Asia-Pacific J.Mgmt. Tech. Volume 4(3) 31- 44
https://doi.org/10.46977/apjmt.2024.v04i03.004

AJMT

Asia-Pacific Journal of Management and Technology

Online ISSN: 2652-6840

journal homepage www.ajmt.org

Original Article

Retrospect of Gross Domestic Product of India and China: A Comparative Analysis

Manickam Gajapathy[1], V T Vasagan[2*]

[1]*MEASI Institute of Management, Tamil Nadu 600014, India*
[2]*ICFAI University Nagaland, Nagaland 797112, Dimapur, India*

**Correspondence E-mail: vasant75@ymail.com*

Abstract

India's economic goal is to achieve a $5 trillion economy by the year 2025, which requires a real growth rate of 12 percent, as per Indian economists. The Reserve Bank of India (RBI) has forecasted a real GDP growth rate of 6.5 percent for the fiscal year 2023–24, which would make India the third-largest economy in the world, surpassing China. To determine the GDP growth trend and predict the future direction. A study was conducted comparing the GDP growth rate of India and China using the past 32 years of data using the Trend Projection and Least Square Method.

The present study revealed that India's GDP growth has been consistently rising, while China's GDP growth starts high and declines over time. Interestingly, the data intersects between 2020 and 2025, indicating that India's GDP growth rate surpasses that of China during this period. Furthermore, the study found that the GDP growth rates of both countries are expected to be equal in 2023. However, beyond this point, India's GDP is predicted to continue its upward trajectory, while China's GDP is projected to decline further. Therefore, India must implement appropriate monetary, fiscal, and physical policies, such as 50 percent partnership in both the private and government sectors, avoid selling public property to the private sector and elect honest leaders to achieve its vision. Hence, the Government has to come up with a New Economic Policy for 2025 to realize its prediction.

***Keywords**: Gross Domestic Product of China; Gross Domestic Product of India; New Economic Policy 1991; 5 trillion Economies*

Introduction

The global economic system is a complex interconnection of various countries, each contributing to a different kind of income and economic activity (Inglehart, 2000). India set an economic goal to achieve a $5 trillion economy by the year 2025, which requires a real growth rate of 12 percent, as per Indian economists. The Gross Domestic Product (GDP) of a country is a measure of the total value of goods and services produced within its borders in a specific period. The GDP serves as an indicator of a nation's economic well-being. The growth trend of a country's GDP helps decision-makers formulate appropriate policies and strategies to achieve sustainable economic development. India is emerging as a significant player in the global economy, with the Centre for Economics and Business Research (CEBR) projecting it to become the world's third-largest economy by 2032. The CEBR report also suggests that India's GDP will be 90 percent larger than China's and 30 percent larger than that of the United States by the end of the century. The report predicts that India will maintain robust economic growth, with an average of 6.5 percent between 2024 and 2028, leading to the country overtaking Germany to become the fourth-largest economy by 2027 and Japan to

Received 08 November 2023; Received in revised form 01 December 2023; Accepted 12 December 2023

become the third-largest economy by 2032. The present study examines whether India will maintain an average of 6.5 percent growth between 2024 and 2028 and aims to analyze the growth trend of India's GDP between 2024 and 2028 and compare it with China. As per the RBI's report, in the second quarter, GDP has grown at 6.5 percent, in the third quarter at 6.0 percent, and in the fourth quarter, it is expected to grow at 5.7 percent. This information provides an insight into the expected economic growth rate for the mentioned fiscal year. The Reserve Bank of India (RBI) has forecasted real GDP growth of 6.5 percent for the fiscal year 2023–24. The Reserve Bank of India (RBI) Governor, Shaktikanta Das, has recently announced that the GDP forecast for the current financial year has been increased from 6.5% to 7%.

Former RBI Governor Raghuram Rajan stated that the economy has grown at 7.2% last year and at 7.7% in the first half of this year; even with a 6.3% average in the second half of the year, India will grow at 7% this particular financial year. According to Rajan, an expert in economics, India may not be able to achieve its target of becoming a USD 5 trillion economy by 2025. He stated that India's current economy stands at approximately USD 3.5 trillion and in order to reach the target of USD 5 trillion, India would need to achieve a real growth rate of 12 to 15 percent over the next two years. Hence, the present study attempts to explore the facts with the help of statistical analysis.

Meaning of GDP

Gross Domestic Product (GDP) is a significant measure of a country's economic progress. It calculates the total value of all the goods and services produced within the geographical boundaries of a country in a given year. If a country produces more goods and services with a higher value than the previous year, the GDP of that country grows. Therefore, GDP is an essential tool for analyzing the overall economic growth and development of a country. According to Marcuss and Kane (2007), GDP is an estimate of survey data consisting of Production, Consumption, Distribution, Savings and Investment of a country collected at regular intervals, both annual and quarterly. The 'US Bureau of Economic Analysis' states that GDP is a description of *"how fast is the economy growing, what is the pattern of spending on goods and services, what percent of the increase in production is due to inflation and how much of the income produced is being used for consumption as opposed to investment or savings"* (McCulla & Smith, 2007). In 1991, India adopted the New Economic Policy, which brought a significant change in the country's economy. It has set a vision to become the third-largest economy by 2032, which requires the adoption of appropriate economic policies and strategies. To assess the progress towards this vision, this study has evaluated the growth rate of India's Gross Domestic Product (GDP) since the adoption of the New Economic Policy in 1991 and compared the GDP growth rate of China. This identifies India's potential for obtaining sustainable economic development in the future.

