

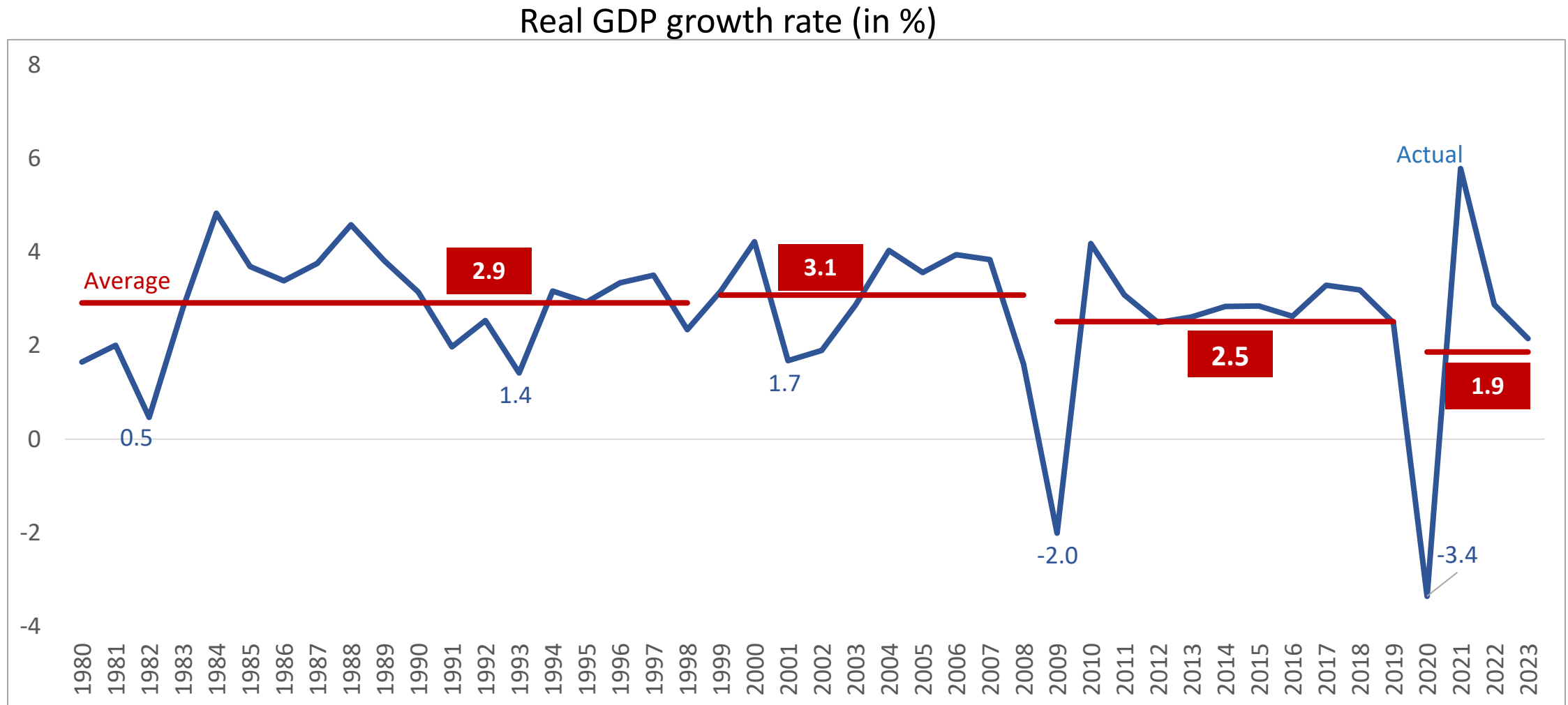


ICRIER-PRI Workshop, March 17, 2023  
**Outlook for Indian Economy**  
Deepak Mishra

# Key Issues

- World in the midst of multiple crises
- Resilient India amidst fragile global economy
- India's G20 Presidency
- The rise of India's digital economy

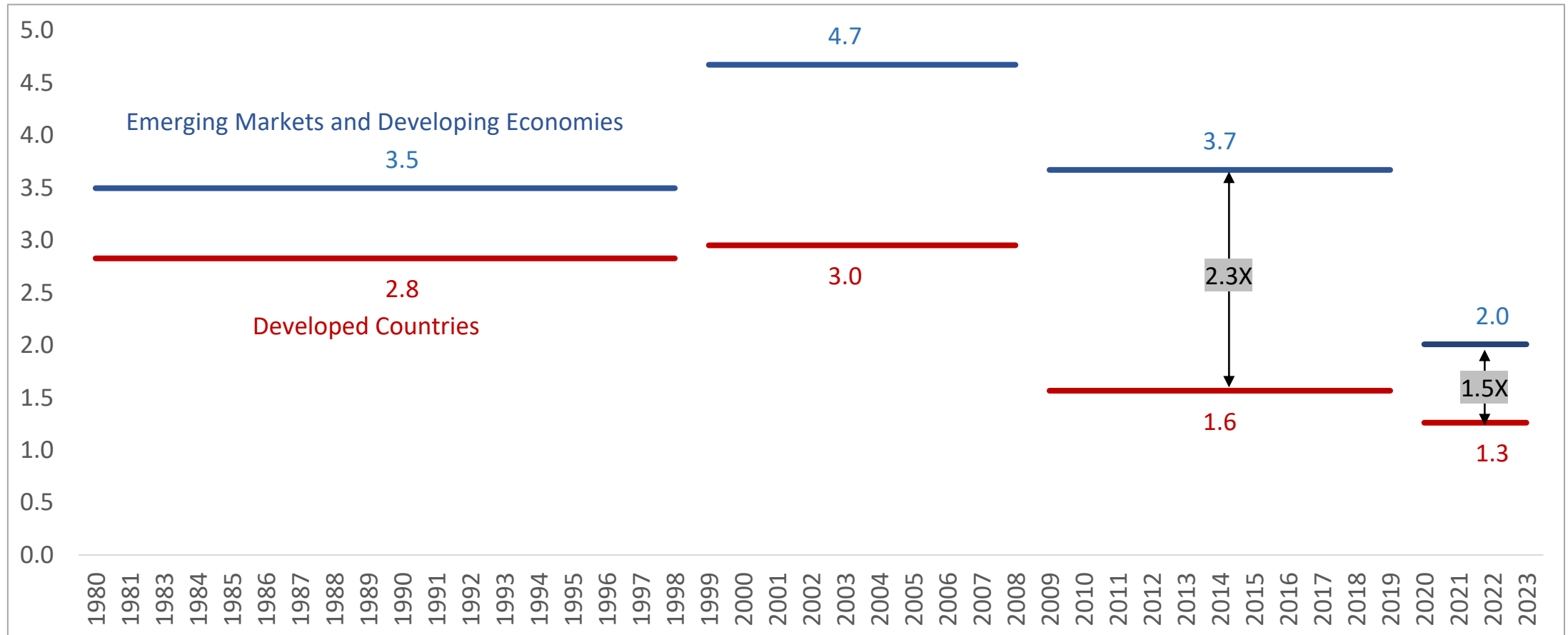
Global growth rate is at an all-time low and recessions have become more pronounced ....



Source: WEO, IMF and ICRIER Staff

With emerging markets and developing economies being hit harder than the developed countries

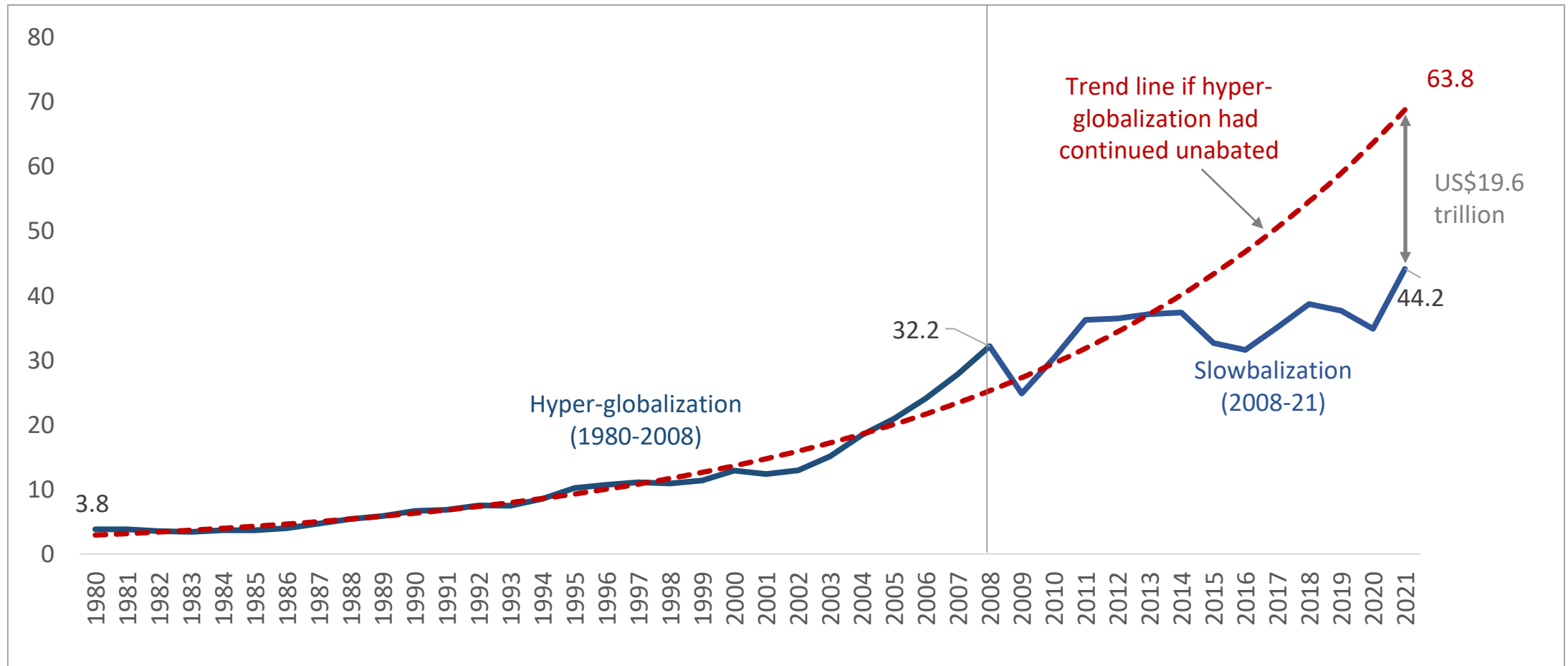
Average real GDP growth rate (in %)



