

India likely to have highest per-capita income growth

Study pegs growth at 5.4% during 2024-33

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New Delhi, 21 July

India is likely to have the highest per-capita income growth in the world at 5.4 per cent per annum during 2024-33, allowing it and other emerging economies to drive global consumption of agricultural and fisheries products in the next decade, according to a recent report by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO).

The Agricultural Outlook 2024-33 report, released earlier this month, said India and Southeast Asian countries are expected to increase their influence in driving global food and agricultural consumption, owing to their growing urban populations, increased production through technological advances, and rising income levels, overtaking the waning Chinese influence and leading to changes in global agricultural patterns.

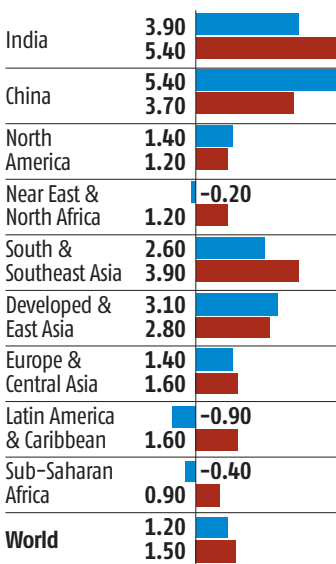
“While China contributed 28 per cent of global consumption growth in the previous decade, its share of additional demand over the coming decade is expected to fall to 11 per cent, attributed to a stabilisation of nutrition patterns, slower income growth, and a declining population. India and Southeast Asian countries are expected to account for 31 per cent of global consumption growth by 2033,” the report highlighted.

Furthermore, South and Southeast Asia are projected to account for about 40 per cent of additional global consumption during the next decade, with half of this share attributed to India. “India’s trend GDP growth is currently at 6.5-7 per cent. The population growth has been around 1 per cent. This means that the per-capita income growth on a trend basis should be around 5.5 per cent, which is closer to the projected levels by the OECD-FAO report,” said Paras Jasrai, an economist at India Ratings &

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Annual per capita GDP growth

■ 2014-23 ■ 2024-33 (in %)



Source: OECD

Research. The report said OECD nations saw the most drastic fall in the world market consumption for dairy and vegetable oil, and countries like India and China have captured this market share. On the production side too, OECD global production shares across cereals, milk, and sugar are declining relative to other regions, and especially India.

“The most notable change occurred in global milk markets, with the OECD share dropping from 51 per cent to 41 per cent. India accounted for nearly all of this shift, increasing its share from 14 per cent to 23 per cent,” the report stated.

Dairy is expected to be the fastest-growing among the livestock sectors, with India and Pakistan leading in absolute milk production growth based on yield improvements and a rise in milking animals, the report said.

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