Review of Literature

This study examines the increasing trend of GDP in India and China as an indicator of their respective economic positions. While numerous studies have been conducted on the GDP of these two countries, this study aims to determine India's economic standing and its potential to become a USD 5 trillion economy by 2025. Brennan (2008) provided theoretical foundations for sustainable economic welfare by using GDP as a means to measure economic development. Deaton (2008) noted that GDP expresses the per capita income, health, and well-being of the people, hence the importance of measuring GDP. A study by Forgie *et al.* (2008) adopted a product, income, and expenditure method to calculate the national income of New Zealand and suggested that the upward movement of the national income curve indicates the genuine progress of the country. Hamilton (1999) developed a systematic method to calculate genuine progress and GDP, while Lawn and Clarke (2010) went beyond the end of economic growth to focus more on well-being. Marcuss and Kane (2007) calculated the national income of the US and identified the factors behind the Great Depression. They proposed remedial measures to normalize the economy. Max-Neef (1995) study concluded that GDP not only determines economic growth but also the quality of life of citizens. The

authors, Stockhammer *et al.* (1997), proposed an alternative to GDP for measuring economic welfare. Finally, Stiglitz, Sen and Fitoussi (2010) study provided reasons for taking GDP as a measure of sustainable development, while Wen, Yang and Lawn (2008) study examined China's development over thirty-five years focused more on GPI than GDP. According to Ahluwalia (2002), an Indian economist, the New Economic Policy has the potential to take India's GDP to new heights. This policy is expected to bring about significant changes in the Indian economy and is seen as a positive step towards promoting economic growth and development in the country. Several studies have been conducted to compare the economic growth of China and India. Bosworth and Collins (2008) predicted that the Chinese economy would perform better than India's, considering factors other than GDP. This finding was supported by Chinn (2009). However, Maddison's (2007) analysis of Chinese economic performance in the long run did not match the current trend of growth. On the other hand, Srinivasan (2004) study found that India follows a friendly economic policy, whereas China follows a rigid economic policy that may not bring the desired result. Brennan (2008) advocated that political stability and a suitable economic policy that coordinates with the global economy may help countries achieve desired economic growth.

Gechev (2020) conducted a study on the economic growth of China and India, which covered the period 1980–2018. However, the present study considered data on the GDP growth of India and China covering a period of 1919–2022. The study by Chow (2004) explains the impact of economic reform and growth in China but does not predict the future. Meanwhile, Acharya *et al.* (2006) explained the factors associated with the economic growth of India, ignoring the GDP. On the other hand, Anand *et al*. (2014) explained the potential growth that contributed to growth. In their studies, Basu and Fernald (2009) also confirmed this. Jayaram, Patnaik and Shah (2009) examined the economic growth of India by establishing a statistical hypothesis. Mishra (2013) elaborated on India's growth since planning. The study by Sahoo and Dash (2012) explored the role of infrastructure and international trade in the economic development of the country, while Sharma (2006) shed light on employment and labor market reforms in India. The study by Straub (2011) examined the contribution of infrastructure to the economic development of the country. Hence, this study gains importance as it predicts the economies of India and China and explores the past, present and future of the economies of both countries. Therefore, following Delurgio (1997) and Gujarati (1995), the current study used trend projection and the least squares method to forecast the future trend of GDP growth in India and China.

Objectives of the Study

In the new normal after COVID-19, every country made due efforts to accelerate the economic growth and development of their country. They have taken up different monetary, fiscal, physical measures to ensure rapid economic growth. The present study forecasts the GDP growth trend in India and China for the period between 2023 and 2032. This could involve analyzing historical data, current economic indicators, and any relevant political or social factors that may influence economic growth in these countries. Policymakers, investors, and other stakeholders could then use the predicted trends to make informed decisions about the future of these economies. Since GDP is an indicator of economic growth, the rate of growth of GDP in India and China for the last 32 years was considered for the present study. Based on the available data, the following objectives are established to elucidate the study:

[1] To analysis GDP annual growth rate of India and China since 1991
[2] To predict the trend of GDP growth of India and China from 2023 to 2032

This paper attempts to predict future trend of GDP growth of India and China.

Methodology

It's important to compare the performance of countries to gain a proper understanding of their economic growth. This study has analyzed 32 years of GDP growth rate data for both India and China. In order to accurately predict future trends, the study utilized the Trend Projection Method, which is a variation of the linear regression technique. This method requires a long time series of data and employs the Least Square method for data analysis. The study used Excel and SPSS to analyze the data and derive future trends.

