



A Study on Sectorial Contribution of GDP in India from 2010 to 2019

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

Aims: The GDP growth of Indian Economy had touched the six year low in the first financial quarter of April-June 2020. It touched 5.8% growth in January-March, although in nominal terms India's GDP grew by 7.99% which is also lowest. This paper aimed at studying the impact on key sectors bearing the brunt of Indian Economy slowdown is Agriculture, Automobile, Real Estate, and FMCG among others.

Study Design: Secondary data is used for the present study. The dependent variable in the study is GDP components and sectors are considered independent variables.

Place and Duration of Study: The data has been collected for the period 2015 to 2019. Data is related to contribution of sectors to Indian GDP is considered.

Methodology: GDP is measured by a number of components but in this study only Agriculture, Manufacturing, Construction, Mining, Public Administration and Utilities sectors, were selected as major components for the period selected for the study. Correlation and Multiple regressions have been used to analyze the collected data.

Results: Coefficient of agriculture parameter tells dependability of agriculture sector on GDP. Simultaneously manufacturing, public administration and utilities have positively dependability on GDP. Whereas mining sector that tells about no dependability of mining sector on GDP.

Conclusion: There is a significant relationship between correlation values of agriculture, construction, manufacturing, mining, public administration and utilities with GDP. So, null hypothesis has been rejected.

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Keywords: GDP; Indian Economy; sectorial contribution; agriculture; automobile; construction; manufacturing and mining.

1. INTRODUCTION

All four contributors to economic growth, domestic consumption, foreign consumption or exports, private investment and government spending, are hit by the slowdown. In the first quarter of this fiscal year, domestic consumption fell to 6.66% as against 8.41% in the same period last fiscal; exports as a share of the Gross Domestic Product was down to 19% from 20%; and fixed capital formation decreased from about 31% of the GDP to 29.8%, finding a slowdown in the industry as well [1].

Financial minister address reasons like fall in consumption private investments, demonetization and GST. Even the expenses of the government also increased from 13% of 2017-18 to 19% in the year 2018-19. The august index is also showing a negative growth of -1.1% in industrial sector [2]. Fiscal deficit has also fallen down from 6.2% of 2015 to 3.3% of 2019-20. It is a situation where the economic growth rate of an economy starts declining but doesn't fall to negative. Generally, we consider GDP to measure economic growth rate. When there is a continuous percentage decline in GDP rate more than three consecutive quarters in a year of an economy, then we can say that the country is facing economic slowdown [3].

1.1 Need for the Study

1.1.1 Objectives:

Primary objective:

- To study the impact of various sectors like Agriculture, Manufacturing, Construction, Mining, Public Administration and Utilities sectors on Indian GDP.

Secondary objectives:

- To understand the correlation among the GDP and the selected sectors
- To understand the relation among the sectors in contributing to the GDP
- To understand the measures taken by the GOI to control the Indian Economy

1.2 Scope of the Study

The present scope of the study is within the borders of Indian economy and has considered

only the selected sectors like Agriculture, Manufacturing, Construction, Mining, Public Administration and Utilities.

1.3 Hypothesis

- Null Hypothesis (H_0): There is no significant relationship between the impacts of changes in selected sectors on Indian GDP.
- Alternative Hypothesis (H_1): There is a significant impact of changes in major sectors of India on GDP.

1.4 Research Methodology

Secondary data was used for the present study. The data had been collected for the period of 5 years i.e. from 2015 to 2019. The collected data is related to contribution of selected sectors to Indian GDP. GDP was measured by a number of components but in this study only Agriculture, Manufacturing, Construction, Mining, Public Administration and Utilities sectors, were selected as major components for the period selected for the study. The dependent variable in the study is GDP components and sectors are considered independent variables.

1.5 Research Tools

The following statistical methods are used for data analysis.

- Correlation.
- Multiple regressions.

1.6 Limitations

- GDP is measured by number of components but in this study, it is limited only to selected sectors.
- Considering data of only 5 years.
- The present study is based on the data which is available from the web sources, and other news articles, so the results of my study are based on the reliability of the data.

2. REVIEW OF LITERATURE

- Dhiraj Jain, K. Sanal Nair and Vaishali Jain (2012) [4]: The study tries to find the impact on GDP components by various macro-economic factors. Secondary data is

collected for the period 2000-2001 to 2011-2012. GDP components are considered as dependent variable in this study. The micro economic factors could be FDI, Import and Export, Net FII equity, Net FII debt, and considered as independent variables. Multiple regression analysis is used as a tool to find the relationship. By the analysis it is found that a significant effect of FDI, Net FII equity and Import is there on GDP components. But there is no significant effect of Net FII debt on GDP components. And it was also found that there was no significant effect of Export on GDP (Industry, Manufacturing) components but there is a significant effect on service sector.

