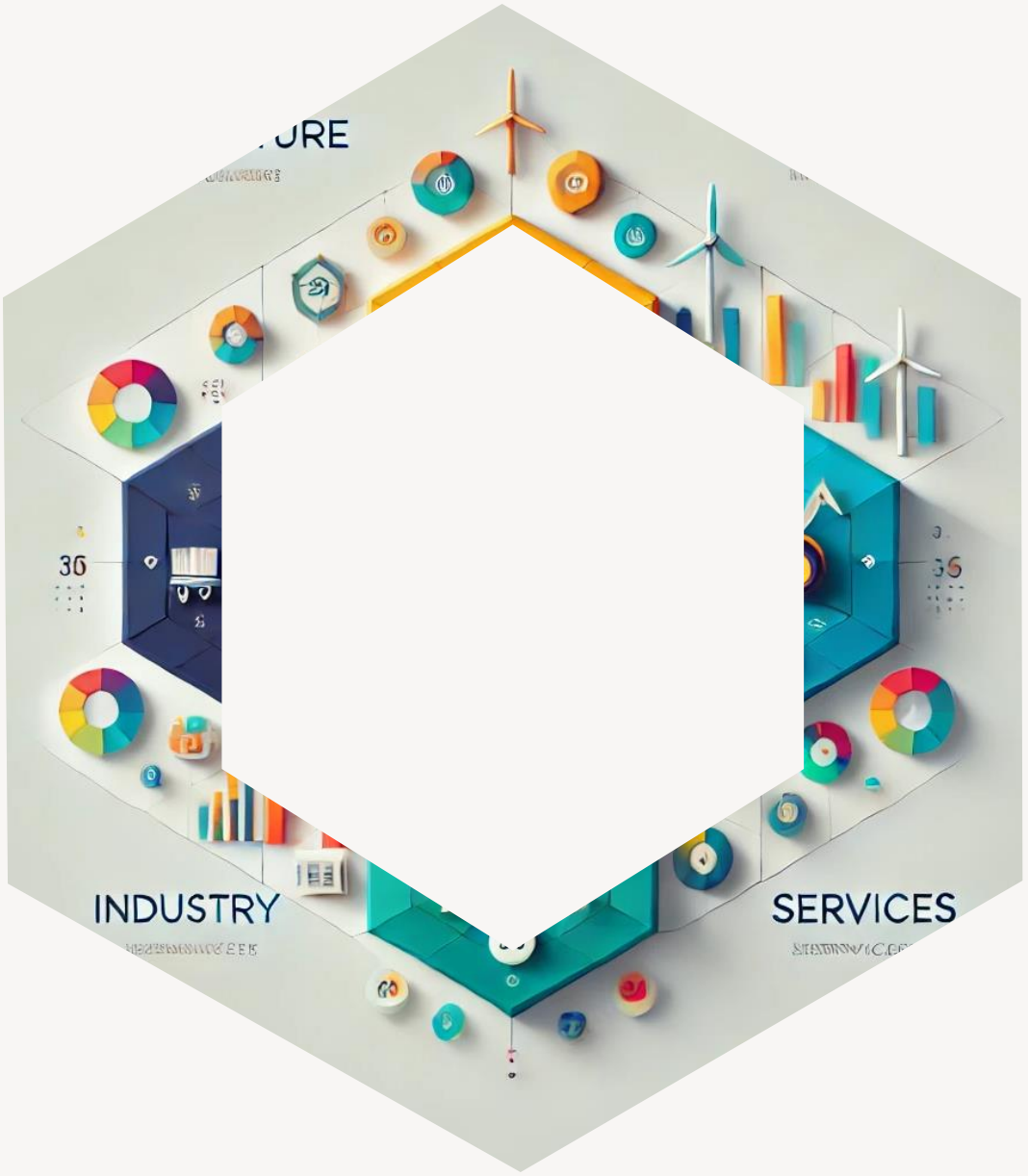
India in Focus: A comparative analysis of economic performance

Sectoral Composition



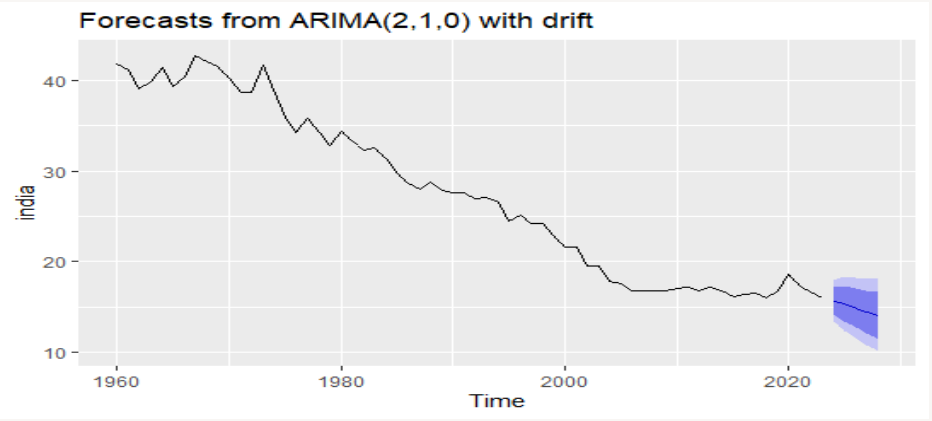
Sectoral composition: Primary sector

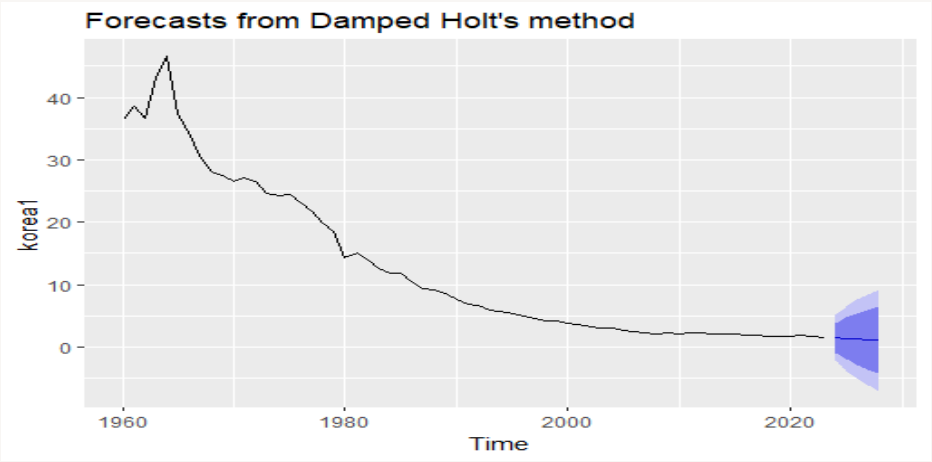
In 1960, agriculture, forestry, and fishing contributed approximately 41.7% to India’s Gross Domestic Product (GDP), while the primary sector accounted for 33.7% of Ecuador’s GDP and nearly 36.6% of South Korea's GDP.

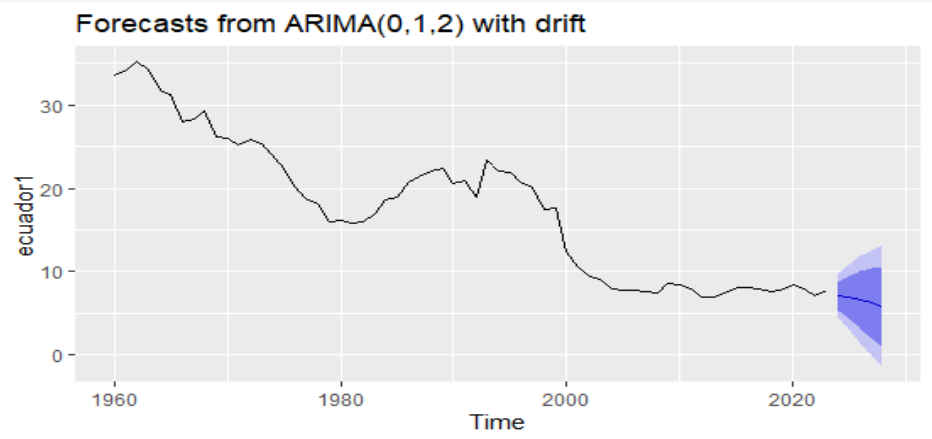
By 2023, the contribution of agriculture, forestry, and fishing to India’s GDP had declined to 15.97%. In the same year, the sector accounted for 1.6% of South Korea’s GDP, reflecting a slight decrease from the previous year, and 7.68% of Ecuador’s GDP, marking an increase of 0.5 percentage points from the previous year.

Projections suggest that by 2025, the primary sector's contribution to GDP will decline to 15.35% in India, 1.39% in South Korea, and 7% in Ecuador.
By 2028, these contributions are expected to further decrease to 14% in India, 1.11% in South Korea, and 5.81% in Ecuador.

These trends reflect significant structural changes in the economies of these countries, driven by shifts toward secondary and tertiary sectors.

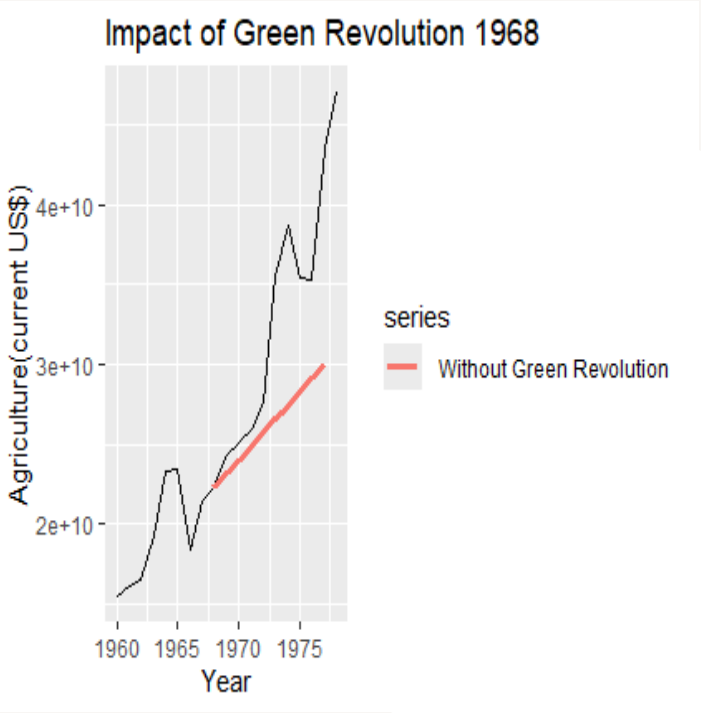




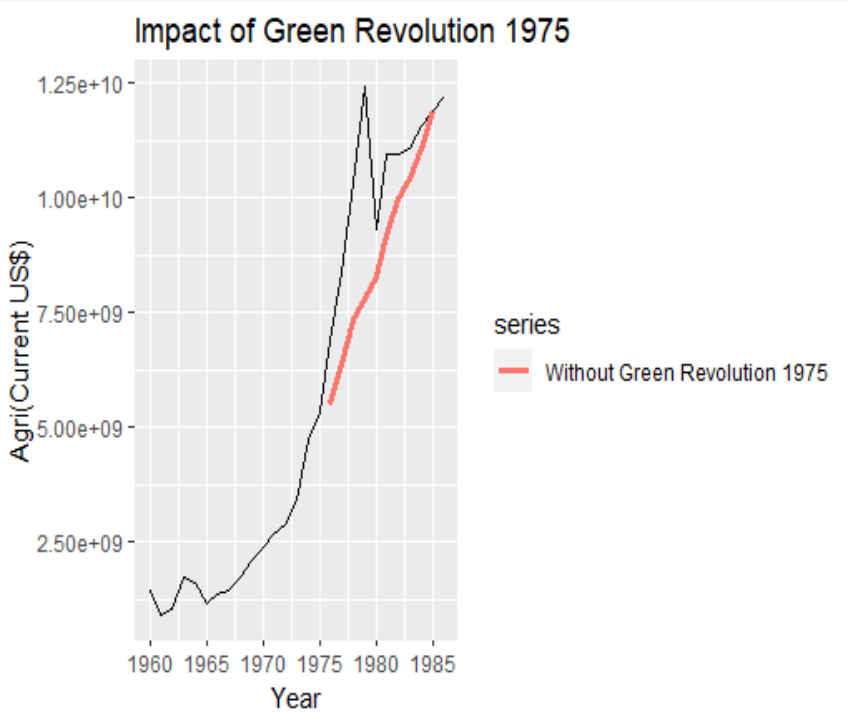


India	South Korea	Ecuador
•**Pioneered by**: M.S. Swaminathan (1966), introducing high-yielding varieties (HYVs) of wheat and rice. •**Key Features**: • Mechanization and expanded irrigation systems. • Use of chemical fertilizers (e.g., phosphamidon, Methomyl), pesticides, and weedicides. • Focus on five crops: wheat, rice, jowar, bajra, and maize; wheat dominated production. •**Impact**: Significant increase in food grain production in Punjab, Haryana, and Uttar Pradesh.	•**Leadership**: Park Chung Hee's regime, combining agricultural modernization with reforestation efforts. •**Key Features**: • Development of the HYV rice seed *Tong-il*, achieving rice self-sufficiency by 1978. • Growth of agriculture-related industries (e.g., synthetic nitrogen fertilizer, machinery, seeds). •**Impact**: Focused on rice production; holistic development of agricultural infrastructure.	•**Pioneered by**: The project was a collaboration between Vivar and Iniap in 1979. •**Key Features**: • Emphasis on rice production, following a model similar to South Korea. • Decline in traditional crops such as bananas and cocoa. •**Impact**: Improved rice yields but reduced diversity in agricultural output.

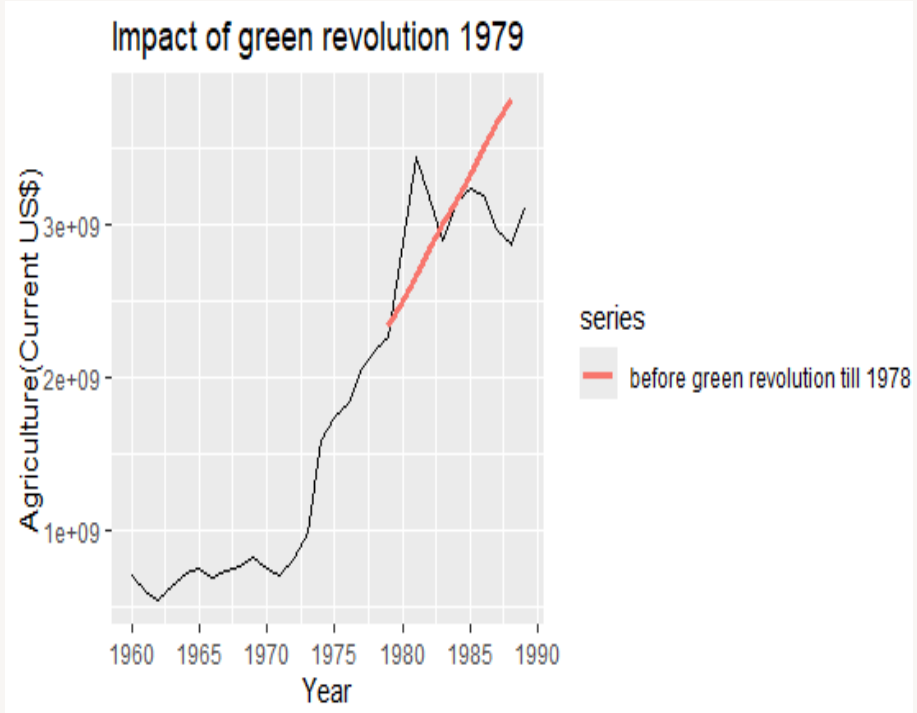
Impact of Green Revolution



India



South Korea



Ecuador

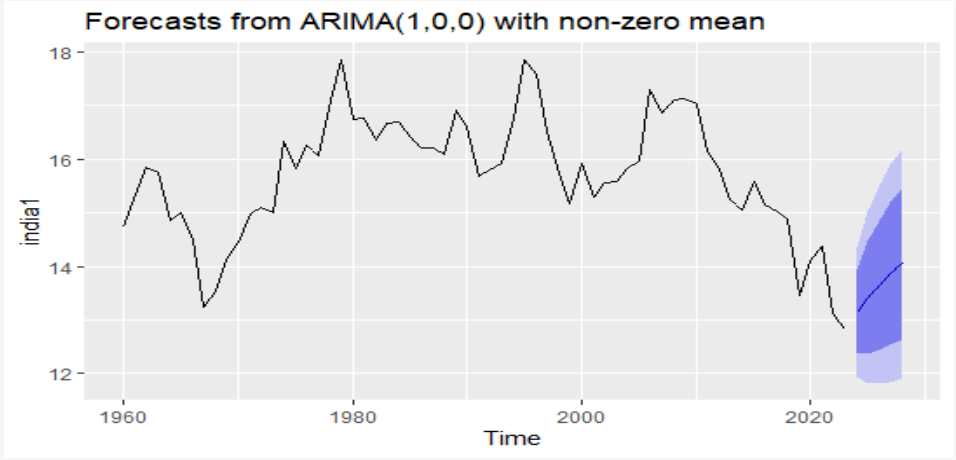
Sectoral composition: Secondary sector

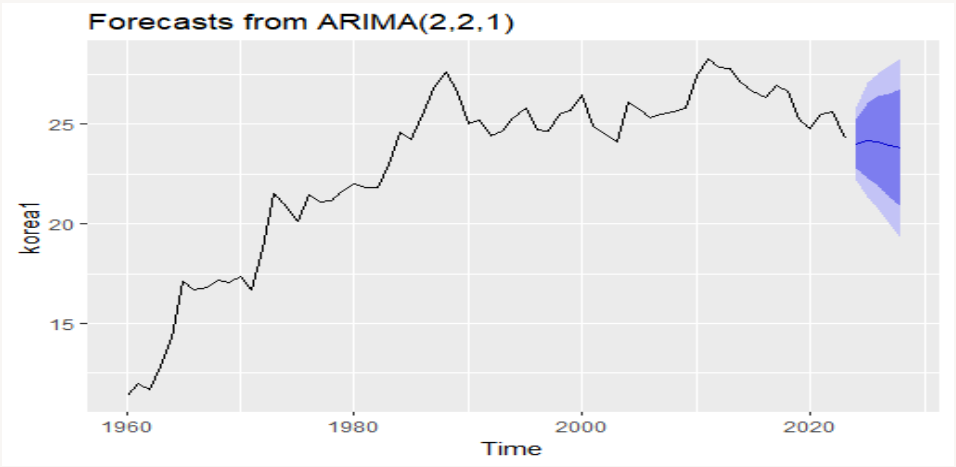
In 1960, manufacturing contributed approximately 15% to India's GDP, 11% to South Korea's GDP, and 20% to Ecuador's GDP. These figures suggest an early industrial focus in Ecuador compared to India and South Korea.

