

Mid Year Review of the Indian Economy 2008-09

This year's Mid-Year Review of the Indian Economy is undertaken against the backdrop of the most serious financial crisis the world economy has faced since the Great Depression of the 1930s.

The author examines the outlook for 2008/09 and beyond for the Indian economy in the context of the deteriorating external environment. He also discusses important issues of quality of growth, policy challenges in respect of inflation and fiscal consolidation, trade and balance of payments, capital flows and their quality, among others, ending with policy lessons to moderate the impact of the crisis on the Indian economy and to turn the challenges into opportunities.

The author argues that the time has come for taking bold steps to revive the growth momentum. India should seize the moment before it is too late. It should deepen further its engagement with East Asian countries in view of their emergence as the growth locomotives and centres of gravity of the world economy, to build an Asian integrated market and community. There are real opportunities for India for financial cooperation with the Asian countries.