



THE INDIAN ECONOMIC ASSOCIATION

105th Annual Conference

UNESCO Panel discussion on

Making India a \$10 trillion Economy by 2030 and achieving the sustainability targets set by the SDGs

28 December 2022

(6.00 PM to 7.15 PM)

Ranchi, Jharkhand

Background

India is striding towards the vision of building a resilient economy with inclusive, equitable and sustainable growth. The country has toppled massive challenges to become the fifth largest economy in the world today. According to NITI Aayog, India has achieved nation-wide improvements in 'clean water and sanitation' and 'affordable and clean energy'¹. However, major challenges remain in SDGs such as 'No hunger (SDG 2)', 'Good health (SDG 3)', 'Gender equality (SDG 5)', 'Decent work (SDG 8)', 'Industry, innovation and infrastructure (SDG 9)', 'Life below water (SDG 14)', 'Life above land (SDG 15)', 'Peace, justice and strong institutions (SDG 16)' etc. The country has also been regressing in SDGs such as 'Sustainable Cities and Communities'. In two years, India's SDG ranking has dropped by 4 points (from 117 to 121). India is now behind all South Asian nations except Pakistan and Afghanistan, in the achievement of SDGs².

India is currently the world's fifth largest economy with a gross domestic product of \$ 3.5 trillion. It was in 2019, Prime Minister Narendra Modi envisioned the target of transforming India to a \$5 trillion economy³. Much before the completion of the original target, on the 25th Energy Technology Meet organized by the Centre for High Technology (CHT), Petroleum and Natural Gas Minister Hardeep Singh Puri stated that the Indian economy is on the path to becoming \$10

¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1723952>

² <https://dashboards.sdgindex.org/rankings>

³ <https://economictimes.indiatimes.com/news/india/each-state-must-define-a-target-to-make-india-5-trillion-economy-pm-modi/articleshow/92288178.cms>

trillion economy by 2030⁴. While the jump from 5 trillion to 10 trillion was more of a political mandate, according to the chief economic advisor the target of \$10 trillion is truly achievable for India.⁵

In the wake of global crises, India has fared extremely well on three fronts - energy, food, and fuel. Assuring energy availability and affordability, the country's per capita energy consumption is one-third of the global average now and will surpass it in the years to come. India is wedded to the concept of net zero carbon emissions and is committed to making a transition from the world of hydrocarbons to a green and sustainable energy ecosystem. In 2022, India achieved 10% biofuel blending and is on course to reach the 20% mark in a year or two. Indian Government has also resolved to raise the share of Natural Gas in the country's energy mix from 6% to 15% by 2030. Additionally, over 18000 Compressed Natural Gas (CNG) stations would be set up in the country by 2030. Adani's ports-to-energy conglomerate is investing USD 70 billion over the next decade in a new energy value chain. All these factors suggests that India has the potential of becoming a net exporter of green energy by 2050.⁶

IMF Chief Economist mentioned that India has emerged as “a bright light” at a time when the world is facing imminent prospects of a recession, but it needs key structural reforms to achieve the ambitious target of \$10 trillion economy⁷. Reforms must focus on increased social spending, investment in human capital, improving digital literacy and infrastructure. India is already at the forefront of digitalization and it can be utilized to improve financial inclusion and facilitate access to administrative services.

According to the World Economic Outlook, the IMF projected a growth rate of 6.8 per cent in 2022 as compared to 8.7 per cent in 2021 for India. The average economic growth of the past 5 years is 3.82% (pre-covid average economic growth of 5 years for India was 6.66%). To reach the \$10 trillion target, India will need a per annum growth rate of 14.02%. The size of the Chinese economy in 1981 was over \$444 billion. In 2021, it stood at \$15.8 trillion, implying an economic growth of 9.3% per year. Thus, Indian economy has to grow at a significantly faster rate than the Chinese economy has grown in the past four decades, to achieve \$10 trillion target.

⁴ https://www.business-standard.com/article/economy-policy/india-set-to-become-10-trillion-economy-by-2030-says-hardeep-singh-puri-122091600101_1.html#:~:text=The%20country's%20per%20capita%20energy,energy%20mix%2C%22%20he%20said.

⁵ <https://www.thehindu.com/business/Economy/india-would-become-dollar-5-trillion-economy-by-2026-2027-says-cea/article65526415.ece>

⁶ <https://energy.economictimes.indiatimes.com/news/renewable/india-to-be-2nd-largest-economy-by-2050-to-add-a-trillion-dollar-to-gdp-every-12-18-months-adani/95632254>

⁷ <https://indianexpress.com/article/business/economy/india-is-a-bright-light-economy-but-key-structural-reforms-needed-for-usd-10-trillion-gdp-imf-chief-economist-8205710/>

1. The World Economic Outlook report published by the IMF projected an economic growth rate of 6.8 per cent for India in 2022 (as compared to 8.7 per cent in 2021). This means that to achieve \$10 trillion by 2030, we need to double the existing growth rate. Is this a feasible target for India in the current context?
2. The Ukraine war has widened the vulnerabilities of India in the context of supply-demand gaps for essential daily goods. Consequently, it has also led to commodity inflation. How can India tackle these challenges in its path to a \$10 trillion economy? IMF Chief Economist recently mentioned that the world will lose 4 trillion dollars in output by the end of 2026 and much of this loss would come from US, UK and the European Union which are major export markets for India. How can India manage a steady growth rate, in the backdrop of economic shocks and global recession?
3. What could be the priority sectors or investment opportunities that India could tap into, to achieve the desirable 14% annual growth?
4. Although the progress on Goal 1 of ending poverty has been significant, COVID has had a regressive impact on it. Similarly, India has faced regressive impact on key environmental goals such as climate action, sustainable cities and communities and responsible consumption and production. How can India ensure steady progress in this front?
5. Even if economic growth is achieved, what kind of policy advocacy is required to help translate it to the fulfillment of SDGs, in the context of high energy prices and the slowdown in external demand?

Tentative agenda

6.00 – 6.45 PM	<p>Panel discussion</p> <p>Chair: Dr. Rajan Sudesh Ratna Deputy Head, UNESCAP South and South-West Asia Office, New Delhi</p> <p>Panel: Prof. Bino Paul Deputy Director / Pro-Vice Chancellor, Tata Institute of Social Sciences, Mumbai.</p> <p>Prof. Sudhanshu Bhushan Managing Editor, IEJ & Professor, National University of Educational Planning & Administration, New Delhi.</p> <p>Prof. Naushad Ali Azad President, AEDR, New Delhi. Formerly, Professor and Dean, Jamia Millia Islamia, New Delhi.</p> <p>Prof. Yashvir Tyagi, Former Professor and Head of the Department of Economics, University of Lucknow.</p> <p>Dr. Debesh Roy Chairman, Institute for Pioneering Insightful Research & Edutech Pvt. Ltd. (InsPIRE), Greater Noida.</p> <p>Rapporteur: Dr. Nirmalya Debnath Tripura Central University, Tripura.</p>
6.45 – 7.10PM	<p>Q&A</p> <p>Open discussion</p>
7.10– 7.15 PM	Concluding session