Source: WEO, IMF and ICRIER Staff

# Global trade has lost its momentum, with little appetite to return to the rapid globalization phase

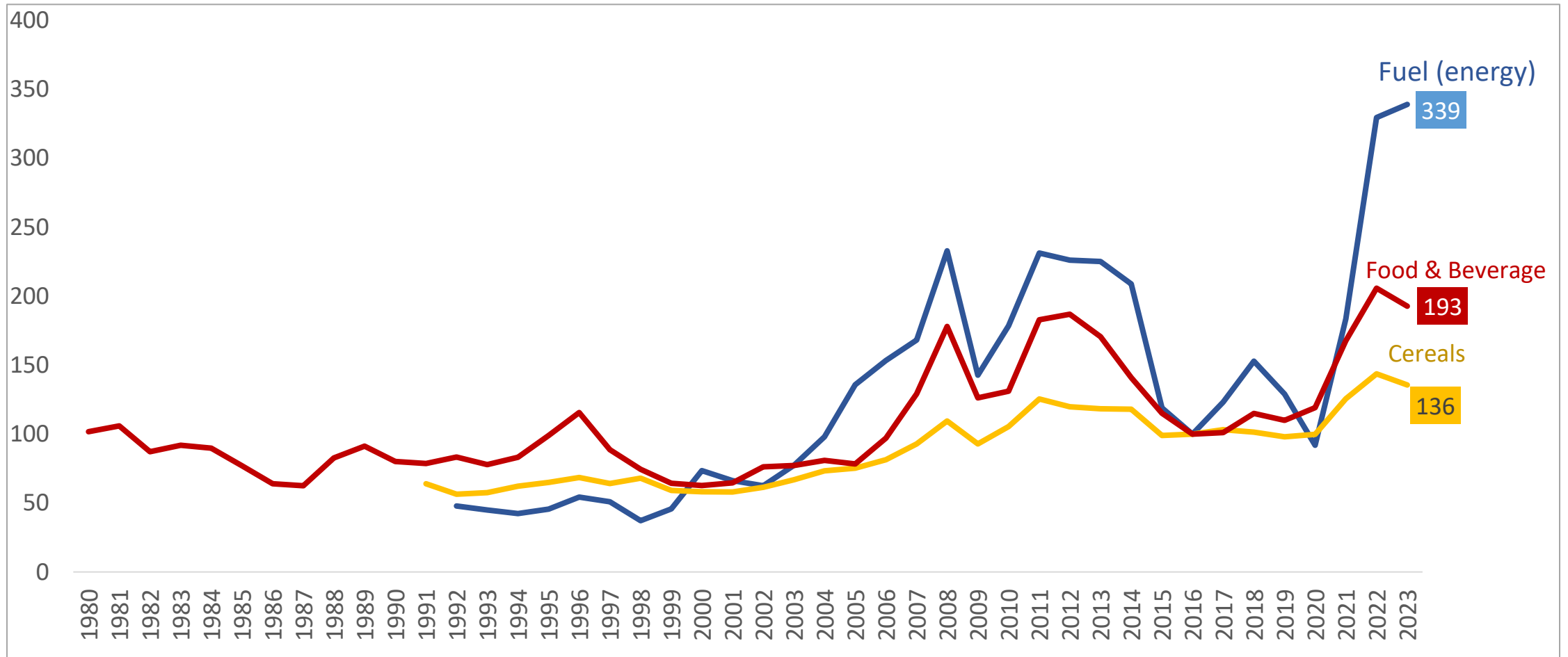
Global trade in US\$ trillion



Source: Mishra and Shukla (2023), ICRIER Working Paper

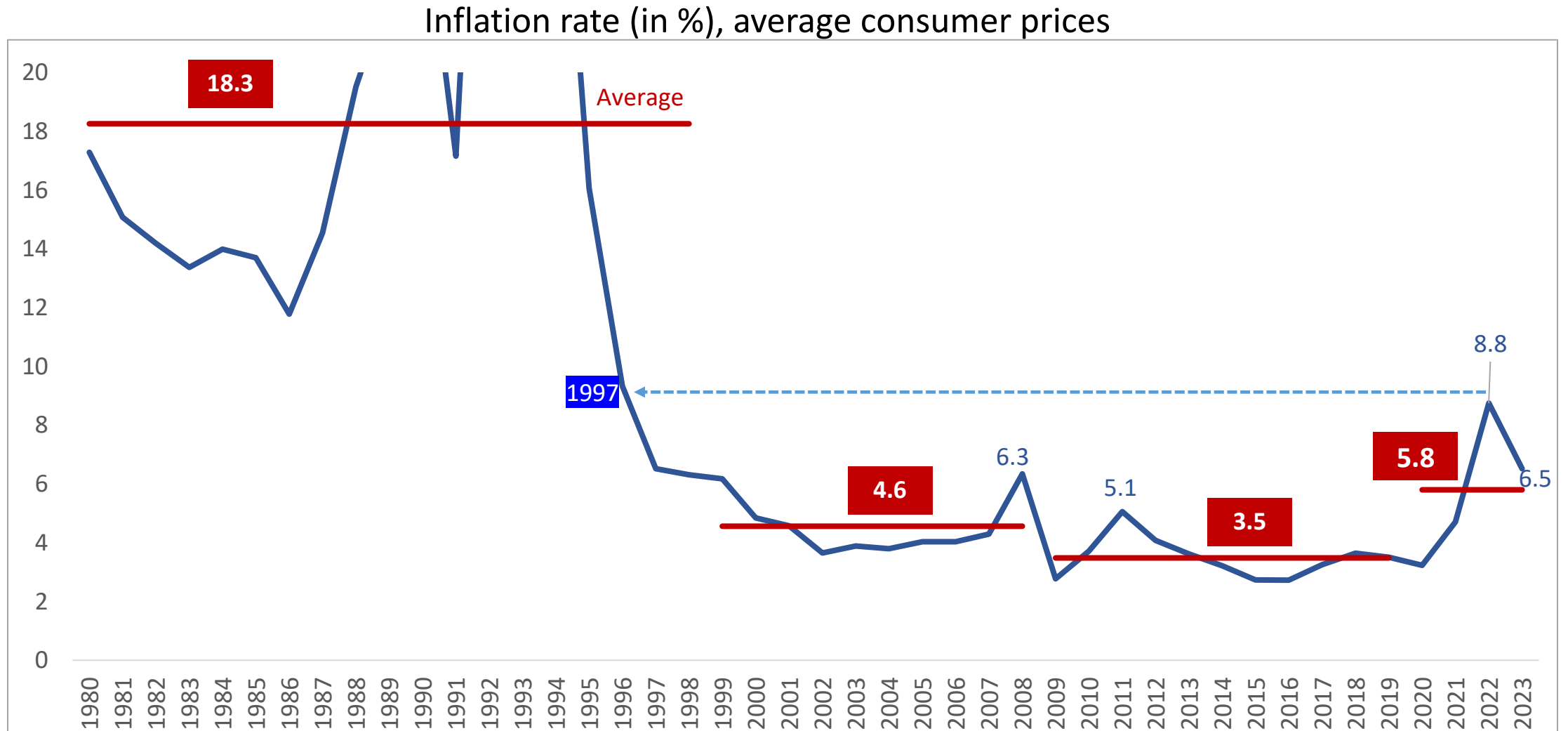
Commodity prices have witnessed some of the fastest increases in recent memory ...

Commodity Price Index, 2016=100



Source: WEO, IMF and ICRIER Staff

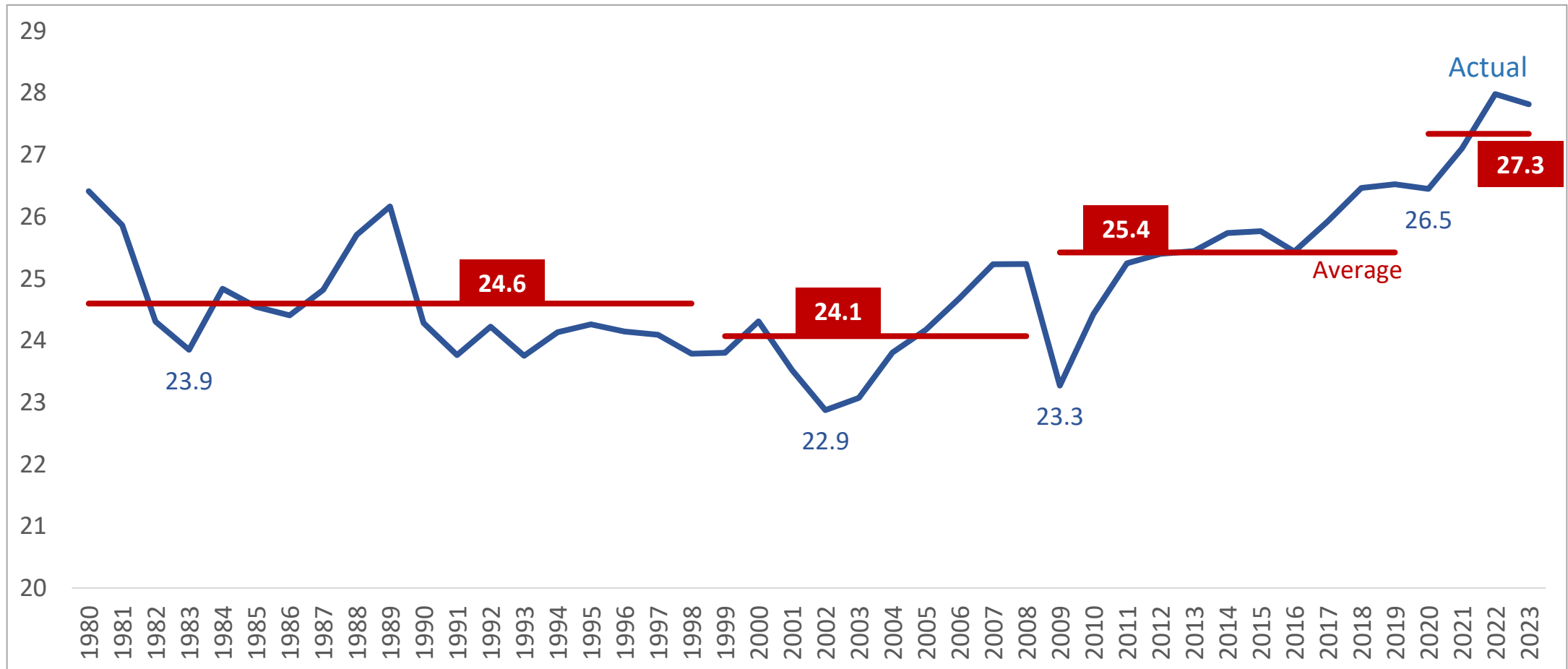
And global inflation is at a three decade high and unlikely to return to the inflation targeting range anytime soon



Source: WEO, IMF and ICRIER Staff

In response, countries have undertaken unprecedented accommodative fiscal and monetary policies

