

# Economy Watch

Monitoring India's  
macro-fiscal performance

April 2024

ENTER



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# Highlights

1. In March 2024, manufacturing PMI increased to a 16-year high of 59.1, while services PMI at 61.2 remained above 60 for the third consecutive month.
2. IIP growth increased to a four-month high of 5.7% in February 2024 due to a broad-based improvement in the growth of all the key sub-industries.
3. The RBI retained the repo rate at 6.5% for the seventh successive time in its monetary policy review held on 5 April 2024.
4. CPI inflation eased marginally to 4.9% in March 2024 as inflation in fuel and light and food items eased. Core CPI inflation remained stable at 3.3% in March 2024. On an annual basis, CPI inflation was at 5.4% in FY24.
5. WPI inflation remained low at 0.5% in March 2024 as compared to 0.2% in February 2024. On an annual basis, WPI inflation was at (-)0.7% in FY24.
6. During April-February FY24, Gol's gross tax revenues (GTR) showed a growth of 13.4%, with growth in direct taxes at 21.6% and that in indirect taxes at 4.6%.
7. Gol's total expenditure grew by 7.3% during April-February FY24, with growth in capital expenditure at 36.5% and that in revenue expenditure at 1.3%.
8. Gol's fiscal and revenue deficits during April-February FY24 as a proportion of their annual RE stood respectively at 86.5% and 87.1%.
9. Growth in gross bank credit increased to a 16-month high of 16.5% in February 2024 as compared to 16.1% in January 2024.
10. Current account deficit was low at 1.2% of GDP in 3QFY24 as compared to 1.3% in 2QFY24.
11. Merchandise exports contracted by (-)0.7% and imports by (-)6.0% respectively in March 2024 as compared to a growth of 11.9% and 12.2% respectively in February 2024. On an annual basis, merchandise exports and imports contracted by (-)4.7% and (-)5.7% respectively in FY24.
12. Merchandise trade deficit narrowed to US\$245.3 billion in FY24 from US\$264.9 billion in FY23.
13. Net FDI inflows fell sharply to US\$0.3 billion in February 2024 from US\$5.7 billion in January 2024.
14. Average global crude price increased to a five-month high of US\$83.5/bbl. in March 2024. On an annual basis, global crude price averaged US\$81.1/bbl. in FY24, lower than US\$92.7/bbl. in FY23.
15. The IMF has projected global growth at 3% in 2024 and 2025, remaining unchanged from its level in 2023. India's FY25 and FY26 growth is forecasted at 6.8% and 6.5%, respectively.



# Foreword

India's FY25 growth continues the 7% plus post COVID performance for the fourth successive year

The RBI, in its monetary policy review held on 5 April 2024, retained the repo rate at 6.5% for the seventh consecutive time. The projected annual real GDP growth for FY25 is 7%, with quarterly growth rates of 7.1%, 6.9%, 7%, and 7% respectively. CPI inflation is forecasted to average at 4.5% for FY25 with quarterly projections at 4.9%, 3.8%, 4.6%, and 4.5% respectively. The main underlying macro assumptions for these projections relate to (1) the price of the Indian crude basket averaging at US\$85/bbl. for FY25, (2) normal south-west monsoon, (3) an improvement in global GDP growth to 3.2% in 2025 from 3.1% in 2024, and (4) exchange rate averaging at INR83/US\$ for FY25. The RBI envisages fiscal deficit on the combined account of central and state governments at 7.7% of GDP with Gol's fiscal deficit at 5.1% of GDP as given in the Interim Budget for FY25.

With an expectation of a normal south-west monsoon, the RBI expects a pick-up in rural activity backed by a favorable base effect, leading to pick up in growth of private consumption. It also expects the services sector to grow above the pre-pandemic trend. In its assessment, the prospects of fixed investment remain bright in view of healthy corporate and bank balance sheet and robust government capital expenditure which may have some crowding in impact. The FY25 Union Budget has provided for a growth of 16.9% in FY25 (BE) for Gol's capital expenditure.

The ADB's assessment (released on 11 April 2024) of India's GDP growth at 7% for FY25 coincides with that of the RBI. India is expected to serve as a major growth engine for Asia and the global economy due to its strong investments, increased consumption, and a strong performance in exports of electronics and services. Recent forecasts by the IMF (World Economic Outlook, April 2024) pegs India's growth rate at a slightly lower level of 6.8% in FY25. Going forward, India's growth is projected at 6.5% each year during FY26 to FY30, making it the fastest growing major economy in the world. Considering the average growth during the period 2024 to 2029, India's growth at 6.5% is more than twice the global average growth at 3.1%. In fact, the global growth forecast for 2024 and 2025 as also for the medium term is much lower than the historical annual average growth at 3.8% witnessed from 2000 to 2019.

Available high frequency indicators show a strong and ongoing growth momentum. Headline manufacturing PMI increased to a 16-year high of 59.1 in March 2024. Services PMI at 61.2 remained above 60 for the third consecutive month. Gross GST collections at INR1.72 lakh crore in March 2024 marked the second-highest level of collections on a monthly basis since the inception of GST. On an annual basis, gross GST collections were at INR20.18 lakh crore in FY24, showing a growth of 11.7% over FY23. According to the data released by Federation of Automobile Dealers Association (FADA), the FY24 growth in retail sales of vehicles was buoyant at 10.3% driven by strong growth in the sales of passenger vehicles, and two and three-wheeler segments. Growth in gross bank credit increased to a 16-month high of 16.5% in February 2024 as compared to 16.1% in January 2024. Further, current account deficit was low at 1.2% of GDP in 3QFY24 as compared to 1.3% in 2QFY24. There has been positive news also with respect to recent inflation trends. CPI inflation eased marginally to 4.9% in March 2024 as inflation in fuel and light and food items eased. Core CPI inflation remained stable at 3.3% in March 2024. WPI inflation also remained low at 0.5% in March 2024, close to its level at 0.2% in February 2024.

This month's In-focus section titled '*Global population trends: India's opportunities and challenges*' examines the population growth trends across the globe. It highlights that the main demographic story in the remaining decades of the 21<sup>st</sup> century is that of the Sub-Saharan Africa whose share in population is projected to increase from 14.1% in 2020 to 26.9% in 2070. India's share in global population marginally falls from 17.8% in 2020 to 16.4% in 2070. Considering individual countries, India's share in both total and working age global population is expected to be the highest. India can take advantage of this profile of supply of working age persons across the world by skilling and educating them for higher, more productive, and technical jobs. India may also play a key role in supporting the economies of the Sub-Saharan African region since they constitute one of the weakest regions in terms of per capita GDP.

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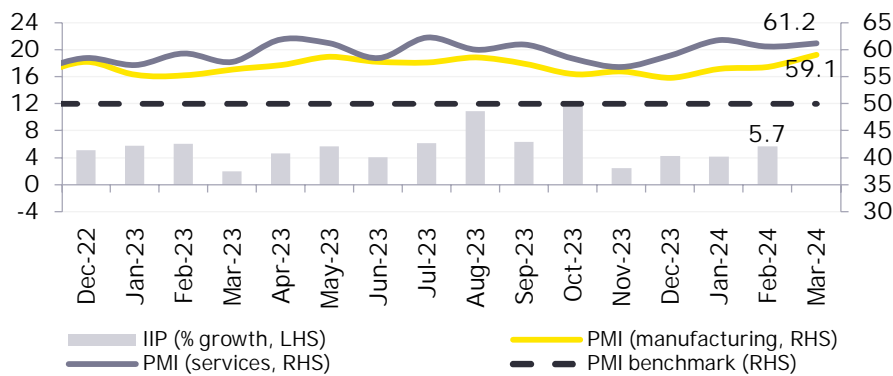


# 1 Growth: manufacturing PMI increased to a 16-year high in March 2024

## 1.1 PMI: signaled strong rates of expansion in both manufacturing and services in March 2024

- ▶ Headline manufacturing PMI (seasonally adjusted (sa)) increased to a 16-year high of 59.1 in March 2024 from 56.9 in February 2024, reflecting a strong growth of new orders, output and input stocks as well as renewed job creation (Chart 1). On an annual basis, manufacturing PMI averaged 57.2 in FY24, its highest level since FY11.
- ▶ Services PMI also increased to 61.2 in March 2024 from 60.6 in February 2024. With this, services PMI remained above 60 for the third consecutive month. On an annual basis, services PMI averaged 60.3 in FY24, its highest level since FY08.
- ▶ Reflecting a strong expansion in manufacturing and services sector activity, the composite PMI Output Index (sa) increased from 60.6 in February 2024 to 61.8 in March 2024, its highest level since July 2023. The composite PMI Output Index averaged 60.4 in FY24, its highest level since FY08.

Chart 1: PMI and IIP growth



Source: MoSPI and S&P Global.

In March 2024, manufacturing PMI increased to a 16-year high of 59.1, while services PMI at 61.2 remained above 60 for the third consecutive month.

## 1.2 IIP: growth increased to 5.7% in February 2024

- ▶ According to the quick estimates, IIP growth increased to a four-month high of 5.7% in February 2024 from 4.1% (revised) in January 2024 (Chart 1).
- ▶ Among the sub industries, the highest growth was witnessed in mining output at 8.0% in February 2024, an improvement over 5.9% in January 2024. This was followed by electricity, with a growth of 7.5% in February 2024 as compared to 5.6% in January 2024.
- ▶ Manufacturing output, with a share of 77.6% in the overall IIP, grew by 5.0% in February 2024 as compared to 3.6% in January 2024. Within manufacturing, among segments with relatively higher weights, strong growth was seen in fabricated metal products (14.9%), motor vehicles, trailer and semi-trailers (11.6%), rubber and plastic products (11.5%), electrical equipment (10.0%), other non-metallic mineral products (9.6%), basic metals (8.8%) and coke and refined petroleum products (4.9%).
- ▶ As per the 'use-based' classification of industries, output of consumer durables continued to show the highest growth of 12.3% in February 2024 improving from 11.9% in January 2024. This was followed by improvements in the growth of intermediate and infrastructure/construction goods at 9.5% and 8.5%, respectively in February 2024 from 5.3% and 5.5%, respectively in January 2024. Growth in the output of capital goods, however, eased to 1.2% in February 2024 from 3.4% in January 2024.
- ▶ According to provisional estimates, growth in the output of eight core infrastructure industries (core IIP) accelerated to a three-month high of 6.7% in February 2024 from 4.1% in January 2024. Among the sub-industries, improvement was seen in the output growth of coal (11.6%), natural gas (11.3%), cement (10.2%), crude oil (7.9%) and electricity (6.3%). Output of petroleum refinery products showed a low but positive growth of 2.6% in February 2024 after contracting by (-)4.3% in January 2024.

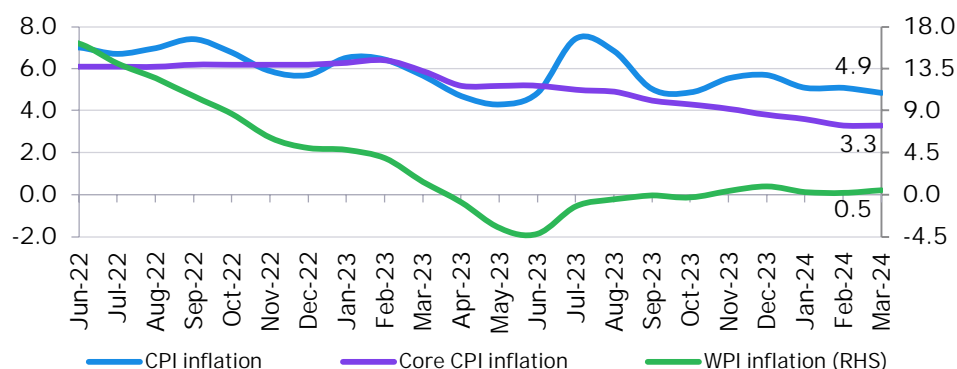
IIP growth increased to a four-month high of 5.7% in February 2024 due to a broad-based improvement in the growth of key sub-industries.



### 2.1 CPI inflation

- ▶ Fuel and light inflation remained negative for the seventh successive month at (-)3.2% in March 2024, reflecting the highest pace of contraction as per the 2012 series. Price of LPG contracted by (-)22.3% in March 2024 primarily reflecting a favorable base effect.
- ▶ Consumer food price index-based inflation remained elevated at 8.5% in March 2024, although marginally lower than 8.7% in February 2024. Inflation rates in vegetables and spices were high at 28.3% and 11.4% respectively in March 2024, although lower than 30.2% and 13.5% in February 2024.
- ▶ Housing inflation was at 2.8% in March 2024, its lowest level since May 2013.
- ▶ Inflation in transportation and communication services fell to a 10-month low of 1.5% in March 2024, reflecting lower crude prices on a y-o-y basis and a favorable base effect.
- ▶ Inflation in clothing and footwear decelerated for the eighteenth consecutive month to a 43-month low of 3.0% in March 2024.
- ▶ Core CPI inflation<sup>1</sup> remained stable at 3.3% in March 2024 (Chart 2), its lowest level since October 2019. On an annual basis, CPI inflation eased to 5.4% in FY24 from 6.7% in FY23.

Chart 2: Inflation (y-o-y, in %)



CPI inflation eased marginally to 4.9% in March 2024 as inflation in fuel and light and food items eased. Core CPI inflation remained stable at 3.3% in March 2024.

