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A Comparative Report on the Growth Analysis of Indian Economy

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Abstract

Concerns have been expressed about the growing trend of protectionism in some countries and it is still clear how the situation will develop. In addition, the average price of crude oil in Indian scenario increased 14% in 2017-18 (mid-January 2018) compared to 2016-17. According to recent trends, average crude oil prices are around \$ 56- \$ 57 per barrel in the current fiscal year, and can raise 10-15% in 2018-19. Some of these factors could affect GDP growth next year. However, as global economic growth is expected to show modest improvement in 2018, expectations for growth in GST stability, recovery in investment levels and ongoing structural reforms are generally expected to improve as the country's economic performance improves in 2018-19 do.

INTRODUCTION

GDP is a very powerful measure of the country's economic health and reflects the total output of the country, so there are purchases of all goods and services produced in countries and individuals, companies, dominated by foreign and body. Almost all government and economic decision makers use it as an indicator of planning and policy formulation. If contracting, expansion, impulse or oppression is required, you can decide whether threats such as recession or inflation remain on the horizon.

GDP, like India, has grown at a faster pace in recent years. Participation rates in various fields have changed drastically in relation to the composition of GDP. The share of agriculture in total GDP has decreased. On the contrary, the proportion of GDP services is growing rapidly. As a result of these changes, while the Indian economy was generally regarded as the post-1991 economic reform of agricultural-based economic reforms, after the economic reform in 1991, the mainstream of services was 44.60%. Agriculture accounts for 17.39% of GDP and employs 47.20% of the population. Industry and industry account

for 25.75% of GDP and employ 35.70% of the population. They employ 24.70% of the population.

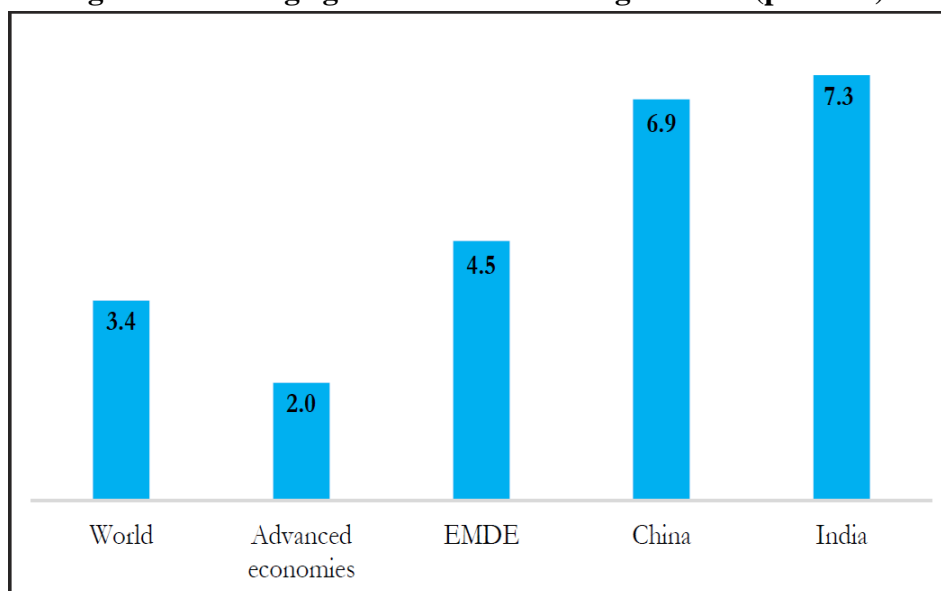
GDP growth in 2016-17 The Indian economy, which has surpassed 7% for the third consecutive year, is expected to decline to 6.5% in 2017-18. Published by CSO. According to recent development, it is now slightly lower than the 6.5% to 6.75% range. Despite the low growth rate of 2017-18, GDP growth is much more stable than the decline of the highest inflation in the world's major economies, an average of 7.3% from 2014 in 2017, the current account deficit is improving and the deficit rate and gross domestic product (GDP) Has decreased significantly. In addition to presenting the GST, we have seen important steps to address the problem of unproductive assets and the liberalization of FDI. After staying in the negative territory for two years, export growth recovered positively in 2016-17 and further strengthened in 2017-18. As of January 12, 2018, the cash value of foreign exchange reserves has increased to approximately \$ 414 billion.

