

India can become \$5 trillion economy in a decade: Jayant Sinha

OUR BUREAU

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India has the potential to become a \$5-trillion economy in 10 years, said Jayant Sinha, Minister of State for Finance. "If we can strive for sustainable economic growth of 7-8 per cent for the next 10 years, then we can take our economy from the current level of \$2 trillion to \$4 trillion," Sinha said at an awards function of the Institute of Cost Accountants of India (ICAI) here on Tuesday.

Given the strong foreign



Jayant Sinha, Minister of State for Finance

capital inflows and the expected strengthening of the rupee, it would be safe to

look at a gross domestic product (GDP) of at least \$5 trillion at the end of 10 years, he said.

This, in purchasing power parity (PPP) terms, would mean India's GDP would in a decade touch \$15 trillion, which is the current size of the US economy, Sinha said.

A GDP of \$5 trillion would also mean that India has the potential to add another \$3 trillion in market capitalisation in its stock exchanges in the next decade, he said.

"This could be a tremen-

dous wealth creation opportunity. Market capitalisation and GDP go hand in hand."

Sinha's forecast is based on the current trend of one-to-one correlation between GDP and market capitalisation. In the last 10 years, India has added \$1 trillion in GDP and the aggregate market capitalisation (of equities) had also gone up by \$1 trillion, Sinha said.

Coal impact on banks

PTI adds: Public sector banks may take a hit of

₹96,484 crore due to cancellation of coal blocks to power projects, said Sinha. Banks have extended credit to power plants built based on coal supply from some of the mines cancelled by the apex court.

"The impact of cancellation of coal block allotment on public sector banks due to likely stoppage of production of power plants is estimated at ₹96,484 crore," Sinha said in a written reply to a question in the Rajya Sabha.