



CEA SEES GROWTH REBOUNDED TO 6%

Why in news?

The economic survey expects GDP growth to revive from the 5% estimated or this year to a range between 6%-6.5% next year.

To make a point about how being pro-crony is different from being pro-business, the Survey refers to the gains made unfairly by stocks of connected companies before the CAG report on the 2G spectrum allocations came out in 2011, again rejuvenating UPA-era malfeasance memories.

Hoping for the **best**

While the GDP growth in the first half of FY20 slowed to 4.8%, the Economic Survey suggests that the second half will witness an uptick

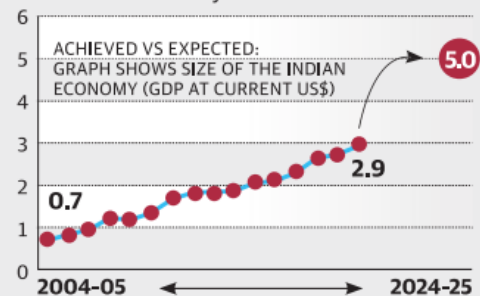
Some developments which hint at a revival, according to the Survey:

- IIP in Nov. 2019 saw a growth of 1.8% compared to a contraction by 3.4% in Oct. 2019
- PMI Manufacturing increased from 50.6 in Oct. 2019 to 51.2 and 52.7 in Nov. and Dec. 2019 respectively
- The gross GST revenue collected in Dec. 2019 and Nov. 2019 saw a positive growth rate of 9% and 6% respectively
- NIFTY India Consumption Index picked up for the first time in Oct. 2019

Size matters | India's economy is estimated to be the fifth largest in the world. The top 5 economies in terms of GDP at \$ trillion in 2019:

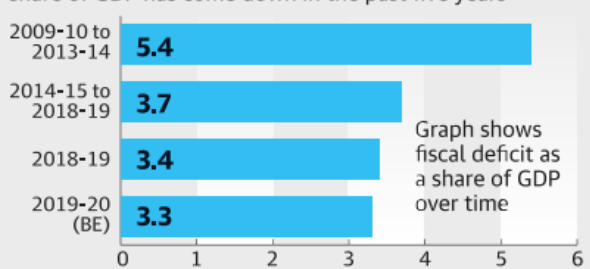
Sl. No.	Country	2017	2018	2019 (E)
1	United States	19.5	20.6	21.4
2	China	12.1	13.4	14.1
3	Japan	4.9	5.0	5.2
4	Germany	3.7	4.0	3.9
5	India	2.7	2.7	2.9

Vision 2025 | The government had set a goal to make India a \$5 tn economy by 2024-25. But growth suffered a setback this year due to a slowdown induced by a crash in demand



Nirmala Sitharaman, Anurag Thakur and Finance Ministry officials posing for a photograph after giving final touches to the Union Budget 2020-21. ■ PTI

Deficit narrowed | Centre's gross fiscal deficit as a share of GDP has come down in the past five years



Economic Survey on GDP Growth Rate



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