- **Fauzi Hussin1 and Soo Yoke Yik1 [5]:** This study is based on examining the contribution of sectors to economic growth of both the countries, China and India from 1978 to 2007. The three economic sectors Considered are agriculture, manufacturing and services sectors and are considered as independent variables. The results of the study state that manufacturing sector is the highest contributor for per capita GDP of china. If value-added (X2) increases by 1%, for the manufacturing sector, real GDP per capita in China is expected to increase by 0.6695%. In India, service sector is the biggest contributor to real GDP per capita in India. If value-added(X3) increases by 1% for the services sector, real GDP per capita in India is expected to rise by 0.4789%.
- **Suraj Walia [6]:** The present paper analyzes the impact of global economic crisis on Indian economy which is considered as one of the fast-growing economies of the world. Indian economy has faced a challenge due to global melt down. Consequently, economic activities of India are also affected to slow down. The global economic crisis has raised in 2001-02, but gradually extended over a period of time and entire global countries got affected. The present paper through analysis has showed that various sectors of Indian economy are also affected by global recession.
- **Nirupam Bajpai (2011) [7]:** The article explains regarding the effect of global financial crisis that has risen due to sub-prime mortgages on many developing countries. India is also been affected by this recession. Economic growth declined to 6.7 percent in 2008-09. This represents a decline of 2.1% from the average economic growth rate of 8.8% in the past five years. Thus, in order to recover from the global slowdown on the Indian economy, the federal Government implemented three fiscal stimulus packages in the form of taxes to uplift the demand and increased the expenditures on public projects to create more employment opportunities and public assets. Even India's central Bank – the Reserve Bank of India (RBI) took a number of monetary and liquidity improving measures to increase the flow of funds through the financial system to help for the needs of productive sectors.
- **Anthony P. D'Costa [8]:** The objective of his paper is to examine find, how the pattern of investment in auto industry has changed in India. The author explains that the industrial relations climate act as an important determinant of that pattern. Industrial relations climate is determined politically and institutionally hence any changes in the broader capital-labor relation in the vast global economy due to globalization is said to be tempered by India's particular national and local institutions governing industrial relations, the specific strategy of the Indian auto industry, and economic development strategies. When much of the global industry is facing problems under the financial crisis, India's industry has been increasing. But, the power of workers has been declining in states just as globalization and deregulation. The paper draws some policy implications for security of employment and also lessons for other countries in these crisis times.
- **Mr. Sandeep Krishnat Raval and Dr.P.S. Kamble (2011) [9]:** This paper explains regarding the serious imbalance in the world economy and its effects on international countries. This paper analyzes the seriousness of this global financial crisis and its effects on developing countries and discusses whether there is an adverse effect on India is inevitable. This paper indicates current global account imbalance and mentions the causes and consequences of this imbalance. The paper finally, discuss the various polices and shocks that can help the country from recovery.

- **Rajiv Kumar Bhatt [10]:** The present paper tries to analyze the impact of recent global financial crisis on Indian economy. The paper consists of three sections. The first section includes introduction, the paper also discusses the features of global financial meltdown. The second section deals with the impact of this crisis on Indian economy and discusses how India recovered from the recession and attained a high growth. Lastly the third section includes Conclusion and suggestions.
- **Mathew Joseph, Karan Singh, Ranjan Kumar Dash, Jyotirmoy Bhattacharya and Ritika Tewari [11].** This paper developed certain tools to examine few major issues in the Indian economy. The study compares the growth rate of the economy and the agricultural sector, and estimates the long and short run elasticity's of India's trade. This paper brings out implementation of certain reforms to raise the potential growth rate of economy. The paper consists of sections as follows. In 2nd section, we explain the issue of the Indian economy's potential growth rate. In 3rd section it examines the changes in growth rate in Indian agriculture and the demand-supply gap in agriculture. 4th Section examines the role of fiscal policy in covering the impact of the global crisis and recovery. 5th Section estimates India's export and import. 6th Section includes policy conclusions.

3. DATA ANALYSIS

3.1 India's Past Economic Slowdown (2000-10)

The Indian economy has faced a direct impact due to global economic crisis. This global economic crisis which is raised in mid-2007, due to sub-prime lending, showed a greater impact on the world; stock markets and large financial institutions have collapsed. The following are the factors that show that economy is in slowdown.

