



St. Joseph's College of Commerce (Autonomous)

Affiliated to Bengaluru City University Accredited with 'A+' Grade by NAAC in 4th cycle
(CGPA 3.57/4) College with Potential for Excellence (CPE)
Ranked 93rd in NIRF 2022 by Ministry of Education, Government of India #163, Brigade
Road, Bengaluru - 560025, Karnataka, India

THE INSIGHT BULLETIN

Department of Commerce
B.com- BPM (Industry Integrated)
Volume -6

RIDING THE WAVE

HOW INDIA NAVIGATES THE GLOBAL RECESSION



Prologue

St. Joseph's College of Commerce is one of the top commerce and management institutes in India. It has been recognized as a "College with Potential for Excellence" in February 2010 by the UGC and has been accredited with an 'A++' grade (4th Cycle) by the National Assessment and Accreditation Council (NAAC). The college has been ranked 93rd in NIRF 2022 by MHRD.

Owing to India's rapid shifts in various dimensions of business and economics, the college ensures and all its programs are at par with industry requirements and standards. The college's dynamic approach towards education prompted it to start a specialization in Business Process Management along with B.Com; in the year 2015. B.Com (BPM - Business Industry Integrated) is a program that caters to the mercurial business environment; providing students with corporate exposure. It consists of eight papers centered on different aspects of the BPM Industry such as Finance and Accounting, Insurance, Banking, Retail, Operational Management, Corporate Environment, and Capital Market. This program has been devised in collaboration with Tata Consultancy Services (TCS).

"THE INSIGHT BULLETIN" is an initiative by the Department of Commerce B.Com (BPM - Business Industry Integrated) to provide valuable insights to the students of our college concerning contemporary domains in the enterprising business fields.

Global Economic Downturn

- Several factors contribute to the current slowdown, including lingering effects from the COVID-19 pandemic, the war in Ukraine disrupting supply chains and energy markets, and persistently high inflation.
- The US economy is showing signs of slowing growth, with rising interest rates aimed at curbing inflation potentially triggering a recession in 2024.
- Europe faces similar challenges with the war in Ukraine impacting energy supplies and high inflation prompting the European Central Bank to consider raising interest rates, jeopardizing economic growth.
- The combined effect of these factors is a slowdown in global economic activity, with major economies like the US and Europe particularly vulnerable.

India's Relative Strength

- **India is currently the world's fastest-growing major economy, surpassing even China's projected growth rates.**
- **A large and young population fuels strong domestic demand, driving consumption and economic activity.**
- **India's reliance on exports is lower compared to developed nations, making it less vulnerable to global economic slowdowns.**
- **Investments in infrastructure and domestic manufacturing are strengthening India's self-sufficiency and reducing dependence on external supply chains.**
- **Increasing foreign direct investment (FDI) signifies growing confidence in the Indian economy's potential.**

Impact on Other Countries

- **As major economies contract, demand for exports weakens, leading to layoffs in countries that rely heavily on manufacturing for other markets.**
- **Trade disruptions and reduced investment are causing economic activity to stagnate or even shrink in some countries.**
- **Financial markets around the world are feeling the pinch, with stock prices declining as investor confidence weakens.**
- **Consumers are feeling the pinch of inflation and are spending less, further dampening economic activity globally.**
- **The overall decline in economic activity in some regions is creating a domino effect, impacting countries that trade with them.**

Conclusion

- While major economies face recession, India boasts projected growth with a resilient domestic market.
- India's focus on self-reliance strengthens its position by reducing dependence on external fluctuations.
- As developed economies struggle, India's relative stability makes it an attractive destination for foreign capital.
- India isn't completely immune - exports and certain sectors may feel the global slowdown's impact.
- India's economic fundamentals position it well to weather the global storm and maintain its growth trajectory.

Activity

- What term describes a decrease in economic activity across the globe?
- Which two countries slipped into technical recession recently
- What term describes when businesses reduce their workforce to cut costs?
- What measure is often used to gauge the health of an economy during a recession?

Send the answer to Ashely - 9462535397



Credits



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