

Essay summary of swot analysis of indian economy

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The economy of India is as diverse as it is large, with a number of major sectors including manufacturing industries, agriculture, textiles and handicrafts, and services. Agriculture is a major component of the Indian economy, as over 66% of the Indian population earns its livelihood from this area. However, the service sector is greatly expanding and has started to assume an increasingly important role. The fact that the English speaking population in India is growing by the day means that India has become a hub of outsourcing activities for some of the major economies of the world including the United Kingdom and the United States.

Outsourcing to India has been primarily in the areas of technical support and customer services. In general, the Indian economy is controlled by the government, and there remains a great disparity between the rich and the poor. Ranked by the exchange rate of the United States Dollar, the Indian economy is the twelfth largest in the world. In Purchasing Power Parity GDP, the figure for India was 1. 5 trillion US Dollars in 2008. The per capita income of India is 4, 542 US Dollars in the context of Purchasing Power Parity. This is primarily due to the 1. billion population of India, the second largest in the world after China. In nominal terms, the figure comes down to 1, 089 US Dollars, based on 2007 figures. According to the World Bank, India is classed as a low-income economy. Recent trends have seen India exporting the services of a numerous informationtechnology(IT) professionals. IT professionals have been sought for their expertise in software, software engineering and other financial services. This has been possible as a result of the high skill levels of Indian IT professionals.

Other areas where India is expected to make progress include manufacturing, construction of ships, pharmaceuticals, aviation, biotechnology, tourism, nanotechnology, retailing and telecommunications. Growth rates in these sectors are expected to increase dramatically. Over the years the Indian government has taken an economic approach that has been influenced, in part, by the Socialist movements. The Indian national government has maintained a high and authoritative level of control over certain areas of the Indian economy like the participation of the private sector, foreign direct investment, and foreign trade.

It may be observed that in spite of the tremendous debate about the justification of the privatization of industries traditionally owned by the government, the process of privatization has still continued at a steady pace. One of the major challenges before the Indian economy, or those who are responsible for operating it, is to remove the economic inequalities that are still persistent in India after its independence in 1947. Poverty is still one of the major issues although these levels have dropped significantly in recent years.

As per official surveys, it has been observed that in the 2004, almost 27% of the working Indian populace was living below the poverty line. Poverty is a challenge that's becoming increasingly important in relationship to the alarming rate of new births. This implies that ever more rapid change, or birth control policies like the 'One Child' policy in China, are needed to reduce the numbers affected by poverty in the vast Indian economy.