After a long time, the Indian economy has experienced a decline in GDP growth rate in the year 2007. From the above table we can see that in 2006-07 the GDP growth rate was 8.06% which has declined to 7.66% in 2007-08 and further due to the effect of global financial crisis and global recession, the GDP growth rate of Indian economy started declining to a greater extent to 3.09% in 2008-09. This down trend has affected the industrial sector. Majorly, infrastructure, manufacturing and the service sectors especially in the transport, construction, communication, trade, hotels etc. Service export growth has also affected. The financial crisis has also affected the IT sector, banking and many financial institutions. It also resulted in fall in earnings of the workers due to reduction in working hours and job cuts.

Table 1. Table showing GDP growth rate

Year	GDP Growth (%)	Annual Change
2010	8.50%	0.64%
2009	7.86%	4.78%
2008	3.09%	-4.57%
2007	7.66%	-0.40%
2006	8.06%	0.14%
2005	7.92%	0.00%
2004	7.92%	0.06%
2003	7.86%	4.06%
2002	3.80%	-1.02%
2001	4.82%	0.98%
2000	3.84%	-5.00%

Source: World Economic Outlook

3.2 Performance of Indian GDP from the Past 20 Years

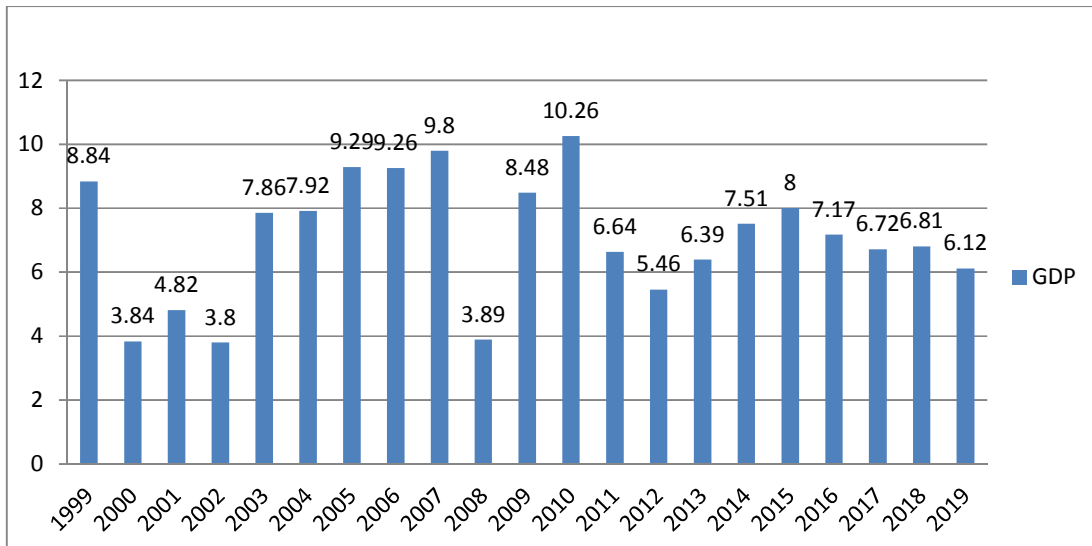


Fig. 1. Showing GDP growth rate from 1999-2019

Source: World Economic Outlook

Performance of India from past 20 years can be seen from the above graph. Here, GDP growth rate (in %) from 1999-2019 were considered. We can observe that after independence India has attained a tremendous growth in GDP. But India has faced slowdown and recession in certain period. Government of India has taken enormous measures to uplift the Indian economy. After 2012, currently from 2018 we can see that India's GDP is declining [12].

India has been registered with 7% growth rate in 4 years of 1990's and recorded as faster growing country among all the major countries of the world. In terms of purchasing power parity it is recorded as 4th largest economy. In the phase i.e., 1991-2003 it stood in the 2nd place after china with annual growth rate of GDP with 5.1% compared with other major countries like US, UK, France, Germany etc.

From the above graph we can see the sustainable growth rate of GDP. Between 2000-02 there was a decline in GDP but government has made an attempt to increase the growth rate and achieved a tremendous increase in growth rate to 7.86 in 2003. since 2004 next to china, India is considered as one of the fastest growing economy in the world.

In the FY 2004-07 India's growth has increased to 9.8% from 7.86%. But suddenly due to

subprime lending, many global countries were suffered with recession. And it showed an indirect affect on Indian economy. The growth in exports during the 2008-2009, was slow till August 2008. However, in September 2008, export growth evinced a sharp decline and turned negative in October 2008 and remained negative till the same FY. There was a tremendous decline of GDP to 3.89% in 2008. Employment was affected. And sudden rise in crude oil prices. Government took efficient measures to recover from global recession effect. In a very early time India has succeed in obtain growth rate of 8.48% in 2008-09 further increased to 10.26% in 2009-10.

