

India rises quietly and steadily

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The Nation/ by Thanong Khanthong

As China rises, it has stolen the spotlight, but the perception is that it is more of a threat than an opportunity for the region. This is the impression we get from reading the mainstream media day in, day out. Yet few have taken notice of the rise of India, which has been lying low. Through shrewd "camouflaging", India has been able to avoid attention all these years. Let China bask in the glory and take a beating at centre stage over its conscious attempt to overthrow the order designed by the Anglo-Saxon world, which has dominated this planet for the past 200 years or so.

But when you look at the numbers and the magnitude of change that is happening in India, you'll realise that it is the subcontinent we must focus on, as it rises alongside China. Let's consider these important figures prepared by the Confederation of Indian Industries:

At US\$4.8 trillion, India's gross domestic product, in terms of purchasing power parity, has already surpassed Japan's \$4.5 trillion to rank third in the world. The US comes first at \$15.6 trillion, followed by China at \$12.3 trillion.

India's economy is one of the world's fastest growing. In 1992-1993, the size of India's economy was \$250 billion. Today, it is around \$1.8 trillion.

India's population is the world's second largest after China, at 1.17 billion.

While most countries are struggling with ageing societies, India is blessed with a relatively young workforce of 429 million.

India is overcoming more than 200 years of poverty. Its middle class is now emerging. There were 4.6 million middle-class households in 1995, with annual income of 200,000 to 1 million rupees (\$1 = 53 rupees). In 2015, the number of middle-class households is projected to reach 60 million, and 128 million by 2025. There were 160 million "poor" households with annual income under 200,000 rupees in 1995. By 2015, this number will fall to 143 million households.

While most of the developed economies are facing sluggish growth, India and other emerging countries have been able to post respectable growth rates. Last year, the US economy grew 2.3 per cent compared to 2 per cent for Japan and -0.4 per cent for the EU. India posted a growth rate of 4.5 per cent, compared with 7.8 per cent for China.

India's economy by sector is 59 per cent for services, 27 per cent for manufacturing and 14 per cent for agriculture.

These official statistics do not tell the whole story. India is a leader in information technology. Its software engineers are working in every corner of the world. Its overseas workers, both professional and in labour intensive jobs, are remitting \$50-\$60 billion a

year back home. Indian nationals hold key positions in finance and banking, capital and financial markets, and international institutions such as the United Nations, International Monetary Fund and World Bank.

Significantly, India is a regional nuclear power. While North Korea's recent nuclear test has attracted negative criticism and Iran's nuclear programme has brought Western sanctions against the country, India's test launch of a long-range rocket last year went almost unnoticed. Rival Pakistan also holds nuclear weapons, so does China to much a greater extent.

India has avoided much attention all these years while at the same time rising fast because it has walked a delicate line between superpower rivals. It does not upset anyone, except maybe its near neighbours, for historical reasons. Its non-alignment policy is conspicuous. It has good ties with almost all countries. Its defence cooperation extends to all camps. It emerged from British rule after the Second World War II with an understanding of the West. And now it is looking east, particularly to Southeast Asia. In this respect, India appears to be a better player than China in the regional and global arenas.

Last year, trade between India and Asean reached almost \$70 billion for both exports and imports. All the ingredients are there for India to become a regional power. And when India truly rises, in tandem with China, the balance will truly tilt toward Asia. The world will never be the same again.
