

India likely to become the third largest economy in the world by 2030, overtaking Japan and Germany

According to a report by S&P Global and Morgan Stanley, India is expected to overtake Japan and Germany to become the world's third-largest economy. S&P's forecast is based on the expectation that India's annual nominal gross domestic product (GDP) growth will average 6.3% through 2030. In a similar manner, Morgan Stanley predicts that by 2031, India's GDP will have more than doubled from current levels. According to the Morgan Stanley report, India has the conditions in place for an economic boom fuelled by offshoring, investment in manufacturing, the energy transition, and the country's advanced digital infrastructure.

S&P Global's projection is based on factors like the continuation of India's trade and financial liberalization, labour market reform, as well as investment in India's infrastructure and human capital. Moreover, S&P Global also commented that the efforts by the Indian Government, focusing on assisting private companies through programmes like production linked incentives (PLI) to increase manufacturing, investment, and export across industries is playing a positive role as India strives to become a global manufacturing hub.

Australia Ratifies Free Trade Agreement with India

On November 22nd 2022, Australia's parliament ratified the India-Australia Economic Cooperation and Trade Agreement (ECTA). The two countries have signed the ECTA on April 2nd 2022. The trade deal will now come into effect on December 29th 2022, as has been mutually agreed by both countries.

Under the India-Australia ECTA, duties on 100% tariff lines will be eliminated by Australia, covering 6,000 broad sectors. Meanwhile, India's tariffs on 90% of Australian goods exports, including meat, wool, cotton, seafood, nuts, and avocados, will be removed. In addition to removing duties, the ECTA also provides for job creation in India, increased investments from Australia to India, and post-study work visas for Indians in Australia.

In essence, exporters, businesses, workers, and consumers in both markets are set to benefit from the trade liberalization, market opening, and freer movement of people.

India shows higher resilience to global shocks: World Bank

In its latest India Development Update, the World Bank stated that its recent revision of India's economic growth forecast from 6.5% to 6.9% for 2022-23 was due to the higher resilience of the Indian economy to global shocks and better-than-expected second quarter numbers. India grew 13.5% in the first

quarter of 2022-23, overtaking the UK to become the fifth-largest economy in the world.

The World Bank report, titled "*Navigating the Storm*," stated that while India's growth prospects will be affected by the deteriorating external environment, the country's economy is better positioned than most other emerging markets to withstand global spill overs.

India and Finland to cooperate in Science, Technology and Innovation

India and Finland agreed to carry mutual cooperation in areas such as Digital Partnership in Future ICT, Future Mobile Technologies and Digital Education. The decision was taken in the meeting between India's Minister of Science and Technology Dr. Jitendra Singh and Finland's Minister of Education and Culture, Petri Honkonen, in New Delhi. During the meeting, India expressed its interest in developing research collaborations with Finnish R&D institutions.

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