



India Influences the Global Economic Order

Dr S P Sharma,
Chief Economist, PHDCCI

High growth trajectory and resilience of the Indian economy have its strong impact on the global eco system.

India is thriving with promising economic developments; the economic outlook is exceptionally positive. The strong economic fundamentals support strong resilience, development dynamism, and prudent policy management. With a strong foundation in place, India is well-positioned to capitalize on its strengths, foster inclusive growth, and emerge as a navigator of economic growth at the global stage.

India has emerged a promising growth leader in the World economic system supported by the new growth paradigms such as India's quest for Viksit Bharat by 2047. India has surprised the World with its resilient economic growth trajectory in the recent years. The post-COVID years have witnessed a robust GDP growth at 9.7% in 2021–22, 7.0% in 2022–23 and 8.2% in 2023–24 averaging more than 8% during the last three financial years. As India is the fastest growing economy among the major economies, India influences the tone of global eco system and influence the new economic order.

With its outstanding Presidency of the G20, India has emerged as a global thought leader, connecting many regions with its initiative of India-Middle East-Europe Economic Corridor (IMEC). India's great initiatives such as Delhi declaration, Global Biofuel Alliance, Green initiatives for mitigating climate change impact, consent for crypto currencies have placed India as a beacon of global growth. These initiatives have major impact on re-engineering the global value chains and a strong impact on the global economy. India is the 2nd largest economy in the global south and has amassed significant attention in the developments of Global South through its persistent efforts for collective action and development of the countries in Global South.

India will be a USD 4 trillion economy by the end this financial year 2024-25; all set to position as the 2nd largest in the Asia-Pacific region and the 3rd largest in the World by 2030. According to the recent IMF data (World Economic Outlook, July 2024), India is a growth leader among the G20 countries; the average growth of India during the 2021-2025 is estimated at 7.7%, followed by Türkiye at 5.5%, China at 5.2% and Indonesia at 4.8%.

Growth pattern of the G20 Countries (%)

S. No.	G20 Countries	2021	2022	2023	2024	2025	Average Growth (2021-2025)
1	India	9.7	7.0	8.2	7.0	6.5	7.7
2	Türkiye	11.4	5.5	4.5	3.6	2.7	5.5
3	China	8.5	3.0	5.2	5.0	4.5	5.2
4	Indonesia	3.7	5.3	5.0	5.0	5.1	4.8

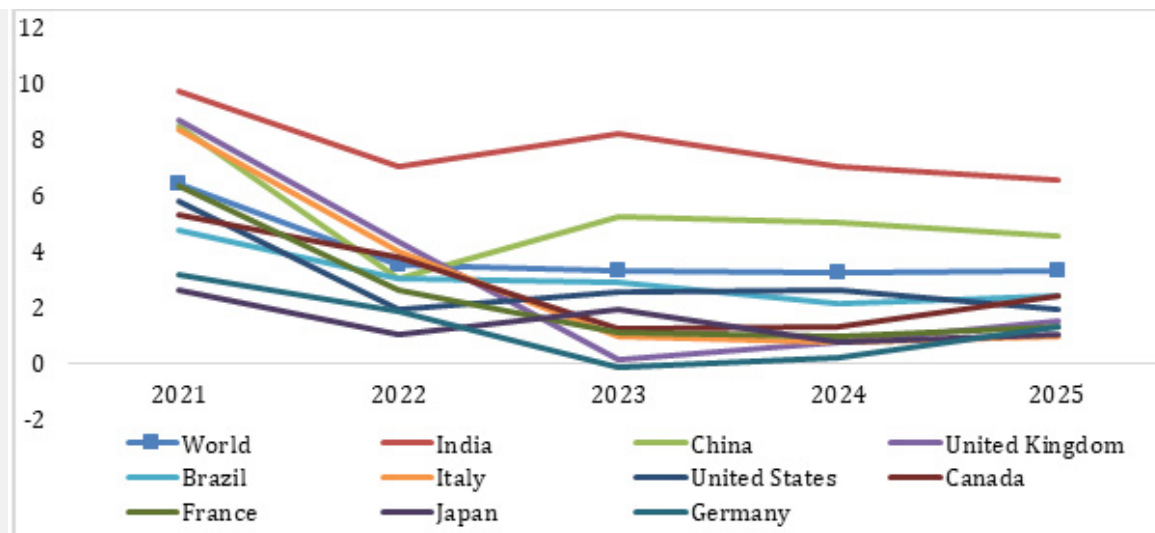
5	Saudi Arabia	5.1	7.5	-0.8	1.7	4.7	3.6
6	Mexico	5.7	3.7	3.2	2.2	1.6	3.3
7	Argentina	10.7	5.0	-1.6	-3.5	5.0	3.1
8	United Kingdom	8.7	4.3	0.1	0.7	1.5	3.1
9	Brazil	4.8	3.0	2.9	2.1	2.4	3.0
10	Australia	5.6	3.9	2.0	1.4	2.0	3.0
11	Italy	8.3	4.0	0.9	0.7	0.9	3.0
12	United States	5.8	1.9	2.5	2.6	1.9	2.9
13	Canada	5.3	3.8	1.2	1.3	2.4	2.8
14	European Union	6.1	3.7	0.6	1.2	1.8	2.7
15	Russia	6.0	-1.2	3.6	3.2	1.5	2.6
16	Rep. of Korea	4.3	2.6	1.4	2.5	2.2	2.6
17	France	6.3	2.6	1.1	0.9	1.3	2.4
18	South Africa	4.7	1.9	0.7	0.9	1.2	1.9
19	Japan	2.6	1.0	1.9	0.7	1.0	1.4
20	Germany	3.2	1.8	-0.2	0.2	1.3	1.3

