A Brief Narrative on Indian Economics Reforms: A Look Back after 30 Years

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ABSTRACT

After acquiring independence in 1947, India was primarily a command and control kind of economy working in a centrally planned environment under the guidelines of a central Planning Commission. The country had passed through various crisis situations at different phases due to internal as well as external factors. The three major crises worth mentioning are the ones of 1966, 1981 and 1991. Among these, the crisis of 1991 requires special mention since it led to a drastic transformation in the overall economic structure and method of functioning of the Indian economy. The measures which were adopted in 1991 for combatting the crisis are popularly known as reforms. Thirty years have elapsed since then. It is time to look back in order to assess the efficacy of the reforms. This article is essentially a brief narrative on India's journey during the post reforms era by looking at the various economic indicators and assessing India's position in terms of these indicators.

Keywords: Command and Control, Planning, Crisis, Reforms, Structural transformation

A. Introduction

The year 2022 marks the 75th anniversary of Indian Independence. The journey of the Indian economy since it acquired freedom from the British colonisers has been that from a third world country to a leading developing country considered as a potential superpower[1]. The Indian economy has witnessed a lot of twists and turns and various transitions during the past 75 years. As noted by Tyagi (2022), "Over the last seven decades, the Indian economy has seen several ups and downs. The country has gone from having a GDP of just Rs 2.7 lakh crore at the time of Independence to now sitting close to Rs 150 lakh crore. Once

[1] Thirwell, Mark P. "Lowy Institute paper - The Next Economic Giant" . Archived from the original (PDF) on 25 March 2020. Retrieved 22 December 2019.

branded a "third world country", India is now among the biggest economies of the world. India's economic history has been marked by several critical milestones amongst which are the crisis years of 1966, 1981 and 1991, and India's emergence from the economic crisis as the world's fastest growing major economy."[2] Thus whatever India has been today is also attributable to the economic crises it faced and also its way of combating these crises.

However, though the crises of 1966, 1981 and 1991 were all quite unique in nature, the crisis of 1991 deserves some special attention as this crisis had led to a substantial structural transformation of the Indian economy post-independence which the other two had not. The present paper primarily concentrates on the measures adopted by the Indian Government in order to combat the crisis of 1991. Before proceeding further we take a brief look at each of the crises of 1966, 1981 and 1991.

The crisis of 1966 was related to a sudden devaluation of Indian currency by the Indira Gandhi government. Since independence, India had held the dollar constant at Rs 4.76 despite rising trade deficits. A persistent dependence on foreign aid was also required to maintain the constant valuation of the rupee. The wars India had to fight with China and Pakistan struck the Indian economy hard. The crisis was further intensified by the major drought in 1965-1966. Moreover, the World Bank, funded by the US to a large extent, failed in delivering its promised levels of aid inflows to India. Each one of these individually contributed to increased deficit financing thus worsening the already soaring inflation. The cumulative effect was obviously more severe. On June 6, 1966, the Indira Gandhi government devalued the Indian rupee by 57 percent, from Rs 4.76 to Rs 7.50 to a dollar. This move called in for a lot of harsh criticism, as it was looked down upon as "the ultimate sell-out to America and the World Bank".[3]

The crisis of the 1980s had a direct link with the oil crisis that started in 1979. In the wake of the Iranian revolution in 1979 global oil production had dropped sharply resulting in an acute fuel shortage in several countries including India which depended on imported oil primarily to meet their fuel demands. The sudden increase in its fuel import bill had put India in a difficult position leading to a serious balance of payments crisis as India struggled to pay for the enhanced import bill which compounded the problem further. A crop failure caused by two successive droughts only added to the agony of a country, 31.7 percent of which depended on agriculture. By 1980, the crisis showed up prominently. India recorded a negative growth of 5.2 percent in its Gross Domestic Product (GDP),

[2] https://www.financialexpress.com/economy/75th-independence-day-how-indian-economy-grew-since-1947-a-look-at-key-milestones-in-last-75-years/2629483
[3]ibid.

with inflation touching a mark of 29 percent. The economy plunged into a recession as a consequence of two successive quarters of negative growth.[4]

The Indian economic crisis of 1991 was a consequence of a balance of payments deficit due to excess reliance on imports and other external factors.[5] In fact, India's economic problems started worsening in 1985 as imports had escalated, leaving the country in a twin deficit i.e. the Indian trade balance was in deficit at a time when the government was running on a huge fiscal deficit.[6] The collapse of the Soviet Bloc, subsequent to the overturning of the socialist regime in Soviet Russia had also contributed to the problem since India had rupee exchange in trade with these countries. The Gulf War during the end of 1990 worsened the situation to such an extent that India was left with just enough foreign exchange reserves which could barely finance three weeks' worth of imports. The government, meanwhile, was on the verge of defaulting on its own financial obligations. By July 1991, the low reserves had led to a sharp depreciation/devaluation of the rupee, which further aggravated the twin deficit problem.[7] The severity of this crisis left India no choice but to adopt drastic transformative measures for its economic structure in 1991 which are popularly known as the economic reforms.

