India to Overtake Japan as World’s Third Largest Economy By 2030.

Lakhan Kumar Mahawar*[1]

Department of economics, Govt. Arts College Kota, India

A b s t r a c t:
In world economy, India’s share continuously to grow and how India will certainly achieve the goal has been described. We studied to overtake Japan, United Kingdom, and Germany as world’s third largest economy by 2030. We specially examined the growth pattern in India, due to which fluctuations between growth and development in country. And when a country is developed, how does that country’s growth rate at a low rate. The study follows Historical research and secondary data were sourced from, International monetary funds (IMF), World Bank, the Center for economics and Business report (CEBR) and Ministry of statistics and program implementation. The result show that after increase the size economy foreign direct investment (FDI) will be promoted, the share in world trade will also increase. The standard of living of the people will be better. Will also affected Employ creation, education, manufacturing sector, infrastructure and industrial sector. The study of recommendation that the Indian government should be invest in research and development in all sector of economy. In industrial sector the government should be implement new policy, would be focused on Sugar industry, Auto parts and Assessor industry.

Keywords: ***Growth, Economy, GDP, sector***

1 Introduction:

Economic growth can be defined as the increase or improvement in the inflation- adjusted market value of goods and service produced by an economy over time. Statistician convertainly measure such growth as the percent rate of increase in the real gross domestic product or real GDP. Growth is usually calculated in real terms inflation- adjusted terms-to eliminate of good produced. Measurements of economic growth uses national income accounting. Economists refer to an increase in economic growth caused by more efficient use of inputs (labor, of physical capital, of energy or of materials) as intensive growth. In contrast, GDP growth caused only increase in amount of inputs available for use (increase population, or new territory) counts as extensive growth.

There are three sectors in the economy of any country, primary, secondary and tertiary sector. Three sectors are included in the GDP of any country, Agriculture, Industrial, Service sector. And on the basis of the performance of three sectors, the size of the economy of any country is determined. GDP is estimated from the final value of the goods produced in these three sectors, In a country during a certain period. As such , it measures the income earned from that production, or the total amount spent on the final goods and service (less import) . Suppose that, if the production in the Agriculture sector is less in particular year, then we assume that the GDP of our country is decreasing, the size of country’s economy is shrinking. At present the contribution of the service sector to the Indian economy is the highest. Descending order of all three sectors on the basis of their contribution to the GDP, Service sector (53.89 %) , Industrial sector (25.92 %), Agriculture sector (20.19%) .

Now the problem in front of any economy is how to increase the size of our economy. As many global organizations are speculating about the Indian economy “world’s third largest economy by 2030’ But in actually how India can achieve this goal is to be studied. The following factors will prove to be effective in increasing the size of our country’s economy.

1) Goods and services that are produced in India, those goods and services should be consumed and purchased by the residents of that country. Part of the production go outside the country only after the supply is made to the consumer of our country. This will ensure that the producer of their country will get the perfect market at the same time and they will be motivated to produce more. Because in front of producers the presence of market for the production of their goods and services will be present only from hell in their country. Due to which they will not face the problem of saving extra capacity , unsold goods and services.

2) Import substitution, Here import substitution means to produce goods and services in our country which are imported by our country from any other country. This will mean that our country’s dependency on outside countries will be less. Due to less import of external goods, these items will have to be produced inside the country, this will prepare the framework of self reliance India.

3) Innovations : Make in India program, it will not be an exaggeration to say that this program has a significant contribution in giving a big boost to the Indian economy. This has encouraged foreign direct investment (FDI). We need an innovation in the “make in India’ program. In the fields of technology depends on other countries will have to be reduced, due to innovation, such technology which we have to get from abroad. They will have to develop their own country.

4) Credits availability for sick units of industrial sector : These units of the industrial sector which are facing the problem of a lot of time loan, the government needs to invest a small part of their income in them. The rate of credit availability will have to be kept low for small units. Because small units can prove to be able to meet the demand of particular area.

