

Indian Economic Outlook & Geopolitical Environment

Digital Academy for Business Event

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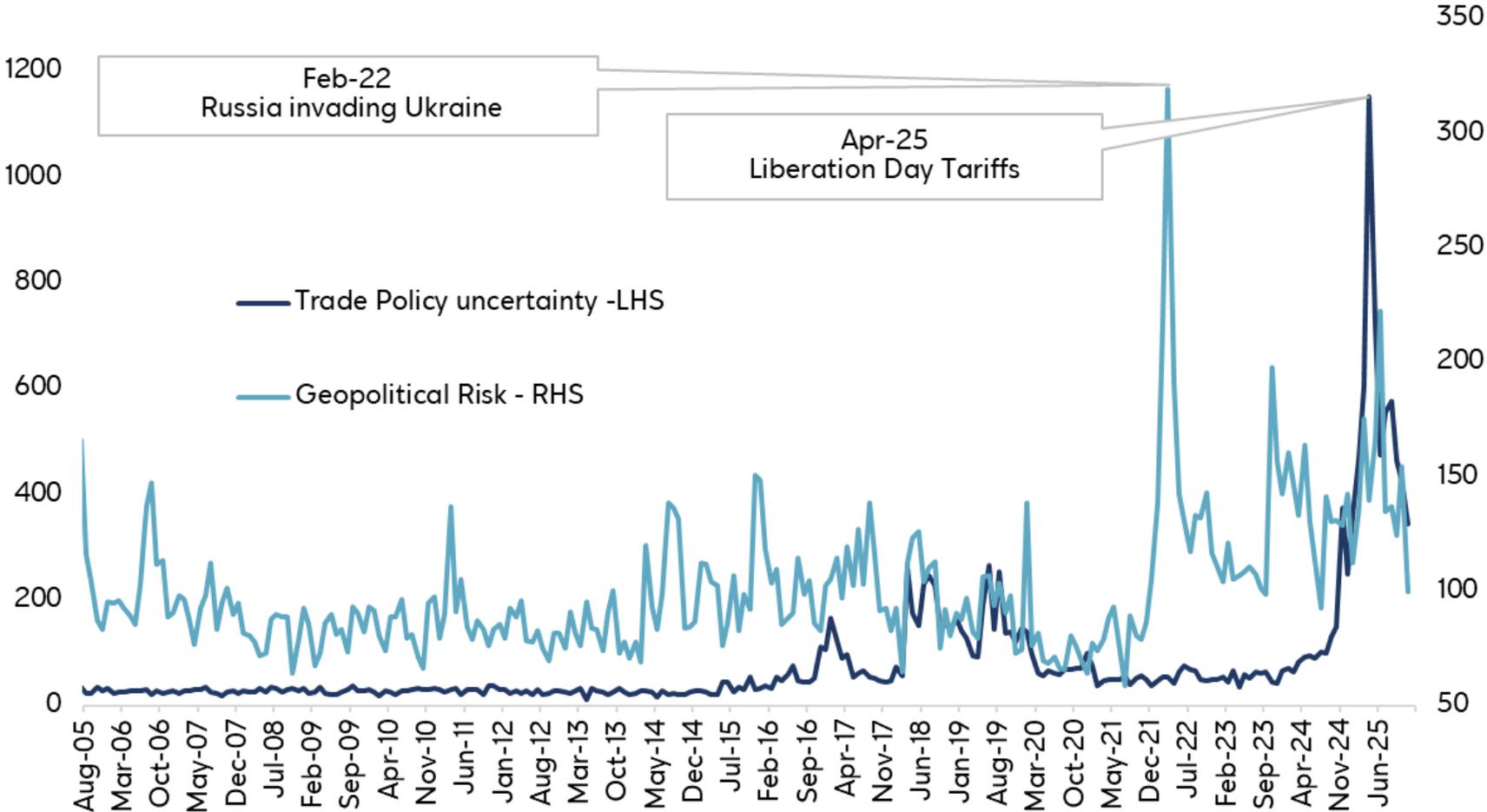
Eurobank Research

