ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 8| August 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

RECENT SHIFTS IN THE INDIAN ECONOMY: SECTORAL INSIGHTS AND POLICY IMPACT

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ABSTRACT
Economic system of India is majorly divided according to huge and different type of population, unique cultivation performances, and upgrading service sector. Indian economy is a mixed economy here both the government and private sector plays very crucial rule in boosting economic performance. There are several indicators to measure the economic condition of Indian Economy. To analyse the recent trends of Indian economy and the results author considered some important economic indicators like GDP, Interest Rates, Inflation rates, Unemployment rates, Government Debt to GDP, Balance of Trade, Current Account to GDP and Credit Rating. The data taken for the study is based on secondary basis from government and private websites from the year 2016-17 to 2024-25. To boost economy of the country GoI undertaken numbers of initiatives. In 2020-21 our GDP is in minus but afterwords it is positive and fluctuating year to year due to some reasons. Sector wise real growth rate of GVA is increasing primary (3.6), secondary (6.5) and tertiary (7.2) here the third sector is -8.4 in the year 2020-21 and in 2024-25 it is improved and increased to 7.2. Unemployment is a major issue we identified from several decades in the year 2016-17 it is 7.8 and it is decreased to 3.2 in 2024-25 by several government initiatives. The study identified positive improvements in the Economic conditions of the country.
KEYWORDS: *Indian Economy, GDP, Interest Rates, Inflation rates, Unemployment rates, Government Debt to GDP, Balance of Trade, Current Account to GDP, Credit Rating*

INTRODUCTION

India has world's fastest moving economy and after covid pandemic, in the 2023 it moved to change its economic conditions by taking some important initiatives. In first quarter of 2023 India overcomes from the covid pandemic shock and it became fifth biggest economy overcomes United Kingdom. The estimated GDP for the financial year 2025 was Rs. 33.10 lakh crore with the growth of 9.9 percent. Government of India introduced several programmes to support economic growth. They not only contribute to policies and programmes, it also beneficial for financial stability of public and overall development of economy. GoI introduced numbers of programmes like Make in India, Startup India, Digital India, Mission Smart City etc. wood Mackenzie report January 2025 revels that India expected to adopt 100 GW solar capacity by 2025. To support the plan Prime minister launched the programme Suryodaya Yojana, under this 1 crore houses will install solar rooftop. To support traditional artisans in 2023 PM-VISWAKARMA in new Delhi introduced. To improve railway stations Amrit Bharat Scheme was launched. To save forest and environment Draft Carbon Credit Trading Scheme introduced.

OBJECTIVES

1. To study the recent trends of economic development of India.
2. To study the schemes undertaken for the growth of Indian economy.

RESEARCH METHODOLOGY

The is related to recent trends of Indian economy and the initiatives undertaken by the government. Researcher undertaken some important trends like GDP, Interest Rates, Inflation rates, Unemployment rates, Government Debt to GDP, Balance of Trade, Current Account to GDP, Credit Rating. For study researcher analysed nine years data from 2016-17 to 2024-25. the study is depended on secondary data only and the data were collected from several websites related to government, journals, annual statements.

DATA PRESENTATION AND RESULTS

Important Economic Indicators

GDP Growth Rate of India: gross domestic product is the total monetary value of all finished goods and services produced within a country's borders in a specific time period, typically a year or a quarter.[18] To evaluate one country's economic development gross domestic product and gross value added are considered. from 2016 to 2019 the GDP continually fluctuating in 2020 it is showing minus due to some economical decisions which do not support growth of economy. After 2021 also it is fluctuating but it is in good condition not too much decreasing not too much increasing. GVA also in good condition to contribute economy secondary and tertiary sectors are doing well.