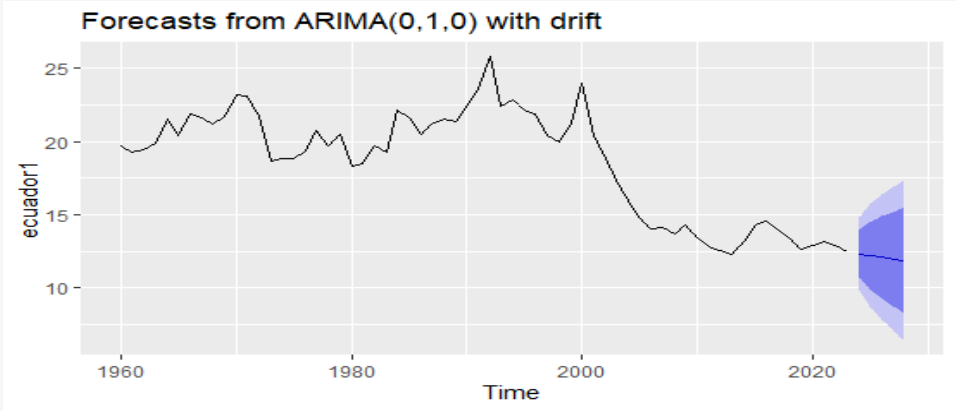
By 2023, the share of manufacturing in India's GDP had declined to 13%, while Ecuador's share similarly decreased to 12%. In contrast, South Korea experienced a substantial increase, with the manufacturing sector rising to 24% of its GDP, indicating a more robust industrial expansion relative to India and Ecuador.

Projections for 2025 suggest minor adjustments, with India's manufacturing sector expected to increase slightly to 13.42% of GDP. South Korea is projected to experience a modest decline to 24.18%, while Ecuador’s manufacturing share is anticipated to reduce further to 12.21%.

By 2028, India's manufacturing sector is forecasted to exceed 14% of GDP, reflecting a potential revitalization in industrial output. South Korea, however, is expected to see a gradual decline to 23.78%, and Ecuador's manufacturing share is projected to decrease further to 11.86%, indicating a steady reduction in its industrial contribution.

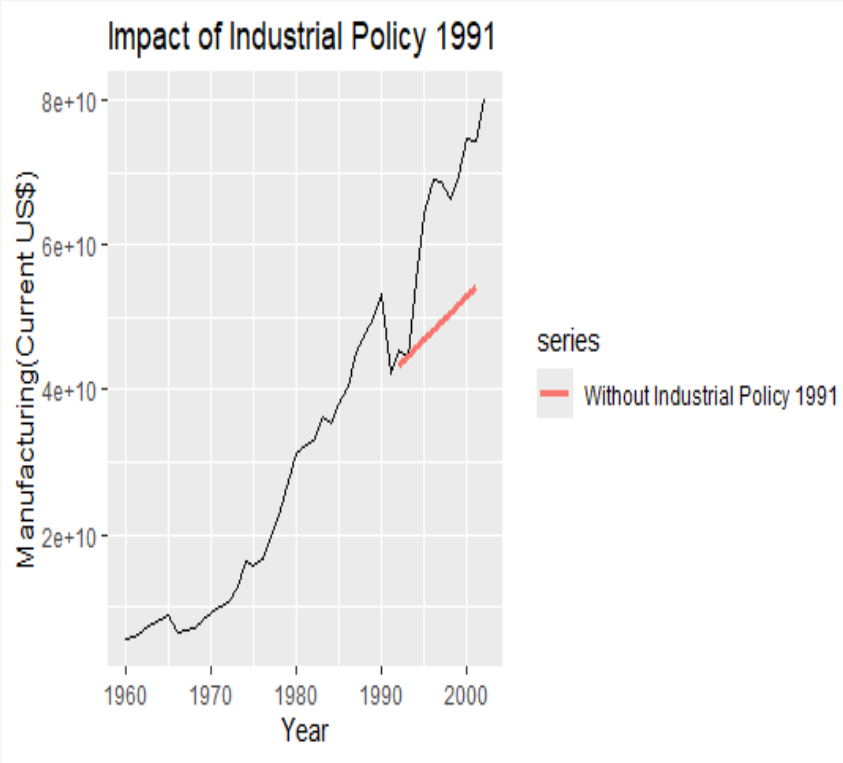




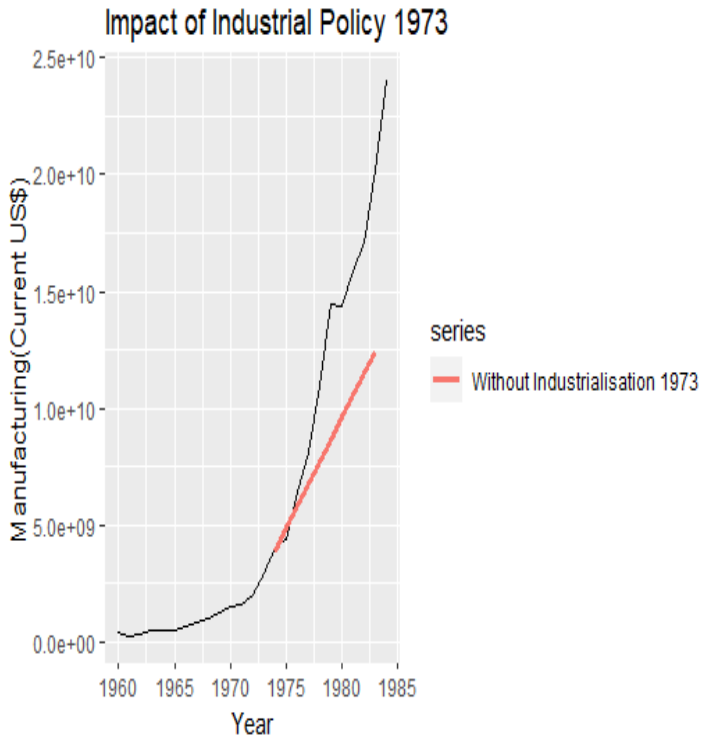


India	South Korea	Ecuador
India's New Industrial Policy of 1991 was a transformative approach aimed at boosting economic growth and modernizing its industrial sector. The policy introduced Liberalization, Privatization, and Globalization (LPG), reducing government intervention and simplifying regulations. Key reforms included deregulation, encouraging competition, attracting foreign direct investment, and supporting small businesses. This shift particularly impacted previously regulated industries such as textiles, steel, automobiles, and consumer durables, helping to integrate India's manufacturing sector with global markets. By focusing on opening up the economy, India aimed to improve industrial efficiency and foster sustainable growth.	South Korea's industrial development took a different approach, focusing on strategic support for heavy industries through the Heavy and Chemical Industry (HCI) drive. Unlike India's broader market reforms, South Korea concentrated on specific sectors—steel, non-ferrous metals, machinery, shipbuilding, electronics, and chemical engineering. This policy aimed to shift from light to heavy industries to boost exports, with government support through tax incentives and loan subsidies. The goal was to increase the share of HCIs in total exports from 27% to 65%, positioning South Korea as a global industrial leader. South Korea's strategy thus emphasized sectoral specialization and export-driven growth.	Ecuador's industrial policy, especially since the 1990s, has been rooted in trade liberalization, focusing on expanding market access and attracting foreign investment. Unlike India and South Korea, which implemented targeted industrial reforms, Ecuador's liberalization aimed to open the economy broadly to enhance competitiveness. By allowing foreign direct investment, Ecuador improved local businesses' access to high-quality inputs, products, and advanced technologies. However, the policy did not target specific industries, focusing instead on overall market development and integration into global trade.

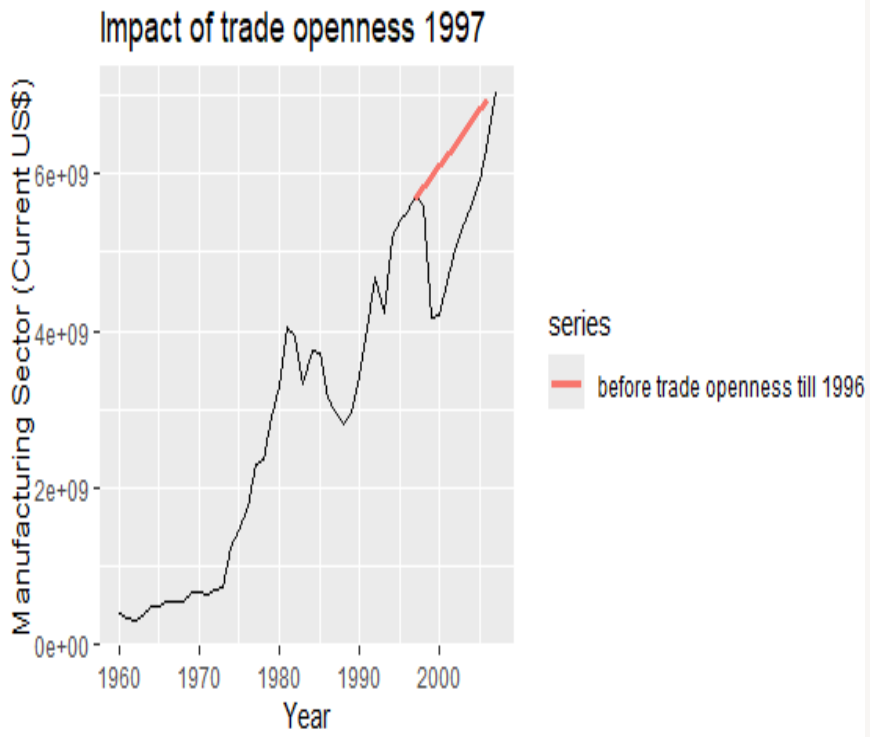
Impact of Industrial policies



India



South Korea



Ecuador

Sectoral composition: Tertiary sector

In 1960, the services sector contributed 38.8% of India's GDP, 39.1% in South Korea, and 41% in Ecuador, indicating balanced economies with varied reliance on services.

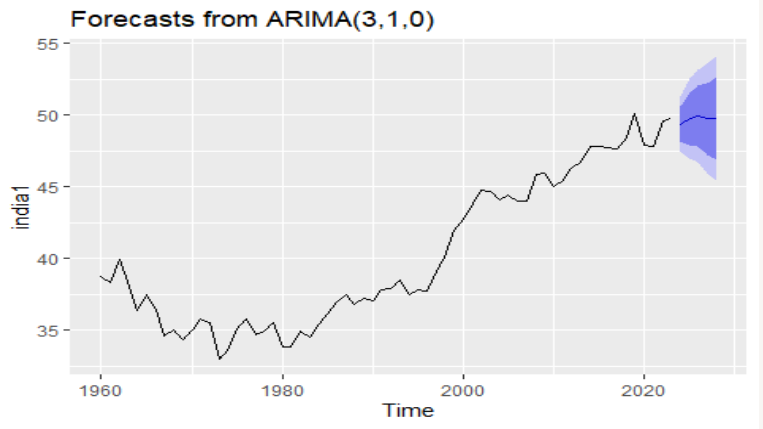
By 2023, the share of services rose significantly across all three countries, reaching 49.8% in India, 58.4% in South Korea, and 59% in Ecuador.

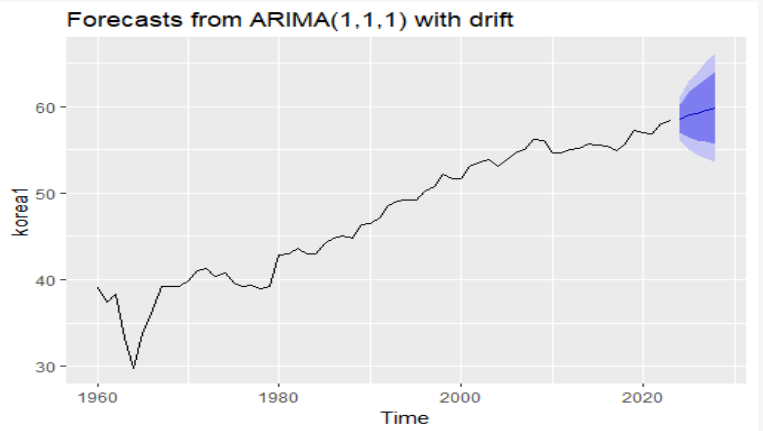
These increases reflect a shift towards service-oriented economies, with South Korea and Ecuador showing particularly high dependency on the services sector.

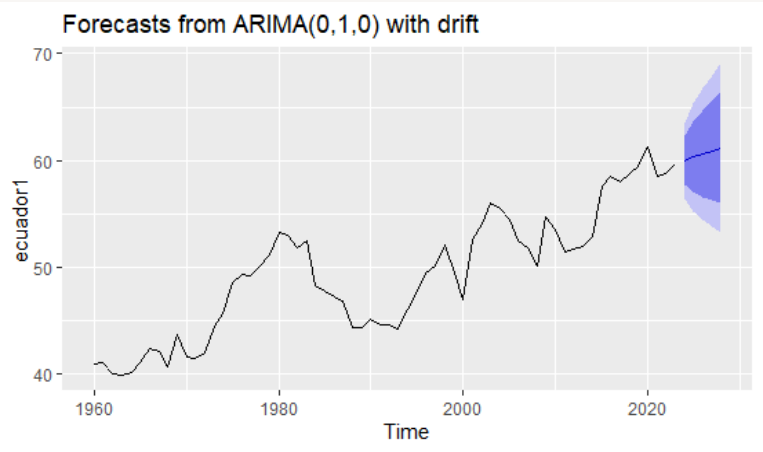
By 2028, the services sector in India is expected to contribute 49.78% to GDP, remaining relatively stable compared to its 2023 level of 49.8%. This stability suggests that while services will continue to play a crucial role, India may experience balanced growth across sectors, with potential focus on bolstering manufacturing and agriculture alongside services.

South Korea's services sector is projected to increase to 59.82% of GDP by 2028, up from 58.4% in 2023. This continued growth reflects the country's established trend towards a service-dominant economy, likely driven by sectors such as finance, education, healthcare, and information technology. South Korea's service expansion complements its high-tech and manufacturing base, positioning it as a diversified economy with strong tertiary-sector performance.

Ecuador's services sector is forecasted to reach 61.21% of GDP by 2028, rising from 59% in 2023. This increase suggests Ecuador's ongoing dependence on services, with limited industrial diversification. The expansion of services likely reflects the country's focus on sectors such as tourism, retail, and finance, supported by trade liberalization and foreign direct investment.

