

Monthly Economic Review

March 2024

Comments are welcome at directorgeneral@ncaer.org.

The findings, interpretations, and conclusions expressed are those of the authors and do not necessarily reflect the views of the Governing Body or Management of NCAER.

Highlights

- The Federal Open Market Committee (FOMC), in its meeting from March 19-20, 2024, kept the policy rate unchanged at 5.50 percent (with the target range of 5.25 to 5.50 percent).
- Inflation in the US, and Japan accelerated, and remained above the target rate of 2 percent. Inflation in the UK and the Euro Area decelerated but remained above the target rate of 2 percent.
- As per the Second Advanced Estimates (SAEs) for the FY2023-24, India's real Gross Domestic Product (GDP) is estimated to grow at 7.6 percent. Quarterly Estimates depict that India's real GDP accelerated to 8.4 percent in the third quarter (Q3) of FY2023-24 compared to 8.3 percent in the second quarter (Q2) of FY2023-24.
- High-frequency indicators reveal that the domestic economy has remained resilient. The Purchasing Manager's Index (PMI) for manufacturing activity increased further, while PMI for services remained robust. GST collections remained buoyant year-over-year; CPI headline inflation remained flat; food inflation accelerated; and Wholesale Price Inflation moderated slightly in February 2024. The total outstanding credit of Scheduled Commercial Banks increased by 20.5 percent on a year-over-year basis in February 2024; credit growth remained strong for personal loans, services and agriculture and allied activities; growth in IIP core remained robust in February 2024; growth in IIP moderated in January 2024.
- The Current Account Deficit for Q3 FY2023-24 narrowed on a year-over-year basis and remittances flow remained high at USD 31.4 billion. The merchandise trade deficit widened, and the services trade surplus increased on a sequential basis; India's foreign exchange reserves increased sequentially; and the rupee depreciated marginally against the US dollar.
- Employment indicators showed mixed trend with the number of net new subscribers under EPFO increasing year-over-year. As per the Naukri JobSpeak Index, overall online hiring activities accelerated sequentially, even as it moderated on a year-over-year basis. Work demand under MGNREGA increased by 24 percent on a year-over-year basis.
- Yields on 1-year, 5-year and 10-year Indian government securities softened; net foreign portfolio investments increased; MSCI index remained flat but at an elevated level for India, while it increased for the world and emerging markets.

Global updates and data releases

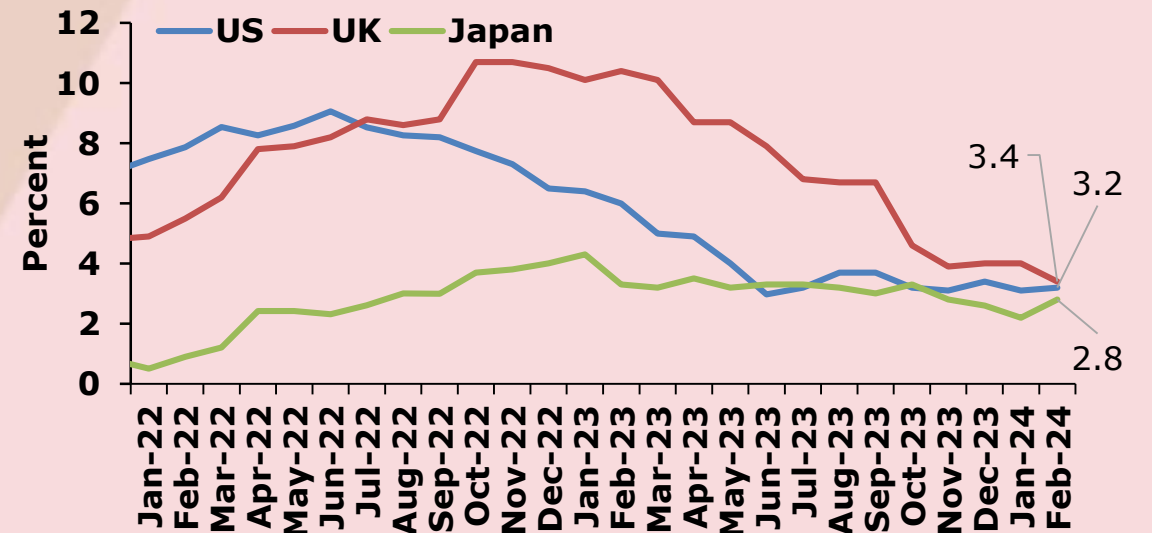
- Federal Open Market Committee (FOMC) kept the policy rate unchanged (with a target rate range of 5.25-5.50 percent). The average (median) growth projections for 2024, 2025, 2026 and beyond 2026 are reported in Table 1. [\[Federal Reserve Press Release, 20 March 2024\]](#)
- [Inflation in the US accelerated to 3.2 percent in February 2024](#) from 3.1 percent in January 2024. [Inflation in the UK decelerated to 3.4 percent in February 2024](#) from 4 percent in January 2024. [Inflation in Japan accelerated to 2.8 percent in February 2024](#) from 2.2 percent in January 2024 (Figure 1).
- Inflation rate in the Euro area decelerated to 2.6 percent in February 2024 from 2.8 percent in January 2024. The annual inflation rate of the European Union decelerated to 2.8 percent in February 2024 from 3.1 percent in January 2024. [\[Eurostat, March 18, 2024\]](#)

Table 1: FOMC Projections

Median Projections				
Variables	2024	2025	2026	Long-run
Real GDP (% change)	2.1	2.0	2.0	1.8
Unemployment Rate (%)	4.0	4.1	4.0	4.1
PCE inflation	2.4	2.2	2.0	2.0
Core PCE inflation	2.6	2.2	2.0	-
Fund rate (%)	4.6	3.9	3.1	2.6

Source: [FOMC Meeting Statement \(March 19-20, 2024\)](#)

Figure 1: Headline Inflation in Advanced Economies



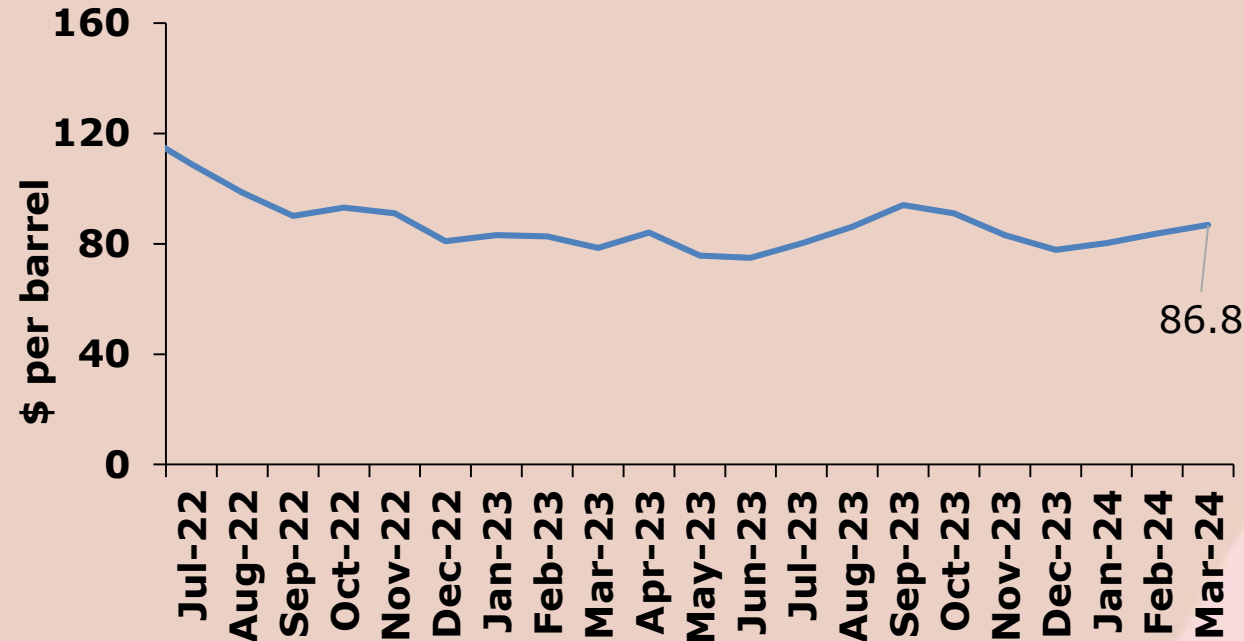
Source: US Bureau of Labor Statistics; Office for National Statistics; Statistics Bureau, UK and The Bank of Japan (Figure 1).

Note: The Personal Consumption Expenditures (PCE) price index includes consumer-related expenditures like employer-sponsored health insurance or government assistance programs. To take account of substitution, the commodities and services that make up the PCE basket are frequently updated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Longer-run projections for core PCE inflation are not given by the FOMC.

Oil prices increase; MSCI Index for India remains flat at elevated level, but shows sequential increase for world and emerging markets

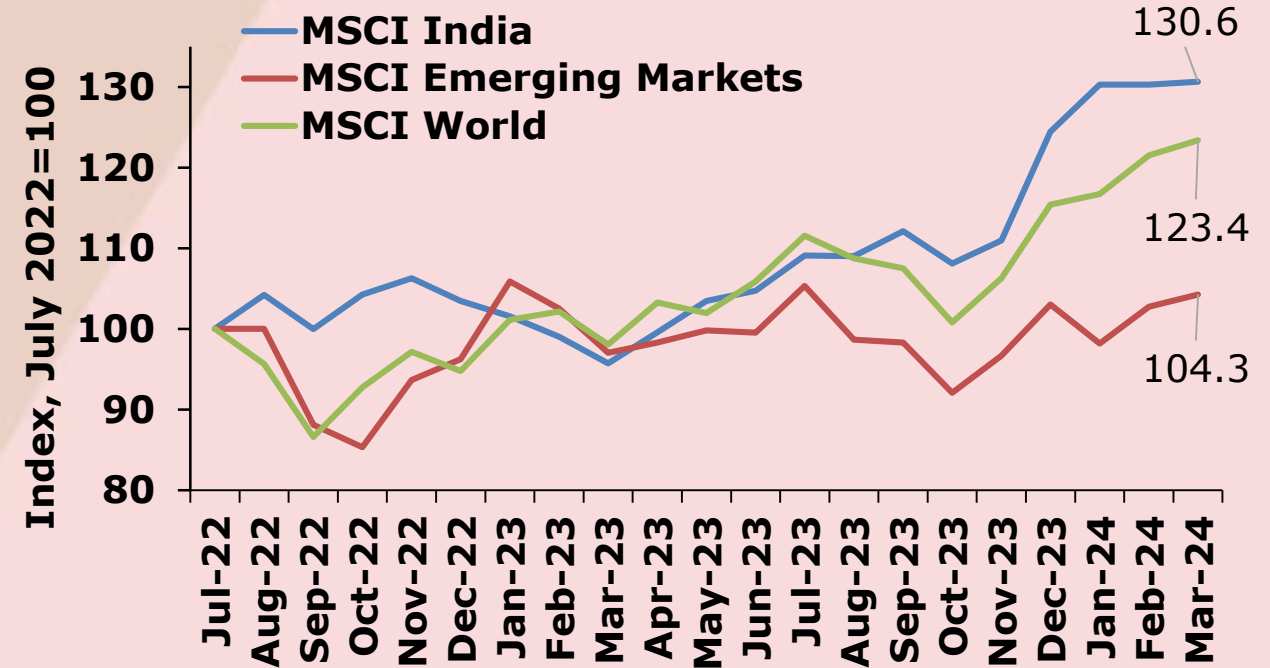
- The Brent crude oil price increased to USD 86.8 per barrel (as of March 26, 2024), as compared to the corresponding price of USD 83.8 per barrel at end-February 2024 (Figure 2).
- As of March, 26 2024, the Morgan Stanley Capital International (MSCI) Index remained flat for India. It increased sequentially for the world and emerging markets by 1.5 percent over its level in February 2024 (Figure 3).

Figure 2: Brent Crude Oil Price



Source: World Bank Pink Sheet (Figure 2).

Figure 3: Equity Markets

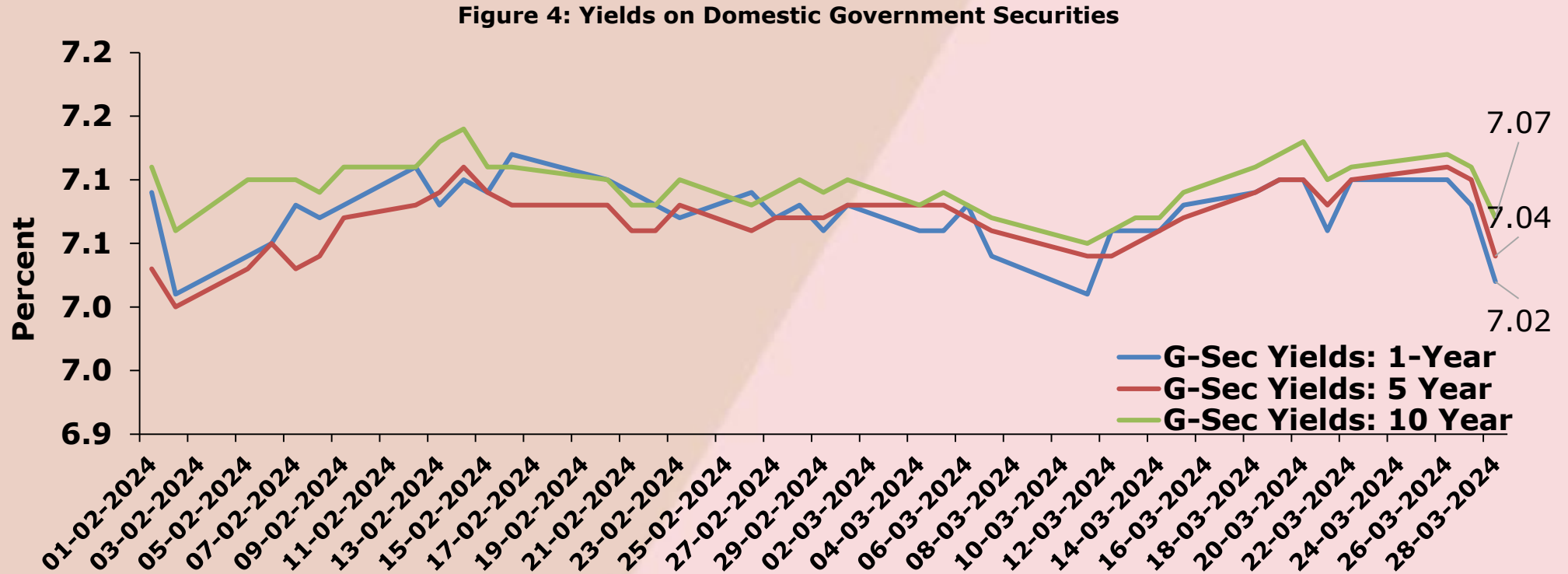


Source: Investing.com (Figure 3).

