

'India will be a \$4 trillion economy in 2024-25'

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Affirming India's growth trajectory in a progressive direction, member of Economic Advisory Council to the Prime Minister (EAC-PM), Sanjeev Sanyal, said India will be a \$4 trillion economy in 2024-25.

The country will surpass Japan by early next fiscal to become the world's fourth largest economy, he said.

Sanyal further said that a 7% economic growth rate will be a 'very good' growth rate for India, given various constraints, including the country's weak exports.

Sanyal said Japan is now just a little ahead of us at \$4.1 trillion. "So, either very early next year or even you know this year, we will cross Japan to become the world's fourth largest economy," Sanyal added. According to him, Germany is a \$4.6 trillion economy and it is not growing, so makes it a static target.

"This financial year, we will become a \$4 trillion economy," he said. "Maybe in two years, we will go past Germany. So, I think in terms of becom-

ing the world's third largest economy, we are reasonably now close to the target," he said.

Sanyal pointed out that there are other countries, for example in Southeast Asia, which were in our position in the mid-90s. "You will remember Indonesia, Thailand and so on, and for a while, they were doing very well. And then it all blew up in the Asian crisis," he said. He emphasised that there is no need to mess around with the financial system trying to support growth.

"Do not mess around with your fiscal system, your monetary system, your current account and so on," he said. Recently, Finance Minister Nirmala Sitharaman said that India is expected to overtake Japan and Germany to emerge as the world's third-largest economy by 2027. In US dollar terms, India is the fifth largest economy with a size of about \$3.7 trillion in nominal terms.