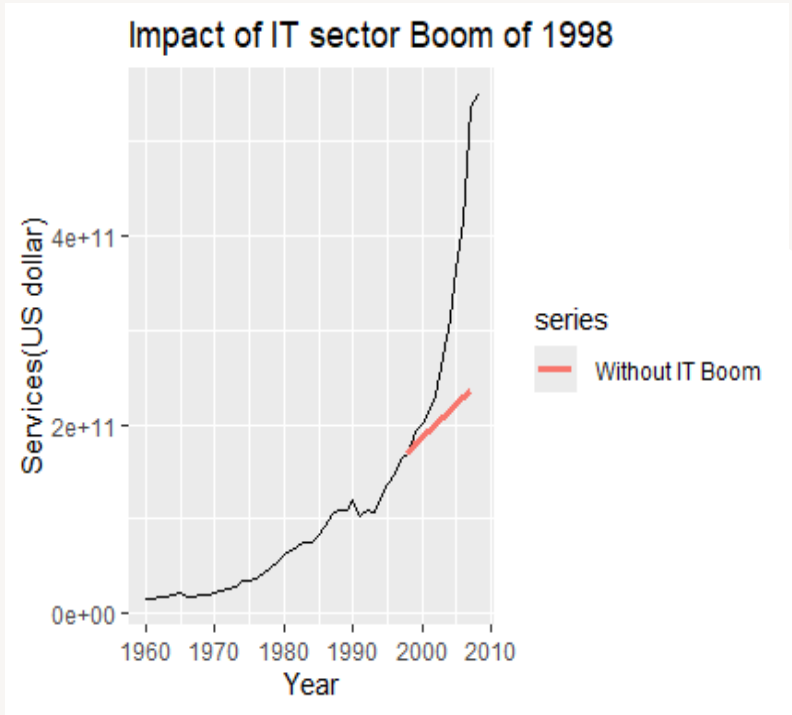


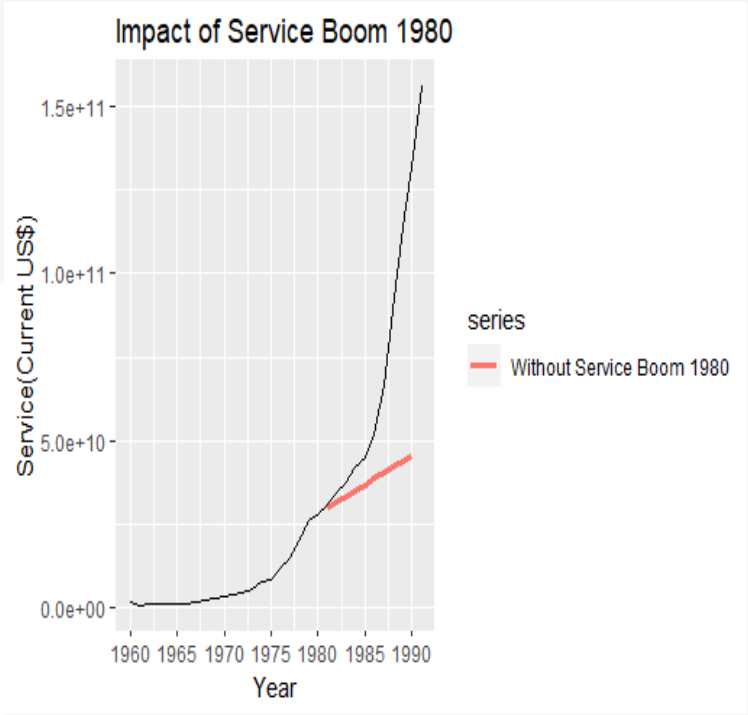


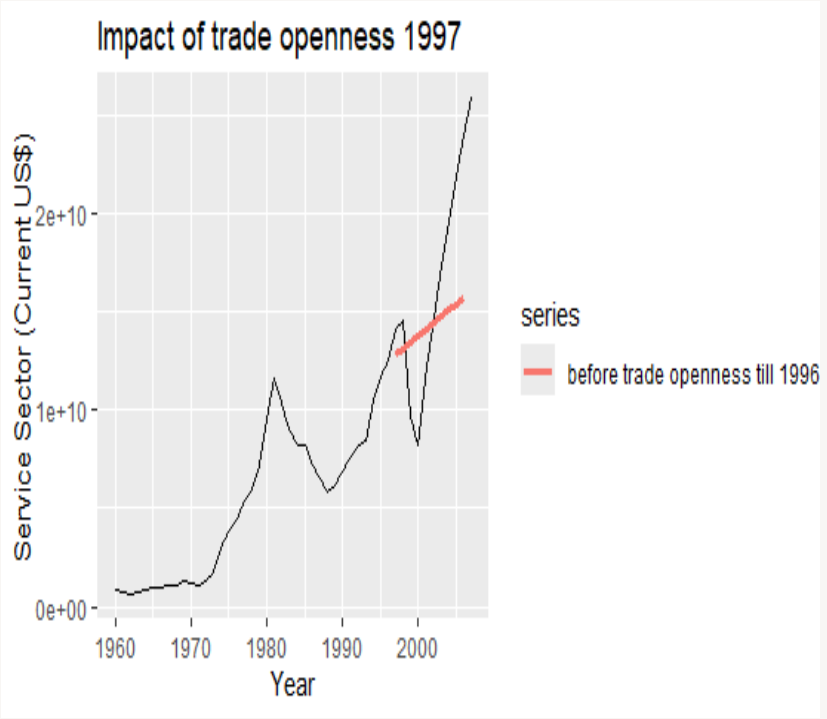


India	South Korea	Ecuador
India's service sector is the largest and fastest-growing in its economy, contributing nearly 50% to GDP. This growth, particularly in IT services, was driven by liberalization policies in the 1990s, attracting foreign investment and fostering companies like Infosys, Wipro, and TCS. The IT boom created millions of jobs, boosting domestic consumption and economic growth.	Similarly, South Korea's service sector grew significantly after liberalization in the 1980s, which loosened trade barriers and reduced government intervention. This encouraged foreign investment and fostered growth in industries like finance, telecommunications, and entertainment, contributing to a shift from manufacturing to services in its economy	Ecuador also benefited from trade openness, with liberalization measures boosting its service sector, especially in tourism, finance, and telecommunications. Foreign investment in infrastructure and services has spurred economic growth, job creation, and improved living standards.

Impact of Service sector boom





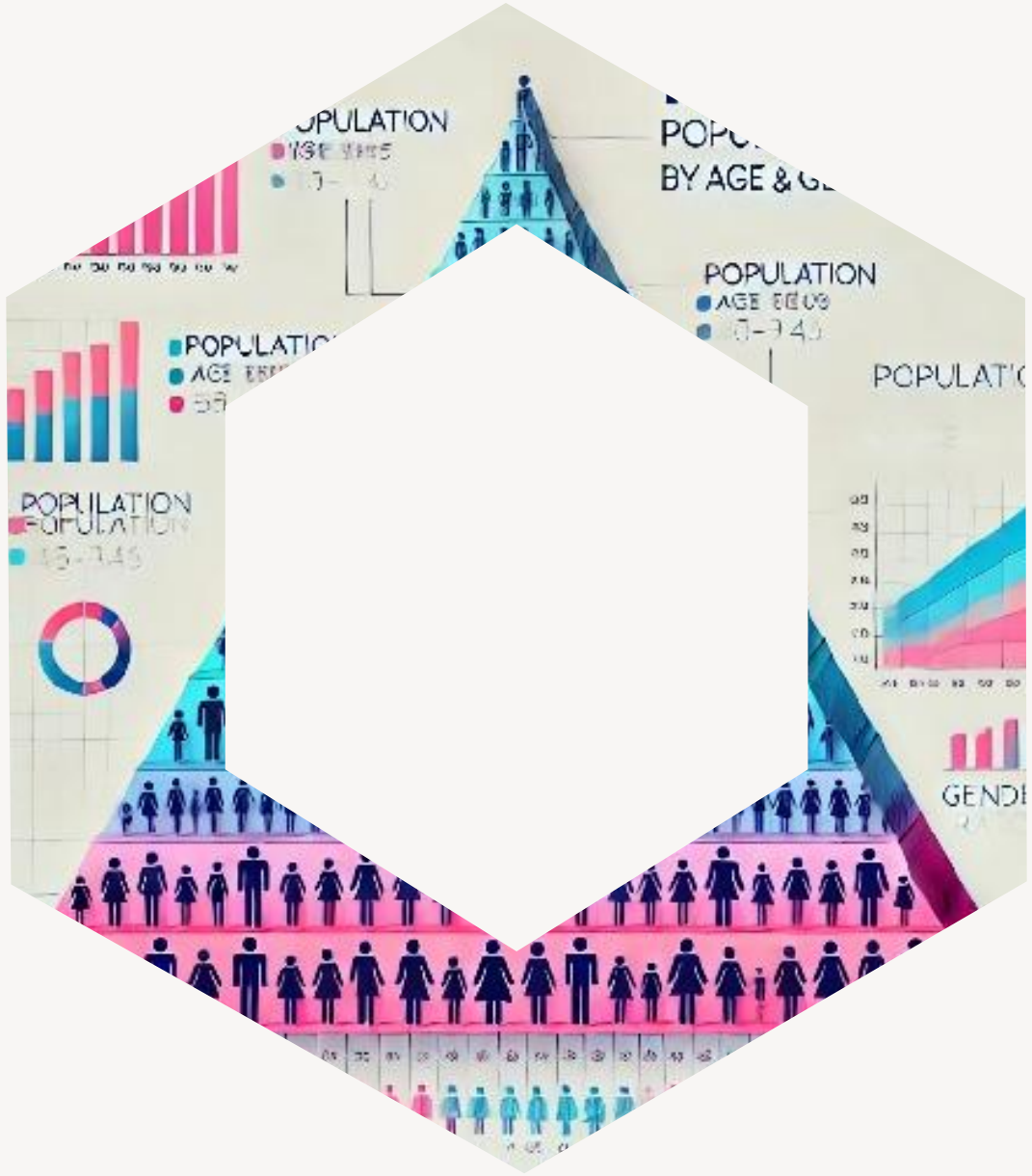


INDIA

South Korea

Ecuador

Demographic trends



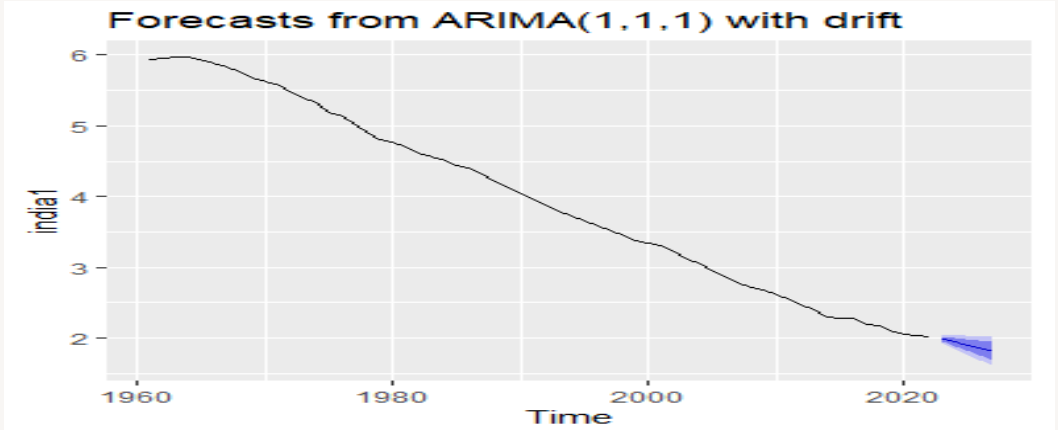
Fertility rates:

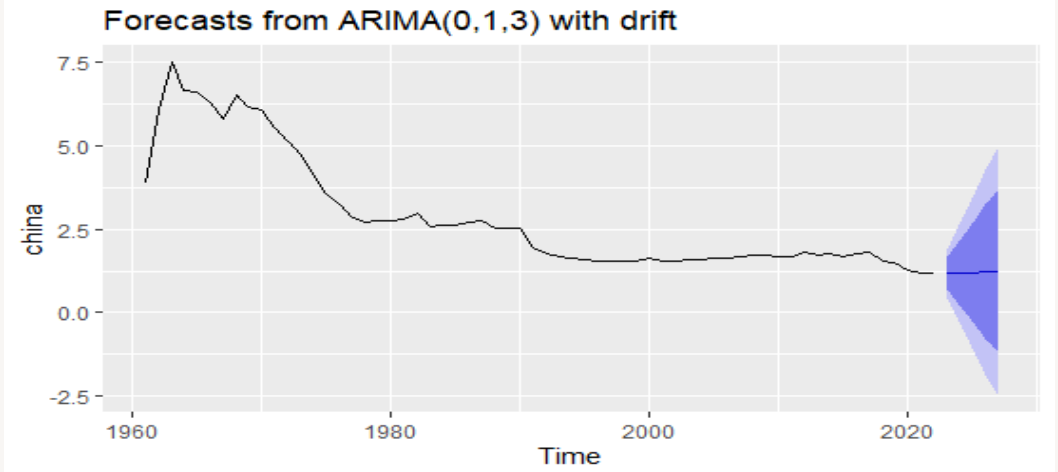
In 1961, the fertility rate in India was 5.937, compared to China's 3.9 and Nigeria's 6.4

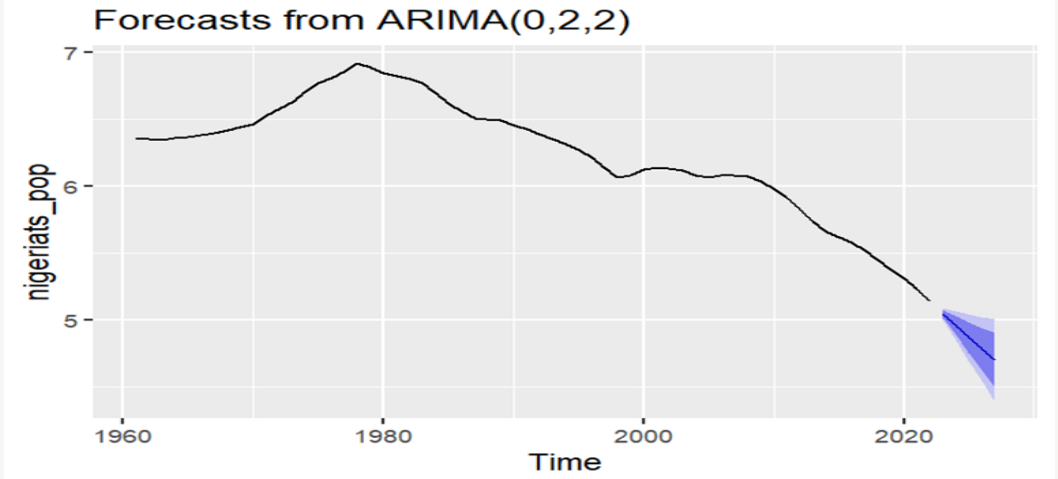
In Nigeria, 1988, President Babangida introduced a population policy to curb high fertility, juvenile dependency, and urban migration. Despite promoting family planning and free contraceptives to limit families to four children, fertility remained high at 5.1 births per woman in 2022

Coming to 2022, India successfully reached a fertility rate of 2 while China showed much better result having fertility rate of 1.2 while Nigeria still shows fertility rate of 5.1

Our forecasts for 2025 show India will reach 1.9 and for 2027 it will be 1.81. In the case of China it will be 1.19 for 2025 and 1.23 for 2027. for Nigeria, 2025 4.87 and 2027 4.70

