



## ASIA POWER INDEX - REPORTS

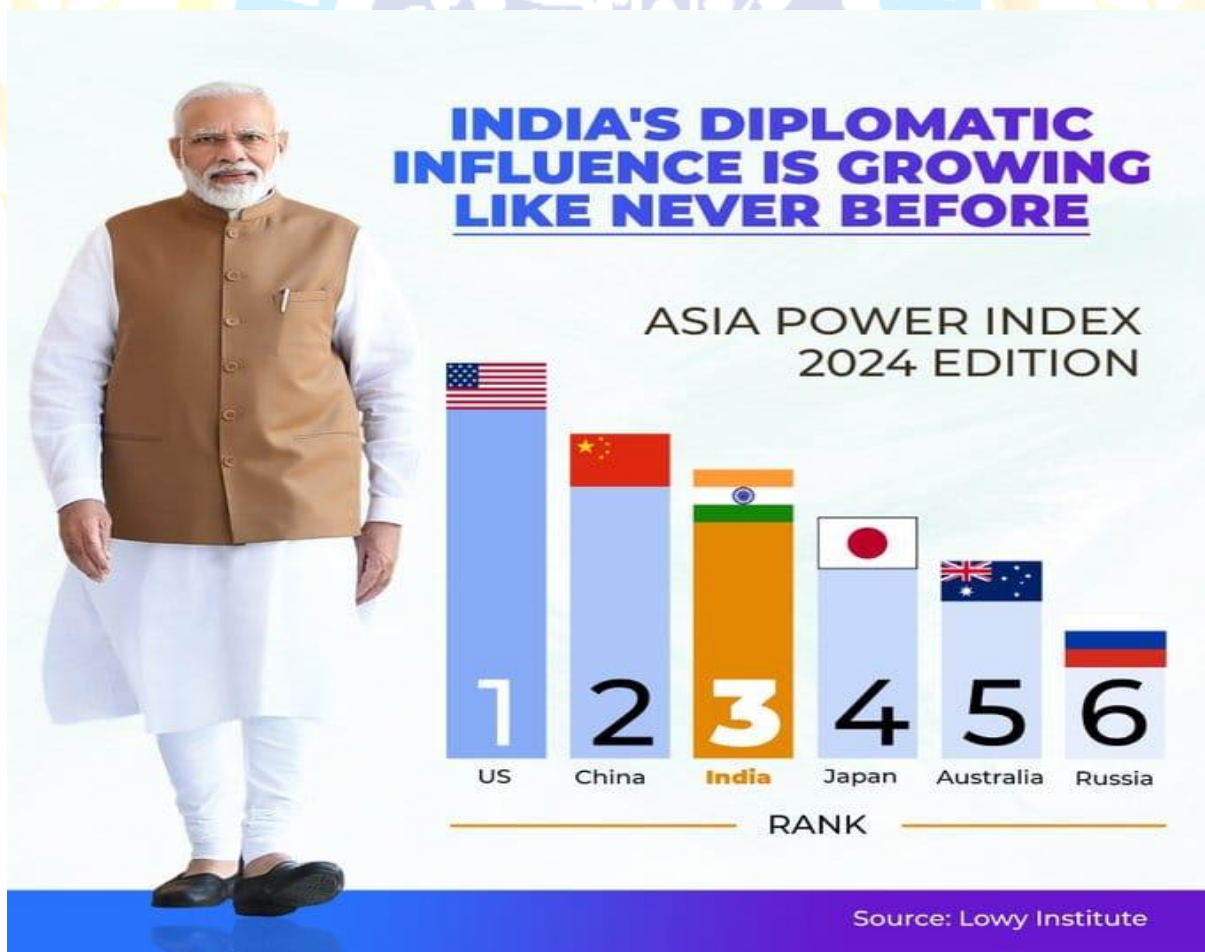
**News:** India has officially surpassed Japan to become the third most powerful country in Asia, as reported by the latest **Asia Power Index** released by the **Lowy Institute**. This significant shift underscores India's expanding influence across the continent and positions it as a major global player with aspirations of superpower status.

