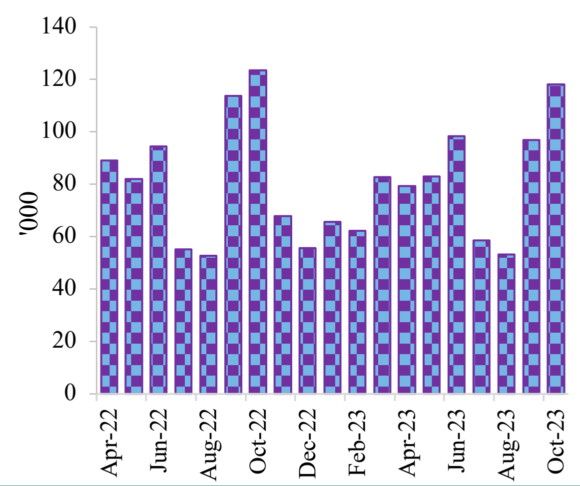


Source: Food Corporation of India
Note: Data for Rice Procurement is as of 1st November

Current water levels in reservoirs are sufficient to irrigate the rain-fed swathes of the agriculturally important regions. As of 2nd November 2023, total live storage in 150 important reservoirs is nearly 79 per cent of last year's storage and 91 per cent of the average of the last ten years.

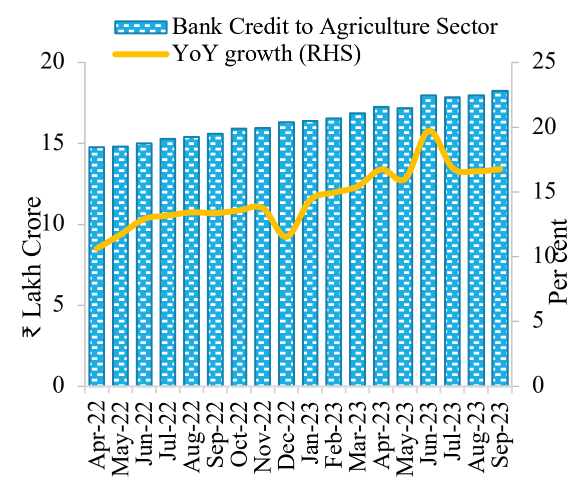
Fertiliser sales were 5.7 per cent higher in September 2023 compared to the corresponding period of the previous year. Availability of fertilisers against requirement is comfortable for rabi sowing 2023-24. Enough quality seed is available to ensure the smooth sowing of the rabi crops. The seed availability stands at 325.3 lakh quintals against the requirement of 293 lakh quintals in the country for Rabi 2023-24. Tractor sales registered the strongest sequential increase in October 2023. Credit support to agriculture also expanded further in September 2023, registering 16.8 per cent growth on a YoY basis.

Rising Tractor Sales



Source: TMA

Rising Bank Credit to Agriculture sector



Source: RBI

Wheat procurement from 1st April to 15th October 2023 in the ongoing Rabi Marketing Season (April-March) has surpassed the procurement in the corresponding period of the previous year by 39.4 per cent. In the ongoing Kharif Market Season[1] as well, 108.2 LMT of rice has been procured as of 1st November 2023, with Punjab, Haryana, and Tamil Nadu being the major contributors[2], benefiting about 25 lakh farmers. A total quantity of 521.3 LMT rice is estimated to be procured during the entire season of 2023-24[3]. This augurs well for adding strength to rural demand in the coming months. Food security is also ensured with total foodgrain stocks with Food Corporation of India (FCI) maintained at 1.8 times the buffer norm requirement for the Oct-Dec 2023 period.

Rural Demand Strengthening

2. Rural demand has sustained sequential momentum in Q2 of FY24 as incomes from foodgrain production have been stable and inflation moderate. Several indicators, such as sales

[1]Kharif Marketing season is from October to November

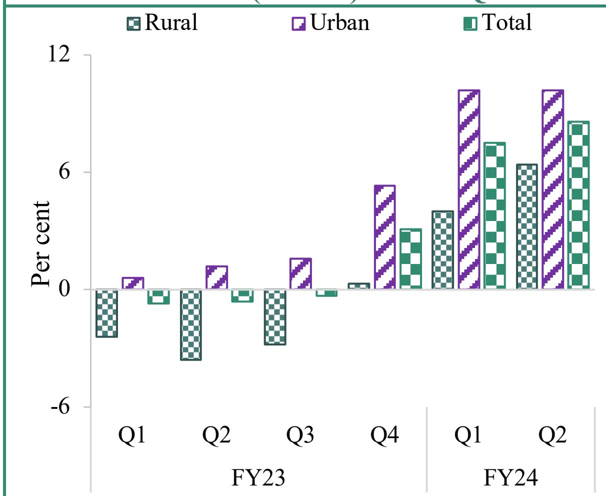
[2]https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1974152#:~:text=Rice%20procurement%20estimates%20for%20KMS,Tamil%20Nadu%20(3.26%20LMT).&text=by%20PIB%20Delhi-,Kharif%20Marketing%20Season%20(KMS)%202023%2D24%20is,progressing%20smoothly%20and%20upto%2001.11.

[3] Rabi Marketing season is from April to March

of fast-moving consumer goods (FMCG) and two & three-wheelers, point towards improvement in rural demand. Going forward, rising rural wages, increasing minimum support prices, and prospects of healthy rabi sowing will add further strength to the rural demand.

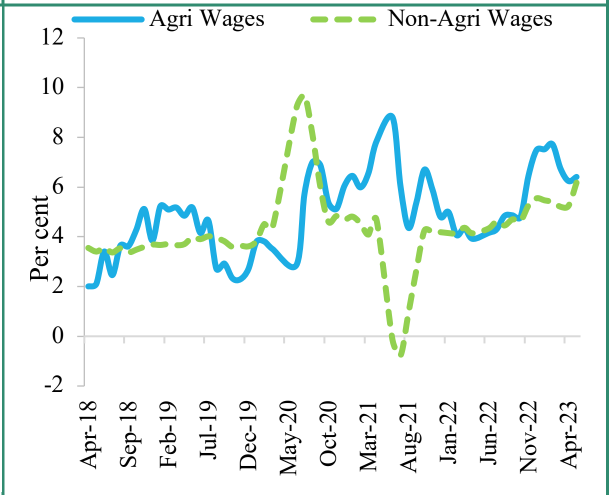
As per the data released by Nielsen IQ, rural markets reported a 6.4 per cent jump in volume sales of Fast-Moving Consumer Goods (FMCG) in Q2 of FY24. The FMCG industry also witnessed growing traction in rural wage growth and a reduction in price growth from the last quarter, which gave an impetus to the spending power of the consumer. Two and three-wheeler sales registered double-digit growth in October 2023. The cooling of inflation, decline in unemployment and LPG prices, amongst other factors, have contributed to an increase in the willingness of the consumer to spend. Moderating inflation and the festivities in Oct-Nov 2023 are expected to further improve rural consumption in the Oct-Dec 2023 quarter.

Volume growth in rural Fast Moving Consumer Goods (FMCG) sales in Q2: FY24



Source: Nielsen IQ

Rural wage growth gaining traction



Source: Labour Bureau

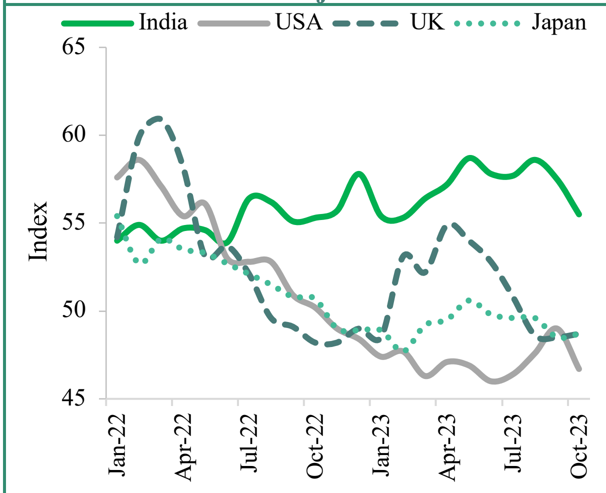
Industrial activity on an expansionary path

3. PMI Manufacturing in India has been in an expansionary zone for the past 28 months, heralding a strong, solid, and sustained recovery from the pandemic. Increasing production, expansion in sales and positive market dynamics have been driving the expansion in the overall manufacturing activity, as evident in the October print. Robust September prints of the Index of Industrial Production (IIP) and Index of Eight Core Industries (ICI) offer fresh evidence of sustained growth in manufacturing activity. The trajectory of manufacturing activity is firm enough to withstand temporary headwinds of rising input costs and realignment of production lines with fast-paced changes in consumer preferences.

PMI Manufacturing stayed in the expansionary zone but slipped from 57.5 in September 2023 to 55.5 in October 2023, possibly due to a temporary fall in demand and rising raw material costs (especially aluminium, steel, chemicals, and leather). Despite the moderation, India's manufacturing sector performed well compared to major economies.

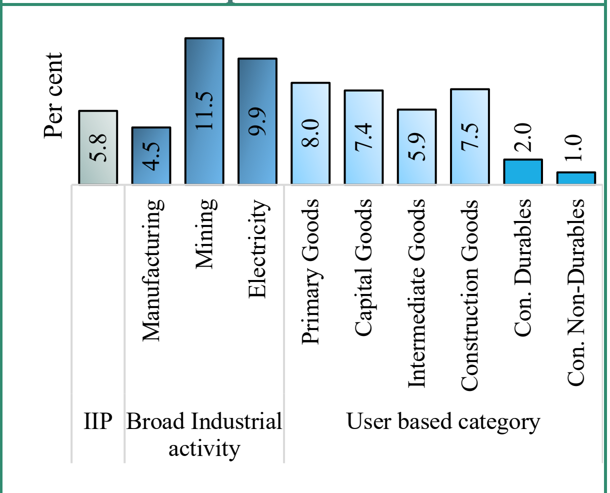
The IIP expanded by 5.8 per cent in September 2023, higher compared to 3.3 per cent in September 2022. Infrastructure goods (consisting mainly of construction materials) and capital goods saw robust growth of 7.5 per cent and 7.4 per cent, respectively, in September 2023. This signifies continued pick-up in capital formation in the economy. Intermediate goods registered a growth of 5.8 per cent in September 2023, indicating a built-up in the inventories for production in October 2023. The ICI grew by 8.1 per cent in September 2023 compared to 12.5 per cent growth in August 2023. The growth in core industries was mainly propelled by the growth of coal, steel, and electricity sub-sectors. Cement and steel account for about 60 per cent of the material inputs of construction, as assumed in national accounts statistics. The robust growth of the steel and cement sub-sectors in September 2023 indicates continuing momentum in construction activity and capital formation.

