

Changing Economic Environment of Business in India – Emerging Trends

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Introduction:

The Indian economy is characterised as a middle income developing market economy. It is the world's sixth-largest economy by nominal GDP and the third-largest in terms of purchasing power parity (PPP). International Monetary Fund (IMF), On a per capita income basis, India ranked 138th by GDP (nominal) and 122th by GDP (PPP) in 2020.(International Monetary Fund). According to the International Monetary Fund (IMF), on a per capita income basis, India ranked 138th by GDP (nominal) and 122th by GDP (PPP) in 2020. Since in the beginning of the 21st century, annual average GDP growth has been increased from 6% to 7%, further from 2014 to 2018, India was the world's fastest growing largest economies from Asia, surpassing even China.

Review of literature:

- 1) Victor H. Mlambo University of Zululand, South Africa, Nonoxlo Nomfundo Khuzwayo University of Zululand, South Africa made study on COVID-19, Food Insecurity and a Government Response: Reflections from South Africa
- 2) M. Idris Sihite University of Indonesia, Muhammad Mustofa University of Indonesia conducted study on Asset recovery policy strategy of corruption proceeds placed abroad within the perspective of the state as a victim.
- 3) Edwin Kalengkongan, Wilson Bogar, Marthinus Mandagi made study on Implementation of Regional Regulation Number 7 of 2017 Concerning Public Order, Especially Social Order by the Civil Service Unit of the City of Tomohon.
- 4) Hasbullah mae study on The Regional Impact of Land-use Change: Social, Economic and Political Environment in Central Sulawesi Indonesia

There has been plethora of studies made by individual scholars and Research institutions related to the business environment in India. But none of the studies focused in systematic and scientific way in detail about the business environment in Indian economy.

Research Methodology:

Major objective of the study is to examine the economic environment of business of Indian Economy.

Specific objectives of the study are as follows:

- To examine the Impact of COVID-19 pandemic on the performance of Indian economy.
- To study the performance of agricultural sector, industrial sector and service sector in the post covid era in Indian economy.
- To study the growth rate of GDP in Indian economy.

Nature and Source of data:

The study made with the help of secondary data and information obtained through journals, reports, periodicals and internet.

Analysis of the Results:

In 2020, India's ten largest trading partners were the United States, China, UAE, Saudi Arabia, Switzerland, Germany, Hong Kong, Indonesia, South Korea, and Malaysia. In 2019–20, the foreign direct investment (FDI) in India was \$74.4 billion with the service sector, computer, and telecom industry remains leading sectors for FDI inflows. India has free trade agreements with several nations, including ASEAN, SAFTA, Mercosur, South Korea, Japan, and several others which are in effect or under negotiating stage. India is the world's sixth-largest manufacturer, representing 3% of global manufacturing output, and employs over 57 million people. Nearly 66% of India's population is rural, and contributes about 50% of India's GDP. It has the world's fourth-largest foreign-exchange reserves worth \$585 billion. India has a high public debt with 89% of GDP, while its fiscal deficit stood at 9.5% of GDP. India's gross domestic savings rate stood at 30.1% of GDP in FY 2019.



India is ranked 63rd out of 190 countries in the World Bank's 2020 ease of doing business index, up 14 points from the last year's 100 and up 37 points in just two years.

Impact of COVID-19 pandemic (2020)

During the COVID-19 pandemic, numerous rating agencies downgraded India's GDP predictions for FY21 to negative figures, signalling a recession in India, the most severe since 1979. The country is likely to suffer a recession in the third quarter of FY2020 as a result of the over 2-month long nationwide lockdown imposed to curb the spread of COVID-19. (Dun & Bradstreet report),

The following table shows the annual growth in nominal GSDP for the financial years 2011–12 to 2020–21, from the Ministry of Statistics and Programme Implementation.^{[8][9]} Revised data for the past years differ from the tables below.^[3] Figures are in crores (units of 10 million) of Indian rupees at current prices.^[1] No data was available for the union territories of Dadra and Nagar Haveli, Daman and Diu and Lakshadweep.