Athens

December 11, 2025



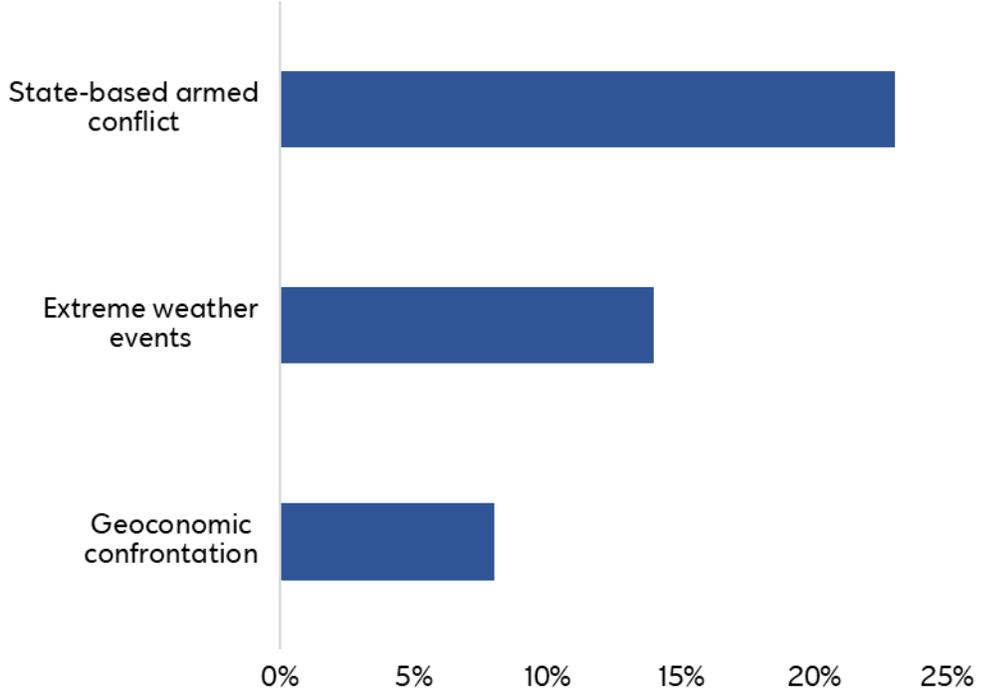
Geopolitical risk and trade policy uncertainty remain persistent macro headwinds



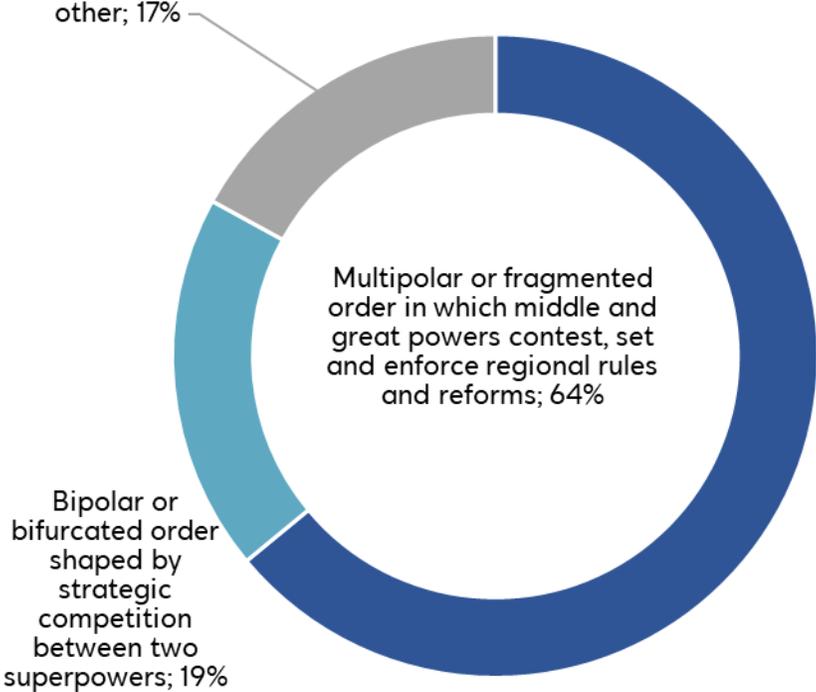
Sources: Caldara and Iacoviello for GPR, Caldara, Iacoviello, Molligo, Prestipino and Raffo for TPU, Eurobank Research

