

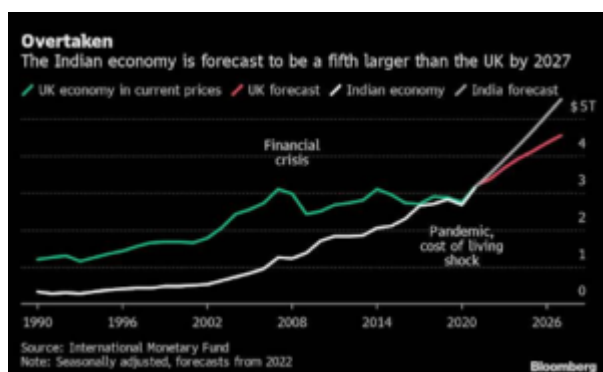
India overtakes UK as the fifth largest Economy

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In news— According to the latest calculations by *Bloomberg*, India has become the world's fifth-largest economy after it overtook the United Kingdom in end-March 2022.

What does the *Bloomberg* report say?

- India has overtaken the U.K. to become the world's fifth-largest economy and is **now behind only the US, China, Japan and Germany**.
- A **decade back, India was ranked 11th among the large economies** while the U.K. was at the fifth position.
- With record beating expansion in the April-June quarter, the Indian economy has now overtaken the U.K., which has slipped to the sixth spot.
- The report revealed that **on an adjusted basis and using the dollar exchange rate** on the last day of the relevant quarter, **the size of the Indian economy in 'nominal' cash terms** in the quarter through March was \$854.7 billion. On the same basis, UK was \$816 billion
- It has said that there is likely to be a huge gap between India and the UK within the next few years.



- Bloomberg reached this conclusion by using the IMF database and historic exchange rates.
- **As of 2022, India has a population of 1.41 billion while**

the UK's population is 68.5 million. In other words, India's population is 20 times that of the UK's.

- Since there is such a stark difference between the population of the two countries, GDP per capita provides a more realistic comparison of income levels because it divides a country's GDP by the population of that country. **The income of an average Indian is far lower.**
- **Low per capita incomes often point to high levels of poverty.** It is noteworthy that at the start of the 19th century, the UK's share in extreme poverty was considerably higher than India's.
- When it comes to the **Human Development Index. India stands on HDI with the UK's.** Despite its secular improvement, India might still take a decade to be where the UK was in 1980.
- A crucial element of becoming richer as a country is the quality of life available to citizens.
- **The Universal Health Coverage (UHC) Index** is measured on a scale from 0 (worst) to 100 (best) based on the average coverage of essential services including reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access.