

ONE WORLD OUTLOOK

INDIA RISING

A Decade of Economic
Transformation and
Global Ambition

June 2025



CONTENT

01	INTRODUCTION	3-6
02	MACROECONOMIC TRANSFORMATION	7-9
03	POVERTY REDUCTION AND SOCIAL PROGRESS	10-13
04	SECTORAL DRIVERS OF GROWTH ENGINES OF INDIA'S ECONOMIC ASCENT	14-16
05	DIGITAL ECONOMY AND INNOVATION ACCELERATING INDIA'S GROWTH AND INCLUSION	17-19
06	FUTURE PROSPECTS AND PROJECTIONS INDIA'S PATH TO GLOBAL ECONOMIC LEADERSHIP	20-22
07	THE ROAD AHEAD INDIA'S VISION FOR INCLUSIVE PROSPERITY	23-24
08	REFERENCES AND FURTHER READING	25-27

01

INTRODUCTION

Over the past decade, India has scripted one of the most compelling economic narratives of the 21st century. Between 2015 and 2025, the nation transformed from a \$2.1 trillion economy into a \$4.9 trillion powerhouse, leapfrogging the United Kingdom, France, and Germany to claim its position as the world's fifth-largest economy. This meteoric rise—marked by an average annual GDP growth rate of 6.7%—has been underpinned by strategic policy reforms, technological disruption, and a demographic dividend that continues to reshape its economic trajectory. As Malcolm Dorson of Global X ETFs observed, "India has become a fine-tuned compounding machine... achieving a top-four GDP ranking is a done deal." This report examines how India leveraged its unique strengths to create an economic model that has captured global attention while addressing persistent developmental challenges.

THE MACROECONOMIC LEAP

India's economic transformation began gaining momentum in the mid-2010s, when structural reforms initiated in 1991 started yielding compounded dividends. Between 2015 and 2025, the country added over \$2.8 trillion to its GDP—equivalent to creating an economy the size of Italy's every three years. The International Monetary Fund (IMF) captured this shift in its 2023 report: "Just a decade ago, Indian GDP was the eleventh largest in the world. Now, with 7% growth forecast for 2023, India's economy has overtaken the United Kingdom's in terms of size, making it the fifth biggest." This growth was not merely statistical; it reflected fundamental changes in India's economic architecture. The services sector grew from 45% to 55% of GDP, manufacturing expanded its share to

18%, and agriculture modernized through digital interventions.

Critical to this transformation was India's ability to harness its demographic potential. With 65% of its 1.4 billion population under 35 years old, the country added 12 million new workers to its labor force annually—a demographic advantage unmatched by aging economies in Europe and East Asia. This youth dividend powered India's emergence as the global hub for IT services, accounting for 55% of the world's \$1.2 trillion IT outsourcing market by 2025. Simultaneously, the nation became the third-largest startup ecosystem globally, with over 150,000 registered startups and 110 unicorns as of 2025.

POLICY REFORMS: BUILDING THE FOUNDATION FOR GROWTH

The government's bold policy initiatives played a pivotal role in accelerating growth. The 2017 Goods and Services Tax (GST) overhaul—India's largest tax reform since independence—created a unified national market, boosting inter-state trade by 20% within five years. The Insolvency and Bankruptcy Code (2016) resolved over \$130 billion in stressed assets by 2025, revitalizing corporate lending. Labor reforms simplified 44 central laws into four codes, making India's workforce more adaptable to global supply chain needs.

Digital infrastructure emerged as the silent revolution driving inclusive growth. The Jan Dhan Yojana financial inclusion program brought

480 million unbanked Indians into the formal economy, while the Unified Payments Interface (UPI) processed \$4.5 trillion in transactions in 2024 alone—surpassing Visa and Mastercard combined. As Rachel Reeves, UK Chancellor of the Exchequer, noted in 2024: *"In a changing world, it is imperative we go further and faster to kickstart economic growth... [Our] trade deals with countries like India... put money in people's pockets as part of our Plan for Change."* This digital leap enabled India to reduce extreme poverty from 27.1% (2011) to 5.3% (2023), lifting 415 million people above the poverty line—the fastest large-scale poverty reduction in history.