Table 1

State/union territory	2011–12 in ₹ crore	2012–13 in ₹ crore	2013–14 in ₹ crore	2014–15 in ₹ crore	2015–16 in ₹ crore	2016–17 in ₹ crore	2017–18 in ₹ crore	2018–19 in ₹ crore	2019–20 in ₹ crore	2020–21 in ₹ crore
India	87,36,039	99,46,636	1,12,36,635	1,24,33,749	1,36,75,331	1,52,51,028	1,70,95,005	1,90,10,164	–	–
<u>Andhra Pradesh</u>	3,79,402	4,11,404	4,64,272	5,24,976	6,04,229	6,97,508	8,09,547	9,33,402	10,80,657	–
<u>Arunachal Pradesh</u>	11,063	12,547	14,581	17,959	18,509	19,627	22,045	–	–	–
<u>Assam</u>	1,43,175	1,56,864	1,77,745	1,95,723	2,27,959	2,54,478	2,88,494	–	3,74,096	–
<u>Bihar</u>	2,47,144	2,82,368	3,17,101	3,42,951	3,71,602	4,22,316	4,84,740	5,57,490	5,72,827	–
<u>Chhattisgarh</u>	1,58,074	1,77,511	2,06,833	2,21,118	2,27,383	2,54,722	2,84,194	3,11,660	3,63,900	–
<u>Goa</u>	42,367	38,120	35,921	47,814	55,054	63,460	70,493	77,172	–	–
<u>Gujarat</u>	6,15,606	7,24,495	8,07,623	9,21,773	10,29,010	11,53,327	13,14,680	14,99,013	17,01,495	17,78,000
<u>Haryana</u>	2,97,539	3,47,032	3,99,268	4,37,145	4,95,249	5,56,325	6,26,054	7,07,126	7,84,910	–
<u>Himachal Pradesh</u>	72,720	82,820	94,764	1,03,772	1,14,239	1,25,634	1,40,613	1,53,181	1,68,972	–
<u>Jammu and Kashmir</u>	78,256	87,138	95,619	98,370	1,17,168	1,25,379	1,38,488	–	–	–
<u>Jharkhand</u>	1,50,918	1,74,724	1,88,567	2,18,525	2,06,613	2,36,250	2,76,243	3,07,581	3,29,726	3,83,233
<u>Karnataka</u>	6,06,048	6,95,413	8,16,666	9,13,923	10,45,168	12,09,136	13,50,257	15,35,224	15,88,303	18,03,987
<u>Kerala</u>	3,64,048	4,12,313	4,65,041	5,12,564	5,61,994	6,34,871	7,00,532	8,75,514	–	–
<u>Madhya Pradesh</u>	3,15,562	3,80,925	4,39,483	4,79,939	5,41,189	6,48,849	7,28,242	8,09,327	9,62,430	–
<u>Maharashtra</u>	12,80,369	14,59,629	16,49,647	17,79,138	19,66,147	21,88,532	24,11,600	26,56,551	29,79,556	30,79,086
<u>Manipur</u>	12,915	13,743	16,182	18,129	19,531	21,294	23,968	–	–	–
<u>Meghalaya</u>	19,918	21,872	22,938	23,235	25,117	27,439	30,790	–	–	–

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<u>Mizoram</u>	7,259	8,362	10,293	13,509	15,139	17,192	19,457	–	–	–
<u>Nagaland</u>	12,177	14,121	16,612	18,401	19,524	21,722	24,281	–	–	–
<u>Odisha</u>	2,30,987	2,61,700	2,96,475	3,14,250	3,28,550	3,93,808	4,36,374	4,85,376	5,40,812	–
<u>Punjab</u>	2,66,628	2,97,734	3,32,147	3,55,102	3,90,087	4,26,988	4,79,141	5,21,861	5,77,829	–
<u>Rajasthan</u>	4,34,837	4,93,551	5,61,031	6,15,642	6,81,485	7,58,809	8,35,558	9,29,124	–	–
<u>Sikkim</u>	11,165	12,338	13,862	15,407	18,034	20,687	23,495	26,786	–	–
<u>Tamil Nadu</u>	7,51,486	8,54,825	9,68,530	10,72,678	11,76,500	13,02,639	14,61,841	16,64,159	18,54,239	21,24,000
<u>Telangana</u>	3,59,434	4,01,594	4,51,580	5,05,849	5,77,902	6,59,033	7,53,811	8,65,688	9,69,604	–
<u>Tripura</u>	19,208	21,663	25,593	29,533	35,938	39,612	46,133	–	–	–
<u>Uttar Pradesh</u>	7,24,050	8,22,393	9,40,356	10,11,790	11,37,210	12,48,374	13,76,324	15,42,432	17,91,000	19,48,000
<u>Uttarakhand</u>	1,15,328	1,31,613	1,49,074	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895	2,63,233	–
<u>West Bengal</u>	5,20,485	5,91,464	6,76,848	7,18,082	7,97,300	8,72,527	9,99,585	11,77,586	13,14,529	–
<u>Andaman and Nicobar Islands</u>	3,978	4,421	5,023	5,477	6,032	6,836	7,871	–	–	–
<u>Chandigarh</u>	18,768	21,609	24,822	26,549	29,280	32,741	38,806	–	–	–
<u>Delhi</u>	3,43,798	3,91,388	4,43,960	4,94,803	5,50,804	6,15,605	6,90,098	7,79,652	–	–
<u>Puducherry</u>	16,818	18,875	21,870	22,574	26,617	29,573	32,962	36,656	–	–

Conclusion:

I hope vaccination for corona virus definitely has its favourable impact, influence in promoting the performance of GDP and sectoral performance and overall growth rate of the Indian Economy.

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