

## Economic Survey 2019 Highlights

The Economic Survey 2019 theme is about enabling “shifting of gears” to uphold economic growth to make India a \$5 trillion economy by 2024-25. The Survey says that it recedes from “traditional thinking by advocating a growth model for India that views the economy as being either in a virtuous or a vicious cycle and thus never in equilibrium.”

**Below mentioned are the main Economic Survey 2019 highlights:**

- The survey sees Financial Year 2020 GDP growth at 7%, higher growth on stables macros.
- India needs to grow at 8% per year to be USD 5 trillion economy by 2025.
- Looking further at the economics of equilibrium, the survey makes the case for an investment-driven “virtuous cycle” to sustain growth at 8%.
- Investment is the main driving force of simultaneous growth in exports, productivity, demand, and jobs.
- The survey proposes to name roads after the names of top taxpayers and to give diplomatic-type privileges.
- Rather than focusing on small firms, the government should foster the growth of large firms.
- Additional focus on pushing up exports.
- Use public data to transform the development in the country.
- Growth in investment activity is slow.
- Ease labour laws to spur job growth.
- Wage growth in the rural area has started increasing since mid-2018.
- Political stability should push the animal spirits of the economy.
- Poor compliance of contracts and dispute settlement is a big hurdle. Legal processes should be faster and accorded top priority.
- Growth and savings are interrelated. Hence, savings must increase more than investment.
- Data must be established as a public good “of the people, by the people, for the people”. Constant right-sizing based on real-time data is the need.
- The survey argues that to solve many social issues, nudging behaviour change is the simplest way.
- Top policymakers must make sure that the actions are foreseeable. Policymaking needs are (a) Clear Vision (b) Strategic blueprint (c) Tactical tools for constant recalibration
- The success of [MNREGA](#) shows that with skilful use of technology, government schemes can make a difference.
- Strengthening the middle class and driving up the low wage earners with the help of minimum wage policy.
- MSMEs in the economy need to be freed from restraints that overshadow them. It should be seen as a source of innovation, growth, and job creation.
- The policy should enable [MSMEs](#) to grow, create greater profits, and contribute to job creation and productivity in the economy.
- To raise real per capita GDP by US\$ 5000 and improve its HDI ranking, India needs to increase per capita energy consumption.
- India moving forward from Swachh Bharat to Swasth and Sundar Bharat.
- India will enjoy the “[demographic dividend](#)” phase in the next two decades but some states will start transitioning to an ageing society by the 2030s.
- The Survey seeks reform in the lower judiciary.
- The government stands by the fiscal consolidation path.
- The Survey visualizes creating a Detroit for [Electric Vehicles](#) in India.

- January-March economic slowdown due to poll-related activity.
- The decline in [NPAs](#) should push up the CAPEX cycle.
- The general fiscal deficit was seen at 5.8% in FY19 VS 6.4% in FY18.
- [NBFC](#) stress reason for the financial year 2019 slowdown.
- The investment rate is seen higher in FY20 on improved demand.
- Oil prices are seen declining in the Financial Year 2020.
- Accommodative MPC policy to help cut real lending rates.
- The Survey is inspired by Gandhi's Talisman: "...Recall the face of the poorest man [woman], and ask yourself if the step you contemplate is going to be of any use to him [her].

