

LOK SABHA
UNSTARRED QUESTION No. 1874
TO BE ANSWERED ON FRIDAY, DECEMBER 29, 2017

ECONOMIC POLE OF GLOBAL GROWTH

1874. SHRI A. ARUNMOZHITHEVAN

Will the Minister of FINANCE be pleased to state:

- (a) whether India will be the base to the economic pole of global growth over the coming decade, remaining ahead of China with a 7.7 per cent growth rate annually and if so, the details thereof;
- (b) whether the rapid growth prospects in India is due to its well positioned status to continue diversifying into new areas, given the capabilities accumulated to date, if so, the details thereof;
- (c) whether India has made inroads in diversifying its export base to include more complex sectors such as chemicals, vehicles and certain electronics; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a) to (d) According to “Global Ranking and Projections”, The Atlas of Economic Complexity, Center for International Development of Harvard University June 28, 2017, “India will be the base to the economic pole of global growth over the coming decade - remaining ahead of China with a 7.7 per cent growth rate annually.” The same report also states that, researchers attribute India’s rapid growth prospects to the fact that it is particularly well positioned to continue diversifying into new areas, given the capabilities accumulated to date. India has made inroads in diversifying its export base to include more complex sectors such as chemicals, vehicles, and certain electronics.

The above statement is also corroborated by the reports of other international institutions as well. As per the IMF’s World Economic Outlook database, India’s GDP growth is expected to average 7.3 per cent during 2014-17, vis-à-vis China’s growth of 6.9 per cent during this period. India has also jumped to 30 positions on the World Bank’s ‘Ease of Doing Business 2018’ ranking to move into top 100 on the back of sustained reforms. It is also one of the 10 economies that improved the most in the areas measured by the international financial institution.

India has also diversified its export basket with engineering goods including vehicles; chemicals and allied items being the major sectors along with gems & jewellery, textiles and POL items. Electronics exports is also picking up with the recent initiatives taken by the Government.