

Impact of the Macroeconomic Factors on India's GDP: An Empirical Analysis

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Abstract: This study examines how macroeconomic indicators are impacted by GDP. For the years 2004–2023, GDP is considered a dependent variable, whereas other variables like total debt, external debt, foreign direct investment, imports, and exports are considered independent variables. Using the Johanssen cointegration test, VECM, Wald, and Granger causality test, this study attempted to support its conclusions. Only short-term correlations between the GDP and the unemployment rate, internal debt, and exports were established; the long-term association was determined to be poor. The most common factor that has a cause-and-effect relationship with other variables is the unemployment rate.

Keywords: Debt, Exports, Foreign Direct Investment, Gross Domestic Product, Imports, Inflation

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