INDIAN ECONOMY: A SURVEY OF THE FY 2018-19

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Indian Economy recorded a GDP of 7.2% during the financial year 2017-18, whereas it came down to 6.8% in 2018-19. Inspite of this fall, India stood as the fast-developing economy in the world. When compared to 2017-18, there a decay in the world production in 2018-19. In 2018, the world economy decayed due to trade clashes credit policies and economic controls in the developing countries of the world. India stood as the seventh largest economy in the world. When compared to the economies of China and those of other larger ones, India's average Growth rate was recorded high during 2014-15 and 2017-18. As per the consuming power of its people, India was the third largest economy during the said period.

India has to confine herself to the GDP of 6.8% in 2018, due to the decay in development in the sector of Agriculture and its allied wings, commerce, Hotel, transport, warehousing, information and broadcasting, public administration and defense.

For the last five years, after 2014-15 the actual GDP growth rate of our country is 7.5%. In 2018-19, the growth in agricultural sector has been affected, as the area of farming under Rabi season has come down. Issues like reduction is Government final consumption, change in stocks and decay in valuables to led to the decay in GDP rate growth. In 2018-19, In GVA, the share of Agriculture sector and its allied wings is 16.1%, whereas that of Industrial sector is 29.6% and that of service sector is 54.3%, as per the records.

Indian Agriculture has been facing many challenges for some years. Water scarcity and division of agricultural lands into smaller units affected the agriculture produce. The economic survey was of the option that ICT based weather smart farming has to be taken up to achieve stability and growth in agricultural productivity. To improve rural economy, allied sectors like poultry, dairy and aqua should be given top priority. When modern technology is used in food subsidy and food management, food security will be available to all equally.

The GVA growth in 2014-15, in the agricultural sector was very low. In 2016-17, it was 6.3% whereas in 2018-19 it is only 2.9%. During this period, i.e., between 2014-19, there was a downtrend in crop production, animal husbandry and forestry. But in aqua sector, the growth was high, almost three times. Small and marginal farmers depend mostly on agricultural sector, if we observe the data. In nutritional standards, India occupies the first place whereas in food security it stands in 76th place in the list of 113 Countries. This situation indicates that India has to improve her food supply management. The government of India took crucial issues like minimum support price for agricultural products, procurement of Food Corporation of India, its decentralization through state agencies, and management of buffer stocks. Steps like selling rice and wheat in the open market were meant to curb inflation. Under the joint responsibilities of states, center and union territories, public distribution system is being implemented effectively. It is the responsibility of the central government to supply food grains to the depots recognized by the FCI. The state governments identify the beneficiaries for food grain distribution, issue ration cards to them and super vice fair-price shops. In 2018-19, the growth rate of agriculture and its allied sectors was recorded as 2.9%. As per the farmer welfare ministry's third pre-estimations, the total food grain production in 2017-18 was 285 million tons, whereas it came down to 283.4 million tons in 2018-19.

Let us come to the industrial sector. While the industrial growth index recorded 4.4% rate in 2017-18, It came down to 3.6% in 2018-19. Credit flow to small scale and medium scale industries and loan facilities from Non-banking finance companies came down drastically. Crucial sectors like automobiles, pharmaceuticals, machine equipment's were not in much demand. World crude oil prices received a jolt. That is why industrial growth rate was low. To quicken the growth process, the government took up several steps like "make in India", "startup India", flexible, industrial polices reforms in direct foreign investments policy. As per the report of the World Bank Economic 2019, India occupied 77th place among the 190 countries in the world. The economic survey revealed that attracting some trillions of dollars of investments became a challenge, Inspite of Indian investments in infrastructure sector were high. In the manufacturing sector, in 2018-19, the growth rate was recorded as 6.9% in power, gas and water supply, it was 7% and in construction sector it was 8.7%.

In eight crucial sectors like coal, crude oil, natural gas, petroleum refinery products, Indian industrial growth index was at 40.3%. In it the growth rate in the respective industries in 2018-19 was recorded as 4.3%. The role of PSUs (Public Sector Undertakings) has been very significant in Indian economy. By March 2018, there were 339 PSUs. Among them 257 organisations continued their activities and 184 got profits. In 2017-18 the growth rate in their net profits was recorded as 2.29%. In the gross capital mobilization, it was 7.6%. In their banking credit-growth there was considerable progress in 2018-19. Chemicals and chemical products, cement and cement products, engineering industries, construction sectors, infrastructure sector received high credit from the banks.

