

Morgan Stanley: India to be 3rd largest economy by 2028

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India will be the world's third-largest economy by 2028 as it becomes the world's most sought-after consumer market and gains share in global output, driven by macro stability influenced policy and better infrastructure, Morgan Stanley said.

From a \$3.5 trillion economy in 2023, the Indian economy is projected to expand to \$4.7 trillion in 2026, which will make it the fourth largest in the world behind the US, China and Germany.

In 2028, India will overtake Germany as its economy will expand to \$5.7 trillion.

According to Morgan Stanley, India was the 12th largest economy in the world in 1990, slipped to 13th position in 2000 before rising to 9th rank in 2020 and 5th in 2023.

India's share in the world GDP is projected to rise from 3.5 per cent to 4.5 per cent in 2029. It projects three scenarios for India's growth - Bear - where the economy expands to \$6.6 trillion by 2035 from \$3.65 trillion in 2025, Base - where it grows to \$8.8 trillion and Bull - where the size balloons to \$10.3 trillion.

It saw GDP per capita rising from \$2,514 in 2025 to \$4,247 in the Bear scenario in 2035, \$5,683 under the Base scenario and \$6,706 under the Bull scenario.

"India is likely gaining share in global output in the coming decades driven by strong foundational factors, including robust population growth, a functioning democracy, macro stability influenced policy, better infrastructure, a rising entrepreneurial class and improving social outcomes," it said.

