

# India a \$3.75-trn economy now: Finance ministry

## CEA: It's time to catch up with the pre-Covid growth trend

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India's gross domestic product (GDP) reached the \$3.75 trillion mark in 2023, from around \$2 trillion in 2014, Finance Minister Nirmala Sitharaman's office said in a tweet on Monday.

India has moved from tenth to the fifth-largest economy in the world, the tweet added. Highlighting the nine years of reforms under the Narendra Modi-led government, Sitharaman's office also said: "India is now being called a bright spot in the global economy."

Four countries ahead of India in terms of GDP at current prices include China, United States, Germany, and Japan. India has surpassed the United Kingdom, France, Canada, Russia, and Australia in GDP numbers.

The provisional estimates released by the National Statistical Office (NSO) recently showed the overall economic growth in FY23 at 7.2 per cent, powered by a higher than expected growth in the fourth quarter.

Speaking at an ASSOCHAM event in Kochi, Chief Economic Advisor V Anantha Nageswaran said the final number could be higher than 7.2 per cent because the underlying momentum in the economy was quite strong.

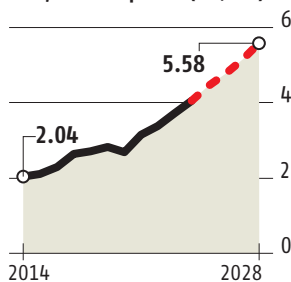
While stressing that India



India is now the fifth-largest economy in the world from the tenth-largest earlier, said the tweet by Finance Minister Nirmala Sitharaman's office

### 'BRIGHT SPOT'

GDP, current prices (in \$ trn)



Note: Figures from 2024 onwards are projections Source: IMF, 2023

being a low-middle-income country cannot sit on its laurels, the CEA said: "We need to catch up with the pre-pandemic trend. Even before the pandemic, the economy was slowing down in 2018-19 and

2019-20. It is important to arrest that kind of slowdown," he said.

Nageswaran said if the country could sustain 6.5 to 6.8 per cent growth for the rest of the decade, it would be a creditable achievement on part of the Indian economy given the global conditions, while cautioning that the export growth could be a problem given the external situation.

He said India's overall macroeconomic management had been prudent and sensible without over stretching during the pandemic, as several advanced countries did.

Talking about India's trajectory from 10th to fifth-largest economy, the CEA also highlighted that India now contributed to one-sixteenth of the global GDP compared to one in 100 per cent about 20 years ago.

He also said the farm sector was well poised to take advantage of the kharif crop as shown in the higher tractor sales number, record wheat procurement, seed availability, and adequate food stock.

Private consumption, Nageswaran said, was at a 16-year high at 58.5 per cent of GDP. He said capital formation investment by industry was expected to pick up and gather steam. "The last decade for industry was somewhat of a lost decade because of balance sheet problems. That has been overcome," he said.