More than 30 years have passed since the introduction of the reforms. Whether the reforms can be called a success story is a highly debated issue till date. Ahluwalia (2002) observed, "The impact of ten years of gradualist economic reforms in India on the policy environment presents a mixed picture. The industrial and trade policy reforms have gone far, though they need to be supplemented by labor market reforms, which are a critical missing link. The logic of liberalization also needs to be extended to agriculture, where numerous restrictions remain in place. Reforms aimed at encouraging private investment in infrastructure have worked in some areas, but not in others. The complexity of the problems in this area was underestimated, especially in the power sector. This has now been recognized, and policies are being reshaped accordingly. Progress has been made in several areas of financial sector reforms, though some of the critical issues relating to government ownership of the banks remain to be addressed. However, the outcome in the fiscal area shows a worse situation at the end of ten years than at the start." What Ahluwalia (2002) writes, presents a scenario after roughly 10 years of the reforms. Aiyar (2016) has tried to assess the impact of the reforms after 25 years and states that, "How can we sum up 25 years of economic reform? Three major trends are visible. First, the vast majority of successes have been private-sector successes, whereas the vast majority of

[4]https://www.indiatoday.in/india-today-insight/story/why-india-s-present-economic-crisis-is-different-from-the-recession-of-1979-1718003-2020-09-02
[5]https://www.imf.org/External/Pubs/FT/staffp/2002/03/pdf/cerra.pdf
[6] https://documents1.worldbank.org/curated/en/999451468260069468/pdf/multi0page.pdf
[7]https://www.imf.org/External/Pubs/FT/staffp/2002/03/pdf/cerra.pdf

failures have been government failures, mainly in service delivery. Second, wherever markets have become competitive and globalized, the outcomes have been excellent. But many areas remain unreformed, a few areas have been marked by backsliding, and those along with new forms of regulation are combining to create what can be called neo-illiberalism. Third, the weak quality of Indian institutions is increasingly a problem, and without better institutions, India will be unable to sustain high growth." The current article is an attempt to analytically understand the impact of reforms after 30 years since the unfolding of the reform measures. Another important factor that has played a significant role during 2019 to 2022 is the global Covid-19 pandemic that put the entire global economy into a deadlock for a substantial period of time. The suspension of economic activities as a consequence of the pandemic has long term effects on all economies across the world.

To analyse the impact of the reforms after 30 years, let us first have a quick look at the situation prevailing before the reforms so that the effectiveness of the reforms can be understood better against this backdrop.

B. Features of Indian Economy prior to Reforms:

The economic reforms essentially were a set of policies which aimed at making India more market oriented from a command and control type of economy. Immediately after independence, India needed a centrally controlled policy regime in order to ensure a well-coordinated growth across sectors, for ensuring fundamental rights of its citizens and also for gradually emerging as a self-sustaining economy. With this view, the Planning Commission came into being in March 1950,[8] by a Resolution of the Government of India which defined the scope of its work which is sketched out very clearly in the Introduction of the First Five Year Plan (1951-56). According to this: "The Constitution of India has guaranteed certain Fundamental Rights to the citizens of India and enunciated certain Directive Principles of State Policy, in particular, that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life, and shall direct its policy towards securing, among other things —

- that the citizens, men and women equally, have the right to an adequate means of livelihood ;
- that the ownership and control of the material resources of the community are so distributed as best to subserve the common good ; and
- that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

[8] https://www.britannica.com/topic/Planning-Commission

Having regard to these rights and in furtherance of these principles as well as of the declared objective of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production, and offering opportunities to all for employment in the service of the community."[9]

With these objectives the Planning Commission came up with various five year plans subsequently. Different plans had focused on different aspects of fulfillment of these broad objectives. The Second Five Year Plan (1956-61) among these requires a special mention since this is the Plan that advocated heavy and rapid industrialization through establishment of a large public sector. The vision of this Plan was rooted in the model of economic development developed by the eminent Indian Statistician P.C. Mahalanobis. The idea was to determine the optimal allocation of investment between productive sectors for maximizing economic growth in the long run. The public sector spanned over a vast number of industrial activities, starting from consumer goods to capital goods. Hydroelectric power projects and steel plants were established with foreign collaboration from Russia, Germany and the UK. The large public sector based activities continued till the late 1980s.

A special part of the command and control policy was the Industrial Licensing system. This system required every potential entrepreneurial activity to secure permission in the form of a prior license from the bureaucracy. The major justification for this sort of a policy was that given the limited capital base and scarcity of certain resources, it is necessary to have a prior evaluation of any industrial project. However, the administrative delays in the permission process resulted in large gestation lags leading to severe slowdown in industrial productivity.

Another aspect that characterized the Indian economic policy was that of Import Substituting Industrialisation. This is a type of policy that aims at substituting imports in order to enable a country to attain self-reliance. The less a country is dependent on foreign products the more autonomy it is likely to enjoy in formulating its policies. This is particularly true for import of necessary goods. The thrust on heavy industrialization in the Second Five Year Plan thus reinforced this idea of self-reliance through import substitution. The large public sector activities in a way aimed at paving the path for less dependence on imported items. The high rates of tariff and the system of quota for import of certain products were designed to ensure a secured domestic market for domestically produced items. Another complementary measure was the policy of pegged exchange rate. The exchange rate of Indian rupee vis-à-vis some leading foreign currencies was determined totally by policy makers and not by market

[9] http://planningcommission.nic.in/plans/planrel/fiveyr/index2.html

forces and thus the exchange rate was kept fixed vis-à-vis the leading currencies. The obvious implication was that demand for foreign goods was determined by factors other than market forces. Thus the demand structure in India was "distorted" as it was not an outcome of the free functioning markets and was rather an offshoot of an inward looking policy structure.

However, it must be noted here that, despite the objective of attainment of self-reliance through import substitution, India was persistently dependent on Russia (both during the USSR regime as well as after its collapse) for defense equipment. Also much foreign technical know-how required to be imported for sustaining the heavy industrialization drive. Thus as a whole India's inward looking policies failed to ensure self-reliance in the long run. This resulted from two sources. First, India accumulated huge public debt due to huge losses generated by most of the public sector enterprises over time. Second, there had been huge and accelerating deficits in the balance of payments.