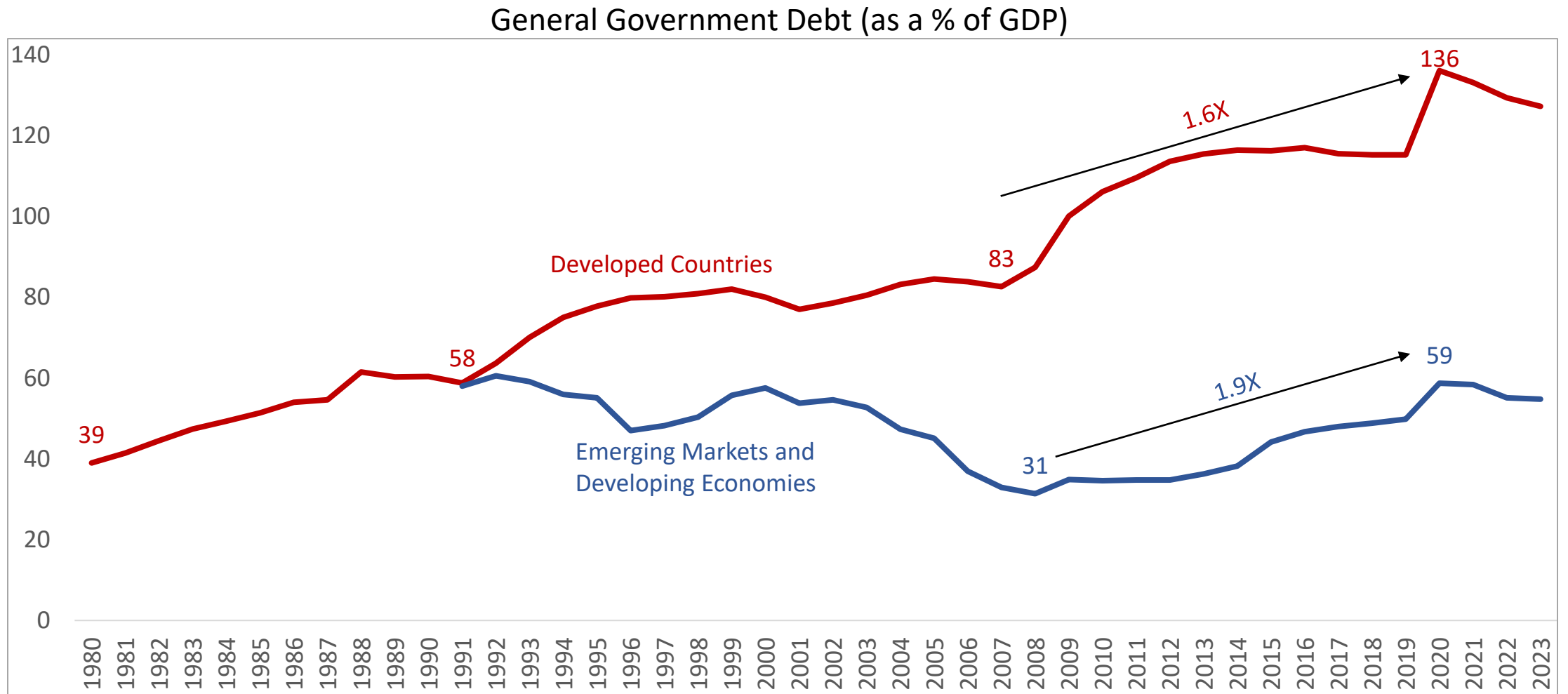
Investment GDP ratio (in %)



Source: WEO, IMF and ICRIER Staff

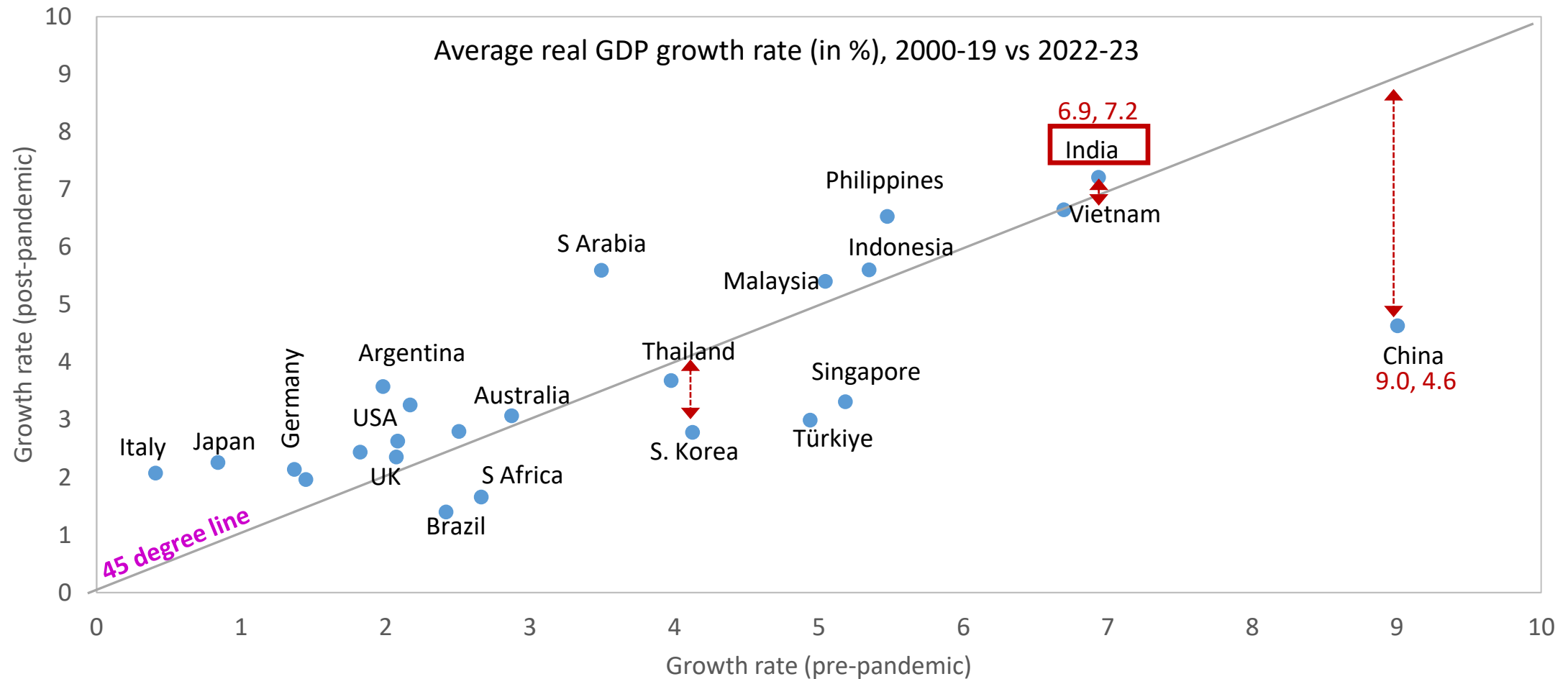


Resulting in one of the fastest increase in debt levels and to record high, with several EMDEs in debt distress



- World in the midst of multiple crises
- **Resilient India amidst fragile global economy**
- India's G20 Presidency
- The rise of India's digital economy

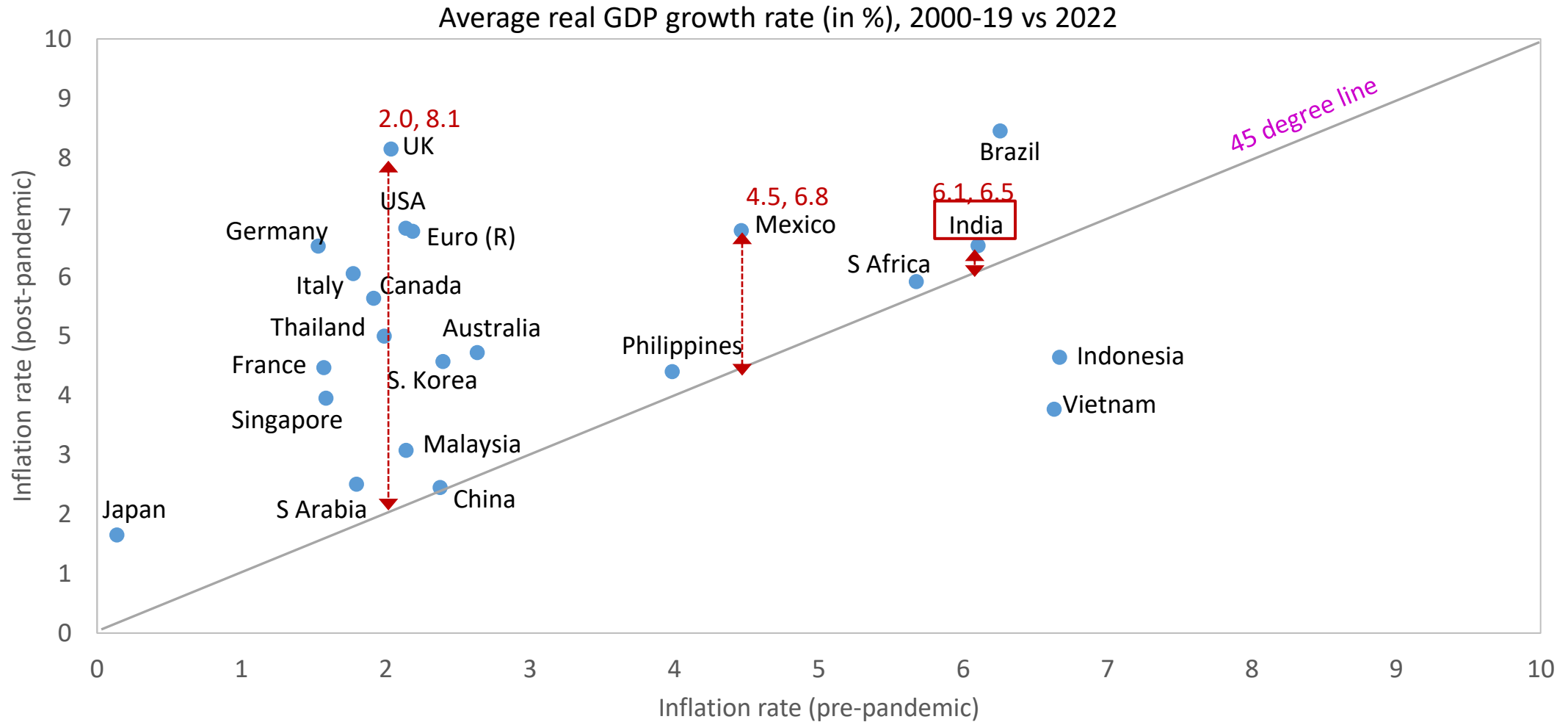
# India is projected to maintain its status as one of the fastest growing countries among its G20 and ASEAN6 peers



Source: CEIC, EIU, IMF and ICRIER staff estimates

Note: Projection for 2022 is the average of IMF's WEO and EIU projections; for 2023 we use only IMF's WEO; Russia is not included as its inclusion will distort the figure without changing the underlying narrative..