But again in 2012 GDP has slightly declined due to euro zone crisis which has risen by sovereign debt crisis caused in Greece and Spain indirectly affected the investors in creating risk and uncertainty to the world. Due to this the confidence of investors has been reduced. Further due to decline in exports and rise in oil prices has caused an impact on increasing our current account deficits of our BOP in 2011 to 2013.

On the other hand, due to inflation, especially the food inflation has led for the drop-in GDP growth rate. Thus, in order to make the economy stable RBI has increased repo rate to the banks. But it has negatively impacted the growth rate. Further

by government measures the GDP has increased 5.46 to 6.39. And still India is still remained as 2nd fastest growing economy.

From the above graph there was again a downfall of GDP from 2014 to 2019. And the major economic indicators are showing that India is being affected from slowdown. This is because of some factors like GST effect, DEMONITISATION, fall in consumption level etc. major sectors like agriculture, auto mobile, FMCG, real estate was badly affected by the slowdown. 3 lakh jobs were lost and sales were dropped in auto mobile industry. Unemployment has also increased to 8.2%. FPI'S have also withdrawn net amount of Rs.5, 920crores.

3.3 Contribution of Selected Sectors in GDP

India is a vast country, the sectors contributing to the India's GDP is also vast in numbers. Many sectors falling under the India GDP such as, transportation equipment, petroleum, food processing, textiles, agriculture, mining, machinery, chemicals, software steel, cement and many others. But the main sectors are Agriculture sector (it includes agriculture, forestry, fishing and mining & quarrying), Industrial sector (it includes manufacturing, electricity, gas, water supply & other utility services, and construction) and Service sector [13].

Agriculture is the major sector that provides occupation in India, employing nearly 50% of the population [14,15]. The service sector provides employment more than 25% and the industrial

sector provides nearly 10% of employment. According to 2019 estimates, the agriculture sector contributed 16%; industry sector contributed 29.6% while the service sector contributed 53.66% to India's GDP.

1) Primary Sector (Agricultural Sector) — the goods which are produced by exploiting natural resources, comes under the primary sector. It involves conversion of natural resources into primary products. These activities act as base for all other products that we eventually make [14, 15].

The primary sector in India is largely dependent on the availability of natural resources in order to produce the goods and also to execute further processes. The products in this sector are extracted from agriculture, dairy, fishing and forestry. Agriculture is the major activity of this sector. Thus, this sector is also known as Agricultural Sector.

2) Secondary Sector (Industrial Sector) — the secondary sector includes activities in which natural products are converted into finished goods through manufacturing and are used for consumption. Some process of manufacturing is necessary to make these products. The manufacturing process is done in industries. Thus, is also called as Industrial Sector. Industrial Sector or Secondary Sector is divided into Light Industry and Heavy Industry. Again, this sector comprises Mining, Electricity, Manufacturing, Quarrying, Construction and water supply etc [16,2].

SECTOR WISE CONTRIBUTION TO INDIA'S ECONOMY

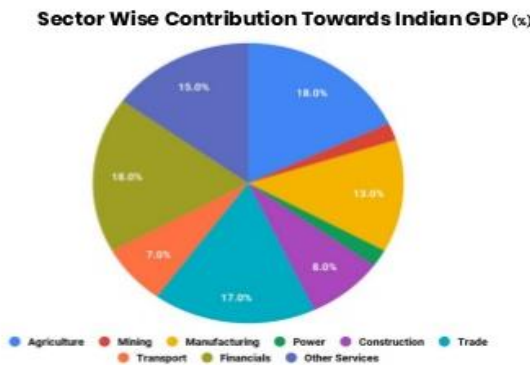


Chart 1. Sector wise contribution to India's economy

Source: secondary data

3) Tertiary Sector (Service Sector) — the activities that are included in the tertiary sector help in the development of the secondary and primary sectors. Goods are neither manufactured nor produced but these activities act as an aid or a support for the production process. This Sector includes Transport, Storage, Hospitality, Communication, Insurance, Trade, Tourism, Entertainment, Banking [17].

The activities involved in this Sector provides services rather than goods, hence it is also called as Service Sector. This sector is registered as the fastest growing sector of Indian Economy. This sector contributes more to the GDP of the country. During 2009-10 Agricultural Sector is

considered as backbone of Indian economy but currently this sector is considered as backbone of Indian economy.

