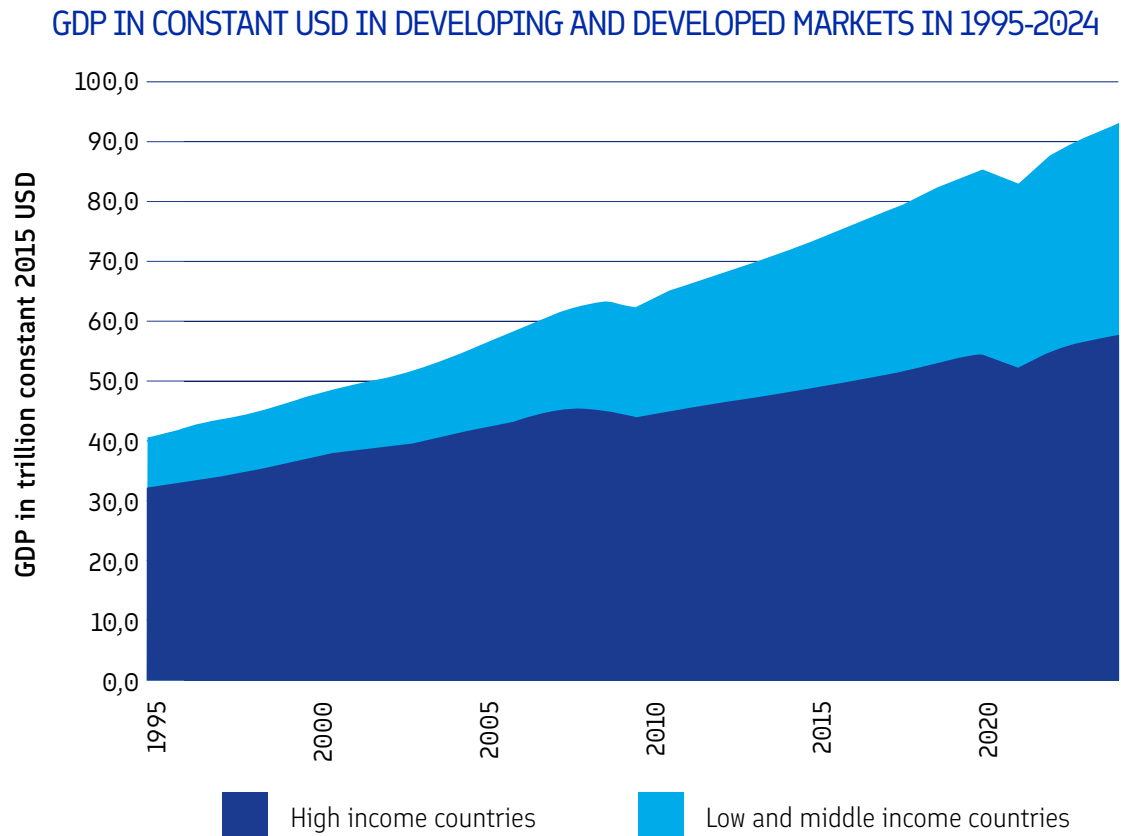


# ECONOMIC GROWTH IN EMERGING MARKETS AS PART OF COMPANY STRATEGY

Emerging and developing markets grow faster than developed markets and account for much of the global economic growth. Faster economic growth in developing markets can bring about both significant opportunities and challenges for companies in the future. This is an important element for Finnish companies to consider when thinking about their international growth strategies and innovation needs.

## CHANGING WORLD

- The world economy has more than doubled between 1995 and 2024, according to World Bank data on real Gross Domestic Product (GDP).
- Developing markets account for much of the global economic growth of the past decades. The real GDP for low and middle-income countries more than quadrupled between 1995 and 2024, compared to less than doubling for high income countries.
- While high income countries still account for over 60% of the global GDP, developing markets increased their share to nearly 40% in 2024.
- Although the global economy is expected to grow at a slower pace than before, developing markets continue to grow faster than developed markets. The real GDP growth rate in 2024 was 4.3% for emerging and developing economies and 1.8% for advanced economies, according to the International Monetary Fund (IMF).
- Economic growth prospects vary across developing markets. According to the IMF, real GDP concerning emerging and developing economies is projected grow in 2030 by 4.5% in Asia and Sub-Saharan Africa, 3.7% in the Middle East and Central Asia, 2.6% in Latin America and the Caribbean and 2.5 % in Europe.
- While the United States remains the largest economy in the world, the global top 20 economies by real GDP included six developing markets in 2023. These were China, India, Brazil, Mexico, Turkey and Indonesia.
- China moved from the 5th place in 1995 to become the 2nd largest economy in the world in 2024, whereas India rose from the 15th to 5th place at the same time – with the real GDP growth rate still exceeding 6%.
- Several countries among the top 20 largest economies in the world have improved their income-based country classification over the past three decades.



