# FY26 GDP growth likely to be 7% or more: CEA

RUCHIKA CHITRAVANSHI
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India's full-year gross domestic product (GDP) growth in 2025-26 (FY26) is expected to be 7 per cent or above, given the strong performance of the economy in the first two quarters, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Friday.

Addressing a press briefing on the second quarter GDP numbers, the CEA said, "We are looking at an economy that has shown dynamism and cumulative positive impact of the last 10-11 years of investments in physical, digital infrastructure, the resilience on the part of exporters to the tariff shock and the policy actions taken since June 2024."

India's GDP growth saw a six-quarter high of 8.2 per cent in Q2FY26, increasing over the 7.8 per cent growth seen in the first quarter of FY26. The Economic Survey 2024-25 had projected a growth range of 6.3-6.8 per cent for FY26.

The CEA said that the risk factors predominantly come from the global side and need to be monitored.

"Geopolitical risks will also continue to pass a shadow on big-ticket cross-border capital flows and domestic investment... In the current uncertain global environment, the Indian economy does stand out as a relative oasis of tranquility, stability and growth," he said.

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V Anantha Nageswaran
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Nageswaran said despite the stellar efforts of exporters to find other markets which have offset the tariff impact, there is still a negative residual impact of the higher tariffs imposed by the United States.

This, he said, was reflected in merchandise export growth rate of minus 11.8 per cent.

Saurabh Garg, secretary, Ministry of Statistics and Program Implementation (Mospi), told reporters that the first advance estimates to be released on January 7, would be on the existing base and the data based on the new base would be released on February 27. "The Q3 GDP data for FY26 would also be based on the new base. We will be bringing out the first and second quarter numbers in the new series as well," Garg said.

India is set to update the base year for calculating GDP to financial year 2022-23 from 2011-12.

Nageswaran said the ongoing structural reforms, including implementation of labour codes, goods and services tax (GST) rate rationalisation, new personal income tax regime and deregulation initiatives, would enhance efficiency and competitiveness of the economy.

He said that the cumulative GST collection growth of 9 per cent for April–October 2025 indicates that the underlying revenue stream has remained resilient, aided by firm consumption and improved compliance.

"We hope that volume growth will compensate for lower rates in the coming five months of the financial year," Nageswaran said.

The CEA said that improving price dynamics and tax reforms are expected to boost household disposable incomes, strengthening the near-term consumption outlook.

Healthy corporate sector balance sheets, he added, augured well for sustained private investments in the second half of FY26.