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GDP Growth Rate of India

Year	GDP Growth (%)	Annual Charges (%) in GDP	GVA Growth (%)	Sector wise real growth rate of GVA		
				Primary	Secondary	Tertiary
2024-25	6.50	1.08	6.4	3.6	6.5	7.2
2023-24	7.58	0.60	7.2	2.1	9.7	7.6
2022-23	6.99	-2.70	6.7	4.4	2.1	10.0
2021-22	9.69	15.47	9.4	4.8	12.7	9.2
2020-21	-5.78	-9.65	-4.1	2.3	0.2	-8.4
2019-20	3.87	-2.58	3.9	4.8	-1.3	6.4
2018-19	6.45	-0.34	5.8	1.0	6.0	7.7
2017-18	6.80	-1.46	6.2	5.8	6.5	6.9
2016-17	8.26	0.26	8.0	7.3	7.5	8.5

Source:https://www.macrotrends.net/global-metrics/countries/ind/india/gdp-growth-rateand
https://www.mospi.gov.in/sites/default/files/press_release/Press_Note_NAD_31012020.pdf

Interest Rate: As the central bank RBI influences interest rates with monetary policies like repo rate, Policy interest rate, reserve repo rate, standing deposit facility rate, bank rate, marginal standing facility rate and call money rate. RBI adjusts interest rates to manage inflation and stimulates growth of economy. RBI lowered cash reserve ratio 4 to 3, interbank rate kept same to 6.08, RBI interest rate 6 to 5.5, reverse repo rate kept same to 3.35. these all decisions made to easing inflation and balance uncertainty. Standing deposit facility reduced to 5.25, marginal standing facility rate to 5.75. inflation revised down to 3.7% from 4%.

Inflation Rate Due to fluctuations in the value of rupees against dollar and variations in several countries' domestic situations. Inflation has of four types viz,
By considering the above given values and definitions of inflations our country's inflation rale is not more than 10 percent annually. It indicates that our country's inflation is under walking it indicates that we are in moderated inflation. So that we can consider that our country is in developing mode.

Creeping Inflation: it considered as healthy and growing economy sign. In this type of inflation, we consider low increase in prices it is 2 to 3 percent yearly.

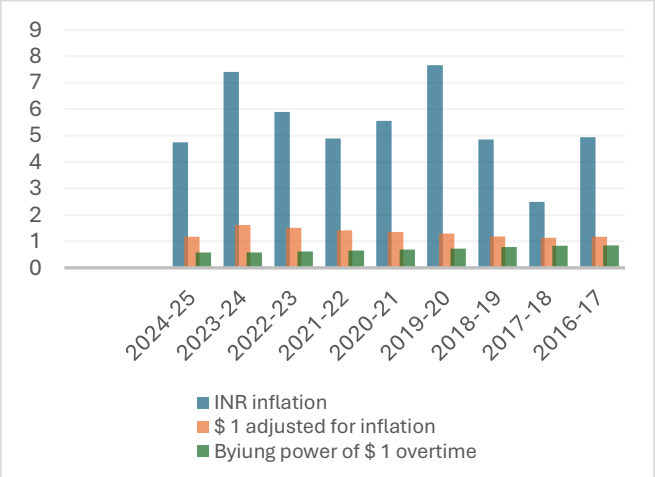
Walking Inflation: in this type prices are moderately increasing. This is the warning that there a need of attention towards our country's economy. In this price increasing from 3 to 10 percent annually.

Galloping Inflation: in this inflation mode is in high speed where it is increased double, triple it mean more than 10 percent annually.

Hyperinflation: this is extremely bad and very serious form of inflation. In this price are uncontrollably increasing almost increasing more than 50 percent annually. It can push our country completely in loss in the country's currency.