Source: MoSPI, Office of the Economic Adviser, Government of India (GoI)

### 2.2 WPI inflation: remained low at 0.5% in March 2024 as compared to 0.2% in February 2024

- ▶ WPI food index-based inflation increased to 4.6% in March 2024 from 4.1% in February 2024 as inflation in manufactured food products turned positive at 0.7% in March 2024 after 12 successive months of contraction.
- ▶ Inflation in food grains (cereals and pulses) increased to a 13-month high of 10.5% in March 2024. Inflation in pulses remained high at 17.2% in March 2024, slightly lower than 18.5% in February 2024.
- ▶ Inflation in crude petroleum moderated to 10.3% in March 2024 from 16.7% in February 2024.
- ▶ Prices of fuel and power continued to contract for the 11<sup>th</sup> consecutive month at (-)0.8% in March 2024 as compared to (-)1.6% in February 2024. Inflation in mineral oils remained negative for the 12<sup>th</sup> successive month at (-)3.5% in March 2024.
- ▶ Prices of manufactured products contracted by (-)0.8% in March 2024, although slightly lower than (-)1.3% in February 2024, reflecting continued lower input cost pressures.
- ▶ Core WPI witnessed a contraction for the 13<sup>th</sup> consecutive month at (-)1.1% in March 2024 as compared to (-)1.3% in February 2024, as manufactured basic metals remained in contraction mode for the 14<sup>th</sup> successive month at (-)5.3% in March 2024.
- ▶ On an annual basis, WPI inflation fell to (-)0.7% in FY24 from 9.4% in FY23.

<sup>1</sup> Core CPI inflation is measured in different ways by different organizations/agencies. Here, it has been calculated by excluding food, and fuel and light from the overall index.

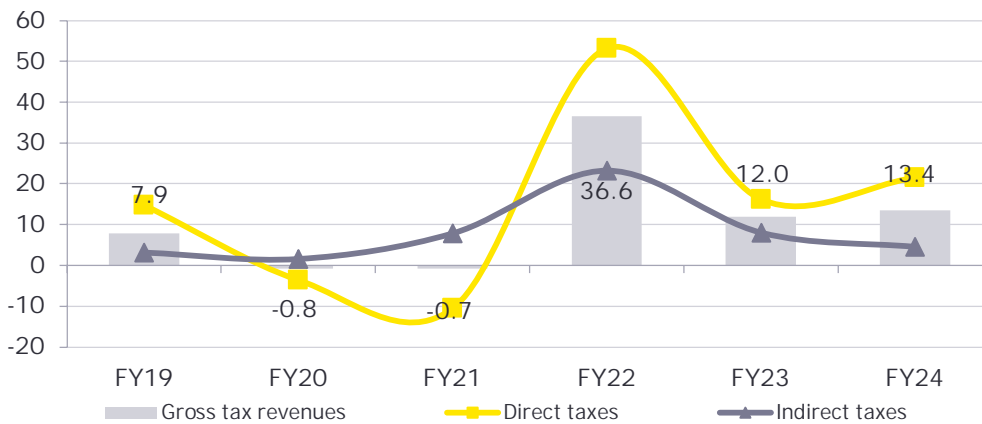


### 3 Fiscal: Gol's capital expenditure growth stood at 36.5% during April-February FY24

#### 3.1 Tax and non-tax revenues

- ▶ As per the CGA, Gol's GTR<sup>(b)</sup> showed a growth of 13.4% during April-February FY24 as compared to 12% during the corresponding period of FY23 (Chart 3).
- ▶ During April-February FY24, GTR stood at 84.1% of the annual RE, marginally higher than the three-year average ratio (FY21 to FY23) based on actual collections at 83.2%.
- ▶ A y-o-y growth of 8.1% is required in the month of March 2024 to meet the FY24 GTR RE at INR34.4 lakh crore.
- ▶ Direct taxes<sup>(a)</sup> showed a strong growth of 21.6% while indirect taxes<sup>(a)</sup> grew by 4.6% during April-February FY24. The corresponding growth rates in FY23 were at 16.2% and 8.1% respectively.
- ▶ CIT revenues grew by 17.3% during the first eleven months of FY24 as compared to 13.5% during the same period in FY23.
- ▶ PIT revenues grew by 25.8% during April-February FY24, higher than 19.1% during the corresponding period of FY23.
- ▶ Among indirect taxes, Gol's GST revenues<sup>(c)</sup> grew by 8.4% during April-February FY24, lower than 20.2% during the corresponding period of FY23.
- ▶ Union excise duties (UED) showed a contraction of (-)5.8% during the first eleven months of FY24 as compared to (-)18.6% during the corresponding period of FY23.
- ▶ Owing to subdued growth in imports, customs duties showed a low growth of 3.9% during April-February FY24 as compared to 14.4% during the corresponding period of FY23.

Chart 3: Growth in central gross tax revenues during April-February (% , y-o-y)



During April-February FY24, Gol's GTR showed a growth of 13.4%, with growth in direct taxes at 21.6% and that in indirect taxes at 4.6%.

Source: Monthly Accounts, CGA, Government of India

Notes: (a) Direct taxes include personal income tax and corporation tax, and indirect taxes include union excise duties, arrears of service tax, customs duty, and GST (comprising CGST, UTGST, IGST and GST compensation cess) (b) Other taxes (securities transaction tax, wealth tax, fringe benefit tax, banking cash transaction tax, etc.) are included in the Gol's GTR along with direct and indirect taxes, (c) IGST revenues are subject to final settlement.

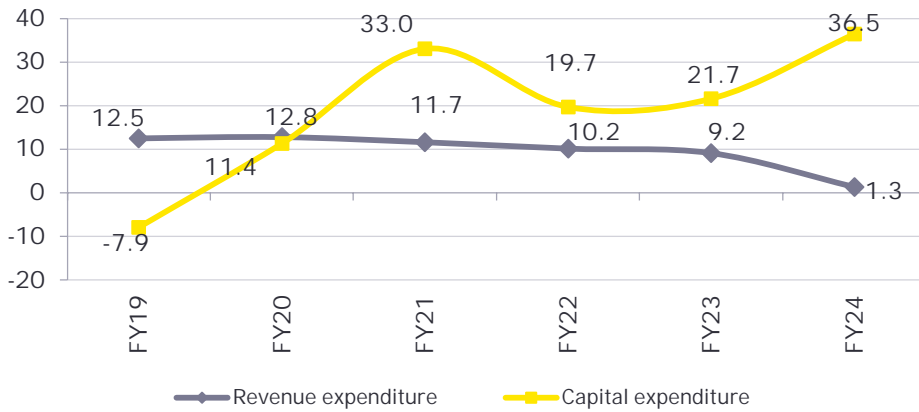
- ▶ Gol's non-tax revenues showed a high growth of 44.9% during April-February FY24 on account of high receipt of dividends and profits.
- ▶ Non-tax revenues during April-February FY24 as a proportion of annual RE stood at 95.9%, much higher than the three-year average (FY21 to FY23) ratio of 82% based on actual collections.
- ▶ Non-debt capital receipts of the Gol during April-February FY24 stood at 64.5% of the RE, lower than the three-year average (FY21 to FY23) ratio of 82.7% based on actual collections.
- ▶ As per DIPAM<sup>2</sup>, disinvestment receipts in FY24 stood at INR16,507.29 crores, reflecting a shortfall of INR13,492.71 crores from the FY24 RE at INR30,000 crore.

<sup>2</sup> <https://dipam.gov.in/>

### 3.2 Expenditures: revenue and capital

- ▶ Gol's total expenditure grew by 7.3% during April-February FY24 as compared to 11.1% during the corresponding period of the previous year. As a proportion of annual RE, total expenditure during April-February FY24 stood at 83.4%, slightly higher than the three-year average (FY21 to FY23) ratio of 82.2% based on actual expenditure.
- ▶ Gol's revenue expenditure showed a growth of 1.3% during April-February FY24 as compared to 9.2% during the corresponding period of FY23 (Chart 4).
- ▶ Gol's capital expenditure continued to show a strong growth of 36.5% during the first eleven months of FY24, higher than the growth witnessed during the corresponding periods of the last five years.

Chart 4: Growth in central expenditures during April-February (% , y-o-y)



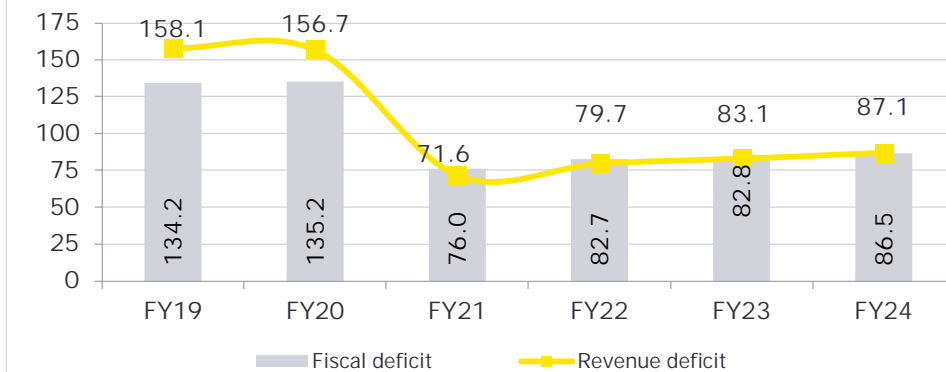
Gol's total expenditure grew by 7.3% during April-February FY24, with growth in capital expenditure at 36.5% and that in revenue expenditure at 1.3%.

Source (basic data): Monthly Accounts, CGA, Government of India

### 3.3 Fiscal imbalance

- ▶ Gol's fiscal deficit during April-February FY24 stood at 86.5% of the RE, slightly higher than the corresponding ratio at 82.8% in FY23 (Chart 5).
- ▶ Following a similar trend, Gol's revenue deficit during the first eleven months of FY24 stood at 87.1% of the RE, higher than the corresponding ratio at 83.1% in FY23.

Chart 5: Fiscal and revenue deficit during April-February as a percentage of RE



Gol's fiscal and revenue deficits during April-February FY24 as a proportion of their annual RE stood respectively at 86.5% and 87.1%.

Source: Monthly Accounts, CGA, Government of India and MoSPI





## 4 Comparative trends: IMF projected India's growth to remain at or above 6.5% during FY25 to FY30

### 4.1 Real GDP growth

- ▶ According to the IMF, global growth is projected to remain unchanged at 3.2% in 2024, 2025, and 2026 (Table 1).
- ▶ Global growth is expected to marginally decline to 3.1% by 2027 and remain at that level until 2029. The medium-term forecast is at its lowest in decades. It is lower than the medium-term projection of 3.6% made just before the onset of the pandemic (January 2020), the 4.9% medium term projection made just before the onset of the global financial crisis (April 2008), and the historical average actual growth at 3.8% during the period 2000 to 2019.
- ▶ Growth in advanced economies (AEs) is projected at 1.7% in 2024, an upward revision of 0.2% points from January 2024 reflecting upward revisions to growth in the US. In 2025, growth is projected at 1.8%, unchanged from the January 2024 forecast, as the upward revision to the US is expected to be offset by a downward revision in the growth forecast for the Euro area. During 2024 to 2029, growth in AEs is projected to average 1.7%.
- ▶ During 2024 to 2029, growth is projected to average 2.2% for the US, 1.4% for the UK, 1.3% for the Euro area and only 0.7% for Japan.
- ▶ In emerging market and developing economies (EMDEs), growth is projected to be stable at 4.2% in 2024 and 2025 with a moderation in emerging and developing Asia offset mainly by rising growth for economies in the Middle East and Central Asia and for sub-Saharan Africa. Growth is projected to average at 4.1% during the forecast period with a gradual tapering towards the end of the period mainly owing to China's slowing growth.
- ▶ Among major AEs and EMDEs, India is projected to be the fastest growing economy with its growth forecasted at 6.8% in 2024 (FY25) and then remaining at 6.5% in each year from 2025 (FY26) to 2029 (FY30).

Table 1: Real GDP growth (% annual)

Country	2023	2024	2025	2026	2027	2028	2029
World	3.2	3.2	3.2	3.2	3.1	3.1	3.1
AEs	1.6	1.7	1.8	1.8	1.7	1.7	1.7
US	2.5	2.7	1.9	2.0	2.1	2.1	2.1
UK	0.1	0.5	1.5	1.7	1.7	1.6	1.4
Euro area	0.4	0.8	1.5	1.4	1.3	1.3	1.2
Japan	1.9	0.9	1.0	0.8	0.6	0.6	0.4
EMDEs	4.3	4.2	4.2	4.1	4.0	3.9	3.9
Brazil	2.9	2.2	2.1	2.1	2.0	2.0	2.0
Russia	3.6	3.2	1.8	1.3	1.3	1.3	1.3
India*	7.8	6.8	6.5	6.5	6.5	6.5	6.5
China	5.2	4.6	4.1	3.8	3.6	3.4	3.3
S. Africa	0.6	0.9	1.2	1.4	1.4	1.4	1.4

Source: IMF World Economic Outlook, April 2024

\*data pertains to fiscal year

### 4.2 CPI inflation

- ▶ Global CPI inflation is projected to fall from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025 (Table 2). Global inflation is expected to reach a level of 3.4% by 2028 and remain at that level in 2029.
- ▶ A more front-loaded decline is expected for AEs with inflation falling by 2% points in 2024, while it declines only in 2025 for the EMDEs. AEs are also expected to return sooner to inflation rates near their pre-pandemic (2017-19) average, with inflation averaging 2% in 2025, about a year before EMDEs are expected to return to their pre-pandemic average near 5%.
- ▶ The fall in global inflation in 2024 reflects a broad-based decline in global core inflation. As is the case for headline inflation, the fall in core inflation is projected to be faster for AEs (*not shown here*).
- ▶ Among selected major AEs, average CPI inflation during 2024 to 2029 is projected to be in the narrow range of 2% to 2.2%. There are larger variations with respect to the selected major EMDEs wherein the highest average CPI inflation for this period is for Russia and South Africa at 4.6%, followed by India at 4.1%, Brazil at 3.2% and China at 1.8%.