5) Agriculture sector : Agriculture is the primary source of livelihood for about 58% of India's population, GDP contribution(14%) , India has the highest net cropped area in the world followed by US and china. The soaring growth of agriculture due to" Green revolution' is now slowly being shadowed by the industrial and service sector. farmers in India are also facing numerous challenges such as rising input cost, absence of insurance and credit, poor supply chain management, etc.

Future action to be taken : (1). **Food processing sector (2) export orientation (3) Non-farm sector (4) Higher productivity (5) research and development.**

6) Learning by investment : In this concept Investors should be invest, should be encouraged to do new research, it will lead to higher productivity in agriculture, industrial, and service sector. It is generally seen that most of people are afraid to invest, they are afraid of the risk involved in investment. For this, the government should run training program and make the aware of the risk involved in investing. Another concept is" learning by doing' also reduce the cost of production, technology is developed through new innovation and the technology which is being imported from abroad, it should develop in it's own country so that it's dependence on other countries is reduced.

We are emphasizing has only the agriculture sector and industrial sector because India has a lot of development in the service sector. But India does not even come in top 10 export of agricultural commodities.

2 Literature Reviews :

Conceptual review:

" The sectors that are included in GDP in the economy are mainly Agriculture, Industrial and service sector. And these three sectors play an important role in measuring GDP . Also by looking at GDP size, we know the actual condition of any economy, poverty estimation , estimation of per capita income, standard of living of people, economic strength. In view of B. Lang, J Robertson (2020),discuss about prosumer concept, including the consumer and provider. In this, it was said to increase the economy by increase the sharing, how to improve the economy in the future through research. In this concept clarification sector wise contribution of factor is ignored, how it increase the economy is not explained.

View of Salvatore Bobones (2018) , in this regional inequality was considered a challenge in the growth of the economy, How does poverty affect the economy with low per capita income. Per capita income of different states affect GDP. In this only the presence of per capita income has been found and solving the problem of regional disparity has no significant effect in increasing the GDP of economy. This will mainly solve the political problem. We should focused in agriculture, industry, employment creation program, scheme.

In the view of A Sankaran , A Vadivel, M Abdul Jamal (2020) ,effect of dynamic variable on industrial output in one of the world's fastest growing country, by them the role of the industrial sector was well defined, include industry, mechanization, education, health, human capital, exporting, focused on training. Agriculture sector is still selling as engine of economic development in general. Manufacturing output increase in case of fast growing Indian economy. In their view, the service sector has not been taken, it has been completely neglected. And on the other view, the service sector is the biggest contributor to the current Indian economy, And took the agriculture sector only as the input of industry, but did not focus on agriculture production, increasing product where as all three sectors, agriculture, industry and service sector contribute GDP of economy.

Other paper of view VIS Taraz (2018), can farmers adopt to higher temperature, in this it has been told how the crops of farmers would have been damaged due to high temperature. Some where it has said to maintain the productivity of crops. But according to my research, the temperature of crops up to a level would have been enough or sufficient, if proper irrigation system was brought in agriculture. Instead we should make a strategy to increase production and prepare high quality agriculture products. It does not describe the need for innovation in area such as agriculture in developing countries. Because start up ecosystem depends on informative contents.

An over view of DR. Shalija. S.M (2020) , India is one of the fastest growing economies in Asian. Their over view the growth in the banking sector as whole such as the use of credit cards is increasing. That is people are participating in the Field of digital banking, through transaction, due to which the economy is growing rapidly. But here other factors has been neglected in the growth of economy, because digitalization is necessary not only in the banking sector but in all sectors, such as in agriculture production, industrial sector, in service sector.

- **Empirical Review**

In a empirical view of S Shukla (2017), innovation and economic growth, a case of India ,the purpose of this paper is to discover the role of innovation in the economic growth of India. In this paper, it has been said about the long term economic growth, that innovation will make it possible but it is presently, And the long term or sustainable economic growth is a challenge for every economy.

In a review of Terence J Byres (2019), in this, it has been said to increase through innovation in the Agriculture sector. There will be a 3% in the agriculture sector every year or it's around rate. But here the comparison of one hand India is being called a fast growing economy. An empirical case of USA, where the growth rate in agriculture low.
Other empirical evidence of research, innovation, development, China has spent 60% agriculture GDP, Bangladesh also spent 38% agriculture GDP for research and development. But India spent 31% of agriculture GDP. In this case India need to spend more for additional growth rate.