Source: Compiled from World Economic Outlook, July 2024

Recently, India witnessed a significant reduction in its poverty. Significant initiatives covering all dimensions of poverty have led to about 25 crore individuals escaping multidimensional poverty in the last 9 years. Steep decline in Poverty Headcount Ratio from 29.1% in 2013-14 to 11.2% in 2022-23 will help India to achieve its SDG target of halving multidimensional poverty well before 2030. The Government's persistent dedication and resolute commitment to enhancing the lives of the most vulnerable and deprived have been instrumental in this accomplishment. This breakthrough has helped to reduce more than 4% multidimensional poverty from Global South and more than 3% from the World. India's consistent human development will go a long way to enhance global living standards. As the World's most populous nation, India's contribution is paramount to the global economic growth. Nearly 18% of the World population lives in India of which a whopping 65% of the population is young or under the age of 35 making it a country of World's largest working age population.

Going ahead, despite the global economic challenges, India will be more resilient, strong with a sustained high economic growth trajectory in the coming years. The rebound in consumption segment and consistent revival of private investments will support the economy to move forward with a strong and sustainable growth momentum.

Growth Rates for top 10 leading economies with projections for years 2023, 2024 & 2025



Source: Compiled from International Monetary Fund

According to the IMF, among the top 10 leading economies, 8 economies will perform below their growth rate levels of pre pandemic level of 2019; however, India is a bright spot in the global ecosystem with growth rate of 8.2% in 2023, and projected growth rate of 7.0% in 2024, and 6.5% in 2025. After the pandemic year of 2020, the average growth rate of India during the period 2021-25 is 7.7% significantly higher than China which is growing at 5.2% during the same period.

Growth rates of top 10 leading economies (2021-25) (%)

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2	China	8.5	3.0	5.2	5.0	4.5	5.2
3	United Kingdom	8.7	4.3	0.1	0.7	1.5	3.1
4	Brazil	4.8	3.0	2.9	2.1	2.4	3.0
5	Italy	8.3	4.0	0.9	0.7	0.9	3.0
6	United States	5.8	1.9	2.5	2.6	1.9	2.9
7	Canada	5.3	3.8	1.2	1.3	2.4	2.8
8	France	6.3	2.6	1.1	0.9	1.3	2.4
9	Japan	2.6	1.0	1.9	0.7	1.0	1.4
10	Germany	3.2	1.8	-0.2	0.2	1.3	1.3

Source: Compiled from International Monetary Fund

Continued process of economic reforms in India would further strengthen the economic fundamentals of the country to maintain strong economic growth trajectory. Strengthening of India's connectivity with Global Value Chains (GVCs) will help to improve supply side bottlenecks and further reduce costs of doing business. Enhanced competitiveness of the economy will attract more and more domestic and foreign investments and help to create more employment opportunities for the growing young population in the country.

In conclusions, India is a new growth engine of the World economy, supporting the global growth significantly. The proven resilience of the Indian economy in the global eco system is increasing its influence on the global thought leaders, policy makers, investors and people making India a best place to invest. The continued focus of the government on policy reforms, hand holding to businesses and support to people would go a long way to place India as a strong and lucrative country in the global economy charts.

(Dr. S.P. Sharma is Chief Economist & Director of Research • PHDCCI (PHD Chamber of Commerce and industry, India)

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