Table 2: Average CPI inflation (% y-o-y)

Country	2023	2024	2025	2026	2027	2028	2029
World	6.8	5.9	4.5	3.7	3.5	3.4	3.4
AEs	4.6	2.6	2.0	2.0	2.0	2.0	2.0
US	4.1	2.9	2.0	2.1	2.1	2.1	2.1
UK	7.3	2.5	2.0	2.0	2.0	2.0	2.0
Euro area	5.4	2.4	2.1	2.0	1.9	1.9	1.9
Japan	3.3	2.2	2.1	2.0	2.0	2.0	2.0
EMDEs	8.3	8.3	6.2	4.9	4.4	4.3	4.2
Brazil	4.6	4.1	3.0	3.1	3.0	3.0	3.0
Russia	5.9	6.9	4.5	4.0	4.0	4.0	4.0
India*	5.4	4.6	4.2	4.1	4.0	4.0	4.0
China	0.2	1.0	2.0	2.0	2.0	2.0	2.0
S. Africa	5.9	4.9	4.5	4.5	4.5	4.5	4.5

Source: IMF World Economic Outlook, April 2024

\*data pertains to fiscal year



## 5 In focus: global population trends: India's opportunities and challenges

### 5.1 Introduction

Demographic profiles of individual countries and major country groups are projected to change in a significant way throughout the rest of the 21<sup>st</sup> century. These changing demographic profiles offer both opportunities and challenges for India, which is itself going through a major demographic transition. The window of opportunity for India may be limited and appropriate policy initiatives need to be implemented in order to take the best possible advantage of it. Data for the present analysis are drawn from UN World Population Prospects 2022<sup>3</sup> and UN World Urbanization Prospects 2018. For this analysis, global population has been divided into seven broad groups. These groups are namely Central and Southern Asia, Europe, Latin America and the Caribbean, Northern America, Northern Africa and Western Asia, Eastern and South-eastern Asia and Oceania, and Sub-Saharan Africa. Within each group, the largest population country (as of 2020) has been selected for a country-level analysis. These are India, Russia, Brazil, US, Egypt, China, and Nigeria. We focus on a set of selected aspects of the changing population profiles covering (1) major changes in the share of different countries/country groups in the global population, (2) changing profiles of working age populations, (3) changing profiles of old age populations, (4) changing profiles of median age across countries/country groups, (5) projected trends in gender ratio, (6) changing age structure in India and China, (7) trends in total population growth and (8) trends in urbanization. Decadal data are provided 2000 onwards up to 2070.

### 5.2 Share in global population: rising share of Sub-Saharan Africa

For most country groups, their share in total population changes marginally from 2000 to 2070 (Table 3). There is only one country group namely, Sub-Saharan Africa whose share increases enormously. Major countries in this region include Nigeria, Ethiopia, Democratic Republic of the Congo, United Republic of Tanzania, South Africa, Kenya, Uganda, Angola, Ghana, and Mozambique. While the share of this region's population in global population was only 10.5% in 2000, it is projected to progressively rise to 26.9% by 2070 and therefore exceed that of the central and southern Asia whose share would have first risen to a peak of 26.6% in 2040 and then fallen to 26.2% by 2070. India's share, which was 17.2% in 2000, marginally rose to 17.8% in 2020 and has then been projected to fall incrementally to 16.4% by 2070. However, considering individual countries, India's share in global population would be the highest. Amongst the developed country groups, Europe's share of population falls from 11.8% to 6.3% between 2000 and 2070 and that of Northern America from 5.1% to 4.2% over the same period. Another noticeable fall can be seen in the case of Eastern and South-eastern Asia and Oceania. In their case, the share of population was 33.3% in 2000 which is projected to fall to 20.6% by 2070. Within this group, China's population share also falls from 20.6% to 10.5% between 2000 and 2070. Thus, two country groups namely, Central and Southern Asia and Sub-Saharan Africa, that are considered to be relatively lower income country groups at present, would account for more than 50% of the world population by 2070. On the global stage, a major problem would be to uplift incomes in these regions, particularly in the case of Sub-Saharan Africa.

Table 3: Share in global population (%)

Region/Country	2000	2010	2020	2030	2040	2050	2060	2070
Central and Southern Asia <i>of which:</i>	24.9	25.8	26.1	26.4	26.6	26.6	26.5	26.2
<i>India</i>	17.2	17.8	17.8	17.7	17.5	17.2	16.8	16.4
Eastern and South-eastern Asia and Oceania <i>of which:</i>	33.3	31.8	30.3	28.3	26.3	24.4	22.4	20.6
<i>China</i>	20.6	19.3	18.2	16.6	15.0	13.5	12.0	10.5
Europe <i>of which:</i>	11.8	10.5	9.5	8.6	7.9	7.2	6.7	6.3
<i>Russia</i>	2.4	2.1	1.9	1.7	1.5	1.4	1.3	1.2
Latin America and the Caribbean <i>of which:</i>	8.5	8.5	8.3	8.2	8.0	7.7	7.5	7.2
<i>Brazil</i>	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.1
Northern America <i>of which:</i>	5.1	4.9	4.8	4.6	4.5	4.3	4.3	4.2
<i>US</i>	4.6	4.5	4.3	4.1	4.0	3.9	3.8	3.8
Northern Africa & Western Asia <i>of which:</i>	5.9	6.4	6.9	7.3	7.6	8.0	8.3	8.5
<i>Egypt</i>	1.2	1.2	1.4	1.5	1.6	1.7	1.7	1.8
Sub-Saharan Africa <i>of which:</i>	10.5	12.1	14.1	16.6	19.1	21.7	24.4	26.9
<i>Nigeria</i>	2.0	2.3	2.7	3.1	3.5	3.9	4.3	4.6
<b>World</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: UN World Population Prospects (2022)

<sup>3</sup> Medium variant of the population projections has been considered for the purpose of analysis

It is useful to relate the share in population of countries/country groups with share in global GDP with a view to assessing whether their per capita GSDPs are lower or higher than the per capita global GDP. This data is drawn from the IMF World Economic Outlook April 2024 database. In order to make data comparable across countries, we have given the data in terms of PPP (international \$). This data is however, only up to 2029. In India's case, we compare the 2029 shares in GDP with the 2030 shares in population. India's share in global population in 2030 is 17.7% while its share in global GDP is only 9.3% implying that its per capita GDP is only a little more than half of the global per capita GDP in PPP terms (Table 4). This implies that as India progresses, there is a lot of catching up to do just to reach the global average. In China's case, its share in population is 16.6% in 2030 and its share in global GDP is 19.6% in 2029. Thus, their per capita GDP is marginally higher than the global per capita GDP. In contrast, in the case of the US, its share in population is 4.1% in 2030 while that in GDP is 14.8% in 2029, that is, nearly 3.6 times the global per capita GDP. The case of Sub-Saharan Africa is diametrically opposite wherein its share in global GDP in 2029 is only 3.4% whereas its share in population in 2030 is 16.6%. According to the projections included in the August 2022 edition of the EY Economy Watch, India's share in global GDP is expected to exceed its share in global population in the early 2040s. From then on, India's per capita GDP in PPP terms would remain higher than the global per capita GDP.

Table 4: Share in world output in International \$ PPP (%)

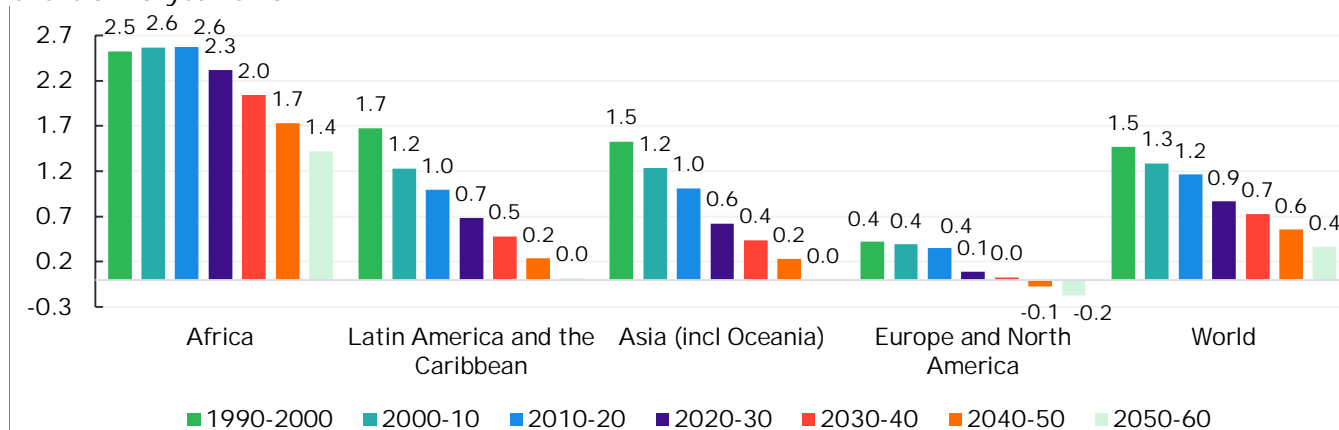
Region/Country	1990	2000	2010	2020	2023	2028	2029
Central and Southern Asia <i>of which:</i>	6.7	7.6	9.6	10.6	11.2	12.7	13.1
<i>India</i>	3.8	4.4	5.8	6.8	7.6	9.0	9.3
Eastern and South-eastern Asia and Oceania <i>of which:</i>	21.1	23.1	28.7	32.7	33.1	33.8	33.8
<i>China</i>	4.0	7.2	13.6	18.1	18.8	19.5	19.6
Europe <i>of which:</i>	28.2	28.1	23.7	21.7	21.0	19.6	19.3
<i>Russia</i>	0.0	3.1	3.4	3.1	3.0	2.8	2.7
Latin America and the Caribbean <i>of which:</i>	10.3	9.4	8.8	7.3	7.4	7.0	7.0
<i>Brazil</i>	3.6	3.1	3.1	2.4	2.3	2.2	2.2
Northern America <i>of which:</i>	23.5	22.0	18.2	17.4	17.0	16.2	16.0
<i>US</i>	21.5	20.2	16.6	16.0	15.6	14.9	14.8
Northern Africa and Western Asia <i>of which:</i>	7.3	7.3	8.0	7.2	7.3	7.4	7.5
<i>Egypt</i>	0.8	0.8	0.9	1.0	1.0	1.1	1.1
Sub-Saharan Africa <i>of which:</i>	3.0	2.6	3.0	3.2	3.2	3.3	3.4
<i>Nigeria</i>	0.6	0.5	0.8	0.8	0.8	0.8	0.8
<b>World</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: IMF WEO April 2024

### 5.3 Trends in population growth

The profile of share of population of country/country groups is dependent on the population growth rates. In Chart 6, 10-year decadal compound annual growth rates (CAGR) are depicted. For this purpose, the global population is divided into four broad country groups, namely Africa, Latin America and Caribbean, Asia (including Oceania) and Europe and Northern America. Decadal CAGRs are represented by the column heights.

Chart 6: 10-year CAGR



Source: UN World Population Prospects (2022)

In all cases, as decades advance, the CAGRs fall. The highest CAGR is for Africa and the lowest is for Europe and Northern America. Negative CAGRs are experienced only for the latter group. In its case, these negative CAGRs are projected to start from the decade of 2040-50.

## 5.4 Shares in global working age population

The demographic profiles are such that the share of working age population in global working age population of central and southern Asia is projected to account for 26.6% by 2070 after reaching a peak of 28.1% in 2040. The share of Sub-Saharan Africa would be even higher at 28.9% by 2070 (Table 5). Working age population shares would fall for Europe and Northern America rather significantly. In Europe's case, this fall is from 12.7% in 2000 to 5.7% in 2070 and in the case of Northern America, from 5.4% to 4.0%. India's share of working age population in the total global working age population does not appear to be significantly higher than its share in total global population. The peak of this profile of working age population is reached in 2030 at 18.8% and then it falls to 16.4% by 2070. Thus, India's share in the supply of working age persons would be lower than that of Eastern and Southeastern Asia and Oceania, particularly up to 2040 and Sub-Saharan Africa, especially in the latter three decades. Again, in this case, comparing individual countries, India's share in the global working age population is expected to be the highest by 2070. India can take advantage of this profile of supply of working age persons across the world by skilling and educating them for higher, more productive, and technical jobs. In fact, for these jobs, Indians would have to compete with the large supply of skilled working age persons emanating from eastern and south-eastern Asia and Oceania.

