

A-45011/03/2024-Coord.II
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 27 June, 2024

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of May, 2024.


(Susruta Samanta)

Deputy Secretary to the Government of India
Tel No. 2309- 5244

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Shri V. Anantha Nageswaran, Chief Economic Adviser, DEA.
12. Additional Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Shri Manoj Sahay, AS&FA(Finance).
14. Ms. Aparna Bhatia, Advisor(Admn./Coord./ C&C)
15. Ms. Manisha Sinha, AS(OMI/Crypto assets and Fund Bank)
16. All Heads of Divisions in Department of Economic Affairs.
JS(IPP/JS(ISD)/JS(Inv)/JS(Budget)JS(FM)/All Advisers/CAAA
17. Shri Rajesh Malhotra, DG (M&C), M/o Finance, North Block, New Delhi.
18. Guard File – 2024.

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Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of May, 2024.

- 1. Important policy decisions taken and major achievements during the month:**

Macroeconomic Overview:

According to the provisional estimates of national income released by the National Statistical Organization, India's real GDP is projected to have achieved a robust growth of 8.2 per cent for financial year 2023-24 (FY24), surpassing the second advance estimate of 7.6 per cent for FY24. The real GDP growth for Q1, Q2, Q3 and Q4 of FY24 is estimated to be 8.2 per cent, 8.1 per cent, 8.6 per cent and 7.8 per cent, respectively, indicating a consistent and positive trend.

On the demand side, the Gross Fixed Capital Formation (GFCF) has emerged as a significant growth driver, registering a growth of 9.0 per cent in FY24. This underscores India's potential for investment and economic expansion. The growth of Private Final Consumption Expenditure (PFCE) and Government Final Consumption Expenditure (GFCE) was estimated to be 4.0 per cent and 2.5 per cent, respectively.

The real Gross Value Added (GVA) is estimated to have registered a 7.2 per cent growth in FY24. The real GVA growth of the primary, secondary and tertiary sectors for FY24 is estimated to be 2.1 per cent, 9.7 per cent and 7.6 per cent, respectively. This growth is primarily attributed to the Manufacturing sector, which saw a significant growth of 9.9 per cent, and the Mining & Quarrying sector, which grew by 7.1 per cent in FY24. These figures underscore the robustness and diversification of India's industrial sectors, instilling confidence in the economic growth potential.

The global trade moderation was reflected in the external trade performance. Exports of goods and services grew by 2.6 per cent. However,

imports registered strong growth of 10.9 per cent on account of India's resilient growth.

Prudent fiscal management resulted in lower-than-estimated fiscal deficit. As per data released by the Controller General of Accounts (CGA), the central government's fiscal deficit for FY24 was 5.6 per cent of the GDP, lower than the 5.8 per cent estimated in the Union Budget. Revenue and Primary deficits were 2.6 per cent and 2.0 per cent of GDP respectively for the same period.

S&P Global Ratings raised its outlook for India to 'positive' from 'stable' while affirming the BBB- sovereign credit rating, citing the country's strong economic fundamentals. As per S&P, the positive outlook on India is predicated on its robust economic growth, pronounced improvement in the quality of government spending, and political commitment to fiscal consolidation.

2. Important Developments:

- (i) **RBI's 608th Central Board Meeting** was attended by Secretary, Economic Affairs on 22nd May, 2024 in Mumbai wherein RBI's Annual Statements, Annual Report for the year 2023-24 etc. were discussed.
- (ii) **Second BRICS Finance and Central Bank Deputies Meeting** was virtually attended by Secretary, Economic Affairs on 28th May, 2024.
- (iii) The following important meetings were held/attended at the official level:
 - a) The 40th meeting of the **Early Warning Group (EWG)** was organized by IRDAI in Hyderabad on 8th May, 2024 wherein review of Action Taken Report, along with major developments around risk outlook was discussed.
 - b) The 33rd **Annual Meeting of the European Bank for Reconstruction and Development (EBRD)** was held in Yerevan, Armenia on 14th – 16th May, 2024.
 - c) The **FSB Standing Committee on Standards Implementation (SCSI) meeting** was held on 15th May, 2024 virtually. The meeting *inter alia* discussed on FSB Annual Report, evaluation of securitisation markets and effects of G20 financial regulators reforms on securitisation.
 - d) **AIIB Board of Directors** met virtually on 15th May, 2024.
 - e) **India-Uruguay Bilateral Investment Treaty (BIT) negotiations** were held on 16th and 30th May, 2024 through DVC.

- f) **India-Qatar BIT negotiations** were held on 20th – 22nd May, 2024.
 - g) **India-UK BIT negotiations** were held on 22nd May, 2024 through DVC.
 - h) **India-Russia BIT negotiations** were held on 27th – 28th May, 2024 through DVC.
 - i) **Inter-Ministerial Committee (IMSC) meeting on Lines of Credit (LOC)** to partner countries was held on 27th May, 2024.
 - j) The **59th Annual Meeting of the African Development Bank (AfDB)** and the **50th Annual Meeting of the African Development Fund (ADF)** were held in Nairobi, Kenya on 27th – 31st May, 2024.
 - k) **Special Board of Directors Meeting of New Development Bank and Audit Risk and Compliance (ARC) Committee meeting** were held virtually on 31st May, 2024.
- (iv) The following agreements were signed with bilateral /multilateral development agencies:
- a) Loan agreement of USD 148.5 million with Asian Development Bank for Sikkim Power Sector Development Project;
 - b) Grant Facility Agreement for Euro 12 million with French Agence Française de Développement (AFD) for the City Investments to Innovate, Integrate and Sustain phase 2 (CITIIS 2.0).
- (v) The following important issue was discussed at the **Executive Board of International Monetary Fund (IMF)**:

Interim Review of the Resilience and Sustainability Trust and Review of Adequacy of Resources based on the initial experience with the lending facility after 18 months of its operationalization.

3. **Minimum Government, Maximum Governance**

The use of ICT in submission of information is being encouraged.

4. **Non-Compliance of ACC directions/orders: NIL**

5. **Details of FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:**

Number of proposals cleared	:	04
Awaiting Approval in the Department	:	09