India's PMI Manufacturing was higher than that in major economies



Source: Bloomberg, IHS Markit

Growth in IIP and its sub-components in September 2023



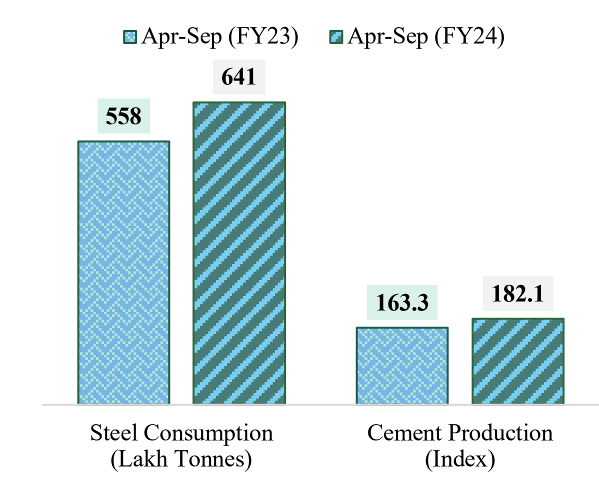
Source: MoSPI

Housing demand strengthening

4. The increase in steel consumption and cement production is substantially induced by continuously strengthening housing demand as both housing sales and new launches increase in Q2 of FY24 over the levels in Q2 of FY23. Households have been critical in keeping up demand through rising housing investment and consumption.

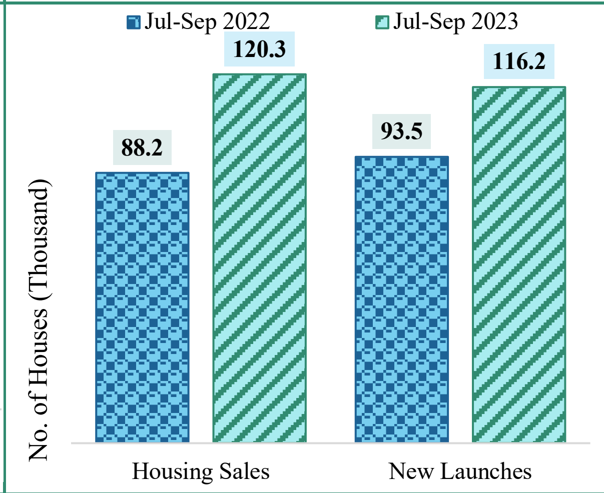
As per the data released by Anarock, despite high interest rates and rising real estate prices, housing sales and launches in India's top 7 cities jumped by 36 per cent and 24 per cent respectively on a YoY basis during the Jul-Sep 2023 quarter. Rising housing sales and launches have been accompanied by a fall in inventory overhang. Existing housing inventory saw a 3 per cent decline across the top 7 cities, from around 6.3 lakh units at the end of September 2022 to about 6.1 lakh units at the end of September 2023.

Steel consumption and cement production in Apr-Sep-23 higher compared to last year



Source: Joint Plant Committee (JPC), DPIIT

Increasing Housing Sales and Launches



Source: Anarock

Services match the strong performance of the manufacturing

5. Like manufacturing, PMI Services has also remained in an expansionary zone in the last 27 months, buoyed by favourable demand conditions, a strong influx of new businesses, and supportive market dynamics. Despite rising input costs, overall sentiment in the services sector remains upbeat, driven, among others, by an upswing in the tourism cum hotel industry induced by leisure travel, business travel, and social events. September marks the seventh straight month when domestic air traffic in India has surpassed pre-Covid levels in India.

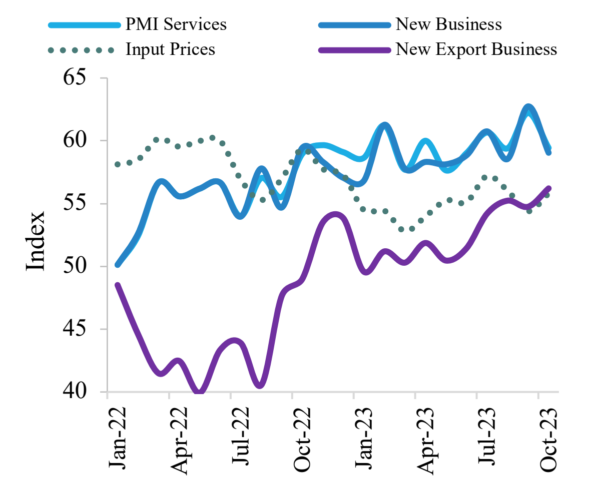
The prevalence of competitive conditions and rising cost pressures (food, fuel, and staff costs) led to a moderation in PMI services to 58.4 in October 2023 from 61 in September 2023. Despite rising input prices, production activity remained strong, and exports continued to rise in October. Overall sentiment in the service sector firms is seeing continuous improvement. As per the latest RBI Services and Infrastructure Outlook Survey[4], respondents remain optimistic about the overall business situation, turnover, and employment conditions in Q3 of FY24, coupled with the expectation of easing pressures from wage bills, input costs and cost of finance.

Tourism has become a vital driver of a strong upswing in contact-intensive activity. The impressive recovery of the tourism sector has given a boost to the hotel industry. The growth in the hospitality sector was driven by domestic leisure travel growth, the resumption of business travel in the country, as well as wedding and social events. In the first six months of FY23, revenge travel has witnessed a gradual decline; however, demand in the leisure segment remains strong. The MICE (Meetings, Incentives, Conferences, Exhibitions) segment and corporate travel segment continue to recover despite the hybrid work culture, online meetings, and higher airfares slowing the turnaround rate. With the

[4] https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=22057

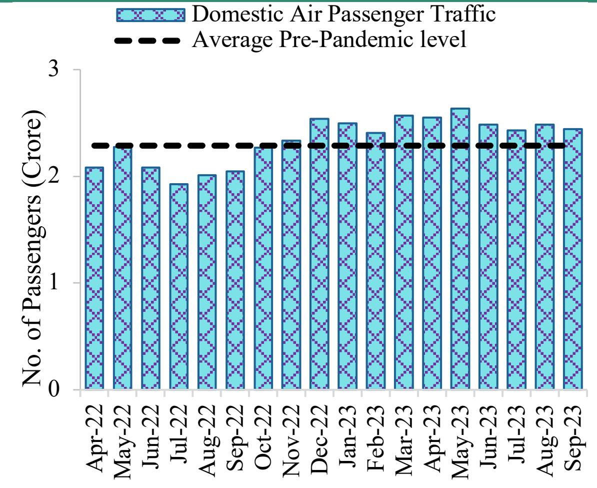
recovery of the tourism sector, a surge in corporate travel and a rebound in MICE tourism and Bleisure travel, domestic air passenger traffic has surpassed the pre-pandemic level.

PMI Services and its sub-components



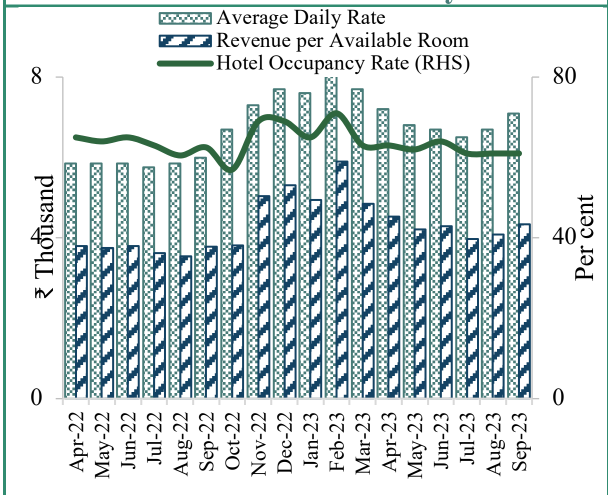
Source: IHS Markit

Increase in Domestic Air Passenger Traffic



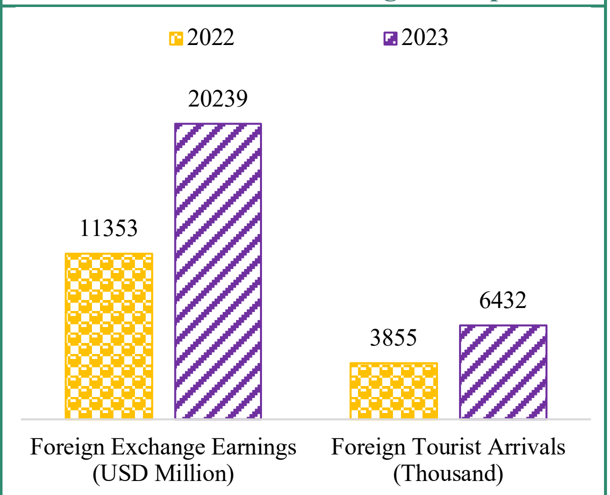
Source: Ministry of Civil Aviation

Robust Hotel Industry



Source: Anarock

Rise in FTA and FEE during Jan-Sep 2023



Source: Ministry of Tourism

As per the latest UNWTO World Tourism Barometer[5], international tourism has recovered 84 per cent of the pre-pandemic levels in the January-July 2023 period, highlighting the remarkable resilience and recovery of travel demand amid economic and geopolitical challenges. The impact of increased international tourism is also evident in the Indian tourism industry. Foreign Tourist Arrivals (FTAs) in India during January-September 2023 are 66.9 per cent higher compared to the corresponding period of the previous year but are yet to recover the pre-pandemic level. Rising FTAs is accompanied by an increase in Foreign Exchange Earnings, which were 78.3 per cent higher during the first nine months of 2023 compared to the corresponding period of the previous year.

Nation-wide hotel occupancy rate was lower in September 2023 compared to 2022 and 2019, respectively, hovering around the 60-62 per cent mark, possibly an outcome of increasing average room

[5]https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2023.21.1.3

rates. The average daily rate was 27-29 per cent higher in September 2023 compared to September 2022, as hotels continued to charge higher rents compared to last year. Domestic Air Passenger Traffic rose 18.3 per cent in September 2023 compared to the same month last year.

India's Booming E-Commerce Industry

6. India's booming e-commerce industry is another strong pillar of the country's services sector, which has brought the convenience of purchases to the doorstep of most households in tier 2 and tier 3 cities as well. Household consumption demand has resultantly risen and is served by a growing army of logistic service providers who significantly constitute the rising levels of employed workforce in the country. The origins of e-commerce trace themselves to several initiatives taken by the government, including Digital India, Make in India, Start-up India, and Innovation Fund, among others. India's e-commerce market is expected to reach USD 163 billion by 2026, with online sales accounting for over 25 per cent of the sales across major non-grocery retail categories. This phenomenal growth is expected to be propelled by the expanding middle class, accessibility to high-speed internet across Tier-II and Tier-III+ regions and adoption of recent technology that offers seamless shopping experiences to consumers.

The E-Commerce industry has experienced a remarkable journey over the past few years, with the COVID-19 pandemic acting as a catalyst for accelerated growth. The pandemic-induced lockdown and mobility restrictions drove demand for e-commerce to new highs by bringing new shoppers and sellers onto the digital platforms and offering players long-term growth. Containment efforts introduced people to the convenience of online buying and motivated online buyers to buy more, thereby making the Indian e-commerce business one of the significant beneficiaries of the pandemic.

The E-commerce industry is growing on levers such as a surge in smartphone penetration, increased affluence, and low data prices, which provide an impetus for e-retail growth. The consistent growth observed in FY23 underscores the confidence consumers have in e-commerce as a reliable and convenient shopping channel. This promising trend signals a significant shift in consumer behaviour and signifies a long-term market potential for e-commerce in India. The Government has taken various initiatives, namely Digital India, Make in India, Start-up India and Innovation Fund, among others, to give a boost to the e-commerce market. The various e-commerce policies and guidelines introduced by the Government addressing several aspects, including Foreign Direct Investment, consumer protection, data privacy, and marketplace conduct, have played a major role in ensuring transparency and enhancing trust among consumers and businesses.

