

India's GDP growth rate for 2019-20 estimated at 5%

written by iasexam.com | 08/01/2020



India's GDP growth is seen dipping to an 11-year low of 5 per cent in the current fiscal, mainly due to poor showing by manufacturing and construction sectors, government data showed on Tuesday. As per the first advance estimates of the national income released by the National Statistical Office (NSO), the manufacturing sector output growth will decelerate to 2 per cent in 2019-20, down from 6.9 per cent in the previous financial year.

Likewise, the construction sector growth is estimated at 3.2 per cent as against 8.7 per cent in 2018-19. According to back series GDP data released by the government in November 2018, the previous low in economic growth was recorded at 3.1 per cent in 2008-09. The dismal performance for the fiscal was anticipated as the Gross Domestic Product (GDP) growth in the first quarter was 5 per cent and 4.5 per cent in the subsequent three-month period.

The Reserve Bank of India (RBI) had also lowered its forecast for the economic growth to 5 per cent while announcing its bi-monthly monetary policy last month. The macro-economic data is important as Finance Minister Nirmala Sitharaman would be using it for preparing Budget estimates for the next financial year. She is expected to present the Budget 2020-21 in Parliament on February 1.

The NSO data further revealed that deceleration in growth will also be witnessed in other key segments, like agriculture; electricity; gas and water supply; trade; hotel and transport sector; financial; real estate; and professional services. As per the advance estimates for 2019-20, the growth in real GDP during 2019-20 is estimated at 5 per cent as compared to 6.8 per cent in 2018-19. The estimated growth of real GVA (Gross Value Added) in 2019-20 is 4.9 per cent as against 6.6 per cent in 2018-19. The per capita income at current prices is estimated at Rs 1, 35,050, showing a rise of 6.8 per cent, as compared to Rs 1, 26,406 during 2018-19 with the growth rate of 10.0 per cent.

SOURCE: *Business Standard, Economic Times*