

## **A STUDY OF INDIAN ECONOMY-A FASTEST GROWING ECONOMY**

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### **Abstract:**

This paper describes in brief the India's fastest growing economy aspects and its future. India today is having largest population and large no of youngest population in world.

In mid1985 India was amongst 10 largest economies globally and by 2022 it is in top five economies and with vast potential it will be listed in top 3 economies globally.

The Robust GDP growth rate is one of the main causes of this exponential growth.

In 2022 global economy grew by almost 3 %, USA by 2.1%, China 3% and India grew by 7%, as of the biggest figure in world growing economies. GDP worlds grow globally 3 %.

The nation has advanced significantly in the last ten years to become a major player in the world economy, moving up from the fragile five to the first five. Indian economy is an agriculture economy, were nearly 70% people work in agriculture. Environmental elements like the pattern of rainfall, among others, are crucial to the agricultural industry. The make in India campaign is to make India a leader in commerce and trade apart from the self-sufficient in its own requirement of technology and commodity.

**Key words:** Gross Domestic Product, Agriculture, Make in India, Economy, UN- Economic and social affairs,

### **Introduction:**

The youngest population as an advantage in this growth, as other industrialized nation deal with the challenge of aging population India has a unique advantage of young population. India has overtaken China as the most populas country, it now has a population of 1,425 billion that is projected to grow to 1,700 billion by 2060. The biggest demographic is the young population, a large well-educated population. The UNs Department of Economic and Social Affairs in report said that India will continue to outshine peers in 2024 to grow 6.2%. In report World Economic Situations and Prospects 2024 says that India GDP projected growth rate is 6.2% whereas global economy is expecting to slow down from 2.7% - 2.4%. This revised rate is much lower than the recorded growth rate before the pandemic. But when the world around India is going down how is India growing continually going forward on economic front. Factors responsible for India's exponential growth rate is increasing domestic demand, strong manufacturing, and service sectors. Service sector which is fasting growing and contributes 50% of India's GDP. This growth in service sector is backed by the growth in manufacturing sectors, the Make in India initiatives has helped in growing, developing, and shaping the economy as powerful amongst all.

India's economy experienced a wild ride. In the 2013 fiscal year, the current account deficit (CAD) was 4.7% of GDP (it increased to 6.1% of GDP in one quarter), while the foreign exchange reserve stood at approximately US\$292 billion. Inflation stood at 10%, and the fiscal deficit was around 4.5%. Investors fled the capital markets in droves, alarmed by the deteriorating economic fundamentals. As a result, the rupee fell sharply against the US dollar in 2013, losing more than 20% of its value.

Ten years later, the US Federal Reserve's policy rates are at 4.5%, and the price of oil is averaging US\$85 a barrel. But that's where the similarities end. India's foreign exchange reserves have nearly doubled to US\$568 billion, while the country's CAD has shrunk to 1.9% of GDP in fiscal 2023 (and is predicted to decline even more in the upcoming fiscal). The current rate of inflation is 5%, and in the fiscal year 2024, the goal deficit is 5.9% of GDP.

Between 2014 and 2019, the digital economy in India grew at a rate that was 2.4 times quicker, creating over 62.4 million employments.

India began developing newer, more sophisticated goods and solutions for its sizable consumer market as its expertise and capacities increased, serving as not just a testing ground but also soon presented opportunities to scale up. Through the construction of the necessary infrastructure and the maintenance of security and responsiveness, government policy and initiatives also encouraged innovation.