As per a report by UNICOMMERCE on 'India E-Commerce Index 2023'[6], the overall order volume witnessed a growth of 26.2 per cent in FY23, indicating a flourishing e-commerce landscape in India, supported by a 23.5 per cent rise in annual Gross Merchandise Value (GMV) as compared to FY22.

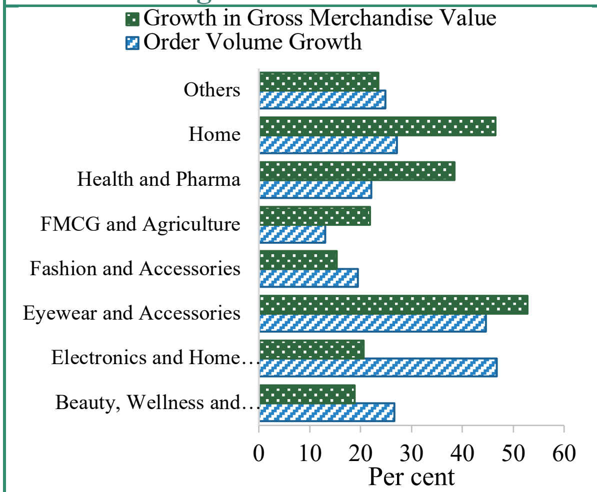
[6]https://infowordpress.s3.ap-south-1.amazonaws.com/wp-content/uploads/2023/08/14114209/India-Ecommerce-Index-2023.pdf

This sustained momentum signifies that consumers have embraced online shopping and that the initial surge caused by the pandemic was not a one-off phenomenon.

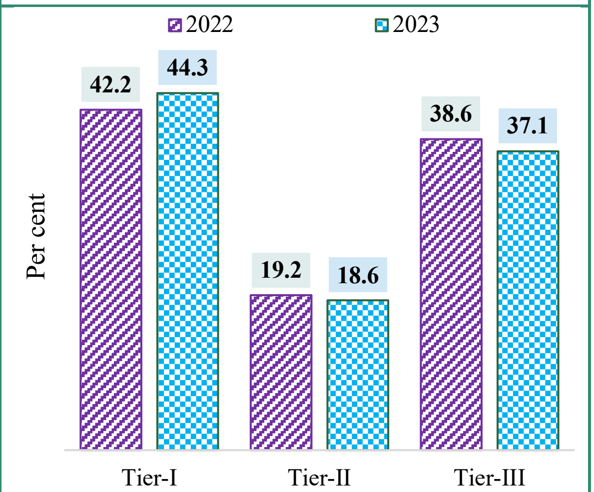
“Omnichannel”, a hybrid online-offline business model, is also emerging as a critical growth driver. Many e-commerce startups prefer this route as it helps them cater to a more extensive consumer base and design more diversified consumer experiences. The growth of omnichannel is expected to continue at a rapid pace as more brands leverage their physical stores to fulfil online orders. Notably, this trend extends to marketplace orders as well, as marketplaces are also utilising stores for order fulfilment. An analysis by UNICOMMERCE highlights a noteworthy 58.4 per cent increase in the number of stores implementing omnichannel operations in FY23.

The emergence of e-commerce categories such as Home Decor and Health and Pharma have demonstrated their significance in the digital shopping arena, while well-established segments like Fashion and accessories and Beauty and Personal Care continue to offer strong evidence to support the overall growth of the e-commerce industry in India. With most of India’s population residing in Tier-II and Tier-III cities, both global and domestic brands are actively expanding into these markets to unlock their next phase of growth. These regions now have access to high-speed internet, prompting brands to establish warehousing and distribution facilities in these areas. Tier-I cities, which experience higher population density, remain the primary generators of e-commerce order volume in the country.

Growth in GMV and Order Volume in various categories of industries in FY23



Tier-wise Market Share



Source: UNICOMMERCE

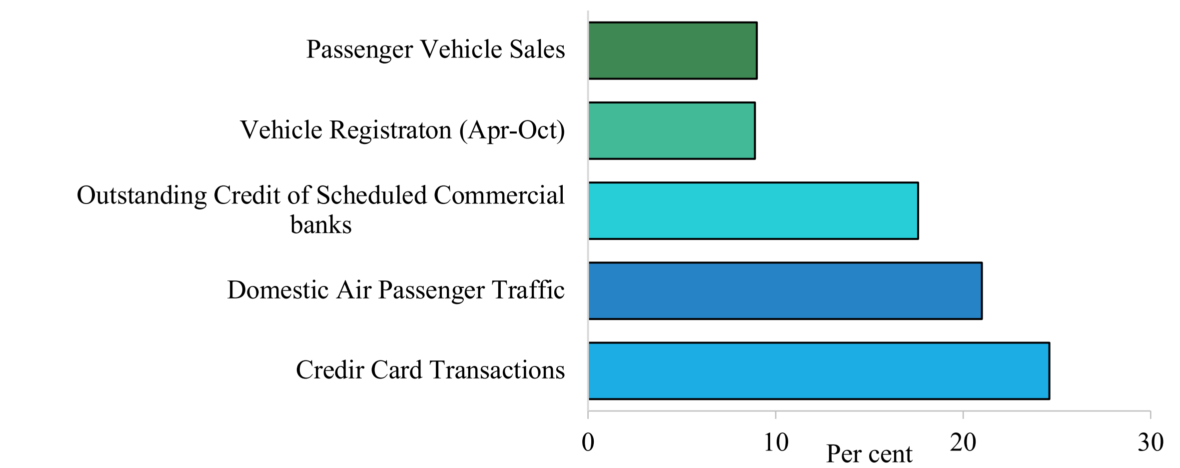
A recent report by Redseer Consulting[7] estimated that India’s e-commerce market is expected to reach USD163 billion by 2026, with online sales accounting for over 25 per cent of the sales across major non-grocery retail categories. This phenomenal growth is expected to be propelled by the expanding middle class, accessibility to high-speed internet across Tier-II and Tier-III+ regions and adoption of recent technology by brands to offer seamless shopping experiences to consumers.

[7]https://economictimes.indiatimes.com/industry/services/retail/view-consumers-building-the-e-commerce-odyssey/articleshow/103126518.cms

Private Final Consumption Expenditure (PFCE) attains Traction

7. The Indian economy has been described as an outlier in becoming the fastest-growing major economy in the world. Private final consumption expenditure (PFCE) is seen as the strongest driver of India's growth. Some commentators observe that India's growth may soften soon as PFCE is likely to taper early in the current year. Yet, so far, there is no evidence of that happening. Moreover, there are reasons to believe that it may not happen anytime soon. First, reports bear out that the festive season is keeping the PFCE propped up; second, the post-pandemic shift towards services in the consumption basket elicits a quicker supply response than goods; third, the unemployment rate is steadily declining, increasing disposable income for spending purposes; fourth, the pre-pandemic moderating growth in housing prices has given way to stronger growth, which has generated a substantial wealth effect to induce spending by households who own houses; fifth, a similar wealth effect has emanated from increasing stock market capitalisation; and sixth, surveys indicate no letting up in PFCE.

Key high-frequency indicators for consumption exhibiting strong YoY growth (April-September 2023) (per cent)



Source: VAHAN, RBI, SIAM

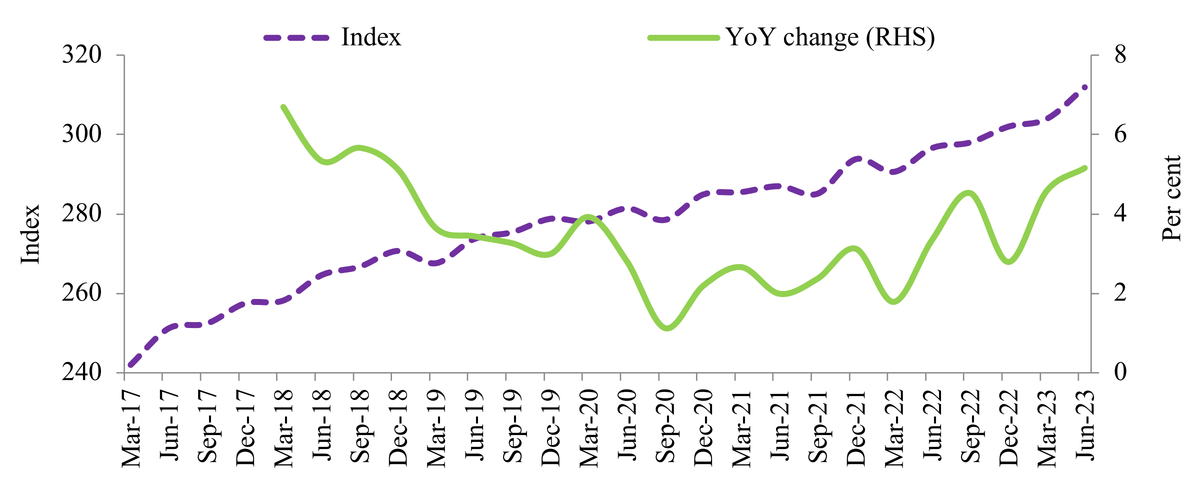
The robust increase in consumption is evident in key high-frequency indicators registering strong growth in the April-September 2023 period compared to the corresponding period last year. Various reports also point to a surge in consumer spending during the ongoing festive season, reflecting buoyancy in demand.

Various concurrent factors have played a key role in driving India's consumption story. Unfolding latent demand that could not find an outlet during the pandemic-driven lockdown is the most crucial factor boosting consumption demand. The unfolding is evident in the improvement of leading variables in the services sector, induced by the shifting composition of the consumption basket towards services in a lockdown-free environment. All services sector indicators have shown rising trajectories in the September 2023 quarter.

A steady decline in the urban unemployment rate has further contributed to keeping private consumption strong by increasing the disposable income in the economy. Labour markets have remained buoyant, with historically low unemployment rates helping to support economic activity. Real wages are also catching up, enhancing the disposable income of the households.

The wealth effect has also played an important role in keeping consumption levels elevated. The COVID-19 pandemic dampened the housing demand and reduced real estate activities to an all-time low, leaving a whole lot of unsold inventory. This tempered the growth in housing prices and house rentals. Consequently, owners of real estate saw their wealth diminishing since housing forms the most important component of the non-financial wealth of households. The price trend was subsequently reversed with the removal of lockdown restrictions, return of labour to cities, resumption of offices and strengthening of domestic economic activity. As a result, housing prices have begun to firm up, and households realised hefty, accrued gains. This made them feel richer than earlier inducing consumption. Accrued gains converted to real gains for those who sold their properties.