Trend Projection Method

In data analysis, the 'Trend Projection Method' is a popular version of linear regression technique. It aims to draw a straight line through historical data points as close as possible to the expected outcomes. This classical method of business forecasting is focused on the movement of variables over time. The Trend Projection Method requires long time-series data and operates under the assumption that the factors responsible for past trends will continue to influence future trends in the same way. This method is widely used for business planning and decision-making. Ultimately, the statistical formulas compute a slope for the trend line (b) and the point where the line crosses the y-axis (a). This results in the straight line equation:

$Y = a + bX$

Where X represents the values on the horizontal axis (time), and Y represents the values GDP on the vertical axis.

Least Square Method

The current research utilized the 'Fitting Trend Equation or Least Square Method' to fit a trend line to the time series data, using statistical data to determine the trend of GDP. The trend equation's form can be determined by plotting the variable data or attempting different equations that best suit the data. Through this method, the trend line is fitted to the time-series data, enabling the determination of the GDP trend. Once the data is plotted, it shows several trends. The most common types of trend equations are:

Trend Equation: $Y = a + bx$ - -- - - - - - - - - - - - - - 1

Whereas Y = GDP, X= years and a and b are constant

Normal Equation

$$\sum y = na + b\sum x \quad \text{- - - - - - - - - - - - 2}$$

$$\sum xy = a\sum x + b\sum x^2 \quad \text{- - - - - - - - - - 3}$$

The process of trend projection involves substituting equations in order to derive the values of a and b. These values, once obtained, provide insight into the trend apparent over a given time period. By multiplying the resulting values by the number of years in question, the trend of growth can be accurately determined.

Results and Discussion

The recorded growth rate of GDP of India and China was collected from **World Bank National Accounts Data** and **OECD National Accounts Data** and the calculated trend of growth rate of GDP of India and China are presented in the Table No: 1, 2, 3 and 4.

GDP growth (annual %) of India and China

GDP is considered as an indicator of economic development. The recorded GDP growth rate of India and China was collected from **World Bank National Accounts Data** and **OECD National Accounts Data** which is presented in the Table No: 1

Table 1: GDP Growth (annual %) of India and China

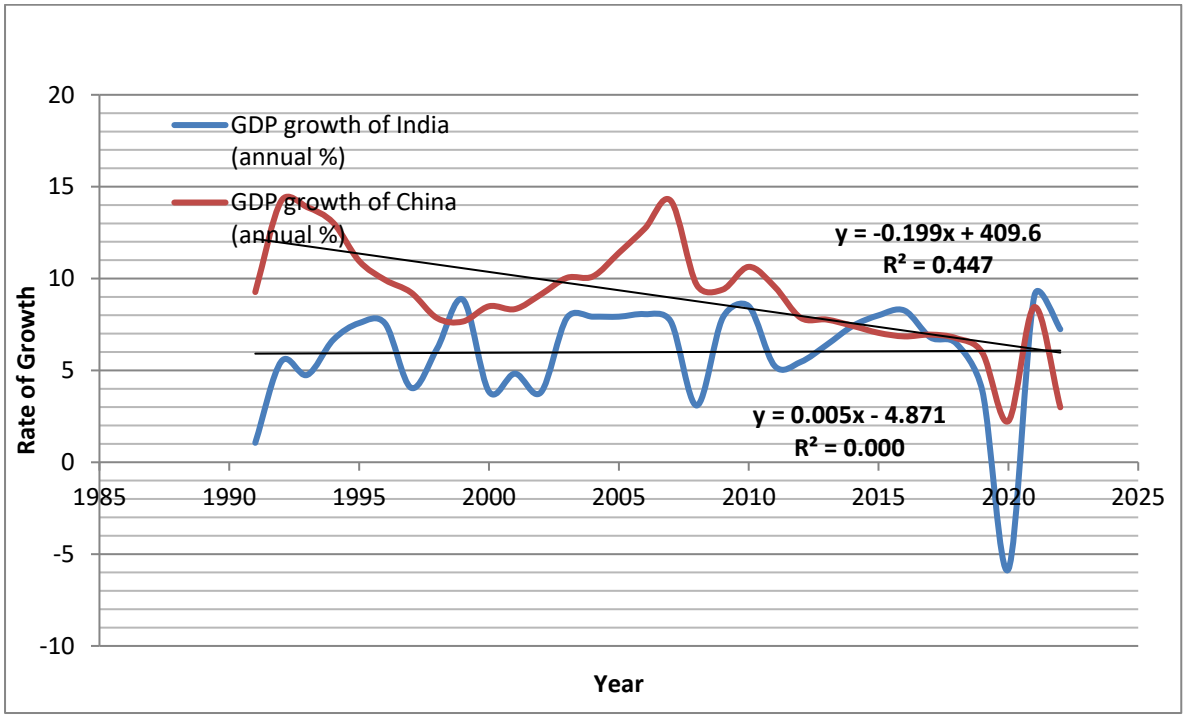
Year/ Indicator	GDP growth of India (annual %)	GDP growth of China (annual %)
1991	1.056831	9.262786
1992	5.482396	14.22453
1993	4.750776	13.88373
1994	6.658924	13.03681
1995	7.574492	10.95395
1996	7.549522	9.922557
1997	4.049821	9.23678
1998	6.184416	7.845952
1999	8.845756	7.661652
2000	3.840991	8.490093
2001	4.823966	8.335733
2002	3.803975	9.133631
2003	7.860381	10.03803
2004	7.922937	10.11362
2005	7.923431	11.39459
2006	8.060733	12.72096
2007	7.660815	14.23086
2008	3.086698	9.650679
2009	7.861889	9.398726
2010	8.497585	10.63587
2011	5.241315	9.550832
2012	5.456389	7.863736
2013	6.386106	7.76615
2014	7.410228	7.425764
2015	7.996254	7.041329
2016	8.256305	6.848762
2017	6.795383	6.947201
2018	6.453851	6.749774
2019	3.871437	5.950501
2020	-5.83105	2.238638
2021	9.050278	8.448469
2022	7.239693	2.989084