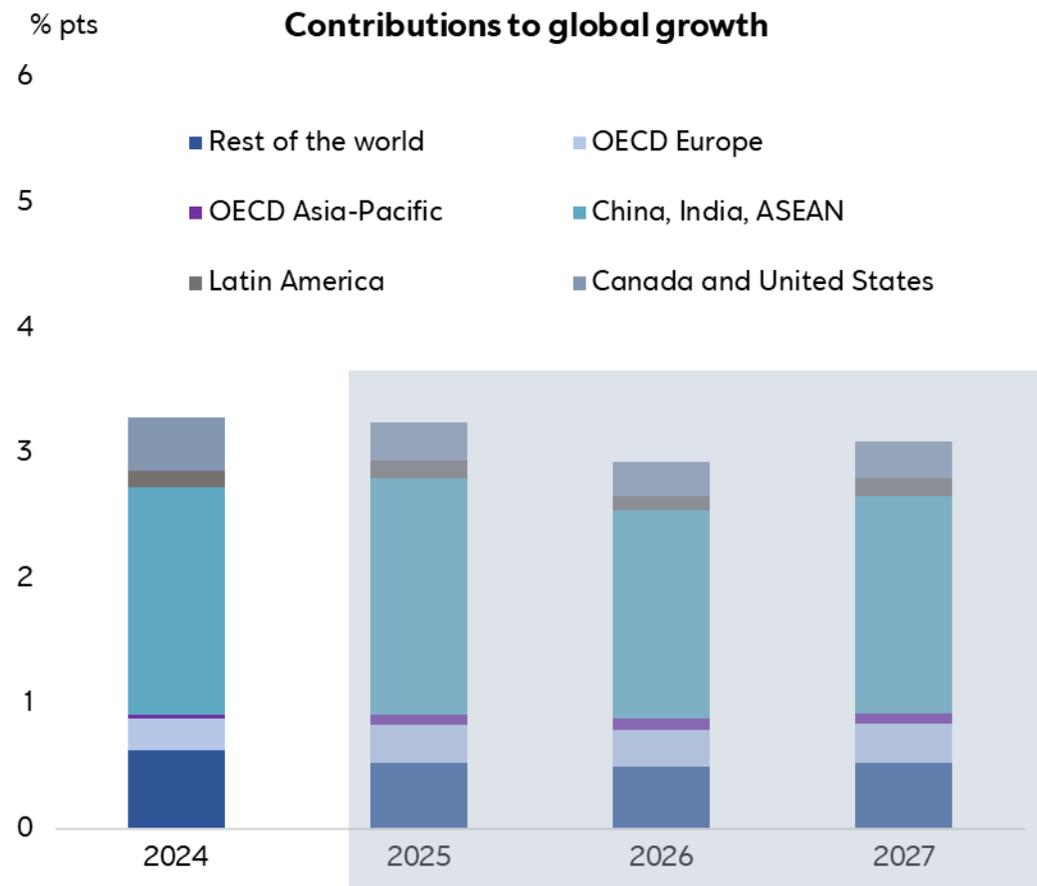
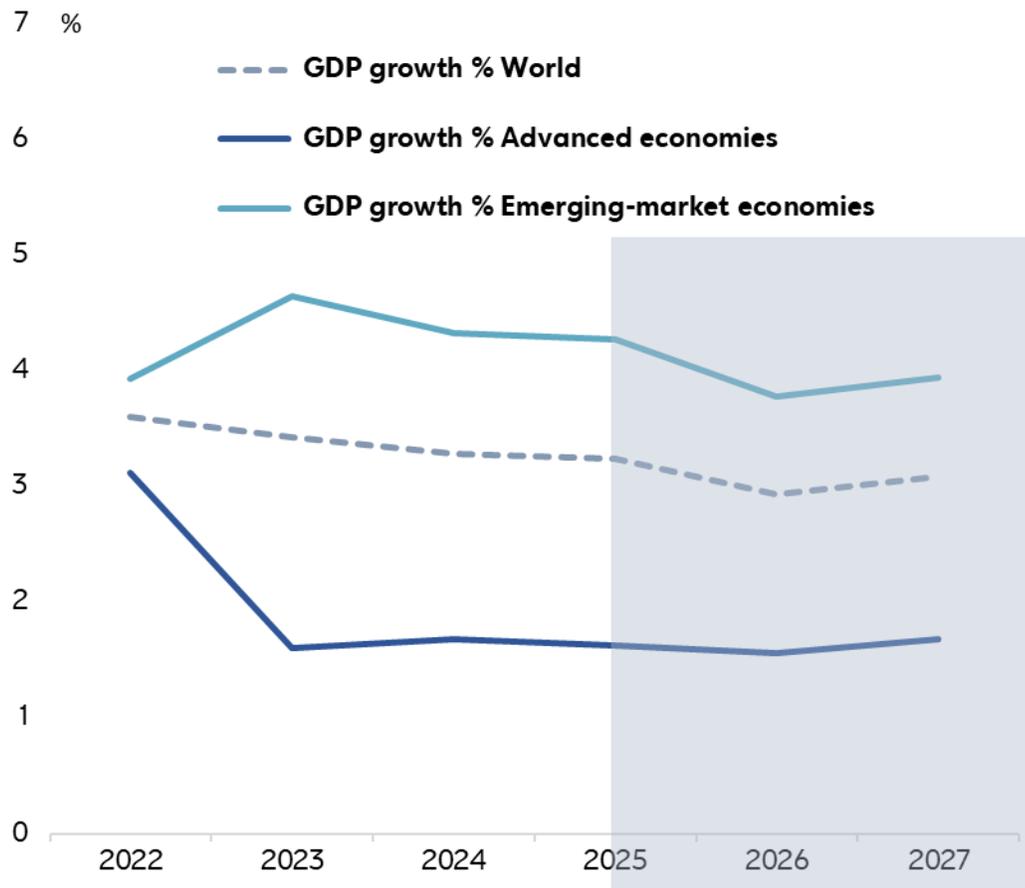
The global geopolitical nexus: active military conflicts, geoeconomic confrontation, geopolitical fragmentation

