



India closes in on Japan to be fourth-largest economy this year



In 2024, the Indian economy stood moderately behind the world’s fourth-largest economy — Japan — by \$11.8 billion.

A few years ago, India overtook the UK to become the fifth largest, and is now well on its way to rise to the fourth spot in the list of the top 10 largest economies in the world by overtaking Japan.

The International Monetary Fund (IMF), in its World Economic Outlook (WEO) report released in April, had said that India is expected to be the fourth-largest economy in the world with a GDP of \$4.187 trillion by the end of 2025-26 (FY26), marginally ahead of Japan at \$4.186 trillion.

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Loading: A new world order

According to IMF projections, India is likely to overtake Germany in 2028 as the world’s third-largest economy. However, it would hit the \$5 trillion mark a year before that in 2027.

(In \$ trillion)

	2024	2025E	2026E	2027E	2028E
USA	29.184	30.507	31.718	32.942	34.342
China	18.748	19.231	20.376	21.707	23.103
Germany	4.658	4.744	4.912	5.083	5.252
India	3.909	4.187	4.601	5.069	5.584
Japan	4.026	4.186	4.373	4.520	4.709
UK	3.644	3.839	4.041	4.239	4.457

Note: Figures for India are for financial years (April–March). For 2024–25, an exchange rate of 84.60 has been considered, as used by IMF for the FY24. E: Estimates

Sources: IMF, Business Standard calculations

India’s growth on fast track

India is still the fastest-growing major economy in the world, with FY25 GDP growth rate at 6.5 per cent, outpacing China’s 5 per cent, the US’ 2.8 per cent and surpassing the slow or negative growth rates of advanced economies. Similarly, it is far higher than Russia, Brazil, and South Africa in other Brics countries. (%)

