Examining Pace of Economic Growth in India under Globalized Trade Regime and International Economic Integration

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Abstract

The present research paper examines unique pace of economic growth under globalized trade regime and international economic integration, taking India as the case studied. In its first component, it discusses the literature in theoretical-cum-historical aspects of globalization and the structure of Indian Economy. In the section that follows, it takes up the statistical aspects related to the growth performance of the Indian Economy. It uses the annual time series data to explore the effect of globalization and pandemic on the Indian economy. The results show that there is a symbolic melioration in India's socio-economic development. India has done well in GDP growth, shown resilience to external shocks of COVID-19 virus and accomplished significant accumulation of foreign exchange reserves. Following the unique path of economic refinements, India commenced to turn up as a competitor of some importance across the Globe. It had grown as one of the fastest emerging economies across the world economy and a most preferred terminal of global foreign direct investment.

Keywords: Economic Growth, Foreign Direct Investment, Globalization, HDI, GDP

Introduction

Globalization is the outcome of the liberalized policies of amalgamating the domestic economy of the nation with the world economy. This is a long process of merging enormous economies across the globe at the same platform without establishing any obstacles in the open merchandise trade, information and technology, both human as well as physical assets. Stiglitz rightly remarked that globalization is a process of collaborating the nations and people across the globe through dismantling of trade obstacles Jagdish Bhagwati asserts that globalization accounts for integrating emerging national economies into the international economy through trade transactions, foreign direct investment by multinational corporations, short term money and automation flows. Globalization encourages foreign direct investment and permits developing countries to raise capital without recourse to international indebtedness. It enables the enlarging country to utilize technology propounded by prosperous countries. It also encourages the enlarging countries to generate exportable surplus for the world market. Globalization initiates rapid dissemination of awareness and thus permits emerging countries to enhance their scale of output and efficiency. It also brings down trade tariffs and enhances volume of trade transactions. In India, the process of globalization picked up with the policy reform of 1991. With the assistance of IBRD

(International Bank for Reconstruction and Development) and the IMF (International Monetary Fund), India launched certain macro-economic secured and constitutional accommodating programs. Adopting the economic refinements, India started to emerge as a contender of some importance across the world. Now, as per the International Monetary Fund, Indian economy is estimated to be the second-fastest-evolving giant size economy in sequence after Chinese economy. Novel Covid-19 in the year 2020 presented the most redoubtable economic provocation to the Indian Economy and the world. Government of India parked an array of policy measures to assist the economy such as reducing key policy rates, observational softening steps, digitally money payments and budgetary incentives. As a result, India realized the disrupted influence of the pandemic and narrated its own distinctive track among gloomy estimations by various world class economic forums of the expansion in the country given its large demographic size.

Objectives of Research

The contemporary research work covers the objectives given here:

1. To study the structure of the Indian Economy since economic reform period
2. To examine the growth performance of Indian Economy under globalized trade regime
3. To analyze the inclusive economic growth performance in India
4. To enumerate the influence of globalization process and epidemic on the Indian Economy

Hypotheses

With these objectives a number of hypotheses have been formulated for empirical verification;

1. There is a complete transformation of the structure of the Indian economy.
2. There is a considerable growth of the economy since nineties.
3. There is an inclusive growth with subsequent reduction in poverty and other socio-economic disparities.
4. Globalization and pandemic placed the acute economic protestation to the Indian Economy.

Sources of Data

Data sources used for various explanatory and dependent variables are National Income Accounts; Ministry of Statistics & Program Implementation: GOI, RBI Bulletin: various issues, Economic Survey; Ministry of Finance: GOI, NSSO Reports: CSO; GOI, SIA Publications; Ministry of Commerce & Industry: GOI.

Research Methodology

In order to estimate the growth rate, the Trend Growth Model has been used. Further, to assess stagnation in growth rates, the Stagnation Test Model of Regression Coefficients has been used. The analysis puts in different regression models to examine several explanatory independent variables of economic growth.

