

What India Being Poor but Growing Means If You're Buying for the Long Term



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India's income per person today is where China's was in 2007–08, but its factory base is much smaller and its wages are already rising. For a buyer that means costs will climb and capacity will grow, so the makers you build relationships with now are the ones worth having in five and ten years.

The Short Version

- India's income per person was US\$2,760 in 2025, between China's in 2007 and 2008.
- At the same income China made 12% of the world's manufacturing. India makes 3%.
- Pay per worker in registered factories rose 23.5% from 2019–20 to 2023–24, so a business case built on cheap labour alone has a shelf life.
- Pick makers you can grow with, pay fairly and on time, build in price reviews and keep someone on the ground.
- A micro firm in India is not a warning sign. It is an opportunity that hasn't grown yet.

"They are paid per piece they make. They only want to work on sundays too." That's an Indian denim maker in 2025, answering a Western brand that worried about his workers' hours ([r/ClothingStartups, 2025](#)). You can read that line as a compliance problem, and it partly is one. I read it as a picture of a country where people want to earn more, and are about to.



India is poor, and it's growing fast. I say that as someone who lives and works here, not as a sales pitch. In this post I'll put real numbers on both halves and ask the one question that matters to you as a buyer - what does a poor, fast-growing supplier country look like in five and ten years, and how should you buy today because of it?

One caveat first. The past doesn't repeat itself exactly, so treat the China comparison below as a guide to direction and not a forecast.

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- 01 India's income per person today is where China's was in 2007-08.** India's was US\$2,760 in 2025. China's was US\$2,550 in 2007 and US\$3,140 in 2008, and it reached US\$14,230 by 2025. (*Sourced from official data: [World Bank](#), [GNI per capita](#), [Atlas method](#)*)
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02 At the same income, China made 12% of the world's manufacturing. India makes 3%. China's share was 12.0% in 2007, and it more than doubled to 25.8% by 2015. India's was 3.0% in 2025. (*World Bank, manufacturing value added, our arithmetic*)

03 Wages in India's registered factories rose 23.5% in four years. Pay per worker went from ₹1,75,297 in 2019-20 to ₹2,16,487 in 2023-24. (*MoSPI, Annual Survey of Industries 2023-24*)

What we don't know yet

- Wage levels by cluster or by product. The official surveys stop at the state and the industry.
- Whether India's manufacturing share will follow China's path. Its share of the economy fell from 15.1% in 2014 to 13.5% in 2025 on the World Bank's measure, so it hasn't yet.

1. How Poor India Is, in Numbers

The short version lives on the [why India](#) page, so I won't repeat all of it. India's income per person was US\$2,760 in 2025 on the World Bank's measure, which makes it a lower-middle-income country, a touch below Bangladesh and about a fifth of China.



What I'd add is what "poor" looks like on a factory floor. In 2025 a man in regular salaried work in India earned ₹24,217 a month on average, and a woman ₹18,353, while a male casual labourer earned ₹455 a day ([MoSPI, Periodic Labour Force Survey 2025, via PIB](#)). Piece rates like the denim maker's exist because for a lot of workers a Sunday of extra pieces makes a real difference to the month.

So why should you, a business buyer, care? It isn't about sympathy. This is the fuel of the next ten years, and the workers who want to earn more are the same ones who'll cost you more.

2. How Fast India Is Growing and Where China Was at This Point

India's income per person has nearly doubled since 2014, and the economy grew 7.6% in 2025 ([World Bank](#)). That's the headline, but the more useful

comparison is with China, because China is the only country that has gone through this stage at anything like the same scale.

India's income per person today, US\$2,760, sits between China's in 2007 (US\$2,550) and 2008 (US\$3,140) ([World Bank, GNI per capita](#)). Over the next 18 years China's rose to US\$14,230, more than five times over. In the same stretch China went from making 12.0% of the world's manufacturing value in 2007 to 25.8% in 2015, and 27.4% in 2025 (World Bank, manufacturing value added, our arithmetic).

