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# Seven reasons why India is a bullish investment opportunity for the next decade

India's progress promises a host of opportunities for investors and businesses seeking to be part of a dynamic growth story. In a world where economic powerhouses are shifting, India's role is poised to become increasingly significant

ANKIT NAGORI | AUGUST 18, 2023 / 10:15 AM IST



India's push for infrastructure development is a pivotal factor in its bullish outlook.

In a world of uncertainty, where the global economic landscape is evolving rapidly India shines as a beacon of stability and growth. With its sheer size of market, robust technological strengths, impressive GDP growth, large middle class, surging consumerism and stable government, India presents a compelling case for investors looking to capitalise on long-term growth prospects.

Here are seven reasons why I feel the next decade belongs to India.

## 1. Market Size

India boasts a population of over 1.4 billion, making it the

### most populous

country in the world. This sheer size translates into an expansive consumer base and an attractive market for various industries. The demographic dividend – a young population – further adds to India's growth potential. With a median age of around 29 years, India is set to enjoy a substantial workforce, fostering innovation and driving economic growth.

## 2. Technological Strengths

India's prowess in the technology sector is undeniable. The country has emerged as a global technology hub, with an ever growing software industry. That, along with the exponential growth of Indian startups across sectors showcases the entrepreneurial spirit that is spreading its roots not only in large cities, but also across smaller cities. In fact, with over 50,000 startups, India's startup ecosystem is the

### third-largest

in the world attracting billions of dollars of FDI every year. Startups are thriving across the country, leveraging technology to address unique problems and create disruptive solutions.

## 3. GDP Growth

India's GDP growth has been consistent and robust over the years. Despite global economic fluctuations, the Indian economy has demonstrated resilience, maintaining an average growth rate of around 7 percent. This sustained growth trajectory is projected to continue, driven by domestic consumption, investment, and a growing technology sector. According to projections, India is expected to become the third-largest economy by 2027, with a GDP surpassing

### \$5 trillion

## 4. Rising Middle Class

The burgeoning middle class in India is a compelling driver of economic growth. As millions transition from low-income to middle-income households, their consumption patterns are transforming the country's economy. The per capita income of India is set to double from the current \$2,000 to \$4,000 in 2028. By 2030, it is estimated that India's middle class will number over 700 million people. This demographic shift translates to increased purchasing power, greater consumption, and heightened demand for quality products, brands and services across various industries.

## 5. Growing Defence Budget

With global geopolitical dynamics evolving, India has been steadily increasing its defence budget to modernise its armed forces with an aim to become self-reliant in defence manufacturing. India is among the top five largest military spenders globally and by 2025, India's defence budget is projected to exceed \$70 billion. This growing budget not only supports the country's defence needs but also provides opportunities for investment in defence technology and innovation.

## 6. Make in India

Since its launch in 2014, India's "Make in India" initiative has catalysed diverse sectors. Global car manufacturers like Hyundai and Suzuki have ramped up the production units thereby increasing India's automotive output. Companies like Samsung and Apple have set up local manufacturing for their mobile phone business hence reducing the dependence on imports significantly. Various other industries such as pharma, renewable energy and defence have seen significant gains due to the local manufacturing push. In the last nine years, over \$100 billion of FDI has come in, in the manufacturing sector. Manufacturing will be one of the largest job creating sectors in the years to come.

## 7. Stable Government

Political stability is a cornerstone of economic growth. India's democratic setup and relatively stable governance provide a conducive environment for foreign investments and domestic economic development. Recent economic reforms, such as "Digital India" and the "Make in India" initiative, showcase the government's commitment to streamlining business operations and attracting investment. India's push for infrastructure development is a pivotal factor in its bullish outlook. The expansion of transportation networks – road, air and rail, across the country is not only fostering economic growth but also improving the quality of life for citizens.

As we traverse the next decade, India's progress promises a host of opportunities for investors and businesses seeking to be part of a dynamic growth story. In a world where economic powerhouses are shifting, India's role is poised to become increasingly significant. As we navigate the uncertainties of the global landscape, embracing a bullish perspective on India is not just a rational choice; it is an acknowledgment of the remarkable strides the nation has already taken and the immense promise it holds for the years ahead.

**Ankit Nagori is founder and CEO of Curefoods, and also an angel investor. Views are personal, and do not represent the stand of this publication.**