Key Risks
as in WEF Global Risks 2025

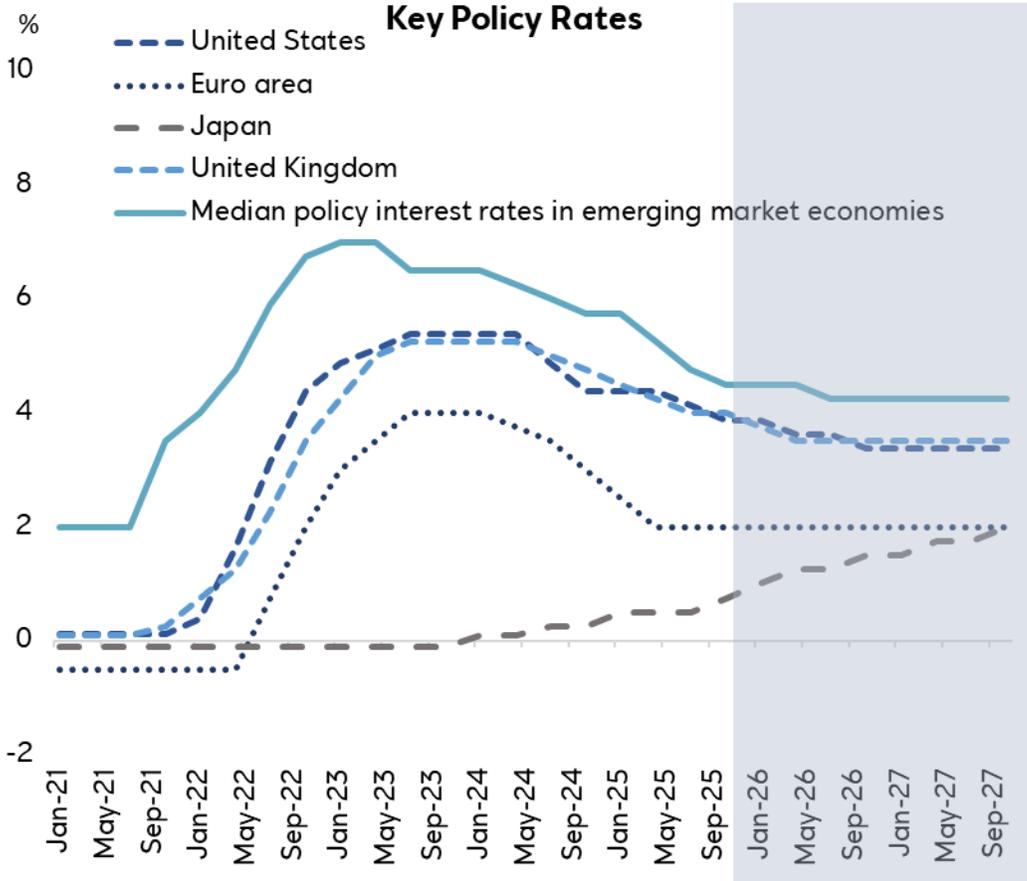
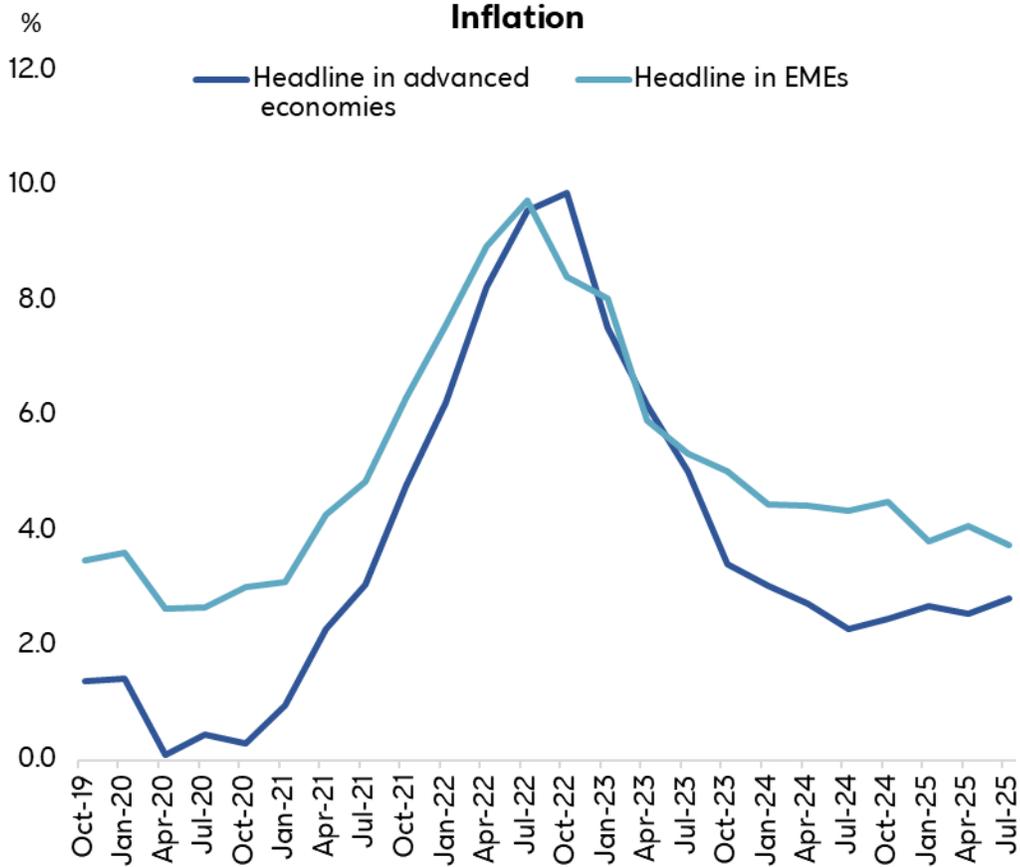


