

India to become largest economic superpower by turn of century: CEBR

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India will emerge as the largest economic superpower by the end of the century, with gross domestic product (GDP) 90 per cent larger than China's and 30 per cent larger than the US, Centre for Economics and Business Research (CEBR) said in its latest World Economic League Table report.

The report said that India will sustain robust growth, averaging 6.5 per cent from 2024 to 2028, to surpass Japan and Germany as the world's third-largest economy by 2032.

"India is expected to overtake both China and the US after 2080, based on demographic estimates and projections," the report added.

The country's large and youthful population, a growing middle class, a dynamic entrepreneurial sector, and

increasing global economic integration will be some key drivers of growth.

The study, however, said that India needs to address challenges such as poverty reduction, inequality, human capital, infrastructure improvement, and environmental sustainability.

"Addressing these issues requires concerted efforts from the government, private sector, civil society, and collaboration with the international community," the CEBR report said.

India recorded a strong GDP growth of 7.2 per cent in 2022-23. CEBR anticipates a slight moderation in growth at 6.4 per cent for 2023-24, resulting in output surpassing pre-pandemic levels by 17.2 per cent.

It added, "This deceleration reflects global demand moderation and the Reserve Bank of India's (RBI's) proactive tightening of monetary

policy to curb inflationary pressures."

The CEBR report has projected the inflation to close at around 5.5 per cent in 2023, despite robust output growth due to food and energy price shocks.

The report said that public sector debt posed a long-term growth constraint with government debt as a percentage of GDP expected to touch 81.9 per cent in 2023, exceeding the 81 per cent recorded in 2022.

A recent report by the International Monetary Fund (IMF) had also warned that India's general government debt could exceed 100 per cent of GDP in the medium term.

The finance ministry, while stating that the IMF report was talking "only of a worst-case scenario", had clarified that the general government debt in India is overwhelmingly rupee-denominated, with external borrowings from bilateral and

multilateral sources contributing a minimal amount.

"The rollover risk is low for domestic debt, and the exposure to volatility in exchange rates tends to be on the lower end," the finance ministry had said.

The CEBR report also added that government borrowing is estimated at 8.8 per cent of GDP in 2023. This reflects an expansionary stance with increased spending on infrastructure, healthcare, and social welfare, the report said.

The report also said that 2024 holds significance for India with the upcoming general elections expected to shape the country's political trajectory for the next five years.

It said, "The election outcomes will significantly impact India's domestic and foreign policy, as well as its relations with neighbouring countries and major global powers."

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WORLD ECONOMIC LEAGUE TABLE RANKINGS BY 2038

The CEBR report also said that China's time at the top is likely to be limited, with the US expected to have a 45 per cent larger GDP than China's by 2100

	2024	2028	2033	2038
China	2	2	2	1
US	1	1	1	2
India	5	4	3	3
Japan	4	3	4	4
Germany	3	5	5	5

Source: World Economic League Table 2024 by Centre for Economics and Business Research

