



# India: Fastest-Growing Major Economy

*IMF projects India's economy to grow at 6.2% in 2025 and 6.3% in 2026*

(Ministry of Finance)

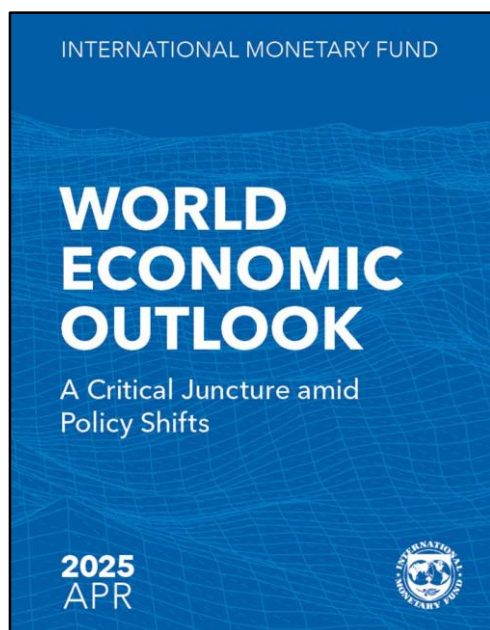
April 23, 2025

## Introduction

India is poised to lead the global economy once again, with the International Monetary Fund (IMF) projecting it to remain the **fastest growing major economy** over the next two years. According to the April 2025 edition of the IMF's World Economic Outlook, India's economy is expected to grow by **6.2 per cent in 2025** and **6.3 per cent in 2026**, maintaining a solid lead over global and regional peers.

The April 2025 edition of the WEO shows a downward revision in the 2025 forecast compared to the January 2025 update, reflecting the impact of heightened global trade tensions and growing uncertainty. Despite this slight moderation, the overall outlook remains strong. This consistency signals not only the strength of India's macroeconomic fundamentals but also its capacity to sustain momentum in a complex international environment. As the IMF reaffirms India's economic resilience, the country's role as a key driver of global growth continues to gain prominence.

## Overview of IMF's World Economic Outlook Report



The World Economic Outlook (WEO) is the International Monetary Fund's key report on global economic trends and policy challenges. Published twice a year with interim updates, it provides projections for the near and medium term, covering advanced, emerging, and developing economies. The report supports the IMF's economic surveillance and guides discussions on policy among member countries.

The April 2025 edition notes that after several years of overlapping shocks, the global economy has entered a phase of cautious stabilisation. Growth remains modest and projections for global output have been revised downward from the January 2025 update. This reflects a steep rise in tariff rates, policy uncertainty, and slowing progress in international cooperation.

Global inflation is expected to decline, although at a slower pace than previously anticipated, and downside risks such as trade tensions and volatile financial markets continue to weigh on the outlook.

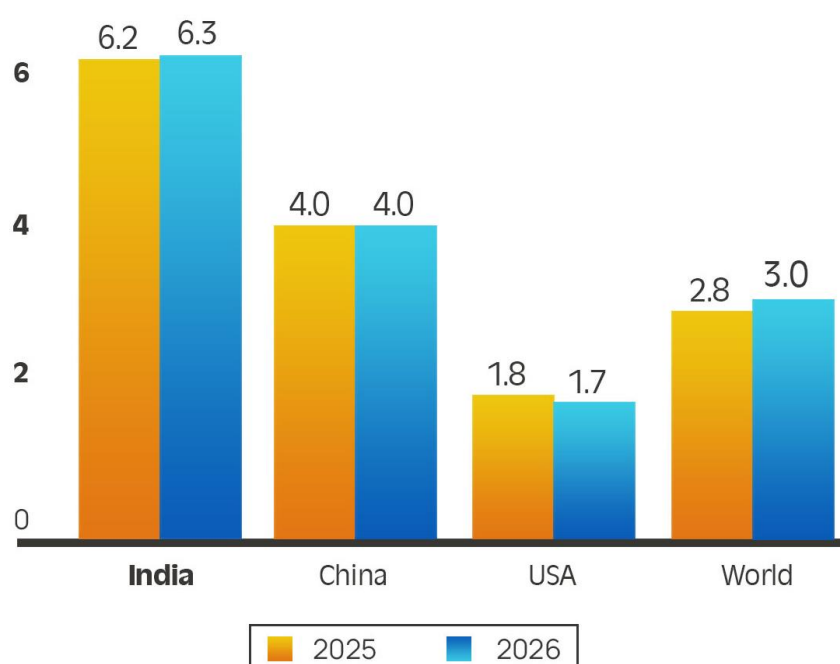
For India, however, the growth outlook is relatively more stable. The IMF projects steady expansion for the Indian economy, supported by firm private consumption, particularly in rural areas. In a global environment marked by uncertainty and subdued growth, India's resilience stands out, reinforcing its role as a key driver of global economic activity.

## India's Growth in Global Context

India is projected to remain the fastest-growing large economy for 2025 and 2026, reaffirming its dominance in the global economic landscape. The country's economy is expected to expand by 6.2 per cent in 2025 and 6.3 per cent in 2026, outpacing many of its global counterparts. In contrast, the IMF projects global economic growth to be much lower, at 2.8 per cent in 2025 and 3.0 per cent in 2026, highlighting India's exceptional outperformance.

### Global Economic Growth Rates

(2025-2026)



Source: IMF World Economic Outlook, April 2025

*\*GDP growth rates for India are on a fiscal year (FY) basis, 2025 refers to 2025/26*

The IMF has also revised its growth estimates for other major global economies. China's GDP growth forecast for 2025 has been downgraded to 4.0 per cent, down from 4.6 per cent in the January 2025 edition of the World Economic Outlook. Similarly, the United States is expected

to see a slowdown, with its growth revised downward by 90 basis points to 1.8 per cent. Despite these revisions, India's robust growth trajectory continues to set it apart on the global stage.

## Conclusion

India's economic outlook for 2025 and 2026 remains one of the brightest among major global economies, as highlighted by the IMF. Despite global uncertainties and downward revisions in growth forecasts for other large economies, India is set to maintain its leadership in global economic growth. Supported by strong fundamentals and strategic government initiatives, the country is well-positioned to navigate the challenges ahead. With reforms in infrastructure, innovation, and financial inclusion, India continues to enhance its role as a key driver of global economic activity. The IMF's projections reaffirm India's resilience, further solidifying its importance in shaping the global economic future.

### Reference:

- ❖ <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

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