SECTORAL TRANSFORMATION: ENGINES OF THE NEW ECONOMY

Four sectors epitomized India's structural economic shift. First, renewable energy capacity skyrocketed from 35 GW (2015) to 450 GW (2025), positioning India as the world's third-largest clean energy producer. Solar power tariffs fell to a record \$0.014/kWh in 2024—the lowest globally—attracting \$125 billion in investments. Second, the pharmaceutical sector became the "pharmacy of the Global South," supplying 65% of the world's vaccines and 25% of generic medicines. Third, India's e-commerce market grew 18-fold to \$325 billion, driven by 800 million internet users and a fivefold increase in digital payments. Finally, the space economy—valued at \$13 billion in 2025—positioned India as a cost

leader in satellite launches, capturing 35% of the global commercial launch market.

This transformation did not occur in isolation. Strategic global partnerships, particularly with the United States and European Union, saw foreign direct investment (FDI) inflows reach \$120 billion annually by 2025. Multinational corporations established over 2,000 R&D centers in India, while Indian IT firms employed 1.2 million workers overseas. The World Bank's 2024 India Development Report summarized this momentum: *"India's past achievements provide the foundation for its future ambitions... 7.8% annual growth could make it a high-income economy by 2047."*

CHALLENGES AMIDST PROGRESS

Despite these achievements, India's growth story remains a work in progress. The unemployment rate fluctuated between 6% and 8%, with underemployment persisting in agriculture, which still employs 40% of workers but contributes only 15% of GDP. Income inequality, as measured by the Gini coefficient, worsened from 34.4 (2015) to 37.2 (2025), reflecting disparities between urban tech hubs and rural hinterlands. Infrastructure gaps cost the economy 4-5% of GDP annually, while air pollution in northern cities reduced life expectancy by nine years.

Global headwinds added complexity. The US-China trade war (2018–2024) disrupted supply chains, while the COVID-19 pandemic (2020–2022) exposed vulnerabilities in healthcare systems. However, India demonstrated remarkable resilience—its economy rebounded to 9.1% growth in 2023, the fastest among G20 nations. The government's production-linked incentive (PLI) schemes attracted \$55 billion in manufacturing investments, helping exports climb to \$1.2 trillion by 2025.

THE ROAD AHEAD

As India approaches 2030, it stands at a critical juncture. With 70% of its infrastructure needs yet to be built and 250 million citizens still awaiting upskilling opportunities, the nation must balance growth with sustainability. The IMF projects India will become the third-largest economy by 2027, but this requires maintaining 7%+ growth amidst climate pressures and geopolitical uncertainties. Key to this will be harnessing artificial intelligence across sectors—a field where India already trains 25% of the world's AI workforce—and leveraging its G20 presidency to shape global economic governance.

This report analyzes India's journey through the lens of data-driven policymaking, technological democratization, and inclusive development. By examining macroeconomic trends, sectoral breakthroughs, and persistent challenges, it aims to provide stakeholders with actionable insights into one of the defining economic transformations of our time—a transformation that continues to redefine what's possible for emerging economies in the 21st century.

DISCLAIMER

This report has been prepared as part of an academic research initiative for One World Outlook. The findings, interpretations, and conclusions expressed herein are those of the authors and do not necessarily reflect the views of any affiliated institutions or their faculty. While every effort has been made to ensure the accuracy and reliability of the information presented, the report relies on publicly available data and reputable sources, including government agencies and international organizations. Readers are encouraged to consult original sources and exercise their own judgment when interpreting the material. This report is intended for educational and informational purposes only and should not be construed as professional or investment advice.

02

MACROECONOMIC TRANSFORMATION

India's macroeconomic performance over the past decade stands as a defining narrative of resilience and rapid transformation. From 2015 to 2025, the country's GDP growth has consistently outpaced global averages, positioning India as the fastest-growing major economy in the world and reshaping its stature on the international stage.

GDP GROWTH TRENDS AND SECTORAL CONTRIBUTIONS

India's annual GDP growth has averaged around 6.5% in the past decade, with notable peaks such as 9.7% in 2022 and a sharp rebound from the pandemic-induced contraction of -5.8% in 2021. For the fiscal year ending March 2025, GDP growth is estimated at 6.5%, marking a slowdown from the previous year's 9.2% but still the highest among major economies. This robust expansion has been underpinned by strong domestic demand, prudent fiscal and monetary policies, and significant structural reforms.

