

Hard work needed for India to be 3rd largest economy: FM

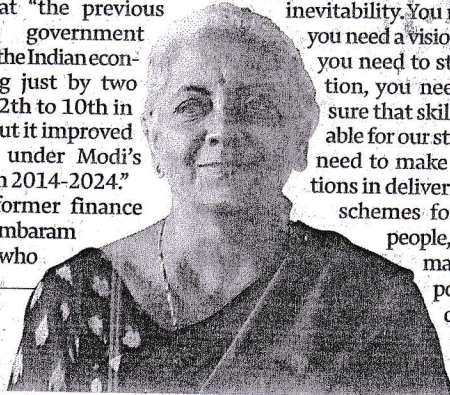
FE BUREAU
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INDIA'S AIM TO become the third-largest economy in the next few years is not an 'arithmetic inevitability' as claimed by Congress leader P Chidambaram but requires a lot of efforts and visionary leadership of Prime Minister Narendra Modi, finance minister Nirmala Sitharaman said on Monday.

Addressing Viksit Bharat Ambassador Campus Dialogue at Gitam University in Visakhapatnam, Sitharaman said that "the previous Congress-led government could increase the Indian economy's ranking just by two places from 12th to 10th in 2004-2014, but it improved to 5th place under Modi's tenure between 2014-2024."

Recently, former finance minister Chidambaram said no matter who

Nirmala
Sitharaman,
finance
minister



the prime minister is, India's GDP will become the third largest in the world. "There is no magic in it. It is an arithmetic inevitability given the size of India's population," he had said.

Sitharaman said that economic growth needed a visionary leader who would ensure that corruption does not eat into the goodwill and earnings of common people. "PM Modi has given a guarantee and with clean and transparent administration, we will make sure India reaches the third rank soon," she said.

"It's not a mathematical inevitability. You need effort, you need a visionary leader, you need to stop corruption, you need to make sure that skills are available for our students, you need to make sure functions in delivering welfare schemes for common people, you need to make sure that poor get their due and you also need to make sure busi-

nesses have an environment to grow," she said. Except for the global financial crisis in 2008, there were no major problems in those (Congress-led) 10 years while there was a global pandemic in 2020 and despite that India reached the fifth rank from the 10th rank in the last 10 years, she added.

According to the IMF, Indian economy is projected to have a size of \$5.153 trillion in 2027 (FY28), up from \$3.386 trillion in 2022 (FY23), which necessitates 52% growth in five years. Though this is not a growth rate that is very high or unprecedented by India's growth in the recent decades, it would still enable it to overtake both Germany (\$4.947 trillion) and Japan (\$5.077 trillion), to be on the third slot in the global economic pecking order by 2027, as these economies might continue to grow at anaemic rates. Between 2014 and 2027, India will have jumped from 10th to the third rank among national economies.

India will likely overtake Japan and Germany to become the world's third-largest economy with a gross domestic product (GDP) of \$7.3 trillion by 2030, S&P Global Market Intelligence said recently.