4. RESULTS AND DISCUSSION

4.1 Performance of These Sectors for Past 10 Years

From the above graph, we can see that from 2009 to 2013 the contribution to GDP is approximately 15%. But there was a tremendous increase in 2014-15 of 18% and a sudden fall after 2015. The graph shows that in 2019 the growth rate has been increasing.

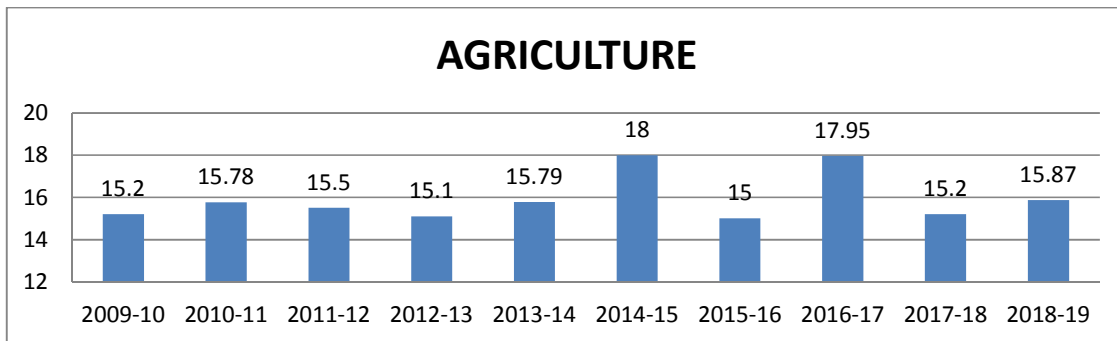


Fig. 2. showing agriculture sector contribution to Indian GDP

Source: Economic Survey

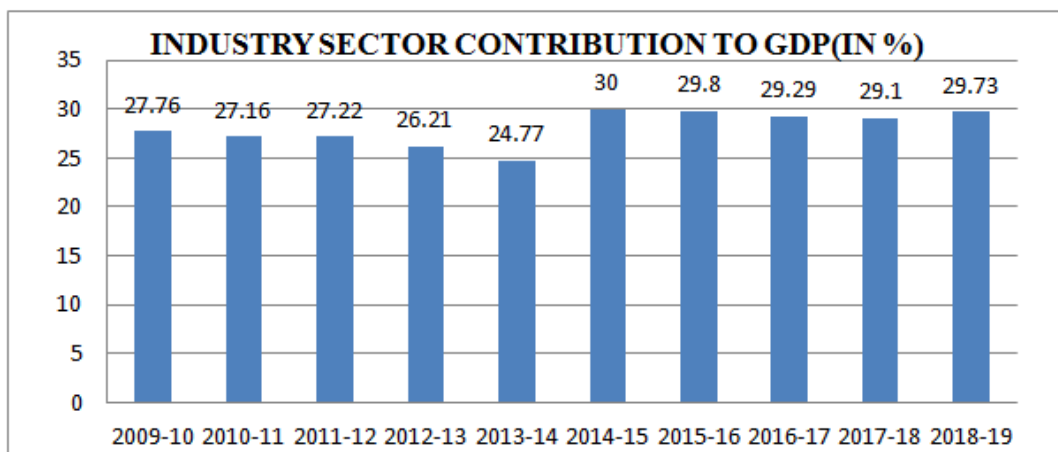


Fig. 3. Showing industrial sector contribution to Indian GDP

Source: Economic Survey

From the above graph, we can see that from 2009 to 2013 the contribution to GDP is been declining. But there was a tremendous increase in 2014-15 of 30% and still continuing with the same growth rate till 2019.

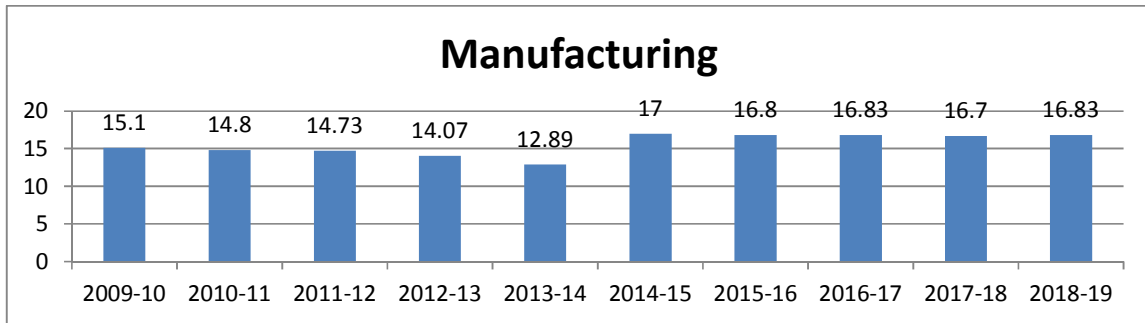


Fig. 4. Showing manufacturing sector contribution to Indian GDP
 Source: Economic Survey

