

Monthly Economic Review

July 2024

PRESS RELEASE

Key Indicators Point to Indian Economy Remaining on Course, says NCAER Monthly Review

Budget guidance on fiscal restraint to keep economy in good stead: NCAER DG

Amid signs of receding global shocks, the latest high frequency indicators like PMI expansion for manufacturing and services and bank credit growth besides forecast of above normal monsoon rains in July hold out the projected growth promise for the Indian economy, according to the **Monthly Economic Review for July released by National Council of Applied Economic Research (NCAER)**.

The latest data point to the growth dynamism of the domestic economy with the Purchasing Managers' Index (PMI) for both manufacturing and services increasing in June (composite PMI at 60.9) and total outstanding credit of scheduled commercial banks expanding by nearly 21 per cent on a year-on-year basis.

Personal loans and credit for agriculture and allied activities expanded by nearly 29 percent and over 22 percent respectively. India's foreign exchange reserves reached an all-time high at \$666.9 billion on July 12, giving cushion for over 11 months of projected imports.

NCAER Director General Dr Poonam Gupta said Union Budget 2024-25 lived to the expectations on unwavering commitment to fiscal consolidation, prudence, and quality. The Budget has kept fiscal deficit target at 4.9 percent of GDP and capital expenditure at 2.4 percent of GDP during 2024-25.

Dr Gupta said, "There is much to commend in the way the Union Budgets have been prepared in the last few years. There has been much transparency in the numbers; budget estimates have been realistic; there has been overall fiscal restraint -before, during and after Covid; quality of expenditure has remarkably improved; and there have been no electoral cycles."

Meanwhile the Economic Survey has projected economic growth during the year to be between 6.5-7 growth.

"Based on the momentum in the high frequency indicators; normalized monsoon; a relatively benign global outlook; and receded electoral uncertainty, both in India and in the rest of the world, growth will likely turn out to be higher than 7 percent, and possibly closer to 7.5 percent," the NCAER DG said.

Media citations

Money Control: [India's economy likely to record over 7% growth in FY25, says NCAER DG Poonam Gupta](#)

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The Economic Times: [Indian economy likely to record over 7 pc growth: NCAER](#)

The Times of India: [Indian economy likely to record over 7 per cent growth: NCAER](#)

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