Growth Pattern of Indian Economy

Economic growth is as a matter of fact desirable, not only for itself, but also for what it permits a country to deal with the factors that are created, enhancing both personal income and the national income that can be utilized to encounter social allegiance. Amartya Sen wrote the importance of economic growth as a means not an end. Economic growth is indispensable but not adequate ambience of equitable allocation of national income and physical assets. The capitalists often argue that rapid rising trend of the gross domestic product leads to higher per individual income, higher level of output and employment and consequently have a significant dent on poverty decline. But factual evidence exhibits that *Hindutava* growth rate throughout the initial three decades of economic planning could not eradicate incidence of poverty. On the other hand, secular straight forward economic growth throughout seventies and eighties and eight percent growth during the previous twain eternities has led to a subsequent curtailment in the prevalence of poverty.

The exponential growth of the Indian Economy has been worked out with the help of a polynomial of degree two or a quadratic function (See Table 1). No doubt Indian Economy has been accelerating since first year of economic planning. However, the slope of a quadratic function shows that GDP had been increasing but at the decreasing rate during first three decades of planning. In eighties and nineties the growth rate was rising monotonically. In the last decade again the growth rate was accelerating after that had decelerated.

Table 1 Exponential Growth Rate of Indian Economy

Year	**Log Yt = log A + bt + ct^2**	**Growth Rate**
1951-2012	$Yt = 5.5 + 0.450t + 0.556\ t^2$ (17.2) (21.3)	Acceleration
1951-1980	$Yt = 5.4 + 1.08t - 0.086\ t^2$ (17.3) (1.4)	*Hindu* Growth Rate
1981-2000	$Yt = 5.9 + 0.830t + 0.173\ t^2$ (17.3) (3.6)	*Secular* Growth
2000-2012	$Yt = 6.4 + 0.824t + 0.178\ t^2$ (10.2) (2.2)	Acceleration
2011-2020	$Yt = 1.9 + 0.045t – 0.002t^2$ (5.4) (2.5)	Deceleration

Note: Figures in brackets are‘t’ statistics

Source: Data compilation from National Accounts Statistics.

The exponential growth of the Indian economy has spiraled downhill from 9.6 percent in 2013 and can be predicted to be down in 2014. This has been evolved as a flight of capital and downgrading of sovereign debt. Although growth rate of the Indian economy continuously declines but still higher than many other fast growing economies across the world. No doubt economy is getting improvement, given Indian demographic dividend and recent observation of exponential growth. However, the recovery status has to win the confidence of potential investors. So, there is the need to take stringent measures as have undertaken by the United States and European developed countries that led to an appreciable growth despite the comprehensive economic slowdown.

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Novel Covid – 19 in the year 2020 constituted the utmost alarming monetary provocation across the globe. Central Government and Nationalized banks across the globe envisioned an array of policy measures to brace their economies such as reducing some important monetary rates, ease of doing business, digitally money transfers and budgetary incentives. India has already realized the disrupted effect of the pandemic and narrated its specific protocols among gloomy estimates of different global organizations regarding the transmission of the mute virus at home.

Global Integration of Indian Economy in Perspective

The World economy is still rocking under the influence of unparalleled Covid pandemic trauma. Among this unforeseen and trembling World economic atmosphere, India’s foreign trade sector has evolved as a major bolster for economic strength. The hovering foreign trade surplus status of India has been endorsed by current account corpus, significant Foreign Direct Investment inflows and mounting surplus of foreign exchange reserves.

