



# India's Ascent Amid Global Headwinds

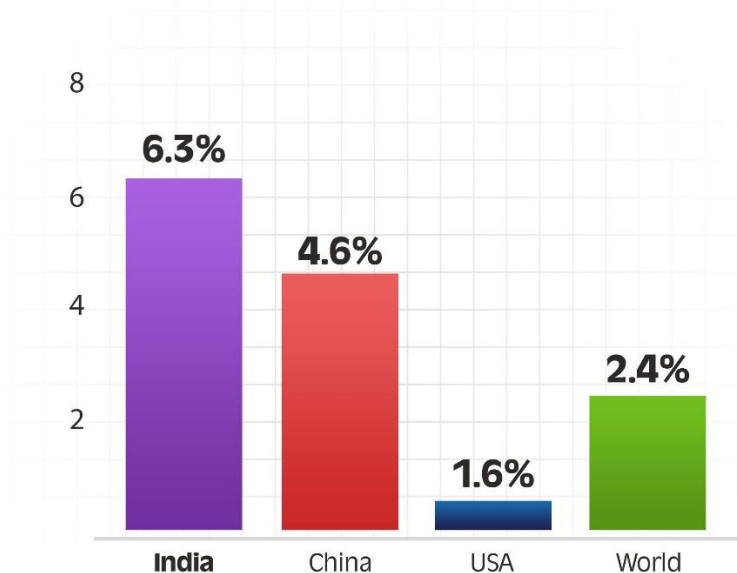
*UN Report Ranks India Fastest-Growing Major Economy with 6.3% GDP Growth*

May 16, 2025

## Introduction

At a time when the global economy is facing what the United Nations calls a “precarious moment,” India has emerged as a rare bright spot. The mid-year update of the *World Economic Situation and Prospects* projects India’s growth at 6.3 per cent in the current fiscal year, the highest among large economies. This momentum is expected to continue into 2026, with growth estimated at 6.4 per cent. In contrast, the global outlook remains subdued amid rising trade tensions, policy uncertainty, and a decline in cross-border investments.

## Global Economic Growth Projections for 2025

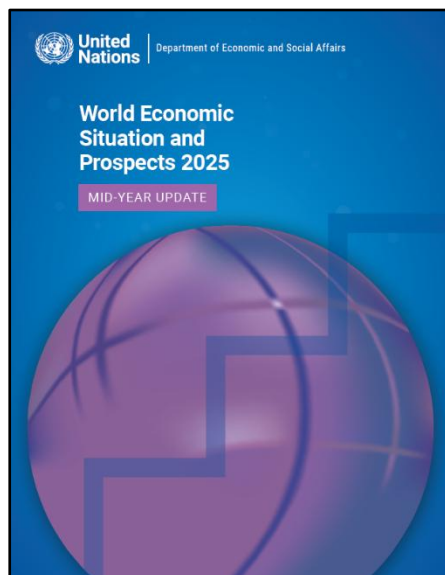


Source - World Economic Situation and Prospects 2025 (Mid Year Update)

India’s growth is being driven by strong domestic demand and consistent government spending. These factors have supported stable employment and helped contain inflation, which is expected to fall to 4.3 per cent in 2025, staying within the Reserve Bank of India’s target range.

Financial markets are also reflecting this optimism. Stock indices have shown solid gains, backed by sustained investor confidence. Manufacturing activity is picking up, helped by favourable policies and resilient external demand. Exports, especially in strategic areas like defence production, are expanding steadily. Together, these indicators show that India's economy is not only holding firm but also making headway in an uncertain global environment.

## Overview of the World Economic Situation and Prospects



The World Economic Situation and Prospects is a report produced by the United Nations Department of Economic and Social Affairs, known as UN DESA. It is developed in partnership with the United Nations Conference on Trade and Development, or UNCTAD, and the five regional commissions of the UN.

The report released in mid-2025 updates the earlier World Economic Situation and Prospects 2025, which came out on 9 January 2025. It is prepared by the Global Economic Monitoring Branch within the Economic Analysis and Policy Division of UN DESA. The report provides a comprehensive assessment of the global economy's current state and outlook, drawing on extensive data and analysis to inform policymakers worldwide.

