



Fostering Economic Development during 'Amrit Kaal'

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India's untrammelled quest for forging fruitful technology and investment alliances with new markets continues. As noted by the Indian Department of Promotion and Publicity (DIPP), during the period of April 2000 – December 2023, **India received FDI inflows of US\$971.5 billion**. These have been catalyzed by ongoing efforts to further liberalize and streamline India's 'Ease of Doing Business' and FDI norms, which were initiated in 1991. Meanwhile, as reported in September 2023 by Startup Genome, a leading, US-based, policy advisory and innovation entity, as many as 429 Indian scale-up companies **secured venture capital investments** to the tune of US\$127 billion and total tech investments valued at US\$446 billion during the last four to eight years. Accordingly, India now ranks fourth in the world in terms of start-ups which have received more than US\$50 million in disclosed venture capital funds.

These trends strongly resonate with the latest IMF estimates which project India as being the fastest-growing economy in 2024, with an expected GDP growth rate of 6.5%. Currently assessed as the fifth largest economy (with about US\$3.6 trillion in nominal GDP terms) India actively pursues a GDP target of US\$5 trillion and more in the next few years. This would catapult it into the 'third largest economy' position, after USA and China.

All this happened barely three decades after India initiated its attempts to connect with prosperous, world markets. In May 1991, when its Foreign Exchange Reserves sank to a paltry low of US\$5.8 billion, the country embarked upon a series of bold market-based economic reforms and policy changes which systematically dismantled state-controls and prized open new avenues for its

ailing but talented private sector. In contrast with this, China commenced similar reforms as early as 1978.

Ever since, India Inc. has never looked back. In January 2024, Indian Foreign Exchange reserves **touched a record high of US\$617 billion**. Meanwhile, the government has declared the period of 25 years pursuant to India's 75th Independence Day Celebrations in August 2021 as 'Amrit Kaal' or an 'Era of Elixir'. During this time, strenuous efforts are being made to uplift India to 'developed country' status prior to its Independence Day Centenary celebrations in 2047.

To facilitate these aspirations, the government is undertaking a rigorous drive for establishing world class infrastructure, whether in the industrial, logistics or other sectors. Liberal incentives for stimulating production and investment in 14 key areas which include electronic/technology products, pharmaceutical products, advance chemistry cell batteries and other such sectors, have been announced through implementation of comprehensive **Production Incentive Linked (PLI) Schemes valued at US\$26 billion**. Subject to compliance with prescribed conditions, the PLI schemes will offer production incentives ranging between 4% to 6% of sales volumes for a period of five years, for stimulating production processes, boosting employment opportunities and creating 'national champions'.

With the Chinese economy slowing down, especially in the wake of its ongoing political, trade and economic differences with Western, liberal economies, the time is opportune for India to forge new business linkages. It is not surprising therefore, that MNCs such as Apple, Foxconn and other such reputed corporations have announced their intention to substantially step up their investment and industrial presence in the country. With Wall Street entities such as Goldman Sachs and Morgan Stanley echoing bullish sentiments about the Indian economy, the process of transferring funds from the Chinese economy to the Indian market has already commenced.

The above trends systematically validate and embellish India's branding in foreign markets. Until now, acclaimed as a major global exporter of software and other services and as the 'Pharmacy of the World', India is now strongly poised to considerably enhance its share in providing key components and services for Global Supply Chains. The creative genius and capabilities of India's S&T community, which successfully engineered a Mars Orbiter Mission a few years ago and secured for it the rare distinction of being the fourth country in the world to land a vehicle on the Moon a few months ago, have won international esteem and

attention. Indian diaspora representatives, holding leadership positions in various Silicon Valley and other global entities, guide and mentor corporate funds and investments which are larger than the individual economies of many nations.

Some of India's HNIs have already made it to elite global wealth listings under the Forbes and other rating organizations. Concurrently, its immense middle class of more than 400 million inspires, motivates and irrefutably demonstrates for its teeming millions who still face economic challenges, that perseverance, grit and sheer tenacity can overcome all odds. Given that a vast majority of citizens in its 1.4 billion-strong population are still in their youthful years, the potential for capitalizing on this 'human dividend' for transforming the country's economic difficulties into potential opportunities, has never been so strong.

Author Biography

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