

## Macro Insights

1<sup>st</sup> January 2024

### Highlights:

### Fiscal deficit at 50.70% of BE by November 2023.

The government's fiscal deficit for the eight months ending November 2023 was at Rs. 9.07 trillion- amounting to 50.70% of the Budget Estimates. This was significantly lower than last year's achievement by this time.

- ☞ Capex rose to Rs. 5.86 trillion during April-November FY 2023-24-achieving 58.50% of the budgeted target- almost at par with the achievement during the same period last year.
- ☞ The government's outlay on account of major subsidies is also under control as compared to last fiscal. The outgo on food and urea subsidy was respectively 58% and 63% of the budget estimates this fiscal vis-à-vis 71% and 154%, respectively in the last fiscal.
- ☞ Nutrient based fertilizer subsidy, however, reached 100% of the budget estimates by the end of November 2023.

### Government of India Accounts (April-November 2023)

	Budget Estimates 2023-2024 (Rs. Crore)	Actuals April-November 2023 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	2632281	1720120	65.30%	64.60%
Net Tax Revenue	2330631	1435755	61.60%	63.30%
Non-Tax Revenue	301650	284365	94.30%	73.50%
Total Receipts	2716281	1745583	64.30%	64.10%
Revenue Expenditure	3502724	2066522	59.00%	62.50%
Capital Expenditure	1000373	585645	58.50%	59.60%
Total Expenditure	4503097	2652167	58.90%	61.90%
Fiscal Deficit	1786816	906584	50.70%	58.90%
Revenue Deficit	870443	346402	39.80%	57.80%
Primary Deficit	706845	298621	42.20%	60.10%

Source: CGA

**Views and Outlook:**

- Fiscal deficit up to November 2023 was arrested as tax revenue grew in double digits while the outlay on subsidies and other expenditure was in line with estimates.
- With this the fiscal deficit (that is met through borrowing) for the full fiscal year 2023-24 is expected to remain in line with the Rs.17.9 lakh crore of the budget estimates for 2023-24. The government targets to bring down the fiscal deficit to 5.9% of GDP in FY2024, from 6.4% in FY23.
- The primary deficit, which indicates the borrowing requirement of the government excluding the interest payments is also significantly reduced at approximately 42% of this year's budget estimates compared to almost 60% in the last fiscal- indicating progress towards fiscal health.

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