

Population limits India's economic growth gains



India is on the verge of becoming a \$4 trillion economy. In doing so, it is set to overtake Japan in terms of gross domestic product (GDP), becoming the world's fourth-largest economy. However, beneath this milestone lies a deeper concern: While India as a nation grows richer, its average citizen remains far behind in terms of income — even if it were distributed equally. The gap between GDP and individual prosperity is striking, especially when compared with other major economies. A key factor is India's population — now the largest in the world after surpassing China, according to the UN Population Fund.

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Global leaderboard (Economies with \$4 trn GDP)

When the US hit the \$4 trillion GDP mark in 1984, its per capita income exceeded \$17,000, ranking it among the world's top three. Japan followed in 1993 with over \$36,000 per capita; China crossed the threshold in 2008 with just \$3,500 per capita, ranking 112th. India's contrast is sharper. As it approaches the \$4 trillion milestone in FY26, its per capita income is projected at just \$2,878 — placing it 140th out of 189 nations

	Year	Per capita income (\$)	Ranking (in that year)
US	1984	17,086.44	3 (139)
UK	2026*	57,386.69	20 (189)
Japan	1993	36,362.51	3 (169)
Germany	2018	48,897.19	17 (194)
China	2008	3,503.94	112 (192)
India	FY25*	2,878.45	140 (189)

Note: Figures in brackets denote total number of countries

Inching up the ladder

Between 2015 and 2025, India's global ranking in per capita income has improved only marginally, from 153rd to 140th. While this reflects some economic progress, the country remains in the lower tier globally in terms of average income per person

*IMF projections
Note: Data according to financial years (April-March)
Source: IMF; rankings compiled by BS

	Rank	Total countries
2015	153	194
2016	150	194
2017	149	194
2018	152	194
2019	149	194
2020	152	193
2021	147	193
2022	144	193
2023	145	194
2024	144	192
2025*	140	189