

EY projects \$26-t economy by 2047

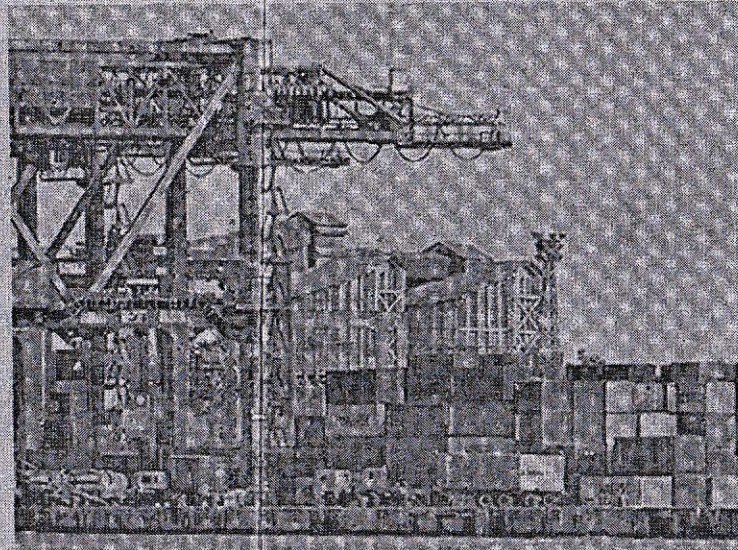
SOLID FOOTING. Report cites key enablers that will underpin India's development over the next 25 years

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EY has projected that India will celebrate 100 years of independence with a \$26-trillion economy and \$15,000 per capita income. The agency has identified eight key areas that will accelerate India's growth over the next decade.

Based on the first advance estimate released by National Statistical Office (NSO) on January 7, the size of Indian economy during current fiscal is estimated at \$3.3 trillion (taking nominal GDP at ₹273.08-lakh crore and exchange rate at ₹82). As NSO has estimated the population at 138.3 billion, per capita income during FY23 is estimated at \$2,355.

On Wednesday, EY released a report, 'India@100: Realising the Potential of a \$26-trillion Economy', on



SO FAR SO GOOD. The size of the Indian economy in the current fiscal is estimated at \$3.3 trillion

the sidelines of the World Economic Forum at Davos, Switzerland. The report was launched by Railway, IT and Communication Minister, Ashwini Vaishnaw.

Using International Monetary Fund's medium-term

projections and Organisation for Economic Co-operation & Development's long-term forecasts, EY made projections under alternative assumptions, covering the period between FY23 and FY61. For the period

between FY23 and FY28, IMF's projections pertaining to India's real and nominal GDP growth, as well as its nominal savings rate, have been used.

GDP FORECAST

With India's real GDP growth forecast to average 6.5 per cent during this five-year period, it is expected to be moderately affected by global economic events, compared to the rest of the world.

The long-term projections beyond FY28 are based on the OECD's methodology with suitable modifications made with respect to India's growth profile.

Under the most preferred scenario, India is likely to cross the critical thresholds of \$5 trillion, \$10 trillion and \$20 trillion in market exchange rate terms in FY28, FY36 and FY45, respectively, said the report. The report

underscored the growth trajectory of the Indian economy, which is projected to be the highest for any large economy over the coming decades. It also cited key enablers that will underpin the country's development over the next 25 years that will unleash business opportunities across sectors and significantly enhance India's global competitiveness.

It recommended ensuring macro-economic stability and resilience and continued thrust on reforms, which will be especially relevant in the backdrop of ongoing geopolitical conflicts, inflationary pressures and slowing global growth.

According to Carmine Di Sibio, Global Chairman and CEO, EY, India offers a unique investment opportunity as the world struggles with heightened consumer demands and increased geopolitical pressures.