



**Research Unit**  
Press Information Bureau  
Government of India

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## India's Rise: A New Era of Economic Prosperity

*With GDP projected to grow 7% and over 151,000 startups, India is reshaping its economy*

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India and China, the two largest emerging economies, have consistently been at the forefront of global economic discussions. At the Annual India Leadership Summit held recently in New Delhi, attention focused on the shifting dynamics between these economic giants. While China's rapid rise over the past decades has made it a dominant player on the world stage, India's recent growth surge has captured global attention, positioning it as a formidable contender.

Highlighting the significance of this upward trajectory, John Chambers, Chairman of the US-India Strategic Partnership Forum, remarked, *"By the end of this century, India will not only surpass China, but will be 100 per cent bigger in terms of GDP"*. His optimism wasn't rooted in lofty predictions, but in the tangible advancements India has made over the past decade, fuelled by transformative policies and reforms that have reshaped its economic landscape. This set the tone for discussions on the country's extraordinary rise and its future potential on the global stage.

Chambers didn't stop at the distant future. He reflected on the foundation that has already been laid, giving credit to the Indian government for its efforts. *"For the first five years, I would argue, this administration did an amazing job of setting the stage for the decade,"* he noted. His remarks came against the backdrop of India's exceptional economic performance, with growth accelerating sharply. According to the World Bank's India Development Update, the country's GDP is projected to grow at a robust 7% in FY 2024-25, underscoring its position as the fastest-growing major economy in the world. This growth momentum has been consistent, with GDP rising from 7.0% in FY 2022-23 to 8.2% in FY 2023-24. The numbers reflect not only the resilience of India's economy but also the fruits of a well-laid strategy. In contrast to India's rapid growth, China's economic trajectory appears more subdued, with the World Bank projecting GDP growth at 4.8% in 2024, slowing further to 4.3% in 2025.

Building on India's positive economic outlook, SEBI Whole-time Member Ananth Narayan G highlighted India's impressive market performance during the Investor Awareness Week at the NSE. *"Over the last five years, while Indian markets have given around 15 per cent compound annual growth rate consistently, Chinese markets are nowhere close to that. It's almost zero. In fact, in some cases, like in Hong Kong, it's actually negative,"* he said. Narayan emphasized that FY24 was an exceptional year, with benchmark indices rising 28 percent while volatility remained low at just 10 percent—describing it as *"sone pe suhaga,"* a perfect combination of low risk and high returns.

In addition to market performance, the roots of India's growth can be traced back to strategic initiatives such as Digital India, which Chambers pointed out as a crucial component of the country's economic strategy. *"Digital India was not just a dream. It was an understanding of where the market would go,"* he remarked. Launched in 2015, this initiative aimed to transform India into a digitally empowered society, and the results have been nothing short of remarkable. One of the most significant outcomes of Digital India is the transformation brought about by the Unified Payments Interface (UPI), which has reshaped the way Indians transact. UPI's growth from 92 crore transactions in FY 2017-18 to a staggering 13,116 crore transactions in FY 2023-24 highlights the widespread adoption of digital payments. This success has redefined convenience and positioned India as a global leader in digital finance.

Beyond UPI, the CoWIN platform emerged as a crucial tool during the COVID-19 pandemic, serving as the digital backbone for India's vaccination drive. It enabled the administration of over 220 crore doses without a single day of downtime, showcasing the country's ability to leverage technology for public health. CoWIN not only represents India's effective response to a global crisis but also demonstrates how digital infrastructure can support large-scale health initiatives.

Together, these achievements illustrate that Digital India has laid the groundwork for a digitally inclusive economy poised for long-term growth. The impact of this digital revolution extends beyond payments and identity verification. Over 35.6 crore Ayushman Cards have been issued under the Ayushman Bharat scheme, granting millions access to healthcare. Furthermore, more than 9 crore FASTags have been issued, which is almost equivalent to the number of vehicles manufactured worldwide in 2023, facilitating smooth travel across the nation's highways. Such milestones highlight the comprehensive nature of India's digital transformation, touching every facet of life and fostering sustainable economic advancement.

Chambers also pointed to the explosive growth of startups in India as a critical factor in the country's economic rise. *"Just 10 to 12 years ago, very little startups in India. Literally in the last period of time, from 2015 to 2022, investments in startups went up by 15x,"* he observed. This surge in investments has fuelled a dynamic entrepreneurial ecosystem. India is now home to the world's third-largest startup ecosystem, with over 151,000 recognized startups. The Startup India initiative, launched in 2016, has played a pivotal role in fostering this growth, creating more than 15.5 lakh direct jobs. It's a testament to how innovation, backed by the right policies, can drive economic development while solving pressing challenges.

Chambers' comments also extended to the realm of artificial intelligence, a sector that is gaining significant traction in India. With the government launching initiatives like "AI for India 2.0" in 2023 and hosting the Global IndiaAI Summit in 2024, it's clear that India is positioning itself as a leader in AI on the global stage. *"India has laid the groundwork for AI, and this will shape the next generation of its workforce,"* Chambers observed. The summit brought together over 12,000 experts from across the world, underscoring India's growing influence in AI and its commitment to harnessing this technology for future economic success. This focus on AI is not just about technological advancement but about creating a workforce skilled in the jobs of tomorrow, further ensuring sustained economic growth.

However, India's economic story is not just about growth at the top. Chambers' comments also touched on the broader impact of these initiatives. Digital inclusion, driven by schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), has brought millions of previously unbanked

individuals into the formal financial system. Since its inception a decade ago, PMJDY has opened over 53 crore bank accounts, enabling people to access financial services and participate in the economy. This kind of grassroots development is key to ensuring that India's growth is inclusive, spreading the benefits of prosperity to every corner of the country.

Housing is another area where inclusive growth is evident, particularly for the middle class. Under the Pradhan Mantri Awas Yojana-Urban (PMAY-U), over 1.18 crore houses have been sanctioned, with more than 87.25 lakh already constructed and delivered so far. This ambitious housing initiative is transforming lives by providing secure, all-weather homes to millions of families, including those in the middle class seeking affordable housing solutions. The tangible results of this scheme are yet another sign of how India is laying the foundation for long-term growth while ensuring that no one is left behind, fostering stability and improving the quality of life for many.

As Chambers looked to the future, his tone was optimistic yet grounded in reality. *"The foundation has been set not just for the next five years, but for the next 25 years,"* he said. His belief that India will surpass China's economic might by the end of the century may seem ambitious to some, but the country's progress over the past decade gives weight to his words. With its embrace of digital technology, the rise of startups, resilient stock market performance, a strong focus on AI, and a commitment to inclusive growth, India is on a trajectory that could redefine global economic dynamics in the coming years.

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