The simultaneous dynamics of all these factors eventually led to a situation where India was on the verge of economic bankruptcy and this forced the adoption of reform measures on various fronts. The major ones related to privatization of a large number of public sector enterprises, abolition of licensing requirement for many activities leaving out a few which were of strategic importance (like defense equipments, production involving or relating to atomic energy, hazardous chemicals, petroleum and its distillation products, coal and lignite etc.), removal of tariff and reduction in tariff rates for a large number of imported items, allowing for a market determined exchange rate system and permitting higher volumes of foreign investments in industrial activities. Reform measures were also introduced in the banking sector and other segments of the financial market. Taxation structures were drastically reformulated. All these measures had a common objective of introducing market discipline in the economy as a whole. The immediate outcome was that this drastic policy shift managed to save India from an impending crisis.

C. Effects of Reforms:

Though the reforms unfolded in 1991, the process continued in later years also. At different phases more tax reform measures were introduced. Similar was the case for the financial sector. In minor forms even industrial policy reforms also took place on a few occasions. However, the reform measures of 1991 are still identified as the "Reforms". Thirty years have lapsed since this overhauling of the economic policy structures took place. Now is the time for some evaluation. For a proper evaluation of the reforms after thirty years, ideally a sector wise time series analysis should be conducted. But that rigourous technical exercise lies outside the scope of this brief narrative. Broadly, there have been some observable positive impacts. India has emerged as a growing economy and an important player in the global market. India's average annual growth rate over the past decade has remained above 5 percent per annum, quite often touching the 8 percent level. However, the global Covid-19 pandemic during 2019-21, that led to lockdown across countries and suspension of various economic activities and closure of trade routes, also left its mark on India's growth rate which turned negative touching a level of -6.60 percent during 2020-21. But this is to be treated more as a result of an exceptional situation which can hardly be thought of as a norm. The growth and growth rate of the Gross National Income (GNI) of India can be observed in the following figures 1(a) and 1(b) respectively.[10] As suggested by Figure 1(b), the growth rate has increased again during 2021-22, in fact the recorded growth rate is 9.4 percent.[11]

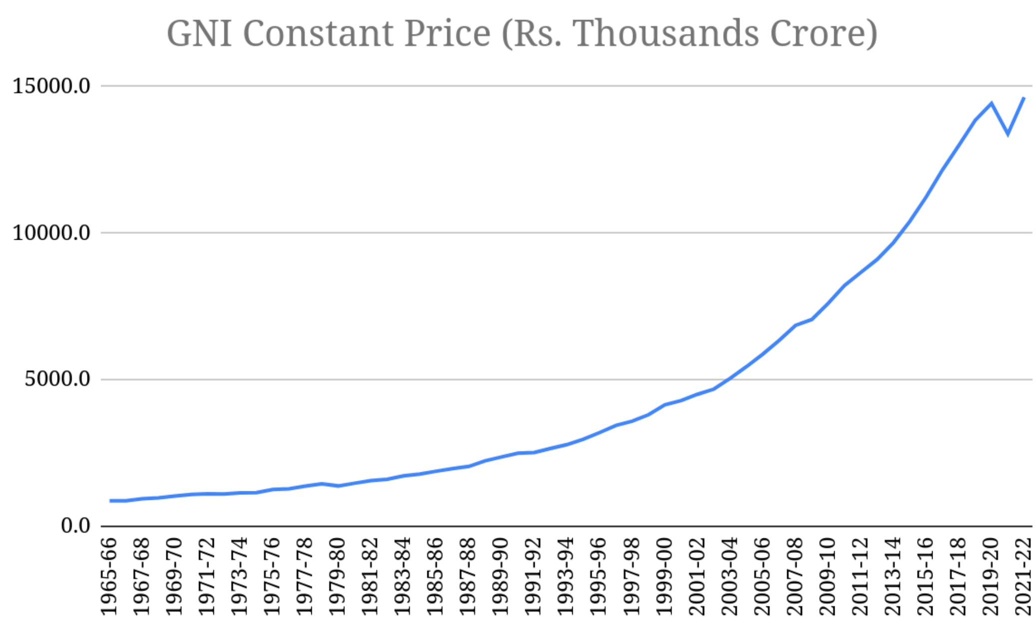

Figure 1(a)

[10] The data corresponding to these figures have been provided in Table 1(a) and Table 1(b) respectively in Appendix 1.

