Growth projections of India

Why in news?

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Harvard University's Center for International Development (CID) recently conducted a study on growth projections.

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What are the findings of the study?

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- The growth projections are based on measures of each country's economic complexity i.e the diversity and sophistication of the productive capabilities and the ease with which it could further diversify by expanding those capabilities.
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- It observes that India, Turkey, Indonesia, Uganda, and Bulgaria are diverse in all political, institutional, geographic and demographic dimensions and are expected to be the fastest growing.
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- It states that India has emerged as the economic pole of global growth by surpassing China and is expected to maintain its lead over the coming decade.
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- It projects that India will feature on top of the list of the fastest growing economies till 2025.
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- It also projects an average annual growth of 7.7%.
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- It attributes India's rapid growth prospect to the fact that it is particularly well positioned to continue diversifying into new areas.
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- The study states that major oil economies are experiencing the pitfalls due to their reliance on one resource.
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- It also notes that India is diversifying its export base to include more complex sectors, such as chemicals, vehicles, and certain electronics.

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- It divides countries into three basic categories
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1. The countries with too few productive capabilities to easily diversify into related products.
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2. The countries that have enough capabilities to diversify and grow easier. e.g India, Indonesia and Turkey.
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3. Advanced countries that already produce all existing products. e.g Japan, Germany and the U.S.
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Source: The Hindu

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