

ECONOMIC SURVEY 2015-16

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- a) The Economic Survey 2015-16 presented in the Parliament by the Finance Minister Shri Arun Jaitley states that the benign price situation and comfortable level of external current account in the country makes it possible now for **growth rates of 8 % or higher in the next couple of years.**
- b) The Report portends growth rate in the range of **7 to 7.5 per cent in 2016-17.** After **7.2 per cent in 2014-15 and 7.6 per cent in 2015-16,** such growth rate of over 7 per cent makes India the fastest growing major economy in the world.
- c) It also said that in spite of challenges and lowers than projected GDP growth during 2015-16, the fiscal deficit target of 3.9 per cent of GDP seems achievable.
- d) The survey points-out urgent need to rationalize agricultural policies including subsidies by making them 'input-crop and region-neutral' to improve productivity in agriculture.
- e) It also points out that the **Services Sector continues** to be the key driver of India's economic growth and it accelerated to 10.3 per cent in 2014-15 from **7.8 per cent in the previous year and it is expected to be 9.2 per cent (constant prices) in 2015-16** as per the advanced estimates.
- f) It also states that the **Government is committed to invest in bridging the skill gap.** The Report points out **more than 122 lakh toilets have been constructed in rural areas since the beginning of Swachh Bharat Mission (Gramin)** for improving sanitation situation in rural India.
- g) The Economic Survey 2015-16 points-out that there is a need to focus on the quality of education in both the public and private sectors.
- h) **India stated its Intended Nationally Determined Contribution (INDC)** goals for the renewable energy sector, mainly from solar and wind energy. The aim is to achieve a **target of 60 GW of wind power as**

well as 100 GWs of solar power to be in the country installed by 2022.

Highlights of Economic Survey related to AGRICULTURE

The Survey emphasizes that the **Indian agricultural system is predominantly a mixed crop-livestock farming system,** with the livestock segment supplementing farm incomes by providing employment, draught animals and manure.

- ✦ **India ranks first in milk production, accounting for 18.5 per cent of world production.**
- ✦ India Recording A Growth of **6.26 %** whereas **World Milk Production Increases by 3.1 %**
- ✦ **Egg and Fish Production** has also Registered an Increasing trend over the Years

Highlights of Economic Survey related to LABOUR FORCE

- a) The Economic Survey (2015-16) states that the proportion of **economically active population (15-59 years) has increased from 57.7 per cent to 63.3 per cent** during 1991 to 2013, as per Sample Registration System (SRS) data for 2013.
- b) As per the Economic Survey, the **employment growth in the organized sector (Public and Private combined) increased by 2% in 2012 over 2011.**
- c) According to the **Fourth Annual Employment-Unemployment Survey conducted by the Labour Bureau,** the Unemployment Rate is 4.7 % in rural areas and 5.5% in urban areas while the total unemployment rate reported is 4.9%.
- d) Reforms taken by the Government to improve the employment situation in the country were: **Payment of Bonus (Amendment) Act 2015, National Career Services Portal, Shram Suvidha Portal and Universal Account Number Facility.**

The National Policy on Skill Development and Entrepreneurship 2015, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) are some of the schemes which are working for skill development.

With a view to increasing **the scope of employability among differently-abled persons**, the Government has launched a **National Action Plan (NAP) for skill training**.

Under Mahatma Gandhi National Rural Employment Guarantee Scheme, about 3.63 crore households have been **provided employment of 134.96 crore person days during the Current Financial Year (as on 01.01.2016)**. Of this, 76.81 crore person days or 57% were availed of by women.

played a crucial role in **the climate change talks and agreement under United Nations Framework Convention on Climate (UNFCCC) in Paris in December 2015, and the launch of International Solar Alliance**. India also **submitted its ambitious Intended Nationally Determined Contributions (INDC) to the UNFCCC**.

b) The Survey highlights that **as on 4 January 2016**, with 1593 out of 7685 projects registered under Clean Development Mechanism (CDM) of UNFCCC, **India has the second highest number of projects registered under CDM**.

c) The survey talks about the **National Adaptation Fund for Climate Change (NAFCC) which has been established with a budget provision of Rs 350 crore for the year 2015-16 and 2016-17**, and the **National Clean Energy Fund (NCEF) which is supported by the cess on coal**.

Highlights of Economic Survey related to HUMAN CAPITAL

a) Economic Survey 2015-16 states that increasing investment in human capital is a key requirement to improve productivity of the population. It also states that the total expenditure on Social Services including Education, Health, Social Security, Nutrition, Welfare of SC/ST/OBC etc. during 2014-15 (RE) was 7 % of GDP while it was 6.5% during 2013-14.

b) **'Digital Gender Atlas for Advancing Girl's Education in India'** was launched last year to help identify low-performing geographic pockets for girls, particularly from marginalized groups. **National Scholarship Portal**, a single window system for various types of scholarship schemes administered by different Ministries/Departments **has been introduced under Direct Benefit Transfer (DBT) mode**.

c) During 2015-16, about 90 lakh Minority students are to be benefited under the Pre-matric, Post-matric and Merit-cum-Means scholarship schemes, while about 23.21 lakh SC students benefited under Pre-matric, 56.30 lakh under Post-matric and 3354 under the Rajiv Gandhi National Fellowship including the Top Class Education scholarship scheme are to be assisted.

d) The expenditure on health as a percentage of total expenditure on social services increased from **19.3% in 2014-15 (RE) and 19.5% in 2015-16 (BE)**.