Source: https://data.worldbank.org/indicator/NY.GDP.MKTP.CD (As on 31/12/2023)

The table-1 provides a clear insight into the rate of growth of the Gross Domestic Product (GDP) of India and China since 1991. As per the data presented, India's GDP growth rate was 1.056831 in 1991, which has grown to 7.239693 by 2022. In contrast, China's GDP growth rate was 9.262786 in 1991, which has increased to 2.989084 by 2022. However, the previous year, China's growth rate

was 8.448469, which can be attributed to the economic instability in the country. Furthermore, the data reveals that India's GDP growth rate has surged while China's growth rate has declined in recent years. This could be a result of India's favorable economic policy and China's rigid economic policy. The presented data is illustrated in figure 1.

Figure 1: GDP Growth (annual %) of India and China



Source: Compiled from Data analysis

The GDP growth curves of India and China are depicted in Figure 1. It is observed that the GDP growth curve of India rises steadily, whereas the GDP growth curve of China starts high and gradually decreases over time. Interestingly, these two curves intersect between the years 2020 and 2025, indicating that the growth rate of India's GDP surpasses that of China during this period. Therefore, based on the available statistical data, it can be concluded that the Indian economy outperforms the Chinese economy in terms of GDP growth. The predicted future trend of the GDP growth of India and China is discussed further.

Trend of growth of GDP of India

The pace at which an economy expands or shrinks is gauged by its rate of growth. A country is deemed to be in a recession if its revenue declines for two consecutive quarters, while it is considered to be expanding if its revenue surges for two consecutive quarters. This metric is commonly used to measure the health and well-being of a country's economy. The trend of growth in the GDP of India is calculated with the help of Trend Projection Method and Least Square Method.

Trend of GDP Growth of India = $Y = a + bX$

Where

$a = \Sigma Y/N$

$b = \Sigma XY/\Sigma X^2$

$a = \Sigma Y/N = 191.82/32 = 5.99$

$b = \Sigma XY/\Sigma X^2 = 110.68/2736 = 0.04$

Table 2: Trend Line GDP Growth of India

Year/ Indicator	**GDP growth of India (annual %)**				**Trend Line**
X	**Y**	**X**	**X^2**	**XY**	**Y=5.99+(0.04*X)**
1991	1.056831	-15	225	-15.852465	5.39
1992	5.482396	-14	196	-76.753544	5.43
1993	4.750776	-13	169	-61.760088	5.47
1994	6.658924	-12	144	-79.907088	5.51
1995	7.574492	-11	121	-83.319412	5.55
1996	7.549522	-10	100	-75.49522	5.59
1997	4.049821	-9	81	-36.448389	5.63
1998	6.184416	-8	64	-49.475328	5.67
1999	8.845756	-7	49	-61.920292	5.71
2000	3.840991	-6	36	-23.045946	5.75
2001	4.823966	-5	25	-24.11983	5.79
2002	3.803975	-4	16	-15.2159	5.83
2003	7.860381	-3	9	-23.581143	5.87
2004	7.922937	-2	4	-15.845874	5.91
2005	7.923431	-1	1	-7.923431	5.95
2006	8.060733	0	0	0	5.99
2007	7.660815	1	1	7.660815	6.03
2008	3.086698	2	4	6.173396	6.07
2009	7.861889	3	9	23.585667	6.11
2010	8.497585	4	16	33.99034	6.15
2011	5.241315	5	25	26.206575	6.19
2012	5.456389	6	36	32.738334	6.23
2013	6.386106	7	49	44.702742	6.27
2014	7.410228	8	64	59.281824	6.31
2015	7.996254	9	81	71.966286	6.35
2016	8.256305	10	100	82.56305	6.39
2017	6.795383	11	121	74.749213	6.43
2018	6.453851	12	144	77.446212	6.47
2019	3.871437	13	169	50.328681	6.51
2020	-5.83105	14	196	-81.6347	6.55
2021	9.050278	15	225	135.75417	6.59
2022	7.239693	16	256	115.835088	6.63
N = 32	∑Y = 191.822524		∑X2 = 2736	110.683743	
2023		17			6.67
2024		18			6.71
2025		19			6.75
2026		20			6.79

