



# 05-12-2024 NEWS

## Will the Growth Rate be Recovered?

- The reduction in India's Gross Domestic Product (GDP) growth rate to 5.4% is a matter of concern.
- In the first quarter of the financial year 2024-2025, the GDP growth rate was 6.7%, but the decline in the second quarter represents the lowest level in the last 7 quarters. Experts warn that the decline in Gross Value Added (GVA) will also negatively affect the nation's economic growth.
- The GDP measures the monetary value of goods and services produced in a country during a specific period. It includes the value of services like education and defense.
- GDP serves as an indicator of a nation's economic condition. An increase in GDP implies good economic growth.
- GVA is calculated by subtracting the value of input goods from total production. Measuring the growth rates of GDP and GVA is the responsibility of the National Statistical Office (NSO).

### **Sectoral Performance:**

- The growth rate of the manufacturing sector, a key contributor to GDP, has dropped from 14.3% in the same period last fiscal year to 2.2% now.
- Growth in sectors like construction, mining, and quarrying has also slowed. However, the agriculture sector provides relief with its growth rate increasing from 1.7% to 3.5%.
- Growth in the service and telecommunication sectors also inspires optimism.

### **Key Challenges:**

- The urban consumption slowdown is cited as the primary reason for the overall GDP decline.
- Stagnation in real income (adjusted for inflation), high interest rates, and rising prices have led to reduced consumption, affecting the production sector. The current inflation rate of 6.21% is another significant factor.
- The Reserve Bank of India had set a GDP growth target of 7.2% for the financial year 2024-2025, but achieving this in the current scenario seems challenging.

### **Broader Concerns:**

- Excessive privatization, economic losses caused by industrial and transport sector accidents, strained relations with neighboring countries, political instability in some states, and climate change impacts are closely tied to GDP fluctuations.
- Proposed solutions include attracting more investments, increasing workforce productivity, boosting exports, and introducing flexible policy changes. The central government, in collaboration with state governments, must strive to restore robust economic growth.

## Special Center for the Protection of Foxes in Salem

- A special center for protecting Indian foxes, commonly known as "Vanga Nari", has been established in Salem to prevent hunting and conserve the species.
- Foxes inhabit most of Tamil Nadu's reserve forests, but Indian foxes, especially found in Salem, are very limited in number.
- In certain taluks like Valapadi, people capture these foxes during Pongal festivals for worship rituals.
- These captured foxes often cannot return to their natural habitat, leading to population decline. This annual practice has pushed the species to the brink of extinction.
- For the first time in India, a special center for the protection and awareness of Indian foxes has been set up in Salem.