A view of *Yao* Wang (2016) focused on the biggest obstacles to growth of SMEs in developing countries, by an empirical evidence, SMEs Perceive access to finance as the most significant obstacles which hinders their growth. But according my view, At present time, these industries are rarely suffering from the problem of finance. Rather, these industries do not survive the market because I not being able to compete with big firms, Due to lack of quality products.

The nexus between corruption and economic growth has been examined for a long, In view of K Grundler, Niklas Portrafke (2016) they also examined long run effect of corruption on growth in country. But we studied, corruption not a long term effective variable, in the short run we can see it's effects, but in the long term our condition are so observed that we can change in all factor, condition or production.

In another view of Q Wang, F ZANG (2020), An empirical analysis of BRICS countries. They studied about, Does increasing investment in research and development promote economic growth. According to my view, In a developing countries like India, Due to increase in population, people here often give more preference to employment, not research and innovation, other side research in these countries, very little money is spent on development, it's GDP.

Based on the past literature review we can find that, In order to get the highest growth rate and bigger size, to India or the economy of any country, all three sectors Agricultural, industrial, and service sector will how to grow equally. Have to emphasis the concept of Aggregate development. Agriculture and industry sector are far behind in this matter, need to adopt Balance growth strategy of prof. Rosinston rodan . Balance in all sector, equal investment, equal growth. There is more need for innovation, research in the Agriculture and industrial sector, effects will have to be made to increase the share Of both these sectors in the economy.

3 Methodology

In research approach of " How can grow Indian economy, world third largest economy by 2030, Originally we are going to see that the growth that is happening in the service in Indian economy. Why was not there a equal growth rate in the Agriculture sector and in the Industrial sector in comparison of service sector. How to increase the shares of agriculture and industrial sectors in the economy to get balance growth rate.

We followed Historical methodology in this research approach. The paper need qualitative data to comparison two variable like as sector, economy. And used secondary data of IMF, World Bank, CSO, etc. To finding new fact in research. In secondary data we followed internal and external data. In external data we used published data, computerized data base analysis and syndicated service. In analysis of data also followed qualitative methods, we used relevant images and observation, also included tables, figure, pie charts etc. Comparison of data analysis in growth pattern by observation of secondary data. By using images creates observation to get expected and accurate growth in economy.

In evaluating and justify my methodology choice, causes of selecting qualitative approaches and secondary data. (1) The data is easily available, reduced costs and time. (2) we earned correct observation by this data. (3) Objective using this data, secondary data not collected intermediate problems. (4) Secondary data perfectly suits my research approach to compare growth pattern

because future production, growth, the expected estimation and how much growth is to be achieved, all this is ascertained only by analyzing the previous data, Which is available. It will be easily to explain and observing by readers.
And limitations this methodology, Does not meet the exact requirements. Secondary data based on previous value, information, by using secondary data we can find estimated and expected value, But in actually will get some difference between estimated value and expected value.

4 Sectors Contribution in GDP :

In this section we calculated difference sectors contribution in GDP, which sector more contributed building the nation. And which sector need more emphasis to improve, increase size of economy, by following table.

Table 1 Sector wise contribution in GDP

Sectors	Contribution GDP %
Service	53.89 %
Industrial	25.92 %
Agriculture	20.19 %

Source: Ministry of statistics and program implementation 2020-21

From the above table we find that there is inequality of share in different sectors in the Indian economy. Mainly these three sectors lead any economy. On comparison difference was found in the contribution of all sectors in developed countries and Indian economy. The contribution of agriculture sector and Industrial sector are still not as much in Indian economy as it is in other countries.

In comparison of Japan and Germany, there is a huge difference in the contribution of sectors in japan compared to India. GDP by sector Agriculture (30 %), Industry(30.1 %) and service sector (68.7 %). In countries like these, the Industries sector are being promoted more, and the contribution of these sectors was found to be high.

