

Multi-Sectoral overview of Indian Economy

Posted at: 30/09/2024

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Context : The Ministry of Information & Broadcasting recently published a comprehensive overview of the Indian economy, covering multiple sectors.

Financial Market Performance

India's financial markets are expanding rapidly, attracting global investors. The stock market's daily cash-trading volume has tripled since pre-COVID levels.

- **Foreign Investments** - The retail sector, boosted by liquidity, is set to draw more foreign investments. In FY 2023-24, foreign portfolio investments (FPI) totaled ₹3,39,066 crore.
- **IPO Surge** - Initial public offerings (IPOs) increased by 66%, with 272 IPOs in FY24, reinforcing India's global financial significance.
- **Market Partnerships** - Multinational corporations are increasingly collaborating with local firms, leveraging India's strategic business environment.

Manufacturing and Services Sector Performance

India is emerging as a key player in both manufacturing and services globally.

- **Preferred Investment Destination** - Government initiatives like Make in India and PLI schemes have bolstered domestic production and attracted foreign direct investment (FDI), positioning India as a global manufacturing hub.
- **FDI Inflows** - In FY 2023-24, total FDI reached \$70.95 billion, with \$44.42 billion in equity inflows.
- **Ease of Doing Business** - India improved its ranking, climbing from 142nd in 2014 to 63rd in the World Bank's 2020 report, reflecting regulatory reforms.
- **Service Sector Growth** - India's leadership in IT, cloud computing, and data science has cemented its role as a global leader in knowledge-based services.

Performance of Digital India and Technological Innovation

India's digital economy is among the fastest-growing globally, transforming the technological landscape.

- **Digital India Initiative** - This initiative has boosted internet penetration and improved digital infrastructure, with internet subscribers rising from 25.1 crore in March 2014 to 95.4 crore in March 2024.
- **Digital Payments Growth** - Digital payments have surged, with 46% of global real-time transactions occurring in India. The Unified Payments Interface (UPI) processed nearly ₹81 lakh crore between April and July 2024.
- **Sector Integration** - Digital technologies have enhanced efficiency and service delivery in agriculture, healthcare, and education.
- **Investment Drivers** - Advancements in AI, blockchain, and data science are fueling economic growth and attracting global investments. The IndiaAI Mission aims to develop a robust AI ecosystem through improved computing access, data quality, and support for local AI capabilities, including AI Compute Capacity and Startup Financing over the next five years.

Potential of Demographic Dividend and Geopolitical Positioning

- **Demographic Dividend** - With 65% of India's rapidly growing population under 35, this workforce can be leveraged for the next three decades. Government initiatives to harness this potential include:
 - Pradhan Mantri Kaushal Vikas Yojana
 - Craftsmen Training Scheme
 - Jan Shikshan Sansthan
 - National Apprenticeship Promotion Scheme

The synergy between this demographic advantage and ongoing economic initiatives is vital for a prosperous future.

- **Geopolitical Positioning** - India's strategic role in South Asia as a stabilizing force and its engagement with major global powers enhance its importance. Participation in multilateral forums like the G20, Quad, and BRICS amplifies India's voice on issues such as climate change and global security.
- **G20 Presidency** - India's G20 presidency emphasized inclusivity, ambition, and action, as reflected in the unanimously adopted New Delhi Leaders' Declaration. This geopolitical stability, along with economic reforms, positions India as an attractive destination for foreign investors.

