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## India Holds Steady as Global Economic Uncertainty Persists, Finance Ministry Review Finds

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India's economy remains on a strong domestic footing but faces challenges from a volatile global environment, according to the latest review by the Ministry of Finance. The report, released on Monday, warned that ongoing disruptions in global supply chains, particularly for semiconductors, rare earth magnets, and other critical components, will require careful economic planning over the medium term.

The Finance Ministry noted that “momentous shifts” in supply chain structures are reshaping global trade and production networks. These disruptions, driven by geopolitical tensions, technology competition, and changing trade alliances, could affect India’s manufacturing and export sectors. The report emphasized that ensuring reliable access to essential components will be key to sustaining industrial growth and advancing the country’s position in global markets.

Domestically, India continues to benefit from robust macroeconomic indicators, steady foreign investment inflows in key sectors, and ongoing government-led infrastructure expansion. However, the review cautioned that external risks, including fluctuating commodity prices, tightening global credit conditions, and slower recovery in major economies, could influence the country’s economic momentum.

The Finance Ministry underscored the importance of aligning industrial policy with these shifting global trends. Efforts to boost domestic semiconductor manufacturing, strengthen rare earth mineral sourcing, and diversify import origins are expected to play a critical role in securing long-term economic stability.

In its assessment, the ministry pointed to India’s resilience during recent global downturns, highlighting strong consumer demand, a growing services sector, and digital transformation as key drivers of economic stability. Still, it warned that sustaining this growth will require balancing fiscal discipline with targeted investment in strategic industries.

The review also stressed that the medium-term outlook will depend on India’s ability to adapt to the evolving trade and technology landscape. Strategic partnerships, both regional and global, will be necessary to secure supply chains and enhance competitiveness in high-value manufacturing.

While acknowledging the global headwinds, the Finance Ministry maintained that India’s economic fundamentals remain solid. The country’s ability to navigate shifting supply chain dynamics while fostering domestic innovation will be central to ensuring that it not only withstands global instability but also capitalizes on emerging opportunities.

The report concludes that with proactive policy measures, India is well-positioned to manage the risks of an uncertain global economy, even as it works to solidify its role as a competitive and reliable player in the international market.