

Turning Turbulence into Triumph: India's Journey Through Crises

Shri Shaktikanta Das

**Keynote Address at the All-India Management Association
(AIMA) National Leadership Conclave**

April 9, 2026

It is a great honour to be here today at the AIMA National Leadership Conclave in New Delhi. I would like to thank AIMA and the distinguished award selection jury for conferring upon me the Public Service Excellence Award. I accept this recognition with humility and a profound sense of gratitude, fully mindful that over the years, whatever public service I have done, reflects the collective efforts of many, rather than that of an individual.

2. Since its establishment in 1957, the AIMA has emerged as a key policy advocacy platform, serving as a bridge between industry, government and academia through consultations and

dialogues. In normal times, and more so in times of severe stress as it is now, as a result of successive global shocks, it is the quality and capacity of management and governance that makes a critical difference and enables institutions and businesses to not only survive but come out stronger. It is heartening to note that AIMA is championing the management profession with such dedication.

3. In September 2021, when I had last addressed the AIMA, the world was grappling with the deep scars left by the COVID-19 pandemic. What began as a once-in-a-century public health emergency, had swiftly transformed into an unprecedented humanitarian and economic crisis. Countries across the world had to navigate fragile recoveries after prolonged lockdowns, disrupted supply chains, subdued consumer demand and strained public finances.

4. In the aftermath of the pandemic, a series of severe supply-side shocks, most notably the war in Ukraine, the tariff induced uncertainties and conflict in West Asia have disrupted global production networks, logistics systems and labour markets. Each shock arrived before the wounds of the previous one had fully healed. And yet, through each crisis, India has not merely survived, it has in fact emerged remarkably and measurably stronger. We are in the midst of another crisis with the impact of the war in the Gulf. In this backdrop, I have chosen to speak on the theme '**Turning Turbulence into Triumph: India's Journey Through Crises**'. I propose to reflect on some of the crucial learnings from our experience and how it offers valuable insights for enhancing resilience in an increasingly volatile and fragmented world.

Global Landscape post-COVID and India's Standing

5. Today, the global economy is navigating a highly unsettled and charged environment, marked by geopolitical fragmentation, shifting supply chains and uneven regional growth. Multilateral institutions such as the International Monetary Fund (IMF) have repeatedly warned that the balance of risks to the global growth outlook remains decisively skewed to the downside. These vulnerabilities are further intensified by the prospect of tightening financial conditions, as elevated public debt and widening fiscal deficits constrain policy space in several major economies. In fact, they carry the potential for future financial shocks.

6. In the face of global volatility, India has displayed remarkable resilience with its real GDP growing by 7.6 per cent in 2025-26. I would like to stress that India's resilience alone does not explain the full story. In the last five years since COVID-19, India did not just endure the period of turbulence – it transformed through it. The country witnessed deep digitalisation across sectors, efficiency gains in government systems, and unprecedented

expansion in infrastructure. From 2021–22 to 2025–26, India has recorded an average annual real GDP growth of 7.8 per cent, reflecting economic resilience and resurgence. The question that merits an answer is what are the key factors behind this growth story of the Indian economy ? Let me elaborate.

- **First, Macroeconomic stability:** India has maintained strong growth, unwavering management of inflation and large foreign exchange reserves, making it well equipped to absorb global shocks.
- **Second, Policy stability:** Stable governance and broad policy focus on growth and reforms have given confidence to investors and businesses.
- **Third, Infrastructure-led development:** Sustained public investment in roads, ports, railways, energy and digital systems has strengthened supply chains and reduced structural bottlenecks.

- **Fourth, Strong domestic demand:** With a median age of 29¹ years and a rapidly urbanising population, India's consumption base provides a natural buffer, unavailable to many export-dependent peers. India's consumer spending accounts for over 55% of its GDP.
- **Fifth, Monetary Policy credibility:** The Reserve Bank's inflation-targeting framework allows policy rate to respond flexibly – cutting repo rates when growth is threatened and tightening when inflation surges – without sacrificing long-term market confidence and growth. The GDP growth of 7.1 per cent in 2024-25 bears testimony to this and, in fact, completely demolishes the narrative in certain quarters at that time that RBI's monetary policy had resulted in growth slowdown. Continuity in this flexible monetary policy framework for the next 5 years till 2031 reaffirms the commitment to price stability while keeping in mind the objective of growth.²

¹ <https://www.worldeconomics.com/Demographics/Median-Age/India.aspx>

² On March 25, 2026 the GoI in consultation with the RBI decided to retain the inflation target at 4 % with a tolerance band of +/- 2% for the period April 1 2026 to March 31, 2031.

