

India surpasses Japan to become world's 4th largest economy: Govt

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India has surpassed Japan to become the world's fourth largest economy with a size of \$4.18 trillion, and is poised to overtake Germany to become the third largest by 2030, the government has said.

With continuing good growth numbers, India is also the world's fastest growing major economy. India's real GDP grew 8.2 per cent in the second quarter of 2025-26, up from 7.8 per cent in the first quarter and 7.4 per cent in the fourth quarter of the last fiscal.

"With GDP valued at \$4.18 trillion, India has surpassed Japan to become the world's fourth largest economy, and is poised to displace Germany from the third rank in the next 2.5 to 3 years with a projected GDP of \$7.3 trillion by 2030," according to a government release providing a snapshot of reforms in 2025. The US is the world's largest economy, and China occupies the second spot.

The growth momentum further surprised on the upside, with GDP expanding to a six-quarter high in Q2 of 2025-26, reflecting India's resilience amid persistent global trade uncertainties, it said.

Domestic drivers, led by robust private consump-

on, played a central role in supporting this expansion.

The release further said international agencies have echoed this optimism and cited projections made by various entities.

The World Bank has projected a 6.5 per cent growth in 2026; Moody's expects India to remain the fastest growing G20 economy with a growth of 6.4 per cent in 2026 and 6.5 per cent in 2027.

The International Monetary Fund has raised its projections to 6.6 per cent for 2025 and 6.2 per cent for 2026; the Organisation for Economic Co-operation and Development forecasts 6.7 per cent growth in 2025 and 6.2 per cent in 2026.

Also, S&P anticipates a growth of 6.5 per cent in the current fiscal and 6.7 per cent in the next; the Asian Development Bank has lifted its 2025 forecast to 7.2 per cent; and Fitch has raised its FY26 projection to 7.4 per cent on stronger consumer demand.

"India is among the world's fastest growing major economies and is well-positioned to sustain this momentum. With the ambition of attaining high middle-income status by 2047, the centenary year of its independence, the country is building on strong foundations of economic growth, structural reforms, and social progress," the government said.

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