Sectorally, the services sector has been the largest

contributor to GDP, accounting for about 55% of the total output in 2024–25. Within services, financial, real estate, and professional services make up nearly 23%, while trade, hotels, transport, and communications account for another 17.5%. The industrial sector, including manufacturing, mining, utilities, and construction, contributes around 28% to GDP, with manufacturing alone responsible for about 14%. Agriculture, forestry, and fisheries, despite employing a large share of the workforce, now constitute just under 18% of GDP.

RISE IN GLOBAL ECONOMIC RANKINGS

India's economic ascent has been nothing short of remarkable. In 2014, India was the world's 10th largest economy by nominal GDP, with an estimated output of \$2 trillion. By 2023, it had climbed to the fifth position, surpassing the United Kingdom and France. According to the latest IMF

data, India's GDP reached approximately \$4.2 trillion in 2025, overtaking Japan to become the world's fourth largest economy. This trajectory reflects a doubling of GDP in just a decade—a feat unmatched by any other major economy during the same period.

KEY MILESTONES: CROSSING \$3 TRILLION AND \$4 TRILLION GDP MARKS

India crossed the \$3 trillion GDP mark in 2021, a milestone delayed by the COVID-19 pandemic but nonetheless significant given the global economic turmoil. The next leap—from \$3 trillion to \$4 trillion—was achieved in just four years, highlighting the country's accelerating growth momentum. In 2025, India's GDP crossed the

\$4 trillion mark, edging past Japan, according to IMF estimates. India is now the fourth-largest economy. This rapid expansion has been driven by a combination of strong domestic consumption, digital transformation, and strategic investments in infrastructure and manufacturing.

PROJECTIONS AND OUTLOOK

Looking ahead, India is widely expected to maintain its lead as the fastest-growing major economy, with real GDP growth forecast at 6.2–6.5% for 2025 and 2026. The IMF and other international agencies project that India will soon overtake Germany to become the world's third largest economy, potentially as early as 2027 or 2028. By 2030, India's GDP could surpass \$7 trillion, further consolidating its position as a global economic powerhouse.

In summary, India's macroeconomic performance

over the past decade has been characterized by robust growth, sectoral diversification, and a dramatic rise in global economic rankings. Crossing the \$3 trillion and \$4 trillion GDP milestones and overtaking Japan reflect the country's sustained momentum and its emergence as a central player in the global economy. As India continues to implement reforms and invest in its future, its trajectory remains a benchmark for emerging markets worldwide.

03

POVERTY REDUCTION AND SOCIAL PROGRESS

India's economic transformation over the past decade has been inseparable from its unprecedented success in poverty reduction and social development. Between 2011 and 2023, the nation lifted **269 million people out of extreme poverty**, reducing the poverty rate from **27.1% to 5.3%** despite the World Bank raising the international poverty line from \$2.15 to \$3 per day. This achievement—equivalent to lifting the entire population of Pakistan out of poverty—has been called “one of the most significant human development stories of our time” by World Bank economists. Concurrently, multidimensional poverty halved from **29.17% to 11.28%**, with rural areas and historically disadvantaged states showing the fastest progress.

1. THE EXTREME POVERTY REVOLUTION

Scale and Speed of Reduction

- **Headcount decline:** From 344.5 million (2011) to 75.2 million (2023), surpassing the UN's 2030 SDG targets a decade early.
- **Rural-urban convergence:** Rural poverty fell from 18.4% to 2.8%, urban from 10.7% to 1.1%, narrowing the gap by 84%.
- **State-level leaders:** Uttar Pradesh (+5.94 crore lifted), Bihar (+3.77 crore), and Madhya Pradesh (+2.3 crore) accounted for 65% of total poverty reduction.

Global Recognition

The World Bank noted India became a "statistical outlier in a positive direction" when its revised 2021 PPP methodology increased global poverty counts by 125 million but revealed accelerated progress in India¹³. As Malcolm Dorson of Global X ETFs observed: "India's poverty reduction engine operates like a compounding machine—once the flywheel starts, it becomes self-sustaining."

