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INDIA GDP GROWTH RATE 2022- A REVIEW

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ABSTRACT

If we look at the IMF, India's gross domestic product (GDP) growth projection for 2022 cut to 8.2 per cent from 9 per cent in its World Economic Outlook report in April 2022. International Monetary Fund (IMF) Nominal GDP prolonged by Rs 38.6 lakh crore to Rs 237 lakh crore, or 19.5 per cent annualised. In FY23 also, as inflation remains elevated in the first half, nominal GDP will grow 16.1 per cent to Rs 275 lakh crore, he said. Corporate revenue and profit and the growing bank credit coupled with plenty liquidity in the system. If we look at rising corporate growth, the report noted that in FY22, around 2,000 listed companies reported 29 per cent top line growth and 52 per cent jump in net profit over the previous year. If we look at the Construction sectors, like cement, steel, etc reported inspiring growth in both revenue as well as net income with 45 per cent and 53 per cent, rise respectively in revenue. Looking towards all such things an attempt has made to recollect all information regarding GDP growth rate in 2022.

KEYWORDS- *Expand, GDP, Rate.*

INTRODUCTION

Gross domestic product (GDP) is the standard measure of the value added created through the production of goods and services in a country during a certain period. As such, it also measures the income earned from that production, or the total amount spent on final goods and services. corporate revenue and profit and the growing bank credit coupled with ample liquidity in the system. On rising corporate enlargement, the account notes that in FY22, around 2,000 listed companies reported 29 per cent top line growth and 52 per cent jump in net profit over the previous year. Construction sectors as well as cement, steel, etc reported imposing growth in both revenue as well as net income with 45 per cent and 53 per cent, rise respectively in revenue. The RBI is likely to raise the repo rate cumulatively by 125-150 basis points over the pandemic level of 4 per cent. If we look at the Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. GDSP Includes These Points.

- Gross domestic product (GDP) is the monetary value of all completed goods and services made within a country during a specific period.
- GDP provides an economic snap of a country, used to approximate the size of an economy and growth rate.
- GDP can be designed in three ways, using expenditures, production, or incomes. It can be adjusted for inflation and population to provide deeper insights.
- Though it has limitations, GDP is a key tool to guide policy-makers, investor, and businesses in strategic decision-making.

The central bank may also add to the CRR cumulatively by another 50 basis points, after raising it by 50 basis points in the last monetary policy which will lead to absorption of Rs 1.74 lakh crore from the market on durable basis (Rs 87,000 crore absorbed earlier).

High government make use of has craggy out the probability of OMO sale, thus CRR enhance seems as the possible non-disruptive option of fascinating the durable liquidity. Furthermore, this opens up space for the central bank to conduct liquidity management in future through OMO purchases.[1-2]

NOMINAL GDP

Nominal GDP is an assessment of economic production in an economy that includes current prices in its calculation. In other words, it doesn't strip out inflation or the pace of rising prices, which can inflate the growth figure.

All goods and services counted in nominal GDP are valued at the prices that those goods and services are actually sold for in that year. Nominal GDP is evaluated in either the local currency or U.S. dollars at currency market exchange rates to compare countries' GDPs in purely financial terms.

Nominal GDP is used when comparing different quarters of output within the same year. When comparing the GDP of two or more years, real GDP is used. This is because, in effect, the removal of the influence of inflation allows the comparison of the different years to focus solely on volume.

With this, the monetary authority can give back to the market at least three-fourths of Rs 1.74 lakh crore occupied through CRR hike or Rs 1.30 lakh crore in some form to address period supply. This will lower the market borrowing to around Rs 13 lakh crore. Compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has exaggerated the hold back in the global financial system, which is in the direction of the inside what could become a extended period of feeble enlargement and elevated price rises, according to the World Bank's latest ***Global Economic Prospects*** report. This raises the risk of stagflation, with potentially harmful penalty for middle- and low-income economies alike. The June ***Global Economic Prospects*** report offers the first systematic assessment of how current global economic conditions compare with the stagflation of the 1970s—with a meticulous emphasis on how stagflation could affect emerging market and just beginning economies. The revival from the stagflation of the 1970s necessary steep add to in attention rates in major higher economies, which played a famous role in triggering a string of financial crises in emerging market and developing economy. The present point in time resemble the 1970s in three key aspects: persistent supply-side disturbances fuelling price rises, preceded by a long-drawn-out period of highly accommodative financial policy in major advanced economies, forecast for fading growth, and vulnerabilities that up-and-coming market and just beginning economies face with respect to the monetary policy reduction that will be needed to rein in price rises.[3-5]

DISCUSSION

GDP growth rate compares the year-over-year (or quarterly) change in a country's economic output to measure how fast an economy is growing. Usually expressed as a percentage rate, this measure is popular for economic policy-makers because GDP growth is thought to be closely connected to key policy targets such as inflation and unemployment rates.

If GDP growth rates accelerate, it may be a signal that the economy is "overheating" and the central bank may seek to raise interest rates. Conversely, central banks see a shrinking (or negative) GDP growth rate (i.e., a recession) as a signal that rates should be lowered and that stimulus may be necessary.

GDP Purchasing Power Parity (PPP)

While not directly a measure of GDP, economists look at purchasing power parity (PPP) to see how one country's GDP measures up in "international dollars" using a method that adjusts for differences in local prices and costs of living to make cross-country comparisons of real output, real income, and living standards.

CALCULATION OF GDP

GDP can be determined via three primary methods. All three methods should yield the same figure when correctly calculated. These three approaches are often termed the expenditure a However, the ongoing episode also differs from the 1970s in multiple dimensions: the dollar is strong, a sharp difference with its severe fault in the 1970s; the proportion increase in product prices is smaller; and the balance sheets of major financial institutions are generally strong. More decisively, unlike the 1970s, central banks in sophisticated economies and many initial economies now have clear permission for price stability, and, over the past three decades, they have established a credible track record of realize their price rises targets. Global inflation is expected to moderate next year but it will likely remain above price rises targets in many economies. The report notes that if inflation remains elevated, a repeat of the resolution of the earlier stagflation episode could translate into a spiky global downturn along with financial crises in some emerging market and developing economies.

This paper also offers fresh insight on how the war's effects on energy markets are cloud the global growth outlook. The war in Ukraine has led to a surge in prices across a wide range of energy-related commodities. Higher energy prices will lower real income, raise production costs, tighten financial conditions, and constrain macroeconomic policy particularly in energy-importing countries.[6]

CONCLUSION

Most economists today agree that 2.5 to 3.5% GDP growth per year is the most that our economy can safely preserve without causing negative side effects. Hence India's GDP at current prices is estimated to attain a level of INR 236.65 trillion (US$3.05 trillion), marking a significant leap from FY 2021, when the nominal GDP was esteemed at INR 198.01 trillion.

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