- **Sixth, Digital public infrastructure:** UPI, Aadhaar, ONDC, and progressive formalisation of the economy through multiple measures like the introduction of GST have expanded financial inclusion and improved fiscal revenue and monetary policy transmission. Thus, each crisis in recent years has become a catalyst for structural deepening.
- **Seventh, Fiscal discipline:** Despite extraordinary spending pressures especially during the COVID-19 pandemic, India has adhered to a credible path of fiscal consolidation path. A credible fiscal framework is not just an accounting exercise; it is the bedrock of national resilience. A defining feature of this fiscal consolidation has been the marked improvement in the quality of expenditure, with sharp rise in the share of capital expenditure within total spending.
- **Eighth, Resilient financial system:** The banking and the NBFC (Non-Banking Financial Companies) sector emerged stronger in the aftermath of the pandemic than when it

began, thanks to the efforts of the regulator and other stakeholders.

- **Ninth, Young and enterprising demography:** Young and skilled demographic profile of India is a powerful economic advantage, driven by a large working-age population, rising educational attainment, and expanding digital capabilities. Coupled with enterprising energy, this workforce will continue to boost productivity, innovation, and inclusive growth in the years to come.
- **Tenth, Geopolitical positioning:** India's strategic autonomy and diversified partnerships reduce over-dependence on any single country or group of countries. We take decisions in our best national interest.

7. These features of the Indian economy enable us to face recurrent global shocks, as we have seen in the last few years. These features also enable the economy to emerge even stronger after each crisis. The nimble yet prudent responses of our policy

makers have helped us in managing crises so well. What was unique about India throughout this period of multiple crises was that fiscal and monetary expansion were followed by timely roll back of such expansion. Thus froth was not allowed to accumulate or overrun the system. Let me give you an example from my personal experience. During the pandemic, the Reserve Bank took more than 100 measures to mitigate its impact; but almost each of these measures was for limited period and was rolled back in time. In parallel, there were several initiatives from the Government relating to health, supply chain augmentation, fiscal support, and other such measures which were timely and well targeted. Again, after the sharp increase in inflation following the Russia-Ukraine conflict, the Reserve Bank raised interest rates by 250 bps to tame inflation, the benefits of which we are reaping now in terms of low inflation, even though several large economies are still facing stubborn inflation.

India's Overarching Structural Reforms

8. Added to these features which I just highlighted, India's resilience and sustained growth is also a result of several painstaking structural reforms. These reforms have been proactive and forward-looking. We have undertaken structural reforms, such as the implementation of inflation targeting framework, goods and services tax (GST), insolvency and bankruptcy code (IBC), recapitalisation of public sector banks, RERA, India digital stack and several others. The details of these reforms are well known and there is perhaps no need to elaborate on their content and outcome.

Importance of Strategic Self-Reliance in a Fragmented World

9. When we talk about India's resilience, we cannot leave out the underlying theme of our policy approach, namely, self reliance or Atmanirbharta. Over the years and across the world, firms have sometimes optimised efficiency through single-source supply

chains. Some countries have even optimised growth through hyper-globalisation. But in today's world of geoeconomic fragmentation and supply-chain disruption, the "world of corner-solution"³ is perhaps becoming less efficient. It is now evident that reliance on one dominant partner creates vulnerability, not efficiency. No country or single supply chain remains the cheapest, safest or the most predictable on a sustained basis. Supply chain shocks challenge the logic of single-source optimisation. In fact, 'resilience maximisation' is replacing 'cost minimisation' as the priority. Resilience maximisation can indeed be highly cost effective in the long run. Optimal strategies require diversification, not concentration; robustness matters more in the long run than short run efficiency; flexibility beats single-point optimisation.

³ A corner solution occurs when the optimal choice lies at the boundary of feasible options, allocating all resources to one alternative and none to others. Prime examples are over-reliance on a single source of production and just-in-time supply chains.

10. In this reality of multiple global shocks in the past five years, including the current West Asian crisis, India is trying to achieve its growth objectives through a policy of strategic self-reliance or Atmanirbhar Bharat. India's approach to Atmanirbhar Bharat reflects a strategic commitment to self-reliance shaped by realism, not isolation. Anchored in both economic and external policy, it seeks to build domestic capacity in critical goods and technologies while reducing dependence on single external source. As articulated by the Honourable Prime Minister, Atmanirbharta is outward-looking and capability-driven,⁴ enabling India to engage globally from a position of strength. It rests on two mutually reinforcing pillars: economic self-reliance and geopolitical autonomy. Together, they enhance India's resilience, sustain its growth, and position it as a confident global partner contributing constructively to global prosperity.