[11] https://www.indiabudget.gov.in/economicsurvey/

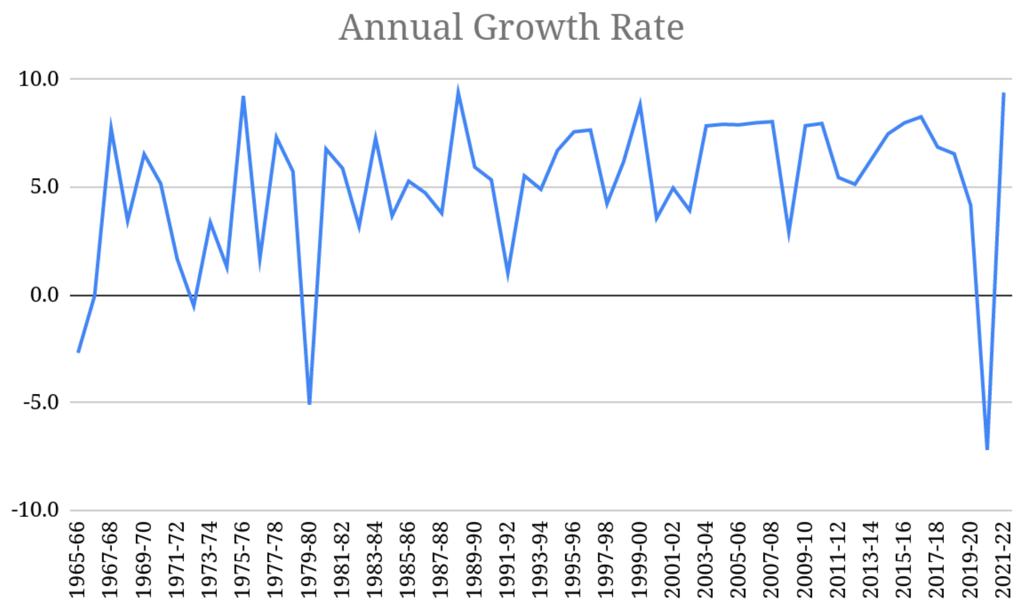

Figure 1(b)

Source:https://www.indiabudget.gov.in/economicsurvey/

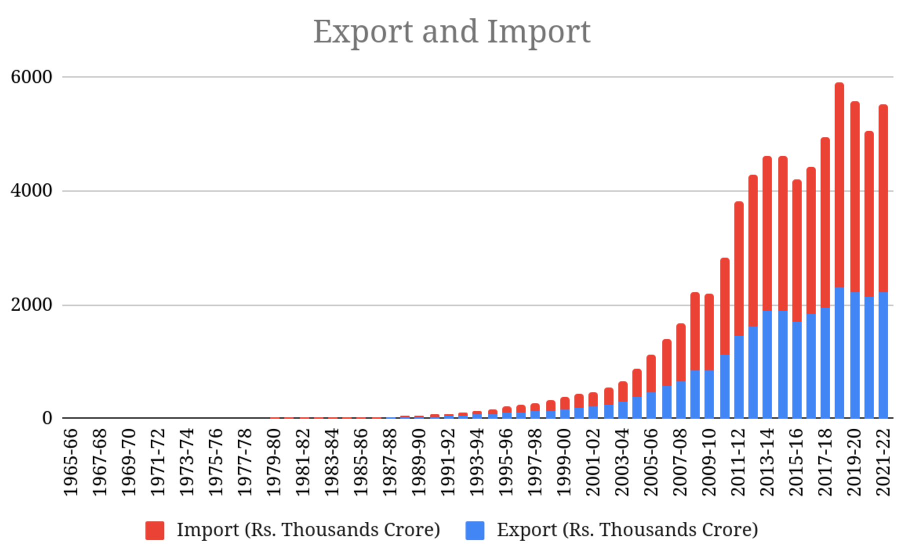

Figure 2(a)

Next we look at India's performance in the foreign trade sector. The following figures 2(a) and 2(b) respectively show the levels of export and import and trade deficit.[12] The volume of foreign trade has clearly increased after the reforms as depicted by figure 2(a). Both import and export show a more or less steady rise

[12]The data corresponding to these figures have been provided in Table 1(a) and Table 1(b) respectively in Appendix 2.

since 1991 and the growth is observed to be more pronounced after 1999-2000. Also it is to be noted that the export-import of India did not suffer much during the global financial meltdown of 2008-09.

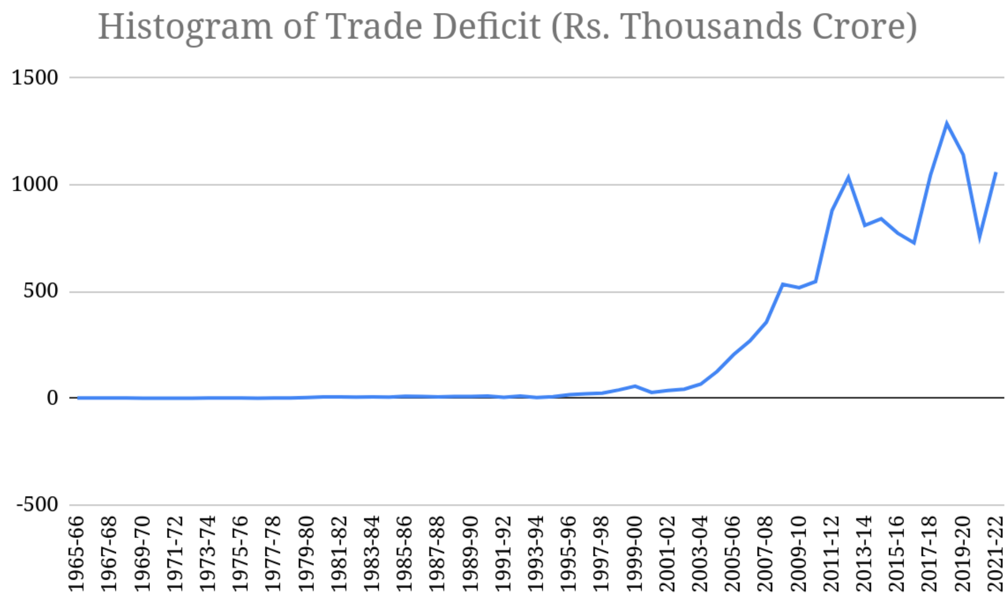

Figure 2(b)

Source:https://www.indiabudget.gov.in/economicsurvey/

Looking at figure 2(b) it can be observed that India's trade deficit i.e. export net of imports has shown an overall increasing trend though with occasional fluctuations. During 2012-13 and 2017-18, the trade deficit was on the decline consistently, but it started rising again since then which continued till 2019-20. However, the global Covid-19 pandemic had started setting in by the end of 2019 which continued through 2020 and 2021. This pandemic had led to large scale suspension of various economic activities for at least temporarily in most parts of the world and also closure of trade routes for quite a few months. Thus India's import and export channels both got adversely affected resulting in a sharp decline in its foreign trade volume on both counts. However, since the second half of 2021, the world economy has started recovering again from the pandemic effects and during 2021-22, both imports and exports have shown marks of improvement. The trade deficit, however, has also increased.