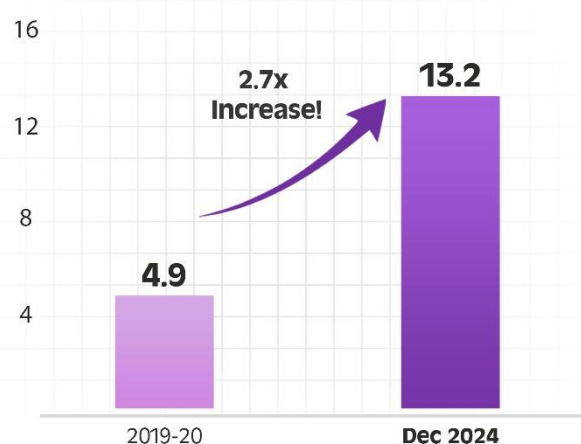
## Stock Market Rally: Rising Investor Confidence in India

India's capital markets have played a key role in driving economic growth. By channelling domestic savings into investments, they have strengthened the financial system. As of December 2024, the stock market hit record highs. It outperformed many emerging markets despite geopolitical tensions and domestic uncertainties. Retail investors surged from 4.9 crore in FY20 to 13.2 crore by December 2024. This sharp rise reflects strong faith in India's long-term economic potential.

The primary market has been equally active. Between April and December 2024, initial public offerings or IPOs rose by 32.1 per cent to 259, compared to 196 in the previous year. The capital raised from these IPOs nearly tripled, soaring

### Growth of Retail Investors in India

(in Crores)



Source: Economic Survey of India (2024-25)



from ₹53,023 crore to ₹1,53,987 crore. India's share in global IPO listings jumped to 30 per cent in 2024, up from 17 per cent in 2023. This makes India the largest contributor to global resource mobilisation through IPOs.

This robust market has attracted multinational firms like Hyundai and LG to list their local subsidiaries in India. This shift signals that India is no longer just a market but a strategic partner in the global financial ecosystem. Alongside this growth, the insurance and pension sectors are expanding. These sectors support the government's vision for universal financial coverage and strengthen the country's financial framework.

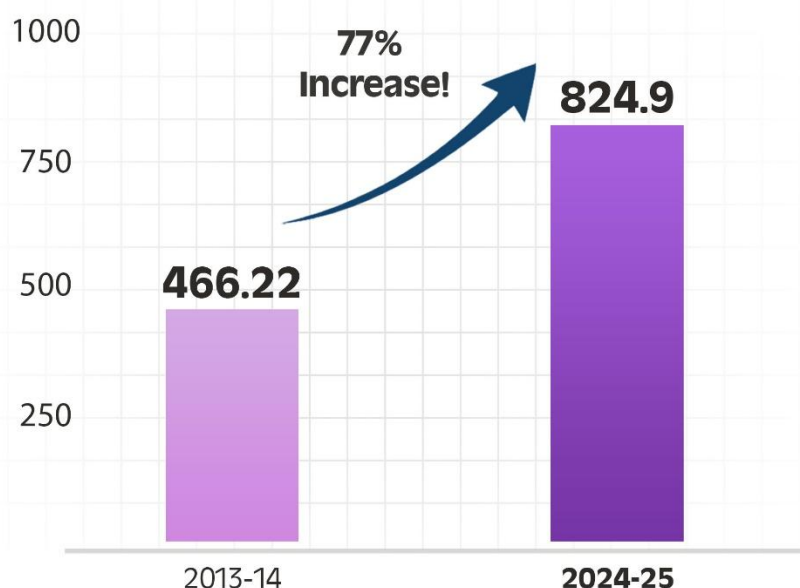
## Manufacturing and Exports: The Rise of Strategic Industries

India's manufacturing sector has seen impressive growth over the past decade. According to the National Accounts Statistics from the Ministry of Statistics and Programme Implementation, the Gross Value Added or GVA of manufacturing at constant prices nearly doubled, rising from ₹15.6 lakh crore in 2013-14 to an estimated ₹27.5 lakh crore in 2023-24. The sector's share in the overall economy remained steady, moving slightly from 17.2 per cent to 17.3 per cent over the same period. This steady growth highlights the sector's increasing role in India's economic landscape.

India's total exports reached a record USD 824.9 billion in 2024-25, up 6.01% from USD 778.1 billion in 2023-24. This marks a significant leap from USD 466.22 billion in 2013-14, reflecting sustained growth over the past decade.

### India's Export Growth Over the Decade

(In USD Billion)



Services exports remain the key growth driver, reaching an all-time high of USD 387.5 billion, a 13.6 per cent increase from USD 341.1 billion in 2023–24. In March 2025 alone, services exports surged 18.6 per cent year on year to USD 35.6 billion. This marks a remarkable rise from USD 152 billion in 2013–14, showcasing the sector’s sustained global competitiveness.