Other country is Germany economy GDP by sector, Agriculture 0.7 % , Industry 30.7 % and Service sector 68.6 % lead to economy. After studying the data of Japan and Germany, we find that special focused being given to the service and industrial sectors in these countries.

In us economy features a highly developed and technologically advanced service sectors. Which account for about 70 % of output.

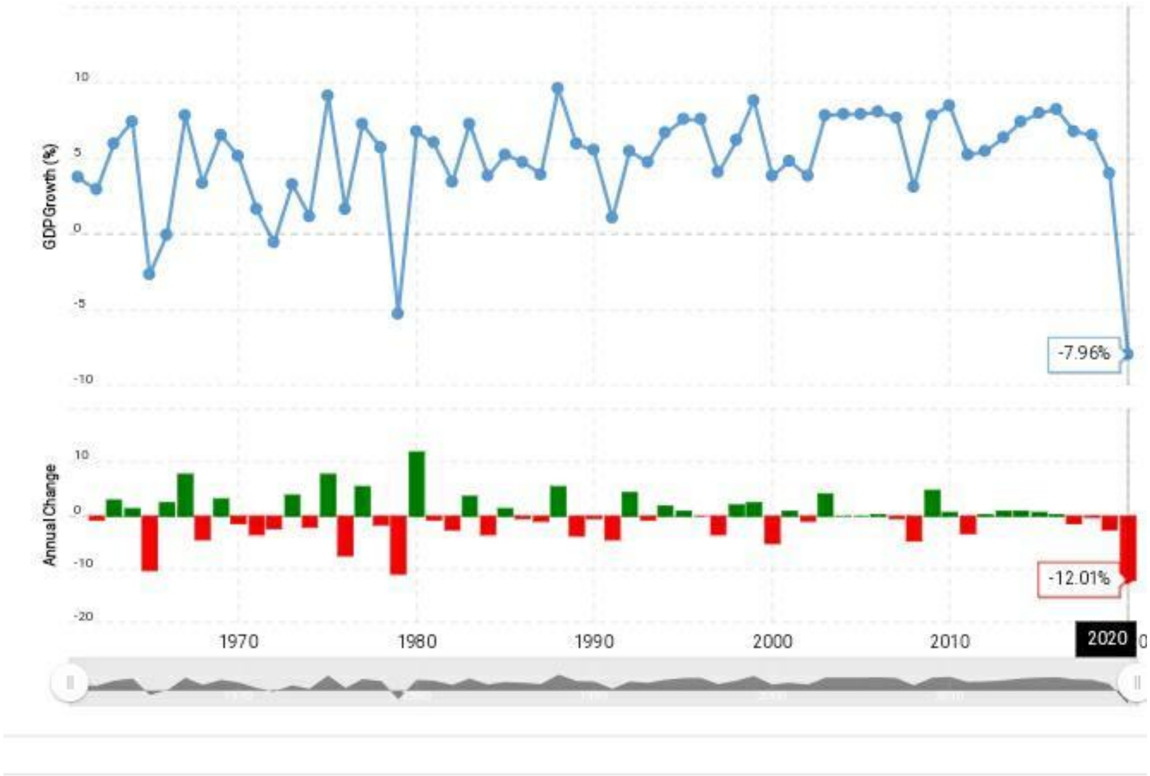
5 Growth pattern in India :

Table 2 India GDP Growth rate : Historical Data

Year	Growth %	Annual change
2020	-7.96 %	-12.01 %
2019	4.04 %	- 2.49 %
2018	6.53 %	-0.26 %
2017	6.80 %	-1.46 %
2016	8.26 %	0.26 %
2015	8.00 %	0.59 %
2014	7.41 %	1.02 %
2013	6.39 %	0.93 %
2012	5.46 %	0.22 %
2011	5.24 %	-3.26 %

Source : world Bank
Figure

After study above table and figure, we find that (1) India GDP growth rate for 2020 was-7.96 % , a 12.01 % decline from 2019. (2) India GDP growth rate for 2019 was 4.04% , a 2.49 % decline from 2018.(3) India GDP growth rate for 2018 was 6.53 %, a 0.26 % decline from 2017. (4) India GDP growth rate for 2017 was 6.80 % , a 1.46 % decline from 2016.



