



THE PERFORMANCE OF INDIA'S ECONOMIC GROWTH IN THE WORLD FROM THE LAST TEN YEARS: AN ANALYSIS

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Abstract: *India's economy is expected to grow the fastest, at 6.7%, in 2022, followed by China even though its growth will be faster in 2021, the United Nations Conference on Trade and Development (UNCTAD) said. As per the report, India, which experienced a contraction of 7% in 2020, showed a strong quarterly growth of 1.9% growth in the first quarter 2021, government supported to spending in goods and services and on the back of the momentum of the second half of 2020. It was observed that a broadly and severe unanticipated second wave of the pandemic, compounded by bottlenecks in the vaccine roll out, drastically hit the country in the second quarter, on top of rising food and general price inflation, forcing widespread lockdowns and drastic consumption and investment adjustments which pushed down the economic growth negatively. the According to Geneva-based organization "Income and wealth inequalities have widened, and social unrest has increased," .*

Key words: *growth, pandemic, price, inequality*

1. INTRODUCTION

The Indian economic growth went to negative during pandemic, according to the provisional estimates of GDP released on May 31, 2022; this was fully recovered to the pre-pandemic real GDP level of 2019-20. Real GDP of India's growth in 2021-22 stands at 8.7 per cent, which is 1.5% higher than the real GDP in financial year 2019-20. All the figures are connected with stronger growth momentum, which is indicating increased economic demand. The rate of investment in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, efficiency and capacity utilization in the manufacturing sector rose in the fourth quarter, as compared to the third quarter, implying a lot of improvement in aggregate demand, which is consistent with the growth objectives of the Indian economy.

India has emerged as the fastest-growing major economy in the world and expected to be one of the top three economic powers globally over the next 10-15 years backed by its robust democracy and strong partnerships.

The GDP growth rate in India reflects the variation in the adjusted value of goods as well as services and which has generated through the country's economy during a period. India has become one of the strongest economies in the world which has been on a move towards both upward and downward directions as India's GDP growth rate is concerned as for pre and post-pandemic in the past years. In the same way, the service sector has been the most significant improvement and fastest expanding sector of the Indian economy in the mentioned period.

The numbers of various sectors in the country especially finance and insurance, real estate, trade, hotels, transportation, and communication etc. account for more than 60 per cent of GDP. Meanwhile, other sectors like agriculture, forestry and fisheries account for around 12 per cent of total output but the employment rate in these sectors accounts for more than 50 per cent of the working force. Manufacturing sector contributes to about 15 per cent of GDP, construction around 8 per cent and mining, quarrying, power, gas, and water delivery for the remaining 5 per cent.

During April-June quarter in the current financial year 2022-23, India's GDP figures have increased by double digits but lately have fallen short of experts' expectations. According to the National Statistical Office estimated recently, India's GDP increased by 13.5% as of the current quarter and India's GDP increases by 20.1 per cent in the previous fiscal years in the same period. The manufacturing sector increased at 4.8 percent in April-June as compared to 49 percent in the last financial year of 2021-22, meanwhile the mining industry grew at 6.5 percent as compared to 18 percent in that year.

However, the central government's budget deficit has reached to about 20.5 percent of the annual objective at the end of July 2022-23, that is straight up from 21.3 percent the previous year, indicating improved public financing. Furthermore, during the April-July period of this fiscal year as financing is concerned, the fiscal deficit i.e. the gap between expenditure and revenue was about Rs. 3,40,831 crore. Therefore a fiscal deficit is a reflection of the government's market borrowings and has a major impact on the GDP growth rate of a country.

2. OBJECTIVES OF THE STUDY

- To analyze the economic growth and comparison of the Indian economic performance among SAARC membered countries
- To examine emerge of Indian economy as fastest growing nation in the World economy.

3. METHODOLOGY

The data for the study has been collected only from secondary sources to analyze the research paper. Content Analysis Method, which is commonly known as the review and opinions of different heads and organizations, has been followed in the preparation of this article. These secondary types of data were collected from various published sources such as published articles and government reports, economic survey, reports of IMF, World Bank, Trade and Development, OECD and relevant books, journals and internet sources are utilized in order to make this study informative and meaningful. Though the present study concentrates on the state as a whole, the focus will be on the performance Indian economy from last ten years.

4. DISCUSSION

In its Trade and Development Report 2021, UNCTAD said that India's economy is expected to grow 7.2% in 2021, the second highest in the world after China but the growth will slow down to 6.7% in 2022. "Given the inherent fragilities in coping with the pandemic and restoring employment and incomes, growth in 2021 as a whole is estimated at 7.2%, insufficient to regain the pre-Covid-19 income level," UNCTAD said.

As per the report, India was experienced a contraction of 7% in 2020 which showed a strong quarterly growth of 1.9% growth in the first quarter 2021 and supported by government spending in goods and services. It noted that a severe and broadly unanticipated second wave of the pandemic, compounded by bottlenecks in the vaccine roll out, hit the country in the second quarter, particularly on rising food inflation and general price, forcing widespread lockdowns and drastic consumption and investment adjustments. According to the Geneva-based organization "Income and wealth inequalities have widened and social unrest has increased".