Table 5: Share in working age population (%)

Region/Country	2000	2010	2020	2030	2040	2050	2060	2070
Central and Southern Asia <i>of which:</i>	23.5	24.9	26.5	27.4	28.1	28.1	27.6	26.6
<i>India</i>	16.6	17.4	18.4	18.8	18.8	18.4	17.5	16.4
Eastern and South-eastern Asia and Oceania <i>of which:</i>	35.6	34.3	31.9	29.4	26.1	23.4	20.8	19.1
<i>China</i>	22.4	21.6	19.4	17.5	14.8	12.6	10.5	9.2
Europe <i>of which:</i>	12.7	11.0	9.5	8.3	7.4	6.6	6.1	5.7
<i>Russia</i>	2.6	2.3	1.9	1.7	1.5	1.3	1.2	1.2
Latin America and the Caribbean <i>of which:</i>	8.4	8.5	8.6	8.5	8.3	7.9	7.4	6.9
<i>Brazil</i>	2.9	2.9	2.9	2.8	2.6	2.4	2.2	2.0
Northern America <i>of which:</i>	5.4	5.1	4.8	4.5	4.3	4.2	4.1	4.0
<i>US</i>	4.8	4.6	4.3	4.0	3.8	3.7	3.7	3.5
Northern Africa and Western Asia <i>of which:</i>	5.6	6.2	6.7	7.3	7.8	8.1	8.5	8.8
<i>Egypt</i>	1.1	1.2	1.3	1.5	1.6	1.7	1.8	1.9
Sub-Saharan Africa <i>of which:</i>	8.8	9.9	11.9	14.6	18.0	21.6	25.4	28.9
<i>Nigeria</i>	1.7	1.9	2.2	2.7	3.2	3.9	4.5	5.0
<b>World</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: UN World Population Prospects (2022)

## 5.5 Median age

All countries are ageing fast, as reflected by rising median age of populations across countries/country groups. For instance, for central and Southern Asia, the median age is projected to double from 19.3 years in 2000 to 38.4 years by 2070 (Table 6). India would have marginally higher median age as compared to central and southern Asia through the decades. Thus, India's median age is projected to increase from 20 years in 2000 to 41 years by 2070, reflecting substantive ageing of the population. In comparison, Europe, which already had a much higher median age at 33.6 years, would have a median age of 48 years by 2070. Northern America would also be having a median age of 44.8 years in 2070. However, median age would be the highest for China by 2070 at 52.6 years. The eastern and South-eastern and Oceania group would also have a much older population by 2070 with a median age of 47.7 years. The youngest population would be that of Sub-Saharan Africa where the median age would be 25.3 years in 2070. Thus, India will have to develop a strategy of growth that depends on exporting human resources or services based on human resources to countries where populations would have aged faster. In these countries, there will be a relatively high demand for health services. Also, there will be a shortage of human resources for more regular industrial and business activities. It will also need to develop a special relationship with Sub-Saharan Africa, which will have much younger persons. In order to ensure that this relatively young population is adequately educated and skilled, India would have to facilitate provision of adequate education, training and skilling facilities. These countries are also mineral-rich countries, and it will be to India's benefit to develop a close relationship with these countries to have

access to their minerals, following an equitable, non-exploitative, and environment-friendly approach. India may also help these countries develop their infrastructure.

Table 6: Median age (in years)

Region/Country	2000	2010	2020	2030	2040	2050	2060	2070
Central and Southern Asia <i>of which:</i>	19.3	20.8	23.2	26.2	29.4	32.7	35.8	38.4
<i>India</i>	20.0	21.6	24.0	27.3	30.9	34.6	38.1	41.0
Eastern and South-eastern Asia and Oceania <i>of which:</i>	23.7	28.3	32.4	35.7	40.1	43.8	45.7	47.7
<i>China</i>	23.7	28.9	34.1	37.4	42.7	48.0	50.7	52.6
Europe <i>of which:</i>	33.6	36.7	39.3	41.5	44.2	46.8	47.3	48.0
<i>Russia</i>	32.2	35.6	36.9	38.6	42.1	44.9	43.6	44.9
Latin America and the Caribbean <i>of which:</i>	20.7	23.2	26.4	29.9	33.6	37.2	40.4	43.2
<i>Brazil</i>	21.5	24.3	28.2	32.4	36.5	40.4	43.6	46.1
Northern America <i>of which:</i>	31.8	34.3	36.3	37.7	39.9	41.8	43.4	44.8
<i>US</i>	31.8	34.2	36.1	37.5	39.7	41.5	43.1	44.7
Northern Africa and Western Asia <i>of which:</i>	18.4	20.4	23.3	25.5	27.5	29.7	32.3	34.4
<i>Egypt</i>	18.4	20.0	22.4	23.8	25.4	27.5	30.3	32.5
Sub-Saharan Africa <i>of which:</i>	16.1	16.4	16.9	17.5	18.9	20.8	22.9	25.3
<i>Nigeria</i>	16.4	17.0	16.7	16.9	18.3	20.1	22.4	25.1
<b>World</b>	<b>23.0</b>	<b>25.3</b>	<b>27.3</b>	<b>29.7</b>	<b>32.1</b>	<b>34.0</b>	<b>35.9</b>	<b>37.6</b>

Source: UN World Population Prospects (2022)

## 5.6 Shares in global old age population

One implication of the pattern of ageing of populations is the need to provide for specialized health services in the countries/country groups with a relatively higher share of old age population, which contains persons aged 65 years and above. Here, the largest shares relate to Eastern and South-eastern Asia and Oceania and Central and Southern Asia. Together, these two groups would account for 58.3% of the global old age population by 2070 (Table 7). India and China's shares of old age persons would be comparable by 2070 at 19.0% and 19.4%, respectively. Decades of 2040 and 2050 are of considerable importance because it is in these decades that the share of old age persons in Eastern and South-eastern Asia and Oceania would have increased to close to 40%. Sub-Saharan Africa would have a much lower share of older people, rising from 4.5% in 2000 to only 9.8% by 2070.

Table 7: Share in old age population (%)

Region/Country	2000	2010	2020	2030	2040	2050	2060	2070
Central and Southern Asia <i>of which:</i>	15.6	16.3	17.2	18.3	19.4	21.8	24.3	26.9
<i>India</i>	11.3	11.8	12.6	13.2	14.0	15.6	17.2	19.0
Oceania and Eastern and South-eastern Asia <i>of which:</i>	34.8	36.8	39.0	39.8	40.8	38.0	35.3	31.4
<i>China</i>	20.7	21.7	24.3	25.5	27.1	24.6	22.8	19.4
Europe <i>of which:</i>	25.3	22.4	19.3	16.7	14.2	12.7	11.1	9.7
<i>Russia</i>	4.3	3.4	3.0	2.7	2.2	2.0	1.9	1.5
Latin America and the Caribbean <i>of which:</i>	7.0	7.6	7.8	8.1	8.3	8.9	9.1	9.4
<i>Brazil</i>	2.3	2.5	2.7	2.9	2.9	3.2	3.2	3.1
Northern America <i>of which:</i>	9.1	8.5	8.3	8.1	7.0	6.3	5.9	5.8
<i>US</i>	8.2	7.6	7.4	7.2	6.2	5.5	5.2	5.1
Northern Africa and Western Asia <i>of which:</i>	3.7	3.7	3.9	4.4	5.1	6.1	6.7	7.0
<i>Egypt</i>	0.8	0.7	0.7	0.7	0.8	1.0	1.1	1.2
Sub-Saharan Africa <i>of which:</i>	4.5	4.7	4.6	4.6	5.1	6.3	7.7	9.8
<i>Nigeria</i>	0.9	0.9	0.8	0.8	0.8	1.0	1.1	1.4
<b>World</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: UN World Population Prospects (2022)

## 5.7 Trends in Gender balance

Gender ratio, defined as the number of males per 100 females of close to 100, indicates gender balance. In terms of the global profile, country groups can be divided into three broad categories: a) country groups with gender ratio well above 100, b) those that are close to 100 and c) those that are below 100. In the first group, we can place Central

and Southern Asia, including India and Northern Africa and Western Asia. In their case, the gender ratio would remain significantly higher than 100 up to at least 2030 after which in both cases, these move closer to 100, although remaining above it by 2070. In the second group, we can consider Northern America at one end and Sub-Saharan Africa at the other. The first region is the most advanced in terms of per capita GDP and the latter comprises the lowest income countries. Gender ratios in both these regions which have remained well below 100 up to 2020 would slowly correct the gender imbalance and would move closer to the benchmark of 100 by 2070. In this group, we can also place Eastern and South-eastern Asia and Oceania. In its case, in the earlier decades of the 21<sup>st</sup> century, the gender ratio would remain above 102 up to 2030, after which it would fall, converging to 100 by 2070. In group C, we can place Europe, and Latin America and the Caribbean (Table 8).

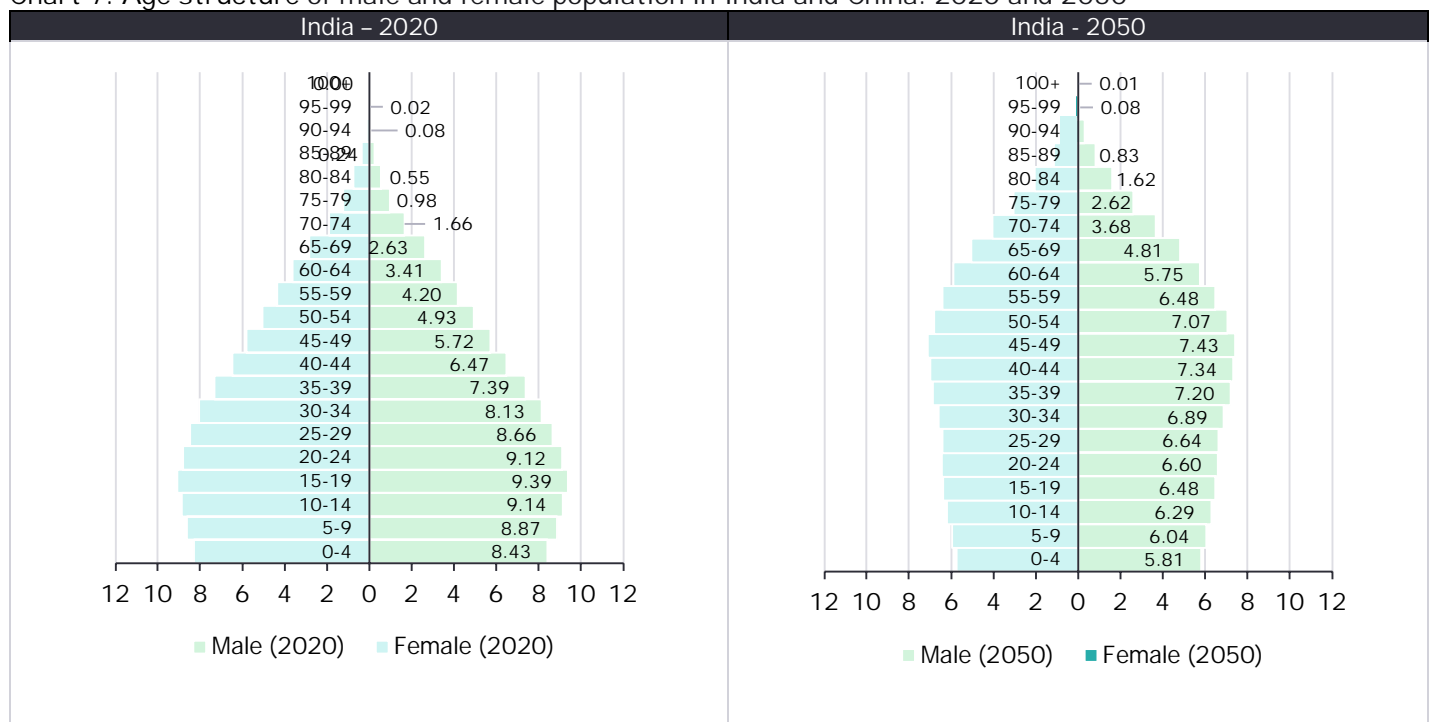
Table 8: Gender ratio (males per 100 females)

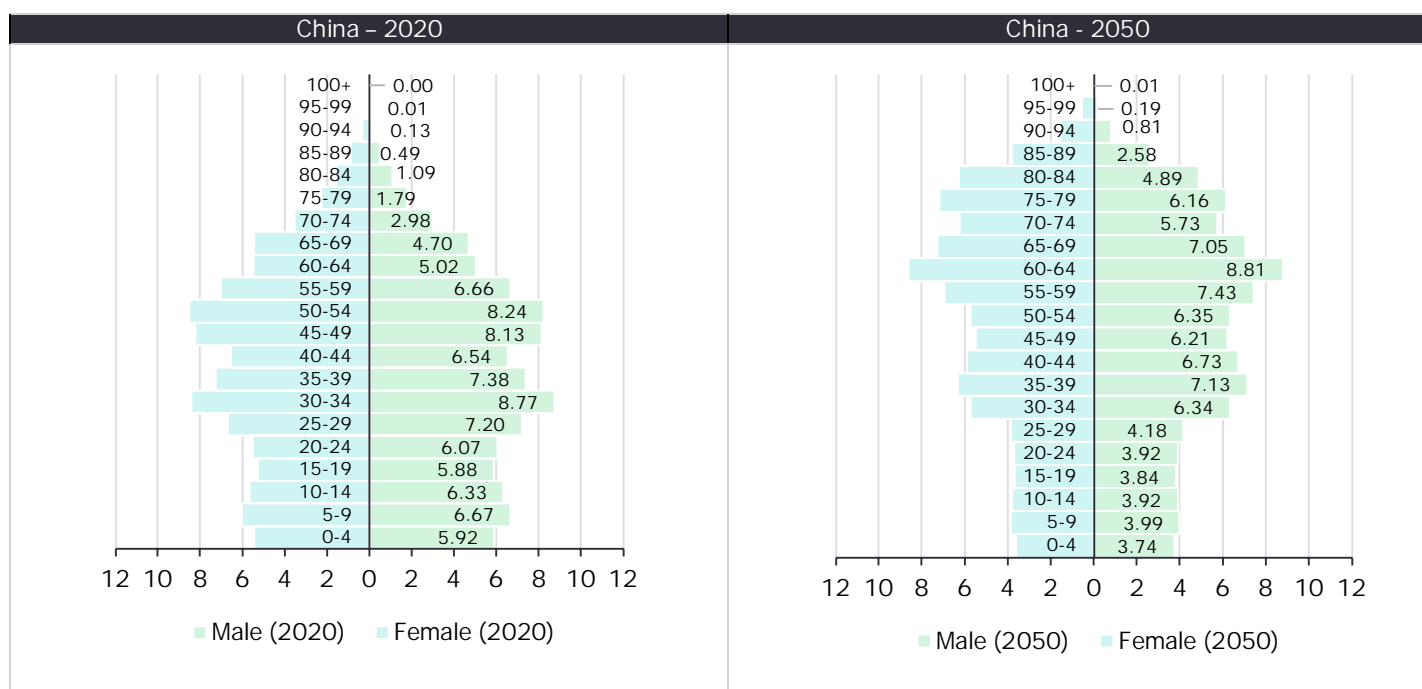
Region/Country	2000	2010	2020	2030	2040	2050	2060	2070
Central and Southern Asia <i>of which:</i>	106.1	106.0	105.4	104.5	103.7	102.7	101.8	101.0
<i>India</i>	107.0	107.2	107.1	106.8	106.0	104.9	103.9	103.0
Eastern and South-eastern Asia and Oceania <i>of which:</i>	102.2	102.5	102.6	102.4	101.6	100.8	100.6	100.7
<i>China</i>	103.9	104.6	104.9	104.5	103.3	102.5	102.5	102.9
Europe <i>of which:</i>	92.5	92.6	92.6	93.3	93.6	94.0	94.8	95.5
<i>Russia</i>	88.2	87.6	86.0	86.8	86.9	87.6	89.2	90.8
Latin America and the Caribbean <i>of which:</i>	98.6	98.1	97.7	97.2	96.7	96.4	96.3	96.5
<i>Brazil</i>	98.9	98.2	97.2	96.6	96.0	95.6	95.6	96.0
Northern America <i>of which:</i>	96.2	97.1	97.2	98.3	98.0	98.1	98.6	99.2
<i>US</i>	95.9	97.0	97.1	98.3	97.9	98.0	98.5	99.1
Northern Africa and Western Asia <i>of which:</i>	103.4	104.1	105.8	106.0	104.9	103.9	103.0	102.2
<i>Egypt</i>	101.7	102.6	102.6	102.4	101.9	101.4	100.8	100.3
Sub-Saharan Africa <i>of which:</i>	98.2	98.0	98.7	99.2	99.5	99.4	99.2	98.8
<i>Nigeria</i>	100.9	101.1	101.5	102.1	102.4	102.4	102.1	101.6
<b>World</b>	<b>100.8</b>	<b>101.1</b>	<b>101.2</b>	<b>101.2</b>	<b>100.7</b>	<b>100.3</b>	<b>100.0</b>	<b>99.7</b>

