

# May economic report may be FY23 Eco Survey update

It could be the 1st time that CEA would use it to give detailed analysis of last FY

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The Finance Ministry's Monthly Economic Review (MER) for May which will be released in mid to late June is likely to be a quasi-Economic Survey of 2022-23. It may present a detailed assessment and analysis of the state of the Indian economy in the financial year gone by.

Chief Economic Advisor V Anantha Nageswaran and his team will have the data available for the entire FY23, including gross domestic product and fiscal deficit data, which will both be released on May 31, which will enable them to take a deep-dive into the year and present an update on the assessment carried out in the last Economic Survey, for FY23 and FY24. This may be the first time that the CEA would use the monthly economic report to present a detailed analysis of last financial year.

"MERS usually do analyses on a monthly basis. Once we have all the relevant information available, there will be a full recap of the previous financial year. It will be in the MER for May," a senior government official told *Business Standard*. "The May monthly review will be more expansive than usual. It will be more akin to a survey," a second official said. Nageswaran presented the 2022-23 Economic Survey on January 31, the day before the 2023-24 Union Budget, as is the custom. In his post-Budget interaction with *Business Standard* that day, he



## THE BIG PICTURE

■ **Key economic data** for FY23 will be available by May 31

■ **May Economy review** will be released in mid or late June

■ **MER to analyse and assess FY23** in the light of new data, current macro situation

■ **Economic Survey had projected baseline FY24 GDP growth** of 6.5%

■ **NSO projects FY23 GDP growth** at 7%

said that there would be an update to the survey. "We will do that because normally Economic Surveys are produced with eight to nine months of data. So we will provide an update," he said.

In the January survey, Nageswaran forecast FY24 GDP growth at a baseline rate of 6.5 per cent and a range of 6-6.8 per cent. He said the headwinds come primarily from global factors like the war

in Europe, high inflation due to the disruption of supply chains, actions by central banks to contain inflation, and the possibility of a recession in many Western economies.

Most of these conditions still hold, though crude oil prices and inflation are lower than in January. In the March MER, released on April 25, the Finance Ministry stated that India's economy continues to be robust but downside risks to FY24 growth forecasts outweigh upside potential due to factors, such as the ones listed above, as well as adverse weather conditions and the global banking crisis.

It is still not known if Nageswaran will revise his FY24 GDP forecast in the May forecast, though there's a likelihood.

For FY23, the National Statistical Office has forecast real GDP growth of 7 per cent, in spite of lower-than-anticipated GDP print in the October-December quarter. Nageswaran said in the past that there is enough momentum in the economy, as shown by high-frequency indicators, for India to reach 7 per cent growth in FY23.

However, to get to 7 per cent, the January-March FY23 quarter will have to register a growth of upwards of 5 per cent.

## FM to review state of economy today

Finance Minister Nirmala Sitharaman will review the state of the economy amid global and domestic challenges at a meeting of the Financial Stability and Development Council (FSDC) on Monday.

The 27th meeting of the high-level panel to be held in New Delhi will be attended by all financial sector regulators, including RBI Governor Shaktikanta Das, sources said. This would be the first meeting of the FSDC after the passage of ₹45 trillion Budget for 2023-24 with greater emphasis on capital expenditure with an outlay of ₹10 trillion.

The FSDC is the apex body of sectoral regulators, headed by the Finance Minister. The meeting will review the current global and domestic economic situation and financial stability issues, including those concerning banking and NBFCs in view of failure of Silicon Valley Bank and Signature Bank and liquidity pressure faced by Credit Suisse, according to the sources. The council would review the progress of measures approved earlier for further development of the financial sector and to achieve inclusive growth.