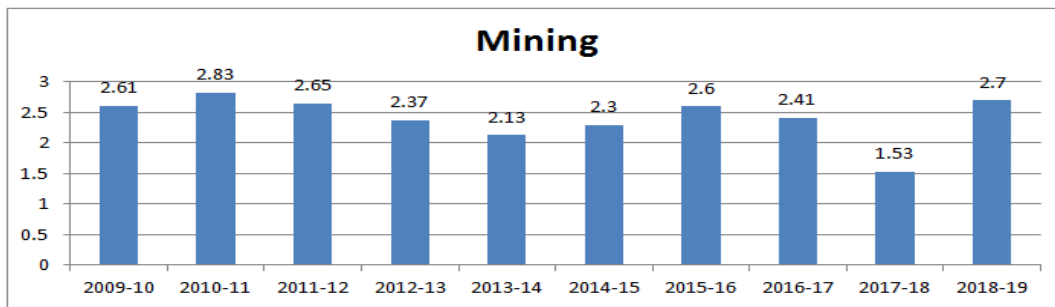


Fig 5. Showing mining sector contribution to Indian GDP
 Source: Economic Survey

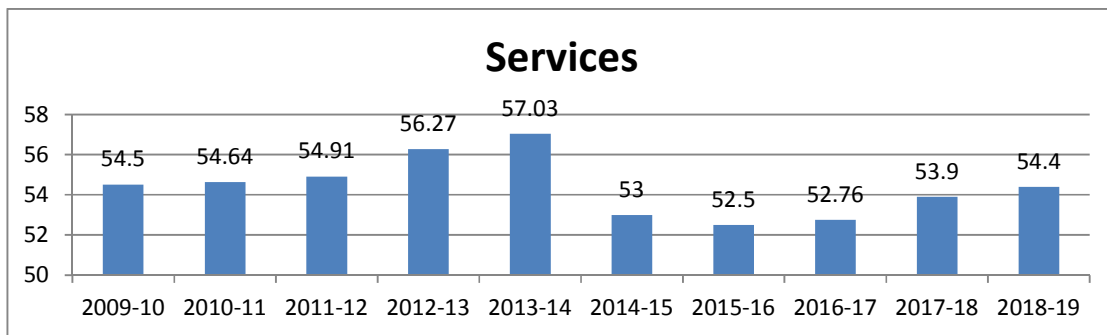


Fig. 6. Showing service sector contribution to Indian GDP
 Source: Economic Survey

From the above graph, we can see that from 2009 to 2013 the contribution to GDP is been declining. But there was a tremendous increase in 2014-15 of 17% from 12.89% and still continuing with the same growth rate till 2019.

From the above graph, we can see that from 2009 to 2013 the contribution to GDP is approximately 2.5% and declined much in 2014. But there was an increase in 2014-15 of 2.3%

and suddenly the growth % is declined to 1.53% in 2017-18 and increased to 2.7% in 2018-19.

Service sector is considered as the backbone of the India. It contributes more to the Indian economy. It occupies half of the contribution. From the above graph, we can see that from 2009 to 2013 the contribution to GDP is approximately 55.5% and declined much in 2014 to 53%. But from 2015 there is a continuous increase till 2019.

