

India set to be the third largest economy by FY31: S&P Global

Our Bureau
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India is set to become the third largest economy and transition to the upper-middle-income category by 2030-31, driven by a projected annual growth rate of 6.7 per cent this fiscal.

While India posted GDP growth of 8.2 per cent last fiscal, exceeding the government's earlier estimate of 7.3 per cent, sustained reforms are crucial for India's economic momentum to continue, said S&P Global report "India Forward: Emerging

Perspectives" released on Thursday.

S&P Global expects India's real GDP to grow 6.8 per cent in the current fiscal year, moderating from a high base in fiscal 2023-24.

India needs continued reforms directed towards improving business transactions and logistics, boosting private sector investment and reducing reliance on public capital.

Abhishek Tomar, Chief Data Officer, S&P Global Market Intelligence, said India's medium-term prospects are healthy and filled with opportunities in mul-

tiiple sectors including trade, agriculture, and AI, likely structural reforms and growing energy demands.

India is poised for growth, and with a young and dynamic workforce well-positioned to shape the global economic landscape, he said.

TRADE BENEFITS

To maximise trade benefits, India must develop infrastructure and geopolitical strategies, particularly regarding its extensive coastline. Nearly 90 per cent of India's trade is seaborne, necessitating robust port infrastructure to manage in-

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creasing exports and bulk commodity imports, said the report.

India faces rising domestic energy demands and can look to sustainable tech-

nologies, including renewables and low-emission fuels balancing energy security with its transition plans.

Agriculture will rely on advanced technologies and new policies to improve infrastructure and productivity.

INFRA CONCERNS

The need is to address critical infrastructure issues such as irrigation, storage, and supply distribution to ensure food security and economic stability, it said.

S&P Global has forecasted a dynamic and competitive Indian equity market,

bolstered by strong growth prospects and improved regulation. Collection of goods and services tax reached an all-time monthly high of ₹2.1 lakh crore in April and remained healthy in May and June.

The increase in new export orders for goods and services will complement buoyant domestic demand in India and drive expansion in total sales and business activity.

Qualitative data from the PMI surveys also reveal new business gains for manufacturers and service providers globally.

of ₹60,000 crore, the Centre will contribute ₹30,000 crore, the State government ₹20,000 crore, and the industry ₹10,000 crore. Part c the industry's contribution.