2027		21			6.83
2028		22			6.87
2029		23			6.91
2030		24			6.95
2031		25			6.99
2032		26			7.03

Source: Compiled from Data analysis

The data in table 2 represents the calculated trend line for GDP growth for India. By analyzing the values of 'a' and 'b', a trend line has been drawn to forecast the GDP growth rate for India. Based on this analysis, it has been predicted that the GDP of India will increase at a rate of 6.67% in the year 2023, and this growth is expected to continue until 2032. As a result, it is anticipated that India's GDP will grow at a rate of 7% in the foreseeable future.

Trend of growth of GDP of China

In this study, an investigation into the patterns, causes, and consequences of economic expansion and recession in China since the year 1991 is being conducted. To achieve this, two methods are being used - the Trend Projection Method and the Least Square methodology. The goal is to gain a deeper understanding of the economic growth and development in terms of GDP of China over the past few decades.

Trend of Growth of GDP of China = Y = a + bX

Where

$$a = \Sigma Y/N$$

$$b = \Sigma XY/\Sigma X^2$$

$$a = \Sigma Y/N = 289.99/32 = 9.06$$

$$b = \Sigma XY/\Sigma X^2 = -399.65/2736 = -0.14$$

Table 3: Trend Line GDP Growth of China

Year/ Indicator	**GDP growth of India (annual %)**				**Trend Line**
X	**Y**	**X**	**X^2**	**XY**	**Y=9.06+(-0.14*X)**
1991	9.262786	-15	225	-138.94179	11.16
1992	14.22453	-14	196	-199.14342	11.02
1993	13.88373	-13	169	-180.48849	10.88
1994	13.03681	-12	144	-156.44172	10.74
1995	10.95395	-11	121	-120.49345	10.6
1996	9.922557	-10	100	-99.22557	10.46
1997	9.23678	-9	81	-83.13102	10.32
1998	7.845952	-8	64	-62.767616	10.18
1999	7.661652	-7	49	-53.631564	10.04
2000	8.490093	-6	36	-50.940558	9.9
2001	8.335733	-5	25	-41.678665	9.76
2002	9.133631	-4	16	-36.534524	9.62
2003	10.03803	-3	9	-30.11409	9.48
2004	10.11362	-2	4	-20.22724	9.34
2005	11.39459	-1	1	-11.39459	9.2
2006	12.72096	0	0	0	9.06
2007	14.23086	1	1	14.23086	8.92

2008	9.650679	2	4	19.301358	8.78
2009	9.398726	3	9	28.196178	8.64
2010	10.63587	4	16	42.54348	8.5
2011	9.550832	5	25	47.75416	8.36
2012	7.863736	6	36	47.182416	8.22
2013	7.76615	7	49	54.36305	8.08
2014	7.425764	8	64	59.406112	7.94
2015	7.041329	9	81	63.371961	7.8
2016	6.848762	10	100	68.48762	7.66
2017	6.947201	11	121	76.419211	7.52
2018	6.749774	12	144	80.997288	7.38
2019	5.950501	13	169	77.356513	7.24
2020	2.238638	14	196	31.340932	7.1
2021	8.448469	15	225	126.727035	6.96
2022	2.989084	16	256	47.825344	6.82
N = 32			2736	-399.65079	
2023		17			6.68
2024		18			6.54
2025		19			6.4
2026		20			6.26
2027		21			6.12
2028		22			5.98
2029		23			5.84
2030		24			5.7
2031		25			5.56
2032		26			5.42

Source: Compiled from Data analysis

Table 3 contains important data that reflects the calculated trend line for the GDP growth of China. By analyzing the values of 'a' and 'b', a trend line has been generated which predicts the GDP growth rate for China in the future. According to this analysis, it has been forecasted that the GDP of China will grow at a rate of 6.68% in 2023, which is higher than India's GDP growth rate. However, this growth rate is expected to decline gradually until 2032. By 2024, India's GDP growth rate is expected to surpass that of China. As a result, there is a possibility that India may overtake China to become the third-largest economy in the world.

Trend of growth of GDP of India and China

Table 4 outlines the computed trend line value for the Gross Domestic Product (GDP) growth of India and China.