Source: UN World Population Prospects (2022)

As a special case, we contrast two countries in terms of their respective age structures as they evolve over time. In India's case, we see a broad base in 2020, which tapers in terms of the share of population of different age groups reflecting the highest share of the 15-19 years age group (Chart 7). By 2050, the highest share moves up in terms of age to the 45 to 49 years age group. Also, the width of the age groups between 25 to 29 and 60 to 64 varies in a narrow range.

Chart 7: Age structure of male and female population in India and China: 2020 and 2050





Source: UN World Population Prospects (2022)

In contrast, in China's case, the age structure pyramid seems to evolve in a manner that reflects the progressive ageing of population. In 2020, the share of the age group of 30 to 34 is the highest. In 2050, the highest share is that of 60-64 years age group. Also, the share of the younger population would have fallen considerably by 2050. The aggregate share up to 29 years of age is projected to be only 23%. In contrast, in India's case, this share would be much higher at 37.5%. On the other hand, the share of population of 60 years and above is projected to be 38.8% for China and only 20.8% for India.

## 5.8 Urbanization

An important dimension of the evolving population profile of different countries/country groups pertains to their location in terms of the rural vis-à-vis urban areas. As populations progressively shift towards urban areas, the density of population increases, and their per capita incomes also increase. Thus, higher degree of urbanization is linked to higher per capita incomes. In the case of all country groups, we can observe that the urbanization rate is increasing without any exception. By 2040, there would only be two country groups where the share of urban population in total population would less than or close to 50%. These groups are central and southern Asia and Sub-Saharan Africa. These groups are also characterized by relatively lower per capita GDPs. In contrast, by 2040, Europe will have an urbanization rate of 81%, Northern America of nearly 87%, Latin America of 86%, and Oceania and Eastern and South-eastern Asia of nearly 73%. Comparing India and China in 2040, China is projected to have a much higher urbanization rate at 76.4% in comparison to India's rate of 46.4%, a difference of 30% points. By 2070, this difference would have come down to 21.4% points. India's urbanization rate by 2070 at 65.8% would be lower than that of Sub-Saharan Africa which would have reached a level of 69.1% (Table 9). In fact, the urbanization of Sub-Saharan Africa has remained higher than that of India throughout the decades covered here. It may, however, be noted that India's urbanization rate is somewhat underestimated<sup>4</sup>.

Table 9: Urbanization rate

Region/country	2000	2010	2020	2030	2040	2050	2060*	2070*
Central and Southern Asia of which:	29.6	33.1	37.1	42.0	47.9	54.1	60.2	66.4
India	27.7	30.9	34.9	40.1	46.4	52.8	59.3	65.8
Eastern and South-eastern Asia and Oceania of which:	41.4	51.9	60.7	67.6	72.5	76.1	79.7	83.3
China	35.9	49.2	61.4	70.6	76.4	80.0	83.6	87.2
Europe of which:	71.1	72.9	74.9	77.5	80.6	83.7	86.7	89.8
Russia	73.3	73.7	74.8	77.1	80.3	83.3	86.4	89.4
Latin America and the Caribbean of which:	75.5	78.6	81.2	83.6	85.8	87.8	89.9	91.9
Brazil	81.2	84.3	87.1	89.3	91.0	92.4	93.8	95.2

<sup>4</sup> EY report titled India@100: realizing the potential of a US\$26 trillion economy (January 2023)

Region/country	2000	2010	2020	2030	2040	2050	2060*	2070*
Northern America <i>of which:</i>	79.1	80.8	82.6	84.7	86.9	89.0	91.0	93.1
<i>US</i>	79.1	80.8	82.7	84.9	87.1	89.2	91.2	93.2
Northern Africa and Western Asia <i>of which:</i>	56.3	59.9	63.1	66.0	69.5	73.2	76.9	80.6
<i>Egypt</i>	42.8	43.0	42.8	44.8	49.4	55.6	61.8	68.0
Sub-Saharan Africa <i>of which:</i>	31.4	36.1	41.4	47.0	52.5	58.1	63.6	69.1
<i>Nigeria</i>	34.8	43.5	52.0	59.2	64.9	69.9	75.0	80.1
<b>World</b>	<b>46.7</b>	<b>51.7</b>	<b>56.2</b>	<b>60.4</b>	<b>64.5</b>	<b>68.4</b>	<b>72.2</b>	<b>76.1</b>

Source: UN World Urbanization Prospects (2018)

\* Since the projection for urban population is available only till 2050, we have estimated the urbanization rates for the decades of 2060 and 2070 using the decadal change in urban population in 2050 over that in 2040 for the listed countries and country groups

## 5.9 Concluding observations

The global population is ageing fast. In terms of median age, the youngest population would be that of Sub-Saharan Africa with a median age of 25.3 years by 2070 whereas the oldest population group would be that of Europe at 48 years followed closely by Eastern and Southeastern Asia including Oceania at 47.7 years. China's median age would be 52 years and that of India would be 41 years.

Based on the UN World Population Prospects database (2022) and World Urbanization Prospects (2018), we have highlighted the major features of the structure of global population. The main population trends are summarized below:

- ▶ India's share in global population in 2030 is projected at 17.7% while its share in global GDP would only be 9.3% implying that its per capita GDP would only be a little more than half of the global per capita GDP in PPP terms. In contrast, for Sub-Saharan Africa, the share in GDP in 2029 would only be 3.4% whereas its share in population in 2030 would be 16.6%. India's share in global GDP is expected to exceed its share in the global population in the early 2040s. From then on, India's per capita GDP in PPP terms would remain higher than the global per capita GDP.
- ▶ In terms of population growth rates, we observe that only Europe and Northern America exhibit negative CAGRs. In their case, a negative CAGR is projected 2040 onwards.
- ▶ In terms of share in global working age population, central and southern Asia is projected to account for 26.6% by 2070. India's share of working age population in the total global working age population is expected to be close to 16% by 2070. The highest share in global working age population by 2070 would be that of Sub-Saharan Africa at 28.9%.
- ▶ The largest shares in global old age population relate to eastern and South-eastern Asia and Oceania and central and Southern Asia. Together, these two would account for 58.3% of the global old age population by 2070.
- ▶ For most country groups, the gender ratio is marginally above 100. Only in the case of Europe, and Latin America and the Caribbean, the gender ratio is well below 100 by 2070 at 95.5 and 96.5, respectively.
- ▶ The world population is urbanizing fast. By 2040, there would only be two country groups where the share of urban population in total population would be less than or close to 50%. These groups are central and southern Asia and Sub-Saharan Africa. These groups are also characterized by relatively lower per capita GDPs. In fact, the urbanization of Sub-Saharan Africa, has remained higher than that of India throughout the decades covered here.
- ▶ Considering individual countries, India is projected to have the largest share in total and working age global population by 2070 exceeding the next highest country namely, China by a significant margin.

India will have to develop a strategy of growth that depends on exporting human resources or services based on human resources to countries where populations would have aged faster. In these countries, there will be a relatively high demand for health services. Also, there will be shortage of human resources for more regular industrial and business activities. It will also need to develop a special relationship with Sub-Saharan Africa which will have much younger persons. In order to ensure that this relatively young population is adequately educated and skilled, India would have to facilitate provision of adequate education, training, and skilling facilities. These countries are also mineral-rich countries, and it might benefit India to develop a close relationship with these countries and have access to their minerals, following an equitable, non-exploitative, and environment-friendly approach. India may also help these countries develop their infrastructure.





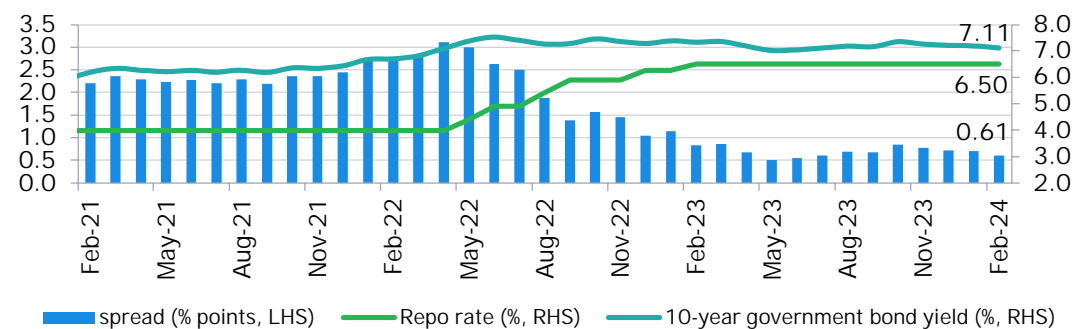
## 6 Money and finance: the RBI retained the repo rate at 6.5% in April 2024

### 6.1 Monetary sector

#### Monetary policy

- ▶ The Monetary Policy Committee (MPC) retained the repo rate at 6.5% in its April 2024 monetary policy review (Chart 8). Consequently, the standing deposit facility and marginal standing facility rates were also maintained at 6.25% and 6.75%, respectively in April 2024. The MPC retained its policy stance as withdrawal of liquidity from the system.
- ▶ In RBI's assessment, food price uncertainties remain a key risk to inflation outlook. This is because of increased incidence of climate shocks, low reservoir levels mostly in the southern states and the likelihood of above normal temperatures during April–June 2024. However, an expected record *rabi* wheat harvest may provide some relief to cereal prices. Other risks to CPI inflation may emanate from recent firming of global crude oil prices, on-going geo-political tensions, and volatility in financial markets.

Chart 8: Movements in the repo rate and 10-year government bond yield



The RBI retained the repo rate at 6.5% in its monetary policy review held on 5 April 2024.

Source: Database on Indian Economy, RBI

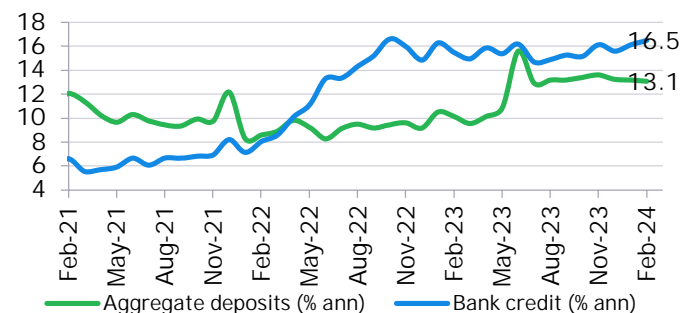
#### Money stock

- ▶ Growth in broad money stock (M3)<sup>5</sup> increased to a four-month high of 11.1% in March 2024 from 10.9% in February 2024. Time deposits, the largest component of M3, grew by 12.4% in March 2024, close to its level at 12.3% in February 2024.
- ▶ Led by higher growth in demand deposits, growth in narrow money (M1) increased to 7.3% in March 2024 from 6.7% in February 2024. Growth in demand deposits surged to 11.5% in March 2024 from 9.5% in February 2024 while that of currency with the public remained stable at 4.3% in March 2024, similar to its level in February 2024.

#### Aggregate credit and deposits

- ▶ Growth in gross bank credit increased to a 16-month high of 16.5% in February 2024 as compared to 16.1% in January 2024 (Chart 9). During April–February FY24, credit growth averaged 15.6%, higher than 14.3% during the corresponding period of FY23.
- ▶ Non-food credit showed a robust growth of 16.5% in February 2024, its fastest since January 2023 and was higher as compared to 16.2% in January 2024.
- ▶ Sectoral bank credit data indicate that credit to services, with an average share of about 26% in total non-food credit (last five years), showed the highest growth of 21.2% in February 2024, increasing from 20.7% in January 2024.
- ▶ Growth in credit to the agricultural sector remained stable at 20.1% in January and February 2024.

Chart 9: Growth in credit and deposits



Source: Database on Indian Economy, RBI

<sup>5</sup> The data on M3, demand and time deposits and bank credit excludes the impact of merger of a non-bank with a bank.