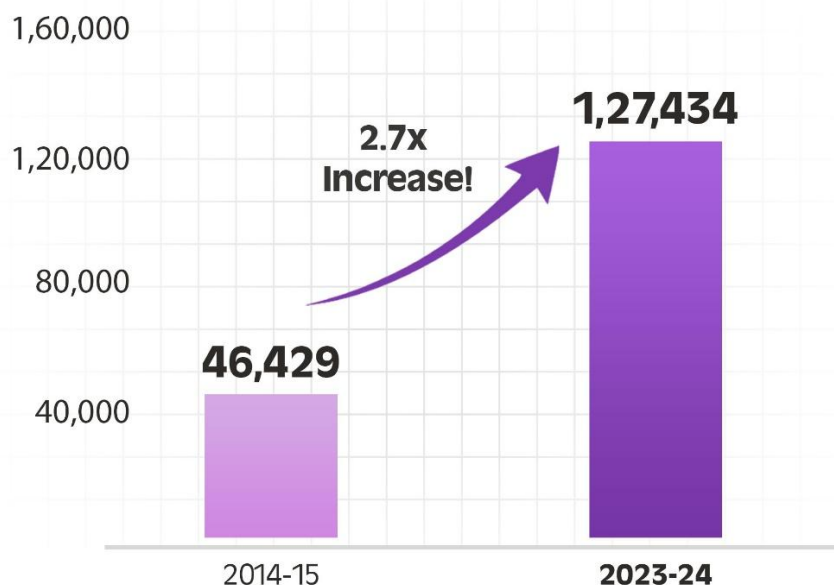
Merchandise exports excluding petroleum products also set a new record, climbing to USD 374.1 billion in 2024–25, up 6.0 per cent from USD 352.9 billion the previous year. This is the highest ever annual non-petroleum merchandise export figure and a notable increase from USD 314 billion in 2013–14. The steady rise points to the growing strength of India’s manufacturing sector, including strategic areas such as defence production.

## Defence Production and Exports: A Leap Towards Self-Reliance

India’s defence production touched a new milestone in the financial year 2023–24, with the value of indigenous manufacturing rising to ₹1,27,434 crore. This represents a remarkable increase of 174 per cent compared to ₹46,429 crore in 2014-15. This growth is the result of focused government policies and initiatives under Prime Minister Narendra Modi’s leadership, aimed at achieving Atmanirbharta, or self-reliance.

### India's Indigenous Defence Production

(In ₹ Crore)

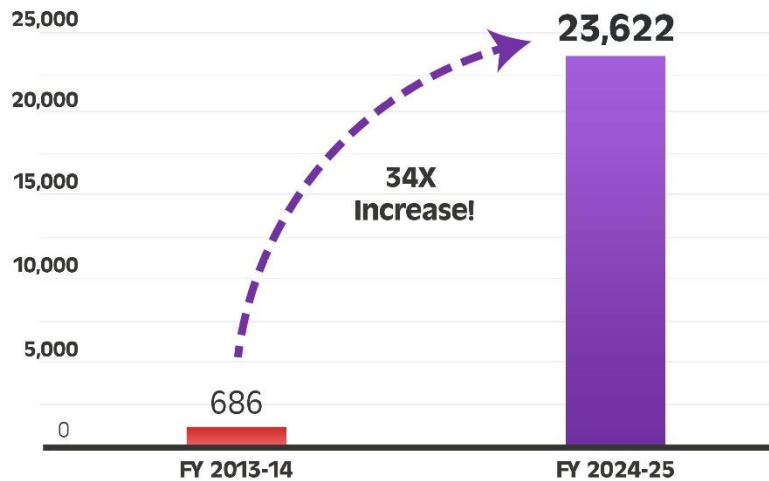


Source: Ministry of Defence

The country’s defence exports have also seen exceptional growth. From a modest ₹686 crore in 2013-14, exports skyrocketed to ₹23,622 crore in 2024-25. This amounts to a thirty-four-fold increase over the past decade. Indian defence products are now being shipped to nearly 100 countries, reflecting India’s rising stature as a global supplier of strategic defence equipment.

# India's Defence Exports Growth

(In Rs. Crore)



Source: Ministry of Defence

This expansion in both production and exports underscores India's commitment to building a robust and self-sufficient defence industrial base. Strategic policy interventions have played a key role in strengthening this sector, boosting not just domestic capability but also enhancing India's presence in the global defence market.

## Conclusion

India's economic journey, as highlighted in the UN's mid-year update, reflects a compelling story of resilience, reform and renewed global relevance. Amid global headwinds, India stands out not just for its headline growth figures but for the depth and breadth of its progress, from buoyant capital markets and robust manufacturing to record-breaking exports and a fast-expanding defence sector. These gains are rooted in sound policy choices, strong domestic demand and growing global confidence in India's economic trajectory. As the world navigates a complex economic landscape, India is not merely weathering the storm; it is helping to reshape the global growth narrative.

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