2015 - Landmark Year for India in Climate Change Initiatives: Economic Survey 2015-16

a) The survey states that **the year 2015 has been a landmark year for India in terms of climate change initiatives both nationally and internationally**. At the International level, India

Also,
The survey states that **GST rollout to mark an unprecedented reforms measure in the modern global tax history**. It proposes **widening tax net from 5.5 percent of earning individuals to more than 20 percent, reasonable taxation of the better-off individuals**.

Highlights of Economic Survey related to FOOD SECURITY OF INDIA

According to the data of the **66th round of the National Sample Survey (2009-10)**, the average **dietary energy intake per person per day was 2147 Kcal for rural India and 2123 Kcal for urban India**. The average **protein intake per capita per day rises steadily with MPCE level in rural India from 43 gm for the bottom 5 per cent of population ranked by MPCE to 91 gm for the top 5 per cent**, and in urban India from **44 gm for the bottom 5 per cent to about 87 gm for the top 5 per cent**.

The survey stated that **India has the second highest number of undernourished people at 194.6 million person (FAO, State of Food Insecurity in the World, 2015) which warrants immediate attention**.

Highlights of Economic Survey related to ECONOMY

The Survey has highlighted creation of bank accounts for over 200 million people under Pradhan Mantri Jan Dhan Yojan (PMJDY), the world's largest direct benefit transfer programme in case of LPG with about 151

million beneficiaries receiving Rs. 29,000 crore in their bank accounts and the infrastructure being created for extending the JAM (Jan Dhan Aadhar Mobile) agenda to other Government programmes and subsidies.

- ✦ Expects GDP Growth Rate for 2016-17 in the range of 7 % to 7.75 % ;
- ✦ Increase in Wages and Benefits Recommended by the 7th Pay Commission are not likely to Destabilize Prices and will have little impact on Inflation;
- ✦ 4 R : Recognition, Recapitalization, Resolution, and reform required to Comprehensively resolve the twin balance sheet challenge of Public Sector Banks (PSBs) and some Corporate Houses.

Also, the Current Account Deficit has declined and foreign exchange reserves have risen to US\$ 351.5 billion in early February, 2016.

The Government Tax Revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7% in the first 9 months of 2015-16 while indirect taxes were also buoyant.

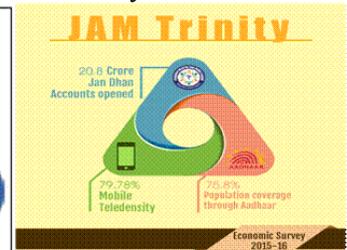
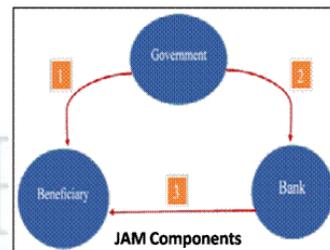
JAM TRINITY

- a) The Survey emphasizes that JAM Trinity -Jan dhan, Aadhaar, Mobile- can help government to implement large-scale, technology-enabled and real-time Direct Benefit Transfers (DBTs) to improve economic lives of India's poor.
- b) First variety of JAM- PAHAL scheme of transferring LPG subsidies via DBT -has reduced leakages by 24 per cent.

JAM Components:

Economic Survey divides JAM into three components-

1. *Identification or First-Mile:* Identification of beneficiaries by government
2. *Transfer or Middle-Mile:* Transfer of fund to beneficiaries by government
3. *Access or Last-Mile:* Access of fund by beneficiaries



Highlights of Economic Survey related to POWER SECTOR

- a) The Survey notes that sweeping changes have been made in the power sector in the last two years.
- b) 2014-15 witnessed the highest ever increase in generation capacity of 26.5 GW compared to the average annual addition of around 19 GW over the past five years.
- c) The Survey states that renewable energy targets have been revised from 32 GW to 175 GW to give a policy push to the renewable sector and sustainable development.

Note:

- ✦ Economic Survey 2015-16: Percentage Share of Horticulture Output in Agriculture is more than 33 Per Cent
- ✦ Over the Last Decade, The Area Under Horticulture grew by about 2.7 % Per Annum and Annual
- ✦ Production Increased by 7 %
- ✦ Production of Horticulture Crops have Outpaced the Production of Food Grain Since 2012-13
- ✦ Under the purview of agriculture and allied activities, the share of plan outlay for horticulture, which was 3.9 per cent during Ninth Plan, has increased to 4.6 per cent during the Twelfth Plan.

