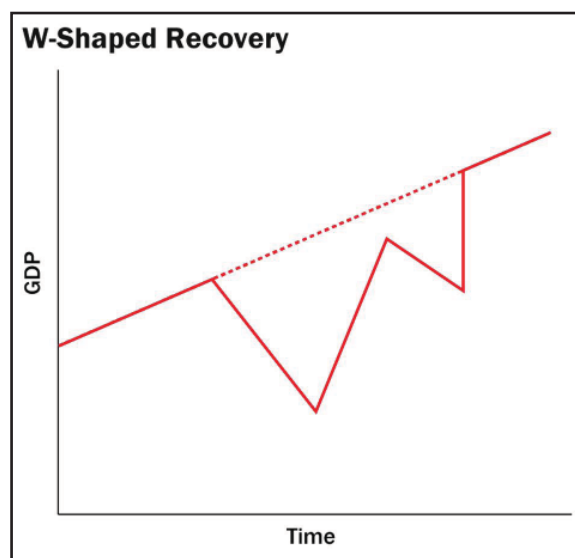


## 11. W-shaped recovery

- ▶ A W-shaped recovery is when an economy passes through a recession into recovery and then immediately turns down into another recession.
- ▶ W-shaped recessions can be particularly painful because the brief recovery that occurs can trick investors into getting back in too early.
- ▶ It is estimated that the double-dip depicted by a W-shaped recovery was due to the second wave of the pandemic.



## ECONOMIC INDICATORS

### 1. GDP Growth Rate

- ▶ Gross Domestic Product measures the aggregate production of final goods and services taking place within the domestic economy during a year.
- ▶ The Economic Survey 2021 has forecasted that India's economy contracted 7.7% in 2020-21, before witnessing a sharp recovery of 10-12% in 2021-22. It is expected that the economy grows at its trend growth rate of 6.5% in 2022-23 and 7% in 2023-24 aided by structural reforms.
- ▶ The government has projected India's nominal gross domestic product (GDP) growth rate at 14.4 percent for the financial year 2022
- ▶ Nominal GDP refers to measuring the value of all final goods and services produced within a country for a given period at current market prices. Real GDP takes nominal GDP for a given period and adjusts it for changes in prices.
- ▶ At Rs 134.4 lakh crore, India's real GDP — that is, GDP without the influence of inflation — in 2020-21 will be lower than the 2018-19 level