

# ECONOMIC SURVEY 2022: WHAT IS IT AND WHY IT IS SIGNIFICANT? EXPLAINED HERE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

The Economic Survey is an annual report card of the economy, which is presented a day before the budget

Union finance minister Nirmala Sitharaman will table the [Economic Survey](#) for 2021-22 in the Lok Sabha on Monday soon after the president's address to both houses of Parliament.

The finance ministry is expected to come out with a single volume Economic Survey projecting growth of around 9% for the next financial year.

Last year's survey, presented in the midst of the Covid-19 pandemic, had projected a GDP growth of 11% during the current fiscal year which is coming to an end on 31 March.

The survey had said growth will be supported by a supply-side push from reforms and easing of regulations, push for infrastructural investments, boost to manufacturing sector through the Production-Linked Incentive (PLI) schemes, recovery of pent-up demand, increase in discretionary consumption subsequent to the rollout of vaccines and pick up in credit given adequate liquidity and low-interest rates.

## But what is the Economic Survey?

The Economic Survey is an annual report card of the economy, which is presented a day before the budget and examines the performance of each and every sector and then suggests future moves.

The Economic Survey was de-linked from the Budget in 1964 and unveiled in advance in order to provide a context of the latter.

All the surveys have a theme. Last year, the theme was saving lives and livelihoods. In 2017-18, the Economic Survey was pink as the theme was women empowerment.

It consists of two parts – one includes the economic challenges the country is facing and the second is the analysis of the year gone by.

## Why is the survey significant?

It reviews the economic development in India over the past financial year by analysing and providing detailed statistical data of all the sectors-industrial, agricultural, industrial production, employment, prices, exports, among others.

The survey also helps in giving a better understanding of the Union Budget by comprehending the country's priority for the next financial year and what sectors would need more emphasis.

## Who prepares the survey?

It is prepared by the Economics Division of the Department of Economic Affairs of the Finance

Ministry under the overall guidance of the Chief Economic Adviser (CEA).

This year, the survey is being prepared by the Principal Economic Advisor and other officials in absence of the CEA.

Just days before the presentation of the Economic Survey, the government has appointed economist V Anantha Nageswaran as the new CEA.

Even the first Economic Survey of the Modi government presented by the then Finance Minister Arun Jaitley in July 2014 was prepared by senior Economic Advisor Ila Patnaik.

At that time the post of CEA was vacant following the appointment of Raghuram Rajan as Governor of Reserve Bank of India. Later, Arvind Subramanian moved in as CEA in October 2014.

### **What are the projections for this year's survey?**

The survey is expected to project growth of about 9% for the next financial year, experts said citing the base effect.

However, the survey is known to quite often misses on the GDP forecast, sometimes by a significant margin.

The Economic Survey 2018-19 had estimated the GDP growth for fiscal 2019-20 at 7%. However, the economy expanded by only 4%. Similarly, the Economic Survey 2017-18 had projected a growth rate of 7-7.5 for 2018-19, but the GDP expanded by only 6.5%.

This year, as per the recent report of the World Bank, India is projected to grow at 8.7 per cent while India Ratings and Research said it expects India's gross domestic product (GDP) to grow 7.6% on-year in FY23.

As per ICRA report, the country's real GDP is likely to maintain a 9% growth rate in fiscal 2022 and 2023 amid concerns over the Omicron variant of Covid.

### **What are the expectations for this year's survey?**

The previous economic survey was presented in the midst of the Covid-19 pandemic. The ray of optimism as the country recovers from the impact of the pandemic is likely to figure prominently in the current year's economic survey.

However, various high-frequency indicators like GST collections and corporate profitability are pointing towards significant upward movement.

All Economic Surveys are available at <https://www.indiabudget.gov.in/economicsurvey/>. One can also buy last year's Economic Survey from the site.

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