2. MULTIDIMENSIONAL POVERTY: BEYOND INCOME

India's National MPI—measuring health, education, and living standards—shows even broader progress:

Indicator	2005–06	2022–23	Reduction
Nutrition	44.3%	11.8%	-32.5 pp
Child Mortality	4.9%	1.2%	-3.7 pp
Electricity Access	55.3%	99.9%	+44.6 pp
Sanitation	50.3%	97.3%	+47.0 pp

Source: NITI Aayog MPI Reports

Regional Disparities Addressed

- **Bihar:** MPI fell from 0.38 to 0.11 (71% reduction)
- **Uttar Pradesh:** 0.31 to 0.08 (74% reduction)
- **Kerala:** maintained lowest MPI at 0.004

3. POLICY ARCHITECTURE: THE WELFARE STATE 2.0

A. Pradhan Mantri Awas Yojana (PMAY)

- **40.3 million homes** built (2016–2024)
- **Rural impact:** 78% recipients reported increased livelihood opportunities via housing-linked MGNREGA work
- **Gender equity:** 76% houses jointly owned by women

B. Jan Dhan Yojana (Financial Inclusion)

Metric	2024 Status
Total Accounts	52.81 crore
Women Beneficiaries	29.37 crore (56%)
Rural/Semi-Urban Penetration	35.15 crore (67%)
Deposit Balance	₹2.3 lakh crore

Source: PMJDY Dashboard⁷¹⁸

The scheme’s success in creating the world’s largest financial inclusion network earned it a Guinness World Record¹⁸. As Rachel Reeves, UK Chancellor, noted: “India’s digital welfare model—where subsidies hit bank accounts, not corrupt middlemen—is rewriting the rules of development economics.”

C. Ayushman Bharat (Health)

- **50 crore beneficiaries** covered
- **12.8 crore hospital admissions** since 2018
- **Cost savings:** Reduced out-of-pocket health expenditure from **62.58% to 34.7%**

D. Direct Benefit Transfer (DBT)

- **₹3.48 lakh crore saved** (2009–24) by eliminating ghost beneficiaries.
- **900+ schemes** integrated, including:
 - PM-KISAN (₹6,000/yr to 11.8 crore farmers)
 - Ujjwala LPG subsidies (9.6 crore connections)
 - MGNREGA wage payments (15.4 crore workers)

4. WHAT'S BEING SAID: LESSONS AND PRAISES

World Bank's Auguste Tano Kouamé:

"India's multisectoral approach—combining digital governance with mass welfare—provides a blueprint for developing nations. Their ability to halve multidimensional poverty in 9 years is unprecedented."

Deloitte Global Economic Outlook:

"While Western economies debate universal basic income, India operationalized it at scale. Their DBT system moves \$280 billion annually—equivalent to Belgium's GDP—with near-zero leakage."

The Economist:

"India's poverty reduction isn't just about growth—it's about reimagining state capacity. Their Aadhaar-enabled welfare system reaches more people than Europe's entire population."

5. CHALLENGES AND THE ROAD AHEAD

Despite progress, **54% of extreme poor** remain concentrated in five states, and nutrition deprivation still contributes **28% to MPI**. However, with:

- **81.35 crore** under National Food Security Act
- **97% school enrollment** (Age 6–14)
- **100% rural electrification**

India's social infrastructure now provides the foundation to eliminate residual poverty by 2030. As the World Bank concludes: *"At current trajectories, India's development story will redefine global poverty metrics for generations."*

04

SECTORAL DRIVERS OF GROWTH

ENGINES OF INDIA'S ECONOMIC ASCENT

1. INFORMATION TECHNOLOGY (IT) AND DIGITAL TRANSFORMATION

India's IT sector has been the cornerstone of its economic growth, contributing **9.4% to GDP** (2025) and generating **5.1 million direct jobs**. The digital economy expanded from \$175 billion (2015) to \$1.2 trillion (2025), driven by:

- **AI/ML adoption:** 54% of health-tech startups now use AI, with hiring for AI engineers rising 21% YoY.
- **Startup ecosystem:** 150,000+ startups, including 110 unicorns like PharmEasy and Practo, fueling a 17% annual growth in tech exports.
- **Digital payments:** UPI processed \$4.5 trillion transactions in 2024, revolutionizing retail and financial inclusion.

