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HOW MUCH HAS INDIA ECONOMY SCALED IN THE LAST 30 YEARS (1991 REFORMS)?

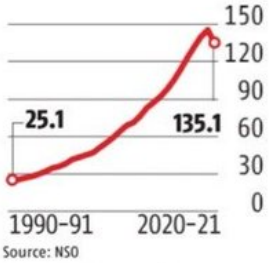
HOW MUCH HAVE WE SCALED OUR ECONOMY IN 30 YEARS

The Indian economy has come a long way from the day that happened to be the one that set it on acceleration. The day was July 24, 1991. The changes in industrialisation and trade policies that began in the early 1990s brought a sort of a scaling factor to parts of the economy, as the government became more conscious about being a facilitator to the private sector over time. **COMPILED BY BS DESK**



GDP: 5.4x

The real size of India's economy is more than five times it was back in 1991. India became a services sector-based economy in this period



Source: NSO

Inflation: Stable and lower

"Bouts of high inflation were much more common three decades ago, mostly fuelled by demand fuelled by faster economic growth"

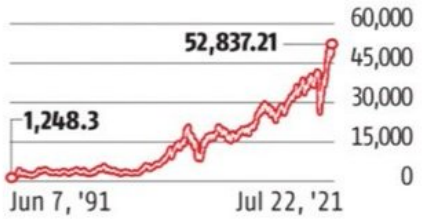


Note: Time series data pertains to three different base years

Source: RBI

Sensex: 42x

The benchmark stock market index of 30 companies, BSE Sensex, has grown 42-fold in 30 years. Most of the growth came after 2004



On BSE, only one company retains spot in top 10

But the shift in market leadership from manufacturing firms to services firms, and especially financial ser firms, is probably the biggest change that happened to economy

July: 1991

Company	M-cap (₹cr)
Reliance Industries	2,677.0
Escorts	550.9
Baroda Rayon	215.6
Deepak Fertilizers	187.3
EIH	118.0
Jubilant Pharmo	95.5
Sundram Fasteners	54.8
Indian CardCloth	52.0
Eicher Motors	41.0
Elgi Equipments	28.0

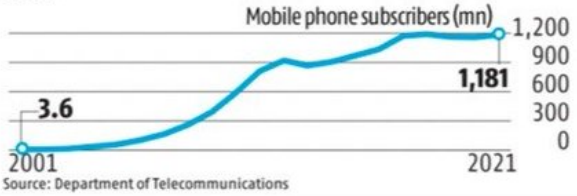
July: 2021

Company	M-cap (₹cr)
Reliance Industries	1,371,577.9
Tata Consultancy Services	1,185,841.9
HDFC Bank	797,588.5
Infosys	660,518.4
Hindustan Unilever	572,101.4
ICICI Bank	444,511.1
Housing Development Fin Corp	443,989.6
State Bank of India	375,636.9
Bajaj Finance	358,624.4
Kotak Mahindra Bank	337,531.3

Source: BS Research Bureau

Mobile phone users: 325x

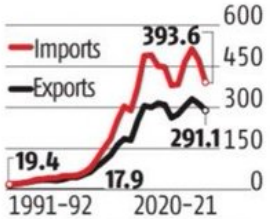
Perhaps mobile telephony had the strongest penetration growth since liberalisation, and India now has the cheapest data rates in the world



Source: Department of Telecommunications

Exports: 16x, Imports: 20x

While India's imports are 20 times their level in 1991, showing a major improvement in consumption demand, exports have grown with a slower pace



Source: RBI, Department of Commerce

Mutual funds: 71x

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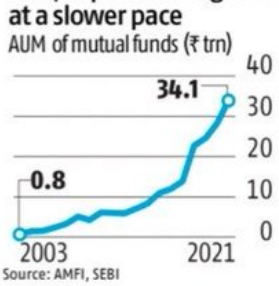
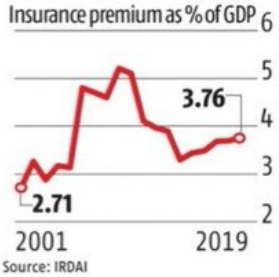


Source: AMFI, SEBI

Insurance penetration: 4x

Insurance is a major product, whose penetration has grown at a snail pace. The space insurance premia occupied in GDP has shrunk



Source: IRDAI