Table 2. Sectorial contribution to GDP from 2015-2019

Year	Month	Agriculture (in billions)	Construction (in billions)	Manufacturing (in billions)	Mining (in billions)	Public Administration (in billions)	Utilities (in billions)	GDP (in INR billions)
2015	Jan-Mar	5228.94	2065.58	3898.33	686.63	3157.06	532.21	27837.33
2015	Apr-June	4206.73	2141.8	4481.78	825.47	2976.85	520.46	27282.79
2015	July-Sep	3711.95	2184.98	4647.77	897.28	2917.84	552.42	27680.87
2015	Oct-Dec	3077.22	2060.34	4714.26	657.73	3328.06	578.53	28363.87
2016	Jan-Mar	5111.19	2166.86	4491.99	785.36	3369.26	552.1	30367.38
2016	Apr-June	4251.8	2252.22	5133.88	944.16	3151.94	558.88	29838.18
2016	July-Sep	3882.88	2349.04	5121.35	932.38	3110.47	625.27	30134.89
2016	Oct-Dec	3262.99	2231.7	5090.41	670.51	3543.32	623.53	30504.25
2017	Jan-Mar	5460.08	2327.34	4876.12	823.39	3672.02	608.49	32505.92
2017	Apr-June	4555.09	2164.34	5448.29	1121.4	3669.23	603.96	31625.37
2017	July-Sep	4044.33	2425.88	5036.82	959.28	3572.03	678.76	32874.79
2017	Oct-Dec	3409.06	2337.78	5453.09	743.16	3856.4	680.63	32849.71
2018	Jan-Mar	5709.93	2512.59	5297.31	860.13	4008.45	654.24	35148.84
2018	Apr-June	4555.09	2415.7	5982.01	1094.2	4165.66	663.58	34139.97
2018	July-Sep	4248.69	2659.7	5648.15	963.08	3839.9	724.37	34427.39
2018	Oct-Dec	3577.28	2536.99	5826.72	726.81	4187.92	739.55	35010.2
2019	Jan-Mar	5869.41	2756.19	5638.04	875.89	4310.49	708.31	37198.3
2019	Apr-June	4860.94	2586.14	6167.49	1139.9	4610.2	692.04	35851.75
2019	July-Sep	4335.47	2812.62	5681.04	988.87	4166.28	786.82	35993.34
2019	Oct-Dec	3651.61	2621.49	5765.6	727.76	4674.34	766.25	35813.35

Table 3. Correlations between the selected sectors and the GDP

		Agriculture	GDP	construction	Manufacturing	Mining	public administration	utilities
Agriculture	Pearson Correlation	1						
	Sig. (2-tailed)							
GDP	Pearson Correlation	.300	1					
	Sig. (2-tailed)	.198						
Construction	Pearson Correlation	.221	.917**	1				
	Sig. (2-tailed)	.349	.000					
Manufacturing	Pearson Correlation	-.047	.847**	.772**	1			
	Sig. (2-tailed)	.844	.000	.000				
Mining	Pearson Correlation	.299	.328	.329	.508*	1		
	Sig. (2-tailed)	.200	.159	.157	.022			
public administration	Pearson Correlation	.187	.933**	.794**	.841**	.232	1	
	Sig. (2-tailed)	.430	.000	.000	.000	.326		
Utilities	Pearson Correlation	-.074	.900**	.910**	.822**	.192	.850**	1
	Sig. (2-tailed)	.756	.000	.000	.000	.417	.000	

4.2 Sectorial Contribution to GDP from 2015-2019

The quarterly contribution of agriculture, construction, manufacturing, mining, public administration and utilities to Indian GDP from 2015 to 2019 and the Correlations between the selected sectors and the GDP has been given in the following tables.

4.3 Interpretation of Correlation

For the above study correlation between the sectors like agriculture, construction, manufacturing, mining, public administration and utilities were considered and the changes in the sectors and its impact on the GDP is studied. From the table it is observed that the correlation coefficients of all the sectors with the GDP are positive, which means that the change in the sectors is having an influence on change in GDP. Sectors like agriculture, construction, manufacturing, mining, public administration and utilities is showing a significant positive correlation with GDP. This says that the sectors

have a high impact on the change in GDP. Thus, it is disproving the hypothesis that there is no relationship with sectors and GDP.

Reject the Null Hypothesis. There is a significant relationship between correlation values of agriculture, construction, manufacturing, mining, public administration and utilities with GDP.

4.4 Multiple Regressions

The multiple regressions of the data have been discussed in Table 4.

4.5 Interpretation of Multiple Regressions

In order to find out the relationship between various sectoral changes with GDP. A multiple regression analysis was carried out and a multiple equation has been derived and the equation is as follows $Y=1155.1+1.521A-0.727B+2.1937C-2.398D+0.44E+23.694F$. Were A=agriculture, B=construction, C=manufacturing, D=mining, E=public administration, F=utilities.