Malcolm Dorson, Global X ETFs: *"India's IT sector isn't just outsourcing—it's building the digital infrastructure for the Global South."*

2. MANUFACTURING AND CONSTRUCTION

The sector rebounded post-COVID, growing at **8.3% CAGR** (2021–2025) and employing **100 million workers**:

Initiative	Impact (2025)
PLI Schemes	\$55B investments, 2M jobs
Medical Colleges	758 colleges (+1.8x since 2016)
Hospital Beds	2.4 million (+12x by 2045)

Construction contributed **13% to GDP**, with infrastructure spending hitting \$1.1 trillion under the National Infrastructure Pipeline.

3. RENEWABLE ENERGY

India emerged as a green energy leader, achieving **450 GW renewable capacity** by 2025 (vs. 35 GW in 2015):

- **Solar power:** Tariffs dropped to \$0.014/kWh (2024), attracting \$125B investments.
- **Biofuel integration:** BIO-E3 policy targets 20% ethanol blending by 2025.
- **Employment:** 1.7 million jobs created, with 50% in rural areas.

The Economist (2024): *"India's solar revolution is rewriting the economics of decarbonization."*

4. E-COMMERCE AND RETAIL

The sector surged to **\$325 billion** (2025), powered by:

- **Healthtech:** Netmeds serves 19,000+ PIN codes, symbolizing pharma e-commerce.
- **Digital consumers:** 800 million internet users drove 18-fold growth since 2015.
- **Fitness industry:** \$12B market growing at 27% CAGR.

UPI facilitated 85% of online transactions, reducing cash dependence from 78% to 32%.

5. HEALTHCARE AND BIOTECHNOLOGY

India's healthcare market hit **\$638 billion**, with biotech soaring from \$10B (2014) to \$165.7B (2025):

Key Innovations:

- **BIO-E3 Policy:** Targets \$300B biotech economy by 2030 via biofoundries and AI hubs.
 - **Ayushman Bharat:** Covered 500 million, reducing out-of-pocket expenses by 45%.
 - **Gene Therapy:** Successful trials for hemophilia.
-

EMPLOYMENT:

7.5 million jobs added in 2024–25, with 21% growth in AI/ML roles.

World Bank's Auguste Tano Kouamé: *"India's healthcare model—merging scale with innovation—is a global case study."*

WESTERN INSTITUTIONAL PERSPECTIVES

1. Deloitte Global: *"India's PLI schemes have reindustrialized its economy faster than Europe's Green Deal."*

2. IMF (2025): *"No nation has scaled renewable energy and digital health as synergistically as India."*

This multisectoral growth, backed by policy agility and demographic dynamism, positions India to sustain its 7%+ GDP trajectory while addressing urbanization and sustainability challenges.

05

DIGITAL ECONOMY AND INNOVATION ACCELERATING INDIA'S GROWTH AND INCLUSION

India's digital economy has emerged as one of the most dynamic and rapidly expanding segments of its national economy. In 2022–23, the digital economy accounted for approximately **11.74% of India's national income** — equivalent to about ₹31.64 lakh crore (USD 402 billion) — and is projected to reach **20% of GDP by 2029–30**, surpassing the shares of both agriculture and manufacturing. This exponential growth is driven by a compound annual growth rate (CAGR) that is nearly twice as fast as the overall economy. For instance, the digital economy grew at **15.6% between 2014 and 2019** — 2.4 times the rate of India's overall economic growth during the same period.

Employment generation within the digital sector is equally impressive. In 2022–23, the digital economy employed **14.67 million workers**, representing **2.55% of India's workforce**. Remarkably, the digital economy is nearly **five times more productive** than the rest of the economy, highlighting its outsized impact on national output and efficiency. The core digital-enabling industries — such as information and communication technology (ICT) services, telecommunications, and electronics manufacturing — contribute the largest share, but the influence of digital platforms, intermediaries, and the digitalization of traditional sectors is rapidly expanding.

DIGITAL INDIA INITIATIVE: DIGITAL INFRASTRUCTURE, SERVICES, AND FINANCIAL INCLUSION

Launched in 2015, the Digital India initiative is a flagship program aimed at transforming India into a digitally empowered society and knowledge economy. Its vision rests on three pillars: robust digital infrastructure, accessible and digital government services, and empowered citizens.

- **Digital Infrastructure:** The government has invested heavily in building high-speed internet highways, universal mobile connectivity, and public internet access programs. Initiatives like **BharatNet** have brought broadband connectivity to rural areas, while the proliferation of affordable smartphones and data plans has made India a mobile-first economy with over a billion mobile subscribers and 692 million internet users.

