
Macroeconomic indicators - India per capita income seen at USD 10000

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According to country's chief economic advisor Mr Kaushik Basu, India's per capita income could touch USD 10,000 by 2039, up from USD 1,000 at present, if sustained economic growth of over 8% is maintained for the next 25 years.

Addressing economists, investors and academicians, Mr Basu said the fundamentals of the Indian economy are strong enough in the medium and long term to sustain a healthy growth rate of over 8%.

Mr Basu said that "The per capita income of India will reach USD 10,000 by the year 2039... if India maintains its GDP growth at 8 to 8.5% for the next 25 years."

The Indian economy which expanded by 8.5% in 2010-11 is likely to expand at the same rate in the current fiscal as well.

Mr Basu further said a 1% increase in the country's GDP would create an additional one million jobs and India was committed to maintaining the growth momentum. While India's economic fundamentals are strong, continuous high inflation is seen as a big constraint to its growth.

Mr Subir Gokarn deputy governor of Reserve Bank of India said that supply side pressures on inflation may moderate the growth momentum in the short run. He said that "Inflation is a significant near term macro challenge and growth would be impacted in the short-term in managing inflation and inflationary expectations."

(Sourced from FE)

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