Global Political Outlook
as in WEF Global Risks 2025

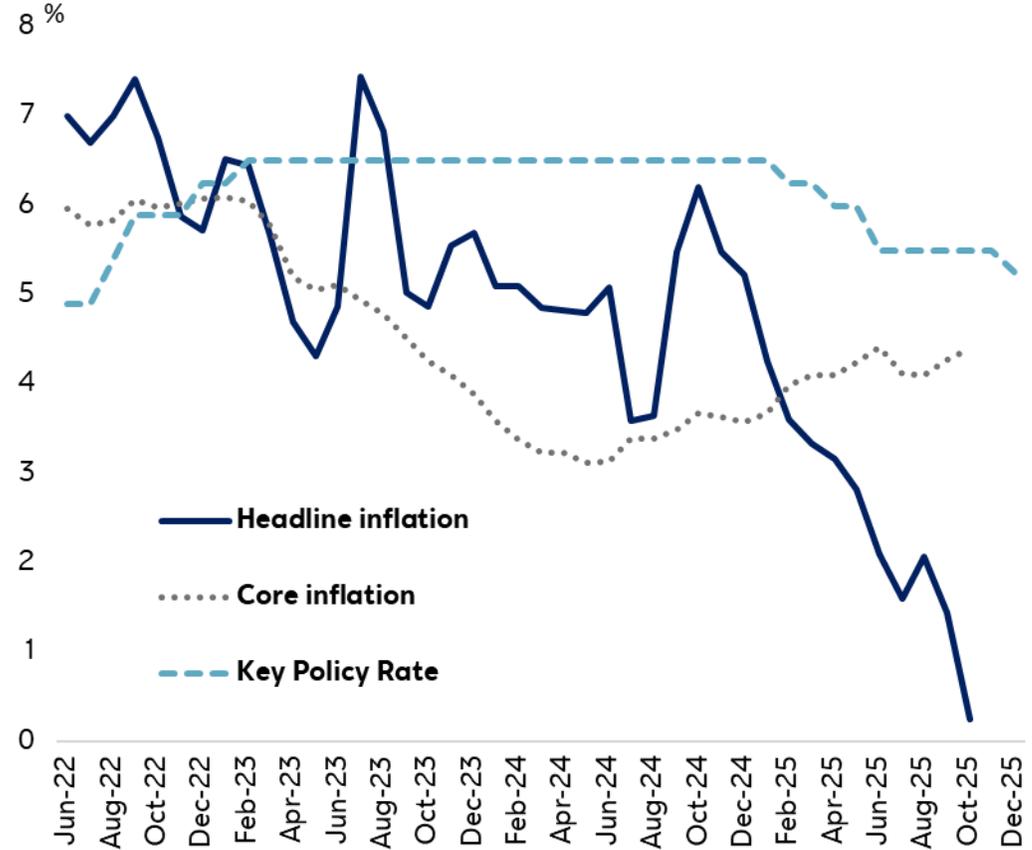
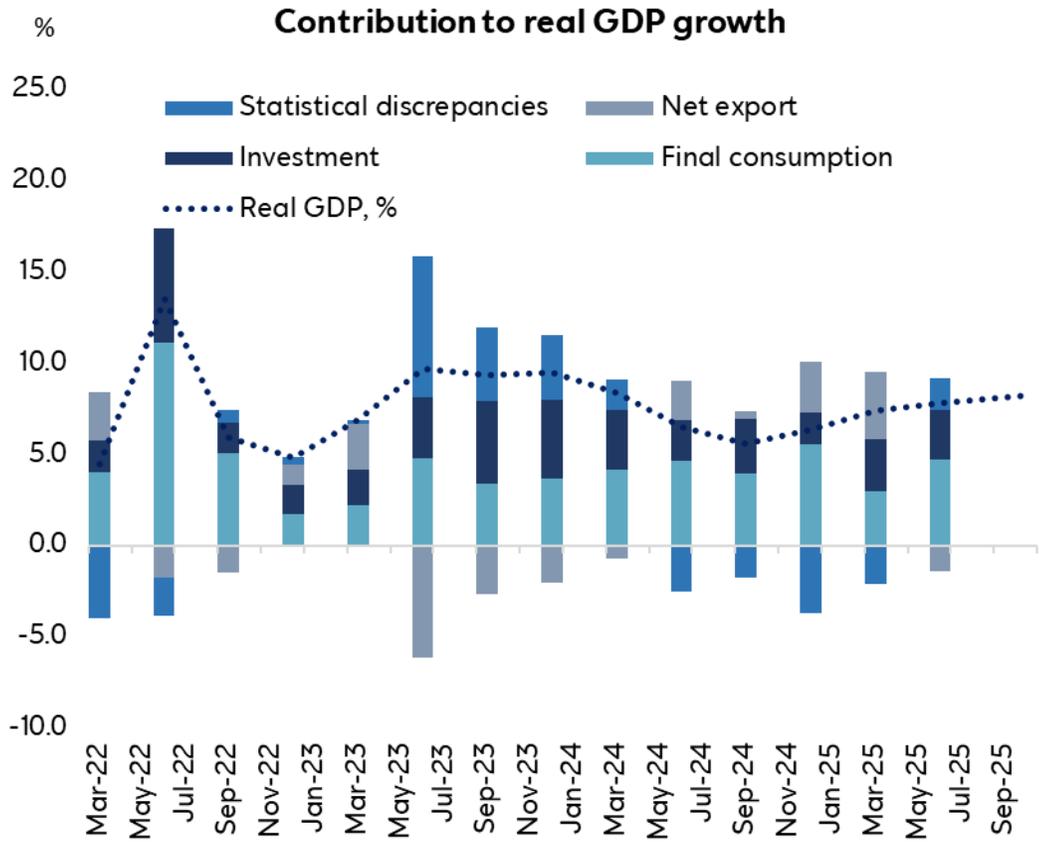