Data Source: World Bank

India GDP growth rate for 2020 was declined. Center for economics and Business research many reasons has been given for falling GDP in 2020.
1) GDP in Q2 (April-June) 2020 was 23.9 percent below it's 2019 level, Indicating that nearly a quarter of the country's economic activity was wiped out by the drying up of global demand and the collapse of domestic demand that accompanied the series of strict national lockdown.
2) The weakness of the rupee was mostly affected to falling Indian economy. The UK appears to have overtaken India again during 2020 as a result of weaknesses of rupee.
3) Suffering from slowdowns, "Slowing growth has been a consequence of a confluence of factors including fragility in the banking system, adjustment to reform and a declaration of global trade. Here in CEBR report clearly mentioned, the slowdown in the Indian economy was not due to demonetization and GST.
The UK overtook the Indian economy in 2020 after weakening of the Indian rupees in comparison to American dollars. The CEBR forecast that the Indian economy will expand by 9% in 2021 and by 7% in 2022. " Growth will natural slow as India more economically developed, with the annual GDP growth expected to 5.8 % in 2035.
We finally know that, As the economy develops, growing the growth and starts decreasing after a certain limit of that economy. In developed countries like USA, China , Japan etc, the frequency rate increase but at a lower rate., while the rate of growth increasing in developing countries is rapidly.

6 Results And discussion :

The result of analysis, India's growth rate will decrease and the size of the economy will increase by 2030. The Indian economy will expand by 9% in 2921 and by 7 % in 2022 " Growth will naturally slow as India becomes more economically developed, With the annual GDP growth expected to sink to 5.8 % in 2035. There will be an increase in the share of sectors in India's GDP. And GDP by sector Agriculture will expand with low rate, Industrial sector and service sector will grow rapidly.

And the size of India's GDP will exceed more than $8.4 trillion in nominal scale. India will become second largest economy country in Asia and third largest economy in the world. The increase in the size of industrial, service and agricultural sectors, which will reduce the unemployment rate, in the future India will become a central point for investors, the rate of investment will increase. Digital marketing will play an important role in increasing the investment potential.

The rapidly growing domestic consumer market as well as it's large industrial sector have India an increasingly important investment destination for a wide range of multinational is many sectors, including manufacturing, infrastructure and service sector. After analysis many literature review we find, Not achieved by balancing all sectors of the economy. Rather it has been seen that some area is more developed and another side area the production has increased less than before. It has been found in empirical evidence that the increase in agriculture sector has not been achieved as much as is targeted. This is seen in those countries which are developed and whose economy is large in size.

As a result, India trading sector will also increase, will improve in terms of trade, trade partnership will be Strong in world. India manufacturing sector and infrastructure sector's products exports will increase, it's dependence on import will decrease and finally self reliance will be achieved. And the value Indian rupees will increase against the dollars was reduced during in pandemic situation in 2020.

7 Conclusion and recommended:

Finally as a result Indian economy to overtake Japan as world's third largest economy by 2030. As per IMF , world bank report India is a fastest growing economy. And the tendency to grow Indian economy is more than developed countries like Japan, Germany etc. Because it is often seen that in developed countries the manufacturing sector, the infrastructure sectors are already developed, So these sectors due to which the growth rate of GDP of developed countries Remains slow. Whereas in developing countries like India there is a lot of need for development and the growth rate of these countries remains high.

As an implications, Indian economy will be include in the big and powerful economies of the world. India's share in world trade will increase. Along with becoming a developed economy, the standard of living of the people in India will also affected. Investors will set up a new firm or company in India in the hope of earning good profits, new technology will be used. Innovation will encouraged which reduced the cost of production, capital formation will be encouraged.

Simultaneously, Human capital will also get a boost, with the invention of new firm, education. As a result, human productivity will increase. Satisfied growth will be seen in the over all sectors of the economy, creation of employment would be encouraged.
Following the previous data analysis, the following Recommendations may proved to be helpful in increasing the size of GDP of India, and developing. First step should be taken, the Indian government should work on the concept of balance development in all sectors of the economy. Following steps should be taken in Agriculture sector : (1) Expenditure on Research and development will have to increase. (2) More should be given to the food processing sector. (3) There will also be a focus on export orientation products in agriculture. (4) Non farm sector will be helpful to increase the income of farmers. (5) Strive to in increase the higher productivity levels.