Table 4: GDP Growth of India and China

Year/ Indicator	Trend Line GDP Growth of India	Trend Line GDP Growth of China
X	**Y=5.99+(0.04*X)**	**Y=9.06+(-0.14*X)**
1991	5.39	11.16
1992	5.43	11.02
1993	5.47	10.88

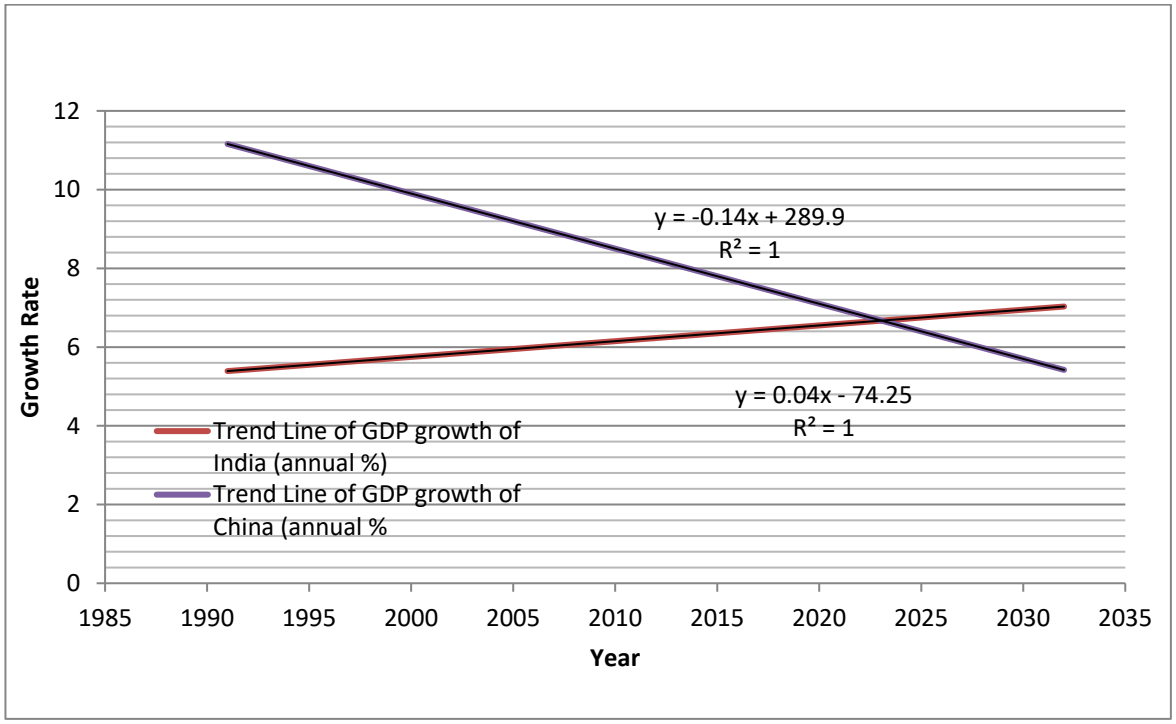
1994	5.51	10.74
1995	5.55	10.6
1996	5.59	10.46
1997	5.63	10.32
1998	5.67	10.18
1999	5.71	10.04
2000	5.75	9.9
2001	5.79	9.76
2002	5.83	9.62
2003	5.87	9.48
2004	5.91	9.34
2005	5.95	9.2
2006	5.99	9.06
2007	6.03	8.92
2008	6.07	8.78
2009	6.11	8.64
2010	6.15	8.5
2011	6.19	8.36
2012	6.23	8.22
2013	6.27	8.08
2014	6.31	7.94
2015	6.35	7.8
2016	6.39	7.66
2017	6.43	7.52
2018	6.47	7.38
2019	6.51	7.24
2020	6.55	7.1
2021	6.59	6.96
2022	6.63	6.82
2023	6.67	6.68
2024	6.71	6.54
2025	6.75	6.4
2026	6.79	6.26
2027	6.83	6.12
2028	6.87	5.98
2029	6.91	5.84
2030	6.95	5.7
2031	6.99	5.56
2032	7.03	5.42

Source: Compiled from Data analysis

Table 4 provides a detailed analysis of the GDP growth trends of India and China from 1991 to the present day, spanning over a period of 32 years. The table predicts the future growth trends of both countries based on the observed data. Notably, the data reveals that India's GDP has been increasing consistently over the years, while China's GDP has been declining. Interestingly, the GDP growth rates of both countries are estimated to be equal in 2023. However, beyond this point, India's

GDP is predicted to continue its upward trajectory, while China's GDP is projected to decline further. This observation is presented in the following figure 2.

Figure 2: Trend of GDP Growth of India and China



Source: Compiled from Data analysis

The graph in Figure 2 displays the trend lines for the GDP growth of India and China. The red curve represents the trend line for the GDP growth of India, while the blue curve represents the trend line for the GDP growth of China. From the graph, it can be observed that the GDP growth trend line for India has been steadily increasing since 1991, whereas the trend line for China has been declining since 2020 and is expected to further decrease in the future. This implies that India has a chance to become the third-largest country in the world.

