

## GDP GROWTH PROSPECTS

# India's demographic dividend, driven by a growing working-age population, presents a crucial opportunity to boost GDP growth

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India's medium-term growth trajectory is rooted in a decade of robust economic performance, underpinned by sound macroeconomic fundamentals and sustained structural and governance reforms—including labour market reforms, modernisation of land records, tax reforms, introducing a regulatory regime for insolvency and bankruptcy, real estate regulation, and financial sector reforms. As a result, despite global headwinds, India has remained the fastest-growing major economy, averaging over 7% GDP growth between 2014 and 2025 (excluding the COVID years). In a global environment marked by protectionism and deglobalisation, sustaining 7–8% growth requires a sharp focus on domestic growth drivers. To this end, the Government remains committed to a strategy centred on deregulation, infrastructure investment and MSME development; enhancing female labour force participation; skilling the workforce to harness the demographic dividend; and accelerating digitalisation to boost financial inclusion and formalisation. These efforts—reinforced by Centre–State coordination and institutional strengthening—are designed to unlock productivity, attract private investment, and drive inclusive, innovation-led, and resilient growth.

The Government has adopted a range of strategies to mitigate potential risks and leverage emerging opportunities, with a focus on strengthening domestic capacities, promoting exports, diversifying supply chains, exploring alternative import sources, and enhancing overall economic resilience. Several key initiatives and policy measures undertaken by the Government are as under: -

- i. The Foreign Trade Policy effective from April 01, 2023 is designed to integrate India more effectively into the global market, improve trade competitiveness, and establish the country as a reliable and trusted trade partner.
- ii. The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour- oriented certain items of textiles sector export has been implemented since March 07, 2019 promotes exports in the labour-intensive textile sector.
- iii. The Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, implemented since 1st April 2021, currently covers 10,642 tariff lines (at 8-digit ITC(HS) level). For FY 2025-26, the budget allocation is ₹ 18,232.50 crore. Benefits under RoDTEP are extended to exports from Domestic Tariff Area (DTA) units until 30th September 2025.
- iv. A Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- v. Districts as Export Hubs initiative had been launched by identifying products with export potential in

each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.

- vi. The Trade Connect ePlatform has been being improved upon regularly to provide comprehensive digital interface that connects Indian exporters with Indian Missions abroad, as well as domestic trade promotion bodies, to offer support services and address trade-related queries.
- vii. Indian Missions abroad are playing a proactive role in promoting India's trade, tourism, technology, and investment interests.
- viii. Export performance is being regularly reviewed in coordination with Indian Missions, Export Promotion Councils (EPCs), Commodity Boards, and industry associations. Corrective actions are taken where necessary.

India's demographic dividend, driven by a growing working-age population, presents a crucial opportunity to boost GDP growth. The working age population is projected to rise from 735 million in 2011 to 988.5 million in 2036. The current working age population is 64.2 percent and for next 10 years the favorable demographics will remain approximately at 65 percent.

To harness its demographic dividend, India must strengthen education, healthcare and skill development, while prioritizing employment generation in labour-intensive sectors and increasing women's workforce participation. Programs like Mission Shakti, Namo Drone Didi and Lakhpati Didi aim to enhance women's economic empowerment. Complementing these efforts, the make in India initiative seek to revitalize manufacturing, generate large-scale employment especially for semi-skilled and unskilled workers.

This information was given by the Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Culture Rao Inderjit Singh in a written reply to a question in the Rajya Sabha today.

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