The government should invest in the factors of industrial, service sectors, their international demand and growth rate were high. (1)Ventilator manufacturing, the revenue of this industry was 58.4 % in the year 2019-20. (2) Sugar manufacturing, the revenue grow of this industry was 8.8 % in the year 2019-20. (3) Public relation Agencies, growth of this industry was 6.3 %in the year 2019-20. (4) Auto part and Assessor , the revenue growth of this industry was 8.2 % in the year 2029-20.

References :

1. Lang, B., Botha, E., Robertson, J., Kemper, J., Dolan, R. and Kietzmann, J., 2020. How to Grow the Sharing Economy? Create Prosumers!. *Australasian Marketing Journal*, 28(3), pp.58-66.
2. Sankaran, A., Vadivel, A. and Jamal, M., 2020. Effects of dynamic variables on industrial output in one of the world's fastest-growing countries: case evidence from India. *Future Business Journal*, 6(1).
3. Sehrawat, M. and Giri, A., 2017. A Sectoral Analysis of the Role of Stock Market Development on Economic Growth: Empirical Evidence from Indian Economy. *Global Business Review*, 18(4), pp.911-923.
4. Shukla, S., 2017. INNOVATION AND ECONOMIC GROWTH: A CASE OF INDIA. *Humanities & Social Sciences Reviews*, 5(2), p.64.
5. Gunjati, S. and Adake, C., 2020. Innovation in Indian SMEs and their current viability: A review. *Materials Today: Proceedings*, 28, pp.2325-2330.
6. Wang, Y., 2016. What are the biggest obstacles to growth of SMEs in developing countries? – An empirical evidence from an enterprise survey. *Borsa Istanbul Review*, 16(3), pp.167-176.
7. Sinha, M. and Sengupta, P., 2019. FDI Inflow, ICT Expansion and Economic Growth: An Empirical Study on Asia-Pacific Developing Countries. *Global Business Review*, p.097215091987383.
8. Gründler, K. and Potrafke, N., 2019. Corruption and economic growth: New empirical evidence. *European Journal of Political Economy*, 60, p.101810.
9. Wang, Q. and Zhang, F., 2020. Does increasing investment in research and development promote economic growth decoupling from carbon emission growth? An empirical analysis of BRICS countries. *Journal of Cleaner Production*, 252, p.119853.
10. Wikipedia. 2022. *Economy of India - Simple English Wikipedia, the free encyclopedia*. [online] Available at: <https://simple.wikipedia.org/wiki/Economy_of_India> [Accessed 16 February 2022].
11. En.wikipedia.org. 2022. *Economy of Japan - Wikipedia*. [online] Available at: <https://en.wikipedia.org/wiki/Economy_of_Japan> [Accessed 16 February 2022].

12. Data.worldbank.org. 2022. *GDP growth (annual %) | Data*. [online] Available at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?view=map> [Accessed 16 February 2022].
13. Taraz, V., 2018. Can farmers adapt to higher temperatures? Evidence from India. *World Development*, 112, pp.205-219.
14. Macrotrends.net. 2022. *India GDP Growth Rate 1961-2022*. [online] Available at: <https://www.macrotrends.net/countries/IND/india/gdp-growth-rate> [Accessed 21 February 2022].
15. En.wikipedia.org. 2022. *Economic growth - Wikipedia*. [online] Available at: <https://en.wikipedia.org/wiki/Economic_growth> [Accessed 25 February 2022].
16. Babones, S., 2018. India may be the world’s fastest growing economy, but regional disparity is a serious challenge. Forbes.
17. Chandiok, S. and BCIPS, D., 2016. India the world’s fastest growing startup ecosystem: A study, Amity Research Journal of tourism Aviation, 1 (02).
18. Verma, OS., 2019. Emerging economies india the fastest growing country. Journal of extension System, 35 (1), 33-42.