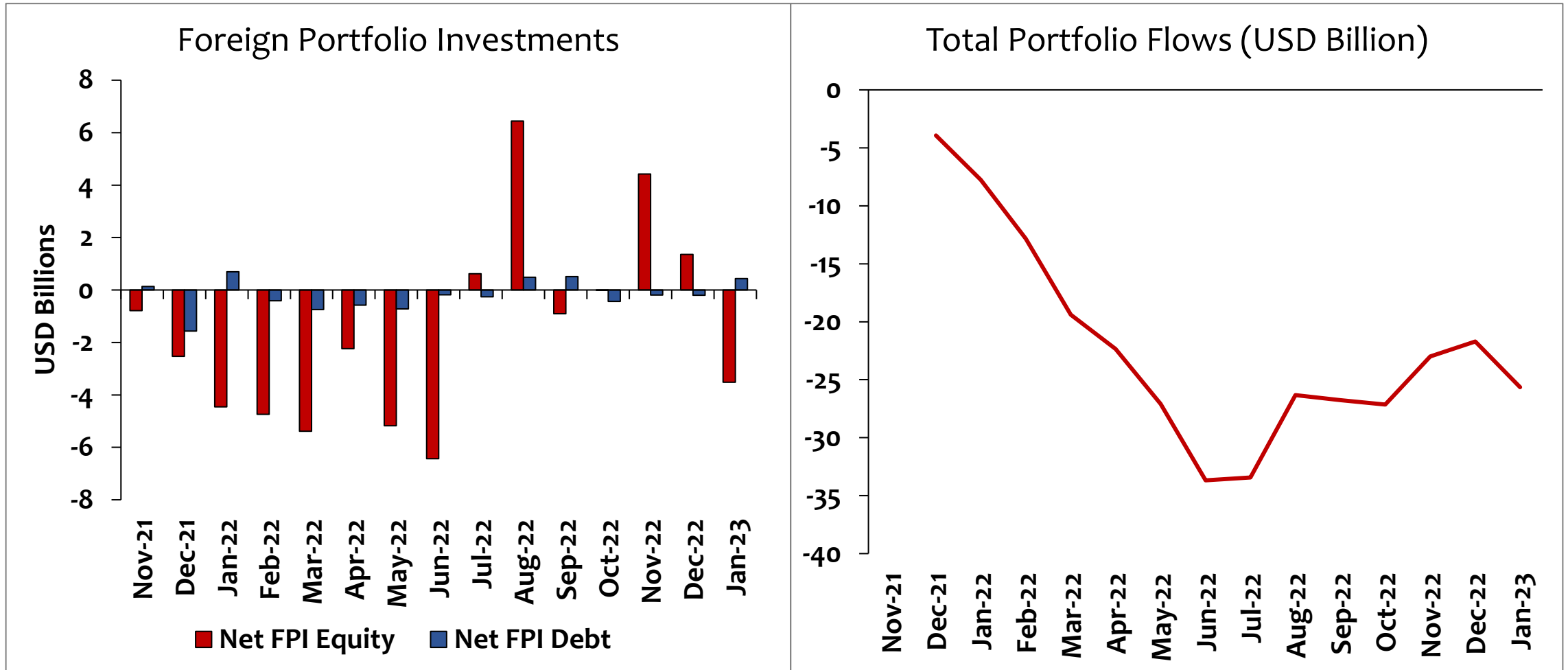
# India's inflation rate has remained anchored around its pre-pandemic expectations compared to other G20 and ASEAN6 countries



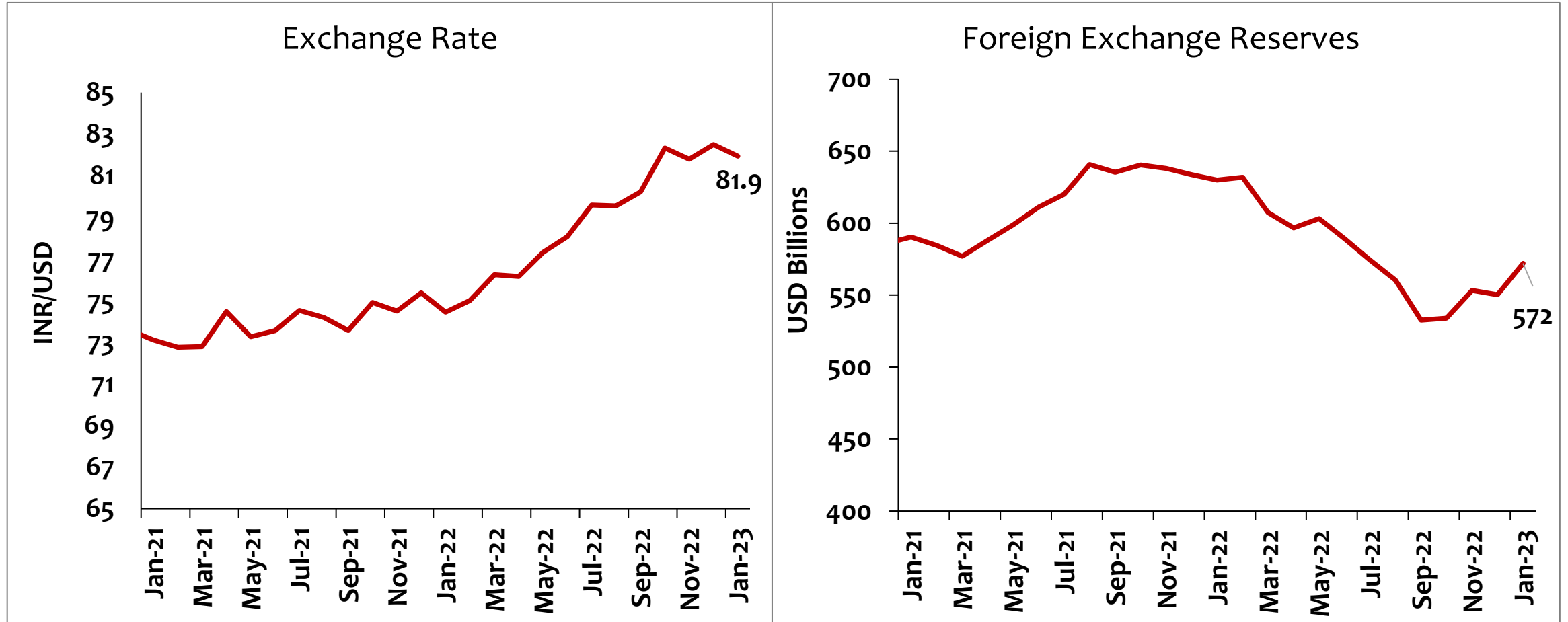
Source: CEIC, EIU, IMF and ICRIER staff estimates

Note: Projection for 2022 is the average of IMF's WEO and EIU projections; Argentina, Russia and Turkiye are not included as their inclusion will distort the figure without changing the underlying narrative.

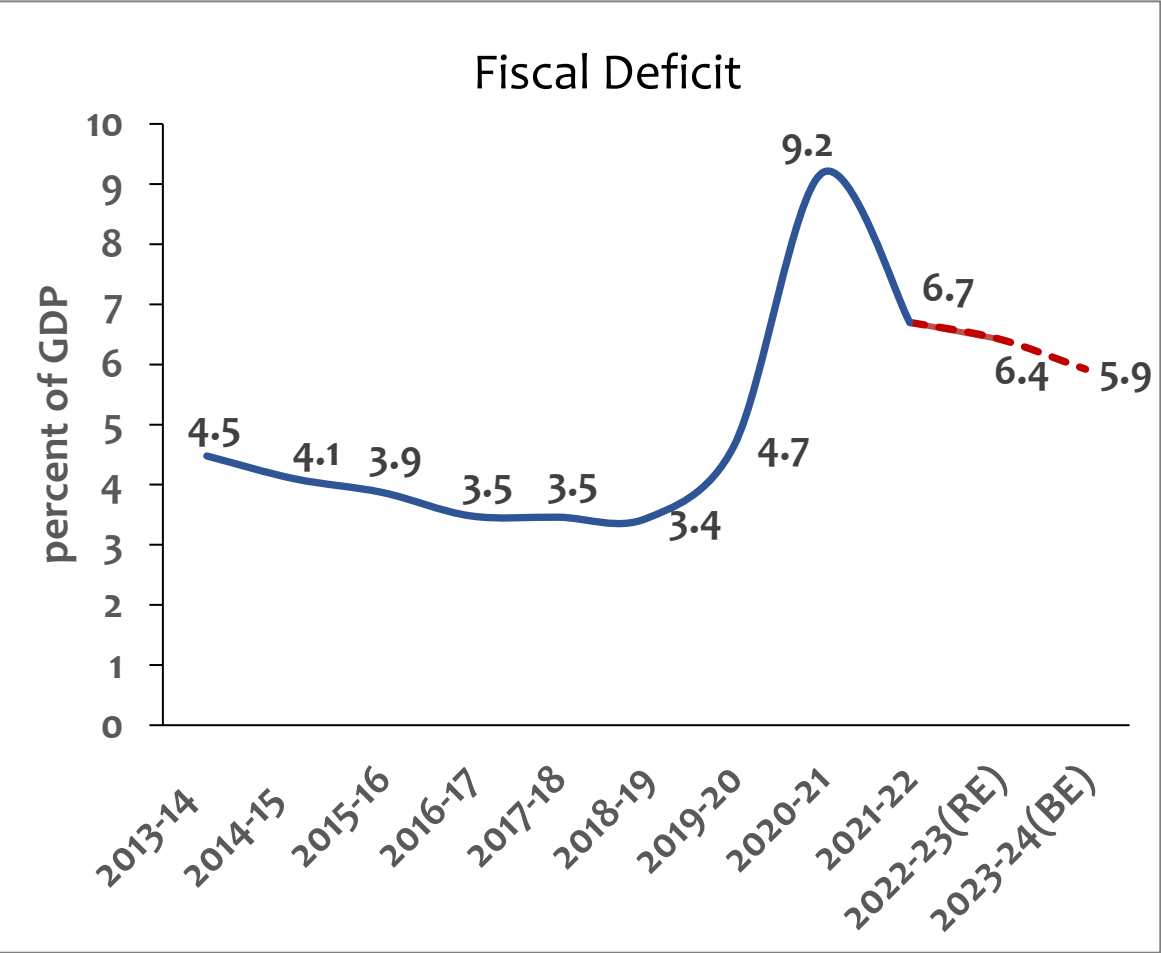
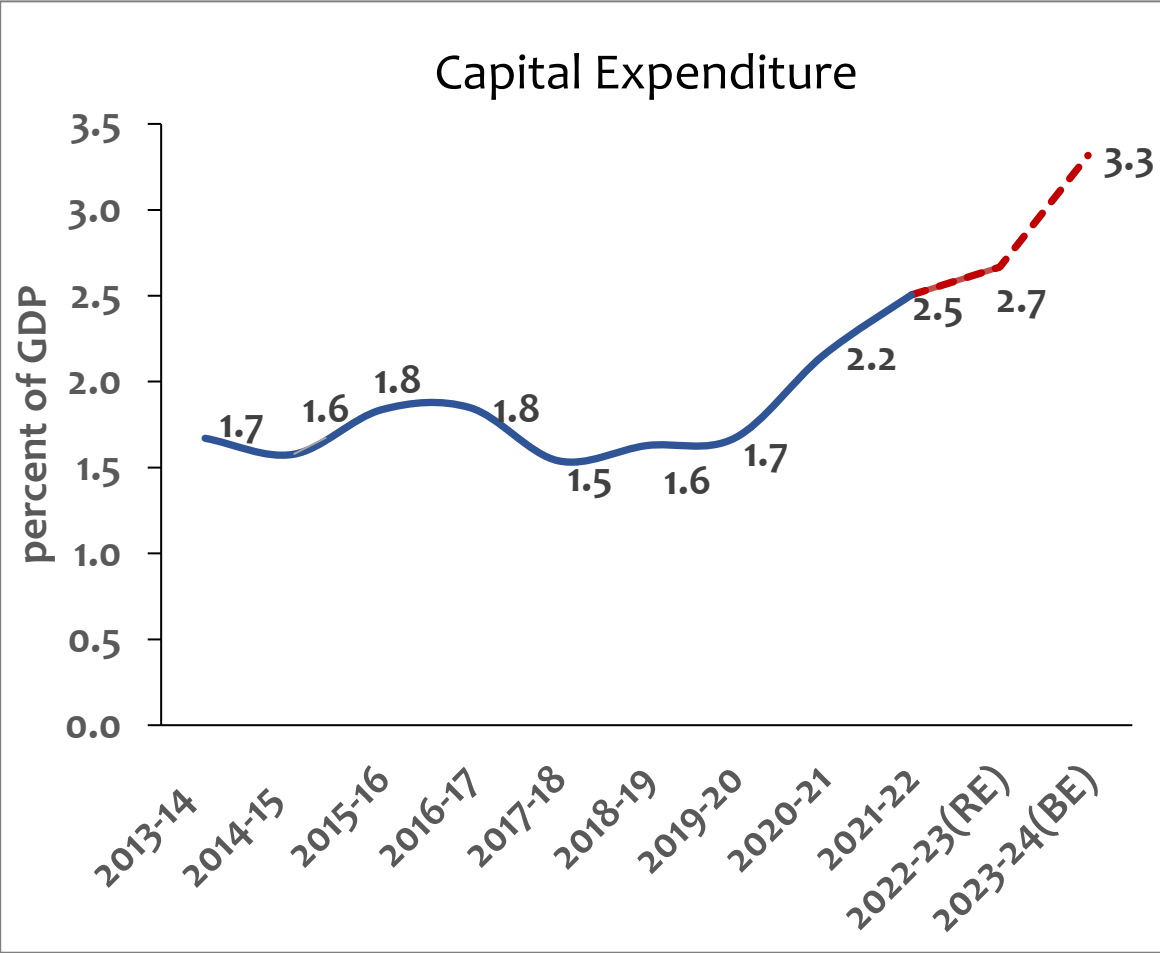
# Capital outflows have been contained...