Strong growth in the Housing price index

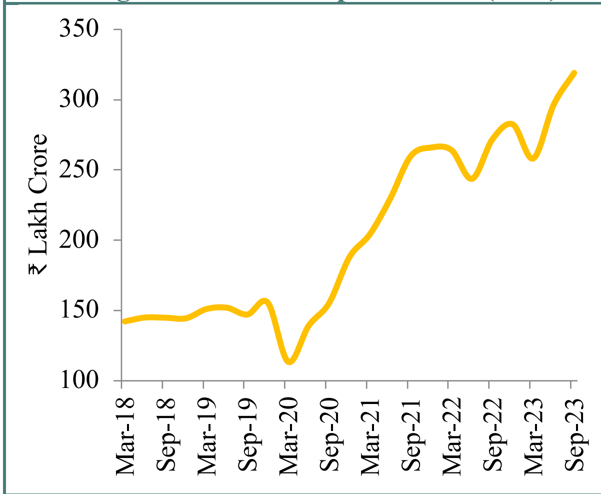


Source: RBI

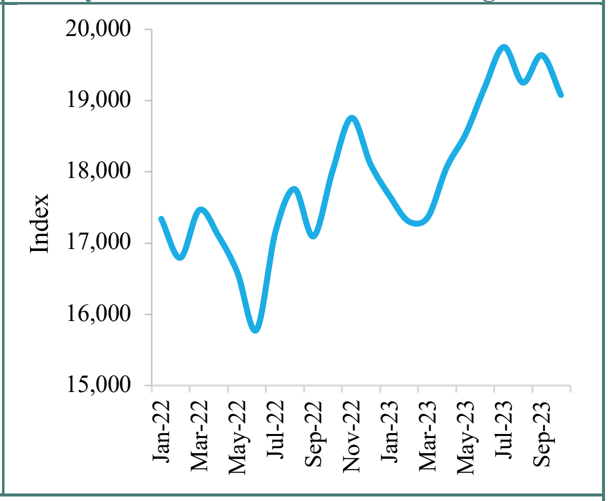
The Housing Price Index registered an average monthly growth of 2.3 per cent from June 2020 to March 2022 (from the first wave to the end of the third wave of the pandemic in India), compared to an average YoY growth of 4.1 per cent from June 2022 to June 2023 clearly reflecting the momentum gathered in the housing market post the pandemic. Yet, as per ANAROCK research, H1 2023 saw an all-time high housing sales of approx. 2.29 lakh units across the top seven cities, which is over 63 per cent of the total sales recorded in 2022. Aided by robust sales, existing housing inventory declined by 2 per cent yearly in Q2 2023 across the top seven cities. Housing prices are expected to rise further as housing demand appears to be brisk.

An increase in stock market capitalisation has been another factor driving the wealth effect and leading to strong consumption growth. Like an increase in housing prices does, an increase in stock prices can also engender a wealth effect. Solely an increase in stock prices can generate expectations effect. When the asset goes up in value, it results in higher consumption today on the expectation that income and wealth will be higher in the future. Various studies have established that financial asset wealth in the form of stock market capitalisation significantly affects the PFCE in India. There is a long-run positive relationship between financial wealth assets and household consumption, implying that households are closely linked with the financial markets through their investments in the form of insurance, mutual funds, company deposits, company stocks, and other forms[8].

Rising stock market capitalisation (BSE)

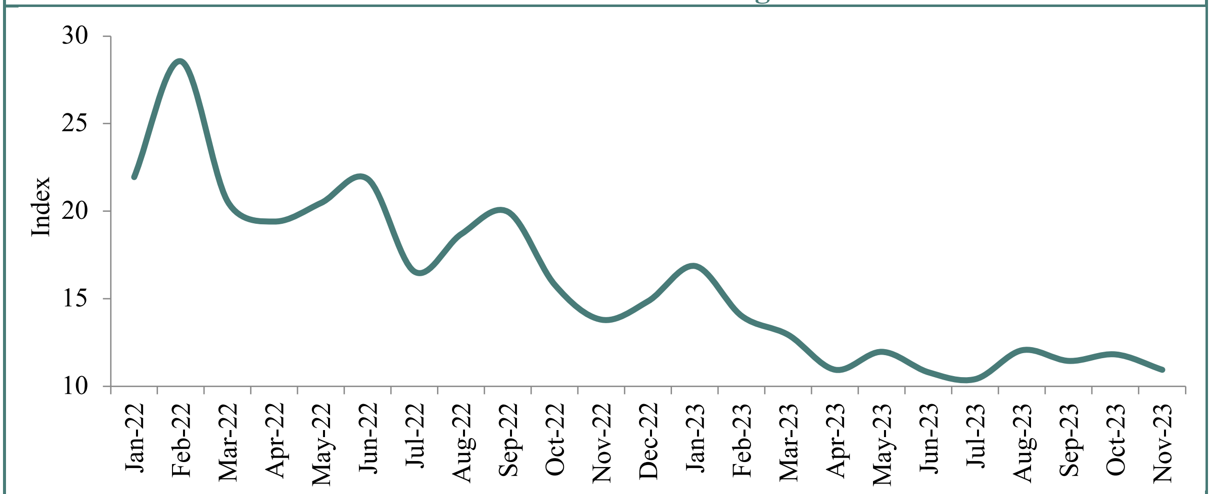


Nifty 50 Index witnessed continued growth



Source: SEBI

India VIX witnessed declining trend



Source: SEBI
Notes: November data is till 11th November 2023

The Indian stock market saw a resilient performance, with the Nifty 50 index registering a return of 12.1 per cent during Jan 2022-Oct 2023. Accompanied with higher returns, India VIX, which measures expected short-term volatility in the stock market and which rose to a high of 32.0 on 24th February 2022 with the outbreak of the Russia-Ukraine conflict, has registered a sustained decline to an average of 15.1 during March 2022 to Oct 2023.

8. Going forward, consumption expenditure is expected to remain strong with the continued realisation of the wealth effect, decline in inflationary pressures, improvement in

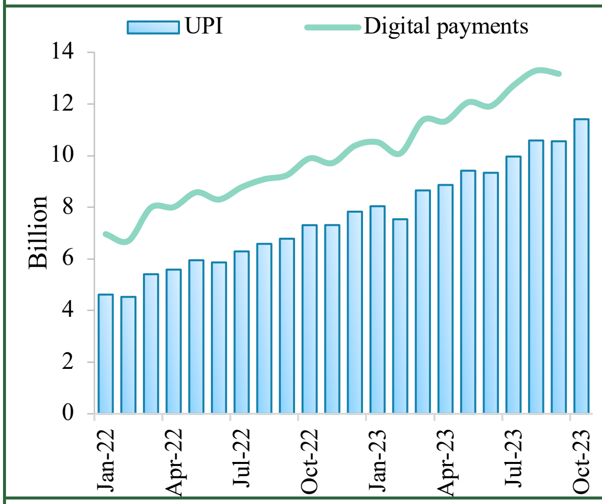
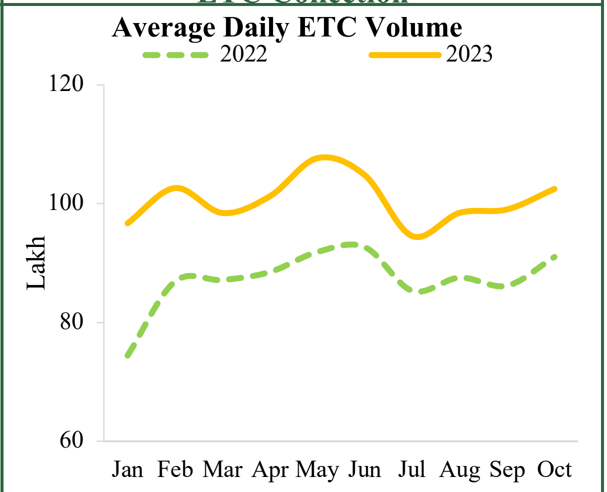
[8] https://onlinelibrary.wiley.com/doi/abs/10.1002/ijfe.2251

real wages and further improvement in consumer sentiments. As per the latest RBI Consumer Confidence Survey of September 2023, the current situation index reached a four-year high on the back of a better assessment of the current general economic situation and employment conditions. The general economic outlook, as well as the prospects for employment, income and spending, are expected to improve further over the next year as reflected in the future expectations index (FEI), also reaching a four-year high in the latest survey round.

Strong Consumption Boosts Robust Growth in Digital Payments

9. Unified Payments Interface (UPI) transactions soared to an all-time high in October 2023. A decrease in average ticket size for UPI transactions indicates a growing depth in the usage of digital payments, reaching out to smaller transactions as well. Double-digit growth in Electronic Toll Collection (ETC) volume during October 2023 further reflects the rising adoption of digital payments, signifying a behavioural shift, which is a testimony to the success of the government's initiatives on paving the way to a cashless economy. This also aligns with the Digital India initiative. Going forward, low transaction costs combined with innovative fintech digital products and robust digital infrastructure will further bolster the digital payments ecosystem.

The UPI transactions continue to break records and have crossed 11 billion transactions in October 2023 on the back of the solid festive demand. It has also been increasingly used as a mode for micro-transactions, indicative of a deeper penetration of digital payments and acceptance by both buyers and sellers. This is evident from a decrease in the average ticket size for person-to-merchant UPI transactions from ₹731 in October 2022 to ₹658 in October 2023. Further, the average daily ETC volume rose by 13 per cent in October 2023, led by higher industrial and commercial activity aided by favourable demand conditions.

Rise in Digital Payments	Double Digit Growth in Average Daily ETC Collection
	
Source: NPCI, RBI	Source: IHMCL

External sector witnessing signs of revival

10. There is increasing likelihood of the "soft landing" scenario of global growth projections for 2023, led by the United States, with inflation gradually coming under control[9]. Risks of a recession may reappear, however, in 2024. Global trade numbers for 2023 are, however, expected to remain weighed down as world merchandise trade volume is expected to decline, as reflected in the WTO's October 2023 Global Trade Outlook and Statistics.[10] Uncertainties in the form of higher food and energy prices continue to persist amidst geopolitical tensions. Yet, on a MoM basis, and contrary to the tepid outlook, global trade grew by 2 per cent in October 2023. The global containerised trade volume in this month was also 5 per cent higher YoY, providing further evidence of an uptick in trade.[11]

11. For India as well, estimates of the Keil trade indicator suggest an expected increase in trade flows, both imports as well as exports, in November 2023. This is also confirmed by the latest trade estimates for October 2023, suggesting growth in both exports and imports on a YoY basis, though higher growth in imports relative to exports has resulted in an increase in the overall merchandise trade deficit compared to the corresponding period last year. Gold and silver imports almost doubled in October 2023 compared to October 2022, signalling the robust demand during the festival season. Yet, cumulative estimates for the trade deficit, on the back of slowing merchandise and service imports, show a considerable decline in April-October 2023 over the corresponding period of 2022.

Despite fears of weak global demand, India's merchandise exports and imports registered a YoY growth of 6.3 per cent and 12.4 per cent, respectively, during October 2023. This resulted in a widening of merchandise trade balance on both YoY and MoM basis during the month. Commodities driving exports during October 2023 include iron ore, ceramic products and glassware, tobacco, cereal preparations and processed items, among others. Exports of engineering goods rose by 7.3 per cent in October 2023 compared to the corresponding period of the previous year. Imports were driven by pulses, gold and silver, among other commodities. For April-October 2023, the merchandise trade balance improved by 12 per cent due to a considerable decline in the merchandise value of imports, especially POL imports, which reduced from USD 123 billion in April- October 2022 to USD 99.9 billion in the corresponding period in 2023.