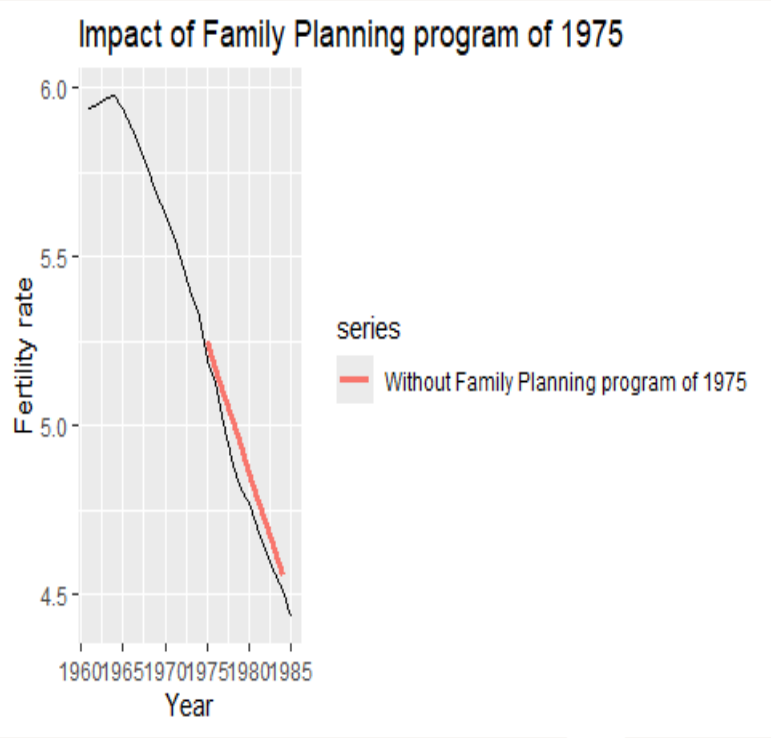




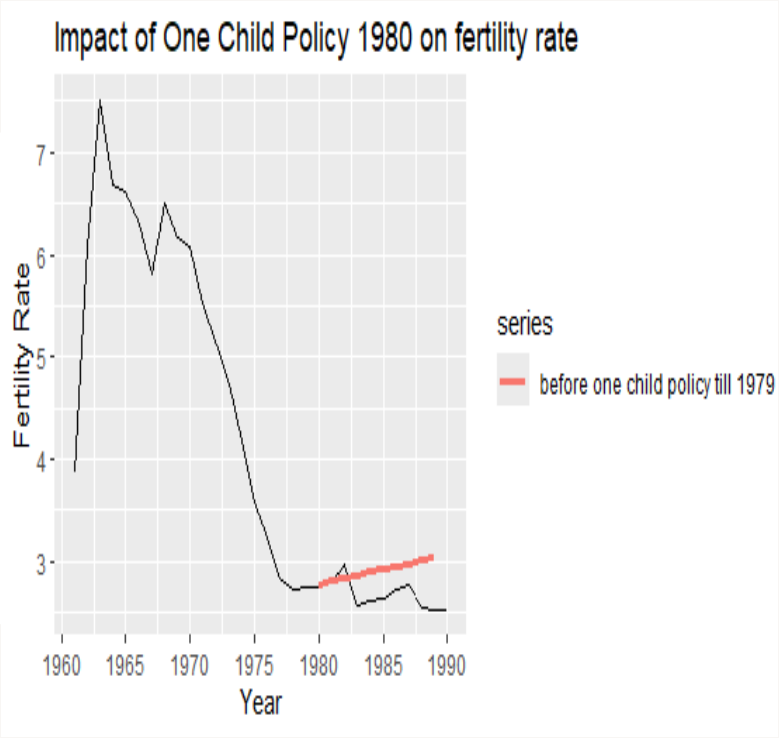


India	China	Nigeria
In 1975, national emergency enforced mass scale sterilization under the Indian Family Planning policy. Despite a pre-existing decline, the fertility rate dropped further, aided by the 2017 Two-Child Policy. By 2022, India's fertility rate reached 2 births per woman, lower than countries with comparable socio-economic conditions.	In China, the One-Child Policy,1980, accelerated fertility decline through enforced sterilizations and abortions. Fertility rates fell from 3.6 in 1975 to 2.7 by 1980 (India: 4.8), reaching 1.2 births per woman by 2022.	In Nigeria, 1988, President Babangida introduced a population policy to curb high fertility, juvenile dependency, and urban migration. Despite promoting family planning and free contraceptives to limit families to four children, fertility remained high at 5.1 births per woman in 2022.

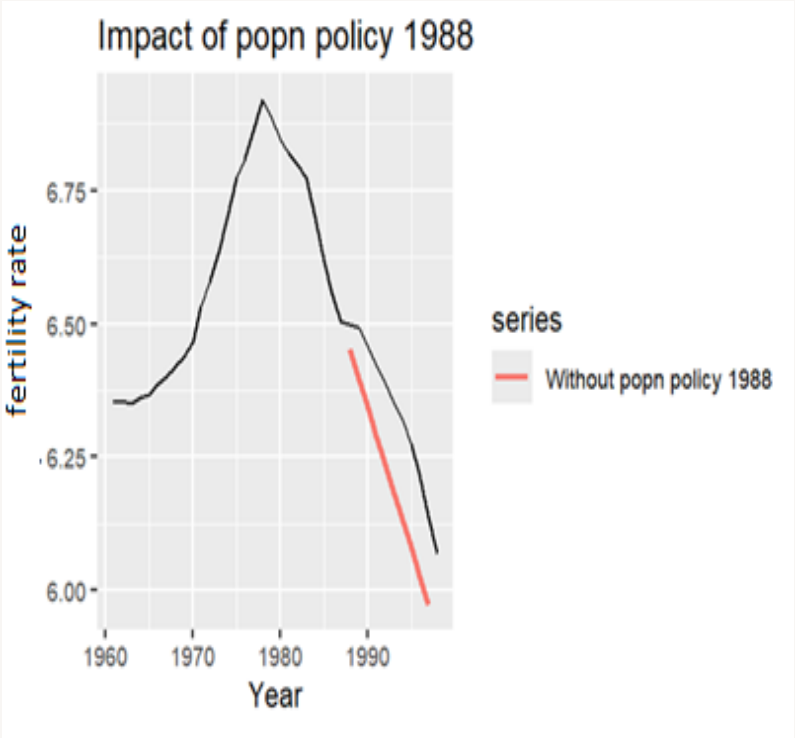
Impact of family planning on fertility rate



India



China



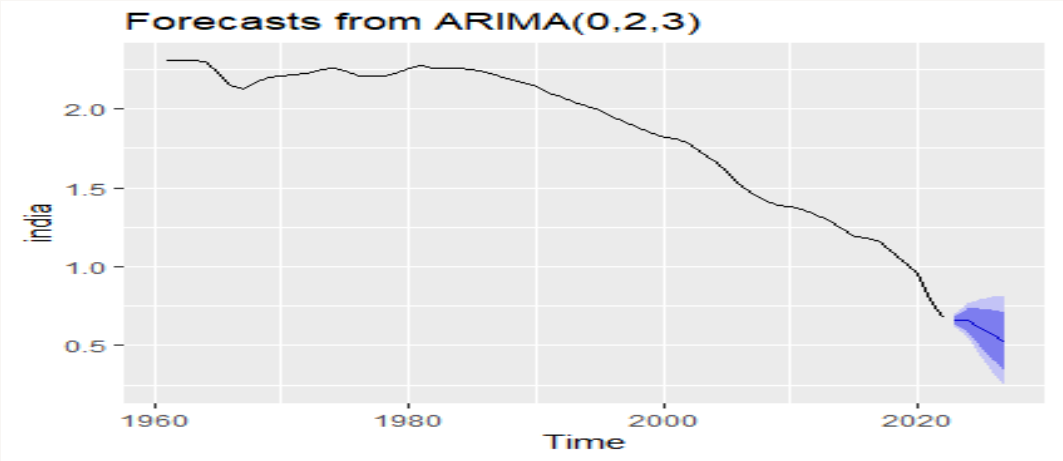
Nigeria

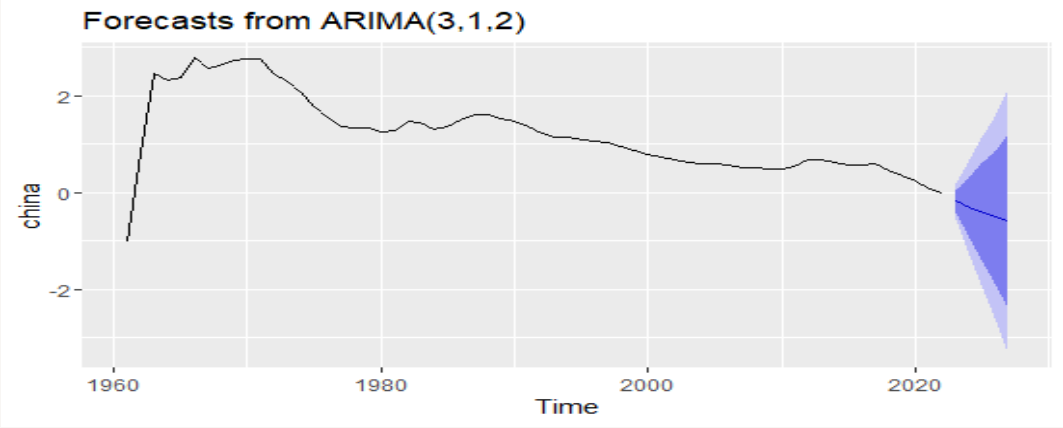
Population growth rate:

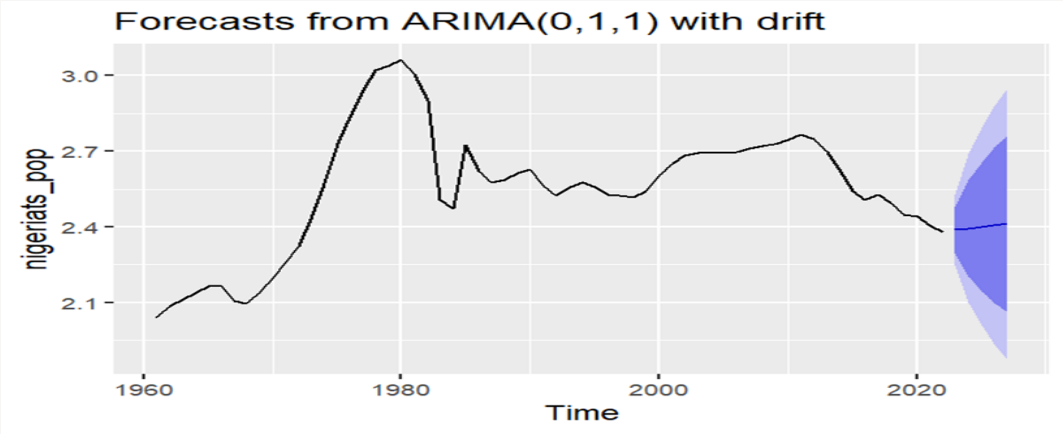
In 1961 we find that India showed a population growth rate of 2.3% whereas during the same time china showed a population growth rate of -1% and nigeria showed a similar growth rate to india at 2%

Coming to 2022 we find that India's population growth rate has decreased to 0.8% and China's didnt show any growth rate at all, while Nigeria still showed a growth rate of 2.4%

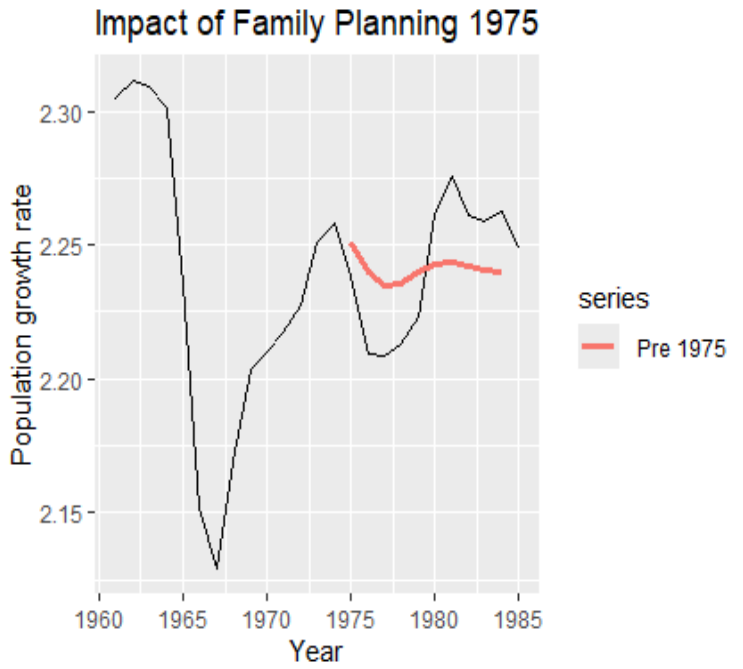
By 2025, according to our estimates India's population growth rate will decrease to 0.62% and by 2027 will reach to 0.52% similarly China's population growth rate will fall -0.39% and will keep on falling to -0.58%, whereas nigeria will not show any large movement during this period, and will reach 2.41% by 2028



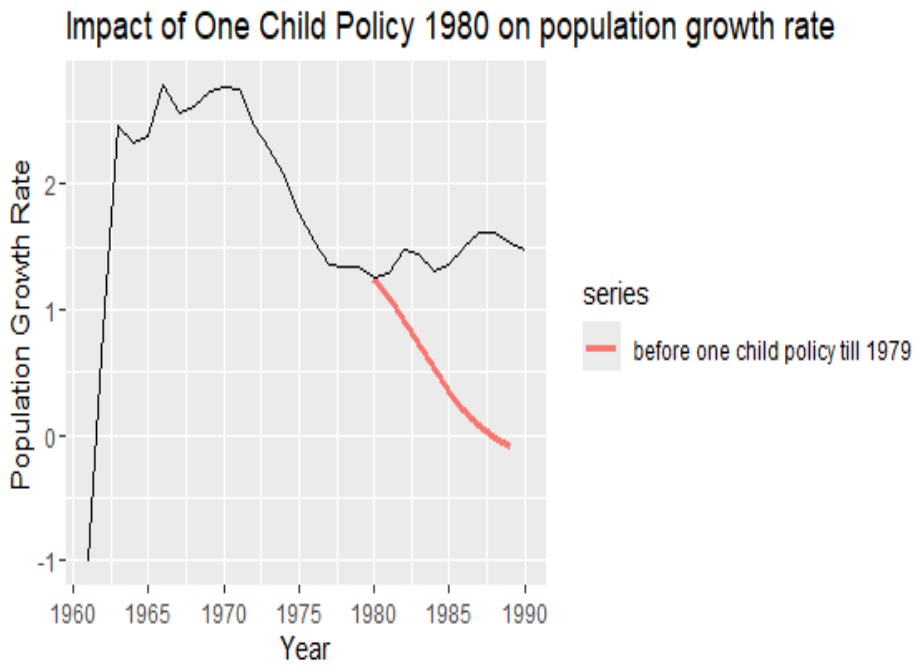




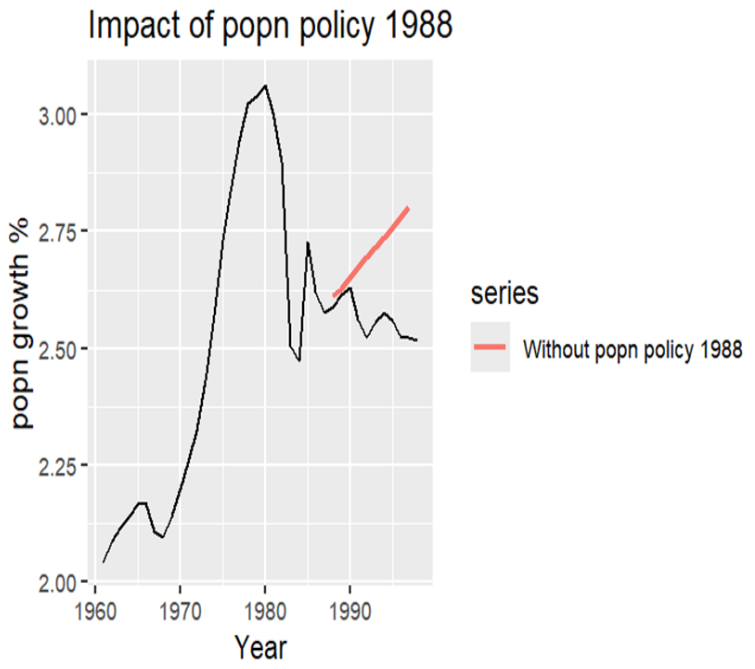
Impact of family planning policies on population growth rate



