India jumps 12 places in QS World Future Skills Index

$500 bn can be added to economy by 2030 via AI adoption: Report

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INDIA IS WELL-POSITIONED to add $500 billion to its economy by 2030 if it succeeds in adopting artificial intelligence (AI), but its ability to realise those gains will depend on whether its universities can produce enough job-ready talent, according to the latest QS World Future Skills Index 2027.

The report ranks India 13th globally, up 12 places from the inaugural 2025 edition, highlighting the country's rapid progress in building an AI-ready economy even as higher education struggles to keep pace with industry demand. India's overall score increased to 89.4 from 76.6 in the previous edition, making it one of the biggest gainers in the index, which evaluated 89 economies on their ability to develop, align, and deploy skills in the age of AI.

"The elite tier of institutions — IITs, IIMs, AIIMS — are globally competitive, but the majority of Indian institutions produce graduates at scale with far lower employability rates. This employer dissatisfaction is reflected in India's comparatively low Skills Alignment score," the report noted.

QS attributed the jump in India's rankings to robust GDP growth, labour market investments, and sustained investment in infrastructure. This translated into the world's highest score (100/100) in QS's 'Economic Capacity' sub-indicator. India also ranked second globally in 'Digital Skills Penetration'. The report noted that the country now has the world's largest IT workforce, with about 5.8 million professionals, providing a strong foundation for AI-led growth. Nunzio Quacquarelli, President of QS, said the size of India's digital workforce is rapidly attaining a scale that few other countries can match.

"It already possesses the world's largest IT workforce and the largest number of tertiary-educated individuals in the world. These ingredients give India the potential to be the fastest-growing economy in the world over the next decade," he said.

However, QS pointed out that India's higher education system is struggling to equip graduates for a rapidly changing labour market, with employer demand for AI, digital, and green-intensive skills often evolving faster than universities can respond.

"This is not a challenge that universities can solve alone; it requires a broader reset across higher education policy, funding, curriculum governance, institutional agility, and employer investment in workforce development and lifelong learning," the report said.

The report further noted that India will need sustained investments in AI-led sectors such as agriculture, healthcare, financial services, and business services to maintain its competitive advantage. However, it also cautioned that AI could disrupt some of the country's traditional strengths.

For instance, labour-intensive sectors such as business process outsourcing (BPO) and call centres are particularly vulnerable to automation, while agriculture, which employs a large workforce, offers fewer opportunities to benefit from AI than knowledge-intensive industries.

"With India's AI-related investment reaching $90 billion by February 2026, relevant skills are key to driving affordable and accessible AI for public good. Green talent is also required if India is to achieve its net-zero emissions target by 2070. Closing the gap between skills demand and skills supply is vital to transforming India into a fully developed nation within two decades as part of Viksit Bharat 2047," the report added.

Globally, the US retained the top position with a score of 99.2, followed by Australia, the UK, Germany, and Canada.

RAPID PROGRESS

QS World Future Skills Index

	Ranking 2027	2025
United States	1	1
Australia	2	4
United Kingdom	3	2
Germany	4	3
Canada	5	5
India	13	25

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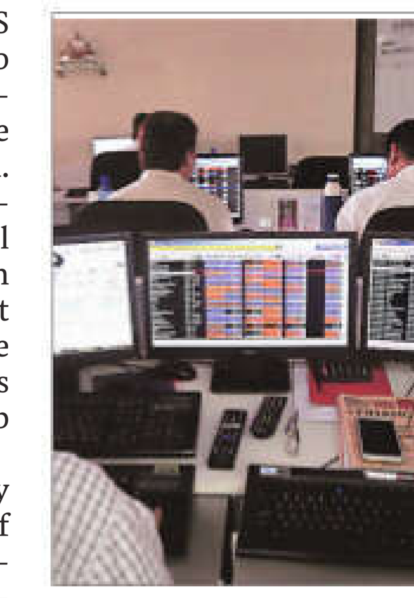

MARKET WATCHERS ATTRIBUTED the weakness to concerns over slowing private-sector activity and the prospect of a weak monsoon. The HSBC Flash India Composite PMI Output Index fell to 57.4 in June from 59.3 in May, indicating the slowest pace of expansion since March, as demand for goods and services softened and job additions moderated.

"Private sector activity eased a bit in June. Growth of manufacturing output softened a tad as inventory-building lost steam after a few hectic months," said Pranjul Bhandari, chief India economist, HSBC observed.

Some analysts said the weaker rupee also contributed to the negative sentiment on Tuesday, prompting profit-taking among investors.

"The decline was largely influenced by weakness across Asian markets, which also weighed on US futures amid concerns over the sustainability of the AI-driven rally, dampening overall market sentiment," Ajit Mishra, SVP–Research, Religare Broking, said.

"The market sentiment weakened as early gains proved unsustainable amid negative global cues and prevailing caution. Profit booking after the recent rally further intensified downside pressure, resulting in broad-based weakness across key sectors," said Vinod Nair, head of research, Geojit Investments.

Stable crude oil prices and easing geopolitical tensions offered some support, but investors remained cautious about monsoon progress and ongoing US-India trade negotiations, Nair added.

Metals, IT, PSU banks, consumer durables and realty stocks were among the worst performers, declining by more than 3%. Pharma and healthcare were the only sectors to end in positive territory, gaining about 1%.

"IT stocks remained under pressure, with the Nifty IT index declining after brokerages including Jefferies and Morgan Stanley flagged softer demand trends following a weaker-than-expected outlook from Accenture," said Siddhartha Khemka, head of research, wealth management, Motilal Oswal Financial Services.

"Metal stocks also witnessed sharp selling, with the Nifty Metal index falling nearly 3% as global metal prices retreated after the previous session's gains," Khemka added.

Foreign portfolio investors (FPIs) bought shares worth ₹17.86 crore, while domestic institutional investors (DIIs) purchased shares worth ₹680.21 crore, according to provisional BSE data.