



# India's Exceptional Growth Trajectory: A Multi-Sectoral Overview

## *A Promising Future Driven by Youth and Innovation*

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### Introduction

India's exceptional growth trajectory is a compelling narrative marked by remarkable advancements across multiple sectors, positioning the nation as a formidable player on the global stage. With a youthful population, a thriving digital economy, and an expanding manufacturing base, India is harnessing its demographic dividend and embracing innovation to drive sustainable economic development. As emphasized by Jamie Dimon, CEO of JPMorgan, India is set for continuous growth for the next 30 years, owing to its demographic advantage and strategic positioning in the global economy. The country's diverse capabilities span multiple industries, including services, manufacturing, and technology, offering enormous opportunities for development. This report provides a comprehensive overview of India's progress, examining key sectors such as financial markets, manufacturing, services, infrastructure, energy, and technology. By highlighting the government's initiatives, foreign investments, and strategic geopolitical positioning, this analysis underscores India's potential to emerge as a global economic powerhouse, ultimately shaping the future of both its citizens and the world at large.

### Economic Growth and Financial Markets

India's financial markets are currently witnessing unprecedented expansion, capturing the attention of global investors. As highlighted by Jamie Dimon, the growth potential of India is intricately linked to its liquidity and valuation dynamics. With the world's fourth-largest stock market, India has seen daily average cash-trading levels surge threefold from pre-Covid levels. Although foreign portfolio inflows have experienced a recent slowdown, India's high-yielding markets and robust growth potential continue to attract significant interest. The retail sector's buying spree, fuelled by high liquidity, is expected to invite further foreign investments, as noted by Kevin Foley, JPMorgan's global head of capital markets.

In the fiscal year 2023-24, foreign portfolio investments amounted to ₹3,39,066 crore, with ₹1,71,248 crore recorded so far in 2024-25. This influx of capital underlines the resilience and attractiveness of India's financial landscape.

India's booming IPO market stands as a testament to its economic strength, with multinational corporations such as Hyundai and LG now choosing to list in the country. This shift reinforces India's growing significance within the global financial ecosystem. Rather than opting for

outright buyouts, these corporations are increasingly seeking partnerships with local firms, recognizing the strategic value of collaboration in India's unique business environment. This trend reflects India's evolution from being merely a market to a pivotal partner in shaping global business strategies, further cementing its role on the international stage.

The surge in IPO activity highlights this transformation. The number of initial public offerings (IPOs) rose by 66% in FY24, from 164 in FY23 to 272 in FY24, while the amount raised increased by 24%, from ₹54,773 crore to ₹67,995 crore during the same period. This remarkable growth underscores India's robust economic position and its expanding influence in global capital markets.

## Manufacturing and Services: Engines of Growth

India's manufacturing sector has made significant strides, complementing its reputation as a global services hub. As Filippo Gori, co-head of global banking at JPMorgan, noted, India is not only the world's service economy but is increasingly becoming a major player in global manufacturing. Many Government initiatives have provided crucial support to this sector, aimed at strengthening domestic production capabilities and attracting foreign direct investment (FDI). These policies position India as a preferred destination for companies looking to diversify their global supply chains.



The "Make in India" initiative has been a cornerstone in transforming the nation into a global manufacturing hub. With a strong focus on enhancing industrial capabilities, fostering innovation, and creating world-class infrastructure, this initiative aims to secure India's

position as a key player in the global economy. It is supported by comprehensive programs such as the Production Linked Incentive (PLI) Schemes, PM GatiShakti, the National Logistics Policy, and tax reforms like the Goods and Services Tax (GST). Together, these efforts continue to drive economic growth, job creation, and global competitiveness.

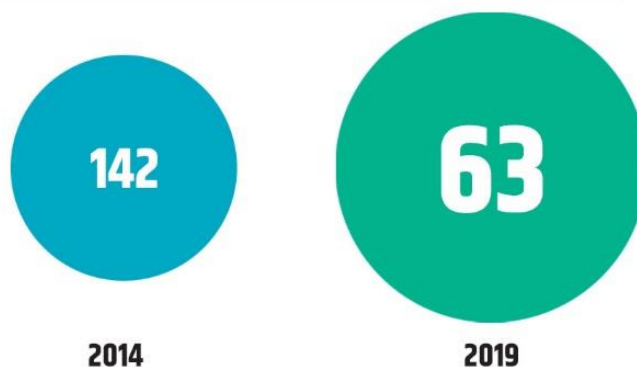
Aligned with India's vision of becoming 'Atmanirbhar' (self-reliant), the PLI Schemes were introduced to boost the country's manufacturing capabilities and enhance exports. With an impressive outlay of ₹1.97 lakh crore, these schemes cover 14 key sectors aimed at fostering investment in cutting-edge technology and promoting global competitiveness.

As a testament to India's growing appeal as a global investment destination, FDI inflows have steadily increased, rising from \$45.14 billion in 2014-15 to

a record \$84.83 billion in 2021-22. Between April 2014 and March 2024, India attracted \$667.41 billion in FDI, representing nearly 67% of the total FDI received over the past 24 years. In FY 2023-24, total FDI inflows reached \$70.95 billion, with equity inflows at \$44.42 billion.



### India's Rank in Ease of Doing Business



Source - World Bank's Doing Business Report (DBR)

Moreover, India has made remarkable progress in improving its business environment, climbing from 142nd in 2014 to 63rd in the World Bank's Doing Business Report (DBR) 2020, reflecting the government's sustained efforts to simplify regulations, reduce bureaucratic

hurdles, and create a more business-friendly landscape. This 79-rank jump over five years significantly boosts investor confidence and reinforces India's attractiveness for global investors.