Findings and Recommendations

India has set a target to achieve a USD 5 trillion economy by 2025 (Bhakri & Rasleen, 2020; Shaikh, 2020). To reach this goal, economists suggest that India's GDP should grow at a rate of 12 to 15 percent over the next two years. The data indicates that India's GDP growth rate has increased from 1.056831 in 1991 to 7.239693 by 2022, while China's GDP growth rate has grown from 9.262786 in 1991 to 2.989084 by 2022. Interestingly, India's GDP growth rate has been on the rise, while China's growth rate has been declining in recent years. This is also found by Bhattacharya and Mundle (2021) in their study as well. The GDP growth curves intersect between the years 2020 and 2025, indicating that India's GDP growth rate will surpass that of China during this period.

The Trend Projection Method and the Least Square Method have been used to predict the trend of India's GDP growth rate. The study by Bhattacharya, Chakravartti and Mundle (2019), forecasts India's economic growth using a time-varying parameter regression approach. The present study adopted Trend Projection Method to predict India's economic growth. The present forecast reveals that India's GDP will increase at a rate of 6.67% in 2023; this is also reflected in the **Annual Economic Review May 2023 report of the** Government of India and this growth is expected to continue until 2032, leading to a growth rate of 7% in the foreseeable future (Department of

Economic Affairs, 2023). In contrast, China's GDP growth rate is expected to be 6.68% in 2023 (Rosen *et al*., 2023)**,** which is higher than India's GDP growth rate. However, this growth rate is expected to decline gradually until 2032. By 2024, India's GDP growth rate is predicted to surpass that of China, indicating the possibility of India overtaking China to become the third-largest economy in the world.

To achieve this vision, it is essential to implement appropriate monetary, fiscal, and physical policies, such as a 50 percent partnership in both the private and government sectors, avoiding the sale of public property to the private sector, and electing honest leaders.

Limitations

The study focused on analyzing the GDP growth rate of India and China as the sole variable to predict the future of their respective economies. However, the impact of COVID-19 and inflation factors were not taken into account during the study. Additionally, the study only considered data from the last 32 years to predict future trends.

Conclusion

The economic growth of a country is a crucial factor that determines its progress and development. India is a developing country with enormous potential for growth. To ensure that the country achieves its full potential and becomes one of the world's leading economies, the government of India needs to utilize its resources efficiently and control inflation. Statistical analysis predicts that India has the possibility of becoming the third-largest economy in the world. Therefore, it is essential to implement appropriate monetary, fiscal, and physical policies such as a 50 percent partnership in both the private and government sectors, avoiding the sale of public property to the private sector, and electing honest leaders to achieve its vision.

Acknowledgment

The authors are grateful to World Bank national accounts data and OECD National Accounts data for providing data on open sources and the authors mentioned in the reference, which enabled us to complete this paper.

Conflict of Interest:

The research review was carried out without any commercial or economic affiliations that might be interpreted as having a conflict of interest, according to the authors.

References

Acharya, S., Ahluwalia, I., Krishna, K. L., & Patnaik, I. (2006). Economic growth in India, 1950-2000. *W: KS Parikh (red.), Explaining Growth in South Asia*, 123-198.

Ahluwalia, M. S. (2002). Economic reforms in India since 1991: Has gradualism worked?. *Journal of Economic perspectives*, *16*(3), 67-88. https://doi.org/10.1257/089533002760278721

Anand, R., Cheng, M. K. C., Rehman, S., & Zhang, M. L. (2014). *Potential growth in emerging Asia*. International Monetary Fund.

Basu, S., & Fernald, J. G. (2009). What do we know (and not know) about potential output?. *Federal Reserve Bank of St. Louis Review*, *91* (4),187–213.

Bosworth, B., & Collins, S. M. (2008). Accounting for growth: comparing China and India. *Journal of Economic Perspectives*, *22*(1), 45-66. https://doi.org/10.1257/jep.22.1.45

Bhakri, S., & Rasleen, K. (2020). INDIA $ 5 Trillion Economy: Vision & Mission. 7. 696-704. http://dx.doi.org/10.1729/Journal.27740

Bhattacharya, R., Chakravartti, P., & Mundle, S. (2019). Forecasting India's economic growth: a time-varying parameter regression approach. *Macroeconomics and Finance in Emerging Market Economies*, *12*(3), 205-228. https://doi.org/10.1080/17520843.2019.1603169

Brennan, A. J. (2008). Theoretical foundations of sustainable economic welfare indicators—ISEW and political economy of the disembedded system. *Ecological Economics*, *67*(1), 1-19. https://doi.org/10.1016/j.ecolecon.2008.05.019

Chinn, M. D. (2009). The Symposium On 'China'S Impact On The Global Economy'. *Pacific Economic Review*, *14*(3), 342-345. https://doi.org/10.1111/j.1468-0106.2009.00452.x

Chow, G. C. (2004). Economic Reform and Growth in China'Annals of economics and finance. 5,127-152.