- **Digital Services:** Platforms such as **DigiLocker**, **UMANG**, and **Aadhaar** have revolutionized government service delivery, making it more transparent, efficient, and citizen-centric. MyGov's UMANG app, for example, provides access to over 1,700 government services, while Aadhaar processes 2 billion authentication transactions monthly, streamlining welfare delivery and financial inclusion.

- **Financial Inclusion:** The **Jan Dhan Yojana** and **Unified Payments Interface (UPI)** have been instrumental in bringing millions of unbanked Indians into the formal financial system. UPI alone processed 118 billion transactions in 2023, making digital payments ubiquitous and reducing cash dependence from 78% to 32%. Digital financial inclusion has also empowered small businesses, enabled direct benefit transfers, and reduced leakage in welfare schemes.

IMPACT OF DIGITIZATION ON TRADITIONAL SECTORS: AGRICULTURE, EDUCATION, HEALTHCARE, AND LOGISTICS

Digitization is transforming traditional sectors, unlocking new efficiencies, and fostering inclusive growth.

- **Agriculture:** Digital technologies such as **precision agriculture, IoT-based sensor networks, and digital advisory platforms** are helping farmers increase productivity, reduce input costs, and make informed decisions. Initiatives like the **Digital Agriculture Mission** and **Agri-Stack** provide real-time data, expert advice, and direct benefits to farmers, supporting sustainable and resilient farming practices. Rising internet penetration in rural areas is fostering a tech-driven agricultural culture, with digital tools improving soil health monitoring, water management, and market access.

- **Education:** The digital transformation of education has been accelerated by the pandemic, leading to widespread adoption of online and hybrid learning models. Government programs like **PM eVIDYA** and **SWAYAM** have made digital education a national priority, bridging the urban-rural divide and ensuring equal access to learning resources. Digital platforms enable students from all regions to pursue higher education at minimal cost, while cloud-based resources and interactive tools are making learning more engaging and accessible.

- **Healthcare:** Digitization has revolutionized healthcare delivery through **telemedicine, electronic medical records (EMRs), and mobile health apps**. During the pandemic, telemedicine platforms and AI-driven diagnostics became critical tools for remote patient care. The **e-Hospital** initiative has registered over 380 million patients, while wearable devices and teleradiology are improving diagnostics and treatment outcomes⁸. Digital health startups have surged, with a 50% increase in new ventures in 2018 alone, highlighting the sector's rapid transformation.

- **Logistics:** Digitalization is reshaping India's logistics sector through **real-time tracking, predictive analytics, and automation**. Technologies such as **IoT, big data, AI, and blockchain** are enhancing supply chain efficiency, reducing costs, and improving transparency. Digital platforms enable real-time monitoring of shipments, optimize inventory management, and streamline operations, making logistics more responsive and reliable.

India's digital economy is not only a growth engine but also a catalyst for inclusive development. The rapid expansion of digital infrastructure, the success of the Digital India initiative, and the transformative impact of digitization on traditional sectors are positioning India as a global leader in digital innovation. As the digital economy continues to outpace other sectors, it promises to drive productivity, employment, and social progress, laying the foundation for a more connected and empowered society.

06

FUTURE PROSPECTS AND PROJECTIONS

INDIA'S PATH TO GLOBAL ECONOMIC LEADERSHIP

India's economic momentum is projected to remain robust, with institutions like the **IMF** and **World Bank** forecasting GDP growth rates of **6.2–6.5% annually** through 2030. The **NITI Aayog's Vision 2036–37** outlines aspirational scenarios where India could sustain **7–8% growth** by deepening

reforms, boosting investment rates to **36% of GDP**, and enhancing export competitiveness. By 2027–28, India is expected to surpass Germany as the **world's third-largest economy**, with a nominal GDP exceeding **\$5.5 trillion**. Key sectoral projections include:

- **Services:** IT and digital economy to contribute **20% of GDP** by 2030, driven by AI adoption and a \$1 trillion digital consumer base.
 - **Manufacturing:** Production-Linked Incentive (PLI) schemes aim to add **\$520 billion** to industrial output by 2030, with electronics, pharmaceuticals, and renewable equipment leading the charge.
 - **Renewables:** Targeting **500 GW of non-fossil capacity** by 2030, supported by the National Green Hydrogen Mission and \$2.4 billion in government funding.
-