Note: The data for Figure 2 has been taken from the World Bank Pink Sheet for the period July 2022 until February 2024, and from Global Markets Monitor (GMM), for the month of March 2024, as of 25 March 2024. Figure 3 is indexed from July 2022, July 2022=100, data for Figure 3 is reported until 26 March 2024. The average of daily values was taken to create the monthly value for March 2024.

Yields on Indian Government debt remain flat for 1-year, 5-year and 10-year benchmarks sequentially

- The yields for 1-year and 5-year government securities marginally declined to 7.02 percent and 7.04 percent respectively, as on March 28, 2024 compared to 7.08 percent and 7.1 percent respectively, as on March 27, 2024. The 10-year benchmark government securities declined to 7.07 percent as on March 28, 2024 compared to 7.11, as on March 27, 2024 (Figure 4).



Source: Clearing Corporation of India Ltd (Figure 4).

Note: In Figure 4, for the month of March 2024, data is reported until 28 March 2024.

Second Advanced Estimates for FY 2023-24, show 7.6 percent growth in real GDP; Industry and Services sector depict robust growth while Agricultural growth remains muted

- As per the Second Advanced Estimates (SAEs), India's real GDP (constant at 2011-12 prices) is estimated to grow at 7.6 percent in FY2023-24 (Figure 5). [\[Second Advanced Estimate and Quarterly Estimates for GDP for Q3 \(October-December\), FY2023-24 Press Release \(pib.gov.in\)\]](#)
- Real Gross Value Added (GVA) (constant at 2011-12 prices) is estimated to grow at 6.9 percent in FY2023-24. Agriculture, Livestock, Forestry and Fishing sectors are estimated to grow by 0.7 percent, the Services sector by 7.5 percent, and the Industry by 9.0 percent (Figure 6 and 7).
- Construction (10.7 percent), Manufacturing (8.5 percent), Financial, Real Estate and Professional Services (8.2 percent), Mining and Quarrying (8.1 percent), Public Administration, Defence and Other Services (7.7 percent), and Electricity, Gas, Water Supply and Other Utility Services (7.5 percent), are estimated to register high growth on a year-over-year basis in FY2023-24 (Figure 7).

Figure 5: Growth Rates of Real GDP and Its Components

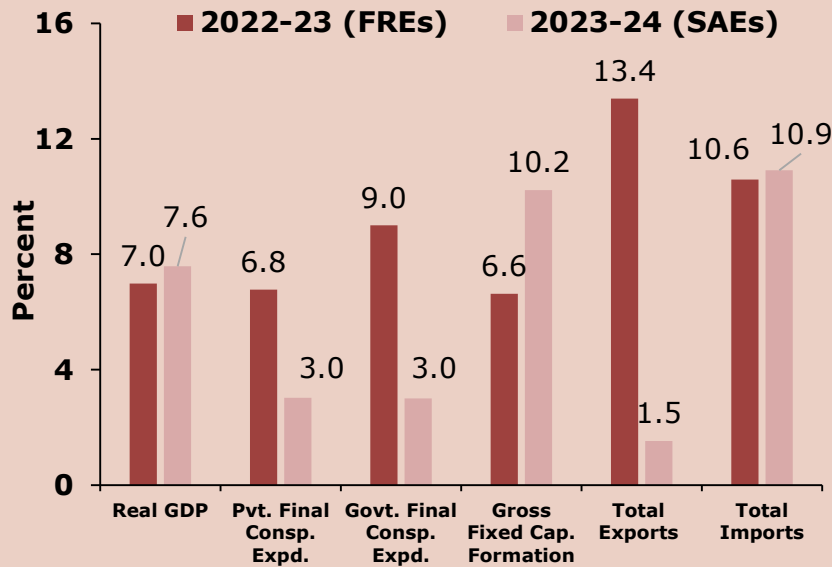
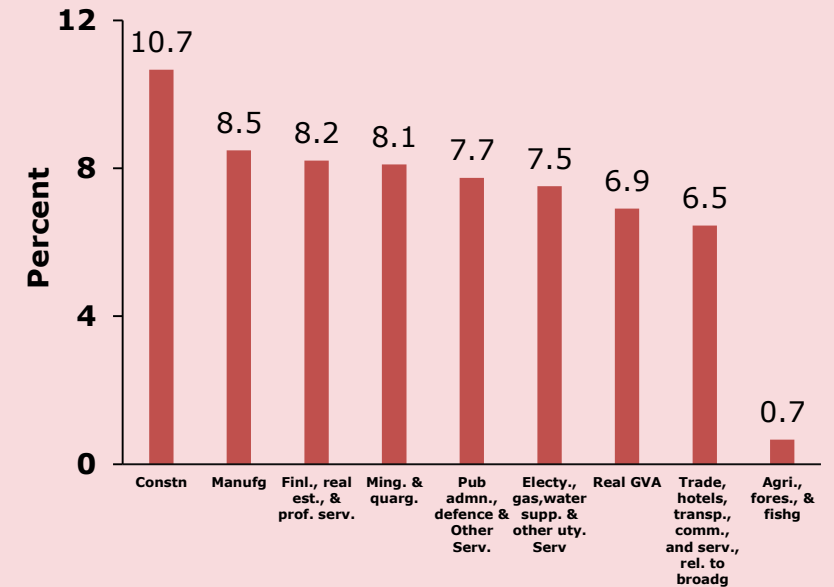


Figure 6: GVA Growth Rates—Agriculture, Industry and Services



Figure 7: Growth Rates of GVA and Its Components



Source: Ministry of Statistics and Programme Implementation (Figures 5, 6, and 7)

Note: In Figure 5, FREs refer to First Revised Estimates for 2022-23. In Figure 6, for calculating the projected growth of the agriculture sector, we took the component Agriculture, Forestry & Fishing, and for the services sector, we took the aggregate of three components, trade, hotels, transport, communication and services related to Broadcasting, Financial, Real Estate & Professional Services and Public Administration, Defence & Other Services. Similarly, for calculating the growth of Industry, we took the aggregate of four components, i.e., Mining & Quarrying, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services and Construction.

Third Quarter GDP estimates for FY 2023-24 depict 8.4 percent growth of real GDP; Manufacturing and Construction register high growth

- According to the quarterly estimates for the third quarter (October-December), India's real GDP accelerated to 8.4 percent in Q3 FY2023-24 from 8.1 percent in Q2 FY2023-24 (Figure 8). [\[Second Advanced Estimate and Quarterly Estimates for GDP for Q3 \(October-December\), FY2023-24 Press Release \(pib.gov.in\)\]](#)
- Real GVA grew at 6.5 percent in Q3 of FY2023-24. The Industrial sector grew by 10.4 percent and Services sector by 7 percent. Agriculture, Livestock, Forestry and Fishing sectors contracted by 0.8 percent in Q3 of FY2023-24 (Figure 9 and 10).
- Manufacturing (11.6 percent), Construction (9.5 percent), Electricity, Gas, Water Supply and Other Utility Services (9.0 percent), Mining and Quarrying (7.5 percent), and Public Administration, Defence and Other Services (7.5 percent) registered high growth on a year-over-year basis in Q3 of FY2023-24 (Figure 10).

Figure 8: Growth Rates of Real GDP and Its Components

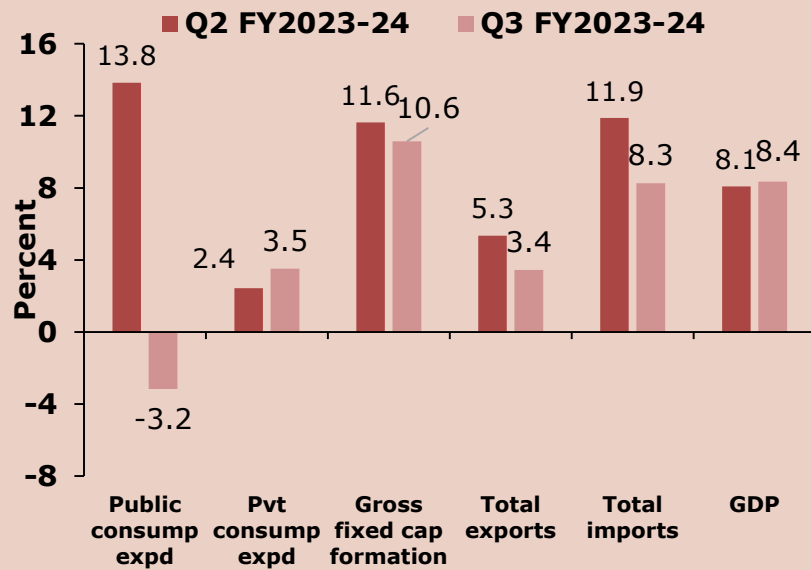


Figure 9: GVA Growth Rates—Agriculture, Industry and Services



Figure 10: Growth Rates of GVA and Its Components



Source: Ministry of Statistics and Programme Implementation (Figures 8, 9, and 10)

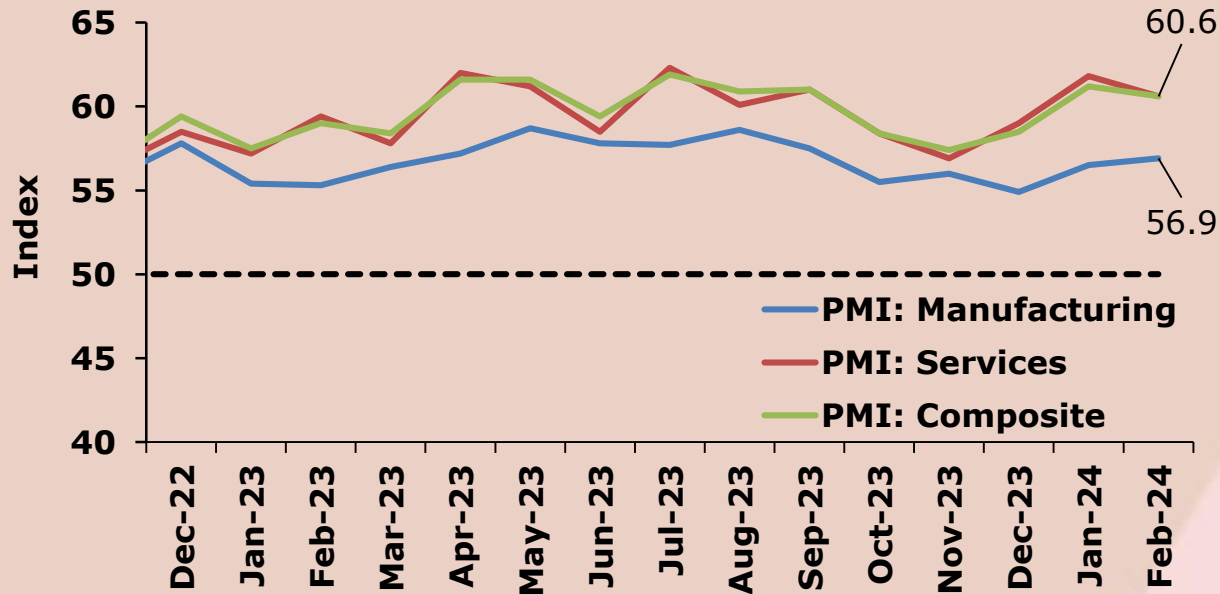
Note: In Figure 9, for calculating the growth of the agriculture sector, we took the component Agriculture, Forestry & Fishing, and for the services sector, we took the aggregate of three components, i.e., trade, hotels, transport, communication and services related to broadcasting, Financial, Real Estate & Professional Services and Public Administration, Defence & Other Services. Similarly, for calculating the growth of Industry, we took the aggregate of four components, i.e., Mining & Quarrying, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services and Construction.

PMI for manufacturing up, remains high for services; Growth in IIP moderates, IIP core remains robust on year-over-year basis

Real Sector

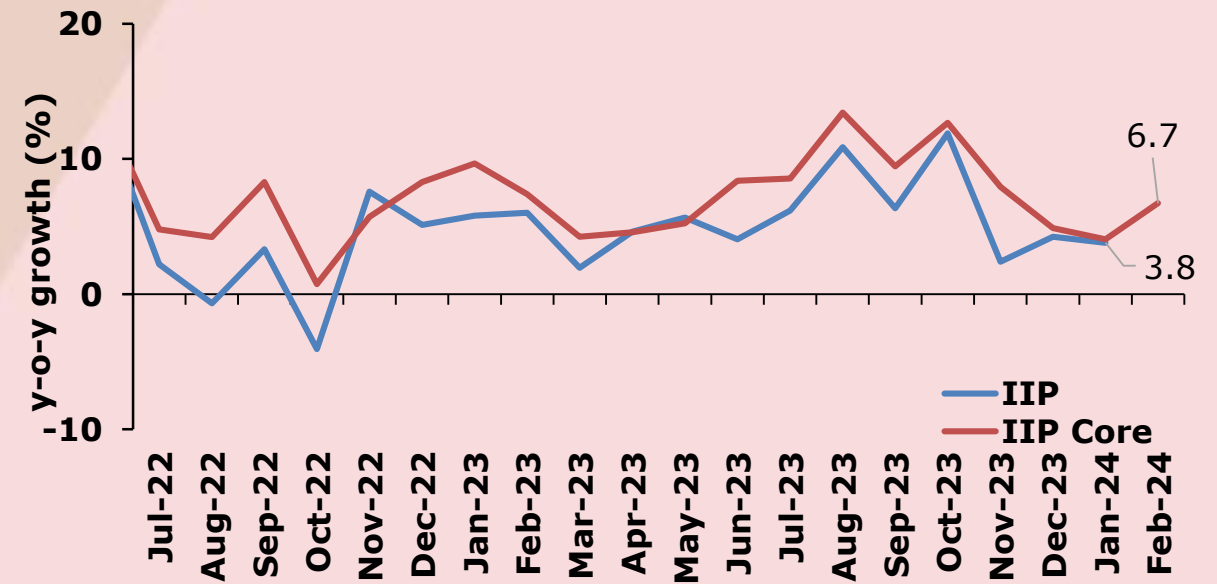
- The Purchasing Manager’s Index (PMI) for manufacturing increased to [56.9 in February 2024](#) from 56.5 in January 2024, and it continued to reflect expansionary momentum. The PMI for services declined to [60.6 in February 2024](#) from 61.8 in January 2024 but maintained the expansionary momentum. The composite PMI declined to 60.6 in February 2024 from 61.2 in January 2024 (Figure 11).
- Growth in the Index of Industrial Production (IIP) decelerated to 3.8 percent (Provisional Estimates) in January 2024 from 4.2 percent (Revised Estimates) in December 2023 on a year-over-year basis (Figure 12). [\[IIP Press Release, March 12, 2024\]](#)
- Growth in the combined Index of Eight Core Industries (IIP Core) accelerated to 6.7 percent (Provisional Estimates) in February 2024 from 4.1 percent (Revised Estimates) in January 2024 on a year-over-year basis (Figure 12). [\[IIP Core Press Release \(Office of Economic Advisor, DPIIT, Govt. Of India\), March 28, 2024\]](#)

Figure 11: Purchasing Manager’s Indices



Source: IHS Markit (Figure 11).

Figure 12: Index of Industrial Production (IIP)



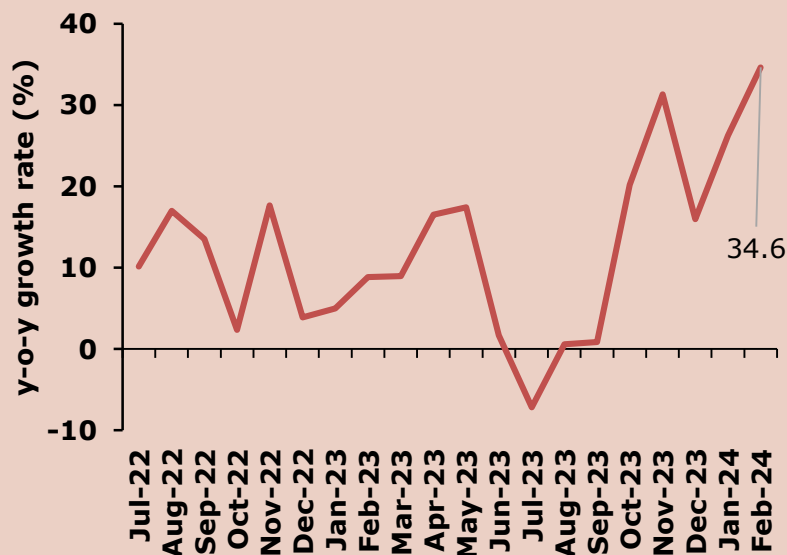
Source: Ministry of Statistics and Programme Implementation and Department for Promotion of Industry and Internal Trade (DPIIT), Government of India (Figure 12).

Note: PMI value ranges from 0 to 100. Any value under 50 represents a contraction, a reading at 50 indicates no change, and a reading above 50 indicates expansion. The further away from 50 is the reading, the greater is the level of change.

Sales of automobiles (non-EV two-wheelers) show double-digit growth on year-over-year basis; Sales of EVs and digital toll collection remain robust on year-over-year basis but moderate sequentially

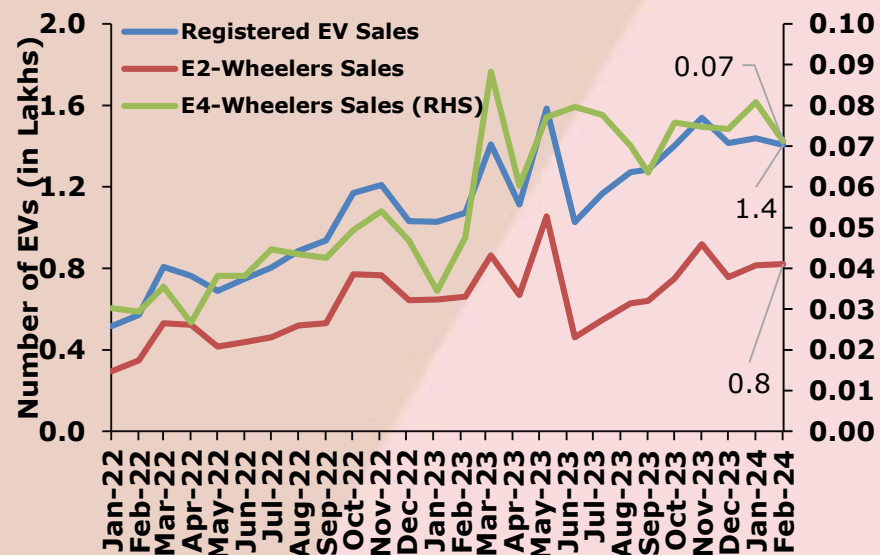
- The sales of non-electric vehicle (non-EV) two-wheelers registered a growth of 34.6 percent in February 2024 on a year-over-year basis. It registered a sequential growth of 1.7 percent (Figure 13).
- As per Vahan Dashboard, Government of India, total registered electric vehicle (EV) sales registered a growth of 31.1 per cent in February 2024, on a year-over-year basis. But sequentially, the sales declined by 2.2 per cent (Figure 14) [[Monthly EV Update – February 2024 \(https://evreporter.com/\)](https://evreporter.com/)]
- Sales across different categories of EVs like electric two-wheelers (E2Ws) recorded 24.2 per cent growth in February on a year-over-year basis and a sequential growth of 0.7 per cent. Electric four-wheelers (E4Ws) sales recorded 49.6 per cent growth in February on a year-over-year basis, but sequentially it registered a decline by 11.9 per cent (Figure 14). [[Monthly EV Update – February 2024 \(https://evreporter.com/\)](https://evreporter.com/)]
- The National Electronic Toll Collection (NETC) recorded 323.4 million transactions in February 2024, and registered a growth of 12.1 percent on a year-over-year basis in terms of the volume of transactions. However, the number of transactions declined by 2.4 percent sequentially. (Figure 15).

Figure 13: Automobile (non-EV Two-wheeler) Sales



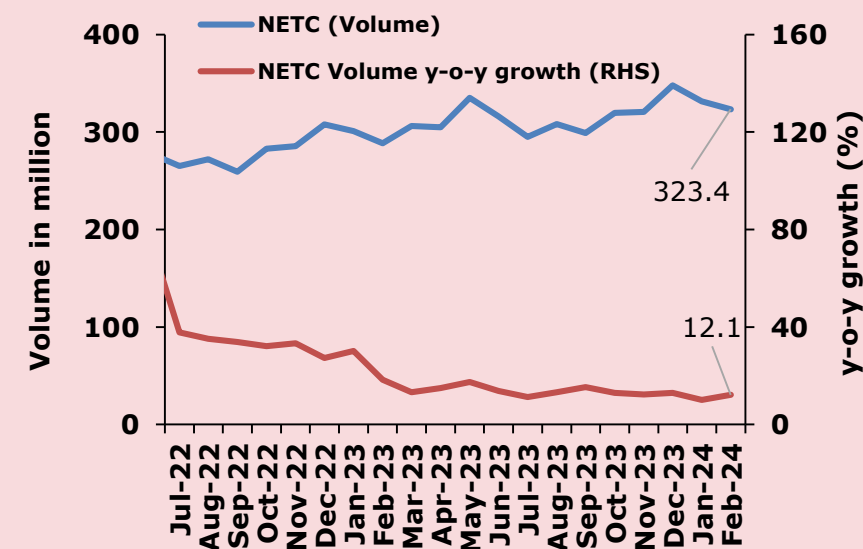
Source: CEIC estimates, Society of Indian Automobile Manufacturers (Figure 13).

Figure 14: Electric Vehicles Sales- by Categories



Source: EV reporter, Vahan Dashboard (Figure 14).

Figure 15: Digital Payments: NETC Volume and Growth Rates



Source: National Payments Corporation of India (NPCI) (Figure 15).

UPI transactions (in volume) register 60.6 percent growth on year-over-year basis, but sequentially remain flat; IMPS (in volume) registers 19.4 percent growth on year-over-year basis

- The Unified Payments Interface (UPI), India's leading digital payment system, recorded 12.1 billion transactions in February 2024 (Figure 16), registering a growth of 60.6 percent on a year-over-year basis. However, sequentially the number of transactions remained flat (Figure 17).
- The electronic funds transfer system, Immediate Payment Service (IMPS), recorded 534.6 million transactions in February 2024 (Figure 16), registering a growth of 19.4 percent on a year-over-year basis. Sequentially, the number of transactions registered a growth of 5.1 percent (Figure 17).

Figure 16: Unified Payments Interface (UPI) and Immediate Payment Service (IMPS) Transactions

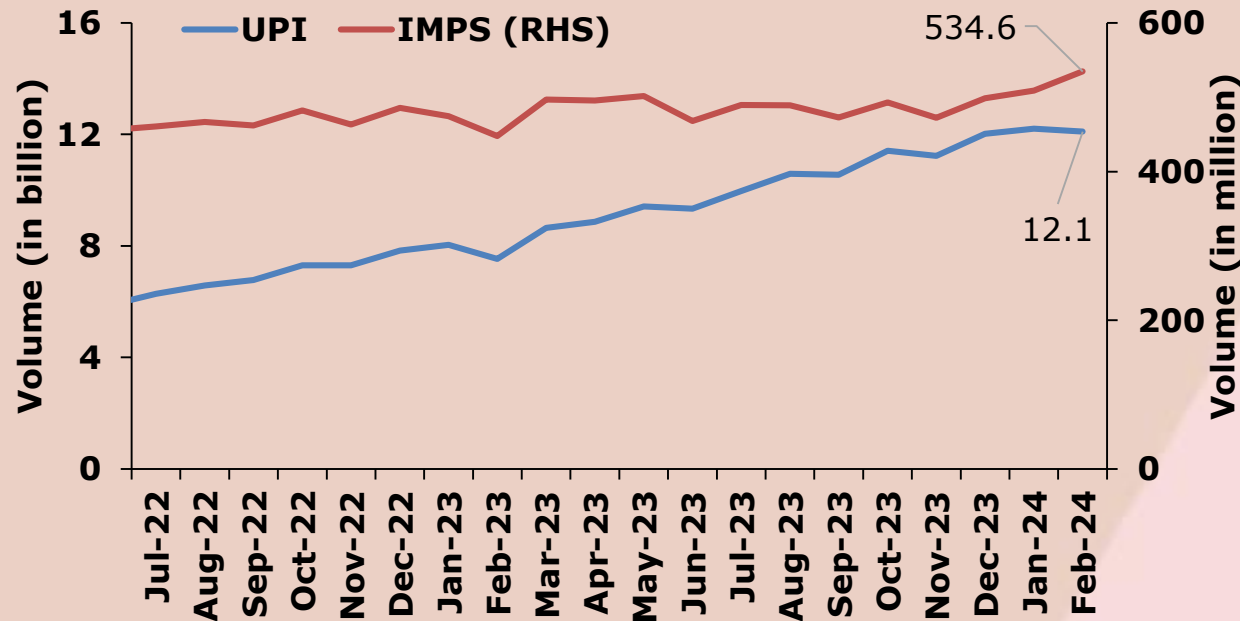
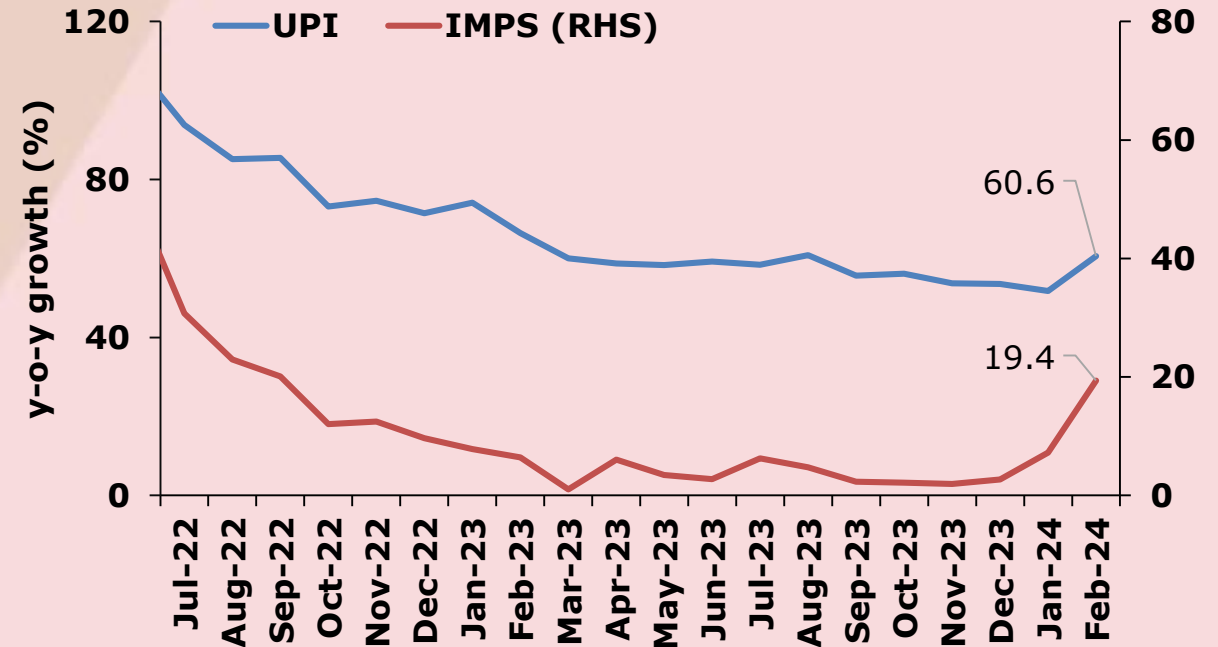


Figure 17: UPI and IMPS Growth in Volume of Transactions



Source: National Payments Corporation of India (NPCI) (Figures 16 and 17).

