

Query: Can you tell me how India has underinvested in capital formation over the years?

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INFO: Application startup complete.
INFO:main:Processing multimodal query: Can you tell me how India has underinvested in capital formation over the years?
> Running step 909f2a89-2f9c-4b80-abc6-6d315810d890. Step input: Can you tell me how India has underinvested in capital formation over the years?
INFO:google_genai.models:AFC is enabled with max remote calls: 10.
Thought: I can answer without using any more tools. I'll use the user's language to answer.
Answer: India has underinvested in capital formation over the years due to a combination of factors. Historically, public investment has been insufficient to meet the country's infrastructure needs, often constrained by fiscal limitations and a preference for current expenditure. Private investment has also faced significant hurdles, including policy uncertainty, complex regulatory processes (such as land acquisition and environmental clearances), and difficulties in accessing adequate finance, particularly for small and medium-sized enterprises. Furthermore, inadequate physical infrastructure like power, roads, and ports has increased the cost of doing business, deterring new investments. There have also been sectoral imbalances, with critical areas like manufacturing and infrastructure not receiving sufficient investment. While not physical capital, underinvestment in human capital (education, skill development, and healthcare) has also hindered productivity. These issues collectively contribute to slower economic growth, lower productivity, and limited job creation.
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Query: Can you tell me give me an year to year analysis of Indian GFCF as a % of GDP?

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INFO:main:Processing multimodal query: Can you tell me give me an year to year analysis of Indian GFCF as a % of GDP?
> Running step f820a9e4-a891-457b-9e3c-093f4010f04c. Step input: Can you tell me give me an year to year analysis of Indian GFCF as a % of GDP?

Thought: The current language of the user is: english. I need to use a tool to help me answer the question.
Action: document_search
Action Input: {'input': 'Indian GFCF as a % of GDP year to year analysis'}
INFO:google_genai.models:AFC is enabled with max remote calls: 10.
Observation: India's Gross Fixed Capital Formation (GFCF) as a percentage of GDP has shown distinct trends over more than two decades, from FY01 to FY23.

Initially, there was a strong upward trend from FY01 to FY10. In FY01, GFCF was 26.0% of GDP, rising to 28.3% in FY04, and then significantly increasing to 33.6% in FY07. The peak investment rate occurred in FY10, reaching 34.0% of GDP.

Following this peak, a noticeable decline in the GFCF rate was observed. It slightly decreased to 33.4% in FY13 and then dropped more significantly to 28.7% in FY16.

After the sharp decline, the rate saw a slight recovery, increasing from 28.7% in FY16 to 29.5% in FY19. However, the latest data for FY23 shows a slight decrease to 29.2% from the FY19 level, indicating that the investment rate has not yet returned to its peak levels seen around FY10.

> Running step 804087a4-bd42-4a40-8831-ba76488e569a. Step input: None
INFO:google_genai.models:AFC is enabled with max remote calls: 10.
Thought: I can answer without using any more tools. I'll use the user's language to answer.
Answer: Here's a year-to-year analysis of India's Gross Fixed Capital Formation (GFCF) as a percentage of GDP, covering the period from FY01 to FY23:



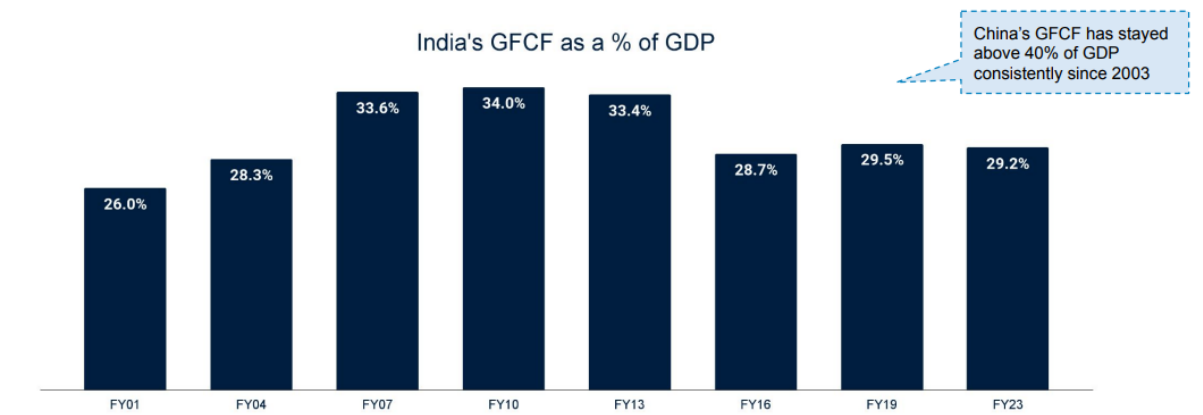
- FY01-FY10 (Upward Trend): India experienced a strong increase in GFCF as a percentage of GDP during this decade.
  - FY01: 26.0%
  - FY04: 28.3%
  - FY07: 33.6%
  - FY10: Reached its peak at 34.0%
- Post-FY10 (Decline): After the peak, there was a noticeable decline in the GFCF rate.
  - FY13: Decreased to 33.4%
  - FY16: Dropped more significantly to 28.7%
- Post-FY16 (Slight Recovery and Recent Trend):
  - FY19: Showed a slight recovery, increasing to 29.5%
  - FY23: The latest data indicates a slight decrease to 29.2% from the FY19 level, suggesting that the investment rate has not yet returned to the peak levels observed around FY10.


ERROR:main:Query error: Reached max iterations.
INFO: 127.0.0.1:52103 - "POST /query HTTP/1.1" 500 Internal Server Error
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Context:

India has consistently underinvested in capital formation

Barring 2007-13, we have seen Gross Fixed Capital Formation (GFCF) languish in late 20s (%)



Query: can you give me an analysis of India's historical GDP growth rate for the period FY13 - FY23 - FY23

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Thought: The current language of the user is: en. The user is asking for an analysis of India's historical GDP growth rate for the period FY13 - FY23. This is a specific economic data request. I should use the "document_search" tool to find this information, as it is likely to contain economic data.
Action: document_search
Action Input: {"input": "India GDP growth rate FY13 - FY23"}
INFO:google_genai.models:AFC is enabled with max remote calls: 10.
Observation: India's GDP growth rates from FY2013 to FY2023 are as follows:
* FY2013: 5.5%
* FY2014: 6.4%
* FY2015: 7.4%
* FY2016: 8.0%
* FY2017: 8.3%
* FY2018: 6.8%
* FY2019: 6.5%
* FY2020: -5.8%
* FY2021: 7.2%
* FY2022: 7.2%
* FY2023: 6.0%
> Running step 230f3876-2012-4357-8b02-8f4de6a84087. Step input: None
INFO:google_genai.models:AFC is enabled with max remote calls: 10.
Thought: I can answer without using any more tools. I'll use the user's language to answer
Answer: India's GDP growth rate from FY2013 to FY2023 shows a varied trend with periods of strong growth, a significant dip, and subsequent recovery.

Here's an analysis:
* **Initial Strong Growth (FY2013-FY2017):** The period began with a moderate growth of 5.5% in FY2013, steadily accelerating to a peak of 8.3% in FY2017. This indicates a period of robust economic expansion.
* **Deceleration (FY2018-FY2020):** Following the peak, there was a noticeable deceleration. Growth rates dropped to 6.8% in FY2018, 6.5% in FY2019, and further to -5.8% in FY2020. This suggests a pre-pandemic slowdown in the economy.
* **COVID-19 Impact (FY2020):** FY2020 saw a significant contraction of -5.8%. This sharp decline is largely attributable to the global economic disruption caused by the COVID-19 pandemic and associated lockdowns.
* **Recovery (FY2021-FY2023):** The economy showed a strong rebound in FY2021 with a growth rate of 7.2%, indicating a post-pandemic recovery. This momentum continued into FY2022, albeit at a slightly slower pace, with a growth rate of 6.0%.

In summary, India experienced a period of sustained high growth in the mid-2010s, followed by a gradual slowdown before being severely impacted by the COVID-19 pandemic. The most recent data points to a healthy recovery, though the growth rate in FY2023 is still below the peak levels seen in FY2016-FY2017.
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Context:

