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# IMF April 2026 WEO: India Slips to 6th-Largest Economy at \$4.15 Trillion

14 April 2026

**ECONOMY****GS3**

CURATED &amp; WRITTEN BY

**Bharat Choudhary**

UPSC Educator &amp; Content Creator

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# IMF April 2026 WEO: India Slips to 6th-Largest Economy at \$4.15 Trillion

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## WHY IN NEWS:

The IMF released its **April 2026 World Economic Outlook (WEO)** — *Global Economy in the Shadow of War* — on **April 14, 2026**, placing **India sixth** in nominal GDP rankings at **USD 4.15 trillion**, behind the United Kingdom (USD 4.26 trn) and Japan (USD 4.38 trn). The slip arises from two factors — (a) **rupee depreciation** from 84.6/USD (2024 average) to ~87.2/USD (2025 average, touching ~88.5 by late 2025), and (b) **MoSPI's revision of the GDP base year** from 2011-12 to 2022-23 on **February 27, 2026**, which lowered nominal output. IMF projects India to **regain the 4th rank by 2027** and **overtake Japan by 2028**.

## ABOUT IMF'S WORLD ECONOMIC OUTLOOK (WEO)

- Published **twice yearly** — April and October; with updates in January and July
- Tracks **196 economies** globally
- Provides a comprehensive macroeconomic database for analysts, policymakers, and researchers
- Headed by **Managing Director Kristalina Georgieva** (since October 2019)

## TOP ECONOMIES BY NOMINAL GDP — WEO APRIL 2026

RANK	COUNTRY	NOMINAL GDP (USD TRILLION)
1	United States	32.38
2	China	20.85
3	Germany	5.45
4	Japan	4.38
5	United Kingdom	4.26
6	India	4.15
7	France	~3.3
8	Italy	~2.5

## WHY INDIA SLIPPED TO THE 6TH SPOT

### Rupee Depreciation

- 2024 average: **84.6/USD**
- 2025 average: **~87.2/USD** (range 84.22 – 90.95; touched **~88.5** by late 2025)
- Approximate depreciation: **~3%** on the annual average; **~4.6%** at peak
- Since nominal GDP is converted to USD at prevailing market rates, a weaker rupee mechanically lowers the dollar-value ranking even when domestic output rises.

### GDP Base Year Revision (February 27, 2026)

- Base year shifted from **2011-12 to 2022-23** via MoSPI press note dated **February 27, 2026**
- Revised methodology lowered the 2025-26 nominal output level by **~3–4%**
- Such revisions are standard practice every 5–10 years
- Earlier base years: 1948-49, 1960-61, 1970-71, 1980-81, 1993-94, 1999-2000, 2004-05, 2011-12, **2022-23**
- The February 2026 revision is the first major one since 2015 (which had moved to 2011-12)
- **Note:** Under the new 2022-23 series, FY25 real GDP was **revised upward to 7.1%** (vs 6.5% under the old 2011-12 series — see Growth Context below)

## About Base Year Revision

- Updates **sectoral weights** in line with current economic structure
- Incorporates **new sectors** such as the digital economy
- Aligns India's national accounts with the international **System of National Accounts (SNA) 2008**

## NOMINAL VS PPP — A CRUCIAL DISTINCTION

PARAMETER	INDIA'S RANK	VALUE
Nominal GDP (WEO April 2026)	<b>6th</b>	~\$4.15 trillion
PPP-adjusted GDP	<b>3rd</b> (after China, USA)	~\$15 trillion

- **PPP (Purchasing Power Parity)** adjusts for cost-of-living differences across countries
- **Nominal** uses market exchange rates and reflects external purchasing power

## IMF'S FORWARD PROJECTIONS FOR INDIA

- **2027:** Regain 4th position (~\$4.58 trn) — overtake UK and Germany
- **2028:** Overtake Japan to become the 4th largest economy
- **2030:** Projected at ~\$6 trillion nominal

## INDIA'S GROWTH CONTEXT

- **FY25 real GDP growth:** 6.5% under the old 2011-12 series (NSO Provisional Estimates, May 30, 2025); **revised upward to 7.1%** under the new 2022-23 base-year series (MoSPI, February 27, 2026)
- **FY24 final:** 8.2% (NSO Provisional Estimates, May 31, 2024 — *different fiscal year, not an earlier FY25 estimate*)
- **FY27 projection:** ~6.9% (RBI Monetary Policy Report, April 2026)
- **CPI inflation:** ~4.1% (March 2026)
- **Forex reserves:** ~\$680 billion (April 2026)

## STRUCTURAL CHALLENGES

- **Manufacturing share** of GDP stuck at ~17–18%, versus the Make in India target of 25%

- **Female Labour Force Participation Rate (LFPR):** 41.7% (PLFS 2023-24)
- **Inequality:** Top 10% holds ~57% of national income (World Inequality Database 2022)

## WAY FORWARD

- Accelerate **second-generation reforms** — operationalisation of Labour Codes, land, and factor markets
- Expand **Production Linked Incentive (PLI)** schemes — ₹1.97 lakh crore committed across 14 sectors
- **Currency stability** through prudent forex management
- Boost **export competitiveness** via FTAs — UK FTA signed (2025); EU FTA under negotiation

## UPSC RELEVANCE

- **GS Paper 3:** Indian Economy — growth, public finance, statistics
- **Prelims:** WEO publication frequency, base year revision methodology, PPP vs nominal, IMF leadership
- **Mains:** “India’s recent slip in nominal GDP rankings is a statistical artefact, not an economic setback.” Examine.

**FACTS CORNER:**

IMF WEO April 2026 released April 14, 2026 — *Global Economy in the Shadow of War*

India 6th globally at USD 4.15 trillion nominal; top 6: USA (\$32.38T), China (\$20.85T), Germany (\$5.45T), Japan (\$4.38T), UK (\$4.26T), India (\$4.15T)

GDP base year revised: 2011-12 → 2022-23 (MoSPI press note, February 27, 2026)

Rupee: 84.6/USD (2024 avg) → ~87.2/USD (2025 avg), touching ~88.5 by late 2025

India's PPP rank: 3rd (~\$15 trillion PPP)

India FY25 real GDP growth: 6.5% under old 2011-12 series (NSO Provisional, May 30, 2025); revised to 7.1% under new 2022-23 series (Feb 27, 2026)

FY24 final: 8.2% (NSO Provisional, May 31, 2024) — distinct fiscal year

FY27 projection: ~6.9% (RBI MPR April 2026)

IMF MD: Kristalina Georgieva (since October 1, 2019)

World Bank Group President: Ajay Banga (since June 2, 2023)

PLI total: ₹1.97 lakh crore across 14 sectors

Sources: [IMF](#), [MoSPI](#), [PIB](#)

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