Table 0.1 : Key Indicators

Data categories	Unit	2014-15	2015-16	2016-17	2017-18
GDP and Related Indicators					
GDP at constant market prices	` Crore	10536984	11381002	12189854	12985363
Growth Rate	%	7.5	8.0	7.1	6.5
GVA at constant basic prices	` Crore	9719023	10490514	11185440	11871321
Growth Rate	%	7.2	7.9	6.6	6.1
Gross Savings	% of GDP	33.1	32.3	na	na
Gross Capital Formation	% of GDP	34.4	33.3	na	na
Per Capita Net National Income (at current prices)	`	86454	94130	103219	111782
Production					
Food grains	Million tonnes	252.0	251.6	275.7	134.7
Index of Industrial Production (growth)	%	4.0	3.3	4.6	3.2
Electricity Generation (growth)	%	14.8	5.7	5.8	4.9
Prices					
WPI Inflation (average)	% change	1.2	-3.7	1.7	2.9
CPI (Combined) Inflation (average)	% change	5.9	4.9	4.5	3.3
External Sector					
Export Growth (US\$)	% change	-1.3	-15.5	5.2	12.1
Import Growth (US\$)	% change	-0.5	-15.0	0.9	21.8
Current Account Balance (CAB)/GDP	%	-1.3	-1.1	-0.7	-1.8
Foreign Exchange Reserves	US\$ Billion	341.6	360.2	370.0	409.4
Average Exchange Rate	` /US\$	61.14	65.46	67.07	64.49
Money and Credit					
Broad Money (M3) (annual)	% change	10.9	10.1	10.1	10.5
Scheduled Commercial Bank Credit (growth)	% change	9.0	10.9	8.2	9.3
Fiscal Indicators (Centre)					
Gross Fiscal Deficit	% of GDP	4.1	3.9	3.5	3.2
Revenue Deficit	% of GDP	2.9	2.5	2.1	1.9
Primary Deficit	% of GDP	0.9	0.7	0.4	0.1

With average GDP growth of 7.5% between 2014-15 and 2016-17, India can be considered one of the world's best performing economies. India's overall GDP growth is expected to be higher than most if the 4-year average is expected to rise 6.5% between 2017 and 18 and the 4-year average by 7.3%. The growth rate of the global economy is 4% And nearly 3% higher than the average growth achieved by EMDE (Figure 1).

Figure 1 : Average growth of GDP during 2014-17 (per cent)



Source: Based on IMF's World Economic Outlook Database (October 2017) According to the first prospect (1 AE) published by the Central Statistical Office (CSO), the growth rate of GVA at a constant base price is estimated at 6.1% between 2,017 and 2,018. It is expected to increase by 6.6% in 2016-17. This is 'agriculture'. The growth rate for the 'Union' and 'Sector' divisions will be 2.1% and 4.4%, respectively. The service sector is expected to grow 8.3% in 2017-18 compared to 7.7% in 2016-17. In the service sector, growth in this sector is expected to decline in "Public administration, defense and other services" 2017-18 (Table 1).

