

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

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New Delhi, 05<sup>th</sup> April, 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 February, 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(ISC)/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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**Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of February, 2024.**

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

**Macroeconomic Overview:**

**Second Advance Estimates of National Accounts projects India's real GDP growth at 7.6 per cent for Financial Year 2023-24 (FY24).** This is higher than the 7.3 per cent growth projected by the NSO in the first Advance Estimates released in January, 2024. Stronger growth in the third quarter (Q3; at 8.4 per cent) has increased the full-year real GDP growth in FY24. Following the release of the December 2023 quarter GDP data, several professional forecasters have revised their GDP growth projections for FY25. State Bank of India revised its growth projection to 8 per cent, compared to 7 per cent in its previous estimate. Similarly, Barclays raised their projection from 6.5 per cent to 7 per cent.

**The NITI Aayog estimates that, as per the Household Consumption Expenditure Survey (HCES) for August 2022 to July 2023, poverty has come down to five per cent, indicating that people are becoming more prosperous both in rural and urban areas.** The HCES highlights that monthly per capita household consumption expenditure (MPCE) more than doubled in 2022-23 as compared to 2011-12. The average estimated MPCE in 2022-23 stands at ₹3,773 in rural India and ₹6,459 in urban India. This decline in poverty is attributed to government programmes targeted at those at the bottom of the pyramid.

**Retail inflation declined to a three-month low of 5.1 per cent in January, 2024.** The fall in inflation in January, 2024 is due to both the food and core (non-food, non-fuel) components. Core inflation continued to decline for the eighth consecutive month, from 5.2 per cent in May, 2023 to 3.5 per cent in January, 2024. Food inflation declined compared to the previous two months but has still to come down further. Most food items saw a decline in

inflation in January, 2024. Overall, inflationary pressures moderated in the first 10 months of FY24, with retail inflation easing to 5.4 per cent, compared to 6.8 per cent in the same period of FY23.

**The fiscal deficit of the central government was 63.6 per cent of the revised estimates (RE) during April 2023 – January 2024, lower than 67.8 per cent of RE during the corresponding period of the previous year.** This improvement is on account of higher-than-budgeted growth in tax collections and improvement in quality of spending in the first three quarters of the year. Buoyant tax revenues have helped the government accommodate higher expenditure amid supply-side volatilities. Overall, gross tax revenue grew at 14.6 per cent over last year. Capital spending increased by 26.5 per cent YoY in the period April, 23 – January, 24 compared to 29 per cent in the corresponding period of the previous year. The ratio of revenue expenditure to capital outlay fell from 6 in FY21 to 3.7 in FY24 (April, 23 – January, 24).

**During the first ten months of FY24, India's merchandise exports and imports contracted by 4.9 per cent and 6.7 per cent, respectively, leading to a narrowing of the merchandise trade deficit.** The merchandise trade deficit reduced from USD 229.4 billion from April'22-January'23 to USD 207.2 billion in April'23 – January'24. Classification across major commodity groups showcases that exports have declined broad-based across all categories, except electronic goods. The net service trade during first ten months of FY24 increased by 16.5 per cent. Accordingly, India's overall trade deficit (Merchandise and Services combined) declined from USD 112 billion during the first ten months of FY23 to USD 70.4 billion in the corresponding period of FY24. In an effort to boost India's exports, the Government has reduced import duty on parts used to manufacture mobile phones from 15 per cent to 10 per cent.

**The foreign direct investment (FDI) into India during FY24 have been the guided by repatriations, along with global FDI trends.** As per the latest available data from the RBI, direct investments to India moderated by 41.2 per cent during April-December, 2023, owing to a sharp growth in repatriations by 41.5 per cent during the period.

## **2. Important Developments:**

- (i) Hon'ble Finance Minister chaired the **28<sup>th</sup> meeting of the Financial Stability and Development Council (FSDC)** on 21<sup>st</sup> February, 2024

at New Delhi. The meeting was also attended by Union Minister of State for Finance, Members of FSDC, Secretary (EA), Chief Economic Adviser and Senior Adviser /Secretary (FSDC).

- (ii) Hon'ble Finance Minister met Ms. Anna Bjerde, Managing Director (Operations), World Bank and Ms. Anshula Kant, Managing Director and World Bank Group Chief Financial Officer on 21<sup>st</sup> February, 2024.
- (iii) India-UAE signed a **Bilateral Investment Treaty** on 13<sup>th</sup> February, 2024.
- (iv) The following **Finance Track Meetings under G20 Brazil Presidency** were held during February, 2024:
  - a) The **first meeting of the G20 Sustainable Finance Working Group (SFWG)** under the Brazilian Presidency was held virtually on 05<sup>th</sup> – 06<sup>th</sup> February, 2024.
  - b) The **first G20 Finance Ministers and Central Bank Governors (FMCBG) meeting** was held on 28<sup>th</sup> – 29<sup>th</sup> February, 2024 in Sao Paulo, Brazil. The Ministry of Finance delegation was led by Dr. V. Anantha Nageswaran, Chief Economic Adviser and Reserve Bank of India delegation was led by Dr Michael Patra, Deputy Governor.
  - c) The FMCBG meeting was preceded by the Second G20 Finance and Central Bank Deputies Meeting on 26<sup>th</sup> – 27<sup>th</sup> February, 2024 to draft a Communiqué of FMCBG.
  - d) On the sidelines of G20 FMCBG meeting, the **first BRICS FMCBG meeting** under the Russian chairmanship of BRICS was held on 27<sup>th</sup> February, 2024 and discussions were held on the priorities proposed by the Russian Chair for 2024 under the BRICS Financial Cooperation Agenda.
  - e) **NDB Board of Governors** also met in a Special meeting in Sao Paulo on 27<sup>th</sup> February, 2024, at the Side-lines of G20 FMCBG meeting. The special meeting of the Board of Governors of the New Development Bank was held to discuss the issue of resumption of the disbursement of loans to Russia which have been kept on hold since sanctions were imposed on Russia.
- (v) The following important meetings were held/attended at the official level:

- a) The first **BRICS Finance and Central Bank Deputies (FCBD) meeting** under Russian chairmanship was held virtually on 7<sup>th</sup> February, 2024 and discussion were held on the priorities and deliverables of financial cooperation under Russian Chair.
- b) The 47<sup>th</sup> Session of **IFAD Governing Council** was held on 14<sup>th</sup> - 15<sup>th</sup> February, 2024 at Rome, Italy.
- c) The 113<sup>th</sup> meeting of **PPP Appraisal Committee (PPPAC)** was held on 16<sup>th</sup> February, 2024 to consider proposals of i) Northern Bypass (NAM) and Southern Ayodhya Bypass (SAB) in Uttar Pradesh; ii) Guwahati Ring Road in Assam.
- d) The 114<sup>th</sup> meeting of **PPPAC** was held on 21<sup>st</sup> February, 2024 to consider proposal of i) Agra-Gwalior Highway; ii) Border-Gumla-Bharda section as part of Raipur-Dhanbad Economic corridor; iii) 4- lane access-controlled economic corridor from Kharagpur to Moregram section.
- e) **India-Uruguay BIT negotiations** were held virtually on 20<sup>th</sup> February, 2024.
- f) **India-Tajikistan BIT negotiations** were held virtually on 28<sup>th</sup> - 29<sup>th</sup> February, 2024.
- g) Secretary Economic Affairs met Mr Jochen Flasbarth, State Secretary, German Ministry of Economic Cooperation and Development (BMZ) on 26<sup>th</sup> February, 2024 to discuss the preparatory steps envisaged for the Leaders level India-Germany Inter-Governmental Consultations, scheduled to be held this year in India.
- h) Workshop on **PPP structuring Toolkit - Water & Sanitation Sector** was held on 26<sup>th</sup> - 27<sup>th</sup> February, 2024 at New Delhi.
- i) The 146<sup>th</sup> meeting of **Screening Committee on Externally Aided projects** was held on 28<sup>th</sup> February, 2024.
- j) The 40<sup>th</sup> meeting of the **Early Warning Group (EWG)** of IMF was held virtually on 29<sup>th</sup> February, 2024 wherein methodologies to improve the Early Warning Index, developments relating to financial section etc. were discussed.
- k) Meeting of **Inter-Ministerial Standing Committee (IMSC) on Lines of Credit (LOCs) under Indian Development and**

**Economic Assistance Scheme (IDEAS)** was held on 26th February, 2024 to discuss about restructured LOCs, their provisioning requirement, continuation of disbursements and other LOC related matters.

(vi) The following **loan agreements** were signed with the bilateral and multilateral development agencies:

a) Loans signed with Japan International Cooperation Agency (JICA):

- i. Rajasthan Climate Resilience Enhancement and Ecosystem Services Improvement Project of JPY 26.133 billion.
- ii. Uttarakhand Urban Water Supply Project of JPY 16.211 billion.
- iii. Creation of Horticulture Value Chain in Haryana of JPY 16.215 billion.
- iv. Establishment of Nagaland Medical College Hospital of JPY 10.008 billion.
- v. Telangana Social and Grassroot Innovation Project of JPY 23.697 billion.
- vi. North East Road Network Connectivity Improvement Project: Phase VII (Meghalaya NH127B) of JPY 15.561 billion.
- vii. North East Road Network Connectivity Improvement Project: Phase-3 (Tranche-II) of JPY 34.537 billion.
- viii. Construction of Chennai Peripheral Ring Road: Phase 2 of JPY 49.847 billion.
- ix. Dedicated Freight Corridor Project: Phase-1 (Tranche 5) of JPY 40.000 billion.

b) Loans signed with World Bank:

- i. Integrated Service Provision and Innovation for Reviving Economies Operation for USD 100 million.
- ii. Bihar Integrated Water Resources Management Project (BIWRMP) for USD 386.31 million.

c) Loan signed with Asian Development Bank:

- i. Climate Resilient Brahmaputra Integrated Flood and Riverbank Erosion Risk Management Project in Assam for USD 200 million.
  - d) Multilateral Investment Guarantee Agency (MIGA) signed the contract of guarantee with MUFG Bank for USD 100 million with DFCCIL.
- (vii) The following important issues were discussed at the **Executive Board of International Monetary Fund (IMF)**:
- a) Regular Elections of Executive Directors;
  - b) IMF's work on Climate Finance;
  - c) New Membership of Liechtenstein.
- (viii) The following **Notification were issued** during the month:
- a) Commemorative Coin of denomination of ₹ 100/- to celebrate 2550<sup>th</sup> Nirvan Mahotsav of Bhagwan Mahaveer.

**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	:	02
Awaiting Approval in the Department	:	11

**6. Number of VGF projects cleared/approved during February, 2024:**  
Five projects.

**7. Number of PPPAC projects cleared/approved during February, 2024:**  
NIL.

**8. LOCs recommended under Indian Development and Economic Assistance Scheme (IDEAS) during February, 2024: NIL**

**9. Number of Externally Aided Projects cleared by the DEA's Screening Committee during February, 2024: 06**