India: Brief Profile
2025

Domestic Economy

BASIC FACTS

Land area: 3,287,263 sq km

Population: 1.4 bn (2024)

Language: Hindi, English and various other regional languages

Currency: Indian rupee

GDP: US$ 3.9 trillion (2024; est.)

Exports: US$ 442.7 bn (2024; est.)

Imports: US$ 718.1 bn (2024; est.)

Sovereign Rating: BBB- (S&P's)

❖ The Indian economy grew by an estimated 6.5% in 2024, after recording an impressive growth of 9.2% in 2023.

❖ In absolute terms, GDP of India stood at an estimated US$ 3.9 trillion in 2024, with a per capita GDP of US$ 2,711.4.

❖ The average consumer price inflation decelerated to an estimated average of 4.7% in 2024, from 5.4% in 2023.

❖ Services sector dominated the economy, accounting for 55% of India's GDP in 2023, followed by industry (27.3% of GDP) and agriculture sector (17.7%).

Trade and Current Account Balance

❖ India's exports increased to an estimated US$ 442.7 billion in 2024, as compared to US$ 431.4 billion recorded in the preceding year.

❖ India's imports also increased to an estimated US$ 718.1 billion in 2024, compared to US$ 673.7 billion recorded in 2023.

❖ Accordingly, India's trade deficit is estimated to widen to an estimated US$ 275.4 billion in 2024, as compared to US$ 242.3 billion recorded a year ago.

❖ Petroleum products were India's principal exports, accounting for 17.1% of total exports in 2024. Other major items of exports in the same year included electrical machinery and equipment (9.1%), machinery and mechanical appliances (7.4%), pearls, precious stones and metals (6.8%), pharmaceutical products (5.3%), and vehicles other than railway and tramway (5%).

- India's major import item was also mineral fuels, oils, and distillation products, which accounted for 31.4% of total imports in 2024. Other important imports in the same year were electrical and electronic equipment (12.1%), precious pearls and stones and metals (11.9%), machinery and mechanical appliance (8.8%) and organic chemicals (3.7%).

- USA was the major export destination for India in 2024, accounting for 18.3% of India's total exports, followed by the UAE (8.5%), Netherlands (5.6%), Singapore (3.6%), China (3.4%) and UK (3.2%).

- China was the leading source of India's imports, accounting for 15.5% of total Indian imports in 2024, followed by Russia with a share of 9.1%. Other important sources of India's imports in the same year were UAE (8.6%), USA (6.1%), and Saudi Arabia (4.2%).

- The current account deficit increased to an estimated US$ 31 billion in 2024 (0.8% of GDP) from US$ 26 billion (0.7% of GDP) in 2023.

Foreign Direct Investment, Foreign Exchange Reserves, and Exchange Rate

- According to UNCTAD's World Investment Report 2024, FDI inflows to India were seen at US$ 28.2 billion in 2023, compared with US$ 49.4 billion in 2022.

- According to the same source, FDI outflows from India decreased to US$ 13.3 billion in 2023 from US$ 14.6 billion in 2022.

- The currency of India is Indian rupee (₹). The rupee depreciated to an estimated ₹ 83.7: US$ 1 in 2024 from ₹ 82.6: US$ 1 in 2023.

- India's foreign exchange reserves increased in 2024 to an estimated US$ 635.7 billion, as compared to US$ 622.5 billion in 2023. Reserves reflected an import cover of over 8.3 months.

Country Rating

- *Dun and Bradstreet's (DB) Country Risk Indicator*[1], May 2025 rated India as DB4a (slight risk, significant uncertainty over expected returns), in the same rating, with a 'stable' trend.

- Standard & Poor's Sovereign Ratings as on June 4, 2025 rated India as BBB- (investment grade) with a 'positive' outlook.

- *Moody's Investor services*[2], in its March 14, 2025, rating, rated India as Baa3 (moderate credit risk) with a stable outlook.

- According to *Organization for Economic Co-operation and Development (OECD)* country risk classifications of January 2025, India was placed at category '3'[3].

Macroeconomic Outlook

- India's real GDP growth is expected to soften marginally to 6.2% in 2025. Trade uncertainty has resulted in a more challenging growth environment. However, the country is expected to remain one of the fastest-growing major global economies.

- Consumer price inflation is expected to decelerate to 4.2% in 2025, as global commodity prices moderate and supply bottlenecks in the economy ease. The India Meteorological Department (IMD) has ruled out the possibility of an El Niño weather event in the south-west monsoon season. A healthy monsoon rainfall over June-September 2025, would ensure the healthy sowing of kharif crops from June and help to ease food inflation.

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[1] The DB risk indicator is divided into seven bands (DB1 to DB7, in the increasing order of risk). Each band is further divided into quartiles (a-d, ranging low to high), except the DB7 band.

[2] Moody's Investor services ranks countries in nine categories Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C, according to increasing order of risk. Numerical modifiers 1, 2, and 3 are appended to each generic rating classification. The modifiers 1, 2 and 3, respectively indicate that the obligation ranks in the higher end, mid-range, and lower end of its generic rating category.

[3] The OECD Country Risk Classification measures country credit risk, i.e. the likelihood that a country will service its external debt, on a scale of 0 -7 (where 0 is the lowest risk category and 7 is the highest)

- The Indian rupee strengthened against the US dollar in April 2025, after weakening in response to tariff-related uncertainties. Lower domestic interest rates could exert further depreciatory pressure on the rupee at a time when emerging-market currencies will be roiled by uncertainty over tariff policy emanating from the US. The RBI has a substantial corpus of foreign exchange reserves to deal with any imbalances in the market.

- India's export performance is expected to benefit from a recovery in emerging sectors like electronics, supported by strong consumer demand from leading markets such as the US, alongside steady growth in traditional exports such as pharmaceuticals. Meanwhile, India's dependence on imports for key commodities, including petroleum, gold, coal, machinery, and electronic components, will likely persist over the forecast period. Government-led export promotion schemes, rising interest in India's large domestic market and multinational efforts to diversify their operations have encouraged global firms to form export-driven partnerships with local manufacturers in India.

India: Economic Structure

Economic Indicators	2020	2021	2022	2023	2024[e]	2025[f]	2026[f]
GDP (US$ trillion)	2.7	3.2	3.3	3.6	3.9	4.2	4.6
Real GDP growth (%)	-5.8	9.7	7.6	9.2	6.5	6.2	6.3
Consumer price inflation (%)	6.2	5.5	6.7	5.4	4.7	4.2	4.1
Population (billion)	1.4	1.4	1.4	1.4	1.4	1.5	1.5
Merchandise exports fob (US$ billion)*	276.5	395.5	453.3	431.4	442.7	429.9	435.5
Merchandise imports fob (US$ billion)*	373.3	573.2	720.2	673.7	718.1	712.2	732.0
Current-account balance (US$ billion)	24.0	-38.7	-67.0	-26.0	-31.0	-39.6	-64.8
Total International Reserves (US$ billion)*	585.8	633.6	562.7	622.5	635.7	609.8	597.6
Average exchange rate (INR: US$)*	74.1	73.9	78.6	82.6	83.7	87.4	89.6

Note: *Sourced from EIU, [a]- Actual [e]- Estimate; [f]- Forecast

Source: WEO, IMF (April 2025) & EIU Country Report