

India Surging Ahead

Message from Union Minister for External Affairs, Smt. Sushma Swaraj

India is surging ahead. We are proud to note that on key economic indicators, India is faring better than most countries on the planet. At US \$2.5 trillion, our economy is the second fastest growing economy in the world.

India is home to 1.34 billion people – 18% of the world's population. Of this, a majority comprises a population that falls within the working ages of 18 – 35 years. With the world's largest youth population, India offers huge potential to the rest of the world – in terms of consumption, workforce and other parameters.

Today, India is the world's seventh-largest economy, with a GDP that is regaining recently lost ground. Our GDP which had slipped to 5.7% is on a steady road to recovery. India is firmly on course to achieving over 8% growth and becoming the world's 5th largest economy, the Finance Minister announced during the Union Budget 2018.

Having come a long way from where we used to be, India now stands at an impressive 23rd among all countries in the Global Competitiveness Index for perceived efficiency of public spending.

With the implementation of GST, India's 29 states & seven Union territories are now a common market for goods and services. The uniform tax system has boosted efficiency, growth, and India's tax take.

Demonetization increased the number of digital transactions being conducted within India's economy. These are now easier to track and to tax. Since April 2017, over twice as many Indians have filed tax returns than in the same period last year.

India has again moved up the Global Competitiveness Report's rankings on technological readiness on the back of improvements in indicators such as internet bandwidth per user, mobile phone and broadband subscriptions and internet access in schools.

India also has scope to build on its tech start-up ecosystem, which already boasts of more companies than anywhere, other than the US and UK. The country scored well in the Inclusive Development Index on access to finance for business

Food inflation, which was the main driver of inflation in the past, declined significantly during the year because of improvements in supply of pulses and vegetables on the back of a normal monsoon. Core inflation-indicative of underlying trends too declined in the last few months.

As part of its commitment at the Paris Summit, India has set itself ambitious targets in the area of renewable energy. The country is implementing the largest renewable energy expansion programme in the world. It envisages a 5-fold increase in the overall renewable energy capacity to 175 GW by 2022. This includes 100 GW of solar, 60 GW of wind, 10 GW of biomass, and 5 GW of small hydro power capacity.

India is at a stage of development that requires a fast growth rate which includes ensuring access to affordable, reliable, sustainable and modern energy for all.

India's balance of payments situation has improved resulting in further accretion of foreign exchange reserves. Among the major economies running current account deficit, India is the second

largest foreign exchange reserve holder after Brazil with reserves at US\$ 386.4 billion as on 26th Jan, 2018.

FDI equity inflows to the services sector grew by 15.0 percent during 2017-18 (April-October) as a result of the reforms, ensuring that India remains an increasingly attractive investment destination. These include the announcement of National Intellectual Property Rights (IPR) policy, implementation of GST and other reforms for ease of doing business.

FDI policy provisions were radically overhauled across sectors such as food processing, Civil Aviation, Construction development, broadcasting, retail trading, air transport, insurance and pension and others. At present, more than 90% of FDI inflows are through automatic route and applications can be e-filed and processed online.

India is far ahead of many emerging economies in terms of providing qualitative transportation related infrastructure. Under Smart Cities Mission, an estimated additional 462 projects worth crore are likely to be completed through 2018.

Satellite mapping and launching services and Artificial Intelligence are also areas in which India is making a mark and has huge potential. The foreign exchange earned by India from satellite mapping in the last five years was more than Rs 100 crores.

I hope this publication, India Surging Ahead, will help in enhancing your understanding of India and throw light upon the various opportunities for growth and meeting the challenges of the decade ahead.