Centre's fiscal deficit reaches 86.5 percent of RE for FY2023-24 in February 2024

Fiscal Developments

- As of February 2024, the fiscal deficit reached 86.5 percent of the Revised Estimate (RE) for FY2023-24, as compared to 82.8 percent of the RE for FY2022-23, as of February 2023 (Figure 18).
- Revenue inflows reached 81.9 percent of the RE for FY2023-24, as of February 2024, as compared to 84.3 percent of the RE for FY2022-23, as of February 2023 (Figure 19).
- Total expenditure reached 83.4 percent of the RE for FY2023-24, as of February 2024, in line with the RE for FY2022-23, as of February 2023 (Figure 20). [\[Controller General of Accounts Monthly Report, February 2024\]](#)

Figure 18: Fiscal Deficit

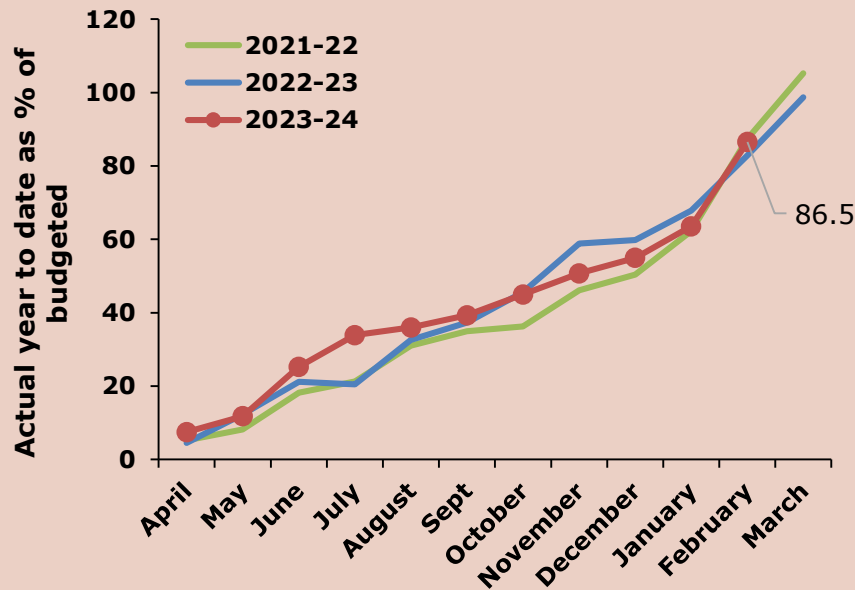


Figure 19: Revenue Receipts

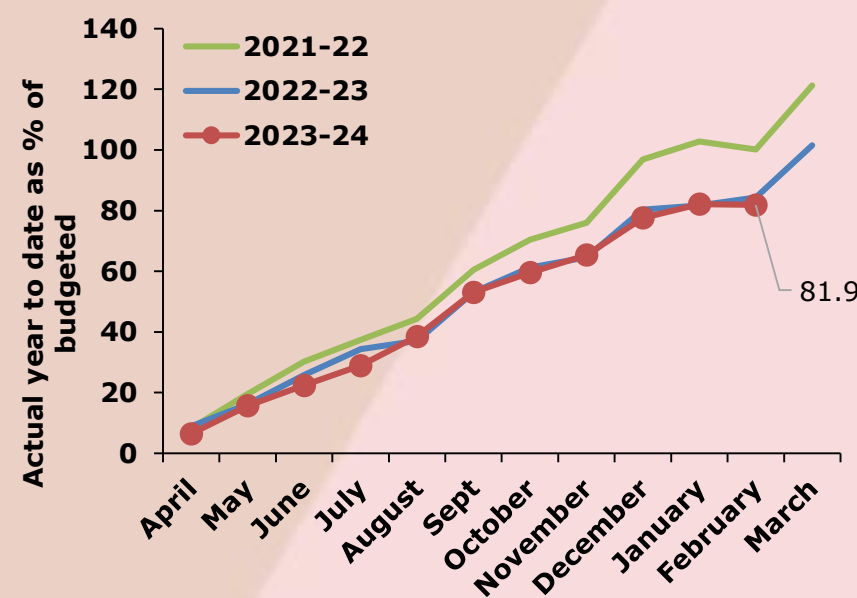
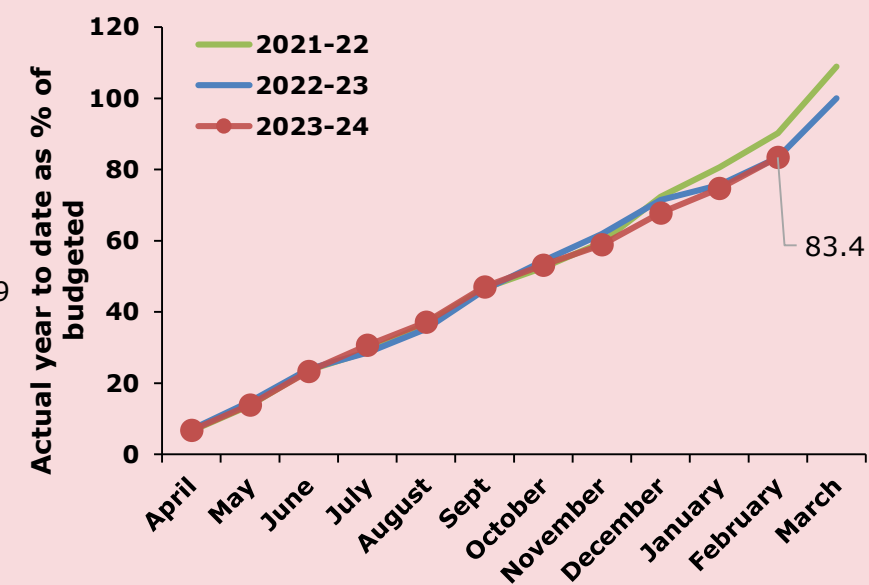


Figure 20: Total Expenditure

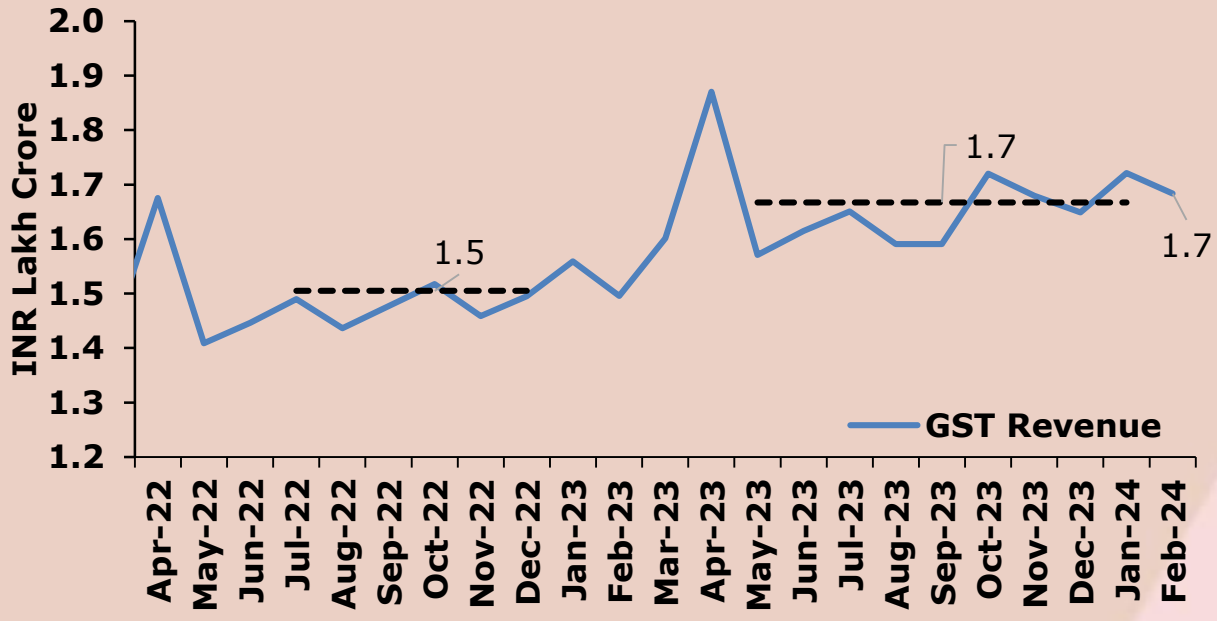


Source: Controller General of Accounts (Figures 18, 19 and 20).

GST collections and E-way bills generation remain robust on year-over-year basis

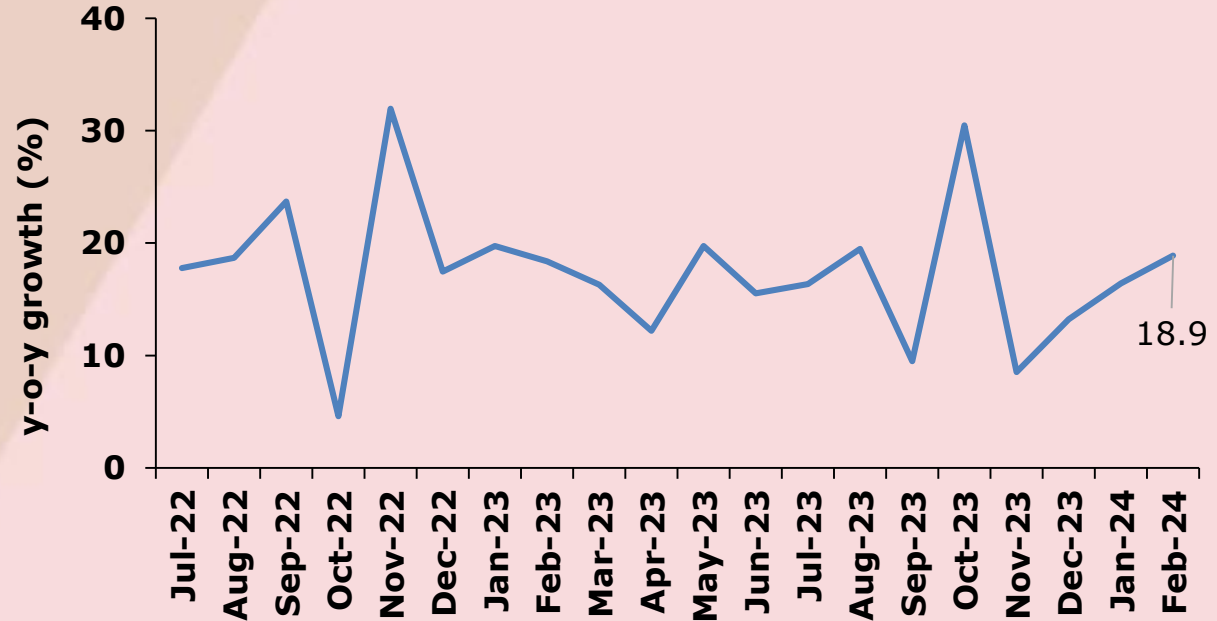
- Goods and Services Tax (GST) collections reached a value of Rs. 1.7 lakh crore in February 2024, registering a year-over-year growth of 12.5 percent. However, collections of GST revenue declined by 2.2 percent on a sequential basis (Figure 21). [\[GST Revenue Press Release, 1st March 2024\]](#)
- The collections of GST E-way bills marked a year-over-year growth of 18.9 percent in February 2024 (Figure 22).

Figure 21: GST Revenue



Source: Ministry of Finance (Figure 21).

Figure 22: GST E-Way Bills



Source: Goods and Services Tax Network (Figure 22).

Note: In Figure 21, the dashed horizontal lines depict yearly averages of FY2022-23 and FY2023-24 (until February 2024), respectively.

Bank credit expansion (food and non-food) remains strong on year-over-year basis; Credit growth across sectors remains robust

Financial Sector

- The total outstanding credit (food and non-food) of Scheduled Commercial Banks (SCBs) expanded by 20.5 percent on a year-over-year basis in February 2024 (Figure 23).
- Personal loans and services sector experienced a growth in credit of 28.3 and 24 percent, respectively, in February 2024 on a year-over-year basis. Credit growth to agriculture and allied activities grew at 20.1 percent, and industry at 9.1 percent on a year-over-year basis (Figure 24).

Figure 23: Total Outstanding Credit (Food and Non-food) of Scheduled Commercial Banks

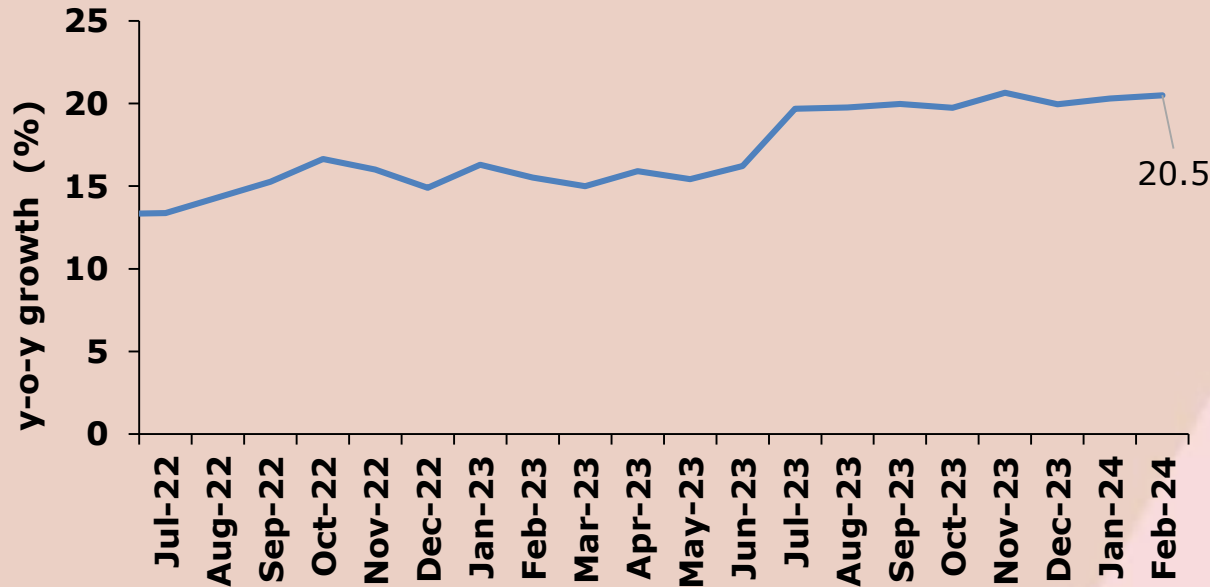
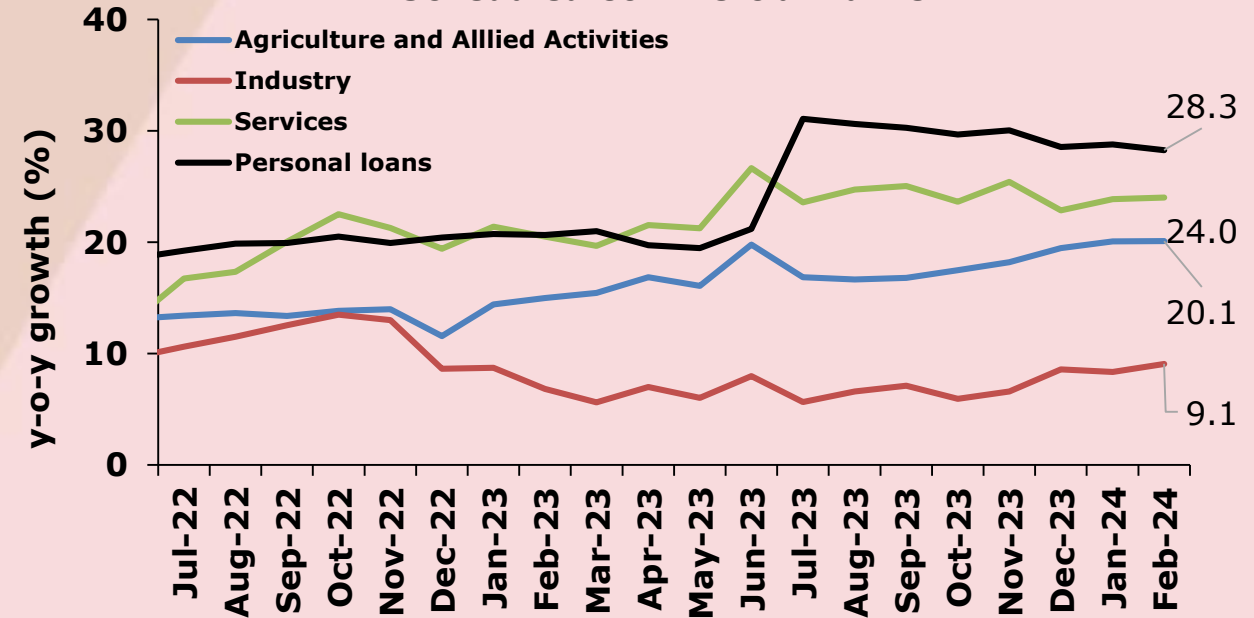


