

Indian economy to grow at 9% in FY22 and 6.7% in FY23: UN

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India's GDP may grow 9.2% in the current financial year ending March 2022, according to the first advance estimates. The economy has gained momentum during the July-September period, inching gradually back to normalcy as coronavirus related disruptions eased significantly in the aftermath of a devastating second wave.

Key Highlights

- GDP for the second quarter of the financial year grew by 8.4% from a year ago, one of the fastest rates among major economies, data released by the government showed recently.
- The Reserve Bank of India (RBI) has projected a GDP growth rate of 9.5% for the current financial year with inflation seen at 5.3%.
- The projection is less than the 9.5% forecast by the International Monetary Fund (IMF) and S&P, while Moody's Investors Service had in recent weeks put India's growth forecast at 9.3%. Fitch Ratings has projected an 8.7% expansion.
- While the economy grew at 13.7 per cent in the first half (April-September) of FY22 (data for which were released on 30 November), the first Advance Estimates of GDP incorporated the factory output data of an additional month (October) and also accounted for some lead indicators until November and December.

- With the government shifting the date of presentation of the Union Budget to February 1 from the last day of February starting FY18 Budget, the statistics department has also advanced the release of the first Advance Estimates, so that the government has an annual estimate of GDP to be incorporated in the Budget calculations even at the cost of less accuracy.

SOURCE: *Livemint, Business Standard*