India’s exportable and importable items depicted a subsequent decline along with squeeze in world commodity exchange volume. With the opening up of the economy after prolong lock-down, slow and steady recovery of India’s merchandise trade has been started. The merchandise trade contraction in 2020- 21 was 57.6 billion dollar as compared to 126 billion dollar in the previous year. India’s current account deficit on an average remained 2.3 percent of Gross Domestic Product during the last decade. Converting this situation, current account balance turned into surplus (0.1 percent of gross domestic product) during last four months of financial year 2019-20, declined trade shortfall and a subsequent upswing in net invisible receipts. This one third time period balance was observed after a time lag of thirteen years after last three months of financial year 2006-07. It has happened after continuous current account balances in first and second quarter of financial year 2020-21. In financial year 2020-21, squeeze in merchandise imports and decline in outgoing traveling services led to a subsequent fall in current payments (by 30.9 percent) than current receipts (15.2 percent) leading to a current account surplus of 34.8 billion dollar (3.2 percent of GDP). Given the trend line in imports of both goods and services, it is observed that India will evolve with per annum current account surplus of two percent of Gross Domestic Product, after seventeen years.

Net capital move was adequate during financial year 2020-21, reckoned by net reimbursement of foreign business loans and declining capital of banks. Appreciable surge in net overseas investment up to 31.6 billion dollar was also reported during 2020-21.

In 2020, net foreign direct investment move taped an inflow of 27.6 billion dollar, fifteen percent higher as compared to initial seven months of 2019-20, propaganda of India’s sovereignty as a favorable investment landing place among the World investors. Computer software and hardware fetched the peak level foreign direct investment equity inflows of 17.7 billion dollar during 2019-20. Singapore resumes the top rank investing nation in terms of foreign direct investment equity inflows, while United States has occupied second posture during previous time period of 2018-19.

External Debt

At the end of 2020, India's foreign debt was reckoned at 556.3 billion dollar reporting a decrease of 2.1 billion dollar (0.4 percent) over the slab, (558.3 billion dollar) as at end of March 2020. Exclusive valuation loss, because of depreciation of dollar which is an international acceptable currency, the decline in foreign debt would have been 8.4 billion dollar. Foreign commercial borrowings the biggest chunk of external foreign debt, near about 207 billion dollar at end of 2020, squeezed by six percent. The inventory of deposits of Nonresident Indians, second largest element increased 5.2 percent to 137.4 billion dollar over the slab at the end of March 2020. External debt as the proportion to gross domestic product increased nominally to twenty two percent at the end of 2020. While the proportion of overseas exchange reserves to aggregate and short duration debt enhanced due to the large scale over valuation in foreign exchange reserves. Component of short duration debt in the aggregate stock of external borrowings, a reliable criterion to examine potential borrowing sensitivity, has also enhanced. Depicting meager current receipts, debt service ratio (principal repayment plus interest payment), though, rose to 9.8 percent at the end of September 2020.

Since Indian economy is one of the largest accelerating economies across the world, particularly operates with a shortfall on the current account in order to accumulate internal savings with overseas savings to finance more investments. The current account shortfall is normally financed through additions in capital account. But, India has been accumulating current account surplus since 2019-20 because of appreciable growth in capital earnings resulting in balance of payment surplus.

While current account surplus has been a major component of reserve accretion during 2020-21, huge capital flows, especially overseas direct investment and overseas portfolio investment, in consecutive months comprehensively drove foreign exchange reserves constantly high of 586.2 billion dollar as on January 2021, financing near about eighteen months of imports. At the end of September 2020, India became the fifth largest foreign exchange reserves owner among all giant size nations across the globe after China, Japan, Switzerland and Russia.

The surge in the foreign exchange reserves of the central bank of India has mainly been due to the current account accumulation. This, in order, is comprehensively because of squeeze in importable items instead of improvement in competitiveness of exportable items. Surplus in current account, in economics means balance in savings and investment. It symbolizes exorbitant national savings as compared to investment. An increase in foreign exchange reserves symbolizes investments in bonds and securities of other nations. A fastest evolving country like India requires large spending on internal investments to encourage its economic growth. Therefore, surplus in current account gives sufficient sphere for high expenditure on investments during 2020-21.

The sustainable locus for the solid position of external sector is by augmenting the returns through exportable items. It stimulates investment and economic growth of the country. Enhancement in mutual beneficial international trade transactions is the basic thrust of the state like ease of doing business and subsequent reduction in transaction cost in order to make exportable items of India more competitive in the international market.

