

India poised to overtake UK to become 5th largest economy

Would be among the top three global economies in the next 10-20 years, says Arun Jaitley

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India is likely to surpass the UK to become the world's fifth largest economy next year on growing consumption and strong economic activity, finance minister Arun Jaitley said today.

He also exuded confidence that India would be among the top three global economies in the next 10-20 years.

"This year, in terms of size, we have overtaken France. Next year we are likely to overtake Britain. Therefore, we will be the fifth largest (economy)," he said while inaugurating the office building of the Competition Commission of India (CCI).

India's gross domestic product (GDP) was valued at \$2.597 trillion at the end of 2017 overtaking the French economy, which amounted to \$2.582 trillion last year.

However, in terms of per capita GDP, India still lags far behind France, which is nearly 20 times bigger in comparison. This is because of the huge size of India's popula-

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tion, which is estimated to be around 134 crore as against 6.7 crore of France. The UK economy stood at \$2.94 trillion at the end of 2017.

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Mr Jaitley said the country has potential to overtake

large economies which are growing at a much lower rate than India.

"We grow at 7-8 per cent on an average. So for us to overtake them... you are unquestionably going to be as the world projections are amongst big three in size (by 2030-40)," he said.

The growth would be driven by expanding economic activities, he said, adding that "over the next 10-20 years

we still have a lot of avenues for pushing our growth. For instance, growth is more in the North, the South and western part of the country... Eastern side has still to grow faster. That's an area where we will see growth."

With growth in economy, Mr Jaitley said, the function of CCI, the country's fair trade regulator, is going to expand and the institution should keep evolving itself with new

challenges.

"Over the next 10-20 years with economic activity expanding, your (CCI) role is going to expand and therefore both the bar and experts who man this institution will be required to be trained professionals rather than who are unable to fully diagnose the situation," he said.

India can already see the ripples of a consumption economy in India, he said, adding that the exponential growth taking place in several sectors will lead to a large number of domestic and international players.

He further said that the size of economy is going to expand and some will not comply with fair market regulation, indulge in cartelisation, have vertical or horizontal tie-ups, abuse dominant position to impact prices or dilute competition. "Therefore, the regulatory mechanism to regulate all the mergers & acquisitions would be required. These changes are going to be extremely large and the impact on markets is going to be very large," he said.