Next we take a look at India's capital account. This component was not so significant prior to the reform years. After the opening up of the economy, during the initial years the type of foreign investment was largely foreign portfolio investment or FPI. Compared to foreign direct investment or FDI, this type of investment is more volatile in nature and it consistently involves the threat of sudden massive capital outflow.[13]

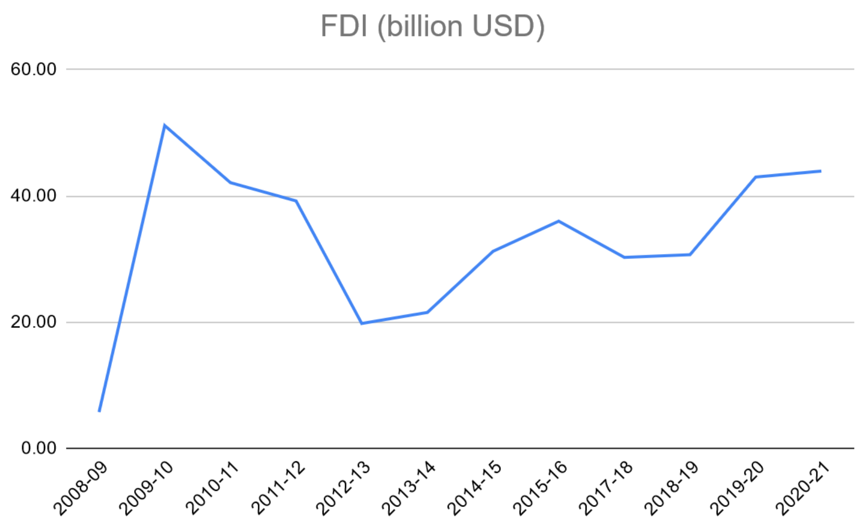

Figure 3(a)

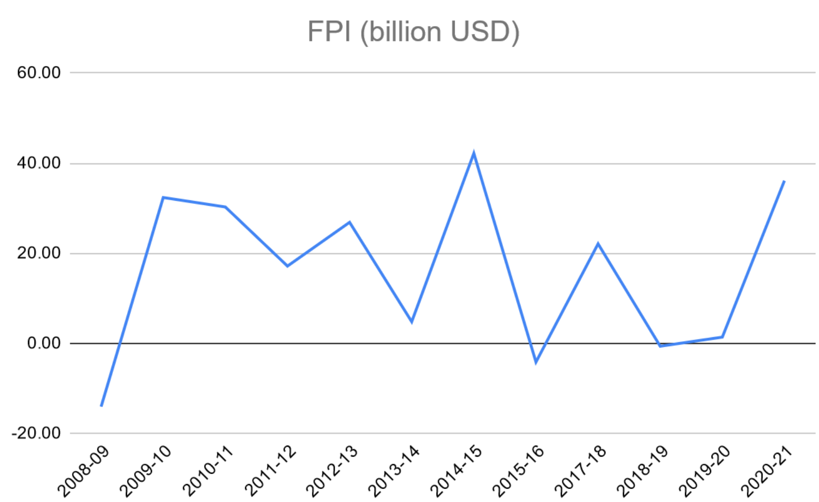

Figure 3(b)

Source:https://www.indiabudget.gov.in/economicsurvey/

Figures 3(a) and 3(b) above show the levels of FDI and FPI in India over the past 12 years.[14] It is somewhat a relief that the proportion of FDI in India's total foreign investment is higher than that in FPI during this period and also since

[13] The South-East Asian financial crisis in 1997 was the consequence of overnight capital flight leading to drastic devaluation of the currencies of these countries as opposed to US Dollars and other leading currencies in the world economy thus leaving these countries in a dire economic state.
[14] The data corresponding to these figures have been provided in Table 3 in Appendix 3.

2012-13, FDI shows an overall increasing trend though with some fluctuations (e.g. a decline during 2015 to 2018). The fluctuation in FPI is of course much more pronounced, occasionally being negative too (e.g. in 2008-09, 2015-16 and 2018-19).

After looking at the current account (consisting of exports and imports) and the capital account (consisting of foreign investment), we next proceed to take a quick look at the overall balance of payments (BOP) situation in India. This is very important because the crisis of 1991 that resulted in the unfolding of reform measures had primarily sprouted from this component. The following figure 4(a)[15]shows the overall BOP situation of India.

India's foreign exchange reserve has also remained in a comfortable position and has shown a rising trend with occasional fluctuations since the second half of the 1990s as can be seen from figure 4(b) below. After the global Covid-19 pandemic, however, there has been a little decline in the overall foreign currency reserve. This is not very unusual or unexpected since the international trade across the globe was drastically reduced due to the lockdowns in various countries and the closure of trade routes for some time. India's export earnings also got adversely affected resulting in decline in foreign exchange earning.