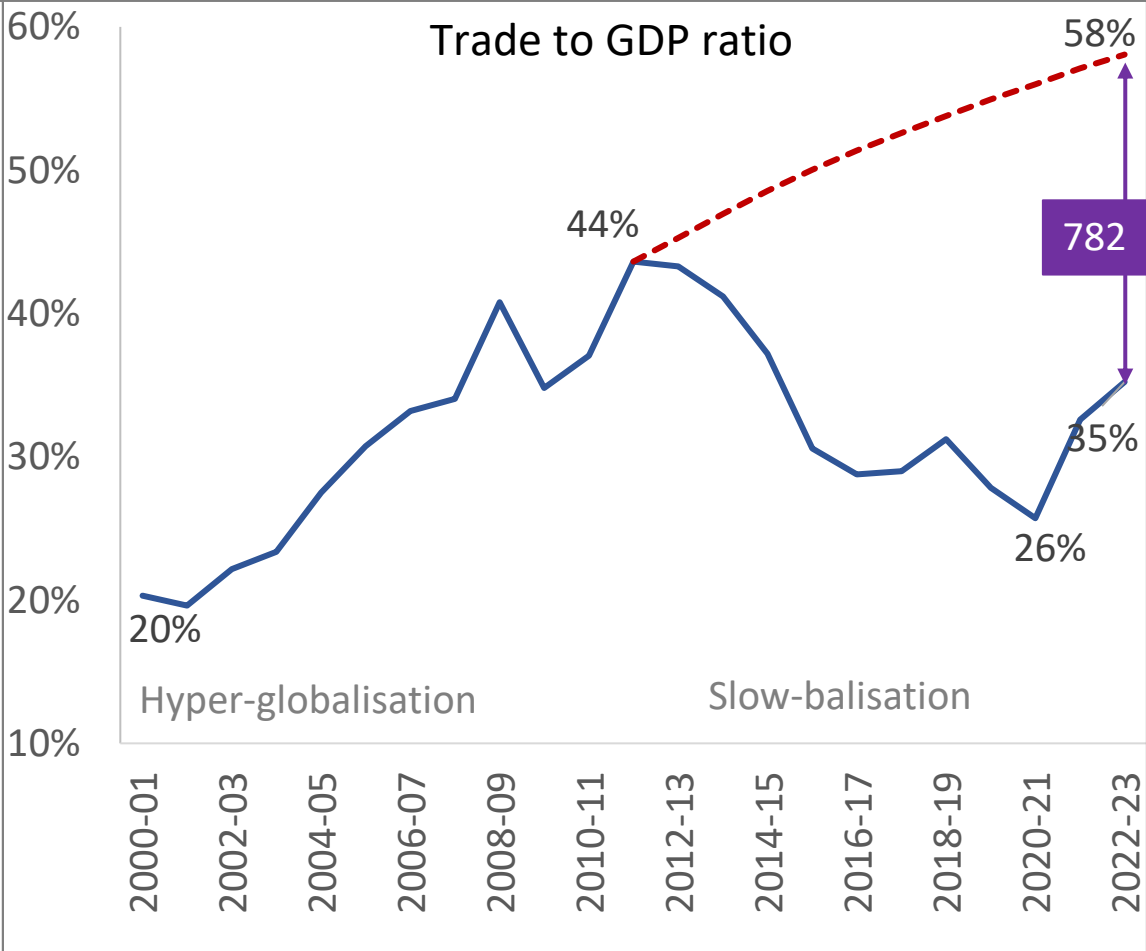
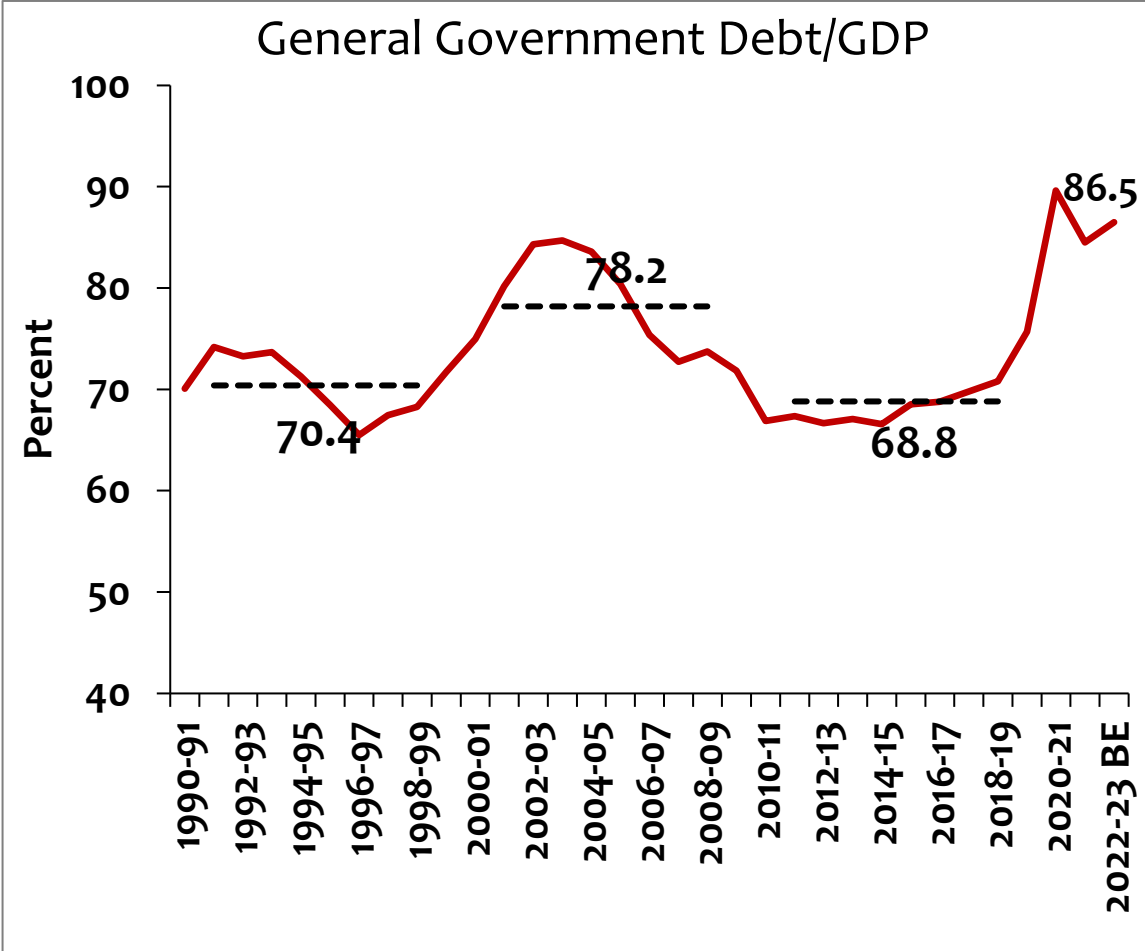
# Foreign exchange market has been relatively stable



# Fiscal position is steadily improving



# Public debt remains high and trade has been doing less well





- World in the midst of multiple crises
- Resilient India amidst fragile global economy
- **India's G20 Presidency**
- The rise of India's digital economy

# G20 INCLUSIVE ARCHITECTURE ...

## G20 Leaders (Head of States)



# ... MEETS INDIA'S DESIRE TO TAKE G20 TO THE PEOPLE

PM Modi: Make G20 a mass movement (India's G20 = People G20)

200 Events; 35 Cities; 18 States

100 monuments lit-up with G20 logo

University Connect (75 Universities and 1500 students)

Establishment of a new Working Group (DRM) and a new Engagement Group (Start-Up 20)

Constitution of a High Level Expert Group to "Reform the Multilateral Development Banks"

# India's G20 Presidency

■ Theme : One Earth, One Family, One Future

■ Key Priorities:

- Sustainable, Resilient, Inclusive Growth
- Progress on SDGs
- Debt relief
- Digital Public Platforms
- Reforming multilateral financial institutions
- LiFE (Lifestyle for Environment) and Climate Change
- Women-led development

■ G20 Summit: 9-10<sup>th</sup> September 2023, New Delhi



India's G20 Logo



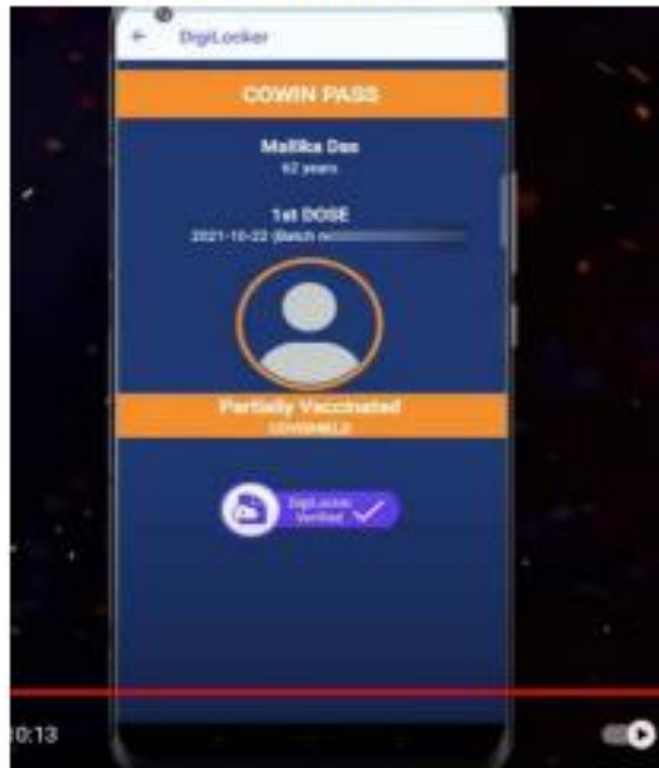
Indonesian Presidency symbolically handed over the G20 Presidency to the Indian PM on conclusion of 17<sup>th</sup> G20 Summit in Indonesia. Image Source: G20 India Twitter Handle