Global growth remained resilient on the back of easier financial conditions and supportive macroeconomic policies

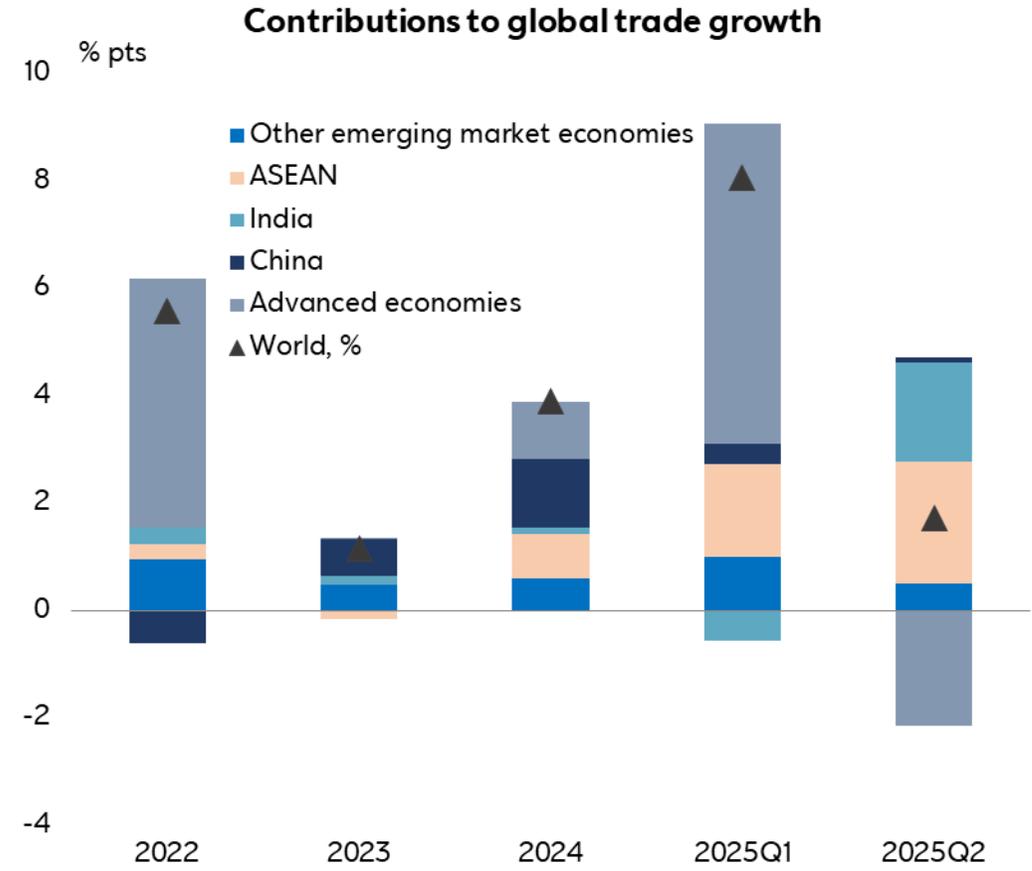
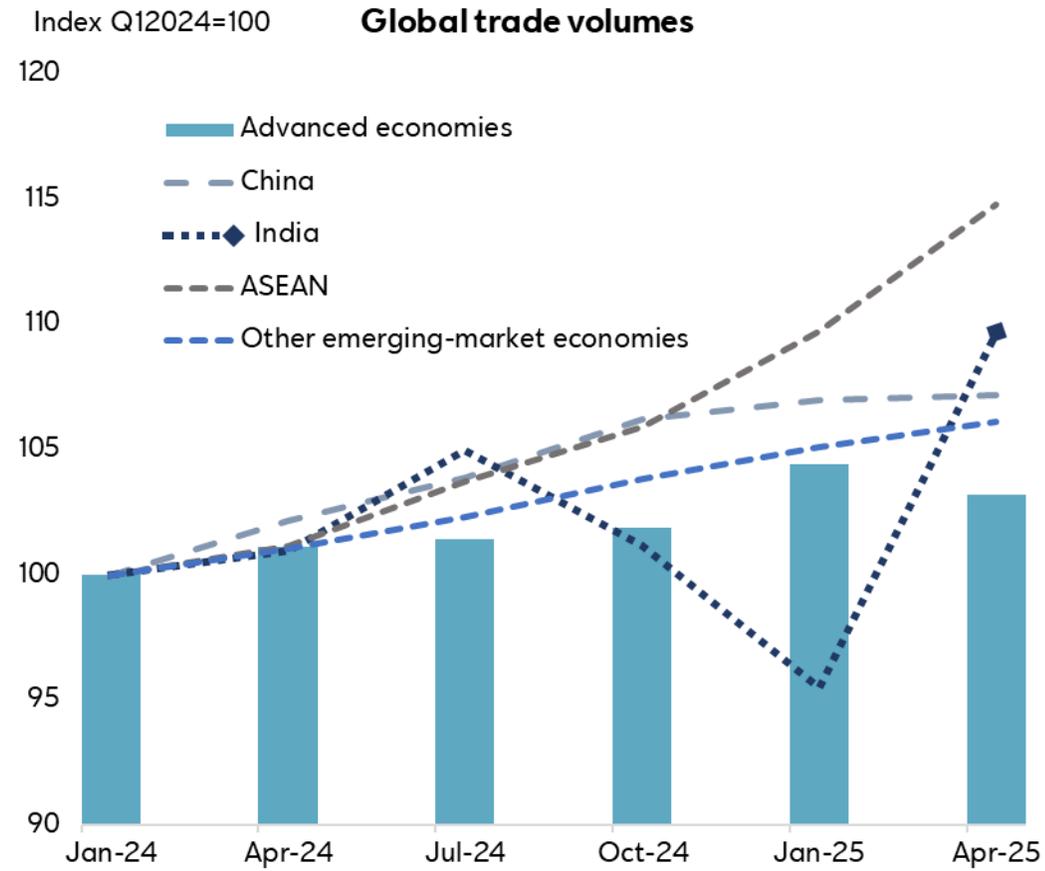