India

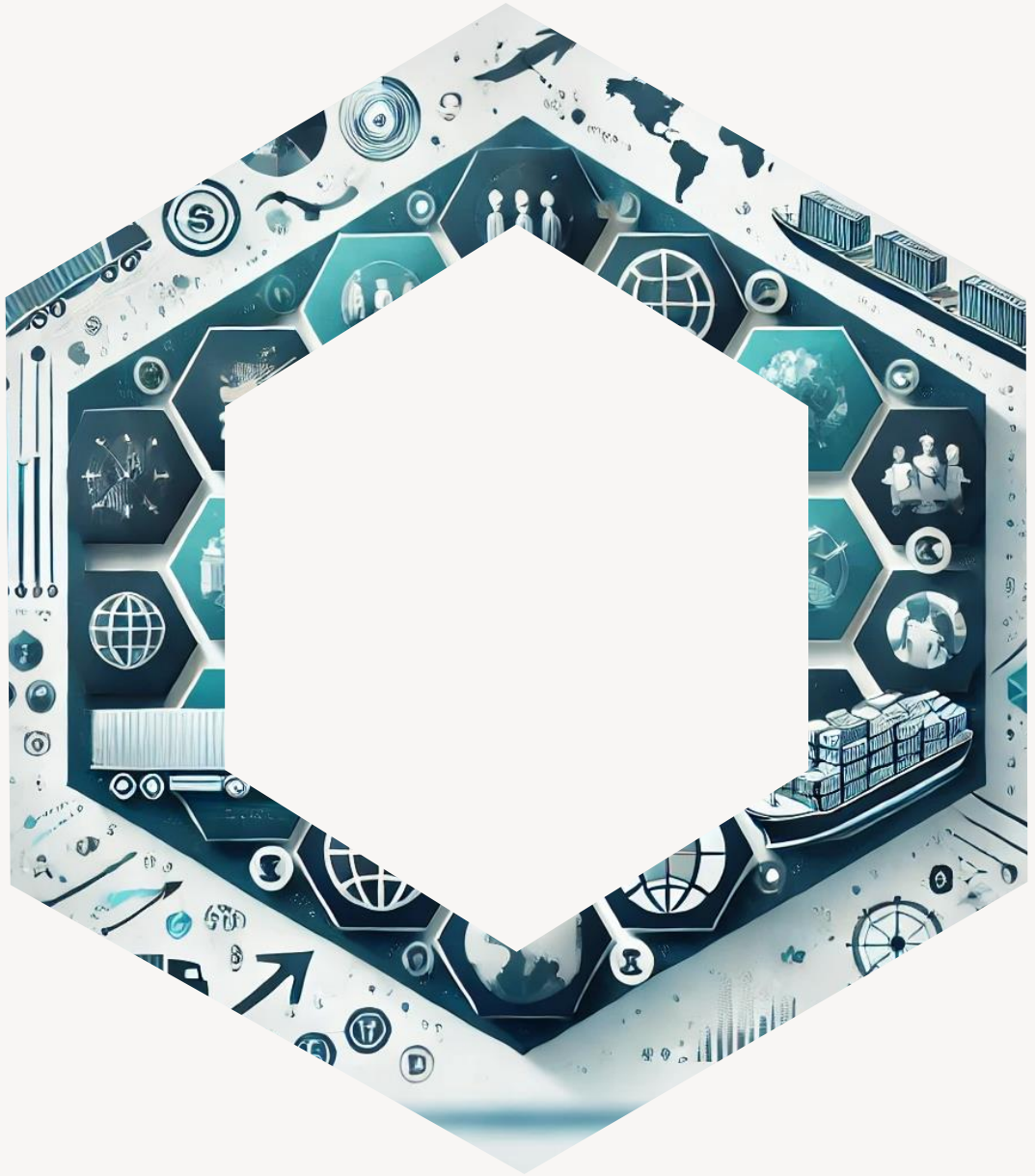


China



Nigeria

International trade



Exports

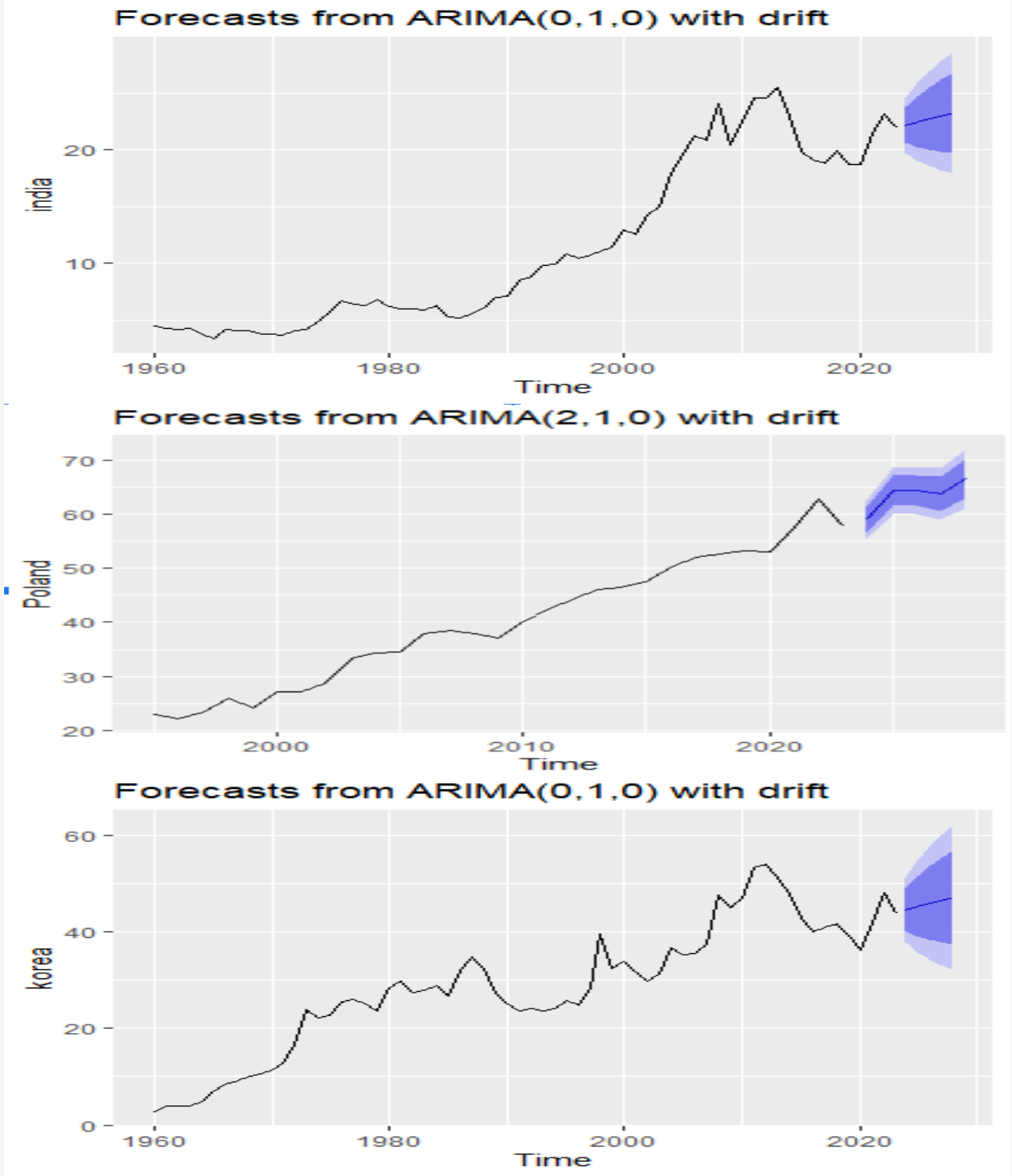
In 1960, India’s exports accounted for a mere 4.46% of its GDP. In contrast, South Korea, exports constituted 2.64% of its GDP.

In 1995, exports accounted for 28.6% of Poland's GDP that year. While India showed 10.8% and Korea showed 22.9%

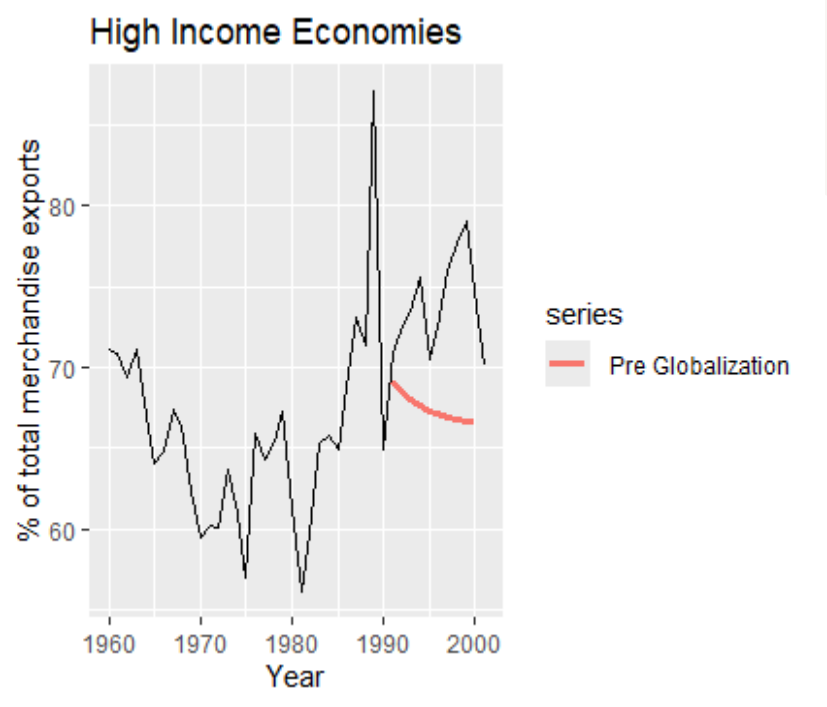
In 2023, India's exports stood at 21.89% of GDP. Poland's exports accounted for 57.81% of GDP with Korea’s exports at 43.99% of GDP.

By 2025, India’s export share would reach 22.44% while Korea and Poland’s export share would reach 45.30% and 64.35% respectively.

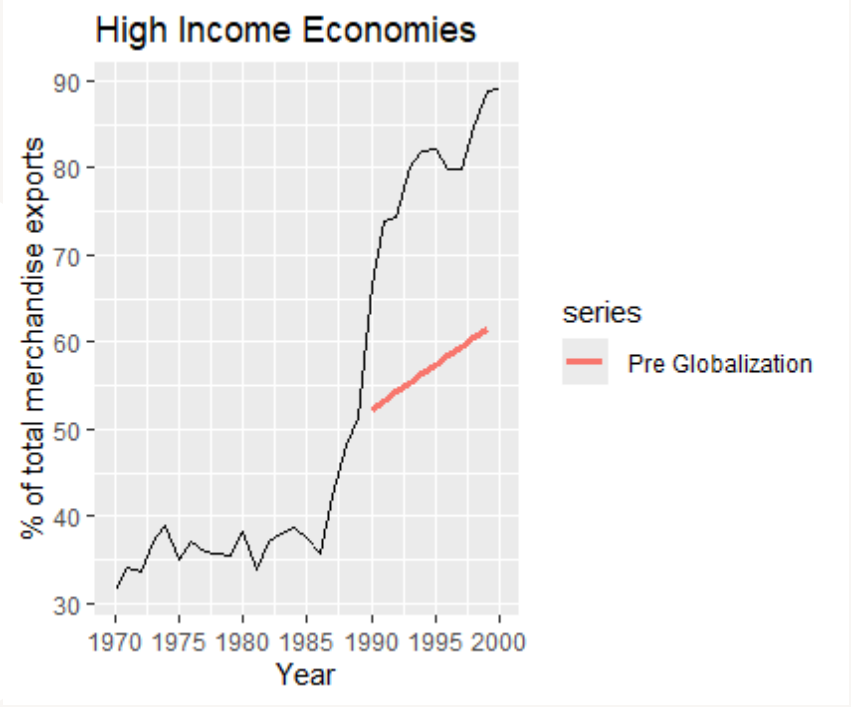
By 2028, India’s share would increase slightly to 23.27%. Korea and Poland would both increase to 44.27% and 66.64% respectively.



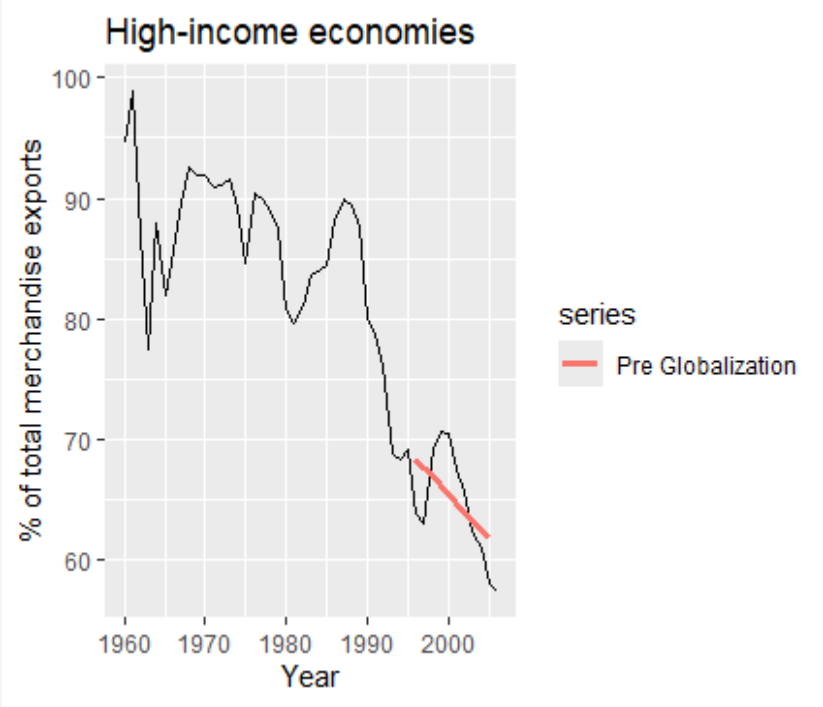
High-Income economies - Export



India

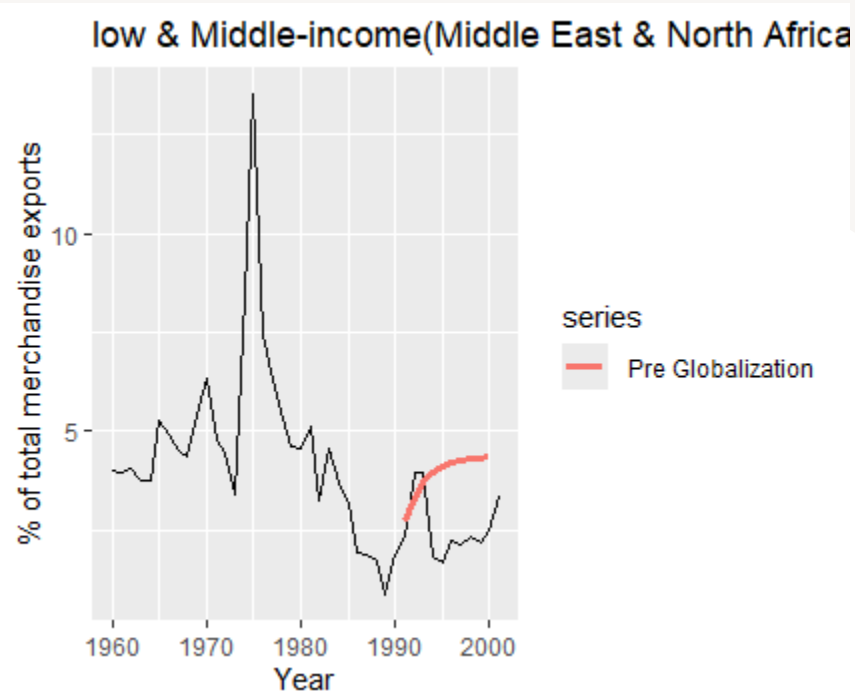


Poland

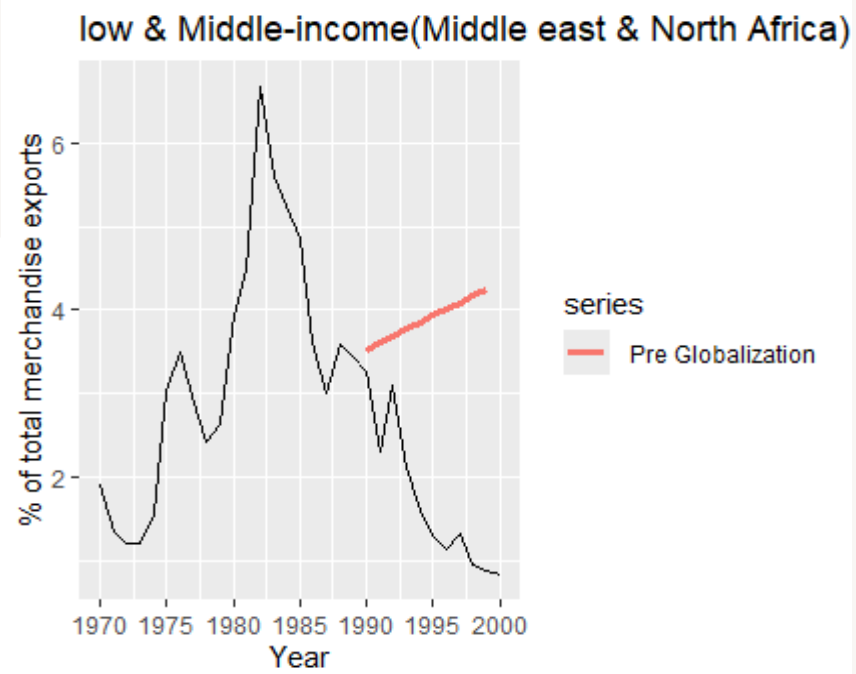


South Korea

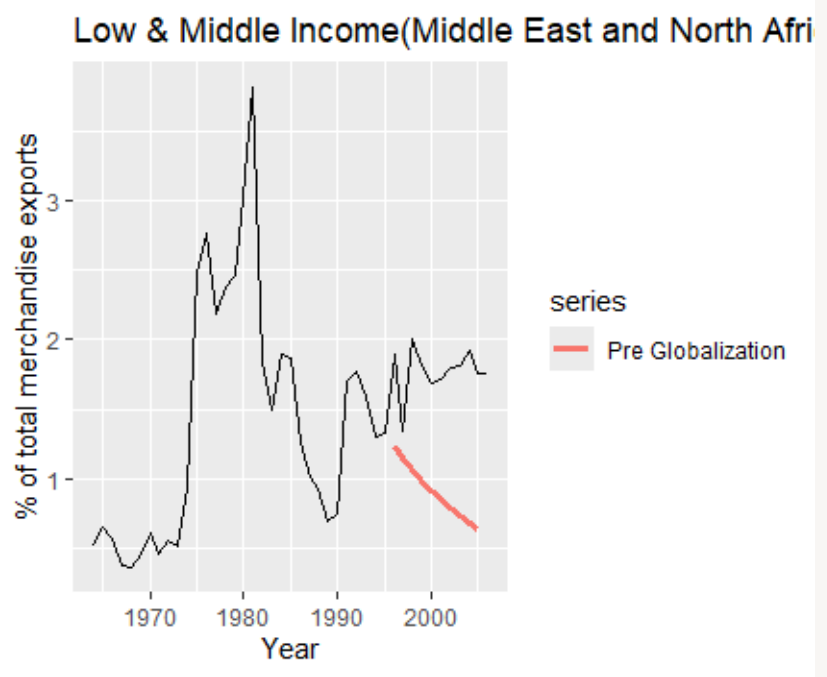
Middle-East and North Africa (Low and middle-income) - Export



