# India’s Economic Growth vs Trump’s “Dead Economy” Remark: The Reality Check

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## India’s Economic Growth Latest News

- U.S. President Donald Trump’s remarks calling India a “dead economy” and announcing a 25% tariff, along with penalties for India’s military and energy purchases from Russia, have ignited a political exchange in India.
- Opposition leaders agreed with Trump’s criticism, blaming the government for “killing” India’s economy.
- On the other hand, the govt defended India’s economic performance, highlighting its rise from the “fragile five” to one of the world’s top five economies.

## Data Contradicts Trump’s Dead Economy Remark on India

- Contrary to U.S. President Donald Trump’s claim of India being a “dead economy,” data from the International Monetary Fund (IMF) over the past 30 years presents a starkly different picture.

- From 1995 to 2025, India's GDP has grown nearly 12 times, ranking it among the fastest-growing major economies, second only to China.
- In comparison, the U.S. economy has grown fourfold, while key allies like the United Kingdom and Germany have expanded by less than three times and less than two times, respectively.
- Notably, Japan's GDP in 2025 is lower than its 1995 level, reflecting economic stagnation.
- The data underscores that India and even Russia, despite facing challenges, have exhibited robust economic growth, debunking the narrative of them being "dead" economies.

## India Among Few Economies Growing Faster Than the U.S.

- When comparing economic growth relative to the U.S., only three countries—China, India, and Russia—have expanded their share of the global economy over the past 30 years.
- India, which was less than 5% the size of the U.S. economy in 1995, has grown to nearly 14% by 2025.
- In contrast, America's traditional allies and trade partners, including the United Kingdom, Germany, and Japan, have all seen their economies shrink in size relative to the U.S.
- This highlights India's impressive economic ascent, defying claims of being a "dead" economy.

## India's Economic Growth Masks Deep-Rooted Structural Challenges

- While India is far from being a "dead" economy, its robust GDP growth conceals several persistent structural issues.
- Since 2011-12, **India's growth rate has slowed**, failing to replicate the 8-9% surge seen before the 2008 global financial crisis, with recent years hovering around 6%.
- Unlike China's rapid expansion, **India's GDP has grown at a much slower pace**.
- In global trade, **India holds a modest 1.8% share in goods exports** and 4.5% in services.
- The **economy remains protectionist in sectors like agriculture**, which is plagued by distress and subsistence-level farming due to the failure of manufacturing to absorb surplus rural labour.
- **Manufacturing growth** has lagged behind agriculture since 2019-20.
- Additionally, **economic growth has been highly unequal**, with 24% of the population still below the poverty line and alarming rises in income inequality.
- **Human development indicators**, particularly in health, education, and employment quality, remain poor.
- **High-skilled unemployment and low female workforce participation** further highlight deep-rooted socio-economic challenges that need urgent attention.

**Source:** IE