



ECONOMY OF INDIA

Fayzieva N.Sh.

Tashkent State University of Economics

Department of Economic Theory

<https://doi.org/10.5281/zenodo.15632492>

Annotation:

India, one of the fastest growing economies in the world, has undergone significant changes since independence. The journey of the Indian economy from destruction to economic powerhouse has not been easy. The tireless and consistent efforts of the citizens and the government have been creating a modern India year after year. As Dr. Manmohan Singh said, "The brightest jewel in the British Crown" has regained its glory by becoming the fifth largest economy in the world.

Keywords: Indian economy, information technology, business process outsourcing , retail services, industrialization.

The past year has been another year of resilience and economic growth for India, strengthening its position as one of the world's leading economic centers. The South Asian republic retained its third place in the world ranking of leading countries by GDP calculated at PPP (according to preliminary estimates, about \$14.6 trillion), and fifth by GDP at the exchange rate (about \$3.9 trillion). Notably, according to the latter indicator, according to the IMF's December forecast, India will overtake Japan by 2026, and Germany by 2027, thus becoming the third-largest economy in the world by both GDP at the exchange rate and GDP at PPP.

According to the preliminary RBI estimate, India's economic growth rate in 2024 was 6.6%, again outpacing other major economies, including China. The per capita GDP growth rate has also been steadily increasing (2.73%), indicating an increase in the well-being of Indian households. Overall, over the period 2012–2023, per capita GDP increased from \$836.4 to \$2,336.

Agriculture Once India's main source of income and revenue, agriculture's share of GDP has declined over time to 17%, but analysts have been quick to point out that this "decline" should not be equated with a decline in manufacturing, but rather a relative decline compared to the large increase in India's industrial and service output internationally. Agriculture in India suffers from several problems. First, the industry is inefficient: millions of people have small farms and rely solely on the monsoon to produce crops. Agricultural infrastructure is also poor, so irrigation is sparse and agricultural produce is at risk of spoilage due to a lack of adequate storage facilities and distribution channels. Despite this, production is growing. Today, India is the leading producer of lemons, oilseeds, bananas, mangoes, and papayas, and the second-largest producer of wheat, rice, sugarcane, many vegetables, tea, cotton, and silkworms. Forestry (while a small proportion of GDP) is a growing sector responsible for the production of fuel, timber, rubber, hardwood and furniture. Fisheries and aquaculture account for only 1% of India's total economy. The country produces shrimp, sardines, mackerel and carp .

Over the past 60 years, the service industry has contributed over 52% of India's GDP. In 2014, India, with its large population, low-cost labor force, and skilled, English-speaking, and educated people, is a great place to do business. IT companies in Bangalore, Hyderabad, and Chennai contributed over 9% of the GDP in 2015. Workers are hired by both domestic and international companies, including Intel (INTC), Texas Instruments (TXN), Yahoo (YHOO), Facebook (FB), Google (GOOG), and Microsoft (MSFT). Business process outsourcing (BPO) is a smaller but better-known industry in India, led by companies like Amex (AXP), IBM (IBM), HP (HPQ), and Dell. The leading factor in deciding whether to outsource business processes to India is cost savings (call center employees in the US cost about 2.5 times more than an Indian employee). Bangalore, or as it is also called the "Silicon Valley of India," is a prime example of the problems India faces in the international business services arena. On the one hand, companies and the local administration are at odds with government policy: companies want better infrastructure, while the government wants an executive constituency that serves their interests. On the other hand, employees of companies that provide outsourcing services throughout India try their best to adopt Western mannerisms and language in an attempt to appear more like their "parent" companies. This experience is considered harmful in practice and is destructive of tradition, culture, and Indian identity.

Retail Services The retail sector is huge, in fact it is the second largest in the world by retail sales, with sales exceeding \$1 trillion (according to the AT Kearney Global Trade Development Index 2016). But it is not just clothing, electronics and other traditional consumer goods; it is also agricultural retail, which plays a major role in India, a country that is seriously conscious of inflation. Reports suggest that Indian agricultural produce has pockets where it is improperly stored, and that 20-40% of the country's agricultural produce is routinely spoiled. Between 2013 and 2016, more than 46,000 tonnes of grain (which could feed over 800,000 people for a year under the government's subsidised scheme) was reported to have been spoiled or stolen. Foreign direct investment in cold storage is allowed by the Indian government, but there is little interest so far. Retail reform is still ongoing. India is relaxing some barriers to foreign integration in the hopes of increasing the number of foreign retailers in the country. The Bottom Line India has a huge economy and is expected to grow by another 7% by the end of 2016. Although recent economic data may challenge this estimate, the economy is still growing at over 6%. This is despite the fact that the country has surpassed China in growth rates and is poised to become a top favorite among investors from around the globe. Despite such important problems as malnutrition, lack of infrastructure, education, high rates of poverty and corruption, India is actively trying to become a developed country..

Literature:

- 1.Arrow K.J. (1962). The Economic Consequences of Action Learning. A Review economic studies 29, 155-173.
- 2.Barro R.J. , Sala-i-Martin X. (1995). Economic Growth, 539 pp. New York, NY, USA.
- 3.Benh Habib, J., and Perley, R. (1994). Uniqueness and Uncertainty. Journal of economic theories 63, 113-142