- World in the midst of multiple crises
- Resilient India amidst fragile global economy
- India's G20 Presidency
- **The rise of India's digital economy**

# Digital India, Analogue America?

Figure 1: India has a digital app to register and store vaccination records, while the US has opted for a paper-based system

Co-WIN vaccination certificate in India



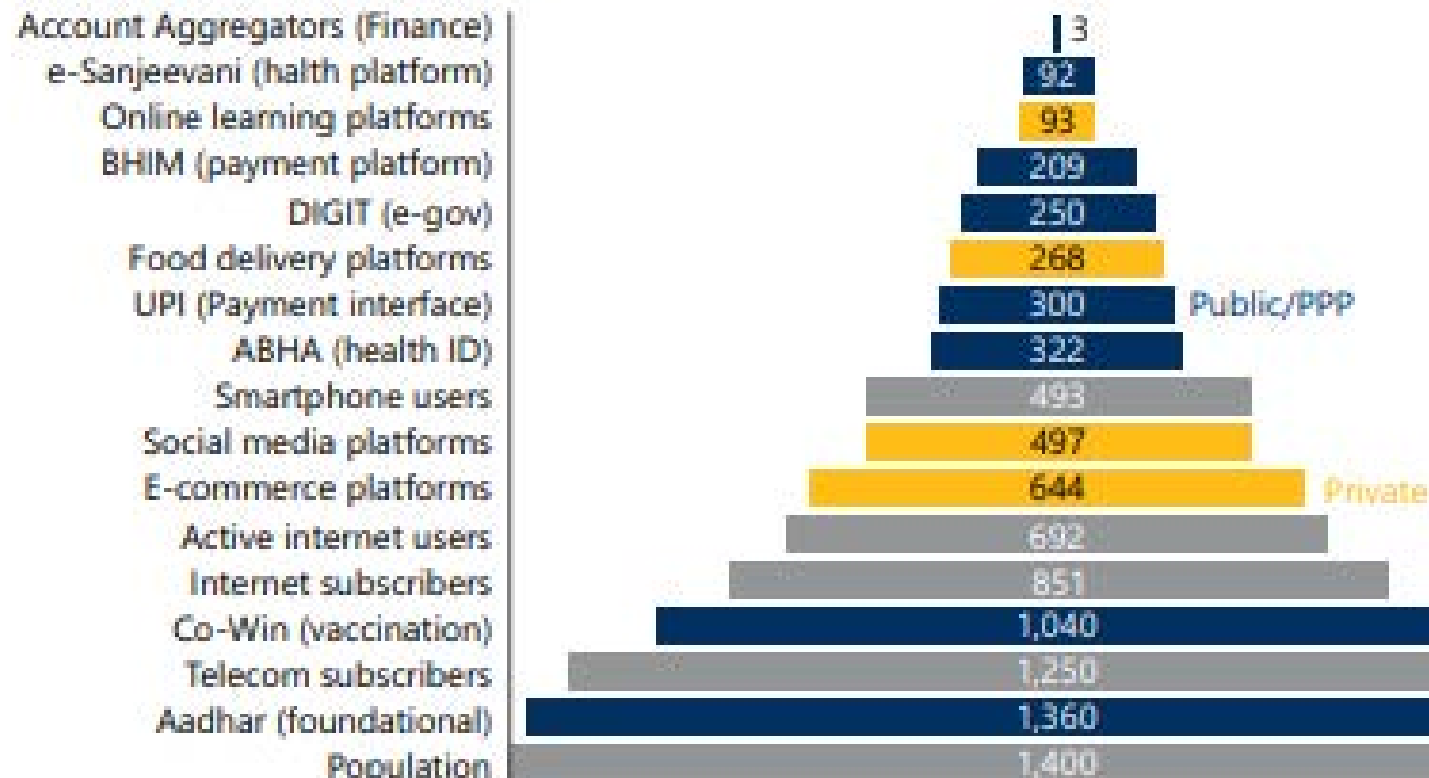
CDC certified vaccination card in the USA



Source: IPCIDE Team

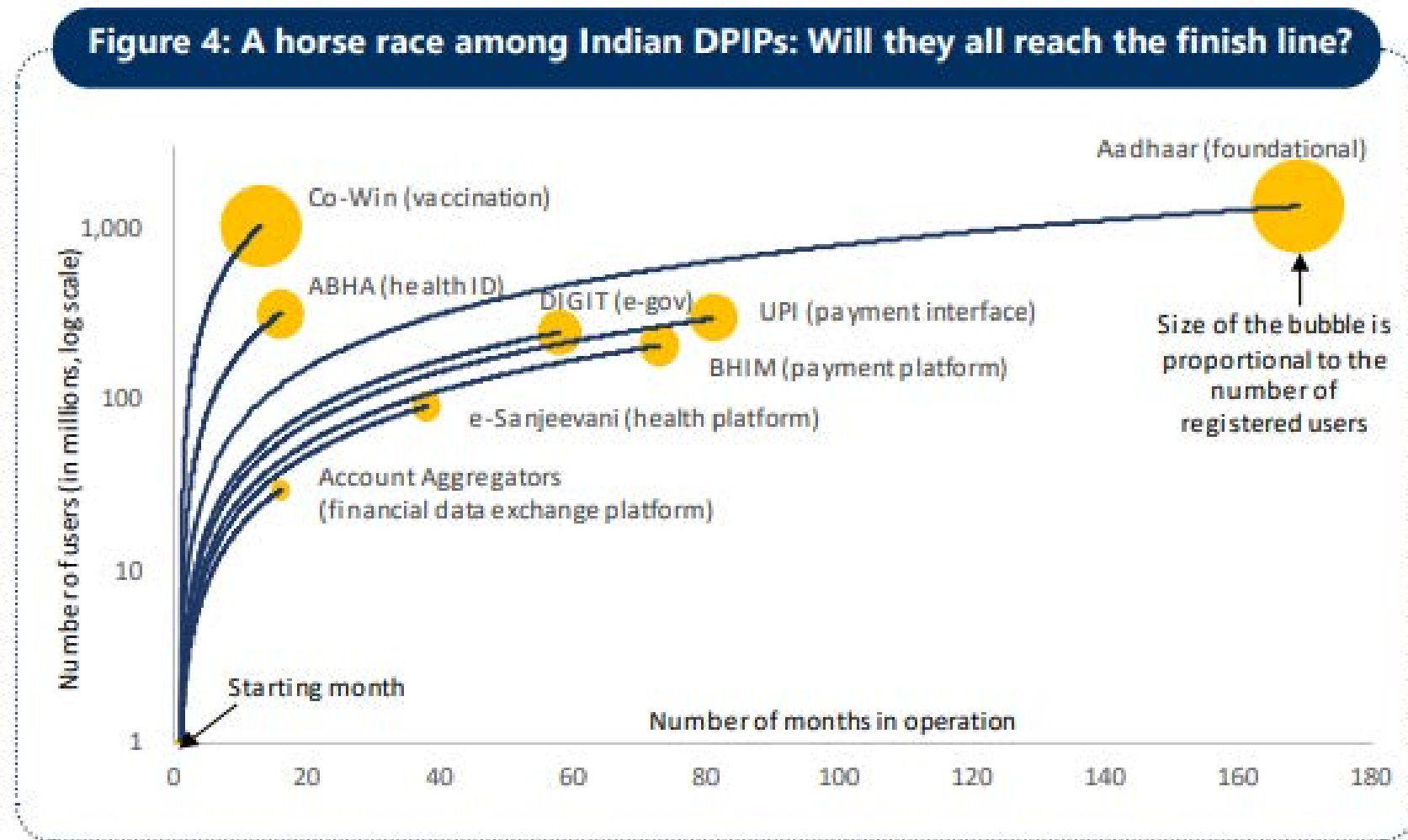
# Co-WIN is not an isolated success

Figure 2: India has digital public infrastructure and platforms (DPIPs) along with an array of privately operated platforms (Number of users in million)