India

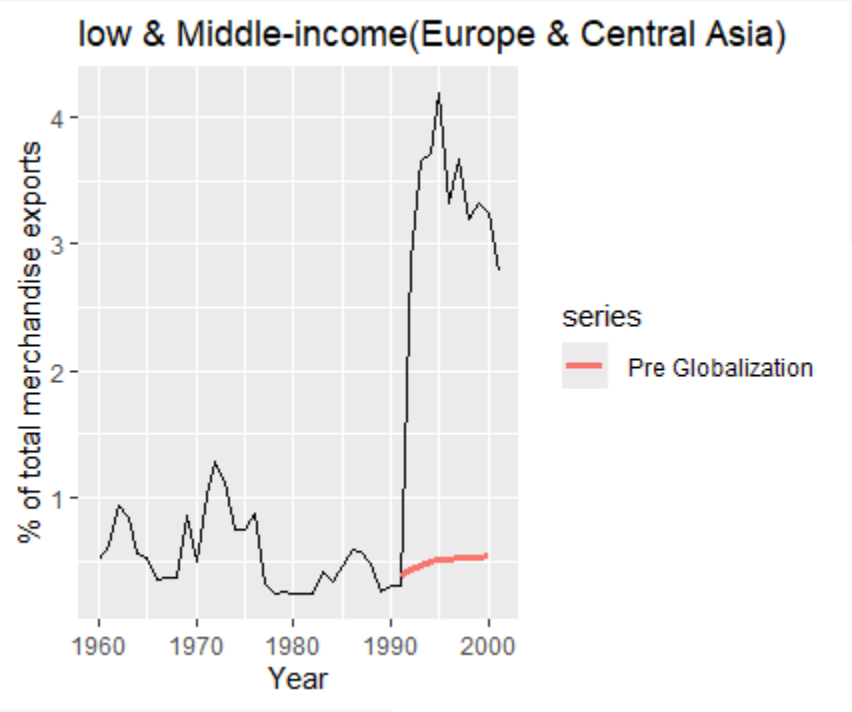


Poland

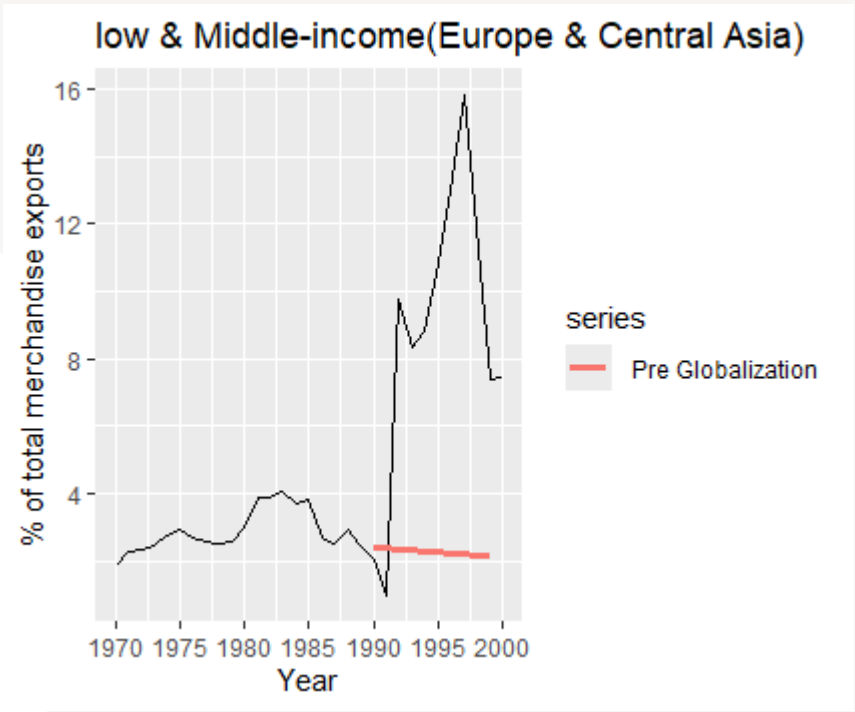


South Korea

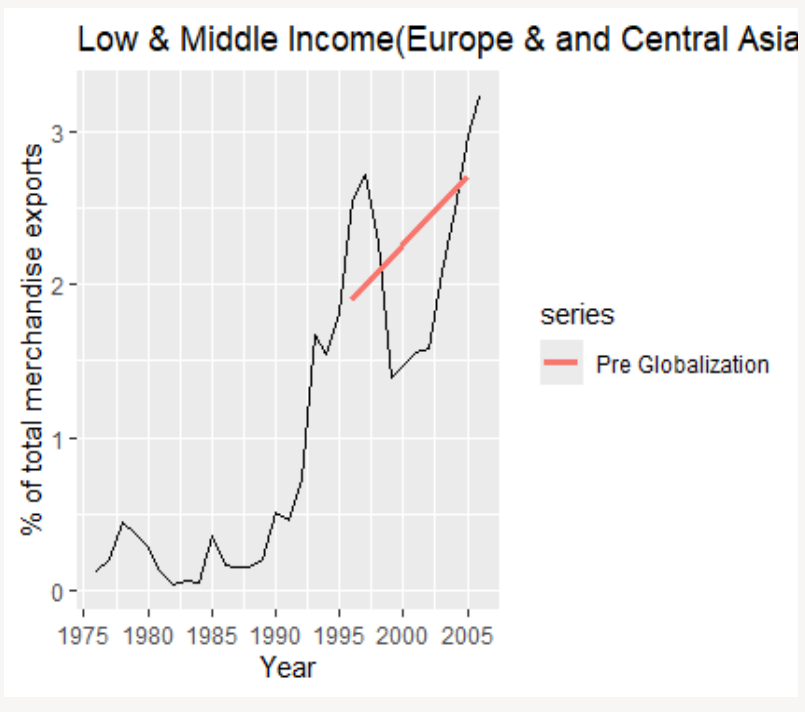
Europe and Central Asia (low and middle income) - Export



India

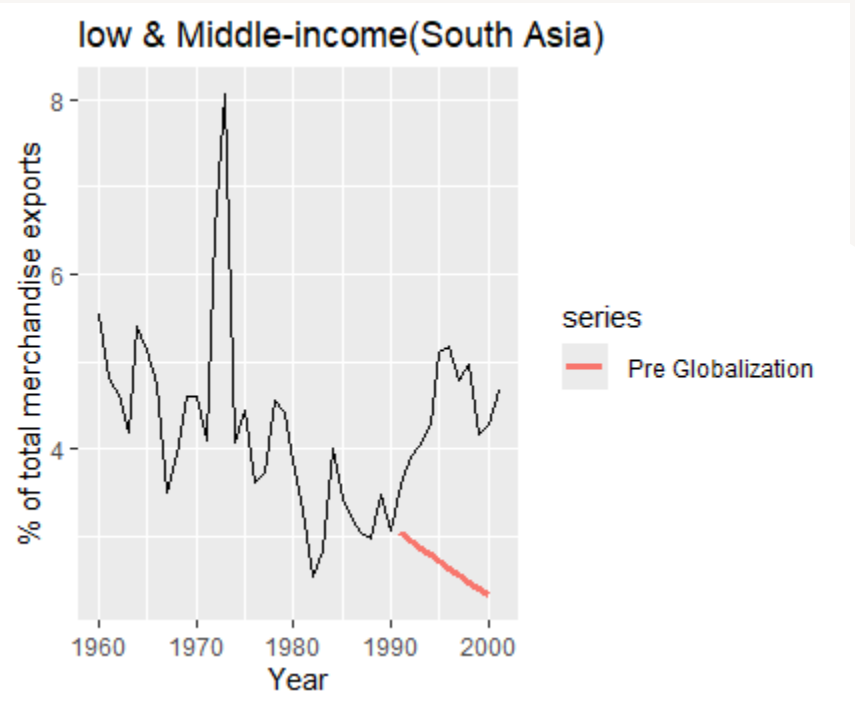


Poland

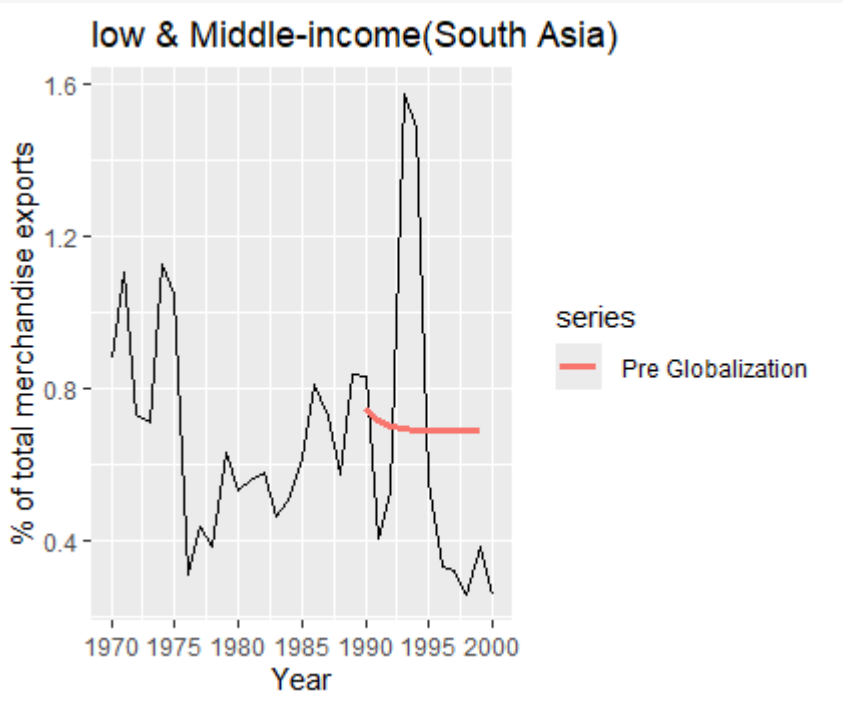


South Korea

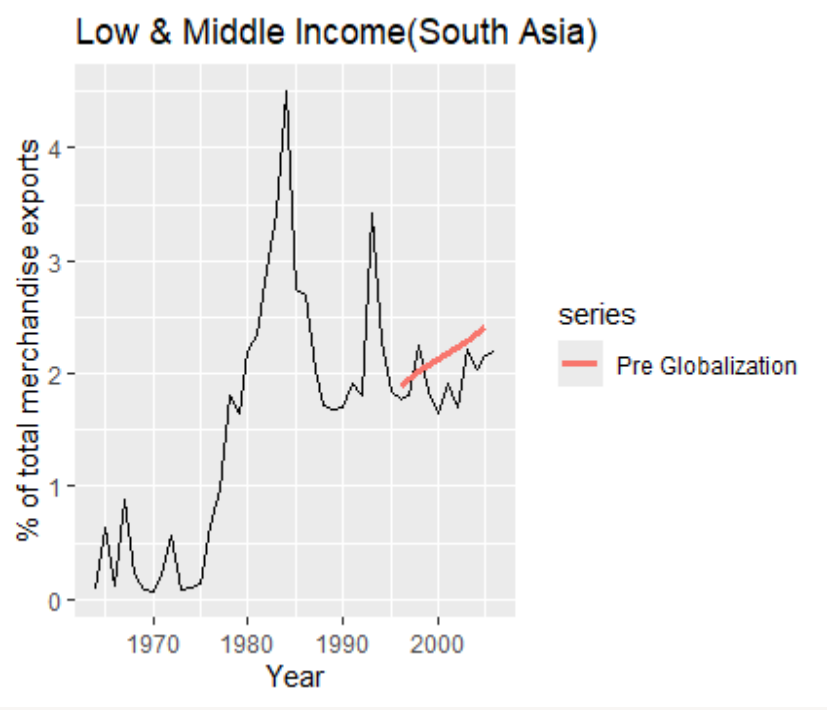
South Asia (low and middle income) - Export



India

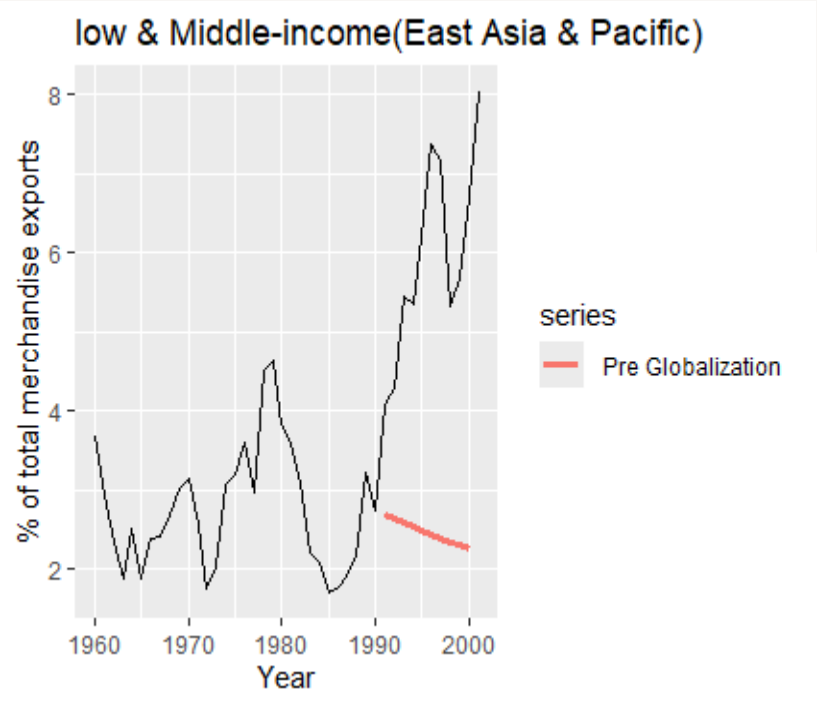


Poland

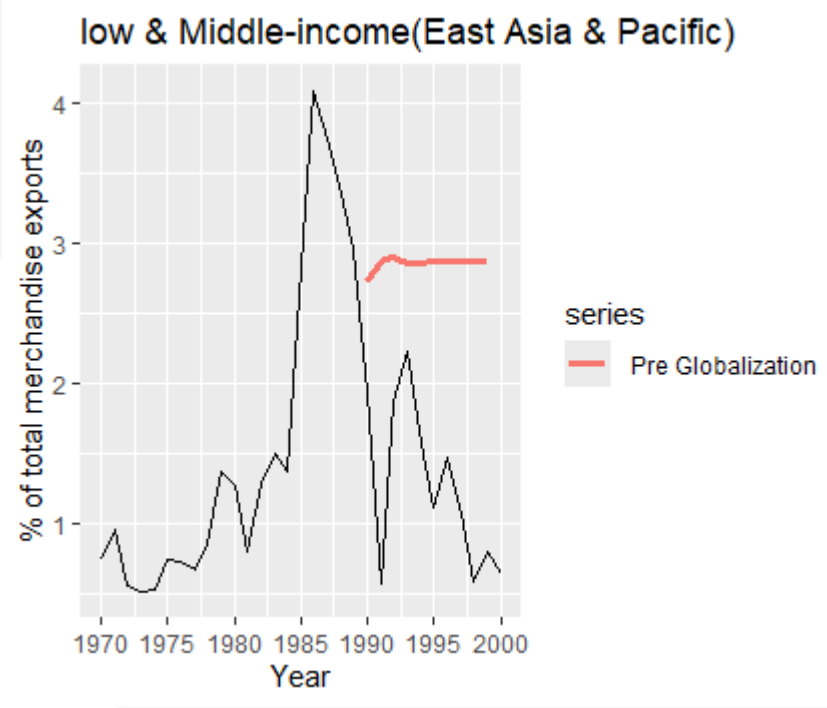


South Korea

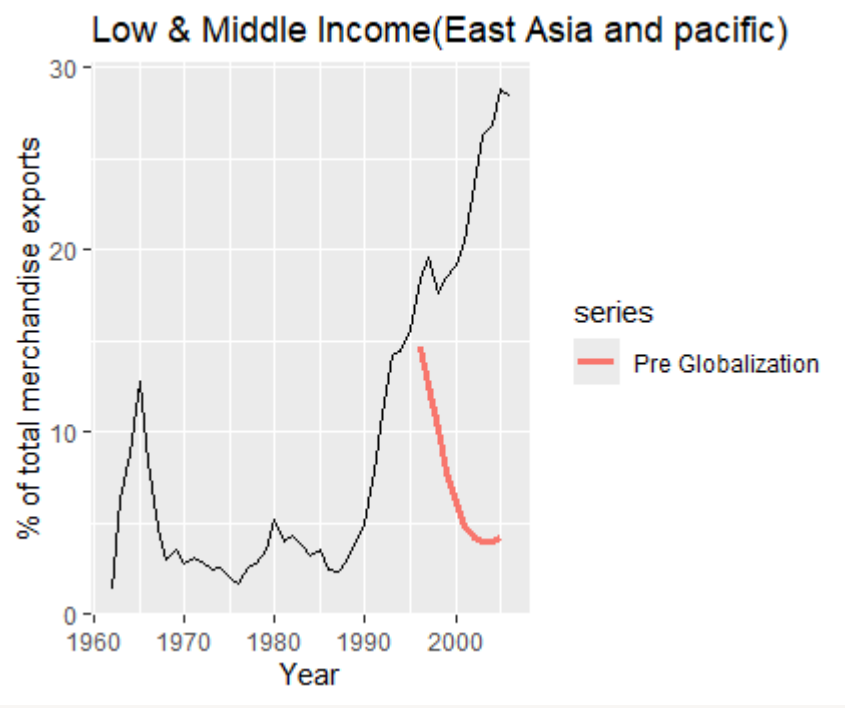
East Asia and pacific (low and middle income) - Export



