

S&P ups India FY24 growth forecast to 6.4%

TIMES NEWS NETWORK

New Delhi: Global ratings agency S&P on Monday raised India's GDP growth projection for 2023-24 to 6.4% from the previous 6%, citing robust domestic demand.

"We have revised up our projection for India's GDP growth for fiscal 2024 (ending in March 2024) to 6.4%, from 6%, as robust domestic momentum seems to have offset headwinds from high food inflation and weak exports," S&P Global Ratings said in its economic outlook for Asia-Pacific.

"Still, we expect growth to slow in the second half of the fiscal year amid subdued global growth, a higher base, and the lagged impact of rate hikes. As a result, we have lowered our outlook for growth in fiscal 2025 to 6.4%, from 6.9%," said the agency.

Several agencies have raised India's GDP growth forecasts in recent months, citing the robust recovery after the pandemic and resilient domestic demand.

The IMF raised its GDP growth projections for the country to 6.3% from the previous 6.1% against the backdrop of improving indicators. RBI (GDP) estimates growth to be 6.5% in the current fiscal year that ends in March. India remains one of the fastest growing major economies in the world against the backdrop of slowing growth across the globe.

ON DOMESTIC DEMAND

S&P said that in India, there was a transitory spike in food inflation in the July-September quarter, but it appears to have had little effect on underlying inflation dynamics. "Still, headline inflation remains above the RBI's target of 4%, suggesting it will be a while before the rate cycle turns," said the agency.

The country's National Statistical Office (NSO) will release the second quarter (July-September) GDP data on November 30.