Even the service sector struck a meager picture in 2018-18. Its growth rate came down to 7.5%, whereas it was 8.1% in 2017-18. In 2018-19, nearly 10.6 million foreign tourists visited India. The share of service sector in the states and union territories was more than 50%. In the GVA of Haryana, Jarkhand, Odisha, A.P. and Uttarakhand, its share became better. In the direct foreign investments attracted by India, Service sector gets 60%. But it came down to 1.3% less in 2018-19. The flow of direct foreign investments was reduced in the fields of telecom, Consultancy Services, Aviation and Navy, resulting in the decay of growth in the FDIs of services sector.

India occupied the 9th place in the service sector in 2917 as per the U. National accounts statistics. Tourism sector is contributing to the growth of GDP, foreign exchange reserves and self-employment, giving boost to the economic growth. India got 28.7 billion dollars of foreign exchange in 2017-19, which came down to 27.7 billion in 2018-19. Indian IT-BPM industry recorded a growth

rate of 8.4% getting an income of 167 billion dollars in 2017-18. In 2018-19, it was estimated to be 181 billion dollars. Its exports value was 126 billion dollars which is expected to rise upto 136 billion dollars.
Even the export import statistics reveal that Indian economy is on a slow pace. Exports never improved but came down by 9.71 %. After eight months, even the imports recorded a decline in their growth. The value of exports was recorded to be 25.01 billion dollars.
Mr. Anoop Vardhaman, Commerce Secretary says that though the exports in June 2018 were at their peak, with 27.7 billion dollars, they came down in the current financial year, due to the base-effect. Global economic instability is also a reason. The Global economic prospect report submitted in July 2019 predicted that global trade and commerce in 2019 will be weak. By 2.6%.
Exports fell down in the fields like diamonds, Jewelry, engineering goods, petroleum products, plastic handicrafts, readymade garments, chemicals, leather, marine products and oilseeds. As the ONGC (Oil and Natural Gas Commission) stopped its production temporarily from 17th April to 28th June 2018, through its ally, Mangalore Petrochemical Ltd, the exports of petroleum products were affected badly. The situation in Jamnagar refinery too is not different. Even the imports are no better, with a decay in their growth by 9%, Their value was recorded as 40.26 billion dollars. By this is the net difference between imports and exports and trade deficit amounted to 15.28 billion dollars; while it was 16.6 billion dollars. The imports of gold improved by 13% and were recorded as 2.7 billion dollars. The crude oil imports came down to 13% and were recorded at 2.7 billion dollars. Non-crude oil imports decayed by 7.35% and fell at 29.26 billion dollars.
This falling trend appeared in the exports of several other countries, these recent months. As per the statistics of International trade organisation the exports of Japan, European union, China and America recorded a decline at -5.88%, -4.30%, -2.75% and -2.12% percent respectively.
Between April-June 2019, Indian exports declined by 1.69% and were recorded at 81 billion dollars; whereas imports by 0.29% at 127 billion dollars. In total, the trade deficit was recorded at 45 million dollars.
According to the data released by the Reserve Bank of India, there was a growth of 15.49% in the services sector, whose exports rose by 15.49% and imports by 22.37%.
In the growth agenda of India, the main factor is social involvement, an amalgamation. The government at the center wants to achieve this through the concepts like "Sab Ka Saath", "Sab ka Vikas" abd "Sab Ka Viswaas". In a developing economy like India, there must be high focus on social infrastructure expenditure; as per the recommendation of the economic survey. It is necessary to raise public sector on human capital. The economic survey mentioned that population utility, improvement in educational standards, training for the youth, growth I skills, employment opportunities, women empowerment etc can contribute much to the future growth of India.
One can notice the rise in public sector investments on the fields of education and health. In 2014-15 it was 2.8% of the GDP whereas it rose to 3% in 2018-19 on education. Similarly on health it was raised from 1.2% 1.5%. The economic survey noticed considerable improvement in the implementation of social security schemes. There is growth in admissions in elementary education. In middle schools, the dropout rate was more in boys, due to financial problems, lack of interest in them. At an average level, the unemployment rate is 6.1%. It is 5.3% in rural areas and 7.8% in urban areas. The labour power came down from 38.6% to 34.7% during these 7 years span. As per the report of sample registration system 2016, the infant mortality rate was 1000:34. After 2014, 1,90,000 km of rural roads were laid. Under Mahathma Gandhi national rural employment programme, in 2014-15, 166.2 crores of working days were provided whereas in 2018-19, they rose to 267.9 crore.
The economic survey aimed that more importance should be given to sustainable development, housing, reduction of gender inequality in social economic indexes. India should endeavour to achieve permanent growth through her human resources and all pervasive polices.

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