⁴ [Aatmanirbhar Bharat isn't inward looking, it aims to make global economy more resilient & stable: PM](https://www.youtube.com/watch?v=fPVvHNIFkcl) <https://www.youtube.com/watch?v=fPVvHNIFkcl>

11. Policy initiatives under the ambit of strategic self-reliance have started yielding results. The country is entering a phase where strategic sectors – notably electronics manufacturing, semiconductors, pharmaceuticals, global capability centres, and digital technologies, among others – are fast emerging as powerful engines of job creation, investment and innovation.

12. India's **electronics** manufacturing has undergone a dramatic transformation, evolving from a heavily import-dependent market into one of the world's fastest-growing production hubs. Mobile phone manufacturing units have grown from just two in 2014 to over 300 today. India is now the world's second-largest mobile phone producer. Driven by Make in India and PLI schemes, near self-reliance has been achieved, with mobile exports surging to ₹2 lakh crore in 2024-25.⁵ Progress in semiconductors mark an equally strategic shift. In response to globally concentrated and fragile supply chains, the India Semiconductor Mission launched

⁵ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222519®=3&lang=1>

in 2021 has started yielding results, with approved projects worth ₹1.6 lakh crore across six states.⁶ Production from two plants (Micron and Kaynes) has already commenced with two more plants expected to start commercial production this year. Building on this success, India Semiconductor Mission 2.0 was announced in the Union Budget 2026-27, with focus on producing semiconductor equipment and materials in India, designing full stack Indian semiconductor intellectual property, and fortifying both domestic and global supply chains. This momentum reflects a move from policy ambition to production readiness.

13. Similarly, India's rise in the **pharmaceutical** sector over the past decade has been nothing short of transformational. Today, India stands as the third-largest pharmaceutical producer globally by volume and a trusted pillar of global health security, supplying affordable, high-quality medicines to many countries. At the heart of India's global reputation as the "Pharmacy of the World" lies its

⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2224839®=3&lang=1>

unmatched generics ecosystem – producing 20 per cent of global generic medicines. India is also a critical force in global vaccine security. India’s pharmaceutical exports have surged to USD 30.5 billion, marking a sixteen-fold increase since the turn of the century.⁷ Looking ahead, initiatives such as BioPharma SHAKTI aim to position India as a global biopharmaceutical manufacturing hub, strengthening supply-chain resilience and driving next-generation innovation.

14. India’s **Global Capability Centres** (GCCs) have entered a new era - defined not by cost arbitrage, but by ambition, innovation and global ownership. India’s deep talent pool, with over 1.9 million professionals⁸ employed in GCCs across engineering, AI, product development, and digital operations, has elevated GCCs from support functions to centres that co-own global mandates and drive enterprise transformation. What makes India’s GCC story truly powerful is its evolution into a multi-city

⁷ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248®=3&lang=2>

⁸ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2202046®=3&lang=1>

network, with Tier-2 and Tier-3 cities attracting new GCCs, supported by infrastructure incentives and untapped talent pools.

15. The 21st century's foundational infrastructure is no longer physical infrastructure alone, but **Digital Public Infrastructure** (DPI) – our globally admired India Stack. It has redefined how technology can empower citizens at scale and with inclusion. Built on over 57 crore Jan Dhan accounts⁹ and platforms like UPI and Aadhaar, the next phase of financial inclusion focuses on frictionless access – using tools such as voice-based and assisted digital interfaces to enable transactions even without smartphones or high-speed internet. This is opportunity truly democratised. India's digital economy is projected to contribute close to 20 per cent of GDP by 2030¹⁰. Driving this shift is the India AI Mission, with the objective of creating a large sovereign AI and compute backbone which will enable Indian startups,

⁹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2235812®=3&lang=2>

¹⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097125®=3&lang=2>

researchers, and institutions to innovate at scale – securely and independently.

16. As India's economic strength grows, so must its security. India's Atmanirbharata in defence aims to achieve strategic autonomy by strengthening indigenous design, development, and manufacturing of military equipment. Driven by initiatives such as Make in India, Defence Acquisition Procedure (DAP) reforms, FDI liberalisation and the creation of defence industrial corridors, the policy has encouraged public sector units, private industry, and startups to collaborate on advanced platforms, weapons, and technologies. While indigenously developed systems reflect growing domestic capabilities, rising defence exports demonstrate global confidence in Indian products.

Energy Security

17. The recent hostilities in the Gulf, combined with blockade of the Strait of Hormuz, has revived memories of demand destruction and severe supply-side disruptions of the COVID times. Energy prices have surged, spilling over into transport, manufacturing, fertiliser, and food costs. The global economy now faces a sudden, systemic shock originating from an area which is at the core of global energy and critical input supply. The West Asia crisis highlights the importance of energy security and self-reliance.