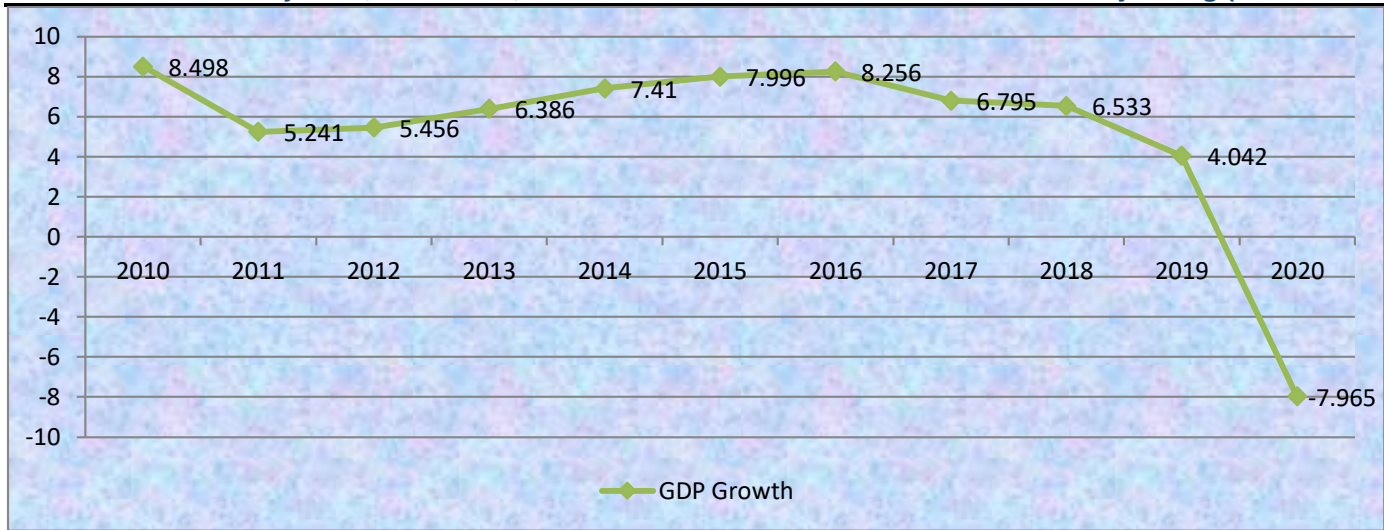
India's real GDP growth was at peak in March 2010 when it scaled 13.3% whereas the nominal GDP at that point was over 16.1%. In the same way the nominal GDP in the month of September 2019 was at 6.3% it is lowest in the decade. Since then, the decreasing trend is evident and still the economy is scraping the bottom at about a rate of growth of real GDP of 4.5%, this too with the push of an arguably inflationary phenomenon.

Table-1: GDP Annual Growth in India (in percentage)

Year	GDP	Growth Rate
2010	8.498	0
2011	5.241	-3.257
2012	5.456	0.215
2013	6.386	0.93
2014	7.41	1.024
2015	7.996	0.586
2016	8.256	0.26
2017	6.795	-1.461
2018	6.533	-0.262
2019	4.042	-2.491
2020	-7.965	-12.007

Source: World Bank national accounts data, and OECD National Accounts data files.

Graph-1: GDP Annual Growth in India (in percentage)



The above table and graph showed GDP and growth rate of Indian economy from 2010 to 2020. According to the data there was a largest economic growth during 2010-11 which is 8.498 per cent. Immediate next year there was sudden decline in overall economic growth. Till 2016 the rate of growth has been increased and recovered to 8.256. But in 2019-20 due to pandemic situation whole world suffered lot and the overall economic growth of the nation was reached negative. Later on, it came out from the severe problem of this COVID-19 and became the 5th largest economy in the world.

Table-2: Economic Growth Rate of SAARC Membered Countries (in per cent)

Year	Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
2010	14.362	5.572	11.946	8.498	7.265	4.816	1.607	8.016
2011	0.426	6.464	7.983	5.241	8.567	3.422	2.748	8.405
2012	12.752	6.521	5.118	5.456	2.517	4.438	3.507	9.145
2013	5.601	6.014	2.12	6.386	7.281	3.525	4.396	3.396
2014	2.725	6.061	5.776	7.41	7.33	6.011	4.675	4.961
2015	1.451	6.553	6.642	7.996	2.885	3.976	4.731	5.008
2016	2.26	7.113	8.127	8.256	6.338	0.433	5.527	4.487
2017	2.647	7.284	4.652	6.795	7.21	8.977	5.554	3.578
2018	1.189	7.864	3.055	6.533	8.129	7.622	5.836	3.272
2019	3.912	8.153	5.465	4.042	6.987	6.657	0.989	2.255
2020	-1.935	2.376	-6.772	-7.965	-31.982	-2.088	0.526	-3.569

Source: IMF World Economic Outlook, October 2019.