On the services front, continued demand for India's services exports resulted in a YoY increase in services trade surplus by 22 per cent in October 2023 and by 6.2 per cent during April-October 2023.[12]

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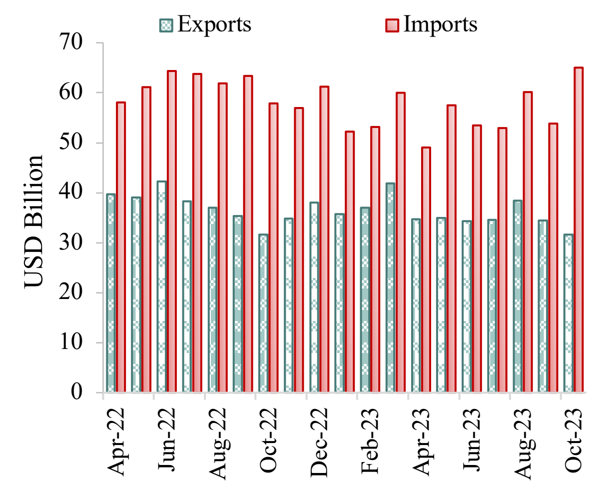
[9] World Economic Outlook (October 2023), IMF

[10] https://www.wto.org/english/res_e/booksp_e/gtos_updt_oct23_e.pdf

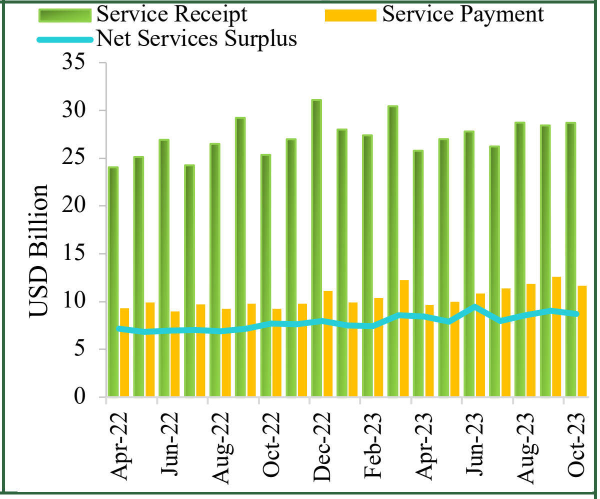
[11] https://www.ifw-kiel.de/publications/news/global-trade-increases-significantly/

[12] Disaggregated data released by the RBI on services receipts for Q1FY24 shows a 7.5 per cent increase on account of services, primary income and secondary income. Services receipts continue to retain the highest share of around 70 per cent in total invisible receipts and expanded by 5.9 per cent during Q1 of FY24, driven by growth in receipts from travel, telecommunication, construction, financial, business, and manufacturing services, indicating broad diversification in the services exports. Inward remittances from Indians working abroad grew by 5.3 per cent during the same period.

India’s Merchandise Export performance



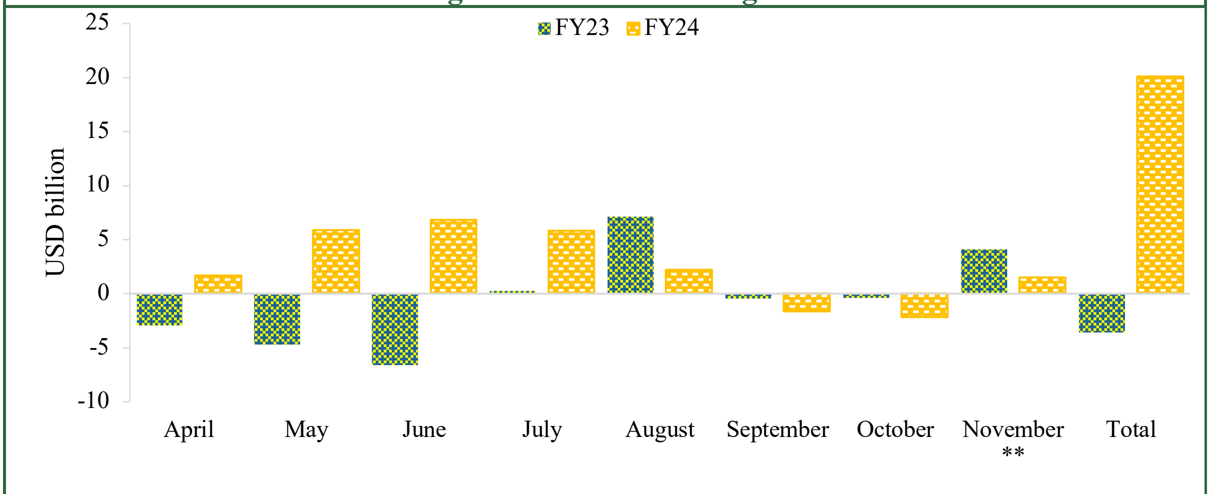
India’s services performance



Source: Department of Commerce

12. Foreign portfolio investment (FPI) witnessed net positive inflows during FY24 (till 16th November 2023) as compared to net outflows during the corresponding period last year. This is mainly on account of the strong macroeconomic fundamentals of the Indian economy indicated by lower volatility in the Indian rupee, moderation in inflation, fiscal consolidation, etc.

Stronger FPI inflows during FY24



Source: NSDL; **: November data for FY24 is till 16 November 2023

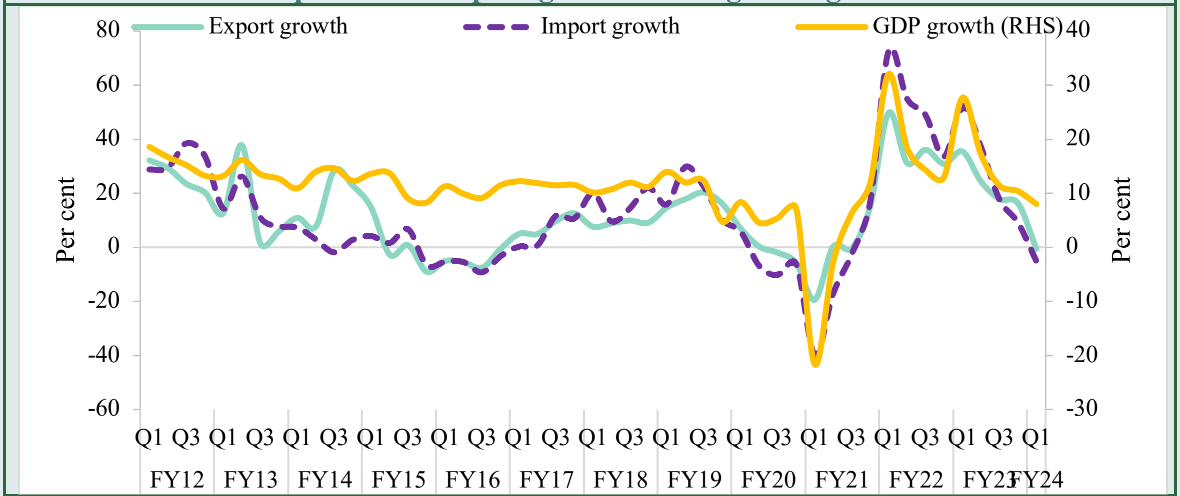
Monthly FPI inflows witnessed an outflow of USD 2.1 billion in October 2023, with recovery being observed in the latest data for November (with a net inflow of USD 1.5 billion till 16th November 2023), assisted by stabler currency. Debt instruments, in particular, has been consistently attracting investor interest, recording a net inflow of USD 5.2 billion during FY24 (till 16th November 2023), as against FY23, when all months witnessed an outflow. However, FPI in debt instruments could be more volatile in nature; it is the equity-based FPI that holds steady, given the large volume and strength of the Indian equity markets.[13] Appropriately, the share of equity-based FPI in total FPI inflows is much larger than the debt-based FPI. During FY24 (till 16th November 2023), equity-based FPI inflow was thrice that of debt-based FPI, i.e., USD 15 billion, recovering substantially over April-November 2022, when it recorded an outflow of USD 3.3 billion.

13. Improvements in trade balance on account of robust services exports, moderation in merchandise imports and positive FPI inflows during April-October 2023, inter alia, contributed towards an increase in foreign exchange reserves to USD 590.8 billion as of 3rd November 2023 from USD 578.4 billion at end-March 2023.

Box 1: Examining the relation between trade balance and GDP

Theoretically, there exists a circularity (endogeneity, in economists' jargon) between trade balance and GDP; that is, trade contributes to improvement in real income and per capita growth, and improvements in GDP enable tapping opportunities in the external sector. As per the latest available data, double-digit growth in the trade balance for two consecutive quarters (Q4-FY23 and Q1-FY24) on a YoY basis helped sustain the GDP growth. With exports broadly maintaining momentum, a decline in imports during Q1 of FY24, when compared to Q1 of FY23, facilitated improvement in the trade balance, thereby reducing the drag on the GDP number for the quarter. Post FY18, exports and import growth are seen to be tracing the GDP growth over the years.

Exports and Import growth tracing GDP growth



Source: Department of Commerce

[13] IMF Working Paper WP/17/41 "The Volatility of Capital Flows in Emerging Markets: Measures and Determinants"

Prudent Fiscal Performance of the Union Government

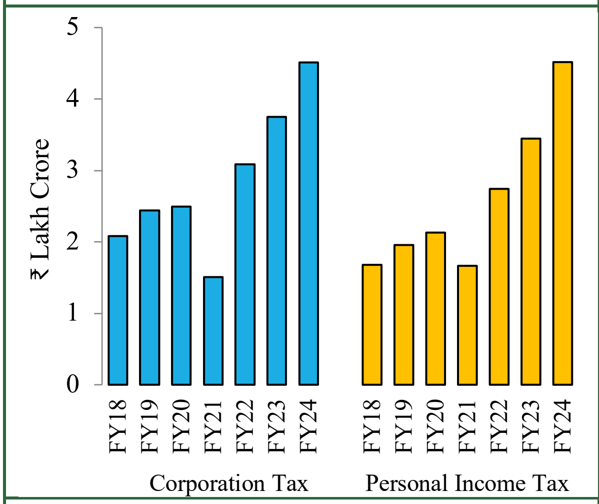
14. The Central Government's commitment towards fiscal consolidation is underlined by the achievement of the budgeted fiscal deficit targets over the past years. An analysis of the fiscal performance of the Government in the first half of the year 2023-24 indicates that the Central Government is on track to achieve the budgeted deficit target for the current fiscal year as well. Continued buoyancy in revenue collections supported by prudent expenditure management has enabled the fiscal deficit to be bound within 40 per cent of the Budget Estimate during the first half of the year. Moreover, the Government's emphasis on capital expenditure has continued during the year, imparting an impulse to private investments and strengthening the positive sentiment in the economy.

Buoyant revenue collections in Apr-Sep 2023 have supported the fiscal situation of the Government. The net tax revenue of the Government in Apr-Sep 2023 rose by 14.7 per cent year-on-year to ₹11.6 lakh crore. The 20 per cent growth in corporate tax collections and 31 per cent increase in the personal income tax collections registered during the first half of the year is much higher than the YoY growth budgeted for the full year 2023-24.

Reflecting the robust performance of economic activity, the gross GST collections for October 2023 at ₹1.72 lakh crore was the second highest ever monthly collection for Centre and States put together. As a result, the Centre's GST revenue for Apr-Sep 2023 increased by nearly 9 per cent on a YoY basis.

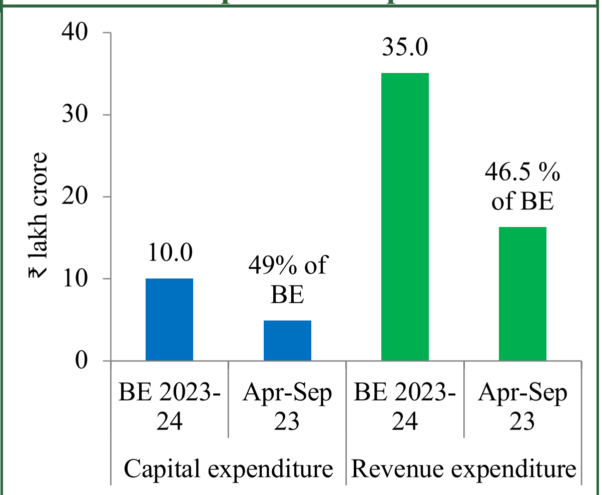
On the expenditure front, capital expenditure by the Government during the first six months of the fiscal year was recorded at Rs 4.9 lakh crore, nearly 50 per cent of the Budgeted target for the year. This implied an increase of 43 per cent on a YoY basis. However, the revenue expenditure from Apr-Sep 2023 stood at less than half (46.5 per cent) of the annual target.