## What's in the news?

### ASIA POWER INDEX MEASURES

The Asia Power Index, compiled annually by the **Australian think tank Lowy Institute**, evaluates power dynamics across Asia using a comprehensive set of metrics. These include:

- **Economic Resources:** It measures GDP, trade, and investment capabilities.
- **Military Capability:** It assesses defense spending, armed forces strength, and technological advancements.
- **Diplomatic Influence:** It evaluates participation in international organizations and bilateral relations.
- **Cultural Reach:** It considers the impact of cultural exports and soft power.





**Future Resources:** It looks at population dynamics and potential growth.

- India's rise to third place reflects improvements in these key areas, particularly in defense, diplomacy, and economic growth.

## Key Drivers Behind India's Rise

- **India is one of the world's fastest-growing major economies.** Significant advancements in technology, manufacturing, and services have fueled this expansion. With a youthful and dynamic workforce, India is becoming a hub for innovation and investment, bolstered by initiatives like "Make in India" and "Atmanirbhar Bharat" aimed at enhancing its industrial base.
- **India's substantial investments in military modernization** have amplified its strategic importance. The development of advanced missile systems, nuclear capabilities, and an expanding naval presence, particularly in the Indian Ocean, positions India as a key player in regional security. A growing defense budget further emphasizes India's rising military stature.
- **India has increasingly asserted its role in international diplomacy**, participating actively in multilateral organizations such as the **United Nations, G20, BRICS, and the Quad**. Strategic partnerships with nations like the United States, Australia, Japan, and the European Union have enhanced India's presence in global affairs, solidifying its position on the world stage.
  - In 2023, **India ranked sixth in terms of diplomatic dialogues**, due to its active participation in multilateral forums and its expanding role in the Indo-Pacific.

## Japan's Decline in Regional Power

- **Slow Population Growth:** Japan's stagnant demographic trends limit its potential for economic expansion.
- **Limited Military Expansion:** Japan's reserved geopolitical stance, especially in military matters, has hindered its influence compared to India's assertive foreign policy.
- **Economic Stagnation:** Japan's relatively stagnant economic performance has contributed to its slipping influence in favor of rising powers like India.

## India's Path to Global Superpower Status

- **Demographic Dividend:** By 2030, India is projected to have the world's largest working-age population. This demographic advantage presents tremendous opportunities for economic growth and innovation, positioning India as a key engine for global development.
- **Strategic Position in Global Politics:** As a democratic nation with a crucial role in the Indo-Pacific region, India is integral to global geopolitical dynamics. Its participation in regional security alliances and expanding partnerships with key global players highlights its importance in maintaining stability in the region.



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- **Economic Reforms and Infrastructure Development:** India's focus on economic self-reliance, combined with reforms in infrastructure, manufacturing, and technology, is expected to attract significant foreign investment, propelling the country further into the ranks of the world's largest economies.
- **Leadership in Climate Change and Sustainability:** India is making notable strides in addressing climate change through ambitious renewable energy goals and efforts to reduce carbon emissions. This leadership is positioning India as a crucial player among emerging economies in setting environmental standards.

## Challenges on India's Road to Superpower Status

- **Income Disparities:** Significant income inequality persists, particularly in rural areas, posing a challenge to long-term growth and stability. Addressing this divide will be critical for inclusive development.
- **Infrastructure Needs:** To fully leverage its demographic advantages, India must invest substantially in physical infrastructure, including transportation, healthcare, and education, which are vital for sustaining economic growth.
- **Geopolitical Tensions:** India's complex relationships with neighboring countries, particularly ongoing tensions with China and Pakistan, present challenges to regional stability. Navigating these delicate geopolitical dynamics will be essential for India's continued rise as a global power.

**Source:** <https://www.thehindu.com/news/national/india-surpasses-japan-ranks-third-on-asia-power-index-of-australian-think-tank/article68681527.ece>