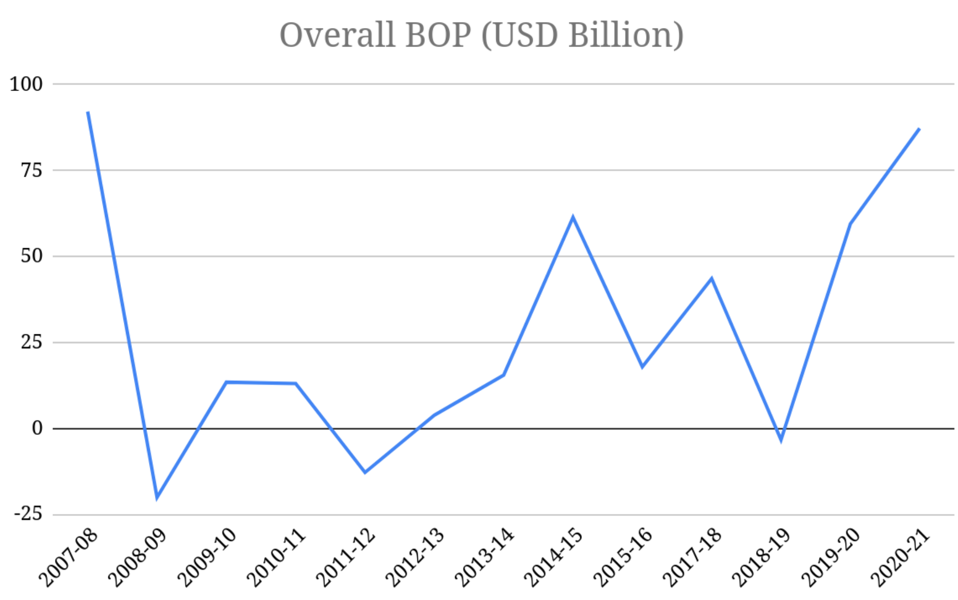

Figure 4 (a)

Source:https://rbi.org.in

[15]The data corresponding to this figure has been provided in Table 4 in Appendix 4.

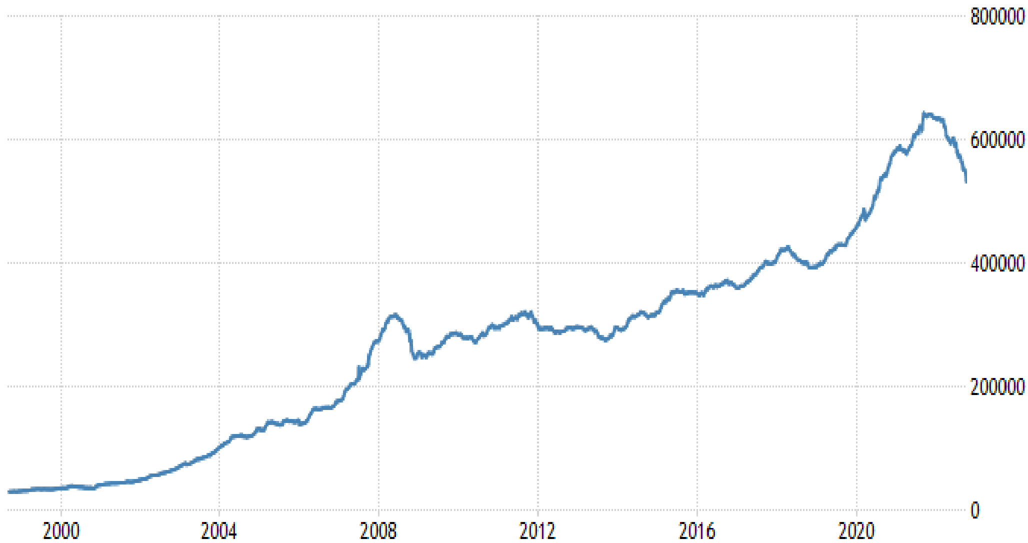

Figure 4(b): India's Foreign Exchange Reserve (In USD Million)

Source : https://tradingeconomics.com/india/foreign-exchange-reserves

As mentioned before, a major propelling factor for the crisis of 1991 was the huge accumulation of public debt. The ratio of India's gross fiscal deficit (GFD) to gross domestic product (GDP) which was around 6.3 percent during the first half of the 1980s; this figure rose to 8.2 percent during 1985 to 1990.[16] This came down to a level of 4.8 percent during 1997-98.[17] However, during 2009-10 this figure stood at 6.8 percent.[18] This can be partly attributable to the global financial meltdown that had struck the global economy during 2008-09, though India was not much less affected by this crisis compared to many other countries, still it could not escape the impacts of this crisis completely. In 2014-15, the fiscal deficit consisted of 4.1 percent of GDP.[19] In 2020-21 fiscal deficit had gone up to 9.3 percent of the GDP.[20] This evidently was a consequence of the global Covid-19 pandemic. For the year 2022-23, the target for fiscal deficit has been set at the level of 6.4 percent of GDP.[21] Thus India's overall fiscal deficit situation during the post reforms years is more or less in a decent state.

Another factor that needs to be looked at is inflation. The following figure 5[22] shows the levels of inflation during the pre and post reforms years.

[16] https://rbidocs.rbi.org.in/rdocs/content/PDFs/Chapter11_04122018.pdf
[17] https://www.indiabudget.gov.in/budget_archive/es99-2000/chap22.pdf
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[22] The data corresponding to this figure has been provided in Appendix 5