- ▶ Personal loans, a key component of retail loans, with a share of close to 28% on average in total non-food credit (last five years), continued to show a strong growth of 18.1% in February 2024, although marginally lower than 18.4% in January 2024.
- ▶ Growth in outstanding credit to industries, having a share of about 27% on average in total non-food credit (last five years), was at a 13-month high of 8.7% in February 2024 as compared to 7.8% in January 2024. Within the industrial credit, growth in credit to infrastructure, having the largest share of over 37% on average in total industrial credit (last five years), increased to 6.8% in February 2024, its highest level since November 2022.
- ▶ Among other industrial sectors, credit to iron and steel showed the highest growth at 16.2% in February 2024, increasing from 14.7% in January 2024. Credit to drugs and pharmaceuticals, and textiles continued to post double digit growth rates at 14.9% and 13.3% respectively in February 2024 as compared to 14.2% and 13.4% respectively in January 2024. Growth in credit to cement and cement products, however, eased for the third successive month to 8.6% in February 2024 from 9.6% in January 2024.
- ▶ Growth in aggregate deposits of residents at 13.1% in February 2024 was close to its level of 13.2% in January 2024.

## 6.2 Financial sector

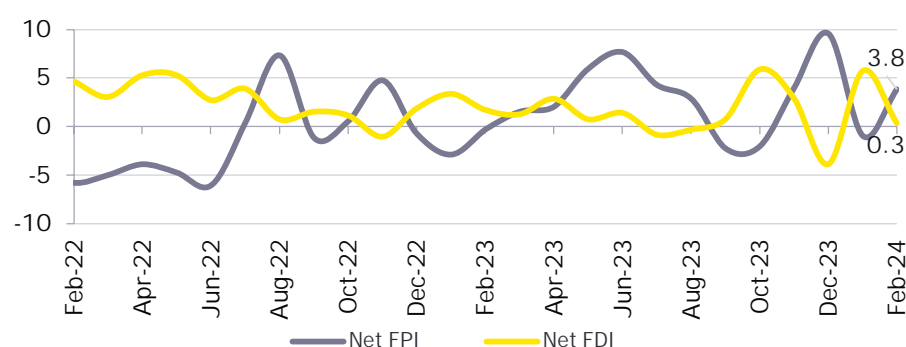
### Interest rates

- ▶ As per the data released by the RBI in the first week of April 2024, the average interest rate on term deposits with a maturity period of more than one year was retained at 6.88% for the third successive month in March 2024. In FY24, term deposit rate averaged 6.71%, higher as compared to 5.98% in FY23.
- ▶ The MCLR, in March 2024, was also retained at 8.30% for the third consecutive month. In FY24, the MCLR averaged higher at 8.22% as compared to 7.38% in FY23.
- ▶ The average yield on 10-year government bonds fell to a nine-month low of 7.07% in March 2024 from 7.11% in February 2024 (Chart 10). During FY24, benchmark bond yields averaged lower at 7.16% as compared to 7.35% during FY23.
- ▶ WALR on fresh rupee loans by SCBs eased marginally to 9.36% in February 2024 from 9.43% in January 2024.

### FDI and FPI

- ▶ As per the provisional data released by the RBI on 23 April 2024, overall foreign investments<sup>6</sup> (FIs) fell to US\$4.2 billion in February 2024 from US\$4.8 billion in January 2024 due to a fall in net FDI inflows.

Chart 10: Net FDI and FPI inflows (US\$ billion)



Source: Database on Indian Economy, RBI

Net FDI inflows fell sharply to US\$0.3 billion in February 2024 from US\$5.7 billion in January 2024.

- ▶ Net FDI inflows fell sharply to US\$0.3 billion in February 2024 from US\$5.7 billion in January 2024 (Chart 10). During April-February FY24, net FDI inflows were sharply lower at US\$14.6 billion as compared to US\$26.7 billion during the corresponding period of FY23. Gross FDI inflows fell to US\$5.1 billion in February 2024 from US\$8.0 billion in January 2024. On a cumulated basis, gross FDI inflows amounted to US\$65 billion during April-February FY24 as compared to US\$66.8 billion during April-February FY23.
- ▶ Net FPI turned positive, registering inflows amounting to US\$3.8 billion in February 2024 as compared to outflows amounting to US\$1.0 billion in January 2024. During April-February FY24, on a cumulated basis, net FPI inflows amounted to US\$35.6 billion as compared to net outflows of US\$6.7 billion during the corresponding period of FY23.

<sup>6</sup> Foreign Investment (FI) = net FDI plus net FPI



## 7 Trade and CAB: current account deficit remained low at 1.2% of GDP in 3QFY24

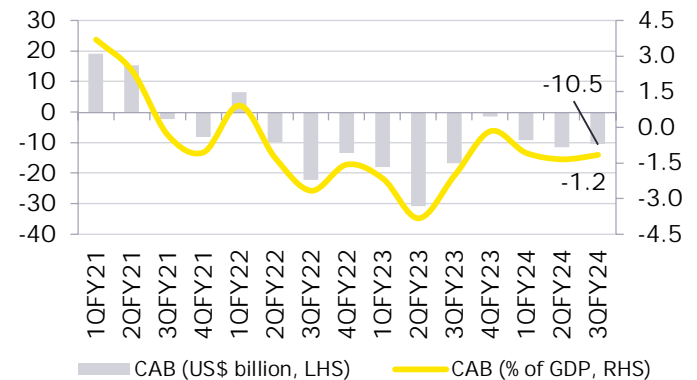
### 7.1 CAB: current account deficit was low at 1.2% in 3QFY24 as compared to 1.3% in 2QFY24

- ▶ Net merchandise trade deficit widened to a four quarter high of 7.9% of GDP in 3QFY24 from 7.5% in 2QFY24 as merchandise exports fell to 11.8% from 12.6% relative to GDP over the same period. Merchandise imports moderated by 0.4% points to 19.7% of GDP in 3QFY24 from 20.1% in 2QFY24.
- ▶ Net invisibles were at 6.7% relative to GDP in 3QFY24, its highest level since 2QFY10, reflecting an improvement in net service exports and net transfers. Net services exports were at a 60-quarter high of 5.0% relative to GDP and net transfers at 3.2% of GDP were at a four-quarter high in 3QFY24. Deficit on net income was marginally higher at 1.5% of GDP in 3QFY24 as compared to 1.4% in the previous quarter.

Table 10: Components of CAB in US\$ billion

Fiscal year	CAB as % of nominal GDP	CAB	Goods account net	Invisibles* net
FY20	-0.9	-24.7	-157.5	132.8
FY21	0.9	23.9	-102.2	126.1
FY22	-1.2	-38.8	-189.5	150.7
FY23	-2.0	-67.1	-265.3	198.2
4QFY23	-0.2	-1.4	-52.6	51.2
1QFY24	-1.1	-9.1	-56.7	47.6
2QFY24	-1.3	-11.4	-64.5	53.1
3QFY24	-1.2	-10.5	-71.6	61.1

Chart 11: CAB



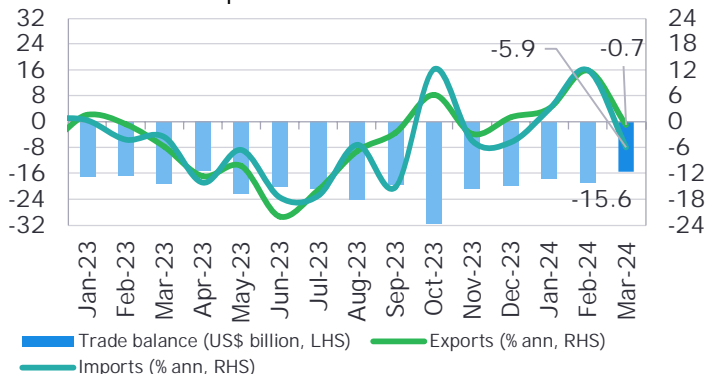
Source: Database on Indian Economy, RBI; Note: (-) deficit; (+) surplus; \*invisibles include services, current transfers and income components

### 7.2 Merchandise trade and exchange rates

Merchandise exports contracted by (-)0.7% and imports by (-)6.0% respectively in March 2024 as compared to a growth of 11.9% and 12.2% respectively in February 2024 (Chart 12). On an annual basis, merchandise exports and imports contracted by (-)4.7% and (-)5.7% respectively in FY24.

- ▶ Growth in exports of engineering goods, and electronic goods slowed to 10.7% and 23.1% respectively in March 2024 from 15.9% and 54.8% in February 2024. Growth in exports of chemicals, however, increased to 39.7% from 33.0% over the same period. Oil exports contracted sharply by (-)35.4% in March 2024, their highest pace of contraction since July 2023.
- ▶ Imports of gold declined by (-)53.6% in March 2024, its fastest pace of contraction since January 2023. Other categories of imports showing a contraction in March 2024 were oil ((-)4.4%), chemicals ((-)19.3%), and pearls and precious stones ((-)17.7%). Electronic goods imports grew by 5.0% in March 2024, its slowest pace since April 2023.
- ▶ Growth in exports excluding oil, gold and jewelry remained positive at 9.1% in March 2024 as compared to 17.2% in February 2024, while imports of the same category fell by (-)1.5% as compared to a growth of 10.6% over this period.
- ▶ Merchandise trade deficit eased to an 11-month low of US\$15.6 billion in March 2024. Deficit on account of trade of goods and services increased to US\$5.6 billion in February 2024 from a 31-month low of US\$1.3 billion in January 2024.
- ▶ On an annual basis, merchandise exports and imports contracted by (-)4.7% and (-)5.7%, respectively, in FY24. However, merchandise trade deficit narrowed to US\$245.3 billion in FY24 from US\$264.9 billion in FY23.
- ▶ The INR remained stable at INR83.0/US\$ in March 2024, the same level as seen in February 2024.

Chart 12: Developments in merchandise trade



Source: Ministry of Commerce and Industry, GoI



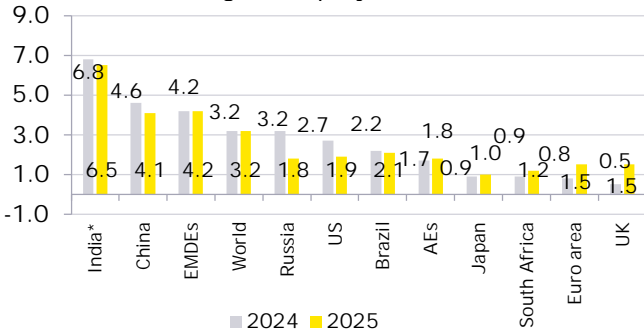
# 8 Global growth: IMF projected global growth at 3% in 2024 and 2025

## 8.1 Global growth

- ▶ The IMF (World Economic Outlook, April 2024) has projected global growth to remain unchanged in 2024 and 2025 from an estimated 3% in 2023. The global growth projection for 2024 and 2025 is below the historical annual average of 3.8% witnessed during the period 2000 to 2019 (Chart 13).
- ▶ Growth in AEs is projected at 1.7% in 2024 and 1.8% in 2025, marginally increasing from an estimated 1.6% in 2023. Growth in EMDEs is expected to remain nearly stable at 4.2% in 2024 and 2025 as compared to 4.3% in 2023.
- ▶ Growth in the US is projected to increase to 2.7% in 2024, before slowing to 1.9% in 2025, with gradual fiscal tightening and a softening in labor markets.
- ▶ Growth in the euro area is projected to recover from an estimated 0.4% in 2023, to 0.8% in 2024 and 1.5% in 2025. Similarly, growth in the UK is forecasted to increase from 0.1% in 2023 to 0.5% in 2024 as the lagged effects of high energy prices wane, and then to 1.5% in 2025.
- ▶ In Japan, output is projected to slow from an estimated 1.9% in 2023 to 0.9% in 2024 and 1% in 2025, owing to fading of one-off factors that supported growth in 2023, including a surge in inbound tourism.
- ▶ Growth in China is projected to slow from 5.2% in 2023 to 4.6% in 2024 and 4.1% in 2025 as the positive effects of one-off factors including the post-pandemic boost to consumption and fiscal stimulus ease and weakness in the property sector persists.
- ▶ Growth in India is projected to remain strong at 6.8% in 2024 (FY25) and 6.5% in 2025 (FY26), with the robustness reflecting continuing strength in domestic demand and a rising working-age population.

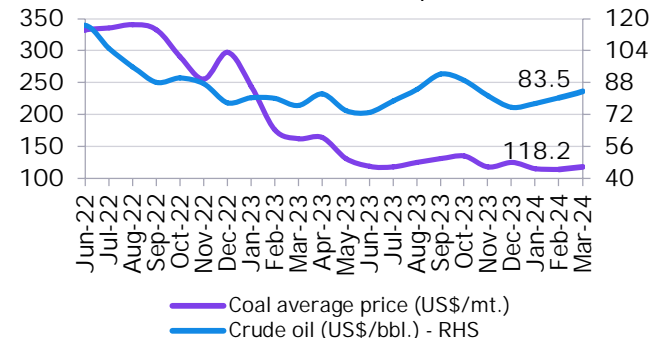
The IMF has projected global growth at 3% in 2024 and 2025, remaining unchanged from its level in 2023. India's FY25 and FY26 growth is forecasted at 6.8% and 6.5%, respectively.

Chart 13: Global growth projections (%)



Source: IMF World Economic Outlook (April 2024)  
\*Data pertains to fiscal years FY25 and FY26, respectively

Chart 14: Global crude and coal prices



Source (basic data): World Bank Pink Sheets, April 2024

## 8.2 Global energy prices: global crude price averaged US\$81.1/bbl. in FY24, lower than US\$92.7/bbl. in FY23

- ▶ Average global crude price<sup>7</sup> increased to a five-month high of US\$83.5/bbl. in March 2024 from US\$80.5/bbl. in February 2024 owing to decision by OPEC+ members to prolong production cuts from March 2024 to June 2024 along with increased demand from major oil consumers worldwide and escalating geopolitical tensions<sup>8</sup> (Chart 14). On an annual basis, the global crude price averaged US\$81.1/bbl. in FY24, down from US\$92.7/bbl. in FY23.
- ▶ From a 33-month low of US\$114.7/mt. in February 2024, average global coal price<sup>9</sup> increased to US\$118.2/mt. in March 2024. On an annual basis, global coal prices averaged US\$126.4/mt. in FY24, much lower than US\$283.4/mt. in FY23.

