

State of the Economy in 2018-19: A Macro View

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Source: PIB, Economic Survey 2018-19

- India still the **fastest growing major economy in 2018-19.**
- **Growth of GDP moderated to 6.8 per cent** in 2018-19 from 7.2 per cent in 2017-18.
- **Inflation** contained at **3.4 percent** in 2018-19.
- **Non-Performing Assets** as a percentage of Gross Advances **reduced to 10.1 per cent** at end December 2018 from 11.5 per cent at end March 2018.
- Investment growth recovering since 2017-18:
 - Growth in fixed investment picked up from 8.3 per cent in 2016-17 to 9.3 per cent next year and further to 10.0 per cent in 2018-19.
- **Current account deficit** manageable at **2.1 percent of GDP.**
- **Fiscal deficit** of the Central Government declined from **3.5 percent of GDP** in 2017-18 to 3.4 percent in 2018-19.
- Prospects of pickup in growth in 2019-20 on the back of further increase in private investment and acceleration in consumption



Fiscal Developments

- FY 2018-19 ended with fiscal deficit at **3.4 percent of GDP and debt to GDP ratio of 44.5 per cent (Provisional).**
- As per cent of GDP, total **Central Government expenditure fell by 0.3 percentage points** in 2018-19 PA over 2017-18:
 - 0.4 percentage point reduction in revenue

expenditure and 0.1 percentage point increase in capital expenditure.

- States' own tax and non-tax revenue displays robust growth in 2017-18 RE and envisaged to be maintained in 2018-19 BE.
- General Government (Centre plus states) on the path of fiscal consolidation and fiscal discipline.
- The revised fiscal glide path envisages **achieving fiscal deficit of 3 percent of GDP by FY 2020-21** and **Central Government debt to 40 percent of GDP by 2024-25**