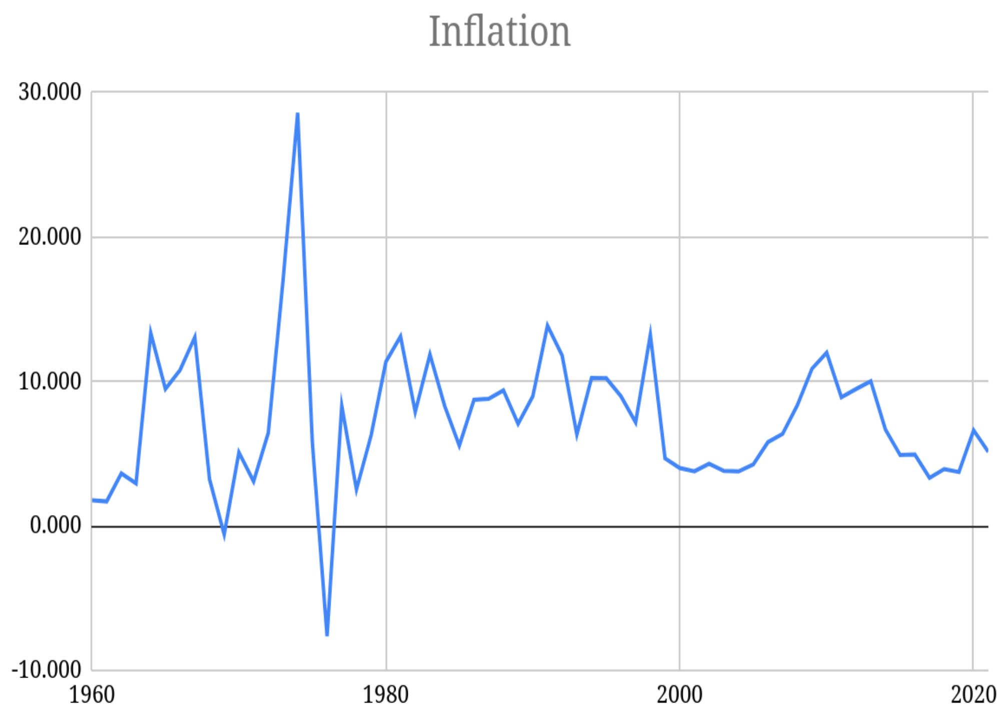

Figure 5

Source: https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2021&locations=IN&start=1960

As suggested by figure 5, during 2020, inflation had risen to the level of 6.6 percent, but during 2021, it somewhat declined and touched the level of 5.1 percent. However, in September 2022, inflation has risen to the level of 7.41 percent[23] and it is still showing a rising trend which is a matter of serious concern.

D. Conclusion:

A quick look at the overall economic performance of India suggests that well-shaped and well-functioning markets are present in various sectors in India. The reforms seem to have solved the problems for the economy on a long term basis, rather than pulling it out of the crisis just as a one-off instance. However, as far as sectoral composition of this growth is concerned, there are some aspects which require serious reflection. First, India still remains a predominantly agrarian economy, but agriculture has not really developed to achieve modern standards in most parts of the country. Manufacturing sector never experienced

[23] https://tradingeconomics.com/india/inflation-cpi

satisfactory growth and has remained perpetually stagnated. The service sector has grown to very large extents which is unprecedented across the world. Given the insufficient growth of the agricultural and manufacturing sectors, the sustainability of such a service led growth is still an open question. Second, though India does not have any imminent threat on the balance of payments front, still in the post Covid-19 pandemic situation India has to be careful in maintaining its foreign currency reserves adequately. High inflation levels pose a serious threat to the smooth functioning of the economy. The problem is all the more serious since despite attempts by the monetary authorities, inflation level is still on the rise and does not show any symptom of a reduction in near future, and no specific policy can be identified to control it. The concern raised by Aiyar (2016) regarding the unsatisfactory role of the Government seems to be equally relevant now. Without coherent and consistent policy framework, the unsupervised functioning of free market forces may throw the economy into unstable situations any moment. Thus, serious reflections on these issues are of utmost importance for ensuring a long run self-sustaining growth and economic development.

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Appendices

Appendix 1

Year	GNI Constant Price (Rs. Thousands Crore)	Annual Growth Rate (Percentage)
1965-66	867.2	-2.7
1966-67	866.8	0.0
1967-68	933.8	7.7
1968-69	966.0	3.4
1969-70	1029.2	6.5

Year	GNI Constant Price (Rs. Thousands Crore)	Annual Growth Rate (Percentage)
1970-71	1082.3	5.2
1971-72	1100.4	1.7
1972-73	1094.8	-0.5
1973-74	1131.6	3.4
1974-75	1146.3	1.3
1975-76	1252.2	9.2
1976-77	1273.4	1.7
1977-78	1366.7	7.3
1978-79	1445.0	5.7
1979-80	1371.5	-5.1
1980-81	1464.4	6.8
1981-82	1550.5	5.9
1982-83	1599.9	3.2
1983-84	1716.3	7.3
1984-85	1779.4	3.7
1985-86	1873.4	5.3
1986-87	1962.3	4.7
1987-88	2036.7	3.8
1988-89	2228.0	9.4
1989-90	2360.2	5.9
1990-91	2486.4	5.3
1991-92	2511.6	1.0
1992-93	2650.6	5.5
1993-94	2780.7	4.9
1994-95	2967.3	6.7
1995-96	3192.0	7.6
1996-97	3436.4	7.7
1997-98	3582.0	4.2
1998-99	3803.5	6.2
1999-00	4139.3	8.8
2000-01	4286.9	3.6
2001-02	4499.7	5.0
2002-03	4676.3	3.9
2003-04	5043.4	7.9
2004-05	5442.9	7.9
2005-06	5872.9	7.9

Year	GNI Constant Price (Rs. Thousands Crore)	Annual Growth Rate (Percentage)
2006-07	6342.4	8.0
2007-08	6852.7	8.0
2008-09	7052.2	2.9
2009-10	7606.3	7.9
2010-11	8211.8	8.0
2011-12	8659.5	5.5
2012-13	9104.7	5.1
2013-14	9679.0	6.3
2014-15	10403.0	7.5
2015-16	11234.6	8.0
2016-17	12163.6	8.3
2017-18	12998.7	6.9
2018-19	13850.9	6.6
2019-20	14427.6	4.2
2020-21	13384.6	-7.2
2021-22	14640.4	9.4