Figure 24: Sectoral Deployment of Non-food Credit by Scheduled Commercial Banks



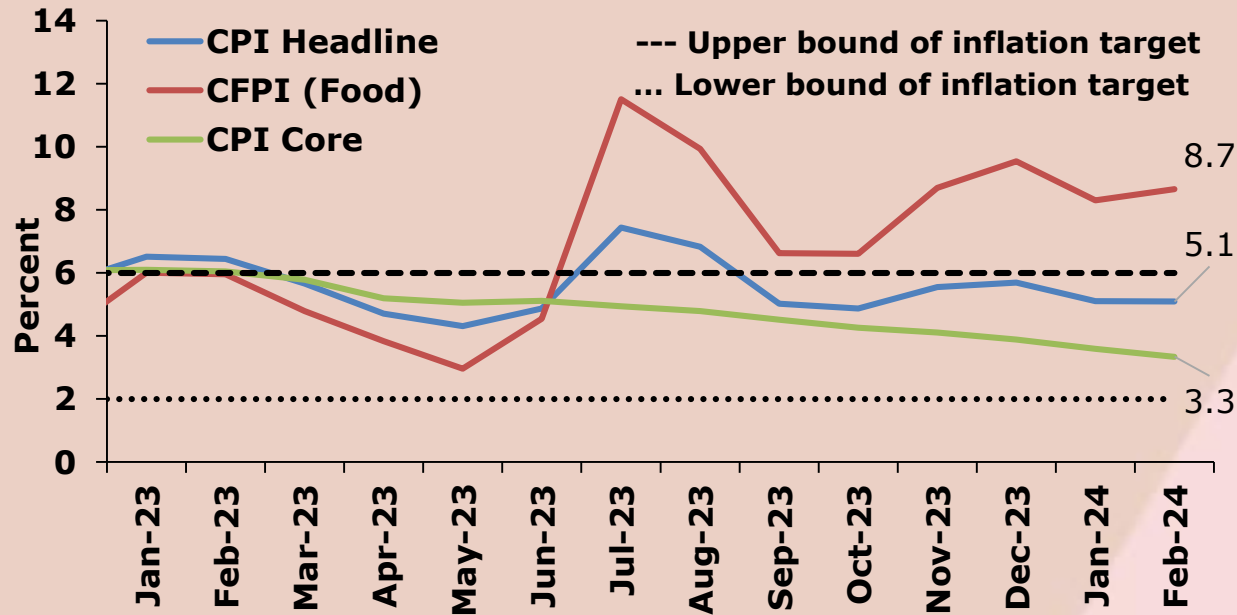
Source: CEIC estimates (Figures 23 and 24).

CPI headline inflation remains same, core inflation decelerates further, but food inflation accelerates; WPI inflation eases

Inflation & Monetary Policy

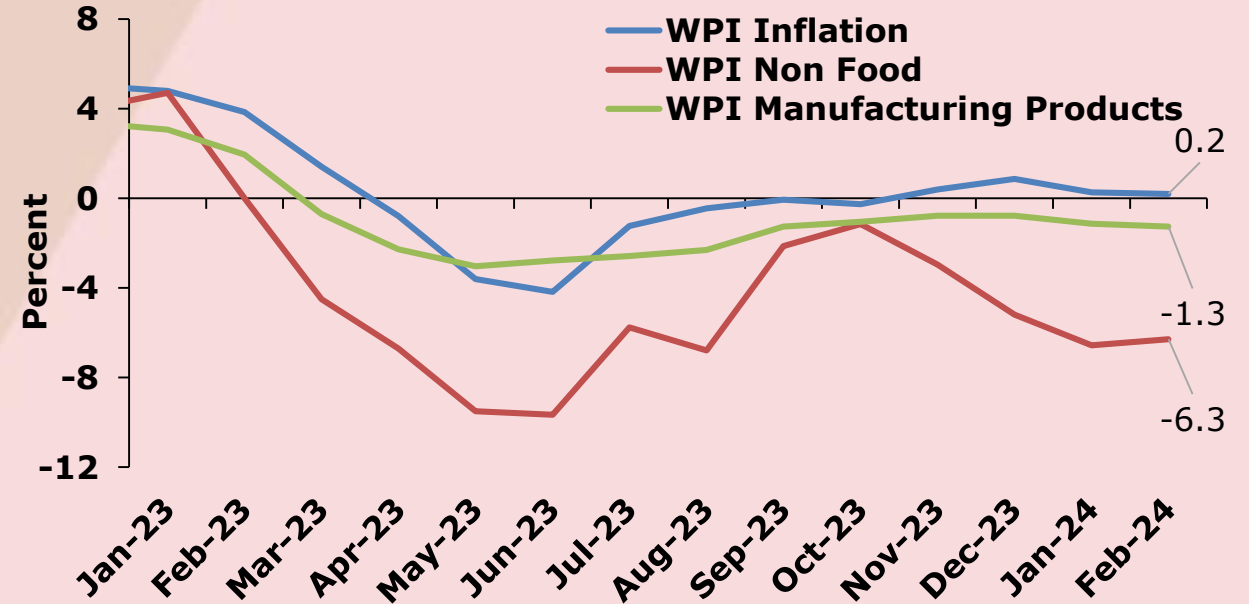
- The Consumer Price Index (CPI) headline inflation of February 2024 remained at 5.1 percent in line with January 2024. Core inflation decelerated to 3.3 percent in February 2024 from 3.6 percent in January 2024 (Figure 25).
- The Consumer Food Price Index (CFPI) inflation rose to 8.7 percent in February 2024 from 8.3 percent in January 2024 (Figure 25). [\[CPI Press Release, March 12, 2024 | MOSPI\]](#)
- The Wholesale Price Index (WPI) inflation decelerated marginally to 0.2 percent (Provisional Estimates) in February 2024 from 0.3 percent in January 2024 (Figure 26). [\[WPI Press Release, February 14, 2024 | Ministry of Commerce and Industry, DPIIT\]](#)

Figure 25: Consumer Price Indices Inflation Rates



Source: Ministry of Statistics and Programme Implementation (Figure 25).

Figure 26: Wholesale Price Indices Inflation Rates



Source: Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India (Figure 26).

Note: In Figure 25, CFPI includes the following ten sub-groups- Cereals and Products, Meat and Fish, Eggs, Milk and Products, Oils and Fats, Fruits, Vegetables, Pulses and Products, Sugar and Confectionery, and Spices.

Food inflation contributes 2 percent to headline inflation; CPI inflation accelerates for vegetables, but decelerates for spices, cereals, fruits and pulses

- In February 2024, core inflation contributed 2.4 percent to headline inflation. The CFPI contributed 2 percent to headline inflation, and beverages contributed 0.3 percent. Fuel and light contributed 0.3 percent to headline inflation (Figure 27).
- CPI inflation for vegetables accelerated to 30.2 percent in February 2024 from 27.1 percent in January 2024 (Figure 28).
- CPI inflation for spices, pulses and products, cereals and products, and fruits decelerated to 13.5, 18.9, 7.6 and 4.8 percent, respectively, in February 2024, from 16.3, 19.5, 7.8 and 8.6 percent, respectively, in January 2024 (Figure 28).

Figure 27: Contributions to CPI Headline

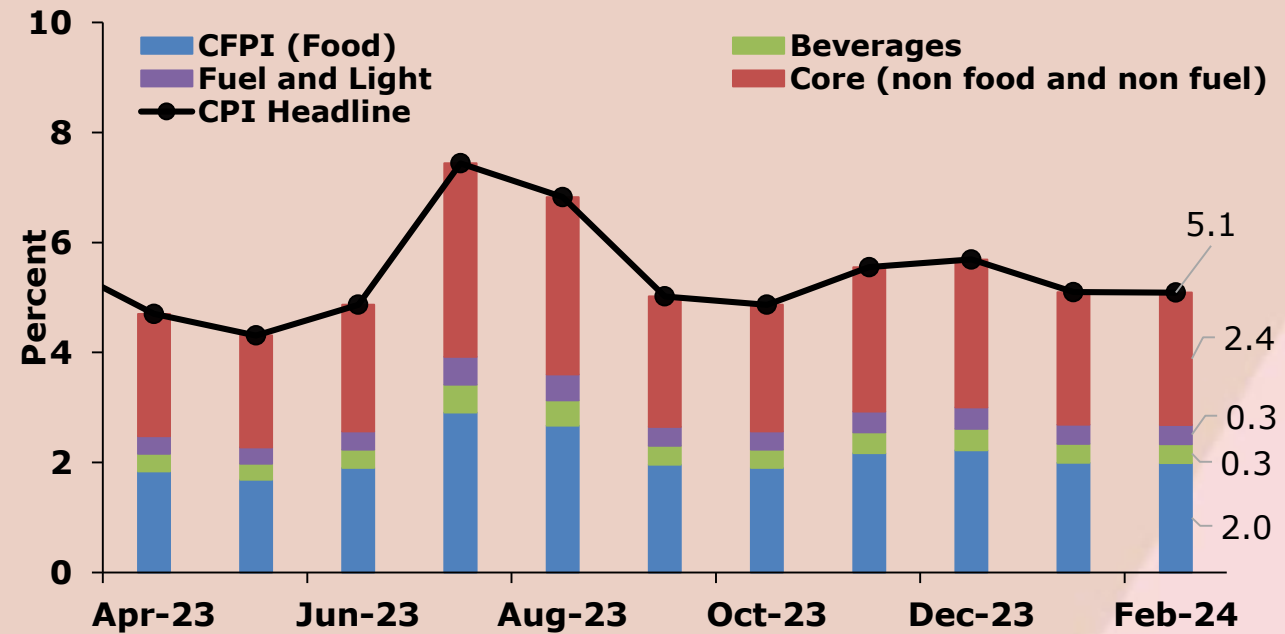
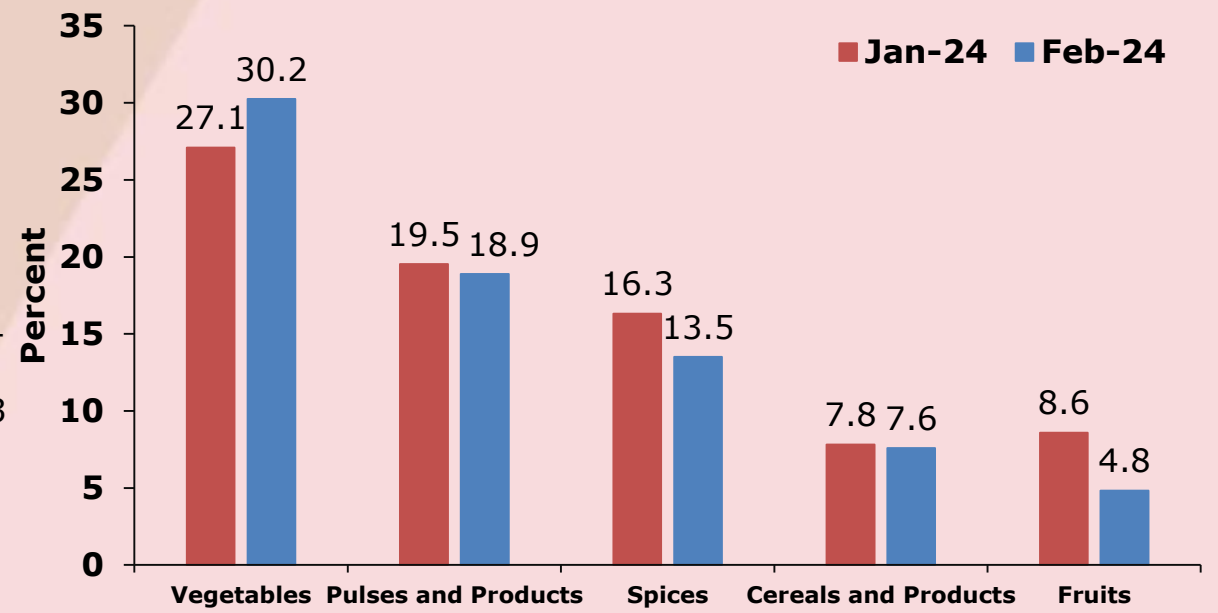