Inflation Rate of India

Year	INR inflation	$ 1 adjusted for inflation	Buying power of $ 1 overtime
2024-25	4.75	1.17	0.58
2023-24	7.41	1.62	0.58
2022-23	5.9	1.51	0.62
2021-22	4.89	1.42	0.66
2020-21	5.56	1.36	0.69
2019-20	7.66	1.29	0.73
2018-19	4.86	1.19	0.79
2017-18	2.49	1.14	0.83
2016-17	4.94	1.17	0.85



Source:https://www.officialdata.org/india/inflation/2014?amount=1

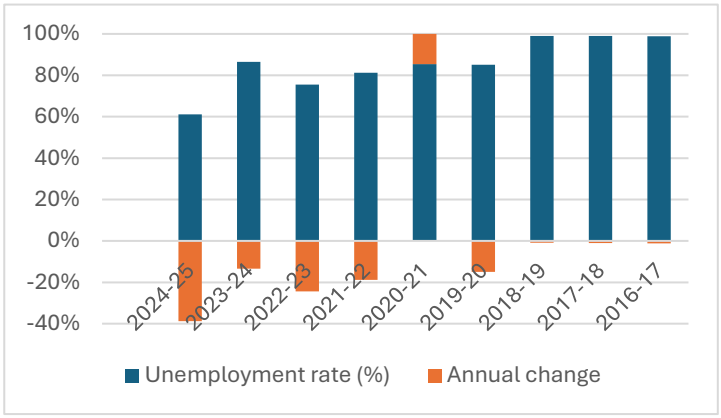
Unemployment Rate: Unemployment is a major problem of India because our population is rapidly increasing and job opportunities and very few. To reduce unemployment our government taken several policies and schemes and they positively resulting. By observing the data, we can say that unemployment rate of India is high from 2016 to 2022. From

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2023 to 2025 it is decreasing as compared to previous data. It is done through several schemes adopted by the government like Atmnirbhar Bharath, Make in India, Starup India, Mudra Loan and so on. Now a days India moving from unemployment to generating employment through numbers of government schemes.

Unemployment Rate of India

Year	Unemployment rate (%)	Annual change
2024-25	3.2	-2.03
2023-24	4.17	-0.65
2022-23	4.82	-1.56
2021-22	6.38	-1.48
2020-21	7.86	1.35
2019-20	6.51	-1.14
2018-19	7.65	-0.07
2017-18	7.72	-0.08
2016-17	7.80	-0.09

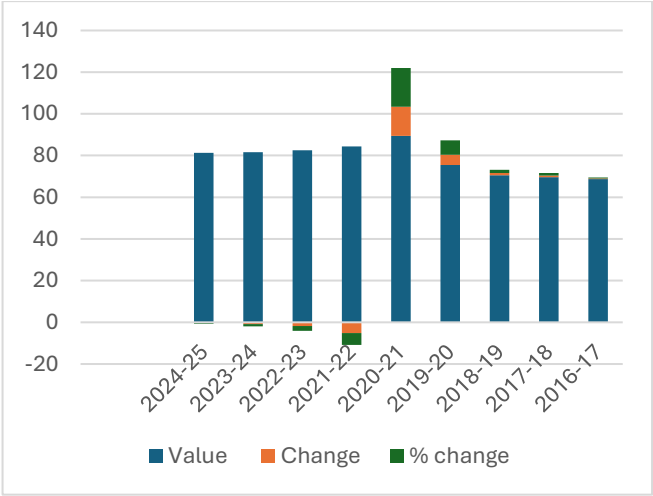


Source: https://www.macrotrends.net/global-metrics/countries/ind/india/unemployment-rate

Government Debt to GDP: it is the comparing of Gross Domestic Product to its Debt shown as percentage. It counts the ability to pay its debt. Higher ratio says high risk of financial conditions and creates difficulty in debt payment. It will be controlled by fiscal and debt management policies. Very low rate recorded in 1980 it was 47.94 and the high record in the year 2020 that is 89.45 percent. According to Press Information Bureau (PIB) in financial year 2025-26 the government debt to GDP estimated to decline 56.1 percent.

