

PRESS RELEASE

Allianz Trade in Asia Pacific

planning for growth in India

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Hong Kong

Investments planned for the new growth engine in Asia

According to the [latest report from Allianz Trade](#), the global economy will continue to face challenges, with lackluster growth from the cumulative impact of monetary policy tightening until the end of 2024. Overall, global GDP growth is projected to slow to +2.7% in 2023 and +2.4% in 2024; the US will see a mere +1.1% GDP growth in 2024, the slowest rate since 2009; China is expected to see a slow landing to +4.7% in 2024 and +4.2% in 2025. For Asia Pacific as a whole, Allianz Trade anticipates a growth rate of +4.1% for 2024 and +3.9% for 2025.

Meanwhile, India is on track to outpace regional peers in terms of real GDP growth over the next decade including China, emerging Asia as well as ASEAN countries. Allianz Trade expects the Indian economy to grow by an average of +6.4% between 2023 and 2027. Supported by strong economic growth and to service the needs of our customers, Allianz Trade has identified India as another growth engine in Asia. In response, Allianz Trade has recently appointed a new Country Manager to support growth in India and further investments are planned this year.

In terms of exporting, the US remains by far the largest export partner for India, with export gains for India expected to reach US\$6.86 billion in 2024. The UAE and the Netherlands come next as top export partners, where export gains are estimated at US\$2.68 billion and US\$1.58 billion respectively. China and Singapore round out the top five with export gains reaching US\$1.29 billion and US\$1.01 billion respectively. Among the key sectors, India is expected to reap the highest export gains from software and IT services of approximately US\$19.28 billion in 2024.

As for business insolvencies, Allianz Trade forecasted a rebound in insolvencies in India this year, largely driven by the catch-up effect due to the long suspension of courts during the Covid years. Insolvencies in India are expected to increase by +36% this year and +6% in 2024. Despite the relatively high insolvency numbers, both working capital requirement (WCR) and days sales outstanding (DSO) in India are expected to see a marginal increase of 5 days and 3 days respectively. Overall, Asia and Latin America remain the only two regions with insolvencies not yet returned to 2019 levels by 2024.

"India is poised to become the second largest economy in Asia Pacific by 2030. An important driving force is its large and fast-growing middle class, which is helping to fuel consumer spending. Furthermore, India is going to be one of the most important long-term growth markets for multinationals in a wide range of industries, including manufacturing such as automotive, electronics, pharmaceuticals, speciality chemicals and in services such as banking, financial services, insurance, health care and IT," says Imran Khan, Country Manager for India at [Allianz Trade in Asia Pacific](#).

“Meanwhile, the trade credit insurance market in India (excluding ECGC premiums) has grown by more than 16% on average over the past five years¹. While businesses continue to show robust growth, risk mitigation becomes equally important. Allianz Trade continues to help clients across sectors to do business with confidence and we look forward to working closely with our partners to support the Indian business and be a part of this growth journey, to which we anticipate the trade credit insurance industry should see 20% growth with businesses resuming normal,” Mr Khan concludes.

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¹ <https://www.gicouncil.in/statistics/industry-statistics/segment-wise-report-on-homepage/>