Here it is side by side, from the same World Bank figures –

	China, 2007	India, 2025
Income per person (GNI, Atlas)	US\$2,550	US\$2,760
Share of world manufacturing	12.0%	3.0%
Manufacturing share of the economy	about 32%	13.5%

And here's the honest difference. At the same income China was already a manufacturing machine, with factories making about 32% of its economy in 2007, while India's figure is 13.5% (World Bank). So India has China's income of 2007 on a much smaller factory base, which is exactly why the growth, if it comes through in manufacturing, has so far to run.

3. Wages Are Already Moving

You don't have to wait ten years to see costs move. Pay per worker in India's registered factories rose from ₹1,75,297 a year in 2019–20 to ₹2,16,487 in 2023–24, up 23.5% in four years ([MoSPI, ASI 2023–24](#)). In the single year to 2025, salaried men's earnings rose 5.8% and women's 7.2% (PLFS 2025).

Manufacturing is hiring, too. It was 12.1% of Indian employment in 2025, up from 11.6% a year earlier (PLFS 2025), and registered factories added more than half a crore jobs, about 5.7 million, in the decade to 2023–24 (ASI 2023–24).

What does that do to your price? Labour is only part of what a product costs, and exchange rates and raw materials swing more from year to year. The direction is clear, though. If your business case for India rests on cheap labour alone then it has a shelf life, and China shows how that plays out – Dongguan, once the "world factory" for labour-heavy goods, now puts its money into machines and electronics ([China's factory cities](#)).

4. What Growth Means for Capacity

Growth is a capacity story as well as a cost story, and that part is good news. The number of people in India's registered factories went from 1.66 crore in 2019–20 to 1.96 crore in 2023–24, and the average factory grew from 84 people to 92 (ASI 2023–24). About 68% of Indians are aged 15 to 64 ([World Bank](#)), and India has more people than China, 1.46 billion against 1.41 billion in 2025 ([World Bank, population](#)).

For you, that means the maker who ships your first few hundred pieces today may be able to ship several thousand in five years. It also means a lot of today's small suppliers won't stay small.

I say it often and I mean it – a micro firm in India is an opportunity that hasn't grown yet, not a warning sign.



5. How to Buy From a Country Like This

If India follows even part of China's path, the buyers who do best will be the ones already inside good supplier relationships when capacity gets tight. So here's what I'd do –

1. **Pick makers you can grow with, not the cheapest quote.** Look for the ones who answer straight, send honest samples and keep their records clean. The checks are on [how to check an Indian supplier](#).
2. **Pay fairly and on time.** Indian makers ask for big advances because foreign buyers have paid late or not at all, so a buyer who pays on schedule moves to the front of the queue. Milestone payments protect you both, as [MOQ, pricing and payment](#) explains, and the background is in [why Indian suppliers ask for full advance](#).
3. **Plan for costs to rise.** Build a price review into your agreements rather than fighting every increase, and compete on what holds up as a country

gets richer – reliability, quality, certification, speed.

4. **Be there.** The buyers who do well in India keep someone on the ground for years, not for one visit. If that can't be you, [SourcingSync](#) can be your people in India for as long as the relationship runs.

6. The Compliance Side in Brief

The denim maker's Sunday workers are also a reminder that growth brings scrutiny. Western due-diligence rules ask about working hours and weekly rest, and piece rates can push quality the wrong way too, as one commenter in the same thread pointed out ([r/ClothingStartups](#), 2025).

None of that is a reason to avoid India. It's a reason to agree the rules with your maker up front and then check them, which is what [quality control in India](#) covers. The wider rules are in [forced labour due diligence](#).

7. Back to the Denim Maker

His workers want Sundays because they want more money, and in a country growing at 7% a year they'll get it one way or another. So the smart question for a buyer is how to be the customer who's still there when it happens – with the maker who grew, the capacity that came with it and a price you both agreed was fair.



India is poor today, and it won't be forever. If you're weighing a move from China, [moving manufacturing from China to India](#) is the practical next read.