Data: World Bank GDP in Constant 2015 USD (2025) / Chart by the author



## GLOBAL TOP 20 COUNTRIES BY GDP AND SELECTED INDICATORS

COUNTRY	TOP 20 COUNTRIES BY GDP			GDP IN TRILLION CONSTANT USD			REAL GDP GROWTH IN %		INCOME-BASED COUNTRY CLASSIFICATION	
	1995	2010	2024	1995	2010	2024	2024	2030	1995	2024
United States	1	1	1	11.1	16.3	22.7	2.8	2.1	High income	High income
China	5	2	2	1.9	7.7	18.5	5.0	3.4	Low income	UMIC
Japan	2	3	3	3.8	4.2	4.6	0.1	0.5	High income	High income
Germany	3	4	4	2.6	3.1	3.7	-0.2	0.7	High income	High income
India	15	9	5	0.6	1.5	3.5	6.5	6.5	Low income	LMIC
United Kingdom	4	5	6	1.9	2.7	3.3	1.1	1.4	High income	High income
France	6	6	7	1.7	2.3	2.7	1.1	1.2	High income	High income
Italy	7	7	8	1.7	1.9	2.0	0.7	0.7	High income	High income
Brazil	8	8	9	1.1	1.7	2.0	3.4	2.5	UMIC	UMIC
Canada	9	10	10	1.0	1.4	1.8	1.5	1.5	High income	High income
Australia	13	14	11	0.7	1.2	1.7	1.0	2.3	High income	High income
Russia	12	12	12	0.7	1.3	1.6	4.1	1.2	LMIC	High income
Spain	10	13	13	0.8	1.2	1.4	3.2	1.6	High income	High income
Mexico	11	15	14	0.7	1.1	1.3	1.5	2.1	UMIC	UMIC
Turkiye	20	19	15	0.3	0.6	1.3	3.2	4.1	LMIC	UMIC
Indonesia	18	17	16	0.4	0.7	1.2	5.0	5.1	LMIC	UMIC
Netherlands	16	16	17	0.5	0.7	0.9	1.0	1.2	High income	High income
Saudi Arabia	...	...	18	0.3	0.5	0.9	1.3	3.3	UMIC	High income
Switzerland	17	18	19	0.5	0.6	0.8	1.3	1.8	High income	High income
Poland	...	...	20	0.2	0.4	0.7	2.9	2.7	LMIC	High income
Argentina	19	20	...	0.3	0.6	0.6	-1.7	3.0	UMIC	UMIC
Republic of Korea	14	11	m	0.6	1.3	m	2.0	1.8	High income	High income
<b>WORLD</b>	...	...	...	<b>40.4</b>	<b>65.2</b>	<b>96.7</b>	<b>3.3</b>	<b>3.1</b>	...	...
<b>EUROPEAN UNION</b>	...	...	...	<b>9.8</b>	<b>13.0</b>	<b>15.7</b>	<b>1.1</b>	<b>1.4</b>	...	...

Note: World Bank GDP estimates in constant 2015 USD / IMF annual real GDP growth rate estimates for 2024 and projections for 2030 / World Bank country classifications based on income level / LMIC = Lower-middle income country, UMIC = Upper-middle income country / m = missing information

Data: International Monetary Fund (2025), [World Bank GDP in Constant 2015 USD data](#) (2025) and [World Bank Historical Country Classifications by Income Level](#) data (2025) / Table by the author



## POSSIBLE BUSINESS IMPLICATIONS

- Rapid economic growth in many developing markets may boost industrialization as well as the demand for better infrastructure, services and solutions. This creates a variety of market opportunities.
- Demand for goods, services or (large-scale) projects in developing markets may differ from what has been typical in the developed world for example, due to cultural, historical, regulatory or environmental reasons.
- Growing developing markets can become the first adopters of the most innovative technologies and solutions, also providing greenfield for radical innovations with global market potential.
- Larger developing countries can offer expanding domestic markets for their local companies to grow and develop. Eventually they might become significant business partners or competitors globally.
- While fast economic growth in developing markets can boost sustainable development, it can also create challenges especially for environmental sustainability and boost demand for new types of sustainable innovations.

## GROWTH IN THE CHANGING WORLD

- What may be the most promising international growth opportunities and target markets for your company from medium to long term?
- How can the potential medium to long term business challenges for your company be mitigated?
- Are the solutions provided by your company likely to be compatible with and competitive in markets likely to grow in the future?
- Do you need to renew your existing or create completely new products, services, processes or businesses models to be competitive and sustainable in the future growth markets?
- Are your products or services suitable for different cultural, historical, regulatory or environmental contexts?
- How can you ensure and enhance responsible business conducive to sustainable development in the changing global context?

### FUNDING FOR RENEWAL AND INNOVATION

Business Finland offers funding for research and development (R&D) – and various business development needs.

With our R&D funding, companies seeking significant international growth can renew and update their products, services, production methods or business models – or develop completely new ones. Companies can also test and validate their new solutions with customers.



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### DEVELOPING MARKETS PLATFORM

Developing Markets Platform helps Finnish companies and their partners to develop innovative and competitive business for sustainable opportunities in emerging and developing markets – covering more than 100 countries in Africa, Asia, Latin America and Southeast Europe.

Developing Markets Platform is a joint endeavor of Business Finland and the Ministry for Foreign Affairs of Finland. We combine research, development and innovation with international growth opportunities in developing markets – in line with the Sustainable Development Goals.



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## PERSPECTIVES FOR INNOVATION AND GROWTH

Perspectives for Innovation and Growth -series by Business Finland invites companies to think about their international growth, renewal and innovation endeavors in the light of long(er) term changes taking place worldwide. The series includes concise snapshots of selected global issues with a long(er) term perspective, discussing also the possible future implications they may have on businesses.

Perspectives for Innovation and Growth seeks to foster strategic reflection among companies on potential future markets and customer needs – as well as on implications that long(er) term global trends may have on company renewal and innovation.



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## REFERENCES AND SOURCES FOR FINDING OUT MORE

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- Business Finland | Business Finland website | [Business Finland](#)
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### AUTHOR

**BUSINESSFINLAND.FI**

### Kiira Kärkkäinen

Head of Developing Markets Platform  
kiira.karkkainen@businessfinland.fi