18. Over the last decade, India has made gains in energy security. Power sector reforms have addressed long-standing inefficiencies through tariff rationalisation, distribution restructuring and financial discipline. Electricity is now central to India's ambition in manufacturing, services, and urban development. Power availability has shifted from being a constraint to an enabler of productivity, competitiveness and digitalisation. In the current decade of 2020s, peak power deficit has come down to

less than 0.5 per cent as compared with 5-10 per cent average peak power deficit recorded in the 2010s.

19. India has expanded its electricity generation capacity significantly over the last decade. Installed electricity capacity at 524 GW in February 2026, has more than doubled over the decade. Large-scale investments in transmission and distribution (T&D) infrastructure have improved grid reliability and reduced regional disparities. Even as India modernises its energy ecosystem, it continues to place strong emphasis on harnessing its conventional power sources. India has achieved 1 billion tonne coal production for the second successive year, a significant milestone which underscores India's growing self-reliance in the energy sector¹¹.

20. India is emerging as a global leader in renewable energy, driven by ambitious targets and green transition policies. With the

¹¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243291®=3&lang=1>

goal of achieving 500 GW of non-fossil-fuel capacity by 2030, India is investing heavily in solar, wind, offshore wind, and emerging green hydrogen technologies. Initiatives such as the National Green Hydrogen Mission and supportive regulatory measures have helped India attract substantial foreign and domestic investment in clean energy. India's updated Nationally Determined Contribution (NDC) for the period 2031 to 2035¹², recently approved by the Union Cabinet, further underscores the commitment towards building a prosperous and climate resilient India for the future generations.

21. A strong policy push combined with falling technology costs has improved India's competitiveness in solar manufacturing and large-scale renewable deployment. Renewable energy also features prominently among India's sunrise sectors, reflecting innovation-driven growth and alignment with global sustainability

¹² Under this, India aims to reduce emissions intensity of GDP by 47 per cent by 2035 (from 2005 levels), achieve 60 per cent non-fossil electric power capacity by 2035 and create carbon sink of 3.5 to 4.0 billion tonnes of CO₂ equivalent through forest and tree cover by 2035 (from 2005 levels).

goals. These advances set the stage for India to become a major green energy export hub in the coming decade.

22. Energy transition policies are aligned with goals of energy security, reduced import dependence and climate commitments. Digital technologies are increasingly getting embedded in grid management, improving efficiency and system resilience.

23. As I proceed to conclude, let me also share certain thoughts with you on the way forward for Indian business and managements at the current critical juncture. These are primarily in the nature of certain suggestions which are for you to consider and possibly adopt. At moments like this when the whole world is experiencing unprecedented volatility, it would be appropriate for Indian industry and business to (i) build organisational resilience; (ii) strengthen balance sheets; (iii) build new supply chains; (iv) protect jobs; (v) reskill the available manpower; (vi) diversify into new markets (especially the exporters); and (vii) invest

strategically for future readiness and for capitalising on new opportunities. These measures, I feel, will go a long way in building sustainability and future growth of Indian business and industry.

Summing up

24. Today, I have touched upon certain aspects of macroeconomic governance and management that have enabled India to navigate through multiple global shocks. India is now seen as a “**safe anchor**” because it offers stability, predictability and prospects of long term growth at a time when much of the world is marked by conflict, volatility and policy uncertainty. Given the inherent strength of the Indian economy, the cumulative scorecard of this decade is already striking, but the more consequential story is what lies ahead.

25. The growth levers for the next decade are not just aspirational – they are in fact already in motion and gaining momentum. A young and rapidly urbanising population is driving a consumption wave that will power domestic demand for decades. The high level of government capital expenditure programme is compounding infrastructure depth – in roads, railways, ports, and digital connectivity. The PLI scheme is seeding a manufacturing

base across fourteen high-value sectors. India's digital public infrastructure continues to formalise the economy, broaden the tax base, and deepen financial inclusion at scale. Services exports, anchored in one of the world's largest technology and professional services industries, provide an engine for resilient external earnings. Taken together, these are not cyclical tailwinds – they are structural, compounding and durable. India does not merely march towards becoming a developed economy by 2047, it marches with its foundations already laid, its institutions tested, and its growth trajectory increasingly difficult to reverse. India's credibility as a rules based, reform oriented economy with strong institutions, policy continuity, and democratic accountability reinforce investor confidence and social stability. These strengths allow India not just to absorb global shocks, but to convert disruption into opportunity.

Even with all the turbulence around the world, India will find a way to triumph and emerge stronger.

Thank you. Namaskar!