Continued increase in direct tax collections in first six months



Source: O/o CGA

Prudent expenditure management with emphasis on capex

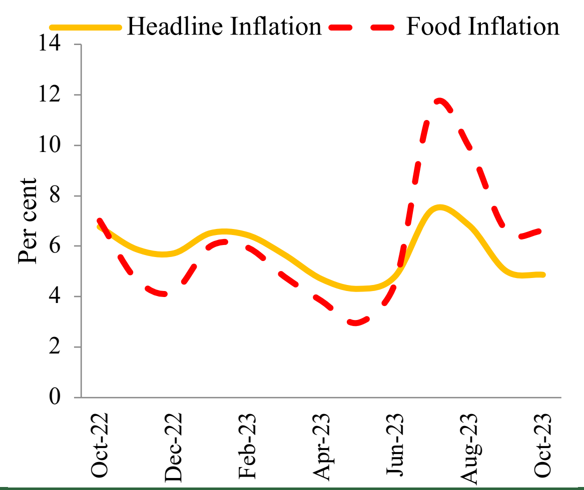


Source: O/o CGA and Union Budget Documents

Core Inflation lowest since April 2020

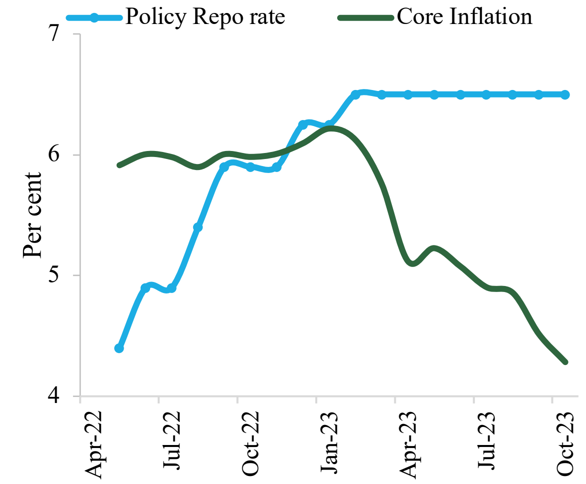
15. Retail inflation, measured by the Consumer Price Index (CPI), has moderated to 4.9 per cent in October 2023 from 5 per cent in September 2023. The fall in inflation was mainly due to the decline in core (non-food, non-fuel) inflation, while food inflation in October 2023 remained the same as in September 2023. Overall inflation stood at a four-month low in October 2023, while its core component was the lowest in the last 43 months.

Declining Retail Inflation



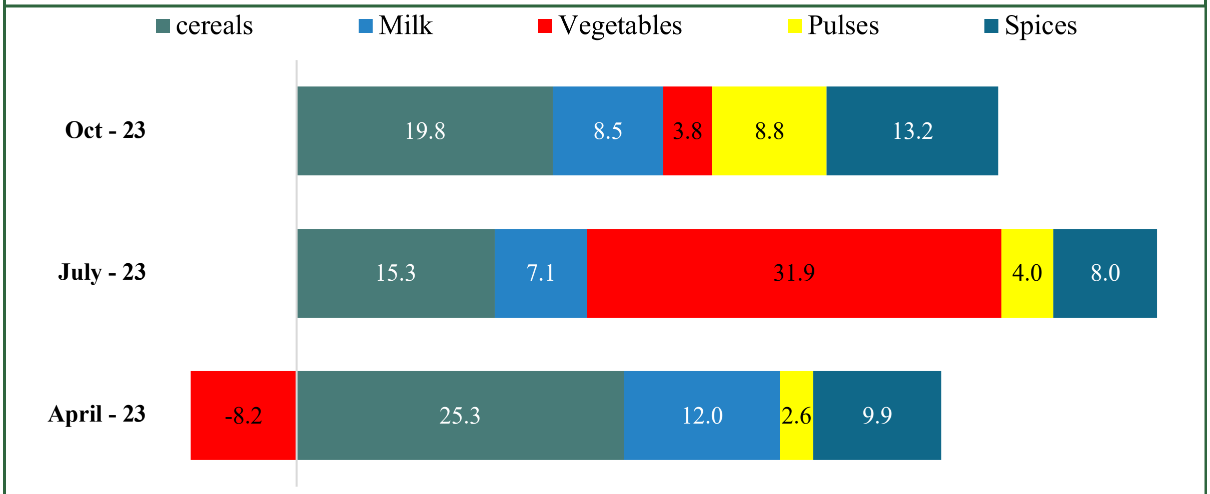
Source: MoSPI

Policy Repo Rate and Core Inflation



Source: MoSPI and RBI

Declining contribution of 'select' food items to retail inflation



Source: MoSPI
Note: Figures excludes the contribution of oils and fats, fruits, egg, meat, fish, and sugar among food items

While CPI food inflation in October 2023 remained the same at 6.6 per cent, as in September 2023, CPI core inflation declined to 4.3 per cent in October from 4.5 per cent a month ago.

16. The trends emerging from inflation measured in terms of the Wholesale Price Index (WPI) also suggest that the cost of principal inputs to production in the economy has declined

on the whole. This is facilitated by the international commodity price scenario turning benign of late and by the calibrated administrative and trade policy measures implemented by the Government, vigilantly monitoring the prices of principal inputs of production.

WPI-based inflation rate was (-) 0.5 per cent in October 2023, compared to (-) 0.3 per cent in September 2023. Food (raw food articles plus manufactured food) inflation decreased from 1.5 per cent in September to 1.1 per cent in October. Inflation in manufactured products, though, increased from (-) 1.3 per cent in September to (-) 1.1 in October 2023 but remained in the deflationary zone.

17. In addition to measures already put in place, the Government of India has recently taken a number of initiatives in specific food items that contribute significantly to the food basket and are currently experiencing high inflationary pressures.

The Government recently flagged off 100 mobile vans for the sale of wheat flour (Atta) under the 'Bharat' brand. Under this, the wheat flour is available at an MRP not exceeding ₹27.5 per kg. This will increase supplies in the market at affordable rates and will help in the moderation of prices. In order to ensure continuous availability of onion to consumers at affordable prices, the Government raised the quantity of onion buffer to 7 lakh metric tonnes in 2023-24. Onion from the buffer has been disposed of continuously from the second week of August in major consumption centres all over the country. This has been supplied to retail consumers at ₹25 per kg through 685 mobile retail outlets operated by NCCF and NAFED. Recently, the Government of India imposed a Minimum Export Price (MEP) of USD 800 per tonne on Onion with effect from 29th October 2023 till 31st December 2023. As a result of all the initiatives, the contribution of 'select' food items to overall inflation has declined from 60.6 per cent in July to 53.6 per cent in October, with the corresponding contribution of vegetables declining drastically.

18. Apart from the policy measures of the Government, the steady monetary policy stance of the RBI with adjustments in policy rates has also helped core inflation to progressively align with the inflation target and support GDP growth.

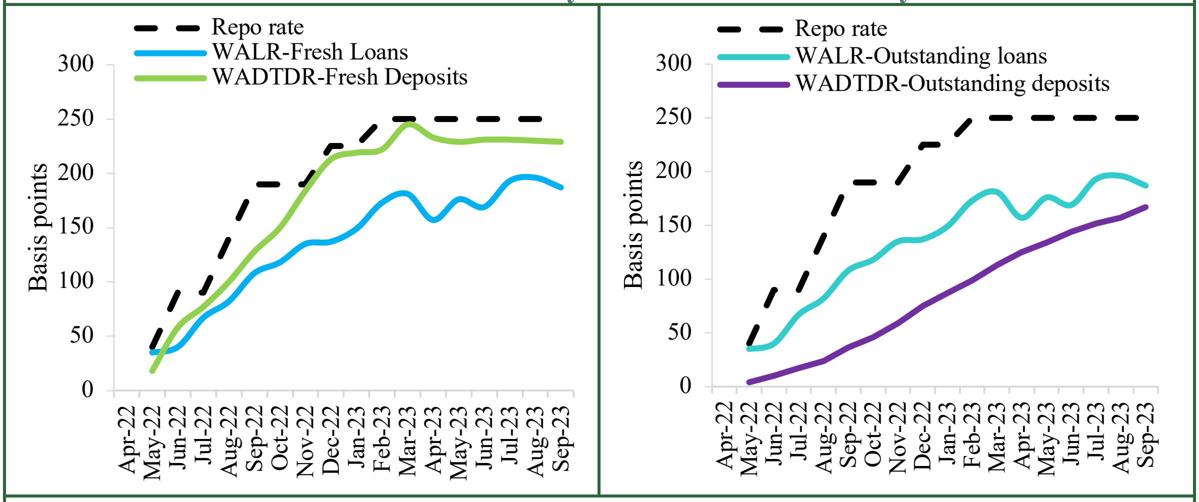
Monetary Policy Transmission

Policy rate hikes continue to work their way through the economy

19. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) decided to keep the policy repo rate unchanged at 6.5 per cent in its October 2023 meeting. The MPC has indicated that monetary policy transmission to the economy's broader borrowing costs is incomplete. It noted that the cumulative 250 basis points (bps) hike is still working its way through the economy and signalled that ceteris paribus, any further tightening of monetary policy will likely occur only when transmission is closer to completion and if the situation warrants it. The Weighted Average Lending Rate (WALR) on outstanding rupee loans is up by 105 bps over this period, while the WALR on fresh rupee loans is higher by 187 basis points.

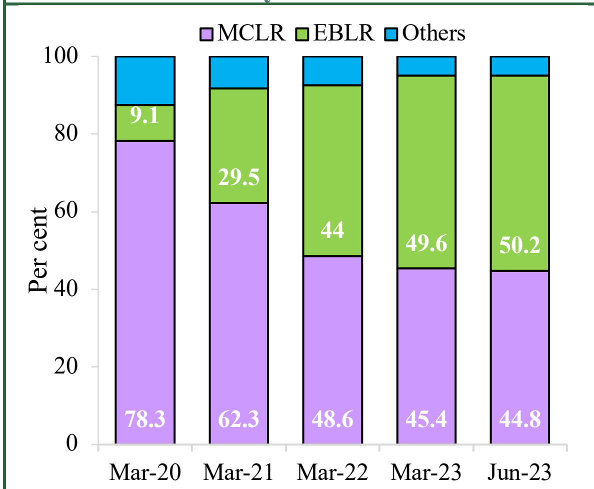
Since the advent of the current rate hike cycle in April 2022, the policy repo rate has been increased by 250 bps from 4 per cent to 6.5 per cent at the end of October 2023. The Weighted Average Lending Rate (WALR) on outstanding rupee loans is up by 105 bps over this period, while the WALR on fresh rupee loans is higher by 187 basis points. Within the outstanding floating-rate loans segment, monetary policy transmission has been aided by an increase in the share of loans directly tied to the policy repo rate. These external benchmark-based lending rate (EBLR) loans, which are characterised by a full pass-through of any changes in the policy rates, account for over 50 per cent of outstanding floating-rate loans as of June 2023, up from 9.1 per cent in March 2020. Loans priced off the Marginal cost-based lending rate (MCLR), which comprised 78.3 per cent of this segment in March 2020, have seen their share fall to 44.8 per cent in June 2023. Notwithstanding the above, the persistence of the difference in WALRs and the policy repo rate implies that monetary policy transmission is partial.