Figure 28: Consumer Price Indices Inflation Rates- Across Food Categories



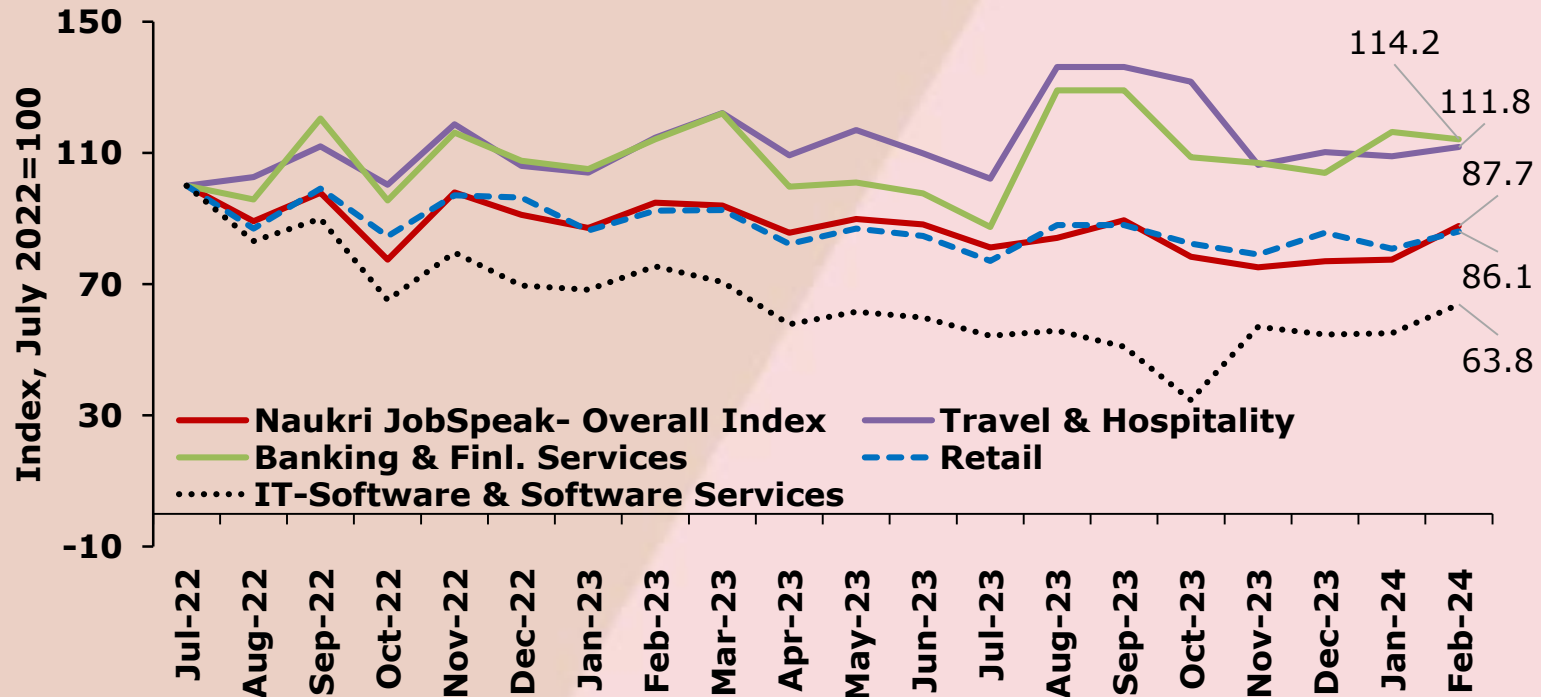
Source: Ministry of Statistics and Programme Implementation (Figures 27 and 28).

Note: In Figure 27, CFPI includes the following ten sub-groups- Cereals and Products, Meat and Fish, Eggs, Milk and Products, Oils and Fats, Fruits, Vegetables, Pulses and Products, Sugar and Confectionery and Spices.

Naukri JobSpeak Index accelerates sequentially, but it decelerates on year-over-year basis

- Overall online hiring activity in India, reported by Naukri JobSpeak Index, accelerated by 13.2 percent on a sequential basis. However, it decelerated by 7.5 percent on a year-over-year basis in February 2024. The Travel and Hospitality sector accelerated by 2.6 percent, sequentially (but it decelerated by 2.5 percent year-over-year). Banking and Financial Services decelerated sequentially by 1.9 percent year-over-year and (remained flat on a year-over-year basis). Retail, and IT & Software Services sectors recorded a growth in hiring activities by 6.6 and 15.9 percent respectively, sequentially. But both decelerated by 6.9 and 15.4 percent, respectively, on a year-over-year basis. (Figure 29).

Figure 29: Naukri JobSpeak Index

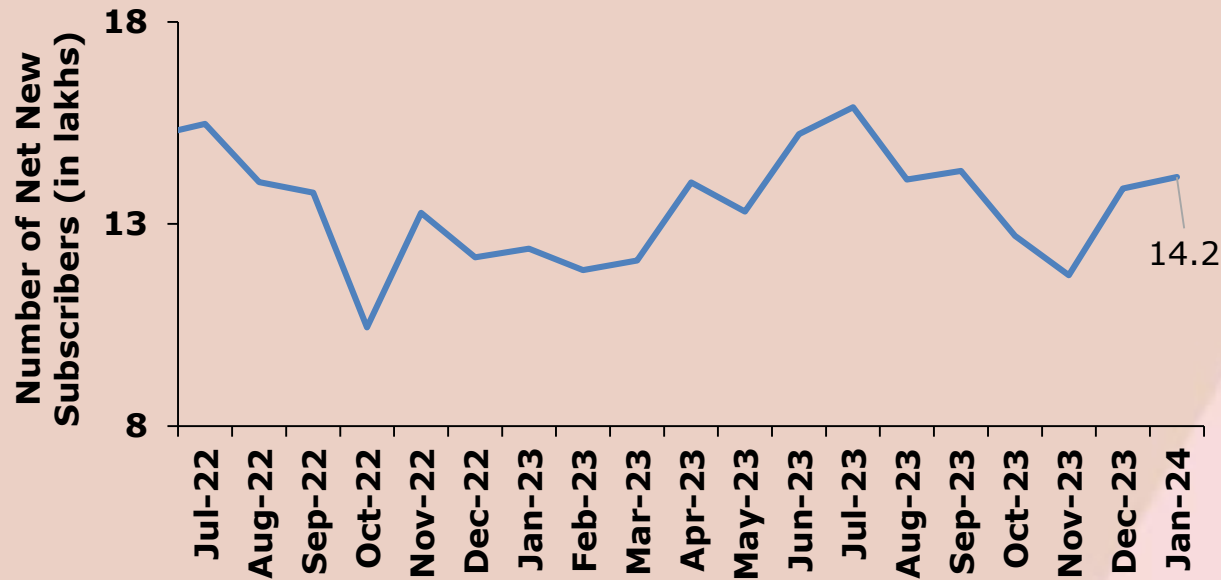


Source: CEIC estimates (Figure 29).

Net new subscribers under EPFO and demand for jobs under MGNREGA increase on year-over-year basis

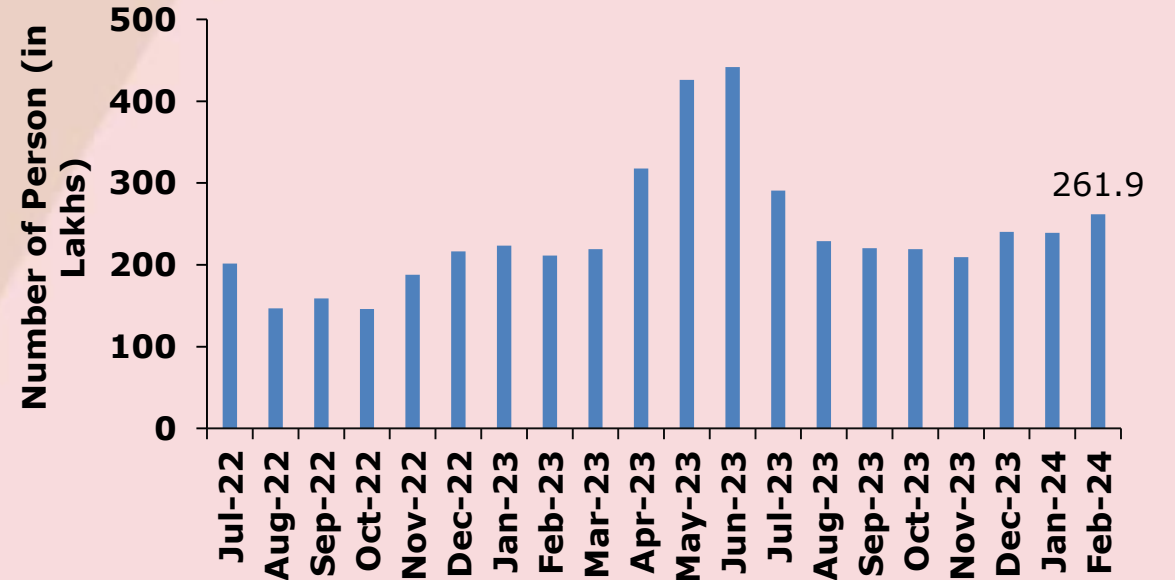
- In January 2024, the net new subscribers of Employees' Provident Fund Organisation (EPFO) increased by 14.3 percent on a year-over-year basis. The number of subscribers increased sequentially by 2.0 percent, recording 14.2 lakh subscribers (Provisional Estimates) in January 2024, as compared to 13.9 lakh (Revised Estimates) net new subscribers in December 2023 (Figure 30).
- The demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) increased by 24 percent on a year-over-year basis in February 2024. Sequentially, it increased by 9.6 percent (Figure 31).

Figure 30: EPFO Net New Subscribers



Source: Employees' Provident Fund Organisation (Figure 30).

Figure 31: Work Demand under MGNREGA



Source: Ministry of Rural Development (Figure 31).

Merchandise trade deficit widens and services trade surplus increases on sequential basis

External Sector

- India's merchandise exports increased sequentially, reaching a value of USD 41.4 billion in February 2024 (Provisional Estimates) as compared to USD 36.9 billion in January 2024 (Revised Estimates). Merchandise exports increased by 11.9 percent on a year-over-year basis. Merchandise imports increased sequentially, reaching a value USD 60.1 billion in February 2024 (Provisional Estimates), as compared to USD 53.4 billion in January 2024 (Revised Estimates). The merchandise trade deficit widened to USD 18.7 billion in February 2024, as compared to USD 16.5 billion in January 2024 (Figure 32).
- Services exports increased sequentially to USD 32.2 billion in February 2024 (Provisional Estimates) from a value of USD 31 billion in January 2024 (Revised Estimates). Services exports increased by 17.3 percent on a year-over-year basis. The import of services increased to USD 15.4 billion in February 2024 (Provisional Estimates) from USD 14.9 billion in January 2024 (Revised Estimates). The services trade surplus increased by 4 percent sequentially (Figure 33). [[Press Release, March 15, 2024 | Ministry of Commerce & Industry](#)]