<sup>7</sup> Simple average of three spot prices, namely, Dated Brent, West Texas Intermediate and Dubai Fateh

<sup>8</sup> <https://www.livemint.com/market/stock-market-news/crude-oil-forecast-geopolitical-tensions-drive-brent-towards-95-per-barrel-in-near-term-markets-crude-oil-prices-11711351959592.html>

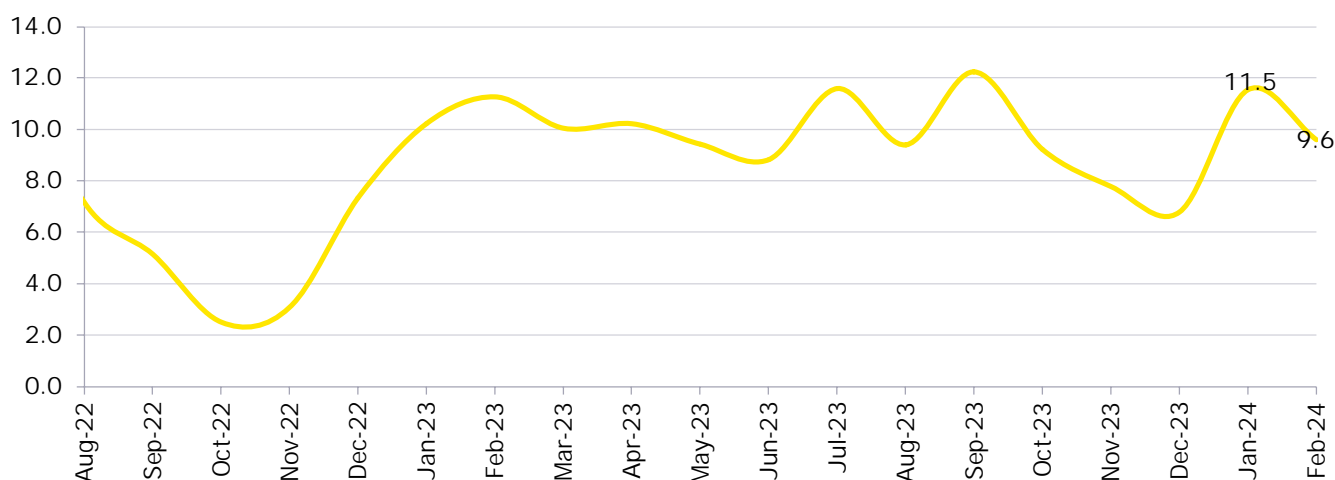
<sup>9</sup> Simple average of Australian and South African coal prices.

## 9 Index of Aggregate Demand (IAD): posted a growth of 9.6% in February 2024

### 9.1 IAD continued to show a strong growth of 9.6% in February 2024, although lower as compared to 11.5% in January 2024

- ▶ Pointing to continued robustness in demand conditions, IAD<sup>10</sup> showed a growth of 9.6% in February 2024. However, it was lower as compared to a growth of 11.5% seen in January 2024 as demand conditions in the services sector eased marginally during the month (Chart 15 and Table 11).
- ▶ Demand conditions in the services sector eased in February 2024 as evidenced by PMI services, which expanded at a relatively slower pace of 60.6 during the month as compared to 61.8 in January 2024.
- ▶ In the manufacturing sector, demand conditions improved further in February 2024 as indicated by manufacturing PMI, which expanded at a faster pace of 56.9 during the month as compared to 56.5 in January 2024.
- ▶ Similarly, demand conditions in the agricultural sector showed resilience as reflected by a high and stable growth in agricultural credit offtake in February 2024. Growth in agricultural credit stood at 20.1% (sa)<sup>11</sup> in February 2024, similar to its level in January 2024.

Chart 15: Growth in IAD (y-o-y)



Source (Basic data): S&P - IHS Markit PMI, RBI and EY estimates  
 Note: From this issue onwards, we will be using seasonally adjusted data for constructing the IAD.

Table 11: IAD

Month	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
IAD	165.1	168.1	167.3	168.4	165.9	166.1	169.0	174.1	174.2
Growth (% y-o-y)	8.8	11.6	9.4	12.3	9.2	7.8	6.8	11.5	9.6
Growth in agr. Credit	19.7	16.8	16.6	16.9	17.3	18.1	19.3	20.1	20.1
Mfg. PMI**	7.8	7.7	8.6	7.5	5.5	6.0	4.9	6.5	6.9
Ser. PMI**	8.5	12.3	10.1	11.0	8.4	6.9	9.0	11.8	10.6

Source (basic data): S&P Global, RBI and EY estimates; \*\*Values here indicate deviation from the benchmark value of 50. A positive value indicates expansion in demand while a negative value implies contraction in demand; PMI for Manufacturing and Services are seasonally adjusted.

<sup>10</sup> EY has developed an Index of Aggregate Demand (IAD) to reflect the monthly combined demand conditions in the agriculture, manufacturing, and services sectors. It considers the movements in PMI for manufacturing and services, both measured in seasonally adjusted (sa) terms, tracing the demand conditions in these sectors. Movements in the monthly agricultural credit off-take (sa) capture the demand conditions in the agricultural sector.

<sup>11</sup> We have constructed a seasonally adjusted series for agricultural credit using Census X-13 technique in E-views (version 12) and the growth of this SA agricultural credit series is used in the IAD series.

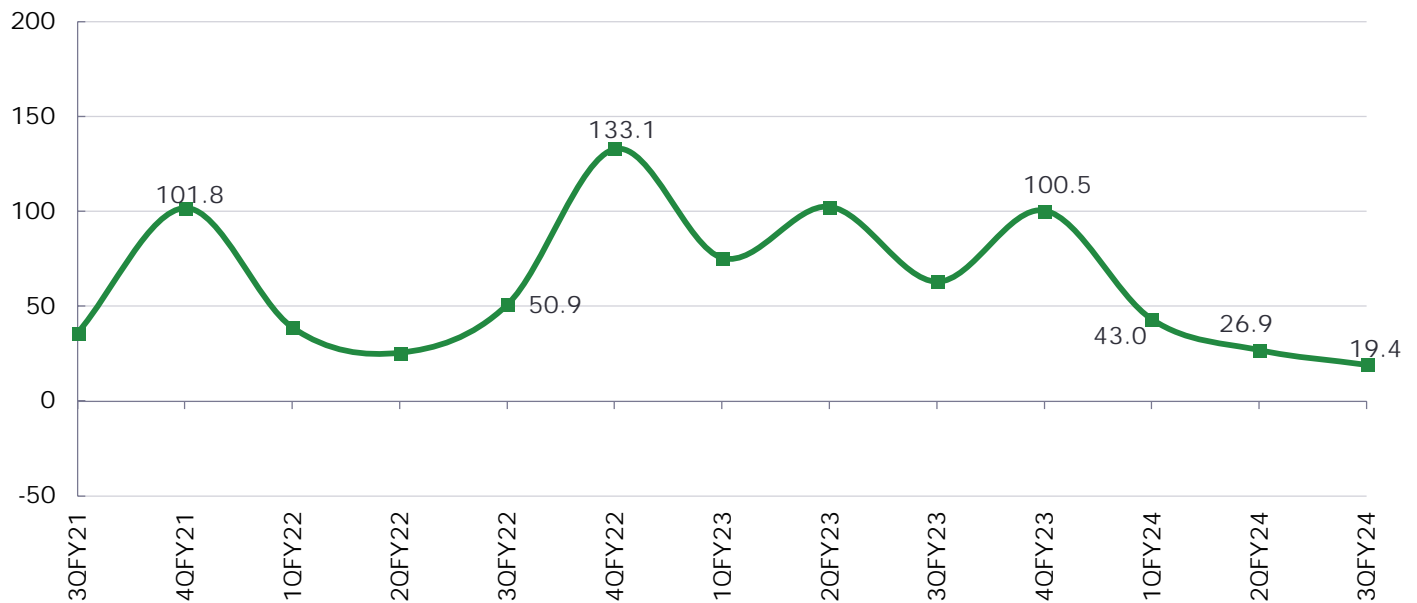


# 10 Index of Macro Imbalance (IMI): pointed to further improvement in macro balance in 3QFY24

IMI fell further to a 17-quarter low of 19.4 in 3QFY24 from 26.9 in 2QFY24

- ▶ IMI<sup>12</sup> pointed to continued improvement in macro balance for the third successive quarter in 3QFY24 with the index value falling to 19.4 from 26.9 in 2QFY24 (Chart 16). This may be attributable to a lower current account deficit as well as a lower CPI inflation during the quarter.
- ▶ Current account deficit at 1.2% of GDP in 3QFY24 was below its benchmark value of 1.3%. CAD, therefore, did not contribute to macro imbalance in 3QFY24.
- ▶ CPI inflation averaged at a lower level of 5.4% in 3QFY24 as compared to 6.4% in 2QFY24. However, it was higher than its benchmark value of 4%. Thus, CPI inflation contributed to the macro imbalance during the quarter, but its impact was relatively lower as compared to that in 2QFY24.
- ▶ Govt's fiscal deficit averaged 3.7% of GDP in 3QFY24, marginally higher as compared to 3.5% in 2QFY24 and was slightly higher than the benchmark value of 3% of GDP. It therefore contributed positively to the macro imbalance in 3QFY24.

Chart 16: IMI (quarterly)



Source (Basic data): RBI, MoSPI and EY estimates

<sup>12</sup> The IMI is obtained by adding the percentage deviation of inflation rate (based on new CPI 2012 = 100), fiscal deficit (as a percentage of GDP) and current account deficit (as a percentage of GDP) from their respective benchmarks of 4%, 3% of GDP and (-)1.3% of GDP (Rangarajan 2016). All three components of IMI have been given equal weightage (33.33%). The state of balance is judged by a value of 0. An index value greater than zero indicates the presence of an imbalance in the economy. While considering the percentage deviation of each of the indicators from its selected norm, only the positive deviations are taken. Negative deviations are equated to zero to ensure that the negative and positive deviations across indices are not canceled out.  
Rangarajan, C (2016): "Can India grow at 8 to 9 per cent?" The Hindu, (<http://www.thehindu.com/opinion/lead/can-india-grow-at-8-to-9-per-cent/article8596824.ece>, Accessed on 17 May 2016.)



Table A1: Industrial growth indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	IIP	Mining	Manufacturing	Electricity	Core IIP	Fiscal year/ quarter/ month	PMI mfg.	PMI ser.
	% change y-o-y							
FY20	-0.8	1.6	-1.4	0.9	0.4	FY21	50.2	41.7
FY21	-8.5	-7.8	-9.6	-0.5	-6.4	FY22	54.0	52.3
FY22	11.4	12.2	11.7	8.0	10.4	FY23	55.6	57.3
FY23	5.2	5.8	4.6	8.9	7.7	FY24	57.2	60.3
4QFY23	4.5	6.9	3.9	6.0	7.0	1QFY24	57.9	60.6
1QFY24	4.8	6.4	5.1	1.3	6.0	2QFY24	57.9	61.1
2QFY24	7.8	11.5	6.8	11.1	10.5	3QFY24	55.5	58.1
3QFY24	6.1	8.2	5.3	9.0	8.4	4QFY24	57.5	61.2
Nov-23	2.5	7.0	1.3	5.8	7.9	Dec-23	54.9	59.0
Dec-23	4.2	5.2	4.5	1.2	4.9	Jan-24	56.5	61.8
Jan-24	4.1	5.9	3.6	5.6	4.1	Feb-24	56.9	60.6
Feb-24	5.7	8.0	5.0	7.5	6.7	Mar-24	59.1	61.2

Source: MoSPI, Office of the Economic Adviser, Ministry of Commerce and Industry and S&P Global

Table A2: Inflation indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	CPI	Food Price Index	Fuel and light	Core CPI	WPI	Food Price Index	Mfg. products	Fuel and power	Core WPI
	% change y-o-y					% change y-o-y			
FY21	6.2	7.7	2.7	5.5	1.3	4.0	2.8	-8.0	2.2
FY22	5.5	3.8	11.3	6.1	13.0	6.8	11.1	32.5	11.0
FY23	6.7	6.6	10.3	6.2	9.4	6.3	5.6	28.1	5.8
FY24	5.4	7.5	1.2	4.4	-0.7	3.2	-1.7	-4.5	-1.4
1QFY24	4.6	3.8	4.7	5.2	-2.9	-0.8	-2.7	-7.1	-2.0
2QFY24	6.4	9.3	2.6	4.8	-0.6	5.5	-2.1	-7.6	-1.9
3QFY24	5.4	8.3	-0.7	4.1	0.3	4.0	-0.9	-2.4	-0.7
4QFY24	5.0	8.5	-1.5	3.4	0.4	4.2	-1.1	-0.9	-1.2
Dec-23	5.7	9.5	-1.0	3.8	0.9	5.4	-0.8	-1.4	-0.6
Jan-24	5.1	8.3	-0.6	3.6	0.3	3.8	-1.2	-0.4	-1.1
Feb-24	5.1	8.7	-0.8	3.3	0.2	4.1	-1.3	-1.6	-1.3
Mar-24	4.9	8.5	-3.2	3.3	0.5	4.6	-0.8	-0.8	-1.1

Source: Office of the Economic Adviser, Ministry of Commerce and Industry and MoSPI

Note: The CPI for April and May 2020 has been imputed. Core CPI inflation is measured in different ways by different organizations/agencies. Here, it has been calculated by excluding food, and fuel and light from the overall index

Table A3: Fiscal indicators (annual growth rates, cumulated monthly growth rates, y-o-y)

Fiscal year/month	Gross tax revenue	Corporate tax	Income tax	Direct taxes*	Indirect taxes**	Fiscal deficit % of GDP	Revenue deficit % of GDP
FY20 (CGA)	-3.4	-16.1	4.0	-7.8	1.7	4.7	3.3
FY21 (CGA)	0.7	-17.9	-2.3	-10.7	12.7	9.2	7.3
FY22 (CGA)	33.8	55.7	43.5	49.6	20.1	6.7	4.4
FY23 (CGA)	12.7	16.0	20.0	17.9	7.2	6.4	3.9
FY24 (RE over FY 23 actuals)	12.5	11.7	22.7	17.2	7.0	5.8	2.8
Cumulated growth (% y-o-y)						% of budgeted target	
Jul-23	2.8	-10.4	6.4	-1.1	7.8	33.9	34.7
Aug-23	16.5	15.1	35.7	26.6	7.8	36.0	32.7
Sep-23	16.3	20.2	31.1	25.4	6.5	39.3	26.6
Oct-23	14.0	17.4	31.1	24.1	3.5	45.0	32.2
Nov-23	14.7	20.1	29.4	24.8	4.8	50.7	39.8
Dec-23	14.4	18.7	28.4	23.2	4.3	56.6#	40.2#
Jan-24	14.5	20.1	27.3	23.6	4.5	63.6#	49.4#
Feb-24	13.4	17.3	25.8	21.6	4.6	86.5#	87.1#

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents; # indicates that the values as percent of revised estimates

\* Includes corporation tax and income tax

\*\* Includes customs duty, excise duty, service tax, CGST, UTGST, IGST and GST compensation cess.

