



Comparison of various economic indicators of G20 countries

The most important indicator of an economy's performance is its GDP on which the economy mainly functions. Apart from that some important indicators are unemployment rate, inflation rate, interest rate etc. which are important for analysing past, present and future scenarios related to a country's performance.

1.GDP

Although each country has shown a degrowth in GDP, only GDP growth rate of 4 countries i.e. India, Saudi Arabia, Turkey and Russia have stayed positive. Rest all the countries have a negative growth rate due to the pandemic with Singapore being the worst affected country amongst all.

In India's case GDP growth rate at the end of first quarter of 2020 i.e. up until 31st March stood at 3.1% as compared to the prediction of 2.1% growth. However, since the lockdown has been imposed in the country GDP since then has declined from 3.1 to 1.1 percent. According to the economic experts and Moody's analysis GDP is expected to fall further during fiscal year 2020-2021. It is expected to contract up to -2% by the end of March 2021.

As compared to other big nations such as USA, China, Japan, Russia and UK whose GDP growth rate for the quarter of 2020 stands at -5, -9.8, -0.6, 0.3, -2.2 percent respectively.

This shows India has been performing well as compared to these countries. Although GDP is expected to fall further in future but as an emerging market India is expected to bounce back quickly as well.

2.Unemployment Rate

Although there is unemployment in each country, but the rate of unemployment has further increased in the Covid induced situation worldwide as most of the companies worldwide are cutting their cost due to the lockdown.

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In India's case although overall unemployment rate has declined by 12.5 % from 23.5 to 11 percent. But due to the Covid crisis almost 20% of total working population has lost their jobs.

As compared to countries like USA in case of which unemployment rate has declined by only 2.1% and now stands at 11.1%, India is able to create more jobs.

China's unemployment rate has fallen only marginally by just 0.1%.

Countries which had a marginal increase in unemployment are South Africa, Spain, Brazil, Germany, Netherlands, Japan, Singapore and the Euro area.

Countries with mild rise are Argentina, Italy, Australia, Russia.

Countries such as U.K, Saudi Arabia, South Korea has shown neither a rise nor a fall in unemployment rate indicating that there has been almost no job loss in these countries.

3. Interest Rate

Interest rates in all the countries have remained almost stable with just minor ups and downs which shows that relations between already trading countries have remain stable with no country pressurising other to pay higher prices for imports and exports along with local borrowings.

4. Inflation Rate

Countries with marginal rise in inflation – China, Russia, Mexico, Australia, Brazil, Netherlands, Germany, United Kingdom

Countries with mild rise in inflation-Turkey

Countries with high rise in inflation-USA, Euro Area, South Korea, Canada

Countries with marginal fall in inflation-India, Indonesia, Singapore

Countries with mild fall in inflation-Argentina, South Africa

Countries with a significant fall in inflation- Saudi Arabia, France, Spain

Japan, Italy and Switzerland showed no changes in inflation rate.

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5.FDI

Foreign direct investment is regarded as one of the most important aspect of globalisation. FDI shows the overall capacity of intake for an economy.

FDI in India's case decreased from 5668 million USD to 2873 million USD from January to February 2020 and remained stable in March with just 1 million USD increase amounting to 2874 million USD. Although since the lockdown it has shown a significant fall of around 52% and amounts to 1366 million USD in April 2020. This is due to worldwide induced lockdown resulting from coronavirus pandemic. Although there has been a recovery in May 2020 where it stands at 2016 million USD.

It is expected to rise further due to imposition of some new regimes for FDI by the government. The first quarter of 2021 will see some more FDI mainly from Singapore and Mauritius which will take the tally of FDI around 4500 million USD by the end of first quarter of 2021.

Other major countries also showed a downfall due to the pandemic. In USA's case it fell down by approximately by 33% in this phase.

China showed a downfall of 1.3% in the first six months of 2020 due to Covid-19 outbreak. Although June showed an increase of 7.1% which helped in some recovery. Chinese experts say that there is still a huge uncertainty of future and it is not expected to forecast its data in near future.

Other major economies such as Germany, France, UK have shown a fast recovery since lockdown has been removed. Russia has shown a huge downfall of 1611 million USD in the first quarter of 2020. Japan showed an increase of 60% from Feb to march 2020 although in April FDI Fell by 17.77% and by 32.47% in May2020.

6.FOREIGN EXCHANGE RESERVES

India's forex reserve stands at 522630 million USD in July 2020.

Apart from India other major economies such as US, JAPAN, CHINA, GERMANY, RUSSIA showed an increase in forex reserves since opening up of economies after Covid-19 pandemic which reduced significantly due to imposition of lockdown in these countries.

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Other major economies such as UK and Russia are still recovering from this situation as it has shown a negative data until June 2020, but the situation is stable and it is expected to recover and increase their reserves soon.

7. Balance of Trade (BOT)

India experienced a trade surplus of 0.79 billion USD in June 2020. Imports tumbled much more than exports amid subdued demand due to the coronavirus crisis.

Overall imports decreased by 47.59%. The most impacted sectors which showed huge decline were:

- 1-Gold -77.42%
- 2-Coal, Coke and briquettes -55.72%
- 3-Petroleum, Crude and products -55.29%
- 4-Machinery, Electricals and non-electricals -42.02%
- 5-Electronic Goods -34.05%

Overall exports fell by 12.41%. The most impacted sectors which showed huge decline were:

- 1-Gems and Jewellery -50.06%
- 2-Leather and leather products -40.47%
- 3-RMG (Ready Made Garments) of all textiles -34.84%
- 4-Man-made Yarn, Fabrics -31.98%
- 5-Petroleum Products -31.65%

Trade Deficit narrowed to USD 9.12 billion in April to June Quarter as compared to USD 45.96 billion in same quarter of previous year.

Trade surplus of USA- 54601 Million USD increased from 49756 Million USD from April to May 2020.

Surplus currently stands at 4296 GBP million, 464 USD HML, 7052 million Euro, -7051 million Euro, 3673 million USD, -269 JPY Billion for UK, CHINA, GERMANY, FRANCE, RUSSIA and JAPAN respectively.

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8.OTHER BANK RATES

Rates related to banking currently stands at:

1-CRR-3%

2-SLR-18.50%

3-REPO RATE-4%

4-REVERSE REPO RATE-3.35%

5-BANK RATE-4.65%

6-MSFR (Marginal Standing Facility Rate)-4.65%