



## Ministry of Finance released Monthly Economic Review, March 2023

### Department of Economic Affairs, Ministry of Finance released Monthly Economic Review of March 2023; Indian Economy: Growing with Stability

**Global Economic Prospects** - Global economic prospects continue to be uncertain and the latest developments in the financial markets, especially in the advanced economies, have added to this uncertainty.

**Trade** - Even within 2022, global trade volume weakened from the first to the second half. Consequently, India's merchandise exports declined in the last quarter of 2022 (Q3 of FY23). However, India's merchandise imports fell more sharply with the easing of international commodity prices.

**Current Account Deficit (CAD)** - India's current account deficit (CAD) from 3.7 percent of GDP in Q2 to 2.2 per cent in Q3 of FY23. Sustained growth in net services exports and a strong inflow of remittances by Indians employed overseas also contributed to the improvement of CAD.

**Capital Account Expenditure** - Fiscal parameters for the centre and the states in FY23 have been robust, as seen in solid revenue generation and improvement in the quality of expenditure. The improvement in expenditure quality is driven by significant capex by the centre and the rationalization of revenue expenditure.

**Inflation** - The sequential growth of CPI-core in March 2023 is the weakest since June 2022 and can be attributed to the beginning of the pass-through of declining WPI inflation in consumer goods prices. Inflationary expectations also appear to be anchoring, as witnessed in various surveys for households and businesses. Core inflation, however, in many major economies continues to be sticky, prompting faster than-expected policy rate hikes by central banks.

**India's Economic Outlook** - FY23 has been strong for India's economy despite the tailwind of the pandemic and the headwind of the geo-political conflict intertwining to escalate global economic uncertainty. The economy is estimated to grow at 7 per cent, higher than the trend rate and the growth of the other major economies. The Economic Survey 2022-23 and RBI also project the Indian economy to register a real GDP growth rate of 6.5 per cent in 2023-24. The

estimates are in line with the World Bank estimate of 6.3 percent and ADB estimate of 6.4 per cent for 2023-24.

The detailed document can be accessed through the following link:  
[https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20March%202023\\_0.pdf](https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20March%202023_0.pdf)

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Warm regards,

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