Rosen, D., Wright, L., Vest, C., & Quinn, R. (29th December 2023). Through the Looking Glass: China's 2023 GDP and the Year Ahead. https://rhg.com/wp-content/uploads/2023/12/Through-the-Looking-Glass-Chinas-2023-GDP-and-the-Year-Ahead.**pdf**

Deaton, A. (2008). Income, health, and well-being around the world: Evidence from the Gallup World Poll. *Journal of Economic perspectives*, *22*(2), 53-72. https://doi.org/10.1257/jep.22.2.53

Delurgio S. A., (1997). *Forecasting Principles and Applications*, 1st edition, Chapter 3, Irwin McGraw-Hill, Boston.

Gechev, V. (2020). China & India: A Comparison of Economic Growth Dynamics (1980-2018). *Available at SSRN 3578163*. http://dx.doi.org/10.2139/ssrn.3578163

Gujarati D., (1995). *Basic Econometrics*, 3rd Edition, Chapter 2, McGraw-Hill, Inc., New York.

Forgie, V., McDonald, G., Zhang, Y., Patterson, M., & Hardy, D. (2008). Calculating the New Zealand genuine progress indicator. In: Lawn, P.A., Clarke, M. (Eds.), Sustainable Welfare in the Asia-Pacific: Studies Using the Genuine Progress Indicator. Edward Elgar Publishing, Cheltenham, UK, pp. 126–152.

Hamilton, C. (1999). The genuine progress indicator methodological developments and results from Australia. *Ecological Economics*, *30*(1), 13-28. https://doi.org/10.1016/S0921-8009(98)00099-8

Inglehart, R. (2000). Globalization and postmodern values. *Washington Quarterly*, *23*(1), 215-228. https://doi.org/10.1162/016366000560665

Jayaram, S., Patnaik, I., & Shah, A. (2009). Examining the decoupling hypothesis for India. *Economic and Political Weekly*, 109-116.

Lawn, P., & Clarke, M. (2010). The end of economic growth? A contracting threshold hypothesis. *Ecological Economics*, *69*(11), 2213-2223. https://doi.org/10.1016/j.ecolecon.2010.06.007

Maddison, A. (2007). Chinese Economic Performance in the Long Run—Second Edition, Revised and Updated: 960–2030 AD. *Paris, FR: OECD Development Centre Studies*.

Marcuss, R. D., & Kane, R. E. (2007). Us national income and product statistics. *Survey of Current Business*, 87(2), 32–46.

McCulla, S. H., & Smith, S. (2007). Measuring the Economy: A primer on GDP and the National Income and Product Accounts. *Bureau of Economic Analysis, US Departament of Commerce*.

Mishra, P. (2013). Has India's Growth Story Withered?. Economic and Political Weekly, 51-59.

Max-Neef, M. (1995). Economic growth and quality of life: a threshold hypothesis. *Ecological Economics*, *15*(2), 115-118.

Shaikh, N. (2020). India's Pathway To $5 Trillion Economy: A Study on Youth Employability. *International Journal of Advance and Innovation Research, 7*(V), 217-221.

Bhattacharya, R., & Mundle, S. (2021). *A nowcast of 2021-22 GDP growth and forecast for 2022-23 based on a Factor Augmented Time Varying Coefficients Regression Model* (No. 21/361). https://www.nipfp.org.in/publications/working-papers/1959/

Sahoo, P., & Dash, R. K. (2012). Economic growth in South Asia: Role of infrastructure. *The Journal of International Trade & Economic Development*, *21*(2), 217-252. https://doi.org/10.1080/09638191003596994

Sharma, A. N. (2006). Flexibility, employment and labour market reforms in India. *Economic and Political Weekly*, 2078-2085.

Srinivasan, T. N. (2004). China and India: economic performance, competition and cooperation: an update. *Journal of Asian Economics*, *15*(4), 613-636. https://doi.org/10.1016/j.asieco.2004.05.011

Straub, S. (2011). Infrastructure and development: A critical appraisal of the macro-level literature. *The Journal of Development Studies*, *47*(5), 683-708. https://doi.org/10.1080/00220388.2010.509785

Stockhammer, E., Hochreiter, H., Obermayr, B., & Steiner, K. (1997). The index of sustainable economic welfare (ISEW) as an alternative to GDP in measuring economic welfare. The results of the Austrian (revised) ISEW calculation 1955–1992. *Ecological Economics*, *21*(1), 19-34. https://doi.org/10.1016/S0921-8009(96)00088-2

Stiglitz, J. E., Sen, A., & Fitoussi, J. P. (2010). *Mismeasuring our lives: Why GDP doesn't add up*. The New Press.

Wen, Z., Yang, Y., & Lawn, P. A. (2008). From GDP to GPI: quantifying thirty-five years of development in China. *Sustainable Welfare in the Asia-Pacific: Studies Using the Genuine Progress Indicator. Edward Elgar Publishing, Cheltenham, UK*, 228-259.

Department of Economic affairs. (2023). *Annual Economic Review 2022-2023*. https://dea.gov.in/sites/default/files/Annual%20Economic%20Review_May%202023_0_0.pdf