While the manufacturing sector is experiencing this robust growth, the services sector continues to be the backbone of the Indian economy, contributing significantly to GDP and employment. India's dominance in areas such as information technology (IT), cloud computing, and data science has solidified its reputation as a global hub for knowledge-based services. Companies like JPMorgan have recognized this potential, making large-scale investments in Indian talent. Currently, JPMorgan employs close to 60,000 people in India, its largest employee base outside the United States. This trend underscores India's vital role in global business services, which will only strengthen as companies continue to leverage its skilled workforce and advanced technological infrastructure.

The convergence of growth in both manufacturing and services highlights a holistic approach to economic development, positioning India as a formidable player on the global stage.

## Digital India and Technological Innovation

India's digital economy is one of the fastest-growing in the world, significantly reshaping the nation's technological landscape. The government's Digital India initiative has played a pivotal role in this transformation, increasing internet penetration and boosting digital infrastructure across the country. As a result, India is now home to one of the largest smartphone user bases globally, with internet subscribers rising from 25.1 crore in March 2014 to 95.4 crore in March 2024. Digital payments have surged exponentially, driven by the innovative Unified Payments Interface (UPI) platform. The integration of digital technologies into various sectors, including agriculture, healthcare, and education, has enhanced efficiency and improved service delivery across the board.

**India's UPI Outshines Global Payment Giants**

- Surpassed World's Leading Digital Payments Platforms
- 46% global real-time payment transactions happening in India
- Processed nearly **₹81 lakh crore** transactions in just Apr-Jul 2024

The infographic features a smartphone displaying the UPI logo, a woman holding a UPI QR code, and a stack of flowers.

UPI has also emerged as a frontrunner in the global digital payments landscape, showcasing its remarkable capability to surpass the world's leading digital payments platforms. Currently, an impressive 46% of global real-time payment transactions occur in India, establishing UPI as a significant player in this sector. In a striking demonstration of its growth, UPI processed nearly ₹81 lakh crore in transactions between April and July 2024 alone.

In tandem with these advancements, India's rapid advancements in artificial intelligence (AI), blockchain, and data science are driving economic growth and attracting global investments. Central to this progress is the IndiaAI Mission, aimed at building a robust AI ecosystem by democratizing computing access, enhancing data quality, and fostering indigenous AI capabilities. In March 2024, the Cabinet allocated over ₹10,300 crore to the mission, with initiatives like the IndiaAI Compute Capacity, IndiaAI Innovation Centre, and AI Startup Financing set to propel AI innovation over the next five years.

## India's Demographic Dividend

A crucial element in India's growth story is its demographic advantage. With one of the youngest populations globally, sixty-five percent of India's fast-growing population is under 35. The country has the potential to leverage its workforce for significant economic development over the next three decades. Jamie Dimon highlighted that this demographic edge is a key reason for his optimistic outlook on India's long-term growth prospects. While countries in the West grapple with aging populations and labour shortages, India's young and dynamic workforce is poised to become its most valuable asset.

Recognizing the pivotal role of human capital in driving economic growth and innovation, the Indian government has actively worked to enhance skilling and employment opportunities across the nation. Initiatives such as the Pradhan Mantri Kaushal Vikas Yojana, Craftsmen Training Scheme, Jan Shikshan Sansthan, and the National Apprenticeship Promotion Scheme are specifically designed to equip the youth with the necessary skills through vocational training and development programs.

By addressing these challenges head-on, India can transform its demographic advantage into a powerful driver of economic growth, innovation, and social progress. As the nation continues to invest in its human capital, the synergy between its demographic dividend and ongoing economic initiatives will be critical in shaping a prosperous future. This comprehensive approach not only enhances the employability of the youth but also positions India as a global leader in various sectors, paving the way for sustainable growth and competitiveness in the international arena.

## Geopolitical Positioning and Foreign Relations

India's geopolitical positioning has emerged as a key factor in its growth trajectory. Its role as a stabilizing force in South Asia and increasing engagement with major global powers has enhanced its strategic importance. India's participation in multilateral forums such as the G20, Quad, and BRICS further strengthens its voice on global issues ranging from climate change

to global security. This geopolitical stability, coupled with economic reforms, makes India an attractive destination for foreign investors.



One notable example of India's proactive approach is its G20 presidency. Assuming the G20 Chair, India sought to offer the world an alternative to the status quo, shifting from GDP-centric to human-centric progress. The focus was on reminding the global community of what unites us rather than what divides us. The evolving global conversation required the interests of the few to give way to the aspirations of the many, necessitating a fundamental reform of multilateralism.

India's approach as G20 president was characterized by inclusivity, ambition, action-orientation, and decisiveness. These principles were reflected in the New Delhi Leaders' Declaration, which was unanimously adopted by all G20 members and stands as a testament to India's commitment to deliver on these ideals. This assertive engagement in international platforms not only elevates India's global standing but also reinforces its dedication to collaborative solutions that address the pressing challenges facing the world today.

## Conclusion

India's growth narrative is characterized by a confluence of demographic advantages, strategic government initiatives, and an unwavering commitment to innovation and sustainability. As global business leaders like Jamie Dimon recognize, the next three decades hold immense promise for India's sustained growth and prosperity. The nation is harnessing its youthful workforce and enhancing its manufacturing and service sectors, standing poised to emerge as a leading global economic powerhouse. The substantial investments in digital technologies further underpin India's ambitious vision for the future. By actively engaging in international dialogues and positioning itself as a stabilizing force in geopolitics, India is not only attracting foreign investments but also reshaping global economic paradigms. With a robust foundation and a clear trajectory, India is well-equipped to navigate the complexities of the global economy and create a prosperous, inclusive future for its citizens, thereby solidifying its role as a pivotal player on the world stage.

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