Composition of Current Account Balance

According to the International Monetary Fund database, Indian economy is predicted to be the second accelerating economy across the global fastest mushrooming major economies after China. Over the previous two decades, sustainable growth of a number of giant size evolving economies, specifically the *BRICS* countries' economies, has contributed an augmented share in the World Gross Domestic Product as observed from Table 2. The five times supplemented share of China in the World Gross Domestic Product has kept it as the second biggest economy across the globe. The rising contribution of India, although least sizeable, is however an order that establishes India as the fourth biggest evolving economy.

Table 2 Contributed Component in Global Gross Domestic Product (PPP basis)

	Developed Economies	**United States**	**European Union**	**Euro-Zone**	**United Kingdom**	**German**	**Japan**	**B**	**R**	**I**	**C**	**S**
1980	69.0	24.6	31.4	------	4.3	6.7	8.6	3.9	----	**2.5**	2.2	1.0
2000	62.8	23.5	25.0	18.3	3.6	5.1	7.6	2.9	2.7	**3.7**	7.1	0.7
2010	52.1	19.5	20.4	14.6	2.9	4.0	5.8	2.9	3.0	**5.5**	13.6	0.7
2020	39.8	15.1	17.3	11.4	1.9	2.2	2.2	1.1	3.5	**2.4**	9.2	0.5

Source: IMF Reports

Global Trade (Exports): The relative contribution of India in World visible exportable items increased from about 0.52 percent during 1990 to 1.6 percent during 2020. Still contribution of India stands meager and it strings nineteenth rank in the World Series of net exporting nations (Tables 3 and 4).

Table 3 Comparative Contribution in Global Visible Exportable Items (%)

	Developed Nations	**United States**	**European Union**	**United Kingdom**	**Euro Region**	**Germany**	**Japan**	**B**	**R**	**I**	**C**	**S**
1980	66.3	11.1	41.5	5.4	30.8	-----	6.4	1.0	---	**0.4**	0.9	1.3
1990	72.4	11.3	44.5	5.3	35.2	11.8	8.3	0.9	---	**0.5**	1.8	0.7
2010	54.2	8.4	33.9	2.7	26.4	8.4	5.1	1.3	2.6	**1.5**	11.0	0.6
20	59.7	8.4	32.0	2.4	27.5	8.1	3.8	1.	1.8	**1.**	1	0.5

20								2		**6**	5.2	

Source: UNCTAD

Table 4 Comparative Contribution in Global Invisible Exportable Items (%)

	Developed Nations	**US**	**European Union**	**UK**	**Euro Region**	**Germany**	**Japan**	**B**	**R**	**I**	**C**	**S**
1980	86.9	11.7	56.0	9.0	41.6	8.1	5.0	0.4	----	**0.7**	0.0	0.6
1990	87.8	17.0	50.7	6.6	39.7	7.3	4.8	0.4	---	**0.5**	0.7	0.4
2010	78.8	14.3	42.9	6.3	30.5	6.3	3.7	0.8	0.6	**3.3**	4.5	0.4
2020	69.7	15.2	23.2	9.1	27.4	5.9	3.1	0.7	0.6	**5.3**	6.3	0.3

Source: UNCTAD

However, in the comparative share in exportable items of service sector, the developed nations exhibited downfall whereas India has witnessed its rising trend through its efficiency in information and technology.

Placing India at World Platform

The domain of Global trade transactions has been symbolized by an increasing contribution of exportable items that stood at twenty nine percent for the global economy during 2020. Whereas a few nations exhibited too much dependence on exportable surplus (See Table 5). In that context, India's exportable items of visible and invisible goods as a proportion of Gross Domestic Product increased from 6.23 percent during1990 to 21.2 percent during 2020. Still India accommodates only 1.62 percent of aggregate global exportable items. However, the diversion in the destination of exportable items authenticates that India has been multiplying its destinations for exportable items far away from parochial markets.

