

A-45011/03/2024-Coord.II
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 31st May, 2024

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of April, 2024.



(Susruta Samanta)
Deputy Secretary to the Government of India
Tel No. 2309- 5244

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Shri V. Anantha Nageswaran, Chief Economic Adviser, DEA.
12. Additional Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Shri Manoj Sahay, AS&FA(Finance).
14. Ms. Aparna Bhatia, Advisor(Admn./Coord./ C&C)
15. Ms. Manisha Sinha, AS(OMI/Crypto assets and Fund Bank)

16. All Heads of Divisions in Department of Economic Affairs.
JS(IPP)/JS(ISD)/JS(Inv)/JS(Budget)JS(FM)/All Advisers/CAAA
17. Shri Rajesh Malhotra, DG (M&C), M/o Finance, North Block, New Delhi.
18. Guard File – 2024.

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Government of India
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Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of April, 2024.

- 1. Important policy decisions taken and major achievements during the month:**

Macroeconomic Overview:

Global economic growth remained on a gradual ascent as fears of recession moderated. International Monetary Fund (IMF) in its World Economic Outlook (WEO) April 2024 report, has projected global growth to remain steady at 3.2 per cent in 2024 and 2025, marginally higher than 3.1 per cent in its January 2024 update. Leading indicators reflected the upturn in global economic activity. The global manufacturing PMI remained above 50 mark in April 2024, with expansion across dimensions.

The rebound in global growth is accompanied with diverging growth trajectories. While most of the major economies exhibited resilient growth, many other economies are lagging behind. IMF attributes slower pace of expansion mainly to high borrowing costs, withdrawal of fiscal support, weak productivity growth, and increasing geo-economics fragmentation.

Forward-looking indicators reflected improving sentiments. The Geopolitical Risk Indicator dropped in March 2024 signalling a softening in risk perceptions. Except for the recent escalation of the conflict in West Asia, the volatility and uncertainty on account of geopolitical tensions appear to be diminishing. This also poses as an upside for global growth. The pressure on global supply chains also eased, thereby reducing logistical challenges.

Global commodity prices continued to increase in April 2024, driven by both Energy and Non-Energy commodities. Crude oil prices have firmed up since December 2023, partially driven by increasing tension in West Asia and OPEC+ countries deciding to maintain supply constraints until mid-2024.

The Indian economy continued to exhibit strong economic performance with broad-based growth across sectors. The April WEO has also forecasted India's growth at a high of 6.8 per cent in 2024-25 and 6.5 per cent in 2025-26,

based on its assessment of continuing strength in domestic demand and a rising working age population.

As per the 'atest consumer confidence survey, households' sentiments on the general economic situation and employment prospects recorded notable improvements for both the current period as well as the upcoming year. The manufacturing sector is also expected to maintain its momentum on the back of sustained profitability and pick-up in rural demand. As per the latest Index of Industrial Production (IIP) for February 2024, consumer durables emerged as a standout performer, registering an impressive growth rate of 12.3 per cent.

2. Important Developments:

- (i) Hon'ble Finance Minister, as India's Governor to IMF, voted in the affirmative on the ballot for **approving the membership of Principality of Liechtenstein to IMF.**
- (ii) India conveyed consent (through Executive Director (India) at IMF) on **Rollback of Credit Arrangements under NAB (New Arrangements to Borrow)** in response to letter from the Managing Director, IMF.
- (iii) Government of India approved the extension of the limit of INR-denominated **offshore borrowings of the African Development Bank (AfDB)** from existing USD 250 million to USD 500 million.
- (iv) The following **Finance Track Meetings under G20 Brazil Presidency** were held during April, 2024:
 - a) The **2nd meeting of the G20 Sustainable Finance Working Group (SFWG)** was held on 1st – 2nd April, 2024 in Brasilia. The meeting was followed by 2 side events on 'SDG Finance in Cities' and 'Climate Finance in Local Currency' on 3rd April, 2024.
 - b) The **2nd G20 Finance Ministers and Central Bank Governors (FMCBG) meeting** was held on 17th – 18th April, 2024 in Washington D.C on the side-lines of World Bank-International Monetary Fund (WB-IMF) Spring meetings. The Indian delegation was led by Governor, RBI and Secretary, Economic Affairs. The meeting was organized in two thematic sessions. The first session was on reimagining finance for a just transition and climate goals. The discussion centred on issues from the perspective and challenges of developing countries in tackling the climate crisis. The second session was on international financial architecture for the 21st century. The discussion centred around main ideas that will guide the