Table 4. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.994 ^a	.988	.983	411.511

ANOVA ^b					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	184503754.253	6	30750625.709	181.589	.000 ^a
Residual	2201439.822	13	169341.525		
Total	186705194.075	19			

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Beta	Lower Bound
1	(Constant)	1154.958	1223.566		.944	.362	-1488.397	3798.312
	Agriculture	1.522	.260	.396	5.854	.000	.960	2.084
	construction	-.730	1.650	-.053	-.443	.665	-4.294	2.834
	Manufacturing	2.194	.575	.407	3.818	.002	.953	3.436
	Mining	-2.399	1.115	-.113	-2.153	.051	-4.807	.008
	public administration	.442	.635	.075	.695	.499	-.931	1.814
	Utilities	23.701	5.704	.601	4.155	.001	11.378	36.024

From the table of the model summary it is understood that "R" which is a multiple regression coefficient whose value is 0.994 indicates a good level of prediction and showing that about 99.4% of total variation in GDP in India can be explained by independent variables (i.e., Agriculture, construction, manufacturing, mining, public administration, utilities).

“R-SQUARE” which is the proportion of variance in the dependent variable which is explained by the independent variable is 0.998 and is considered to be very good. Agriculture, construction, manufacturing, mining, public administration, utilities.

The “F-RATIO” in the ANOVA table which tests the overall regression model shows that independent variables like agriculture, construction, manufacturing, mining, public administration and utilities and are statistically significant in predicting the dependent variable GDP.

Coefficient of agriculture parameter is 1.522, that tells dependability of agriculture sector on GDP. If agriculture parameter changes by one unit, then GDP in India will increase by 1.522%. Coefficient construction of parameter is -0.730, if construction sector parameter changes by one unit, then the GDP will decrease by -0.730%. Simultaneously manufacturing, public administration and utilities have positive dependability on GDP with 2.194, .442 and 23.701 respectively. Whereas mining sector that tells about no dependability of mining sector on GDP, if mining sector parameter changes by one unit, then the GDP will decrease by -2.399.

4.6 Measures Taken by the Government to Revive Economy

Here are some measures that the Government announced that could lend a hand in reviving the economy. (Source: - INDIA ECONOMY article)

Financial Aid: The government has proposed a special financing measure in an effort to restore stuck housing projects. The government will infuse amount of INR 20,000 crore towards affordable housing package those benefits around house owners of 3.5 lakh.

Electronic Refund System: Another measure taken by the government which will be implemented by September. The measure is to provide automated electronic refund system for paying GST credits to businesses. That provides a discount towards organization.

NIIF: According to a press release by the Finance Ministry, they have announced a project that helps to rescue more than a third of such afflicted homeowners. The government will invest INR 10,000 crore under National Investment

Infrastructure Fund (NIIF) whereas the remaining balance of INR 10,000 crore are invested by investors like LIC, DFI and SWF (Sovereign Wealth Funds).

(RODTEP): In order to replace the existing Merchandise Exports from India Scheme (MEIS) The government announced the introduction of a new scheme for remission of duties or taxes on export product (RODTEP) and revised priority sector lending norms for export credit that will release an additional INR 36,000 crore to INR 68,000 crore as export credit under priority sector. This scheme is expected to benefit all products including textiles is more beneficial to the industry.

INR 1,700 crore for Export Guarantee: A statement has been made by the government regarding Export Credit Guarantee Corporation (ECGC) that will increase the scope of Export Credit Insurance Service to offer higher insurance cover to banks which lends working capital for exports. It is a yielding relief to MSMEs and this is expected to reduce overall cost of export credit including interest rates, especially to MSMEs.

Under the partial credit guarantee scheme the government would like to provide support to NBFCs/HFCs [18]. The government sanctioned amount of Rs 4.47 lakh crore to NBFCs & HFCs which include Rs 1.29 lakh crore for pool buyout of assets.

Towards investment side, the government has taken steps to boost investment, support real estate, bank recapitalization, expansion of credit and corporate tax.

The government has cleared dues worth more than 60% of 32 CPSEs in order to boost liquidity in the market.

5. CONCLUSION

From the present study the reasons attributed for the slowdown of Indian economy are mentioned the reason are Sharp fall in overall demand, Sharp decline in consumption, Decline in investments, Demonetization, Impact of GST, Global financial crisis slowdown and poor performance of banking sector [19].

The present study is an attempt to find the impact of sectoral changes on Indian economy during the period 2015 to 2019 and thereby

drawing certain useful inferences. From the study correlation between the sectors like agriculture, construction, manufacturing, mining, public administration and utilities were considered and the changes in the sectors and its impact on the GDP is studied. It is understood that there is a positive correlation between GDP and agriculture, construction, manufacturing, mining, public administration and utilities which means that the change in the sectors is having an influence on change in GDP. Thus, alternative hypothesis is accepted.

Government of India took several measures like MAKE IN INDIA, reduce of REPO rate by 135 base points, various subsidies and schemes were implemented to improve the sectoral contribution to GDP.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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