Source: Compiled by IPCIDE Team

# What has set the Indian model apart: DPIPs



Source: IPCIDE Team

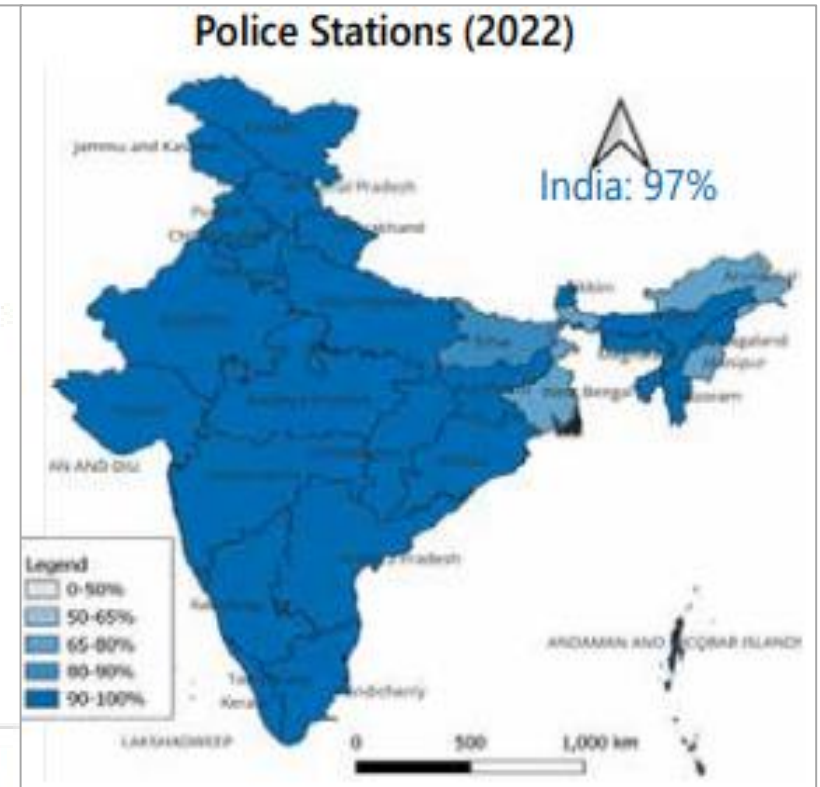
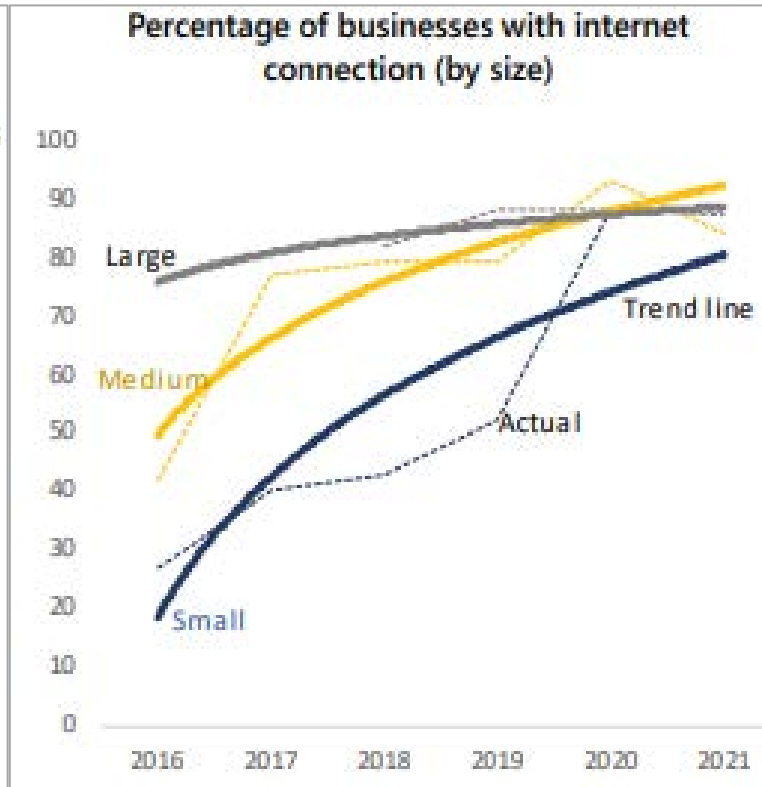
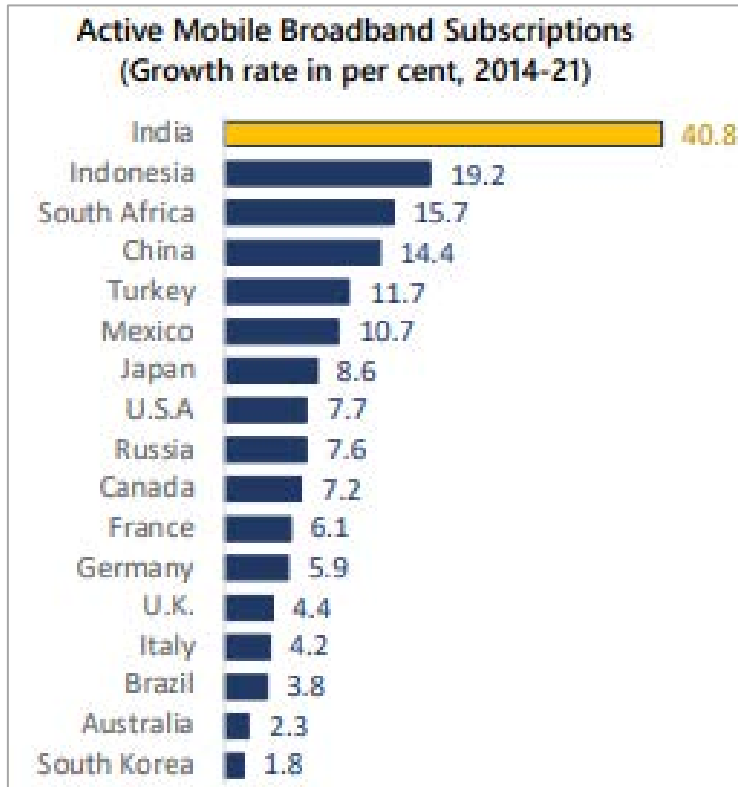


