



## India Fact Sheet



## Profile of India

### Overview:

**Background:** India gained independence in 1947, after two centuries of British colonial rule. Partition at the same time created the state of Pakistan, with which India has fought three wars, two over the disputed territory of Kashmir. India is the second-most populous country in the world, with nearly 1.348 bn people in 2018. Its economy is the 6th-largest in the world measured in nominal US dollars, but rises to third-largest when measured at purchasing power parity exchange rates. The large (and inefficient) public sector co-exists with a sizeable and diversified private sector.

**Political structure:** India has been a democracy since independence. The growing importance of regional parties has made coalition government the norm at the federal level. Democratic procedures are, on the whole, respected. The prime minister is the head of government, requiring the support of a majority in the national parliament. The president is the head of state, and, although limited in executive power, can influence the formation of governments at both state and national levels when no party has gained an outright majority. The judiciary is formally independent, and is becoming increasingly assertive.

**Economic Issues:** The country ranks 141st in per capita GDP (nominal) with \$1723 and 123rd in per capita GDP (PPP) with \$6,616 as of 2016. After 1991 economic liberalisation, India achieved 6-7% average GDP growth annually. In FY 2015 and 2017 India's economy became the world's fastest growing major economy surpassing China.

Reason for positive growth of Indian economy is its young population resulting in low dependency ratio, considerable savings and rates of investment and increasing integration into the global economy. India topped the World Bank's growth outlook for the first time in fiscal year 2015–16, during which the economy grew 7.6%. Growth is expected to have declined slightly to 7.1% for the 2016–17 fiscal year.

India has one of the fastest growing service sectors in the world with an annual growth rate above 9% since 2001, which contributed to 57% of GDP in 2012–13. India has become a major exporter of IT services, Business Process Outsourcing (BPO) services, and software services with \$154 billion revenue in FY 2017. This is the fastest-growing part of the economy. The IT industry continues to be the largest private-sector employer in India. India is the third-largest start-up hub in the world with over 3,100 technology start-ups in 2014–15.

The agricultural sector is the largest employer in India's economy but contributes to a declining share of its GDP (17% in 2013–14). India ranks second worldwide in farm output. The industry sector has held a steady share of its economic contribution (26% of GDP in 2013–14).

**Taxation:** The top rate of personal income tax and corporation tax for Indian companies is 30% plus surcharge. The corporation tax rate for foreign companies is 40% plus surcharge. However, a complex system of exemptions reduces the effective tax rate for Indian companies to less than 20%. All firms pay around 20% tax on distributed profits.

#### **A. Geographical Profile**

- Total area 3.29 million square kilometers
- Is the seventh largest country in the world
- Natural resources: coal (fourth-largest reserves in the world), iron ore, manganese, mica, bauxite, rare earth elements, titanium ore, chromite, natural gas, diamonds, petroleum, limestone, arable land
- Climate: varies from tropical monsoon in south to temperate in north

#### **B. Demographic Profile**

- Population: 1.348 billion (urban: 30 %, Rural: 70%) (July 2017 estimated)
- Population growth rate: 1.11% (2017 estimated)
- Age structure:
  - 0-14 years: 27.34%
  - 15-24 years: 17.90%
  - 25-54 years: 41.08%
  - 55-64 years: 7.45%
  - 65 years and over: 6.24%
- Religions: Hindu 74.33%, Muslim 14.20%, Christian 5.84%, Sikh 1.86%, other 2.65%, unspecified 0.47% (2017 census)
- Literacy: definition: age 15 and over can read and write, total population: 61%, male: 51.39%, female: 48.61% (2017 census)
- **Political Profile**
- Government type: Federal Republic
- Capital name: New Delhi
- Administrative divisions: 28 states and 7 union territories
- Legal system: common law system based on the English model; separate personal law codes apply to Muslims, Christians, and Hindus; judicial review of legislative acts

#### **C. Economic Profile**

- GDP - \$2.439 trillion (nominal; 2017) - \$9.446 trillion (PPP; 2017)
- GDP rank - 6th (nominal); 3rd (PPP)
- GDP growth - 6.7% (IMF, 2017)
- GDP per capita \$1,852 (nominal est.; 2017), \$7,173 (PPP est; 2017)
- GDP per capita rank 141st (nominal) / 123rd (PPP)
- GDP by sector Agriculture: 17.32%
- Industry: 29.02%
- Services: 53.66% (2017 est.)
- Inflation (CPI) - 1.54% (June 2017)
- Base borrowing rate - 6.25% (as on 26 Jan. 2018)
- Labour force 520.4 million (2017)[12]
- Labour force by occupation - Agriculture: 47%, Industry: 22%, Services: 31% (FY 2014 est.)
- Unemployment - 4.9% Urban, 5.1% Rural, 5.0% National, (2016, Labour Bureau)
- Average net salary - ₹82,269 / \$1,284 annually (2016-17)

- Main industries – Textiles, chemicals, food processing, steel, cement, mining, petroleum, machinery, software, pharmaceuticals, transportation, equipment
- Ease-of-doing-business rank - 100 (2017)
- Exports - \$275.8 billion (2017)
- Export goods - Agricultural products 13.2%, Fuels and mining products 15.7%, Manufacturers 68.4%, Others 2.7%
- Main export partners - European Union 17.6%, United States 16.1%, United Arab Emirates 11.5%, Hong Kong 5.1%, China 3.4%, Other 46.3%
- Imports - \$384.3 billion (2017)
- Import goods - Agricultural products 7.1%, Fuels and mining products 33.1%, Manufacturers 47.8%, Other 12%
- Main import partners - China 17%, European Union 11.3%, United States 5.7%, United Arab Emirates 5.4%, Saudi Arabia 5.2%, Other 55.5%
- FDI stock - Inward: \$318.50 billion, Outward: \$144.13 billion (2016)
- Current account - 0.7% of GDP (2016–17)
- Fiscal Year: 1 April - 31 March
- India has almost 50% of the top 100 fortune 500 companies present in India.
- India is the world's second largest small car market
- India is one of only three countries that make its own supercomputers
- India is one of six countries that have launched its own satellites
- India has 100 of the Fortune 500 having R & D facilities in India
- India has the second largest group of software developers after the U.S.
- India lists 6,600 companies on the Bombay Stock Exchange; only the NYSE has more
- India is the world's largest producer of milk, and second largest producer of food.
- India has a pharmaceutical industry which is second largest in the world after China

**Source: The information has been obtained from multiple resources viz. IMF World Economic Outlook Update 2016-17, Survey Reports, Foreign Trade Performance of India, Ranking of economies – Doing Business – World Bank Report etc - Unless otherwise noted, information in this page is accurate as of February 28, 2018.**

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