Sources: OECD, Eurobank Research



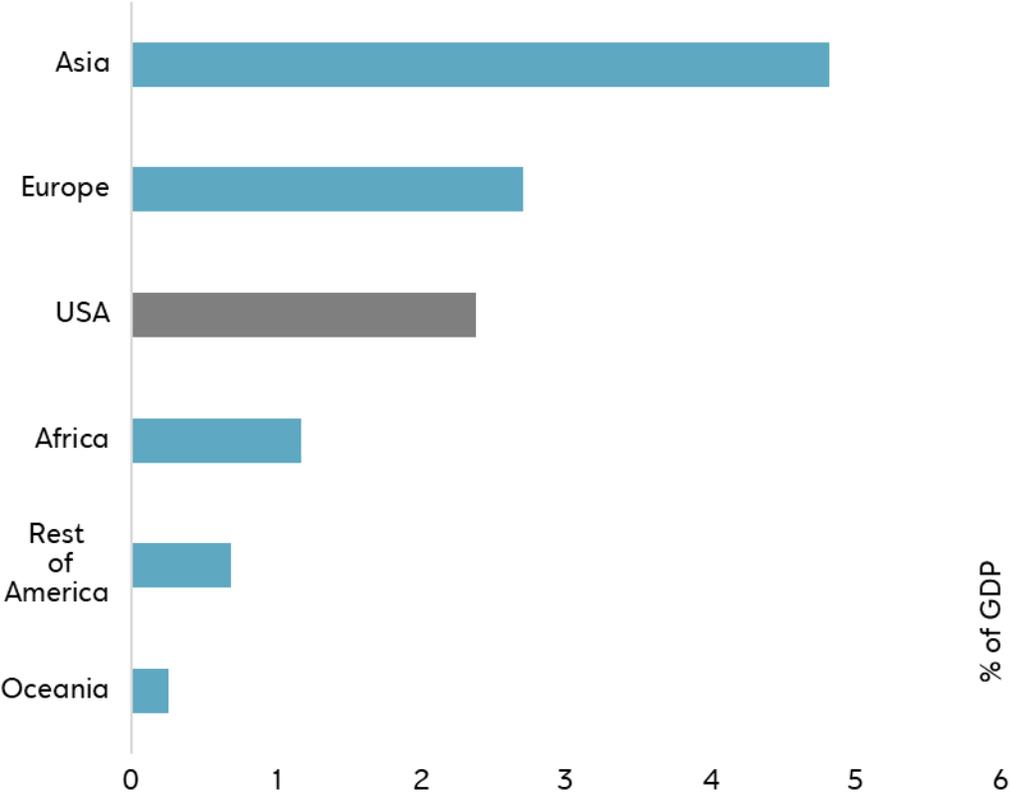
Sources: OECD, Eurobank Research

Trade volumes and share in global trade growth are increasing

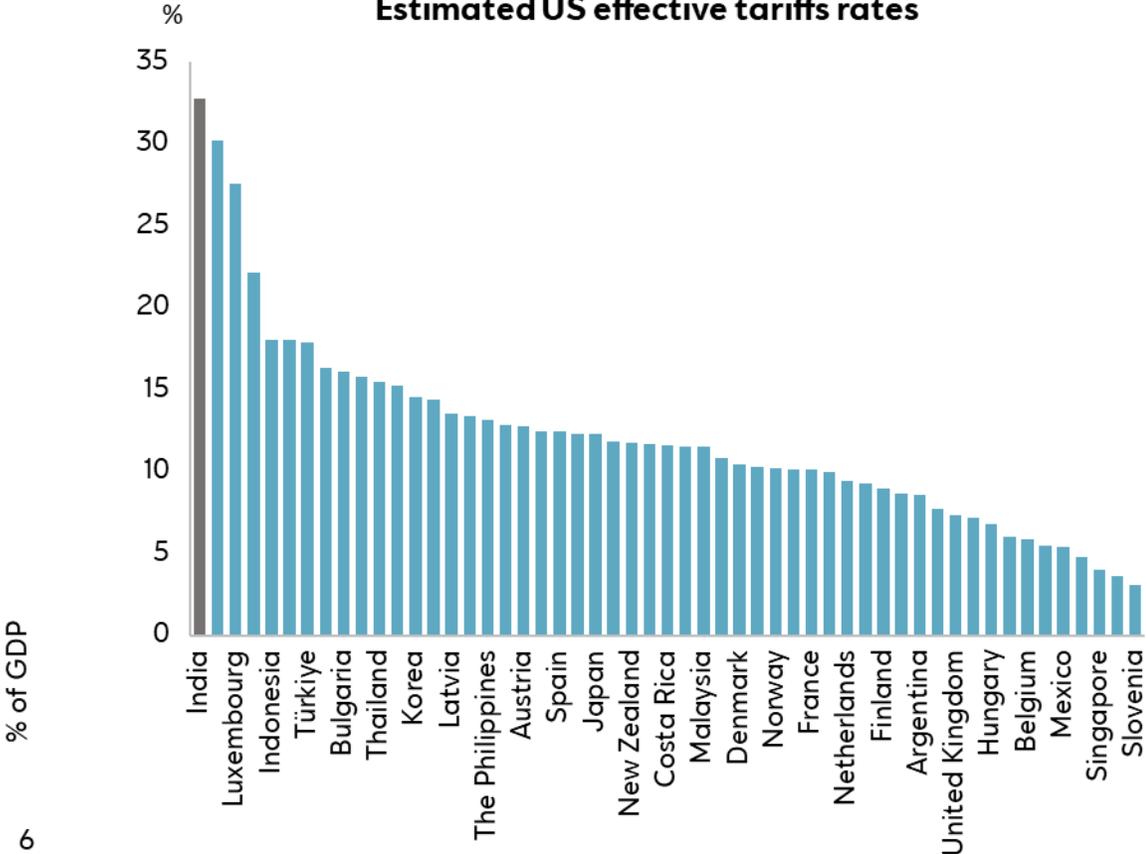


Sources: OECD, RBI, Eurobank Research

Exports as % of GDP by destination



Estimated US effective tariffs rates



- At a time when global trade uncertainty is reshaping markets and supply chains, India's structural reforms provide a crucial buffer.
- Reform momentum remains strong, supported by increasing political maturity and policy continuity.
- Structural changes go beyond short-term fixes as they tackle persistent structural obstacles in labour markets, taxation, compliance and investment, all of which are fundamental to raising total factor productivity and supporting durable economic expansion.
- The consolidation of the Good Services Tax (GST, Sep 2025) and the rollout of the Labour Law Overhaul (Nov 2025), alongside Prime Minister Modi's third-term mandate the strengthening and deepening of India's transformation efforts, positioning the country to achieve the **Viksit Bharat 2047** vision of becoming a modern, high-income economy.

- ➔ High and Sustained Growth Performance:
 - i. India is among the fastest growing large economies, with medium term GDP growth projected around 6.5%.
 - ii. Growth has proven resilient through global shocks, supported by macroeconomic stability, moderate inflation and ongoing reform efforts.
- ➔ Outperformance relative to other major emerging economies:
 - i. India's economic output has risen to the 5th largest globally, with steady convergence toward advanced economy income levels.
 - ii. Structural reforms, digitalisation and efficiency gains have contributed to performance that consistently exceeds the EM average.
- ➔ Demographic advantage as India remains the world's largest and youngest major population, with the working age cohort estimated close to 68% of the total population.
- ➔ Expanding consumption base through a steadily rising middle class, supported by sustained income growth that underpins broad-based domestic demand.

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