Cumulative increase in key interest rates since May 2022

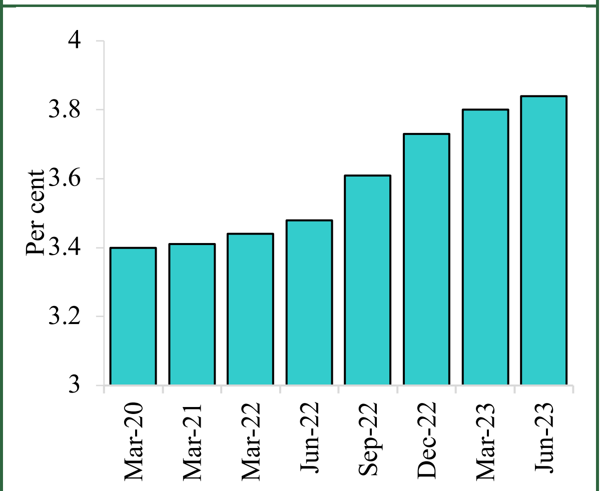


Source: RBI

Composition of Outstanding floating-rate loans by benchmark



Net interest margins of SCBs



Source: RBI

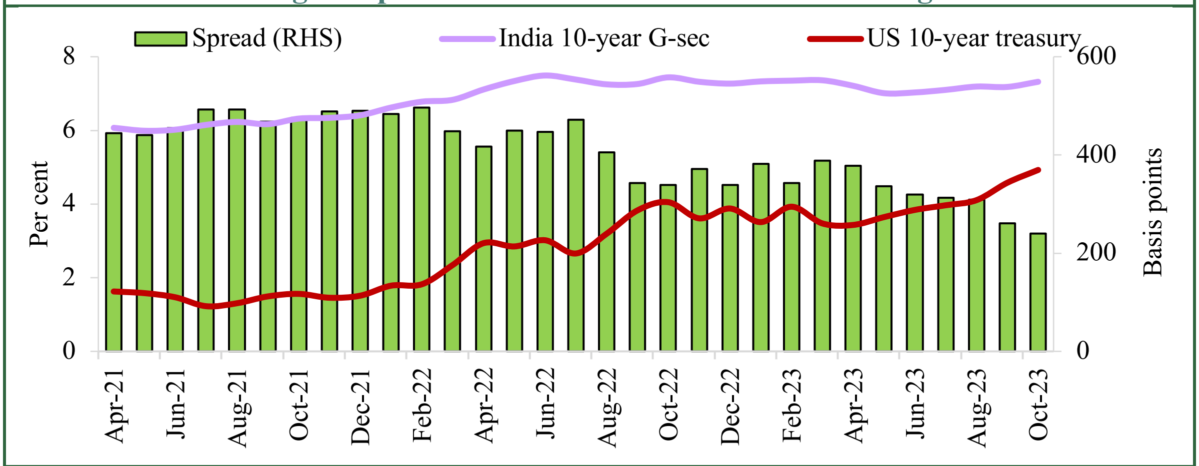
Note: MCLR – Marginal cost of funds-based lending rate; EBLR – External benchmark-based lending rate; The ‘Others’ category comprises of base rate, benchmark prime lending rate and other internal benchmarks.

On the deposit side, the Weighted Average Domestic Term Deposit Rate (WADTDR) on fresh deposits is up by 229 bps, while the WADTDR on outstanding deposits is up by 167 bps. It is notable that the increase in the term deposit rates in this current rate-hike cycle has exceeded that in lending rates, both in terms of fresh and outstanding loans/deposits. However, savings deposit rates have remained virtually the same while current account balances earn no interest. This has enabled a lowering of banks' overall cost of funds, which is reflected in the rising net interest margin (NIM) of scheduled commercial banks (SCBs).

20. The concurrent rate hike cycle across the globe is adversely affecting sovereign bond yields. Bond yields are expected to remain elevated in the current situation of higher-for-longer interest rates. However, Indian G-sec markets have remained relatively insulated, with yields not responding in equal measure to the RBI's tightening, as US treasury yields have to the Federal Reserve rate hikes. India-US sovereign yield spreads have thus consistently narrowed since the beginning of this tightening cycle, indicating a reduced risk premium between India and the US. This is primarily due to the RBI's relatively tighter control over inflation and the Government of India's commitment to fiscal discipline. A reduced risk premium implies that the Indian Rupee is expected to face lower depreciation pressure in the coming months.

A combination of interest rate hikes and higher borrowings by the US government have led to a spike in US treasury yields. The US 10-year treasury yield has increased by 330 bps over April 2021-October 2023. On the other hand, the India 10-year G-sec yield has increased by only 125 bps. This has led to a narrowing of the spread by 205 bps.

Narrowing risk premium between India and US sovereign bonds



Source: Bloomberg

Youth and Female Employment: Insights from the PLFS Report 2022-23

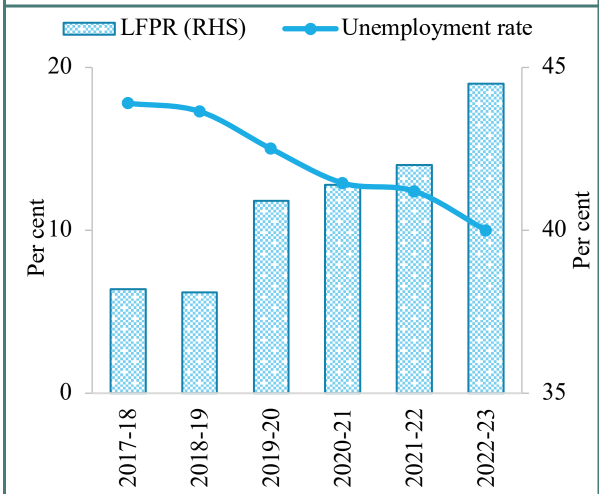
21. The recently released Periodic Labour Force Survey (PLFS) 2022-23 highlights improving employment among youth and females.

Rising Youth Employment Coupled with Skill Development: Utilising the Demographic Dividend

22. India's demographic dividend is a stepping stone for sustained high growth and global competitiveness in manufacturing and services. The decline in the annual youth unemployment rate accompanied by greater youth participation in the labour force indicates better utilisation of this dynamic resource. The rise in youth employment is also reflected in the formal employment figures as per EPFO. The growth in youth employment has been coupled with the progress in skill development, with nearly 1.4 crore candidates trained under PM Kaushal Vikas Yojana since 2015. The recent launch of the Skill India Digital platform as the Digital Public Infrastructure for the skilling, education, employment, and entrepreneurship ecosystem marks another step towards the "ease of acquiring skill" in India.

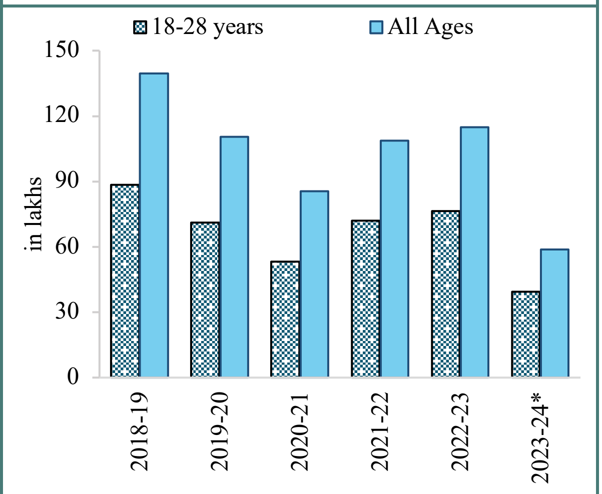
According to PLFS, youth (age 15-29 years) unemployment rate has declined from 17.8 per cent in 2017-18 to 10 per cent in 2022-23, while youth LFPR has expanded from 38.2 per cent to 44.5 per cent over the same period. Concurrently, the proportion of employed youth rose from 31 per cent to 40.1 per cent in these six years.

Rising Youth (15-29 years) Employment



Source: PLFS Reports, NSO

Youth form the majority of new EPFO subscribers

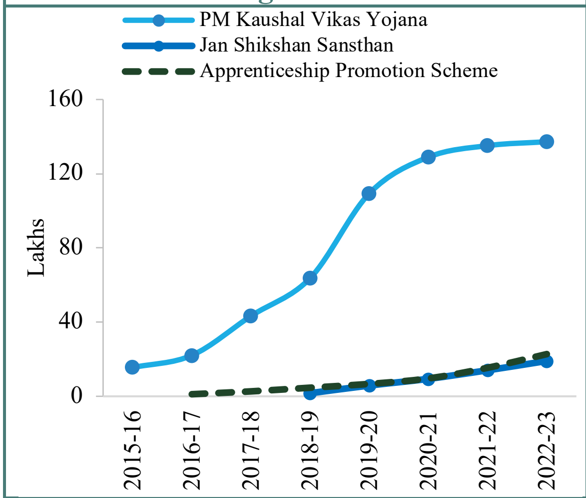


Source: EPFO (*FY24 data till Sep-23)

The annual new EPF subscribers belonging to the age group 18-28 years grew from 71.0 lakhs in 2019-20 to 76.5 lakhs in 2022-23, i.e., by 7.7 per cent, quickly recovering from the COVID-19 shock in 2020-21. Among the new subscribers in the EPFO payroll, nearly two-thirds have been from the 18-28 years band. Relatedly, first jobs accounted for 47 per cent of the total net new payroll of 2.27 crore during FY20 to FY23, according to a recent SBI Ecowrap report. Thus, youth employment has been rising in tandem with the youth population.

