

# Govt sees 6.5-7% growth in FY25, agencies more upbeat

TEAM TOI

India's economy is estimated to grow by 6.5-7% in 2024-25, says Economic Survey, acknowledging that it is conservative, given the fact that market expectations are on the higher side.

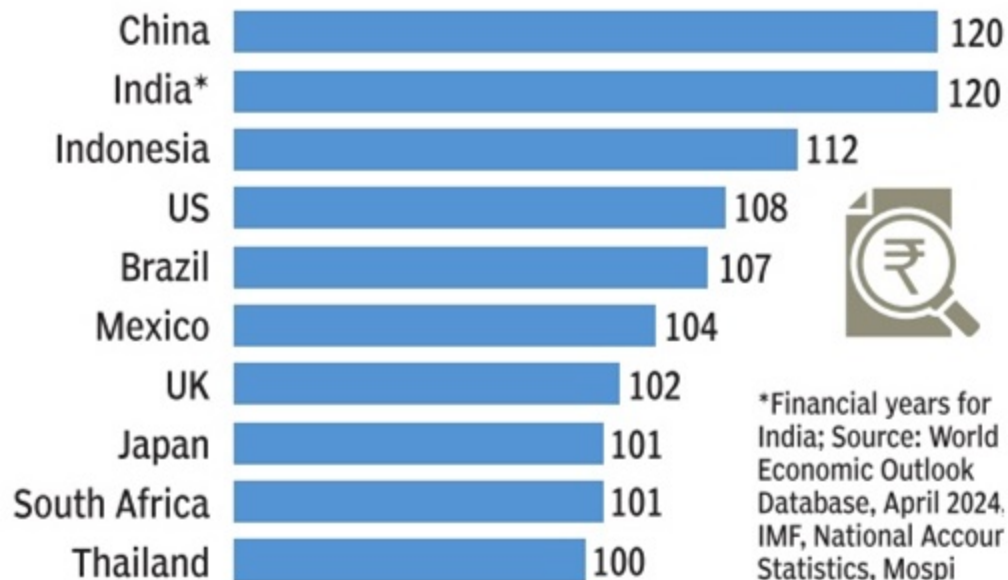
The estimate is lower than RBI's projection of 7.2% growth for the current financial year. Several agencies, including IMF, have raised the country's GDP estimates sharply after better than expected expansion of 8.2% in 2023-24. IMF now expects the economy to grow by 7% in 2024-25.

The survey said domestic growth drivers have supported economic growth in FY24, despite uncertain global economic performance. It also said improved balance sheets will help the private sector cater to strong investment demand.

"A note of caution is warranted here. Private capital formation after good growth in last three years may turn slightly more cautious because of fears of cheaper imports from countries that have excess capacity." The survey listed several risks to growth, in-

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**Ratio of GDP** (constant prices, national currency) in 2023 to corresponding level in 2019



cluding geopolitical situation, weather related shocks and supply chain disruptions.

It said Indian economy recovered swiftly from pandemic, with real GDP in FY24 being 20% higher than the pre-Covid FY20 level. "Overall, Indian economy looks forward to FY25 optimistically, anticipating broad-based and inclusive growth."

The survey says short-term inflation outlook for India is benign but listed several options that could be considered from angle of long-term

price stability. It called for focused efforts to increase the production of major oilseeds, such as sunflower and rapeseed, mustard, and explore the potential of non-conventional oils, such as rice bran oil and corn oil. "The possibility of expanding scope of national mission on edible oils beyond palm oil to other major oilseeds is worth an examination."

More efforts are needed to expand area under pulses, particularly lentils, tur, and urad in more districts and rice-fallow areas.