# CONNECT: A BRIGHT SPOT .....

## PEOPLE

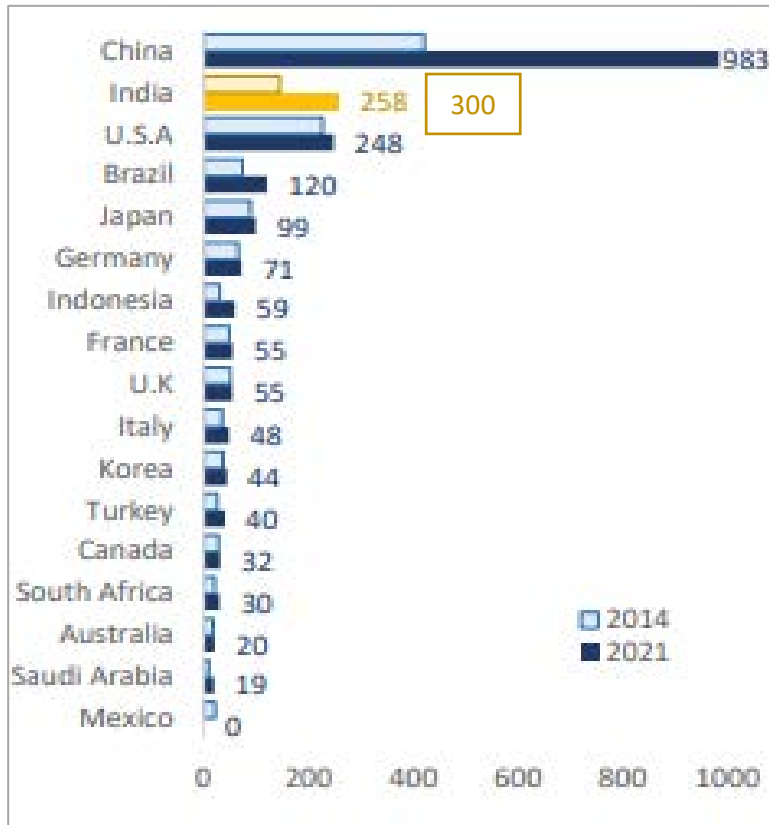
## BUSINESSES

## GOVERNMENT

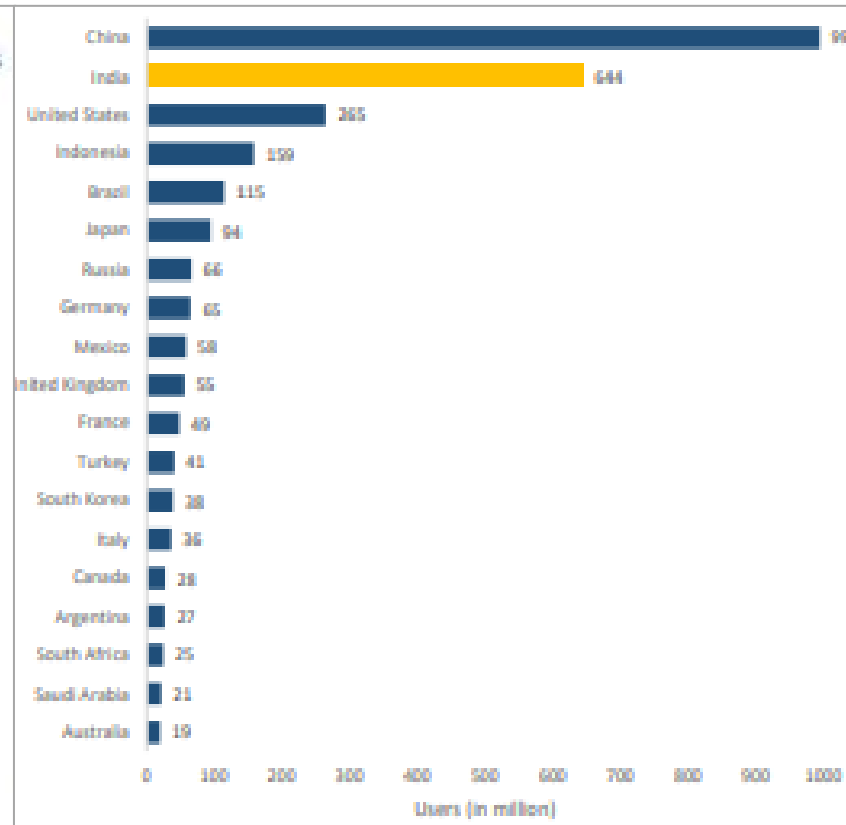


# HARNES: FIRING ON ALL CYLINDERS

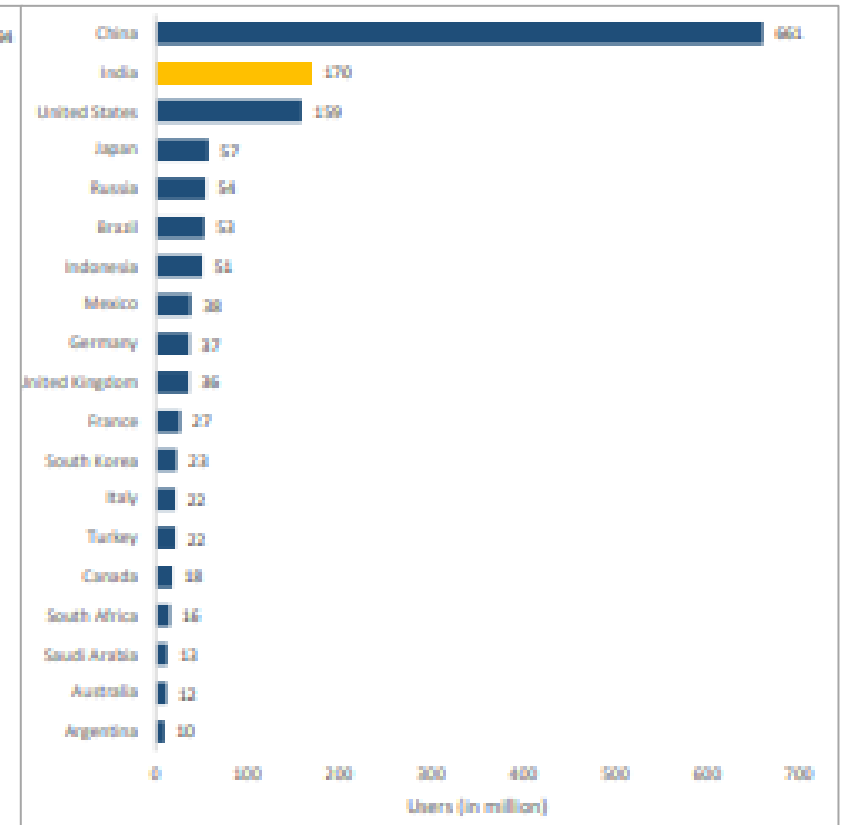
## Digital payment



## e-commerce



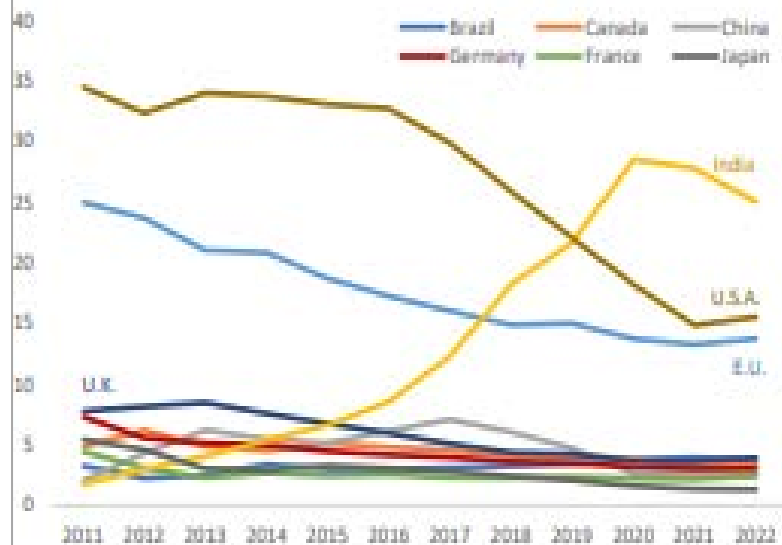
## e-health



# INNOVATE: PUNCHING ABOVE ITS WEIGHT

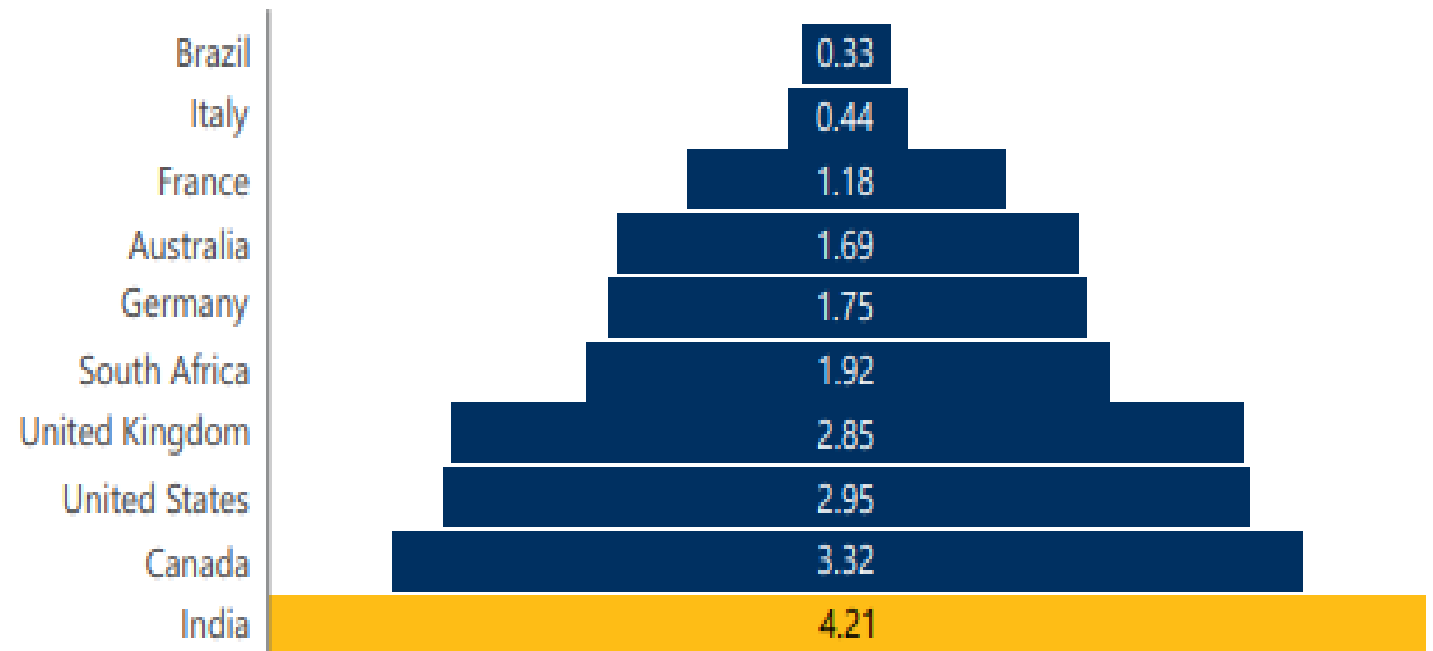
## Businesses

Per cent of worldwide Github commits in open-source AI projects contributed by country (2011-2022)



## Workers

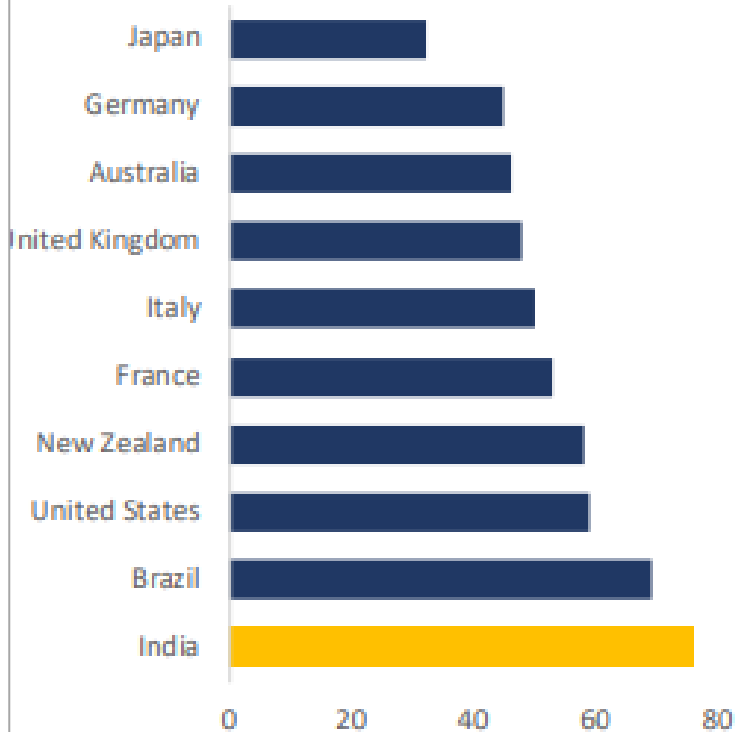
Probability that the selected AI skills appears in an IT-related job posting (per cent), 2021



# PROTECT: THE ACHILLES HEEL

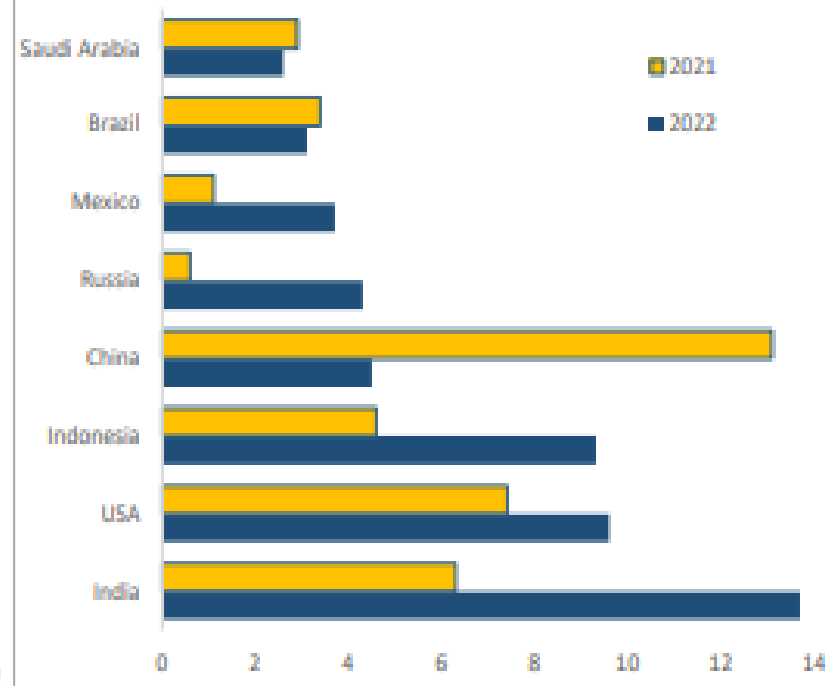
## PEOPLE

Percentage of internet users in selected countries who have ever experienced any cybercrime (2021)

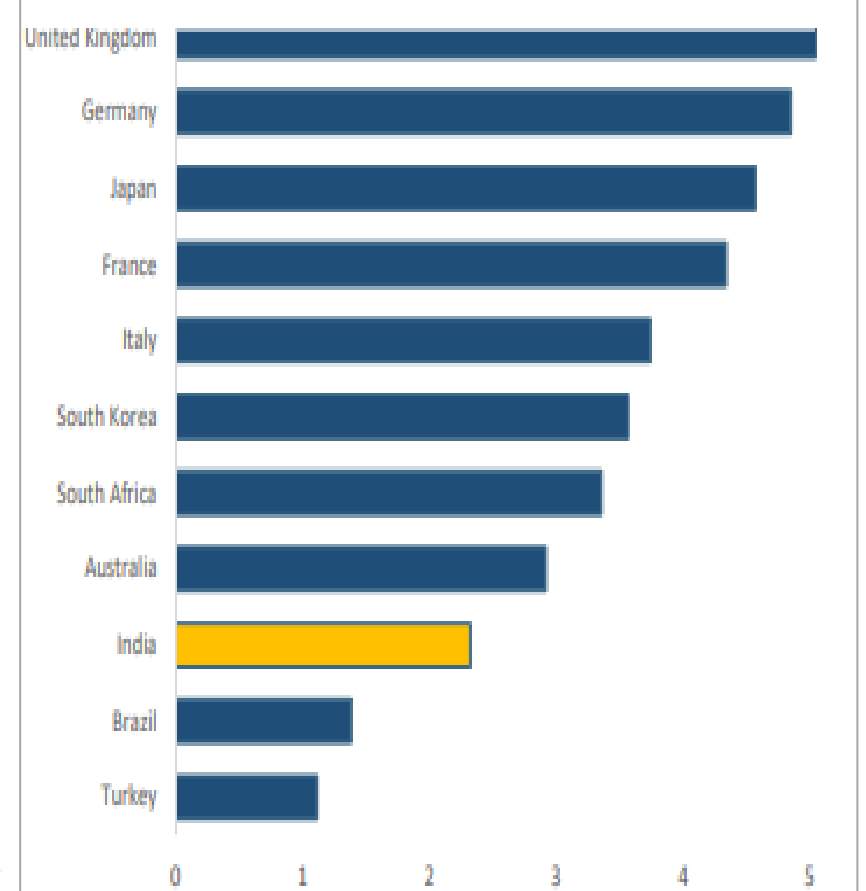


## GOVERNMENT

Per cent of attacks recorded against government sector



## Cost of data breaches (\$m)



# State of India's Digital Economy (SIDE) 2023

Figure 5: The heat map showing the State of India's Digital Economy (SIDE) in 2022

	People	Businesses	Government
Connect	Grey	Blue	Yellow
Harness	Blue	Yellow	Blue
Innovate	Blue	Blue	Yellow
Protect	Grey	Grey	Grey

Source: IPCIDE Team

Note: Blue denotes above par, yellow denotes at par and grey represents sub-par performance. Assessment of the relative strength of each pillar is based on a considerable body of data and evidence that are presented in the sections of this report. Ultimately, this is not an objective assessment and involves some subjective interpretation of facts and their relative importance to India's digital transformation.

# Key Messages

- The world economy is passing through a tough time
- Indian economy however has proven to be much more resilient to the global shocks than in the past
- India's G20 Presidency has big ambitions, but geo-politics is making it harder to realize them
- The rise of India's digital economy is one of the most exciting stories of our time.

# Outlook for Indian Economy



Thank You!

Deepak Mishra

Director & Chief Executive

Indian Council for Research on International Economic Relations

Delhi, India