### Literature review:

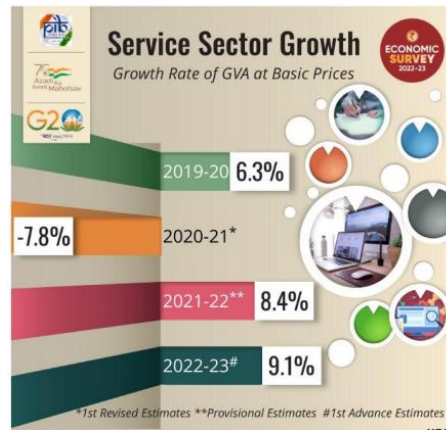
Indian economy is an agriculture economy, were nearly 70% people work in agriculture. Environmental elements like the pattern of rainfall, among others, are crucial to the agricultural industry. Given that the agricultural industry still uses many processes that date back many decades, it is not always in need of highly skilled workers. This industry is likewise incredibly unreliable when it deals with calculation of the revenue generated. The level of competition varies greatly based on the rate of demand for the goods. Sometimes a single crop has been produced in such an enormous quantity that the selling rate of that quantity drops significantly, and it often happens that some specific quantity has not been produced in sufficient quantity.

In a developing economy like India, there is need of the inclusive growth to include the people from all the section and make them empowered. The premise of an inclusive growth strategy is that people from all sectors can contribute to the process of growth. This entails creating policies that include people who are typically excluded as well as providing a range of services and provisions to all sectors, including those who have previously been excluded. Certain regions have continued to lag behind. Although almost every Indian section has advanced in absolute terms, each section's experience of growth has been very different. The make in India campaign is to make India a leader in commerce and trade apart from the self-sufficient in its own requirement of technology and commodity.

Indian economy is agrarian economy and approximately 70 percentage of the population have been employed. But revenue generation from agriculture is not as much high as the services industry. Basically, All the revenue generation activities have divided in to three segments as Agriculture, Industry, Services. The maximum people employed in agriculture and minimum people got their living by working in services sectors. But the services sector is responsible for the maximum contribution in the GDP.

In contrast with the American economy, in America, only 2% of people are working in agriculture and more than 70% are engaged in the service sector. As a result, it is clear that American economy is produced and that people in this sector make far more than those in agriculture because the majority of people are connected to the service sectors. This contrast makes it clear that the service-based economy can employ all its population and have a robust GDP, stronger purchasing power parity, and greater access to technology.





The Economic Survey emphasizes how the government's aforementioned revolutionary measures had delayed growth returns because of brief economic shocks. Nonetheless, the current decade offers confidence that the Indian economy would grow more quickly in the next 10 years.

Promoting the private sector in the development. The Survey notes that a fundamental principle behind the government's policy in the post 2014 period has been the engagement with the private sector as an associate in the process of growth. Thus, the New Public Sector Enterprise Policy for Aatmanirbhar Bharat is to achieve greater efficiency advantages by limiting the government's involvement in PSEs to a small number of key industries. Under the Make in India and Aatmanirbhar Bharat programs, significant steps have been taken to improve India's manufacturing capacity and exports across all industries. In order to reduce logistics costs and bring them into line with those of other industrialized nations, the National Logistics Policy (2022) has been introduced. It aims to establish a comprehensive logistics ecosystem. Liberalization of FDI policy has resulted in a visible structural shift in the gross FDI flows to India during the last decade. Business opportunities in the economy have increased since the private sector was allowed access to key industries including space, mining, and defense. A crucial component of industrial strategy in recent years has also been reforms aimed at resolving the structural issues MSMEs face. Increasing agricultural productivity: According to the Economic Survey, Over the past six years, the industry has grown at an average annual growth rate of 4.6% . This growth can be attributed in part to years with good monsoons and in part to the various changes the government has implemented to increase agricultural production. Numerous agricultural infrastructure projects have received funding from the Agri Infrastructure Fund (AIF). Only the transportation of perishable Agri-Horti commodities is served by Kisan Rail. The survey indicates that all of these actions are intended to maintain agricultural productivity development and its medium-term contribution to overall economic growth.

Conclusion: The India economy is therefore well-positioned to thrive at its potential in the ensuing 10 years once the health and economic shocks of the pandemic and the surge in commodity prices pass off. This is demonstrated by the double-digit rise in bank credit over the previous few months. This is the main cause for optimism that India's growth prospects will improve compared to years before pandemic.

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Make In India: A Literature Review

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