



Ministry of Finance

9.5 PERCENT GROWTH IN INDUSTRIAL SECTOR

47.5 PERCENT OF TOTAL VALUE OF OUTPUT USED AS INPUTS IN PRODUCTIVE ACTIVITIES

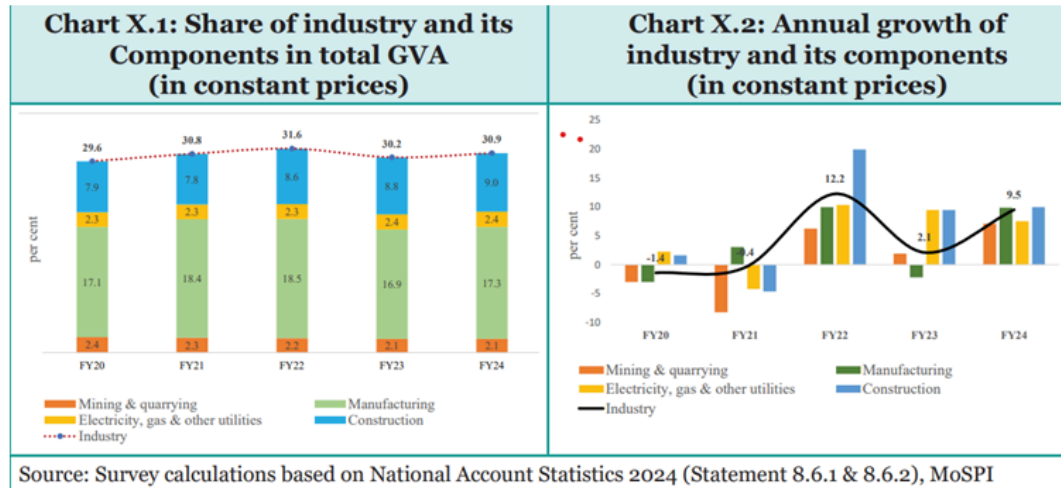
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Robust industrial growth of 9.5 percent was a key highlight of the Economic Survey 2023-24, presented by the Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, in Parliament today.



According to the Economic Survey, manufacturing remained at the forefront of the Indian industrial sector achieving an average annual growth rate of 5.2 per cent in the last decade. The sector had a gross value added at 14.3 per cent in FY23 and an output share of 35.2 per cent during the same period, indicating that the sector has significant backward and forward linkages. The HSBC India Purchasing Managers' Index (PMI) for manufacturing also consistently remained well above the threshold value of 50 in all months of FY24, which is proof of a sustained expansion and stability in India's manufacturing sector.

The Survey notes that about 47.5 per cent of the total value of output in the country is used as inputs in productive activities (inter-industry consumption). Manufacturing activities account for about 50 per cent of the inter-industry consumption and, at the same time, supply almost 50 per cent of inputs used in all productive activities (agriculture, industry and services).



Physical infrastructure, logistics and compliance bottlenecks slowed capacity creation and expansion in the past. The Survey optimistically notes that majority of these restrictions have been now been lifted. The Survey states that physical infrastructure and connectivity is improving at a rapid pace. It further comments that the Goods and Services Tax has created a single market for several commodities, enabling manufacturing at scale. The Survey underlines the importance of deregulation along with the role of private sector in long-term investment. Boosting competitiveness and expanding the Indian manufacturing sector remains key to generation of semi-skilled employment thus bringing development closer to the people.

KPS/M/PD

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