construction of a G20 Roadmap for reforms of multilateral development banks (MDBs) to make MDBs better, bigger, and more effective.

- (v) Indian delegation led by Secretary Economic Affairs attended the **2024 Spring Meetings of IMF and World Bank** on 15th – 19th April, 2024 in Washington DC.
- a) Secretary Economic Affairs also attended the **FSB Steering Committee meeting** which was held in Washington DC on 17th April, 2024. The meeting, inter alia, discussed on issues of Margining practices and Non-Banking Financial Intermediaries data issues.
 - b) On the sidelines of the Spring Meetings, Secretary Economic Affairs also had bilateral meetings with counterparts from the US, UK, Saudi Arabia, Japan, Brazil, and South Africa as well as the Chair of the Financial Stability Board, First Deputy Managing Director of IMF, Vice President of IFC, Vice President of MIGA, Special Envoy of Paris Pact for People and Planet, among others.
 - c) **IDA21 2nd Replenishment Meeting** was held on 21st – 22nd April, 2024 in Washington DC.
- (vi) The following important meetings were held/attended at the official level:
- a) The meeting of the joint team of the IMF and the World Bank for the **Financial Sector Assessment Program (FSAP)** for India, which is jointly chaired by IMF and World Bank once in 5 years, was organized in March and the concluding meeting was held on 1st April, 2024.
 - b) **Tripartite Portfolio and Pipeline Review Meeting** of Projects under World Bank Financing was held on 03rd – 5th April, 2024.
 - c) **AIIB Board of Directors** met virtually on 17th April, 2024.
 - d) The **141st Executive Board Meeting of IFAD** was held in Rome, Italy on 22nd – 24th April in which Board considered a project proposal from India titled – **Competitiveness Improvement of Agriculture and Allied Sectors Project in Union Territory of Jammu and Kashmir (J&KCIP)** for a loan of USD 100 million. This is the first project in Jammu and Kashmir approved by IFAD.
 - e) **India-Uruguay Investment negotiations** were held on 25th April, 2024.

- f) The 9th Annual Meeting of the **NDB Board of Governors** was held virtually on 26th April, 2024.
- g) Under Financial Stability Board, **Regional Consultative Group (RCG) Asia meeting** was held in Sri Lanka on 28th-30th April, 2024. The agenda items involved use of AI in finance, Climate Risk Assessment, Cross border payment issues, global and regional vulnerabilities, etc.
- (vii) The following important issues were discussed at the **Executive Board of International Monetary Fund (IMF)**:
- a) Policy Reform Options to Promote the IMF's Capacity to Support Countries undertaking Debt Restructurings;
 - b) Pakistan – Second Review under the Stand-by Arrangement;
 - c) Review of the Fund's Transparency Policy and Open Archives Policy; and,
- (viii) The IES Officer Trainees 2024, a batch of 17 officers have joined on 18th April, 2024 and have commenced their Probationary training.

3. Minimum Government, Maximum Governance

The use of ICT in submission of information is being encouraged.

4. Non-Compliance of ACC directions/orders: NIL

5. Details of FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:

| | | |
|-------------------------------------|---|----|
| Number of proposals cleared | : | 01 |
| Awaiting Approval in the Department | : | 11 |