Table 5 Exportable Items Visible and Invisible Goods (Percentage of GDP)

	Global Economy	**Developed Economies**	**United States**	**European Union**	**United Kingdom**	**Euro Region**	**German**	**Japanese Economy**	**B**	**R**	**I**	**C**	**S**

1980	19.1	19.9	10.1	25.5	27.1	25.5	20.2	13.5	9.1	---	**6.2**	10.6	35.4
1990	19.2	19.3	9.6	27.0	24.0	27.0	24.8	10.4	8.2	18.2	**7.1**	16.1	24.2
2010	27.9	27.8	12.6	39.7	29.4	39.7	46.8	15.2	11.2	30.1	**21.5**	29.6	25.5
2020	29.1	31.6	11.2	50.7	31.2	50.3	42.3	22.1	18.1	22.4	**21.2**	20.5	24.4

Source: World Bank Reports

Foreign Investment Flows

Foreign Direct Investment is desirable because of the fact that it accelerates the process of capital formation in the hosting nation. Since 1991, India has sought to increase inflows of FDI with a rather liberal policy. During 2003-04, India initiated the second time economic reforms to attract huge amount of foreign direct investment which correspondingly helped to assimilate the domestic economy with the world economy. The World Investment Prospects Survey 2010-12, reckoned India as the second most desirable foreign direct investment landing place during 2010. However, China was reckoned as first number and Brazil ranked third.

Foreign direct investment is scrutinized as a benchmark of global economic integration, because it facilitates a bunch of investable resources including capital, technology, managerial skills and stamina to collaborate with external developed markets. For the purpose of studying the effect of overseas direct investment on the levels of economic growth as well as to identify the independent variables of the foreign direct investment, simple and multiple regression models have been used. In order to assess the growth of FDI and GDP in India since the 1990s, Stagnation Test Model of Regression Coefficients is used. This test authenticates the differences in the growth rates between two segments of time period. The stagnation of FDI inflows and economic growth in Indian economy was tested with the help of Dummy Variable Trend Regression Model. For this purpose, FDI inflows in the last ten years of this entire 1990-91 to 2019-20 period, i.e., during 2000-01 to 2019-20, was compared with earlier period, i.e., 1990-91 to 2000-01. The results of the Stagnation Test indicate that the growth rates of FDI and economic growth during 2000-01 to 2019-20 were statistically different from the growth rates in the previous 1990-91 to 2000-01 periods. It may be seen from Table 6 that the Differential Trend Coefficient for the 1990-91 to 2019-20 period is statistically significant at 1% level. On the basis of results presented, it could be estimated that now a days FDI and Economic Growth process in India are not growing at the same rate at which it has been growing after 1990-91.

Further, an attempt has been made to develop a linear multiple regression model with the growth of FDI inflows to India since 1990-91 and macro economic indicators of FDI inflows as the explanatory variables. The regression results of Table 6 show that all the macroeconomic variables, viz., Economic Growth, Trade, R&D, Financial Position are mechanized components of foreign direct investment inflows in the hosting nation whereas Foreign Exchange Reserves and Exchange Rate variables act as the deterrent forces in fetching foreign direct investment.

Growth Model and Test of Stagnation

$$Y_t = \alpha + \beta_1 D_{1t} + \beta_2 D_{2t} + u_i$$

Where Y_t is Amount of FDI / Real GDP

D_1 is Dummy for Differential Intercept Coefficient for Time Period "t"

D_2 is Dummy for Differential Trend Coefficient for Time Period "t"

Table 6 Stagnation of FDI Inflows and Economic Growth in India; Test Results

Estimated Growth Rate/ Regression Coefficients	**FDI**	**Eco. Growth**
*Growth Rate in period 1990-91 to 2000-01(per annum)	48.13*	6.1*
*Growth Rate in period 2001-02 to 2019 – 20(per annum)	32.97	7.93
Difference in Growth Rates of the Two Periods	Significant *	Significant *
Dependent Variable (log form)	**FDI**	**Eco. Growth**
Intercept (a_0)	5.33	13.8
Trend Coefficient (b_0) for Period 1990-91 to 2000-01	0.481* (8.5)	0.061* (41.8)
Differential Intercept Coefficient for Period 2001-02 to 2019-20 (a_1-a_0)	1.12 (1.2)	-0.25 (-8.0)
Differential Trend Coefficient for Period 2001-02 to 2019-20 (b_1 - b_0)	-0.194* (-2.4)	0.019* (7.5)
R^2	0.94	0.97