Government Debt to GDP of India

Year	Value	Change	% change
2024-25	81.295	-0.3	-0.4
2023-24	81.59	-0.9	-1.1
2022-23	82.49	-1.84	-2.2
2021-22	84.33	-5.12	-5.7
2020-21	89.45	13.99	18.5
2019-20	75.46	4.88	6.9
2018-19	70.58	1.01	1.5
2017-18	69.57	0.8	1.2
2016-17	68.77	0.24	0.4



Source: https://tradingeconomics.com/india/government-debt-to-gdp

Balance of Trade: it is the difference between the country's import and export in a particular period. Positive BOT indicates surplus and negative BOT shows the deficit trade. Some types of balance of trade are as given below,

Favourable: in this country's total exports are more than total imports and it is trade surplus. It has seemed to be ideal situation of a country. It helps in foreign exchange reserves, macroeconomic conditions and good economic growth.

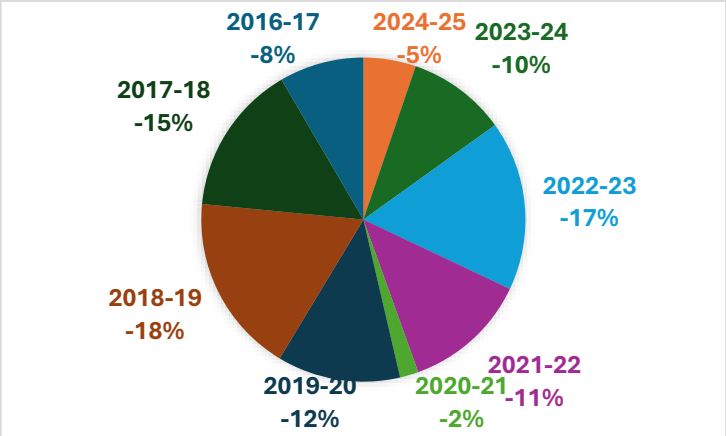
Unfavourable: in this case total imports exceeds total exports, and it is trade deficit of the economy. The high trade deficit causes collapse of the economy and value of currency decreases.

Equilibrium: in this case total exports are equals to total imports and experts say that it is impossible to equal both items. From numbers of years our country facing balance of trade problem because we are importing more than exporting goods. So, it is difficult to manage the equilibrium in BOT. in the given data it is fluctuating year to year. In 2020-21 the percentage of GDP to balance of trade is very low as compared to other years data it is due to covid pandemic. In upcoming days, it is reducing because several policies and schemes are introduced to boost our production and exporting levels.

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Balance of Trade of India

Year	Billions of US $	% of GDP
2024-25	$ -21.94 B	-1.1
2023-24	$ - 73.51 B	-2.07
2022-23	$ - 119.53 B	-3.56
2021-22	$ - 83.13 B	-2.62
2020-21	$ - 10.52 B	-0.39
2019-20	$ - 73.07 B	-2.58
2018-19	$ - 101.67 B	-3.76
2017-18	$ - 83.76 B	-3.16
2016-17	$ - 40.53 B	-1.77

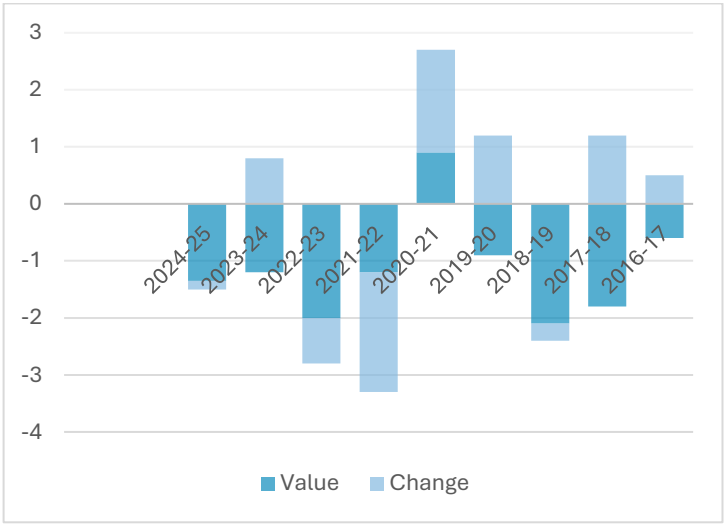


Source: https://www.macrotrends.net/global-metrics/countries/ind/india/trade-balance-deficit

Current Account to GDP: it is the recording of one countries inflow and outflow made between one and another country. It is used to examine countries economic activity, and it includes capital market, industries, services and government investments. Due to covid pandemic in the year 2019-20 it recorded very low amount of difference and in other it is fluctuating but in 2024 it is in good condition that is 12.5 and is in positive condition.