Highlights of Economic Survey related to SERVICES SECTOR

According to the ES 2015-16, the services sector contributed almost 66.1% of its gross value added growth in 2015-16 becoming the important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows.

India showed the fastest service sector growth with a CAGR (Compound Annual Growth Rate) of 8.6% followed by China at 8.4%.

Note:

- ✦ Trade deficit declines to 106.8 billion US dollars in April-January 2015-16 from 119.6 billion US dollars in corresponding period 2014-15.
- ✦ Current Account Deficit (CAD) limits at 1.4 percent of Gross Domestic Product during April-September, 2015-16
- ✦ Foreign Exchange Reserves stand at 351.5 billion US dollars as on 5th February, 2016

Economic Survey related to Trade

- ✦ According to the Survey, in the current financial year (April-January), the growth in India's exports

declined year on year by 17.6% and they stood at 217.7 billion US dollars.

- ✦ The imports have also declined by 15.5% in the current financial year (April-January) to 324.5 billion US dollars. Lower levels of Petroleum Oil Lubricants (POL) imports were the main reason for the decline in total imports this year so far.
- ✦ As a result, during 2015-16 (April-January) trade deficit decreased to 106.8 billion US dollars as compared to 119.6 billion US dollars in the corresponding period of 2014-15.

Reform Package of the Fertilizer Sector

The Economic Survey 2015-16 emphasizes that the Government budgeted Rs. 73,000 crore- about 0.5 per cent of GDP- on fertilizer subsidies in 2015-16. Nearly 70 per cent of this amount was allocated to urea, the most commonly used fertilizer, making it the largest subsidy after food.

Review of major developments-

1. The growth rate of GDP at constant market prices is projected to increase to 7.6% in 2015-16 from 7.2% in 2014-15(CSO)
2. The CPI- New series inflation has fluctuated around 5.5% while the WPI has been in negative territory since November 2014.
3. Foreign exchange reserves have risen to US \$ 351.5 (Feb-2016)
4. Net FDI inflows have risen to US \$ 27.7 Billion (April-December 2015-16)

Initiatives that will led to development

The landmark initiatives like Make in India , Ease of doing Business, Start Up India, Digital India , and Smart Cities, etc. will provide further impetus to industries and the industrial sector is expected to be the key driver of economic growth in the country.

For MSME Sector

Realizing the important of the MSME sector, the Survey mention that the government has undertaken new initiatives like Udyog Aadhar Memorandum (UAM) scheme to promote ease of doing business for MSMEs, Employment Exchange for Industries for prospective job seekers and employers and Scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE) to promote start- ups for innovation and entrepreneurship in rural and agriculture- based industry.

Performance of the Power Sector

The Survey mentions several policy initiatives taken by the Government like Ujwal DISCOM Assurance Yojana (UDAY), Deen Dayal Upadhyaya Gram Jyoti Yojana

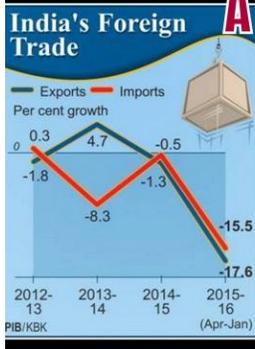
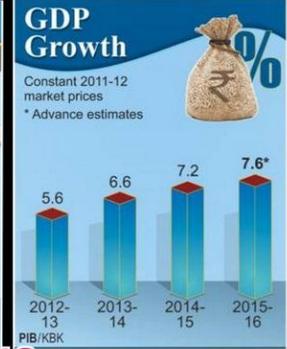
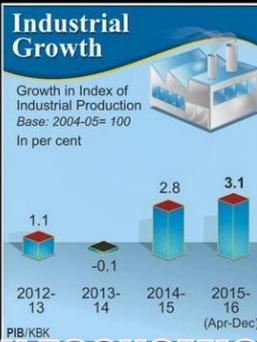
(DDUGJY), Integrated Power Development Scheme (IPDS), Domestic Efficient Lighting Program (DELP), National Tariff Policy, 2016 and National Smart Grid Mission.

Regarding New & Renewable Energy Sector, the government has taken several initiatives like solar rooftop, solar parks, solar projects under the National Solar Mission (NSM), solar pumps, solar cities and Surya Mitra schemes have been launched.

To improve urban infrastructure, the Government has taken various steps the government has launched a Mission of Smart Cities with the collaboration of states with UTs. The purpose of Smart Cities Mission is to drive the economic growth and improve the quality of life of people by enabling local area development and harassing technology. In addition to above, new initiatives like Swachh Bharat Mission, National Heritage City Development and Augmentation Yojana (HRIDAY), Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The Survey observes that **Startup India** is a flagship initiative of the Government of India to build a strong ecosystem for nurturing innovation, driving sustainable economic growth and generating large-scale employment opportunities.

A Brief on Economic Survey



A BRIEF ON ECONOMIC SURVEY 2015-16