Fiscal year/month	CGST	UTGST	IGST	GST compensation cess	Total GST (GoI)
INR crore					
FY24 (RE)	8,11,600	-	-	1,45,000	9,56,600
FY25 (BE)	9,17,650	-	-	1,50,000	10,67,650
Monthly tax collection (INR crore)					
Jul-23	67,234	250	-2,396	11,392	76,480
Aug-23	62,720	306	6,250	11,430	80,706
Sep-23	61,731	199	1,686	11,385	75,001
Oct-23	70,510	1,122	-15,888	11,898	67,642
Nov-23	66,079	251	4,301	11,802	82,433
Dec-23	68,048	449	-11,276	11,784	69,005
Jan-24	73,685	469	-6,530	11,583	79,207
Feb-24	71,129	376	-12,690	12,529	71,344

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents

Note: IGST revenues are subject to final settlement.



Table A4: Monetary and financial indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ month	Repo rate (end of period)	Fiscal year/ quarter/ month	Bank credit	Agg. deposits	Net FDI	Net FPI	Fiscal year/ quarter/ month	M1	M3	10-year govt. bond yield	FX reserves
	%		% change y-o-y		US\$ billion			% change y-o-y		%	US\$ billion
May-23	6.50	FY20	9.5	9.9	43.0	1.4	FY21	16.2	12.2	6.05	579.3
Jun-23	6.50	FY21	6.0	11.0	44.0	36.1	FY22	10.7	8.8	6.40	617.6
Jul-23	6.50	FY22	6.7	9.7	38.6	-16.8	FY23	6.9	9.0	7.35	578.4
Aug-23	6.50	FY23	14.5	9.5	28.0	-5.2	FY24	7.3	11.1	7.16	645.6
Sep-23	6.50	4QFY23	15.6	10.1	6.4	-1.7	1QFY24	7.5	10.6	7.08	595.1
Oct-23	6.50	1QFY24	15.9	12.2	5.1	15.7	2QFY24	7.4	10.9	7.16	586.9
Nov-23	6.50	2QFY24	15.0	13.1	-0.3	4.9	3QFY24	7.1	11.0	7.28	623.2
Dec-23	6.50	3QFY24	15.7	13.4	4.9	11.6	4QFY24	7.3	11.1	7.13	645.6
Jan-24	6.50	Nov-23	16.2	13.6	2.9	4.0	Dec-23	7.1	11.0	7.22	623.2
Feb-24	6.50	Dec-23	15.6	13.3	-3.9	9.6	Jan-24	6.7	11.0	7.20	616.7
Mar-24	6.50	Jan-24	16.1	13.2	5.7	-1.0	Feb-24	6.7	10.9	7.11	619.1
Apr-24	6.50	Feb-24	16.5	13.1	0.3	3.8	Mar-24	7.3	11.1	7.07	645.6

Source: Database on Indian Economy - RBI

Table A5: External trade and global growth

External trade indicators (annual, quarterly and monthly growth rates)							Global growth (annual)			
Fiscal year/ quarter/ month	Exports	Imports	Trade balance	Ex. rate (avg.)	Crude prices (avg.)	Coal prices (avg.)	Calendar year	World GDP	Adv. econ.	Emer. econ.
	% change y-o-y		US\$ billion	INR/US\$	US\$/bbl.	US\$/mt		% change y-o-y		
FY21	-7.0	-16.6	-101.4	74.2	43.8	67.2	2014	3.5	2.0	4.7
FY22	44.7	56.0	-191.0	74.5	78.4	164.8	2015	3.4	2.3	4.3
FY23	6.9	16.8	-264.9	80.4	92.7	283.4	2016	3.2	1.8	4.4
FY24	-4.7	-5.7	-245.3	82.8	81.1	126.4	2017	3.8	2.5	4.8
1QFY24	-15.2	-12.8	-57.5	82.2	76.6	138.3	2018	3.6	2.3	4.6
2QFY24	-8.6	-12.5	-64.2	82.7	85.3	125.0	2019	2.8	1.7	3.6
3QFY24	1.3	1.0	-71.9	83.3	82.1	126.2	2020	-2.8	-4.2	-1.8
4QFY24	4.6	2.7	-51.8	82.9	80.6	116.2	2021	6.3	5.6	6.9
Dec-23	1.0	-4.8	-19.8	83.3	75.7	125.3	2022	3.5	2.6	4.1
Jan-24	3.1	3.0	-17.5	82.7	77.7	115.8	2023	3.2	1.6	4.3
Feb-24	11.9	12.2	-18.7	83.0	80.5	114.7	2024*	3.2	1.7	4.2
Mar-24	-0.7	-6.0	-15.6	83.0	83.5	118.2	2025*	3.2	1.8	4.2

Source: Database on Indian Economy - RBI, Pink Sheet - World Bank and IMF World Economic Outlook (WEO) April 2024; \*indicates forecasts

Fiscal year/quarter	Output: major sectors									IPD inflation
	GVA	Agr.	Ming.	Mfg.	Elec.	Cons.	Trans.	Fin.	Publ.	GVA
FY21 (3rd RE)	-4.1	4.0	-8.2	3.1	-4.2	-4.6	-19.9	1.9	-7.6	3.4
FY22 (2nd RE)	9.4	4.6	6.3	10.0	10.3	19.9	15.2	5.7	7.5	8.6
FY23 (1st RE)	6.7	4.7	1.9	-2.2	9.4	9.4	12.0	9.1	8.9	6.8
FY24 (SAE)	6.9	0.7	8.1	8.5	7.5	10.7	6.5	8.2	7.7	1.2
3QFY22	5.2	3.0	5.3	0.3	6.6	7.3	8.9	5.3	8.6	9.8
4QFY22	4.2	5.4	2.0	-0.1	7.4	6.4	5.9	5.6	3.3	10.2
1QFY23	11.3	2.7	6.6	2.2	15.6	14.7	22.1	10.5	23.6	11.5
2QFY23	5.0	2.3	-4.1	-7.2	6.4	6.9	13.2	8.7	7.3	9.2
3QFY23	4.8	5.2	1.4	-4.8	8.7	9.5	9.2	7.7	3.5	4.8
4QFY23	6.0	7.6	2.9	0.9	7.3	7.4	7.0	9.2	4.7	3.0
1QFY24	8.2	3.5	7.1	5.0	3.2	8.5	9.7	12.6	8.2	0.0
2QFY24	7.7	1.6	11.1	14.4	10.5	13.5	4.5	6.2	7.7	1.5
3QFY24	6.5	-0.8	7.5	11.6	9.0	9.5	6.7	7.0	7.5	1.7

Source: National Accounts Statistics, MoSPI

\*Growth numbers for FY21 (3<sup>rd</sup> revised estimates), FY22 (2<sup>nd</sup> revised estimates), FY23 (1st revised estimates) are based on the on NAS released by the MoSPI on 29 February 2024. Second Advance Estimates (SAE) for FY24 was released on 29 February 2024

Fiscal year/quarter	Expenditure components						IPD inflation
	GDP	PFCE	GFCE	GFCF	EX	IM	GDP
FY21 (3rd RE)	-5.8	-5.3	-0.8	-7.1	-7.0	-12.6	4.8
FY22 (2nd RE)	9.7	11.7	0.0	17.5	29.6	22.1	8.4
FY23 (1st RE)	7.0	6.8	9.0	6.6	13.4	10.6	6.7
FY24 (SAE)	7.6	3.0	3.0	10.2	1.5	10.9	1.4
3QFY22	5.7	11.0	-0.6	4.8	31.1	21.4	8.6
4QFY22	4.4	6.1	5.1	5.6	25.5	8.2	8.6
1QFY23	12.8	18.5	9.8	13.9	19.1	26.1	11.3
2QFY23	5.5	8.2	3.4	4.7	11.7	16.1	9.0
3QFY23	4.3	1.8	7.1	5.0	10.9	4.1	4.9
4QFY23	6.2	1.5	13.9	3.8	12.4	-0.4	2.8
1QFY24	8.2	5.3	-0.1	8.5	-6.5	15.3	0.2
2QFY24	8.1	2.4	13.8	11.6	5.3	11.9	1.4
3QFY24	8.4	3.5	-3.2	10.6	3.4	8.3	1.6

Source: National Accounts Statistics, MoSPI

\*Growth numbers for FY21 (3<sup>rd</sup> revised estimates), FY22 (2<sup>nd</sup> revised estimates), FY23 (1st revised estimates) are based on the on NAS released by the MoSPI on 29 February 2024. Second Advance Estimates (SAE) for FY24 was released on 29 February 2024



# List of abbreviations

Sr. no.	Abbreviations	Description
1	AD	aggregate demand
2	AEs	advanced economies
3	Agr.	agriculture, forests and fishing
4	AY	assessment year
5	Bcm	billion cubic meters
6	bbl.	barrel
7	BE	budget estimate
8	CAB	current account balance
9	CGA	Comptroller General of Accounts
10	CGST	Central Goods and Services Tax
11	CIT	corporate income tax
12	Cons.	construction
13	CPI	Consumer Price Index
14	COVID-19	Coronavirus disease 2019
15	CPSE	central public-sector enterprise
16	CRAR	Credit to Risk- weighted Assets Ratio
17	Disc.	discrepancies
18	ECBs	external commercial borrowings
19	Elec.	electricity, gas, water supply and other utility services
20	EMDEs	Emerging Market and Developing Economies
21	EXP	exports
22	FAE	first advance estimates
23	FC	Finance Commission
24	FII	foreign investment inflows
25	Fin.	financial, real estate and professional services
26	FPI	foreign portfolio investment
27	FRBMA	Fiscal Responsibility and Budget Management Act
28	FRL	Fiscal Responsibility Legislation
29	FY	fiscal year (April–March)
30	GDP	Gross Domestic Product
31	GFCE	government final consumption expenditure
32	GFCF	gross fixed capital formation
33	GoI	Government of India
34	G-secs	government securities
35	GST	Goods and Services Tax
36	GVA	gross value added
37	IAD	Index of Aggregate Demand
38	IBE	interim budget estimates

Sr. no.	Abbreviations	Description
39	ICRIER	Indian Council for Research on International Economic Relations
40	IEA	International Energy Agency
41	IGST	Integrated Goods and Services Tax
42	IIP	Index of Industrial Production
43	IMF	International Monetary Fund
44	IMI	Index of Macro Imbalance
45	IMP	imports
46	INR	Indian Rupee
47	IPD	implicit price deflator
48	MCLR	marginal cost of funds-based lending rate
49	Mfg.	manufacturing
50	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
51	Ming.	mining and quarrying
52	m-o-m	month-on-month
53	Mt	metric ton
54	MoSPI	Ministry of Statistics and Programme Implementation
55	MPC	Monetary Policy Committee
56	MPF	Monetary Policy Framework
57	NEXP	net exports (exports minus imports of goods and services)
58	NSO	National Statistical Office
59	NPA	non-performing assets
60	OECD	Organization for Economic Co-operation and Development
61	OPEC	Organization of the Petroleum Exporting Countries
62	PFCE	private final consumption expenditure
63	PIT	personal income tax
64	PMI	Purchasing Managers' Index (reference value = 50)
65	PoL	petroleum oil and lubricants
66	PPP	Purchasing power parity
67	PSBR	public sector borrowing requirement
68	PSU/PSE	public sector undertaking/public sector enterprises
69	RE	revised estimates
70	RBI	Reserve Bank of India
71	SLR	Statutory Liquidity Ratio
72	Trans.	trade, hotels, transport, communication and services related to broadcasting
73	US\$	US Dollar
74	UTGST	Union Territory Goods and Services Tax
75	WALR	weighted average lending rate
76	WHO	World Health Organization
77	WPI	Wholesale Price Index
78	y-o-y	year-on-year
79	1HFY20	first half of fiscal year 2019-20, i.e., April 2019-September 2019

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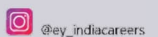
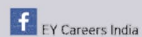
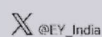
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