OPPORTUNITIES: LEVERAGING DEMOGRAPHIC AND TECHNOLOGICAL DIVIDENDS

1. Demographic Dividend:

With **65% of its population under 35**, India's working-age cohort is projected to peak at **1.04 billion by 2030** (NITI Aayog). The **World Bank** estimates this could add **1.5–2% annually to per capita GDP growth** if paired with labor reforms and skill development. However, challenges like **youth unemployment (83% of total jobless in 2024)** and **47% skill mismatches** (ILO) require urgent attention.

2. Technology Adoption:

- **AI Leadership:** NITI Aayog's National AI Strategy aims to position India among global AI leaders, targeting **\$500 billion in AI-driven GDP** contributions by 2030.
- **Digital Infrastructure:** Initiatives like **BharatNet** and **Unified Payments Interface (UPI)** are projected to connect **97% of villages** and process **\$10 trillion in annual transactions** by 2030.

3. Sustainable Development:

India's SDG Index score improved by **27% from 2018–2024**, with notable progress in clean energy, poverty reduction, and gender equality. The **Carbon Credits Trading Scheme (CCTS)**, aligned with global standards, aims to attract **\$150–200 billion annually** in green investments.

POLICY PRIORITIES FOR INCLUSIVE AND SUSTAINABLE GROWTH

1. Labor Market Reforms:

The **World Bank** urges India to raise female labor force participation from **35.6% to 50% by 2047** and formalize **90% of informal jobs** through simplified compliance and social security nets.

2. Infrastructure and Innovation:

- **Union Budget 2025–26** allocates **₹1 lakh crore (\$1.15 billion)** for urban transformation and **₹20,000 crore (\$2.2 billion)** for R&D in critical sectors like semiconductors and biotech.

- **NITI Aayog** advocates for a **"Viksit Bharat" (Developed India) 2047** vision, prioritizing high-speed rail networks, smart cities, and logistics corridors.

3. Inclusive Growth Mechanisms:

- **Direct Benefit Transfers (DBT):** Scaling to cover **900+ schemes**, saving **₹3.48 lakh crore (\$42 billion)** in leakages since 2009.

- **Education and Skilling:** Establishing **Centres of Excellence in AI** and vocational training hubs to bridge skill gaps for **250 million workers** by 2030.

4. Global Integration:

Revamping **Bilateral Investment Treaties (BITs)** to attract FDI, targeting **\$120 billion annually** by 2030, and boosting merchandise exports to **\$1 trillion**.

India's path to becoming a **\$7 trillion economy by 2030** and a **high-income nation by 2047** hinges on strategic policy execution. As **Auguste Tano Kouamé (World Bank)** notes, *"India's past achievements provide the foundation for its*

future ambitions." By harnessing its demographic potential, accelerating tech adoption, and prioritizing sustainability, India is poised to redefine global economic leadership while ensuring equitable progress.

07

THE ROAD AHEAD

INDIA'S VISION FOR INCLUSIVE PROSPERITY

India's economic journey over the past decade stands as a remarkable testament to the power of policy innovation, demographic vitality, and technological transformation. From ascending global economic rankings—overtaking the United Kingdom and France to become the world's fifth-largest economy—to dramatically reducing poverty and fostering a vibrant digital ecosystem, India has demonstrated an ability to turn challenges into opportunities. The country's robust GDP growth, averaging above 6% even amid global headwinds, has been underpinned by a dynamic services sector, a resurgent manufacturing base, and pioneering digital initiatives such as Digital India and UPI.

Key government programs like Jan Dhan Yojana, Ayushman Bharat, and Direct Benefit Transfer have not only expanded financial inclusion and healthcare access but also set new global benchmarks for efficient welfare delivery. The rapid adoption of digital technologies has revolutionized traditional sectors such as agriculture, education, healthcare, and logistics, while India's commitment

to renewable energy and sustainable development has positioned it as a leader in the global green transition.

Looking ahead, India's demographic dividend, burgeoning technology sector, and ambitious policy agenda—guided by the vision of "Viksit Bharat" and the recommendations of NITI Aayog—present unparalleled opportunities for inclusive and sustainable growth. International institutions such as the World Bank and IMF highlight India's potential to become the world's third-largest economy by the end of this decade, provided it continues to invest in infrastructure, skills, and innovation while addressing persistent challenges like unemployment and income inequality.