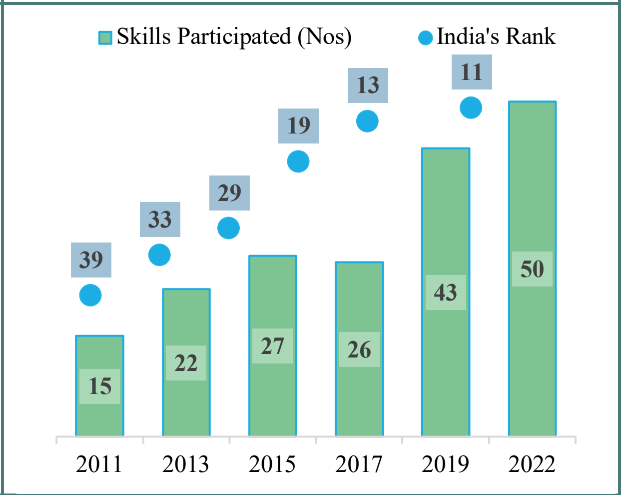
The rise in the number of candidates undergoing skill development through the Government's flagship programmes has underlined the thrust to "Skill India", as demonstrated in the figure above. The recently launched Skill India Digital portal integrates various training programs of the Government by creating a centralised hub for skill development initiatives of the Central and State Governments. The across-the-board progress in skilling has manifested in India's rising position in WorldSkills Competitions, held every two years.[14]

Skill Development under Flagship Programmes



Source: MSDE

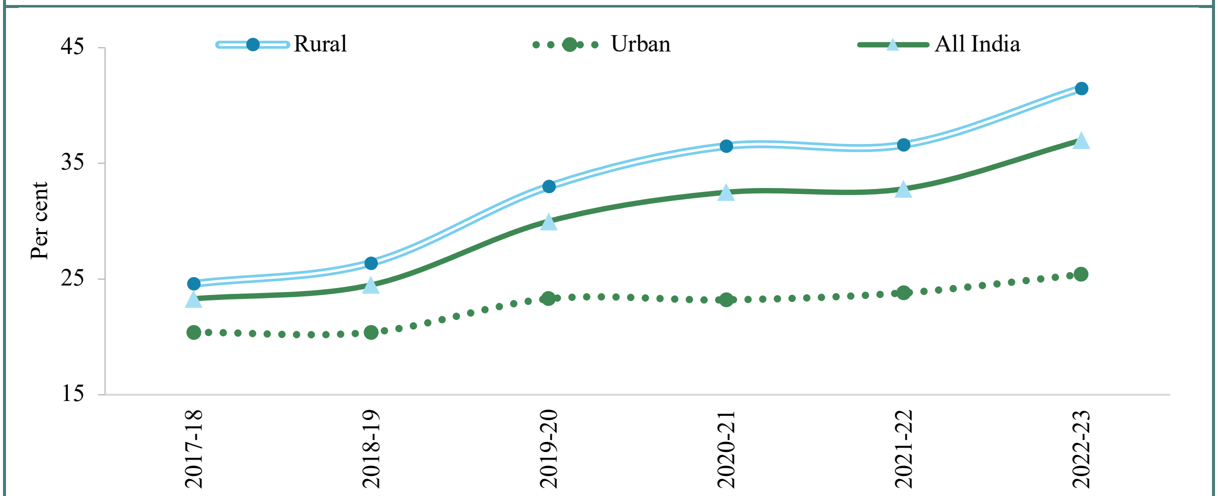
India at WorldSkills Competitions



Source: MSDE Annual Report 2022-23

Rise in Female LFPR: Unfolding the Gender Dividend

Rise in Female LFPR driven by rural India



Source: PLFS reports, NSO
Note: for usual status, 15 years and above

23. From the gender perspective, the female labour force participation rate (FLFPR) has been rising for six years-from 23.3 per cent in 2017-18 to 37 per cent in 2022-23, also mentioned in the Economic Survey 2022-23. While urban FLFPR has also been rising, it is the rural FLFPR which has witnessed a steep rise of 16.9 percentage points over the same period,

[14] WorldSkills competition 2022 was conducted by WorldSkills International from September to November 2022 across Europe, North America, and East Asia, comprising over 1,000 competitors from 58 countries in 61 skills.

indicating a rising contribution of females to rural production. This could be a culmination of many factors, including continuous high growth in agriculture output and freeing up of women's time due to substantial expansion of access to basic amenities such as piped drinking water, clean cooking fuel, sanitation, etc. On the other hand, the possibility of the rise in FLFPR stemming from distress, emerging as a perception among commentators, does not hold ground since distress-driven FLFPR should have peaked during COVID-19 and declined afterwards instead of continuously rising since 2017-18.

Outlook

24. The government's sustained investment push, healthy corporate profits, and a reduction in bank non-performing loans will likely keep investment buoyant despite elevated input costs. India's exports are also expected to perform well, driven by strong performance in services exports.

25. On the inflation front, the decline in international crude oil prices and continued moderation in core inflation are likely to control inflationary pressures going forward. Recognising this, RBI has also indicated that any further tightening of monetary policy will likely occur when transmission is closer to completion and if the situation warrants.

26. With more than half of the current financial year witnessing positive developments in the economy, the full financial year should conclude as projected with a strong growth performance and macroeconomic stability. Yet risks on the downside persist. Inflation is one of them that has kept both the government and the RBI on high alert. Financial flows in the external sector also need constant monitoring as they impact the value of ₹ and the balance of payments. A fuller transmission of the monetary policy may also temper domestic demand. On balance, however, India's growth experience in FY24 should continue to be a positive outlier as compared to other major economies. In the medium-term, thanks to the sustained focus on public investment in infrastructure and advances in digital public infrastructure, India can look ahead to the prospect of a longer economic and financial cycle than in the past, subject to global factors.

For feedback and queries, one may write to -mer-dea@gov.in

Performance of High-Frequency Indicators

Data Title	Unit	YTD Period/As at the end of	Year to Date			Year to Date (YoY Growth)		
			2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
Agriculture								
Fertiliser Sales	Mn Tonnes	Apr-Sept	26.9	30.7	31.3	-13.9	14.1	2.0
Domestic Tractor Sales	Lakhs	Apr-Oct	5.6	6.1	5.9	7.7	9.8	-3.8
Rabi Sowing	Mn Hectare	3-Nov	9.2	11.6	12.1	6.3	26.4	4.0
Kharif Production	Mn Tonnes	1st AE	149.9	150.5	148.567	4.1	-0.4	-0.9
Reservoir Level	Bn Cu. Metres	16-Nov	136	152.6	122.6	-4.0	12.2	-19.7
Wheat Procurement (RMS)	LMT	NA	433.4	187.9	262	11.2	-56.6	39.4
Rice Procurement (KMS)	LMT	30-Sep-23	575.9	569.46	-	-4.4	-1.1	-
Rainfall	Millimetres	June-Sep	874.5	925	820	-9.0	5.8	-11.4
Credit to Agriculture and allied activities	₹ Lakh crore	Sep	13.8	15.6	18.2	10.6	13.0	16.7
Industry								
8-Core Industries	Index	Apr-Sep	130.3	143	154.1	16.9	9.8	7.8
IIP	Index	Apr-Sep	126.2	135.1	143.2	23.9	7.0	6.1
Domestic Auto sales	Lakh	Apr-Oct	96.5	121.6	135.1	4.4	26.1	11.0
PMI Manufacturing	Index	Apr-Oct	53.1	55.2	57.6	16.5	3.9	4.4
Power consumption	Billion kWh	Apr-Oct	821.2	905.4	983.1	11.4	10.3	8.6
Natural gas production	Bn Cu. Metres	Apr-Sep	16.9	17.2	17.9	21.0	1.7	4.0
Cement production	Index	Apr-Sep	147.1	163.3	182.1	37.8	11.0	11.5
Steel consumption	Mn Tonnes	Apr-Oct	588.1	659.4	756.6	28.0	12.1	14.7

Data Title	Unit	YTD Period/As at the end of	Year to Date			Year to Date (YoY Growth)		
			2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
Inflation								
CPI-C	Index	Apr-Oct	161.9	173.4	182.9	5.2	7.1	5.4
WPI	Index	Apr-Oct	135.4	153.5	151.1	12.1	13.4	-1.6
CFPI	Index	Apr-Oct	161.8	174.2	185.7	2.9	7.7	6.6
CPI-Core	Index	Apr-Oct	161.1	171	179.3	5.9	6.1	4.8
Services								
Average Daily ETC Collection	₹ Crore	Apr-Oct	93.1	140.4	170.4	85.6	50.9	21.4
Domestic Air Passenger Traffic	Lakh	Apr-Sep	575	1242.7	1503.4	161.9	116.1	21.0
Port Cargo Traffic	Million tonnes	Apr-Oct	406.4	446.6	464.2	14.4	9.9	3.9
Rail Freight Traffic	Million tonnes	Apr-Oct	786.2	855.6	887.2	22.5	8.8	3.7
PMI Services	Index	Apr-Oct	51	56.9	60.5	54.3	11.4	6.4
Fuel Consumption	Million tonnes	Apr-Oct	111.3	126	133.2	7.4	13.2	5.7
UPI (Value)	₹ Lakh crore	Apr-Oct	42	75	107.8	117.2	78.5	43.7
UPI (Volume)	Crore	Apr-Oct	2266.4	4435.5	7016.4	114.6	95.7	58.2
E-Way Bill Volume	Crore	Apr-Oct	42.5	53.8	64.2	43.1	26.6	19.4
Fiscal Indicators								
Gross tax revenue (Central Govt)	₹ Lakh crore	Apr-Sep	11.8	13.9	16.2	64.2	17.6	16.3
Revenue Expenditure	₹ Lakh crore	Apr-Sep	14	14.8	16.3	6.3	6.0	10.0
Capital Expenditure	₹ Lakh crore	Apr-Sep	2.3	3.4	4.9	38.3	49.5	43.1
Total Expenditure	₹ Lakh crore	Apr-Sep	16.3	18.2	21.2	9.9	12.2	16.2
Fiscal Deficit	₹ Lakh crore	Apr-Sep	5.3	6.2	7	-42.4	17.7	13.2
Revenue Deficit	₹ Lakh crore	Apr-Sep	3.2	3.1	2.3	-58.6	-1.4	-25.6
Primary Deficit	₹ Lakh crore	Apr-Sep	1.6	1.8	2.2	-73.4	13.3	18.8
GST Collection	₹ Lakh crore	Apr-Oct	8.1	10.5	11.7	45.2	28.6	11.4

Data Title	Unit	YTD Period/As at the end of	Year to Date			Year to Date (YoY Growth)		
			2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
External Sector								
Merchandise exports	USD Billion	Apr-Oct	234	263.3	244.9	55.4	12.5	-7.0
Non-oil exports	USD Billion	Apr-Oct	200	206.2	197	46.2	3.1	-4.4
Merchandise imports	USD Billion	Apr-Oct	328.1	430.5	392	76.4	31.2	-8.9
Non-Oil Non-Gold/silver imports	USD Billion	Apr-Oct	215.8	278.7	260.7	56.4	29.2	-6.5
Net FDI	USD Billion	Apr-Sep	20.3	19.6	4.5	-15.3	-3.2	-76.8
Net FPI	USD Billion	Apr-Oct	3	-7.2	14.7	-70.8	-338.8	-305.2
Exchange Rate	INR/USD	Apr-Oct	74.1	79	82.5	-1.1	6.7	4.4
Foreign Exchange Reserves	USD Billion	03rd -Nov	640.9	530	590.8	12.7	-17.3	11.5
Import Cover	Months	Oct	14.4	8.9	10.4	-	-	-
Monetary and Financial								
Total Bank Credit	₹ Lakh crore	03rd Nov	111.6	129.3	155.7	7.12	15.8	20.4
Non-Food Credit	₹ Lakh crore	03rd Nov	110.8	128.9	155.4	7.24	16.3	20.6
10-Year Bond Yields	Per cent	Apr-Oct	6.1	7.3	7.2	0.1	1.2	-0.2
Repo Rate	Per cent	18th Nov	4	5.9	6.5	0	1.9	0.6
Currency in Circulation	₹ Lakh crore	10th Nov	29.9	32.2	33.6	7.6	7.7	4.3
M0	₹ Lakh crore	10th Nov	37.2	41.3	44.2	12.4	11	7
Employment								
Net payroll additions under EPFO	Lakh	Apr-Sep	52.5	71.6	85.2	176.7	36.5	18.9
Number of Persons demanded employment under MGNREGA	Crore	Apr-Oct	25.4	20.3	21.5	-7.3	-20.3	5.8
Urban Unemployment Rate	Per cent	Apr-Jun	12.6	7.6	6.6	-39.4	-39.7	-13.2
Subscriber Additions: National Pension Scheme (NPS)	Lakh	Apr-Aug	2.92	3.16	3.28	38.9	8.1	3.8