The above table shows the rate of economic growth of SAARC membered nations from 2010 to 2020. When it is compared with those nations, there is a huge difference among these in overall economic growth. These nations have highest economic growth during the particular year especially Afghanistan in 2012, Bangladesh in 2010, Bhutan in 2016, India in 2010, Maldives in 2011, Nepal in 2017, Pakistan in 2018 and Sri Lanka in 2012 these high economic growth is compared with their own in different year from 2010 to 2020. But in 2020 all SAARC membered nations' economic growth was very less due to pandemic in the world economy.

Table-3: Share of GDP in Current Prices and GDP Per Capita in US Dollar

Sl. No.	2010	2020	Total GDP (USD, Trillion)	GDP Per capita (USD)	Share of World GDP (%)
1	United States	United States	19.5	29,939	24.08
2	China	China	12.2	8,612	15.12
3	Japan	Japan	4.9	38,214	6.02
4	Germany	Germany	3.7	44,680	4.56
5	France	India	2.7	1,980	3.28
6	United Kingdom	United Kingdom	2.6	39,532	3.26
7	Brazil	France	2.6	39,827	3.19
8	Italy	Brazil	2.1	9,881	2.54

9	India	Italy	1.6	32,038	2.40
10	Russia	Canada	1.6	44,841	2.04

Source: IMF World Economic Outlook, October 2019.

The above table reveals the top ten world's largest economies and their total GDP, GDP per capita and share of world GDP and its comparison of changing scenario of all these nations from 2010 to 2020. The first top four countries namely United State, China, Japan and Germany have sustained their position at the top level and in the GDP and share of World GDP. India is the 5th largest economy which is shifted from 9th place which is giving share of 3.28 per cent. United Kingdom is remained the same in 6th place. France, Brazil and Italy are shifted down to 7th, 8th and 9th place from the 5th, 7th and 8th place respectively. Russia shifted down to 11th place but Canada is shifted up to 10th place. Therefore, at present there are the top ten largest economies in the world. As per the records recently as 2010, India was in 9th place, trailing countries such as Brazil and Italy now it is jumped to 5th place. India's rise is even more dramatic across the past 25 years and since 1995, the country's nominal GDP has jumped more than 700%.

Table-4: World's Largest Economies' Growth Rate (in Per cent)

Year	United States	China	Japan	Germany	India	United Kingdom	World
2010	2.564	10.636	4.192	4.18	8.498	2.074	4.13
2011	1.551	9.551	-0.115	3.925	5.241	1.276	3.127
2012	2.25	7.864	1.495	0.418	5.456	1.43	2.52
2013	1.842	7.766	2	0.438	6.386	2.186	2.672
2014	2.526	7.426	0.375	2.21	7.41	2.863	2.874
2015	3.076	7.041	1.223	1.492	7.996	2.363	2.919
2016	1.711	6.849	0.522	2.23	8.256	1.722	2.606
2017	2.333	6.947	2.168	2.602	6.795	1.74	3.281
2018	2.996	6.75	0.323	1.268	6.533	1.253	3.034
2019	2.161	5.95	0.27	0.555	4.042	1.371	2.336
2020	-3.486	2.3	00	-4.897	-7.965	-9.79	-3.593

SOURCE: IMF WORLD ECONOMIC OUTLOOK, OCTOBER 2019.

The above table shows only top 6 largest economies' performance as well as growth and world economic growth rate from 2010 to 2020. US is the largest economy in the world which is based on the contribution given for the world GDP followed by China, Japan, Germany took next places. India has become 5th largest economy which is giving 3.28 per cent of contribution to the world and this has mentioned in the previous table. UK is the 6th largest economy. With the consideration of contribution all the countries the world GDP is measured that has mentioned in the above table.

India's GDP growth has been among the highest in the world from last decade. It is regularly achieving annual growth rate of between 6-7%. This rapid rise has been fueled by a number of factors including urbanization and technologies that have improved efficiency and productivity.

5. CHALLENGES AHEAD

- Despite India is being a strong economic growth country, still it faces its share of challenges. According to the World Bank 'access to development and new opportunities has been uneven'.
- Furthermore, the country remains home to one quarter of the world's poor existed. According to the UN 'just 39 per cent of its rural residents can access sanitation facilities and nearly half the total population still defecate in the open'.
- Still, significant progress has been made for the country and Poverty reduction rates are among the highest in the world with more than 160 million fewer people living in extreme poverty.
- The employment policies are required to overcome huge unemployment of the country. The unemployment rate in India increased to 8.30 per cent from 6.80 per cent in 2022 (source: Centre for monitoring Indian Economy).
- Other significant challenges of Indian economy are inequality and corruption.

6. CONCLUSION

The Indian economy has grown strongly over the past 10 years. It has been opened up to foreign trade and inflows of foreign direct investment have increased significantly, its labour force is growing relatively quickly and is expected to continue growing over the coming decades, and the rate of investment has increased considerably. Partly as a result of these developments, prospects for growth over coming years have improved noticeably, although significant challenges lie ahead, particularly in providing the necessary infrastructure to support the expansion of the private sector and increasing urbanization. Strong growth in India is also likely to see a deepening of the bilateral trade relationship between Australia and India.

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