India



Poland



South Korea

Imports

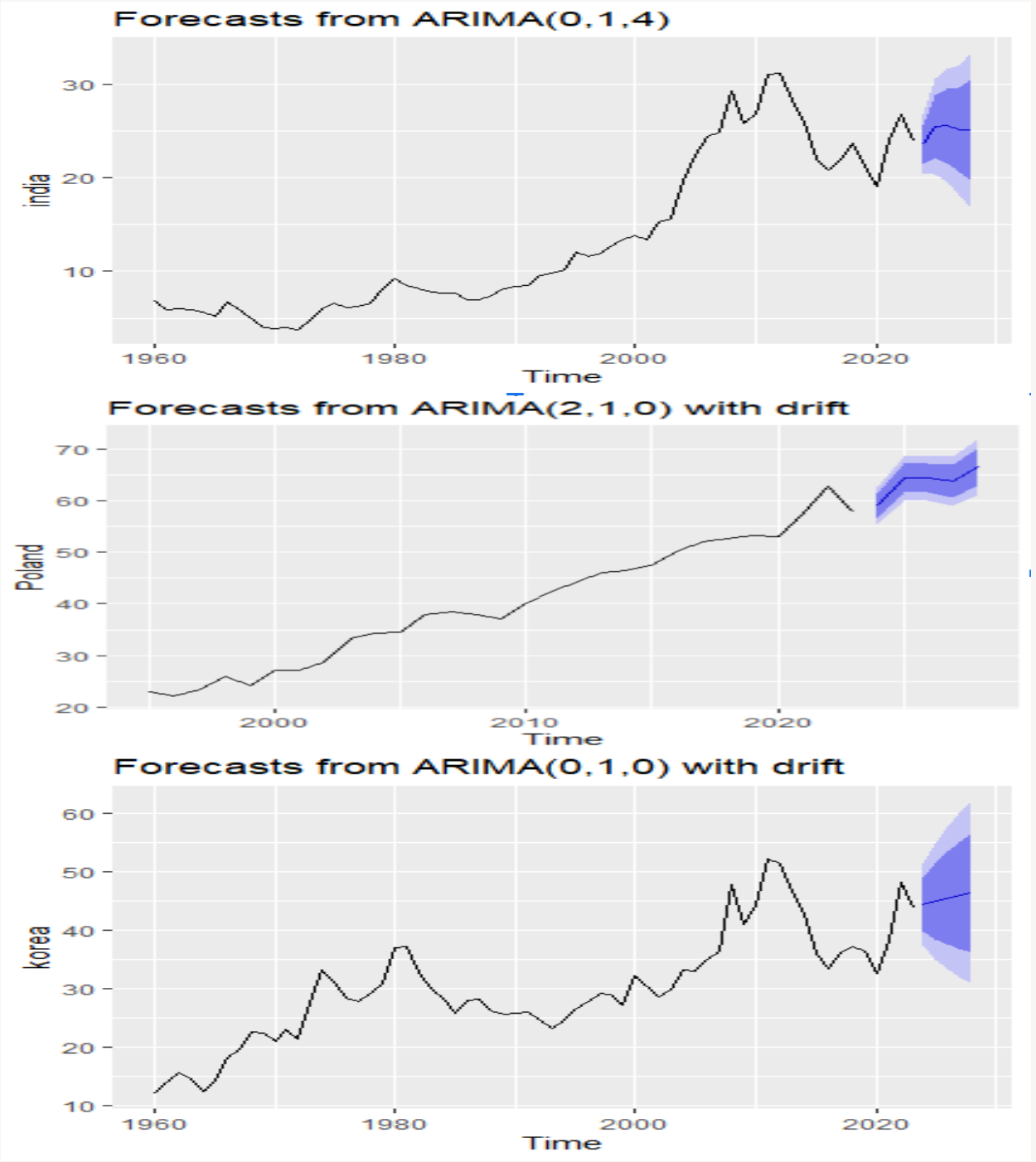
In 1961, import occupied import share of GDP stood at around 6.8% whereas Korea's import share stood at around 12%

By 1995, India's share reached at 12% whereas Korea's increased to 26.7% and Poland exhibited a share of 20.8%

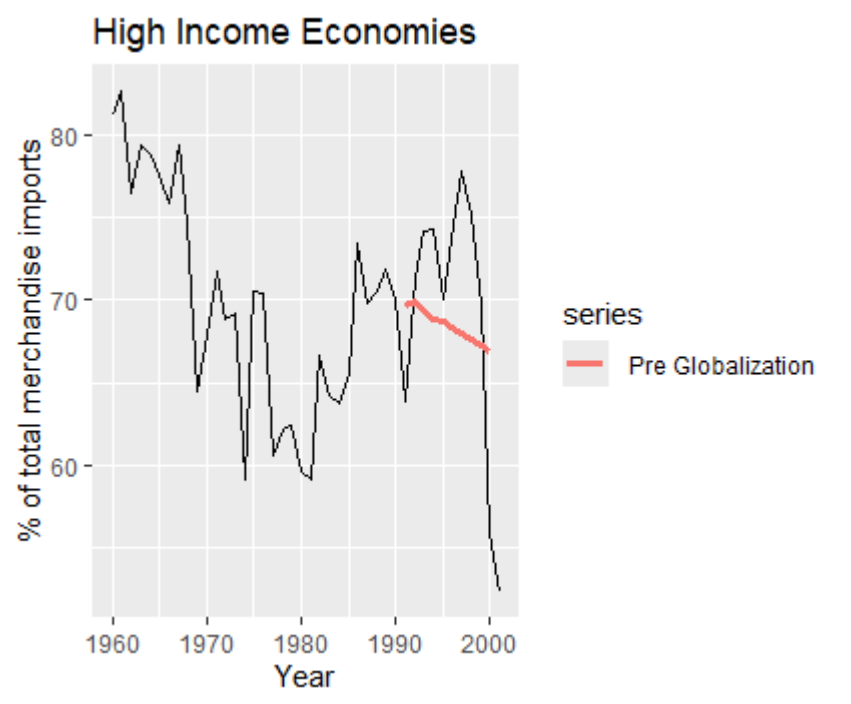
We find that India's share increased to 24%, Korea reached 44% whereas Poland crossed 50% by 2023

By 2025, India’s import share should reach 25.51% while Korea and Poland show a much higher share at 45% and 64.35% respectively

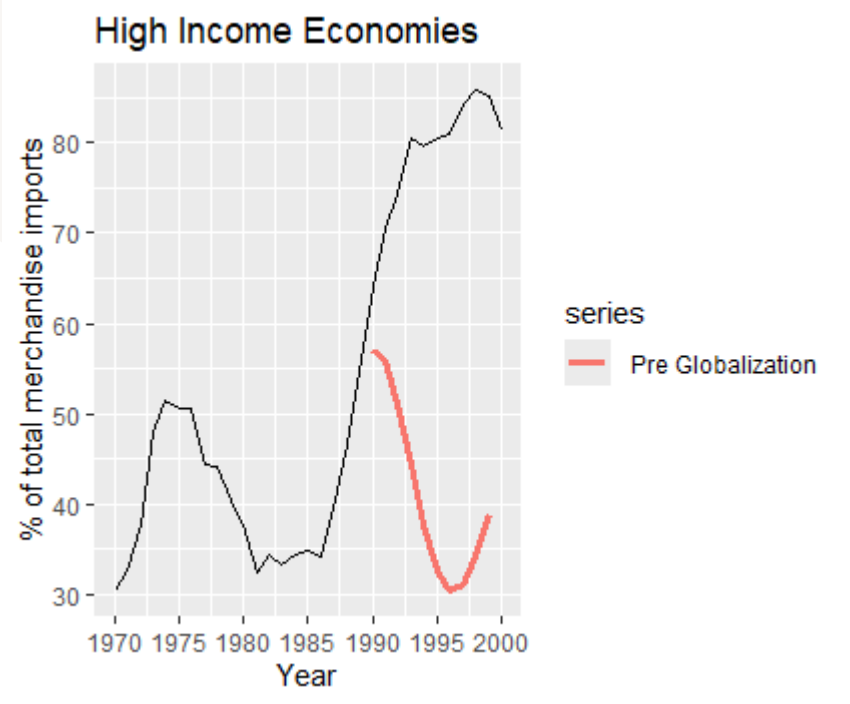
By 2028, India’s share would decrease to 27.23% while Korea’s and Poland’s share would increase to 46.48% and 66.64% respectively



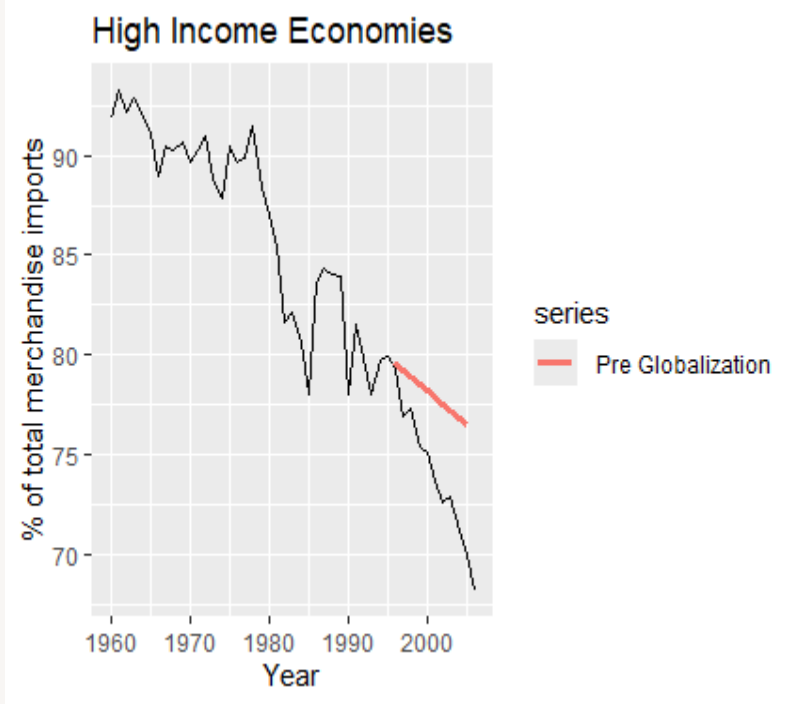
High-income economies - Import



India

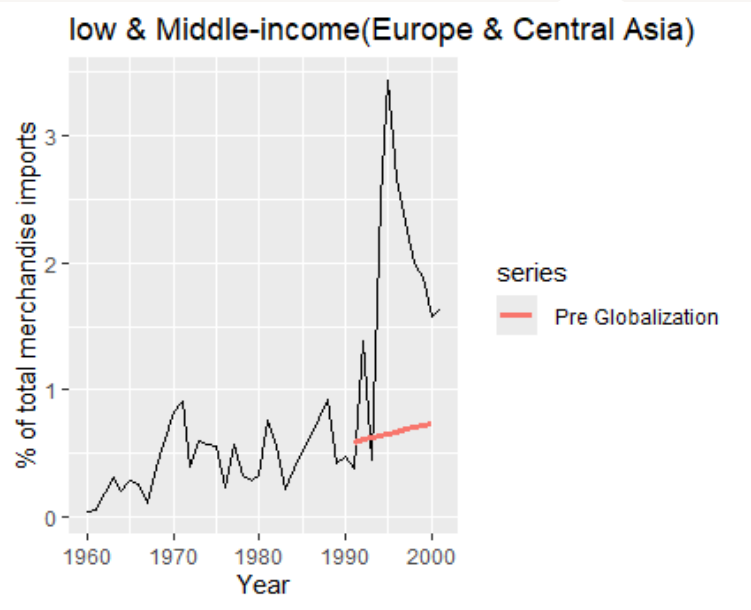


Poland

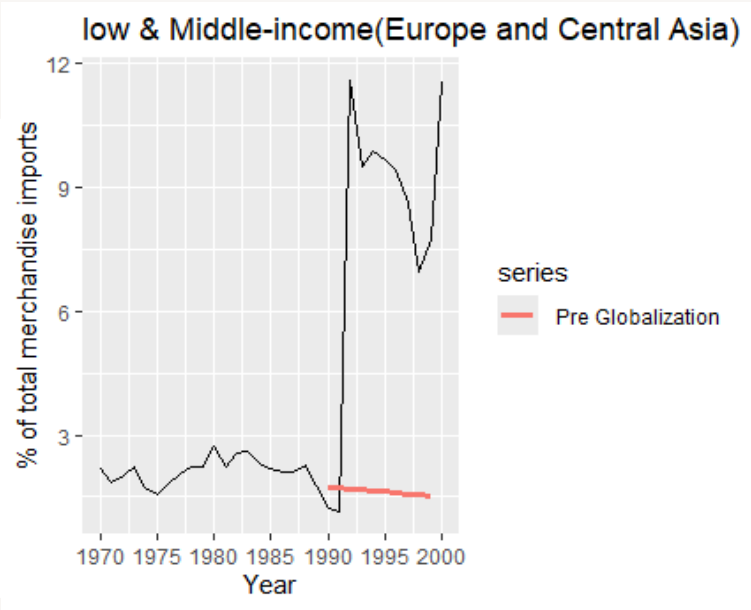


South Korea

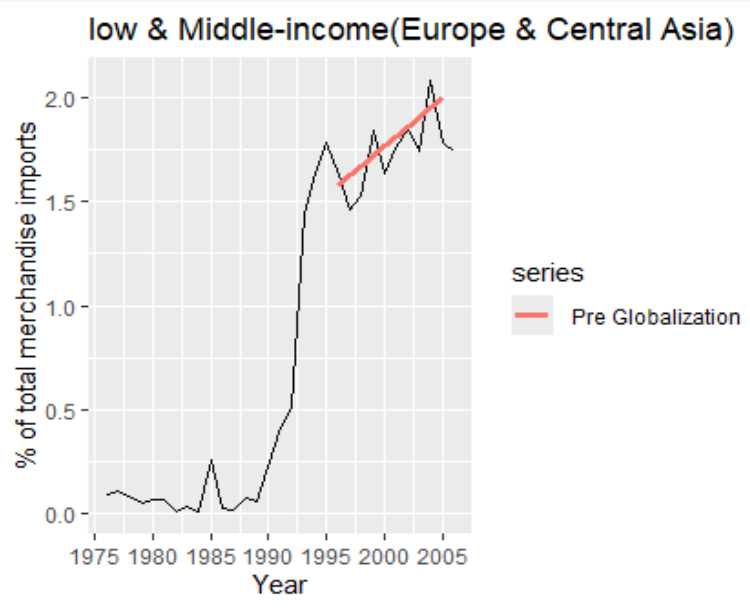
Europe and Central Asia (low and middle income) - Import



