

Torrid Summers & the Plight of India's economic growth

With rising economic fallouts trapping major world economies, India remained unscathed and continued to stay as a top-growing economy. However, these laurels may not continue further with the onset of torrid summers that act as killjoys. India's economy depends on over 51% of its population engaged in agrarian and allied activities. With minimal to no downpours between April-June, economic activities face a bleak turn. The present summers have far-reaching impacts on multiple sectors of the Indian Economy and are as follows.

Staff attrition – The ILO has projected that around 2.2% of the office work will be lost (within 2030) universally on account of dog days plaguing workers' health causing them parchedness and lower yields. Medical bills will further rise and India could face even higher losses due to its impoverished wellness programs.

Electrical blackouts – The power sector has felt pinched after the Ministry of Power (MoP) revealed that 2.75 MMT of coal was extracted in April 2023 alone. This indicates a surge of 148% in overall use. However, MoP has stated blackouts could be more frequent during June but in several rural parts of India, these interruptions are a common sight. The medical industry and automation sector will face the biggest hit as they rely on electrical energy the most.

Inflation – Increased crop failures and the return of El Nino after a 3-year hiatus can further dampen Kharif harvest prospects. All of these led to increased food prices for necessary commodities. The CPI rates stood over 7% during the last seven months as the period of dog days stood larger than in previous years. For the remainder of 2023, the prospects still look dimmer with minimal rains deteriorating agriculture production shoving higher prices for available food items.

