

Budget 2024

What does this year's Economic Survey highlight for Indian economy?

The Economic Survey 2023-24 projects a real GDP growth of 6.5 to 7 per cent. It adds that the Reserve Bank of India expects inflation to be 4.5 per cent in FY 25 and 4.1 per cent in FY26. The survey states that for recovery to be sustained, there has to be "heavy lifting on the domestic front" as the "environment has become extraordinarily difficult to reach agreements on key global issues such as trade, investment and climate". It adds that the headline inflation rate is "largely under control", however, the "inflation rate of some specific food items is elevated".

Will a changed political landscape affect the budget?

The political backdrop against which the upcoming Union budget will be presented is remarkably different from that of the previous 10 budgets. How the ruling dispensation has read the fractured election verdict, and what it perceives its chances are in the upcoming state elections could well have a bearing on the contours of the budget proposals. After all, it will feel the need to wrestle back control over the narrative.

Why rural economy is important?

PM Modi also discussed rural economy, which is already being closely watched for stagnant wage trends and tepid consumption demand, at length with the economists, who flagged concerns about agricultural growth, highlighting lack of employment in rural areas and sluggish credit growth despite small-ticket loans extended under Mudra scheme to boost output.