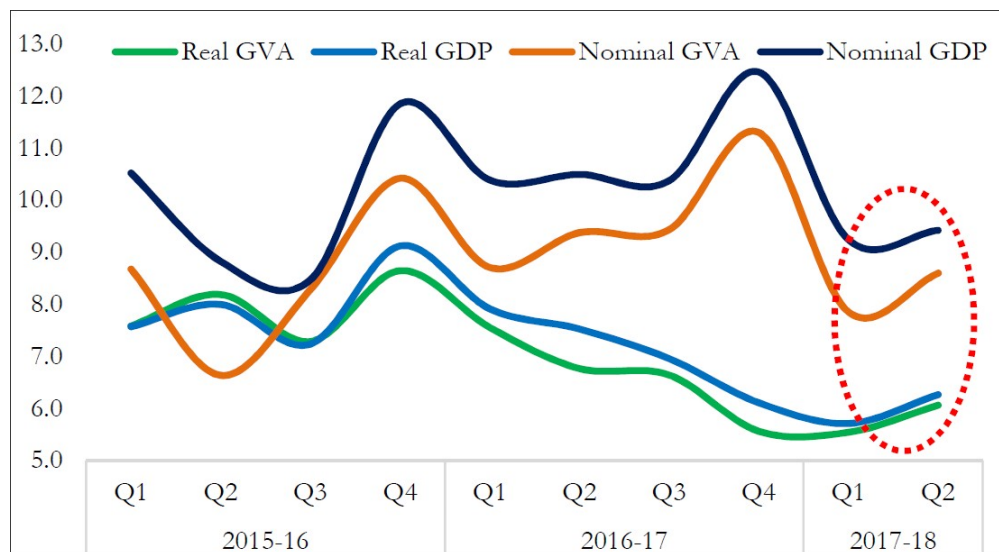
2012-13 GDP growth steadily improved over the three-year period from 5.5%, peaking at 2,015 to 2,016 (Q4, 9.1% increase in GVA from 4T2015). 16). However, the first quarter of 2016-17 (P1) slowed down. GDP and GVA growth rates in the fourth quarter of 2016-17 fell to 6.1% and 5.6%, respectively. GDP growth fell to 5.7% in the first quarter of 2017-18. Growth rate increased to 6.3%, but in the second quarter of 2017-18 (Q2), we saw a drop in GDP growth. The nominal GDP and GVA growth rates increased to 9.4% and 8.6% in 2017 and February, respectively (Figure 2).

Table 1 : Annual real GVA and GDP growth (per cent)

GVA at basic prices from	2014-15	2015-16	2016-17	2017-18 (1st AE)
Agriculture, forestry & fishing	-0.2	0.7	4.9	2.1
Industry	7.5	8.8	5.6	4.4
Mining & quarrying	11.7	10.5	1.8	2.9
Manufacturing	8.3	10.8	7.9	4.6
Electricity, gas, water supply & other utility services	7.1	5.0	7.2	7.5
Construction	4.7	5.0	1.7	3.6
Services	9.7	9.7	7.7	8.3
Trade, Hotel, Transport, Storage, communication & services related to broadcasting	9.0	10.5	7.8	8.7
Financial, real estate & professional services	11.1	10.8	5.7	7.3
Public administration, defence & other services	8.1	6.9	11.3	9.4
GVA at basic prices	7.2	7.9	6.6	6.1
GDP at market prices	7.5	8.0	7.1	6.5

Source: Based on data from CSO

Figure 2 : Quarterly growth in GDP and GVA (per cent)



Source: Central Statistics Office (CSO)

According to the first AE, real GDP growth is expected to increase by 6.5% from 2017 to 1818 and by 6.1% from basic VAB. Gross domestic product (GDP) and VAB growth rates were 6.0% and 5.8%, respectively, and the implied growth rate (H2) for the first half was 7.0% and 6.4%, respectively, indicating the economic recovery started in the second quarter of 2017-2018. The index is expected to increase more rapidly in the second half of 2017 than in the first half of 2017-18.

In recent years, the gap between real GDP growth and nominal GDP growth has narrowed considerably. Real GDP growth averaged 6.4% between 2012-13 and 2014-15, but the nominal growth rate was 12.5% during this period. On the other hand, the real GDP and nominal GDP growth rates for the period from 2015 to 2016 and 2017 to 2018 are 7.2% and 10.1%, respectively. This is better than the beginning of the previous period. Given that inflation over the previous period (especially 2012-13 and 2013-14) is significantly higher than the last period, this is not surprising.

Nominal GDP growth in 2016-17 is expected to be 11% in 2017-18, low growth and low demand, and 9.5% in 2017-18. NVA's two-year nominal growth rate is estimated at 9.7% and 9.0%, respectively. The gap between GVA and nominal GDP growth has also increased in recent years. This implies an increase in indirect overhead of GDP.

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