Figure 32: Merchandise Trade

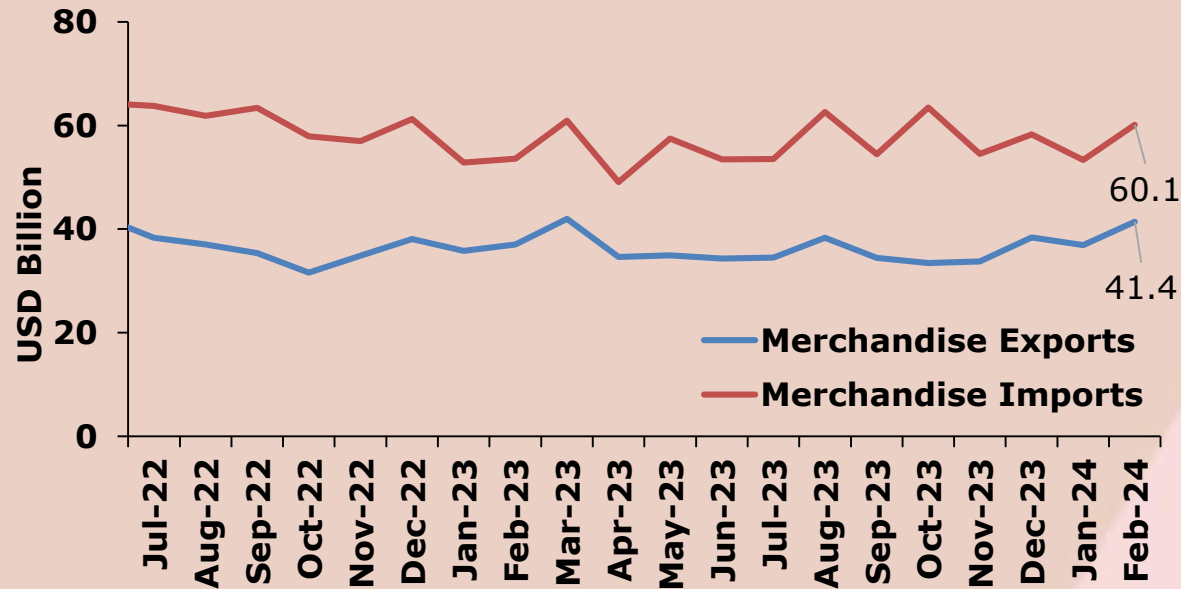
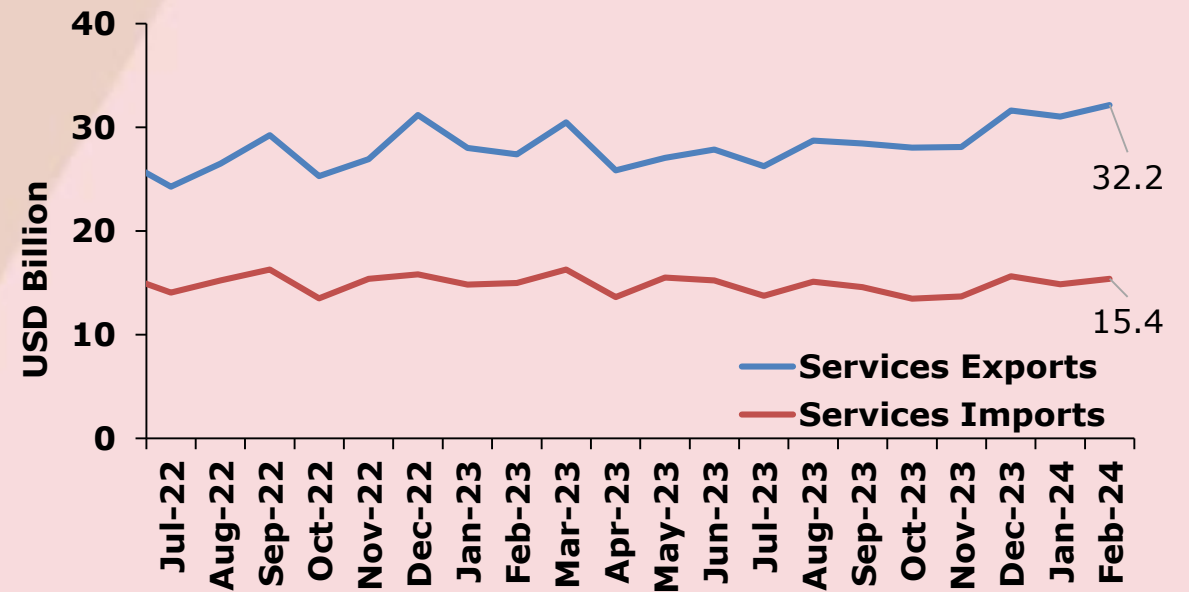
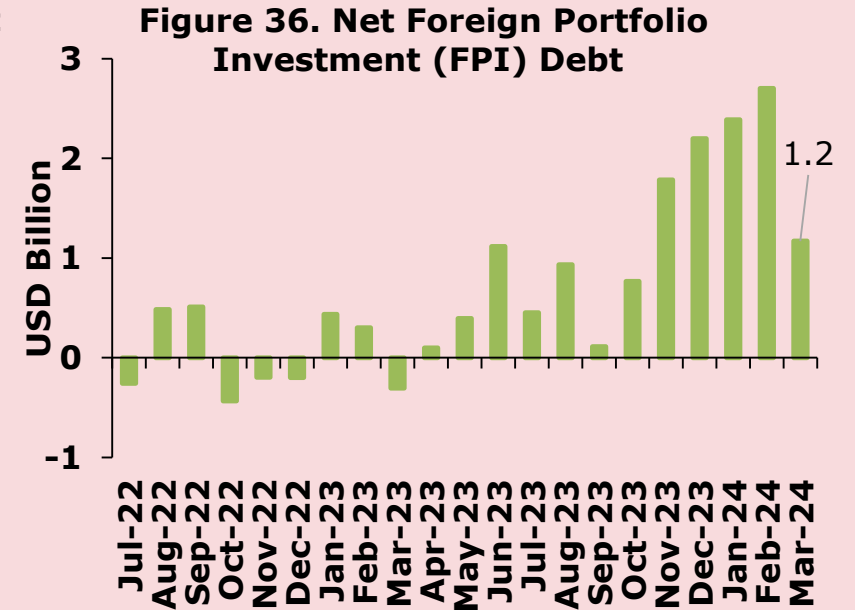
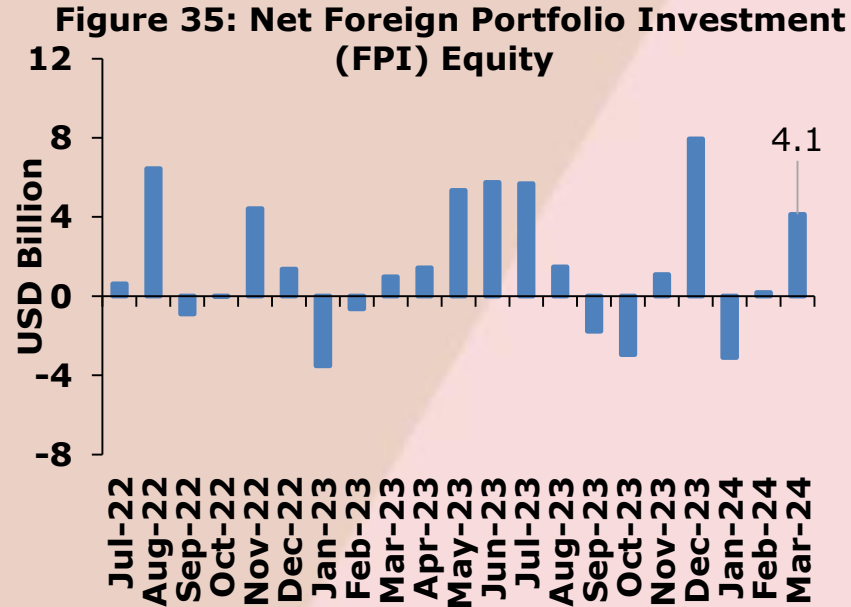
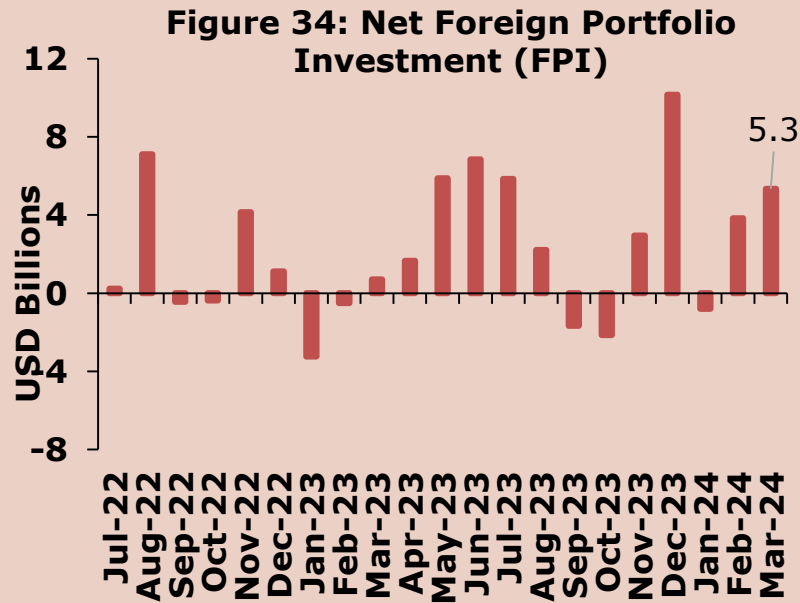


Figure 33: Services Trade



Net inflows of foreign portfolio investments remain positive and robust

- As of March 26, 2024, net foreign portfolio flows totalled USD 5.3 billion, increasing sequentially by USD 1.5 billion as compared to USD 3.8 billion in February 2024 (Figure 34).
- The Net Foreign Portfolio Investment (FPI) equity totalled USD 4.1 billion as of March 26, 2024, increasing sequentially by USD 3.9 billion as compared to USD 0.2 billion at the end of February 2024 (Figure 35).
- The Net FPI debt totalled USD 1.2 billion as of March 26, 2024, decreasing sequentially by USD 1.5 billion as compared to USD 2.7 billion at the end of February 2024 (Figure 36).



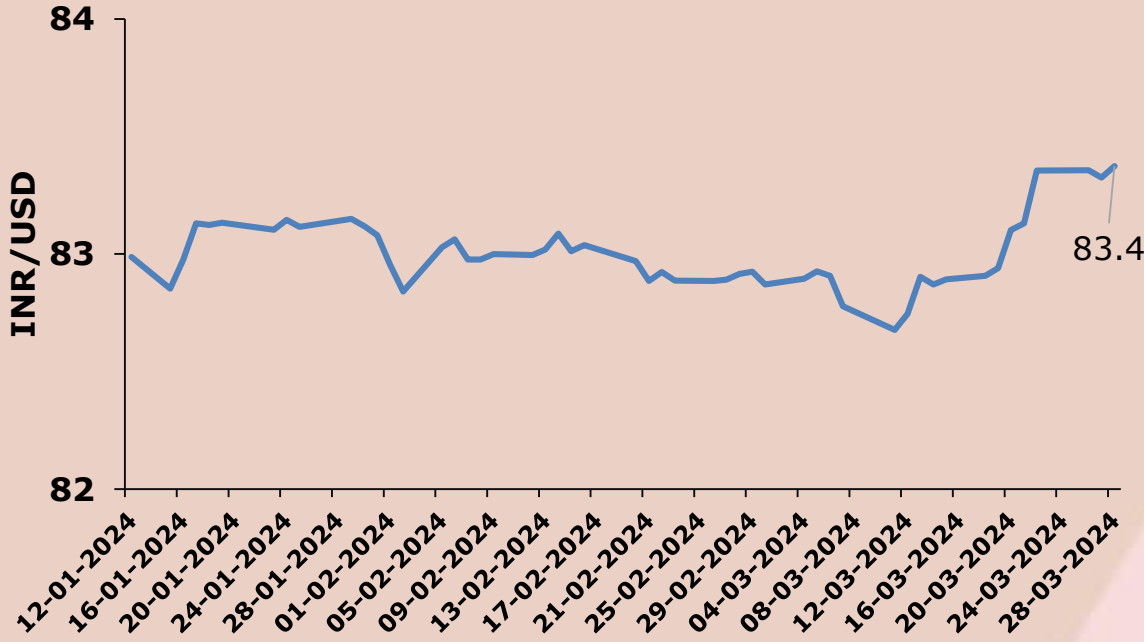
Source: CEIC estimates (Figures 34, 35, and 36).

Note: For March 2024, data for Figures 34, 35 and 36 is as of March 26, 2024, monthly values for March 2024 have been created by summing up the daily values of Net FPI Equity and Net FPI Debt. For Figure 31, the monthly value for March 2024 has been calculated by taking the sum of the daily data for Net FPI Equity, Net Debt, Net Debt VRR and Net Hybrid.

Rupee depreciates marginally against dollar; Forex reserves show sharp increase sequentially

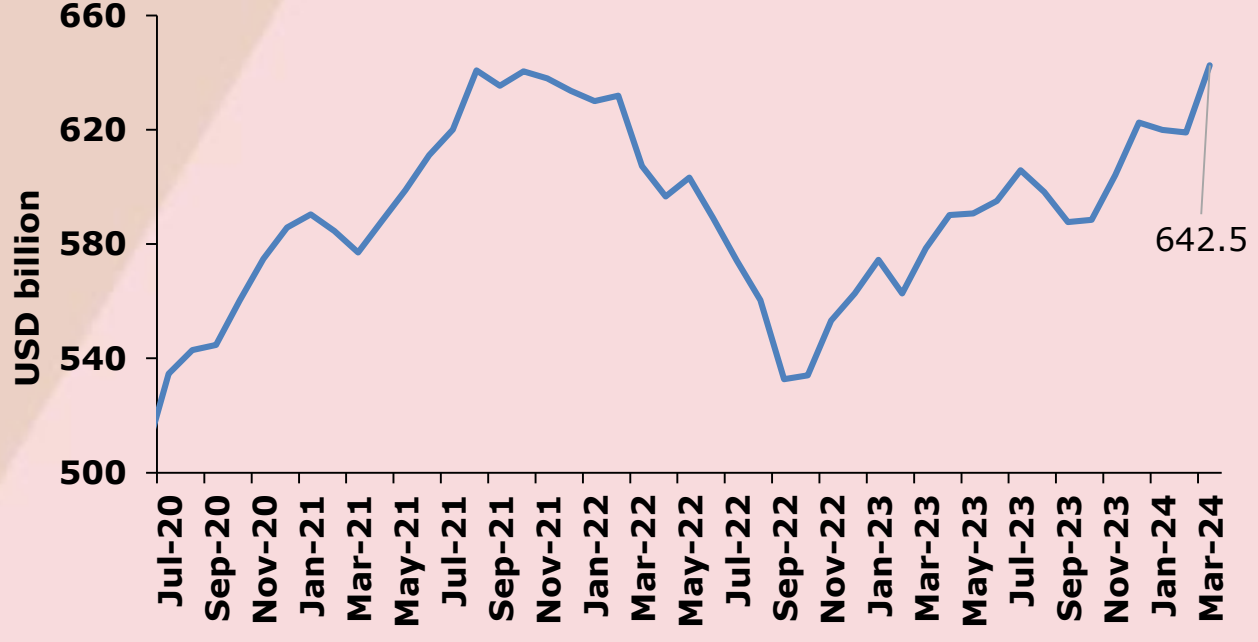
- The rupee depreciated marginally and stood at Rs. 83.4 against the US dollar, as on March 28, 2024 (Figure 37).
- Foreign exchange reserves increased sharply by USD 23.4 billion, reaching a total of USD 642.5 billion, as of March 15, 2024, as compared to USD 619.1 billion at the end of February 2024 (Figure 38). [Reserve Bank of India – Bulletin Weekly Statistical Supplement, Foreign Exchange Reserves Press Release, March 22, 2024](#)

Figure 37: Exchange Rate



Source: Reserve Bank of India (Figure 37).