Table 1: India's GNI

Source:https://www.indiabudget.gov.in/economicsurvey/

Appendix 2

Year	Export (Rs. Thousand Crore)	Import (Rs. Thousands Crore)	Trade Deficit (Rs. Thousand Crore)
1965-66	0.81	1.409	0.599
1966-67	1.157	2.078	0.921
1967-68	1.199	2.008	0.809
1968-69	1.358	1.909	0.551
1969-70	1.413	1.582	0.169
1970-71	1.535	1.634	0.099
1971-72	1.608	1.825	0.217
1972-73	1.971	1.867	-0.104
1973-74	2.523	2.955	0.432
1974-75	3.329	4.519	1.19
1975-76	4.036	5.265	1.229
1976-77	5.142	5.074	-0.068
1977-78	5.408	6.02	0.612

Year	Export (Rs. Thousand Crore)	Import (Rs. Thousands Crore)	Trade Deficit (Rs. Thousand Crore)
1978-79	5.726	6.811	1.085
1979-80	6.418	9.143	2.725
1980-81	6.711	12.549	5.838
1981-82	7.806	13.608	5.802
1982-83	8.803	14.293	5.49
1983-84	9.771	15.831	6.06
1984-85	11.744	17.134	5.39
1985-86	10.895	19.658	8.763
1986-87	12.452	20.096	7.644
1987-88	15.674	22.244	6.57
1988-89	20.232	28.235	8.003
1989-90	27.658	35.328	7.67
1990-91	32.553	43.198	10.645
1991-92	44.041	47.851	3.81
1992-93	53.688	63.375	9.687
1993-94	69.751	73.101	3.35
1994-95	82.674	89.971	7.297
1995-96	106.353	122.678	16.325
1996-97	118.817	138.92	20.103
1997-98	130.1	154.176	24.076
1998-99	139.752	178.332	38.58
1999-00	159.095	215.529	56.434
2000-01	201.356	228.307	26.951
2001-02	209.018	245.2	36.182
2002-03	255.137	297.206	42.069
2003-04	293.367	359.108	65.741
2004-05	375.34	501.065	125.725
2005-06	456.418	660.409	203.991
2006-07	571.779	840.506	268.727
2007-08	655.864	1012.312	356.448
2008-09	840.755	1374.436	533.681
2009-10	845.534	1363.736	518.202
2010-11	1136.964	1683.467	546.503
2011-12	1465.959	2345.463	879.504
2012-13	1634.319	2669.162	1034.843
2013-14	1905.011	2715.434	810.423

Year	Export (Rs. Thousand Crore)	Import (Rs. Thousands Crore)	Trade Deficit (Rs. Thousand Crore)
2014-15	1896.348	2737.087	840.739
2015-16	1716.384	2490.306	773.922
2016-17	1849.434	2577.675	728.241
2017-18	1956.515	3001.033	1044.518
2018-19	2307.726	3594.675	1286.949
2019-20	2219.854	3360.954	1141.1
2020-21	2159.043	2915.958	756.915
2021-22	2238.821	3298.495	1059.674

Table 2: India's Import-Export and Trade Deficit
Source:https://www.indiabudget.gov.in/economicsurvey/

Appendix 3

Year	FDI (billion USD)	FPI (billion USD)
2008-09	5.79	-14.03
2009-10	51.17	32.40
2010-11	42.13	30.29
2011-12	39.23	17.17
2012-13	19.82	26.89
2013-14	21.56	4.82
2014-15	31.25	42.21
2015-16	36.02	-4.13
2017-18	30.29	22.12
2018-19	30.71	-0.62
2019-20	43.01	1.40
2020-21	43.96	36.14

Table 3: FDI and FPI
SOURCE:https://www.indiabudget.gov.in/economicsurvey/

Appendix 4

Year	Overall BOP (USD Billion)
2007-08	92.164
2008-09	-20.08
2009-10	13.441

Year	Overall BOP (USD Billion)
2010-11	13.05
2011-12	-12.831
2012-13	3.826
2013-14	15.508
2014-15	61.406
2015-16	17.905
2017-18	43.574
2018-19	-3.339
2019-20	59.498
2020-21	87.286

Table 4: India's BOP
SOURCE:https://rbi.org.in

Appendix 5

Year	Inflation
1960	1.780
1961	1.695
1962	3.632
1963	2.946
1964	13.355
1965	9.475
1966	10.802
1967	13.062
1968	3.237
1969	-0.584
1970	5.092
1971	3.080
1972	6.442
1973	16.941
1974	28.599
1975	5.748
1976	-7.634
1977	8.307

Year	Inflation
1978	2.523
1979	6.276
1980	11.346
1981	13.113
1982	7.891
1983	11.868
1984	8.319
1985	5.556
1986	8.730
1987	8.801
1988	9.383
1989	7.074
1990	8.971
1991	13.870
1992	11.788
1993	6.327
1994	10.248
1995	10.225
1996	8.977
1997	7.164
1998	13.231
1999	4.670
2000	4.009
2001	3.779
2002	4.297
2003	3.806
2004	3.767
2005	4.246
2006	5.797
2007	6.373
2008	8.349
2009	10.882
2010	11.989
2011	8.912
2012	9.479
2013	10.018
2014	6.666

Year	Inflation
2015	4.907
2016	4.948
2017	3.328
2018	3.939
2019	3.730
2020	6.623
2021	5.131

Table 5: Inflation in India

Source:https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2021&locations=IN&start=1960