



DATANOMICS

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India's gross domestic product (GDP) growth is officially estimated to decelerate to 6.5 per cent during FY25 against 9.2 per cent last year.

Higher revised base effect notwithstanding, GDP growth during FY25 is a shade higher than 6.4 per cent, pegged by the first advance estimates.

Meanwhile, the GDP growth was revised higher for FY24 by a full one percentage point. The size of India's economy was estimated higher at ₹331 trillion for FY25 against the earlier estimate of ₹324 trillion. If one assumes the rupee to depreciate by 2.25 per cent against the dollar, the same it did in FY25 over the previous year, India's GDP would be \$4.2 trillion the next year on the Budget assumption of growth.

The Indian economy has come closer to Japan. The latter stood at \$4 trillion in 2024. It is quite possible that India's economy may overtake Japan's next year as the latter's economy is struggling to grow.

As the Indian economy takes strides, it continues to be stuck in the lower range of the middle-income trap.

India closes in on Japan for fourth-largest economy tag



STATE OF THE ECONOMY

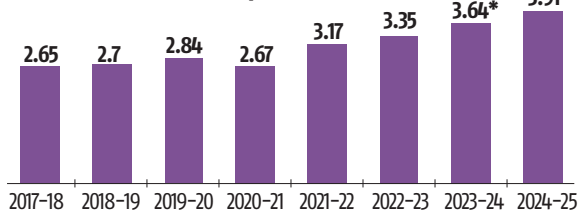
International comparison of GDP growth (Y-o-Y in %)

	2017	2018	2019	2020	2021	2022	2023	2024
India	6.8	6.5	3.9	-5.8	9.7	7.6	9.2	6.5*
US	2.4	3	2.6	-2.2	6	2.5	2.9	2.8
China	6.9	6.7	5.9	2.2	8.4	2.9	5.2	5
Germany	2.7	1.1	1	-4.1	3.7	1.4	-0.3	-0.2
Japan	1.7	0.6	-0.4	-4.2	2.7	1.1	1.5	0.1
UK	2.6	1.4	1.6	-10.3	8.6	4.8	0.4	0.9
France	2.3	1.6	2.1	-7.6	6.8	2.6	1.1	1.1

Note: For India, years are given in financial year (April-March), * second advance estimates

Source: Trading economics, IMF, Xinhua, Mospi

India's GDP in current prices (\$ trn)



Note: *based on first revised estimates and monthly average exchange rate of 82.77, based on second advance estimates and monthly average exchange rate of 84.63 till March 1, 2025

Sources: IMF, Mospi, X-Rates, Business Standard calculations