Figure 38: Foreign Exchange Reserves

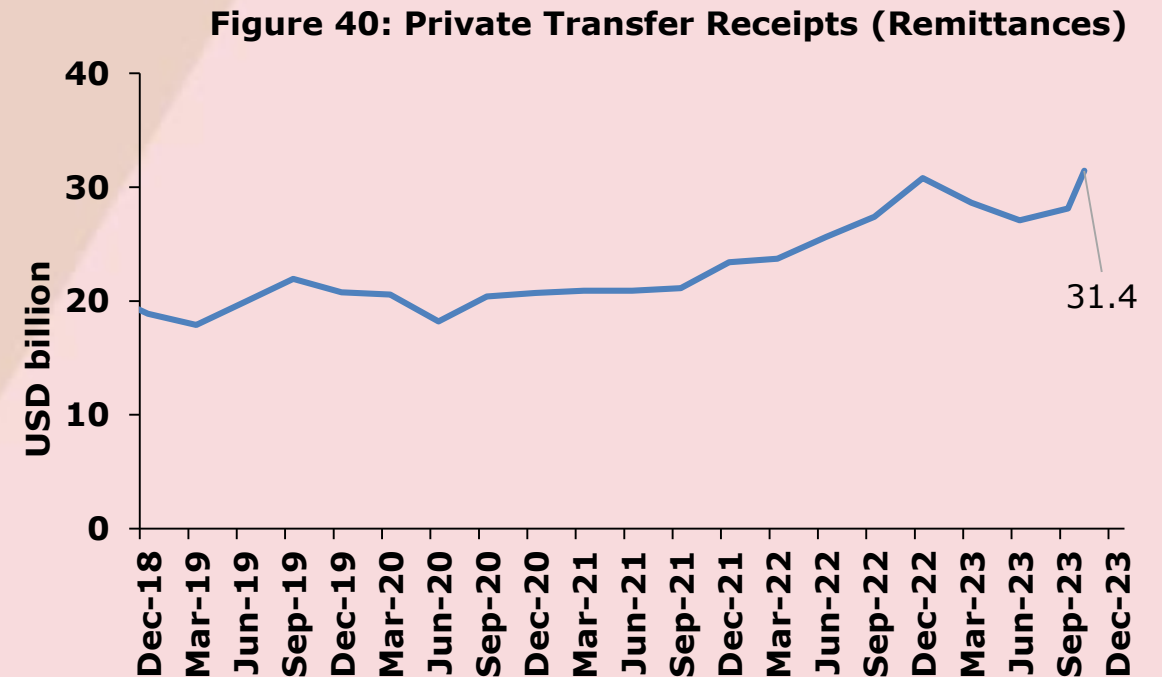
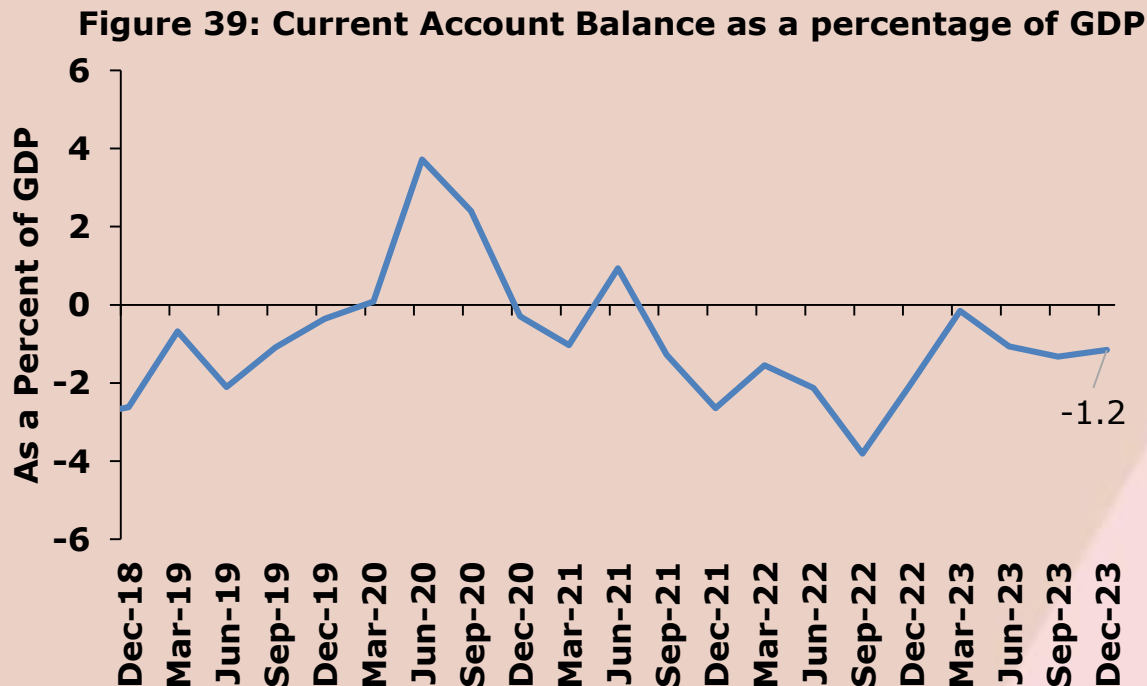


Source: CEIC estimates (Figure 38).

Note: For the month of March 2024, data for Figure 37 is taken as on March 28, 2024; and data for Figure 38 is taken as on March 15, 2024.

Q3 BOP data release: Current Account Deficit narrows on year-over-year basis, remittances flow remains high

- The Current Account Deficit (CAD) declined to USD 10.5 billion (1.2 percent of GDP) in Q3 FY2023-24 as compared to USD 11.4 billion (1.3 percent of GDP) in Q2 FY2023-24 and USD 16.8 billion (2 percent of GDP) in Q3 FY2022-23 (Figure 39).
- Remittances added to USD 31.4 billion in Q3 FY2023-24 (Figure 40).
- Net Foreign Direct Investment (FDI) witnessed an inflow of USD 4.2 billion in Q3 FY2023-24 as against an inflow of USD 2 billion in Q3 of FY2022-23. [Developments in India's Balance of Payments during the Third Quarter \(October-December\) of 2023-24 | RBI Press Release, 26th March, 2024](#)



Source: Reserve Bank of India (Figures 39 and 40).

Heatmap for high-frequency indicators

Indicators	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	
Agriculture																							
Fertilizer Sales: Urea	17.3	5.5	14.3	15.0	-3.3	16.5	26.3	2.4	15.1	4.3	-6.1	-16.6	4.3	0.5	-8.5	-2.8	2.2	28.5	15.0	2.7	-0.2		
Industry																							
IIP Manufacturing	20.7	12.9	3.1	-0.5	2.0	-5.8	6.7	3.6	4.5	5.9	1.5	5.5	6.3	3.5	5.3	10.0	4.9	10.2	1.2	4.5	3.2		
IIP Core	19.3	13.1	4.8	4.2	8.3	0.7	5.7	8.3	9.7	7.4	4.2	4.6	5.2	8.4	8.5	13.4	9.4	12.7	7.9	4.9	3.6		
PMI Manufacturing	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	
PMI Services	58.9	59.2	55.5	57.2	54.3	55.1	56.4	58.5	57.2	59.4	57.8	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8	60.6	
Automobile Sales: 2-wheelers (excluding EVs)	255.3	24.0	10.2	17.0	13.5	2.3	17.7	3.9	5.0	8.8	9.0	16.5	17.4	1.7	-7.2	0.6	0.8	20.2	31.3	16.0	26.2	34.6	
Natural Gas Production	6.3	1.3	-0.4	-1.0	-1.7	-4.1	-1.0	1.9	4.0	1.9	2.4	-2.9	-0.1	3.4	8.3	9.3	6.1	9.3	7.4	6.1	5.5		
Crude Steel Production	18.4	5.8	2.9	0.6	1.8	2.6	5.5	1.6	2.6	2.4	2.7	7.7	5.9	13.6	13.7	17.6	18.8	16.3	11.0	11.0	8.7	11.4	
Electricity Supply	24.2	16.4	3.7	2.0	12.9	1.0	11.0	11.7	13.4	9.7	-1.3	0.1	0.9	5.9	12.3	17.5	11.6	23.2	6.2	1.0	6.0	8.9	
Services																							
Rail Passenger Traffic	478.0	237.6	168.6	113.6	87.6	62.2	51.1	40.7	64.5	29.8	20.5	20.2	17.7	12.5	10.3	9.4	3.9	8.5					
Rail Freight	14.6	11.3	8.3	7.9	9.1	1.4	5.2	3.1	3.9	3.6	3.8	3.5	1.9	-1.9	1.5	6.4	6.7	8.5	4.3	6.4	6.4	10.1	
Air Passenger Traffic	502.4	288.1	127.4	73.1	61.6	40.0	21.8	23.1	101.0	64.4	27.0	25.5	19.0	20.5	25.8	23.2	19.4	11.9	10.7	9.9	7.2	8.1	
Air Cargo	13.8	13.9	6.1	-1.2	-0.5	-14.5	-2.3	-5.9	-3.7	2.1	-0.9	0.0	-0.3	-0.8	-1.2	6.9	-0.3	13.1	6.6	10.8	15.5	22.7	
Trade																							
Merchandise Export	20.8	30.1	7.9	10.9	4.7	-11.6	9.7	-3.0	1.6	-0.4	-5.9	-12.7	-10.3	-18.8	-10.0	3.8	-2.7	6.2	-3.8	-11.9	-6.2	-9.3	
Services Export	40.7	32.6	25.3	29.6	35.2	24.2	30.7	20.4	29.6	28.8	13.1	7.2	7.4	3.2	8.1	8.4	-2.7	13.4	6.2	-8.3	2.4	4.6	
Fiscal																							
Gross Tax Revenue (Centre)	20.1	12.8	33.3	-7.7	14.5	20.8	-3.8	0.8	13.5	4.5	16.8	-6.1	4.4	11.3	1.5	95.2	15.9	-1.2	21.3	12.9	16.5		
Goods and Services Tax Revenue	37.2	55.8	28.0	28.2	26.2	16.6	10.9	15.2	12.7	12.4	12.7	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	10.4	12.5	
Banking																							
SCB bank Credit: Total Outstanding	11.1	13.3	13.4	14.3	15.3	16.6	16.0	14.9	16.3	15.5	15.0	15.9	15.4	16.2	19.7	19.8	20.0	19.7	20.6	19.9	20.3		
SCB bank Credit Non-food: Personal Loans	16.3	18.1	18.7	19.4	19.4	20.1	19.6	20.0	20.4	20.4	20.6	19.4	19.2	20.9	31.2	30.8	30.4	29.7	30.1	28.5	28.8		
SCB bank Credit Non-food: Agriculture	11.7	13.0	13.2	13.4	13.4	13.6	19.0	15.8	14.4	14.9	15.4	16.7	16.0	19.7	16.8	16.6	16.8	17.5	18.2	19.5	20.1		
SCB bank Credit Non-food: Industry	8.8	9.5	10.5	11.4	12.6	13.6	17.0	13.8	8.7	7.0	5.7	7.0	6.0	8.1	5.8	6.6	7.1	5.9	6.6	8.6	8.3		
SCB bank Credit Non-food: Services	12.7	12.8	16.5	17.2	20.0	22.5	29.2	26.2	21.5	20.7	19.6	21.6	21.4	26.7	23.1	24.8	25.1	23.6	25.4	22.9	23.9		
Financial Markets																							
NIFTY 50 Index	6.4	0.4	8.9	3.7	-3.0	1.9	10.5	4.3	1.9	3.0	-0.6	5.6	11.8	21.6	15.1	8.4	14.9	5.9	7.3	20.0	23.0	27.0	
BSE SENSEX	7.0	1.0	9.5	3.4	-2.9	2.4	10.6	4.4	2.6	4.8	0.7	7.1	12.7	22.1	15.6	8.9	14.6	5.1	6.2	18.7	20.5	23.0	
Employment and Inflation																							
Naukri JobSpeak Index	39.9	22.0	20.8	5.8	12.7	-2.7	42.9	50.9	1.7	-2.2	5.2	-5.2	-0.5	-2.9	-18.8	-5.7	-8.6	1.2	-23.3	-15.6	-11.1	-7.5	
EPFO Net New Subscribers	87.4	42.7	25.4	11.7	9.4	1.7	16.2	-2.5	-3.4	-3.2	-11.6	-2.5	-3.5	0.4	2.7	0.4	3.9	21.6	-11.6	14.0	14.3		
Consumer Price Inflation	7.0	7.0	6.7	7.0	7.4	6.8	5.9	5.7	6.5	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1	
Wholesale Price Inflation	16.6	16.2	14.1	12.5	10.6	8.7	6.1	5.0	4.8	3.9	1.4	0.8	3.6	4.2	1.4	0.5	0.3	0.5	0.3	0.7	0.3	0.2	



Source: NCAER Team's calculation, based on the CEIC database.

Methodology Note: The y-o-y growth (%) has been calculated for all indicators for the period as indicated in the data appendix (except for PMI Manufacturing and PMI Services).



Opinion Articles

- i. Gupta, P. (2024). [“What can Bihar, with per-capita income 30% of national average, do to shed its low-income status?”](#), *The Economic Times*, March 11
- ii. Das, U. (2024). [“Africa’s bold bargain with global finance”](#), *OMFIF*, March 27
- iii. Mohapatra, C.S. (2024). [“Safeguarding investors”](#), *The Hindu Business Line*, March 21
- iv. Munjal, P., and Baruah, P. (2024). [“Digital dividend for EPFO, subscribers”](#), *The Hindustan Times*, March 20
- v. Pohit, S., (2024). [“Tourism sector will need to go green for growth”](#), *The Hindu Business Line*, March 19
- vi. Sabharwal, M., and Reddy, R. (2024). [“Why India needs to reform its degree apprentices programmes”](#), *The Economic Times*, March 18
- vii. Bandyopadhyay, S., and Joshi, L. (2024). [“E-comm in fisheries”](#), *The Hindu Business Line*, March 13
- viii. Thakur, J. (2024). [“Persisting gender gap in STEM jobs”](#), *Deccan Herald*, March 9
- ix. Barik, D., and Desai, S. (2024). [“The piquant case of a successful maternity benefit scheme”](#), *The Hindu Business Line*, March 1
- x. Desai, S., and Choudhuri, P. (2024). [“All and rise in women’s work participation”](#), *The Hindu Business Line*, March 8

Working Papers

- i. Panagariya, A. (2024). [“India at 125: Reclaiming the Lost Glory and Returning the Global Economy to the Old Normal”](#), *Working Paper No. WP 163*, New Delhi: National Council of Applied Economic Research



India at 125: Reclaiming the Lost Glory and Returning the Global Economy to the Old Normal

Research Synopsis

"The study explores pathways for India to regain its position as a top global GDP contributor. It highlights key factors that could facilitate India's resurgence, including its democratic governance structure, potential for per capita income growth, favourable demographics that includes having a sizable and youthful workforce and economies of scale in public goods provision, India's attractiveness to multinational corporations, and its commitment to pro-market reforms. The study also outlines the challenges faced by Indian economy including the imperative to maintain macroeconomic stability, liberalize labour, land, and capital markets, promote trade liberalization, privatize public sector enterprises and banks, encourage growth of digital economy, enhance efficiency in delivery of benefits, prioritize infrastructure development, and improve access to quality education and health. The study specifically underlines the challenges India faces due to the small size of its economic units, including habitations, enterprises and farms. It emphasizes the need to have a rebalance in favour of medium and large enterprises to restore India's position as a leading contributor to the global GDP."

-Arvind Panagariya (Visiting Distinguished Professor)

Panagariya, A. (2024). "India at 125: Reclaiming the Lost Glory and Returning the Global Economy to the Old Normal", *Working Paper No. WP 163*, New Delhi: National Council of Applied Economic Research]

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