

Indian Economy at Glance

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

CURRENT STATE OF THE ECONOMY

- ⑩ Following a contraction of 7.3% in 2020-21, the Indian economy is expected to grow by 9.2% in real terms in 2021-22 (according to initial advanced projections).
- ⑩ GDP is expected to grow in real terms by 8-8.5% in 2022-23.
- ⑩ The coming year is expected to see an increase in private sector investment with the financial system in strong shape to support the country's economic recovery.
- ⑩ The projection is equivalent to the World Bank's and Asian Development Bank's recent predictions of 8.7% and 7.5% real GDP growth for 2022-23, respectively.
- ⑩ According to the IMF's latest World Economic Outlook projections, India's real GDP will grow at 9% in 2021-22 and 2022-23, and 7.1% in 2023-2024, making it the world's fastest growing major economy for all three years.
- ⑩ In 2021-22, agriculture and allied industries are predicted to grow by 3.9%, industry by 11.8%, and services by 8.2%.
- ⑩ In 2021-22, demand for consumption is expected to increase by 7.0%, Gross Fixed Capital Formation (GFCF) by 15%, exports by 16.5%, and imports by 29.4%.
- ⑩ Indicators of macroeconomic stability imply that the Indian economy is well positioned to meet the challenges of 2022-23.
- ⑩ In 2022-23, a combination of large foreign exchange reserves, continued foreign direct investment, and expanding export revenues will provide an effective cushion against a potential global liquidity withdrawal.
- ⑩ The "second wave's" economic effect was significantly less than the full lockdown in 2020-21, but the health consequences were far more severe.
- ⑩ The Indian government's unique reaction included safety-nets to soften the impact on vulnerable sectors of society and the business sector, a major increase in capital investment to promote growth, and supply-side reforms to ensure long-term expansion.
- ⑩ In a climate of severe unpredictability, the government's flexible and multi-layered reaction is based in part of an "Agile" framework that employs feedback loops and the usage of 80 High Frequency Indicators (HFIs).
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- ⑩ **India – A Snapshot:** <https://www.ibef.org/economy/indiasnapshot/about-india-at-a-glance>

- ⑩ **Indian Economic News:** <https://www.ibef.org/indian-economy-news.aspx>
- ⑩ **Economic Survey:** <https://www.indiabudget.gov.in/economicsurvey/>
- ⑩ **Union Budget (2021-2022):** <https://www.indiabudget.gov.in/>