Source: Data compilation from SIA Bulletin: Various Issues

Note: 1) Stagnation Test Model used; $\log y = a_0 + b_0 t + (a_1 - a_0) D + (b_1 - b_0) D$ where D = '0' for years 1990-91 to 2000-01 and '1' for years 2001 - 02 to 2019 –20.

1. Trend Growth Rate log Y = a + time
2. 2) Values in brackets are't' statistics
3. 3) * Statistically accepted at 0.01 percent level of confidence

The explanatory power of coefficient, R-Square, depicts that the entire statistical package is significant as 51 per cent of FDI growth is being elaborated by the factors considered in the growth model. In order to overcome the problem of autocorrelation, the Durbin-Watson (D–W Statistics) statistical package is applied. The D-W Statistics is found to be 1.77 which

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shows the low possibility of autocorrelation problem in the analysis. Further 'p' values and 'F' ratio confirm that the model applied is satisfactory and statistically reliable.

In the statistical package of economic growth equations (Table 7), estimated coefficients on Foreign Direct Investment have direct relationship with gross domestic product (GDP), gross domestic capital formation (GDCF), domestic savings, interest rate, development expenditure, foreign exchange reserves, total exports and employment level of the Indian economy.

Table 7

Regression Results			
Dependent Variable	**Growth of FDI Inflows in India (1990-91 to 2019-20)**		
R Square	0.51		
D-W Statistics	1.77		
F	1.493		
N	20		
Explanatory Variables	Regression Coefficients	't' Values	'p' Values
GDP Gr (%)	4.75	0.484	0.636
R&D Expenditure/GDP	208.37*	1.77	0.101
External Debt Exports	15.02**	1.185	0.257
Trade/GDP	3.98***	0.715	0.487
Foreign Exchange Reserves/GDP	-6.89**	-1.106	0.289
Exchange Rate(Rs.)	-3.97*	-1.824	0.091

Note:* Statistically Reliable at 0.01percent level of confidence, ** Statistically Reliable at 0.05 percent level of confidence, Statistically Reliable at 0.10 percent level of confidence

This analysis authenticates that foreign direct investment prove to be the vital and significant coefficient determining the process of development. The variable of explanatory power i.e, coefficient of R- Square, D-W Statistics and 'F' Statistics, authenticates that the statistical package applied is statistically significant.

FDI Outflows from India

Globalization is considered' to be ambitious process of integrating the economy at the national platform through inflow and outflow of foreign capital. Most of the Indian companies that were hesitating to invest abroad abruptly started investing across the globe even in a few industrialized developed nations as shown through Table 8.

Table 8

Regression Results (Economic Growth Model)	
Explanatory	**Amount of FDI Inflows (Rs. Millions) in India (1990-91 to 2019-20)**

Variable						
Dependent Variables	**Regression Digits**	**"t" Statistics**	**"p" values**	**R Square**	**D-W statistics**	**"F" test**
GDP	12.16*	9.7	1.5	0.84	0.283	93.2
GDCF	5.46*	10.3	5.0	0.86	0.48	107.76
Domestic Savings	10.31*	12.6	2.5	0.90	0.73	157.5
R&D Expenditure	1.67*	11.5	1.06	0.88	0.459	131.3
Total Exports	4.28*	15.2	1.07	0.93	0.502	230.1
Foreign Exchange Reserves	7.19*	13.3	9.9	0.91	0.527	175.9
Employment	1.01*	4.3	0.001	0.50	0.383	17.83
	Growth of FDI Inflows in India (1990-91 to 2019-20)					
Growth of Interest Rate	0.021*	2.63	0.017	0.28	0.743	6.92
Exchange Rate	-0.07*	-2.42	0.026	0.25	0.621	5.86
Growth of Fiscal Deficit	-0.037	-0.42	0.681	0.210	2.2	0.174