Current Account to GDP of India

Year	Value	Change	% change
2024-25	-1.35	-0.15	12.5
2023-24	-1.2	0.8	-40
2022-23	-2	-0.8	66.7
2021-22	-1.2	-2.1	-233.3
2020-21	0.9	1.8	-200
2019-20	-0.9	1.2	-57
2018-19	-2.1	-0.3	16.7
2017-18	-1.8	1.2	200
2016-17	-0.6	0.5	-45.5



Source: https://tradingeconomics.com/india/current-account-to-gdp

Credit Rating: Credit rating is an appraisal of ability of a business or government to repay the amount due to investors on their investments and debt. They are grades in the form of letters starts from AAA it is treated in top and ends to C or D it is treated at bottom. There are mainly four major credit rating agencies namely Moody's, Fitch and Sand P and DBRS ratings. They show time skyline.

Credit rating is used by investment institutions, investors, intermediaries, businesses, debt issuing authorities. S and P uses BBB- rating for India for positive, for stability Moody's rating for India is Baa3, DBRS remarked BBB rating for low with positive outlook,
Types of credit rating

Investment Grade: investment is considered yielding to pressure by the agency and issuer gather the repayment. They are lower competitive prices then speculative investment.

Speculative Grade: they have high risk with high interest rates and have a good qualifies investment.

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Credit Ratings

Moody's	S&P	Fitch	DBRS
Aaa	AAA	AAA	AAA
Aa1	AA+	AA+	AA (high)
Aa2	AA	AA	AA
Aa3	AA-	AA-	AA (low)
A1	A+	A+	A(high)
A2	A	A	A
A3	A-	A-	A(low)
Baa1	BBB+	BBB+	BBB (high)
Baa2	BBB	BBB	BBB
Baa3	BBB-	BBB-	BBB (low)
Ba1	BB+	BB+	BB(high)
Ba2	BB	BB	BB
Ba3	BB-	BB-	BB(low)
B1	B+	B+	B(high)
B2	B	B	B
B3	B-	B-	B(low)
Caa1	CCC+	CCC+	CCC (high)
Caa2	CCC	CCC	CCC
Caa3	CCC-	CCC-	CCC (low)
-	D	D	D

(Source: https://corporatefinanceinstitute.com/resources/fixed-income/credit-rating/)

CONCLUSION

In this article researcher analysed the recent trends of Indian economy and the impact of new policies in development of economy. Some important indicators like GDP, Interest Rates, Inflation rates, Unemployment rates, Government Debt to GDP, Balance of Trade, Current Account to GDP, Credit Rating are selected to know about the recent trends which helps to boost the economy. The study revels that, from 2016 to 2019 the GDP continually fluctuating in 2020 it is showing minus due to some economical decisions which do not support growth of economy. RBI lowered cash reserve ratio 4 to 3, interbank rate kept same to 6.08, RBI interest rate 6 to 5.5, reverse repo rate kept same to 3.35.

From given values and definitions of inflations our country's inflation rale is not more than 10 percent annually. From 2023 to 2025 the unemployment rate is decreasing. It is done through several schemes adopted by the government like Atmnirbhar Bharath, Make in India, Starup India, Mudra Loan and so on. Due to covid pandemic in the year 2019-20 it recorded very low amount of difference and in other it is fluctuating but in 2024 it is in good condition that is 12.5 and is in positive condition. Policies undertaken by the government are working very well and they help India in reaching the target of developing country to developed country.

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