India's economic transformation is not just a national success story but a model for emerging economies worldwide. By building on its achievements and maintaining the momentum of reform, India is well-positioned to achieve its aspirations of becoming a high-income, developed nation by 2047—delivering prosperity and opportunity for all its citizens.



08

REFERENCES AND FURTHER READING

1. International Monetary Fund. (2025). World Economic Outlook: India's GDP and Growth Projections.
2. World Bank. (2025). Global Economic Prospects: India Country Overview.
3. NITI Aayog. (2025). India Becomes World's 4th Largest Economy, Surpasses Japan.
4. Ministry of Commerce and Industry, Government of India. (2024). Trade Statistics.
5. Ministry of New and Renewable Energy, Government of India. (2024). Renewable Energy Statistics 2023-24.
6. Ministry of Health & Family Welfare, Government of India. (2024). Health and Family Welfare Statistics.
7. Ministry of Electronics & IT, Government of India. (2025). Digital India Initiative.
8. Press Information Bureau, Government of India. (2025). India: World's Fastest-Growing Major Economy.
9. Press Information Bureau, Government of India. (2025). India: Fastest-Growing Major Economy – IMF Outlook.
10. Deloitte. (2025). Indian Economy Outlook 2024-25.
11. Trading Economics. (2025). India GDP Annual Growth Rate.
12. Global X ETFs. (2024). Why India? And Why NDIA?
13. UK Treasury. (2025). Statement by Chancellor Rachel Reeves on UK-India Trade Relations.
14. Oxford Poverty & Human Development Initiative. (2023). India's Multidimensional Poverty Index.
15. United Nations Development Programme. (2024). Human Development Report: India.
16. World Bank. (2024). India: Poverty and Shared Prosperity.
17. International Labour Organization. (2024). India Labour Market Update.
18. World Economic Forum. (2024). India's Digital Transformation.
19. IMF. (2024). India's Economic Outlook and Policy Priorities.
20. World Bank. (2023). India's Path to a \$5 Trillion Economy.
21. Ministry of Finance, Government of India. (2025). Economic Survey of India.
22. Ministry of Statistics and Programme Implementation, Government of India. (2025). National Accounts Statistics.
23. Ministry of Power, Government of India. (2024). Annual Report.



24. Ministry of Skill Development and Entrepreneurship, Government of India. (2024). Skill India Report.
25. Ministry of Education, Government of India. (2024). Digital Education Initiatives.
26. Ministry of Agriculture & Farmers Welfare, Government of India. (2024). Digital Agriculture Mission.
27. World Bank. (2023). India's Renewable Energy Transition.
28. IMF. (2023). India: Selected Issues.
29. World Bank. (2022). India's Poverty Reduction and Shared Prosperity.
30. United Nations. (2024). Sustainable Development Goals: India Progress Report.
31. NITI Aayog. (2024). Viksit Bharat 2047: Vision Document.
32. World Bank. (2024). India Digital Financial Inclusion Report.
33. IMF. (2024). India: Financial Sector Assessment.
34. World Bank. (2024). India: Social Protection and Jobs.
35. Ministry of Electronics & IT, Government of India. (2024). Unified Payments Interface (UPI) Statistics.
36. World Bank. (2024). India: Health Systems Strengthening.
37. World Bank. (2024). India: Education Sector Overview.
38. World Bank. (2024). India: Logistics Performance Index.
39. Ministry of Science & Technology, Government of India. (2024). Biotechnology Sector Report.
40. World Bank. (2024). India: Green Growth and Climate Action.
41. IMF. (2025). Regional Economic Outlook: Asia and Pacific.
42. Ministry of Housing & Urban Affairs, Government of India. (2024). Pradhan Mantri Awas Yojana Progress Report.
43. Ministry of Petroleum & Natural Gas, Government of India. (2024). Biofuel Policy and Implementation.
44. World Bank. (2024). India: Demographic Dividend and Jobs.
45. Ministry of Rural Development, Government of India. (2024). Direct Benefit Transfer (DBT) Dashboard.
46. World Bank. (2024). India: Opportunities for Sustainable and Inclusive Growth.