*Note:** Statistically acceptable with 0.01percent level of confidence

The Trend Line Statistics depicts the rising status of outward investment from India multifarious since 1990-91 along with the increase in global foreign direct investment (Table 9). India's share in World FDI has been increasing at the increasing rate, whereas developing countries share has been at the downward trend since nineties. No doubt India has been attaining appreciation in foreign direct investment outflows. With regard to outward FDI performance index computed by UNCTAD (2002), India has got the top position in the domain of four Asian nations namely Pakistan, Bangladesh, Nepal and Sri Lanka (www.unctad.org/wir 2002). India's status in its outward foreign direct investment is commendable than its inward foreign direct investment performance. Certainly Indian economy is evolving progressively while undertaking bulk of the investment abroad.

Table 9Trend Growth Model of FDI Outflows (1990-2020)

World FDI Inflows	**2.1 + 0.068t* (9.94)**	**6.8***
Variable	**Trend Growth Model Equations logY = a + bt**	**Trend Growth Rate (%)**
Developing Countries Share in World FDI	**1.52 - 0.010t (-1.7)**	**-1.0**
Indian share in Global FDI	**-0.93 + 0.06t* (7.6)**	**6.0***

Inflow of FDI in India	**2.38 + 0.12t* (8.9)**	**12.0***
Outflow of FDI from India	**1.23 + 0.153t* (13.7)**	**15.3***

Note: Values in brackets are 't' statistics

* Statistically reliable with 0.01percent level of confidence

Source: Data compilation from UNCTAD, WIR 2020

Outward foreign direct investment from India is primarily through equity shares and borrowings. As per the World Investment Report 2020 given by United Nations Conference on Trade and Development based on the magnitude of FDI outflows, India occupied twenty first positions across the globe. With respect to the value of net purchases (International mergence and acquisition memorandum) by Indian enterprises during 2010-11, India occupied fifth position across the globe after the USA, Canadian, Japanese and Chinese emerging economies. Since late 1990s, Indian outward foreign direct investment started to be inside the technological advancement and international trade enhancement sectors of the economy. A number of Indian Information and Technology Industries like TCS, Infoys and Wipro acquired business contracts and set up overseas commercial complexes in industrialized developed countries.

Conclusion

India's growth trajectory reflects that the government is committed to its vision of transforming Indian economy. The government is working towards realizing the vision for new India and has nurtured an ecological atmosphere where the economy is prepared for growth and in which economic growth stimulates comprehensive economic welfare. India is going through an epochal transformation to become the fastest evolving competitive market economies. The Indian Economy is bracing up to face the global challenges in the new world economy. To achieve higher economic growth, circumstances for India are more optimistic in the Globalization process than ever before. India has already done well in GDP growth, balance of payment position, surveillance on outward disturbance and a chunk of foreign exchange reserves. However, India possesses multiple bunches of facts, inward as well as outward, which accelerate the process of economic growth significantly for the next generation. Further policy reforms for the capacity-building infrastructure, the labor markets and improved governance, will greatly help to attain higher level of economic growth. Now days newly emerging nations perceive their existence in the sphere of advanced nations under globalized trade regime. No doubt, India has now achieved the exponential economic growth along with its robust economic system at the international platform. The economic reforms launched during nineties generated a favorable environment for external entrepreneurs due to which bulk of foreign direct investment took place in India. The percentage share of India's foreign direct investment in the world has been increasing and Indian economy becomes one of the most desired landing places across the world. This could be the outcome of efficient allocation of the existing resources. Although Crona virus constitutes a major jolt to the

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prosperous Indian Economy, India's fight against COVID gets praise from the world economy. It authenticates the excellent management of COVID-19 situations in India in-spite of the challenges of large and diverse population.

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