

GOVERNMENT OF INDIA
MINISTRY OF PLANNING

RAJYA SABHA
UNSTARRED QUESTION NO. 1907
TO BE ANSWERED ON 09.03.2026

IMPACT OF INDIA'S ECONOMIC GROWTH

1907 SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of PLANNING be pleased to state:

- (a) the manner in which India's aspiration to become a \$5 trillion economy by leveraging its growing economic strength and political stability impact the global balance of power, particularly in terms of reshaping international trade norms and institutions;
- (b) the potential implications of India's economic growth trajectory on its demographic dividend, particularly in terms of creating sufficient employment opportunities and addressing income inequality; and
- (c) the manner in which India's economic growth influence its strategic autonomy and decision-making capacity in global affairs, particularly in the context of rising geopolitical tensions and protectionism?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CULTURE

(RAO INDERJIT SINGH)

(a) to (c) India's transition towards a \$5 trillion economy is anchored in resilient macroeconomic fundamentals and a diversified economic base underpinned by steady growth, price stability, fiscal consolidation, resilient external sector performance, robust foreign exchange reserves, a strong and well-capitalised banking sector, and robust physical and digital infrastructure. Besides, the Government is actively broadening its network of Free Trade Agreements (FTAs) to enhance global market access. These initiatives are expected to help in further strengthening India's economic sovereignty and expanding economic footprint, thus allowing India play more important role in the global institutional frameworks. The Government has spearheaded flagship initiatives, including Make in India, Startup India, and various Production Linked Incentive (PLI) schemes, alongside a capex led growth strategy to augment manufacturing capacity and

foster entrepreneurship. Accelerated developments in digital infrastructure, fintech, renewable energy, and logistics are creating new avenues for high quality employment. Economic expansion along with calibrated industrial policies, would strengthen India's integration into the global value chains and promote export diversification, thereby mitigating vulnerabilities arising from the protectionist trends.