India

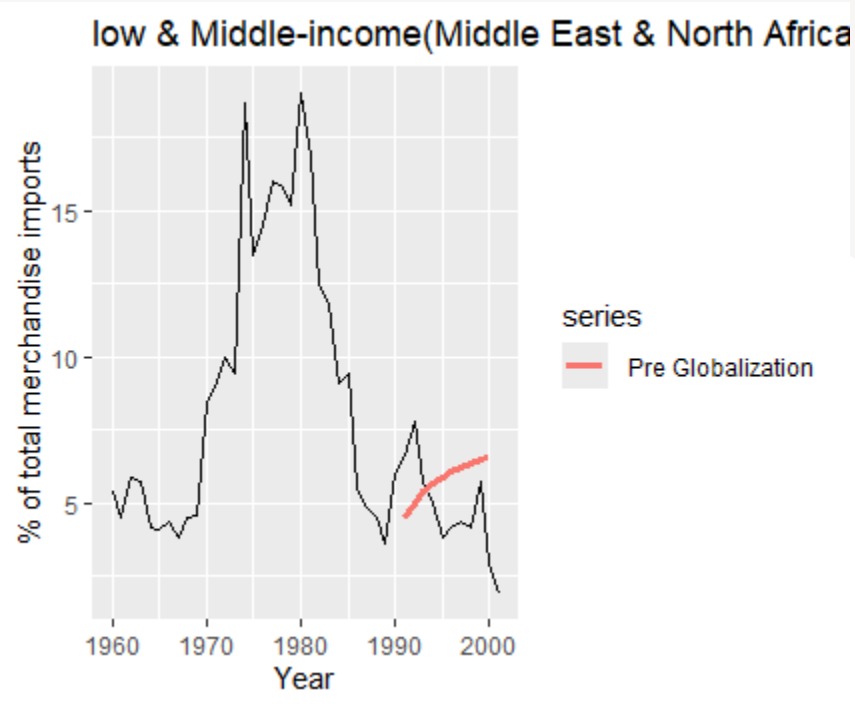


Poland

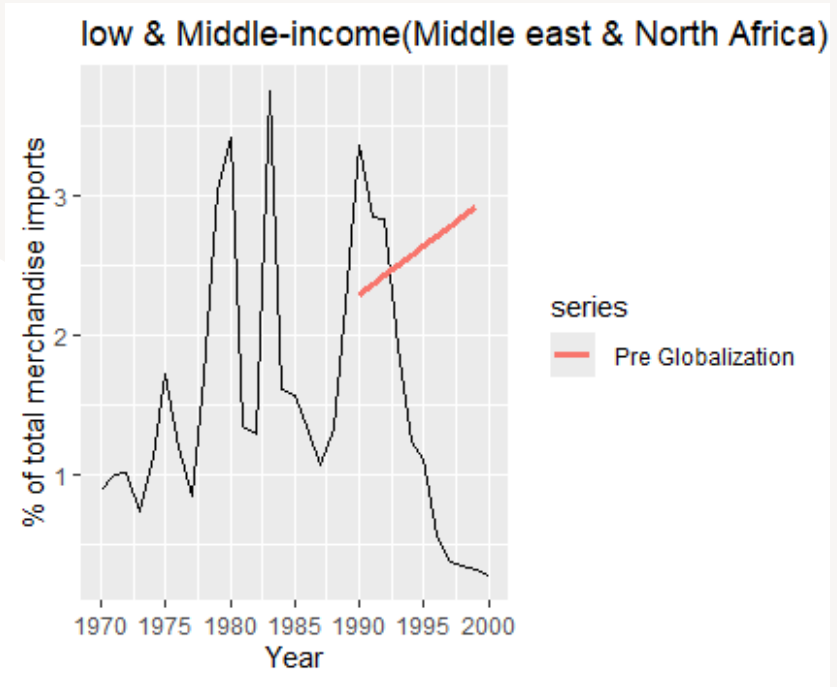


South Korea

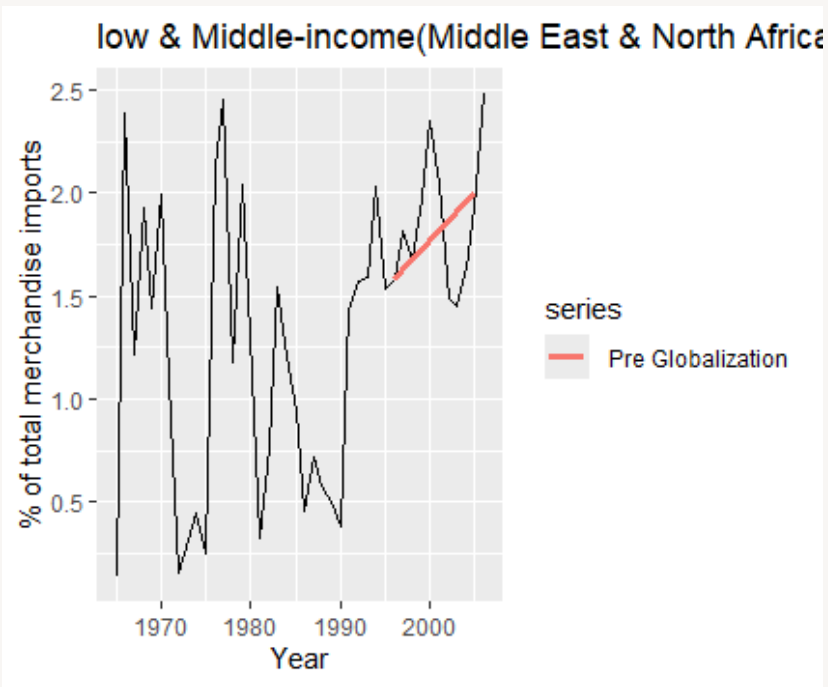
Middle east and North Africa (low and middle-income) - Import



India

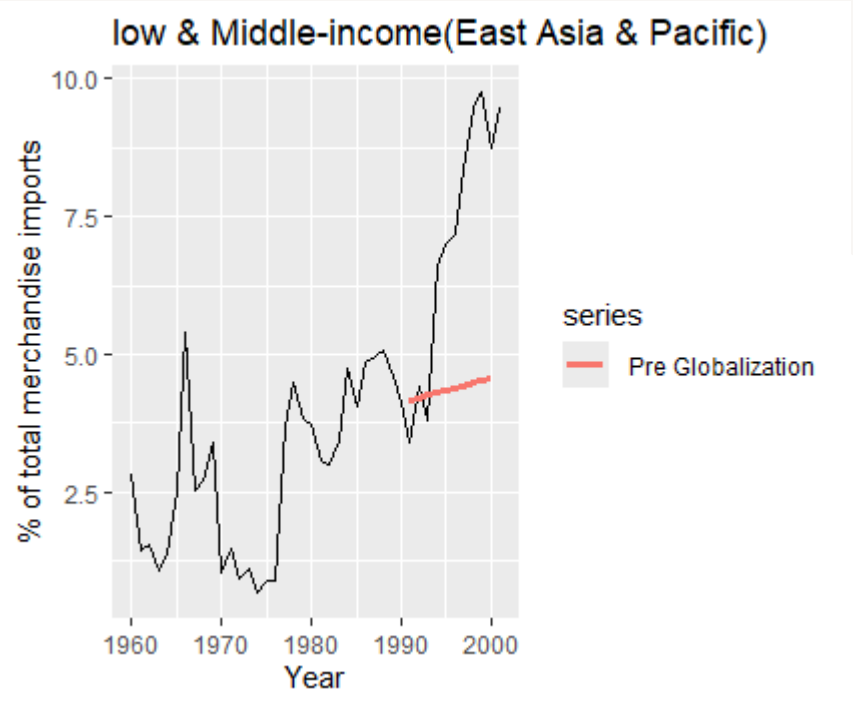


Poland

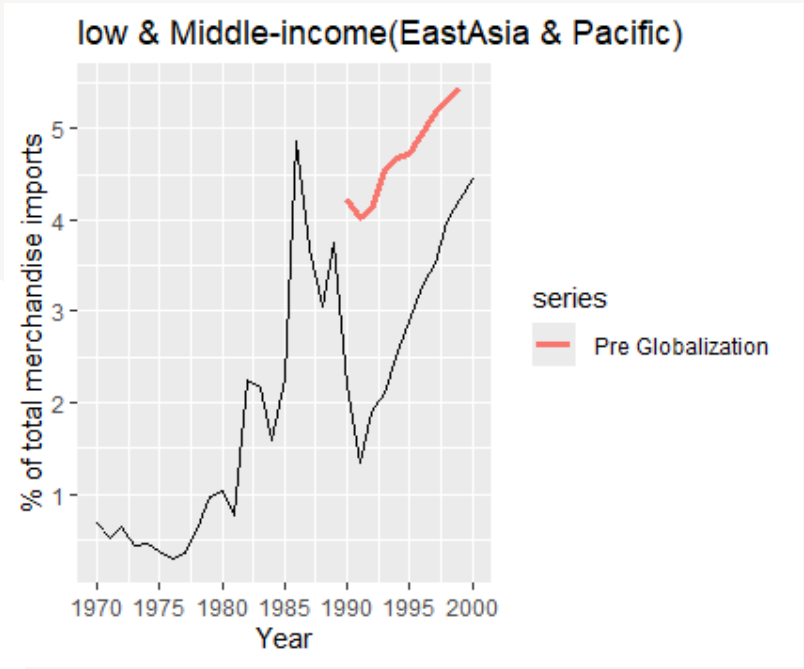


South Korea

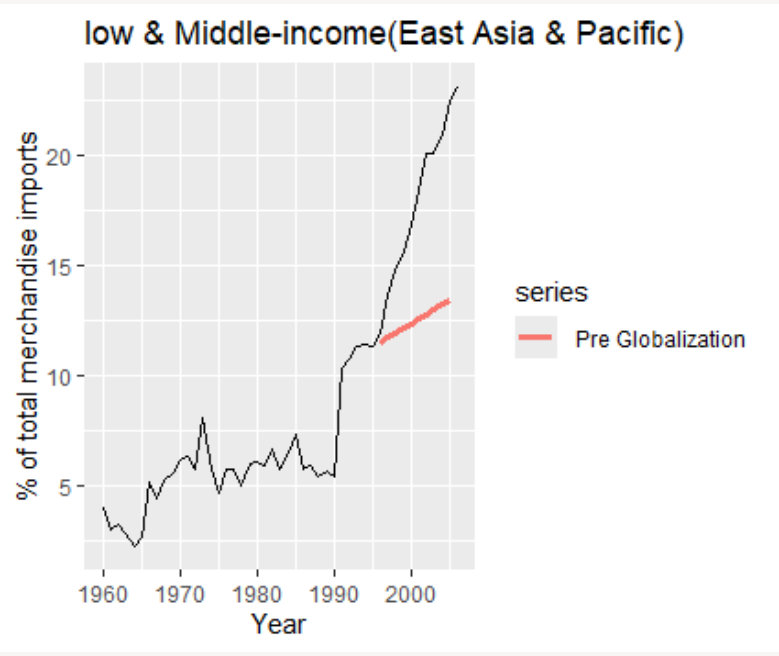
Low and middle-income (East Asia and Pacific) - Import



India

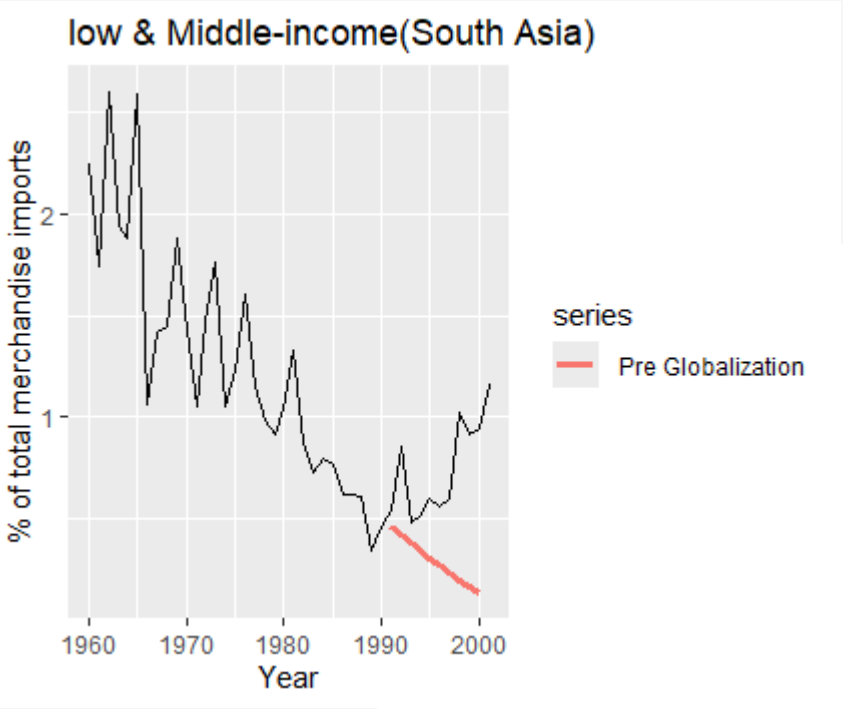


Poland

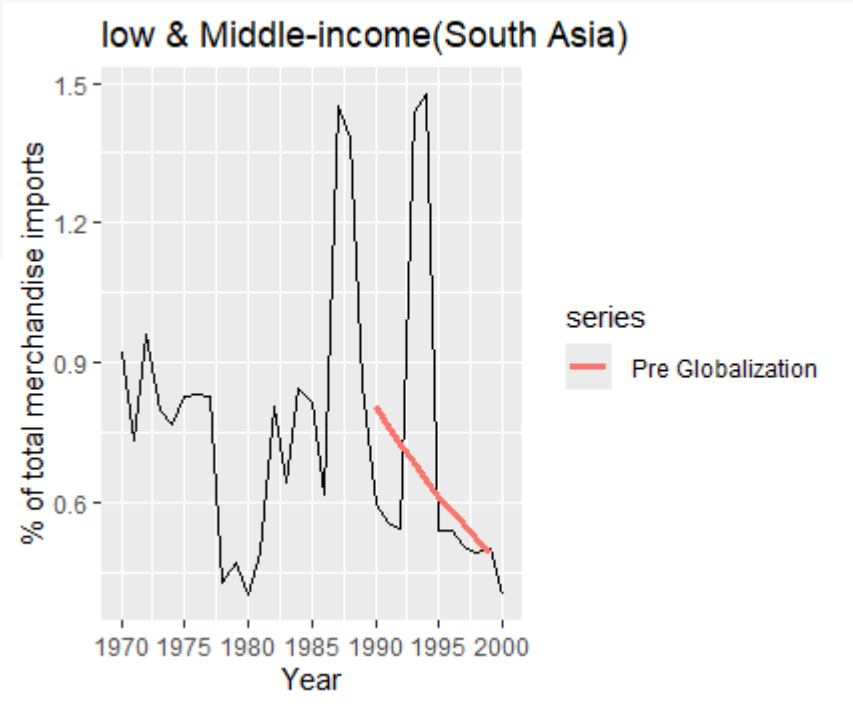


South Korea

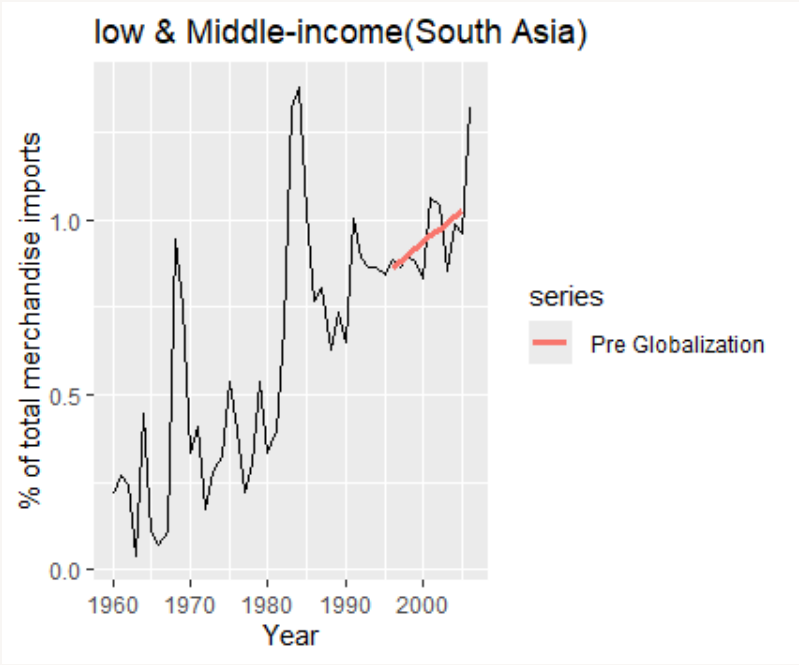
Low and middle-income (South Asia) - Import



India



Poland



South Korea