

# Indian Economy Poised to Grow at 6.5-6.7% in FY24'

CII president R Dinesh says tailwinds for growth will offset headwinds

## Our Bureau

**New Delhi:** The Indian economy is poised to grow at 6.5-6.7% in the current year, newly-appointed CII president R Dinesh said Thursday.

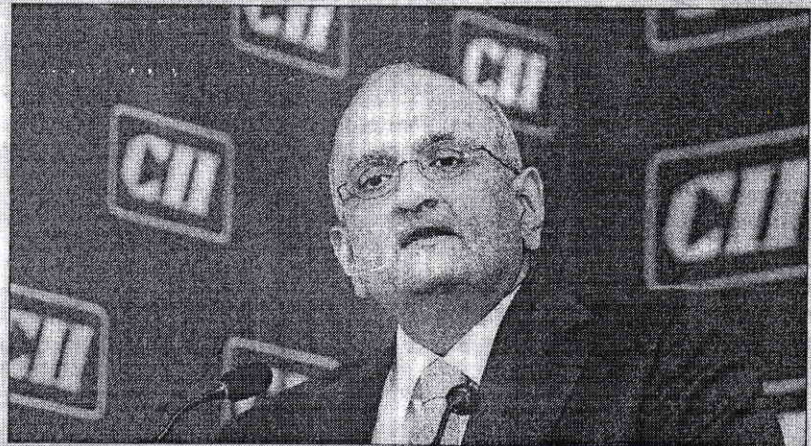
He said the government's structural reform agenda has enabled the country to become the highest growing economy in the current scenario, and that it could be sustained going forward.

"The tailwinds for growth will offset the headwinds," Dinesh said, addressing his first conference as CII president.

Dinesh's statement came a day after the GDP data release, which showed that the economy had outperformed, growing 6.1% in the fourth quarter of FY23. The FY23 numbers were subsequently revised to 7.2%.

Healthy corporate balance sheets, continued capex thrust from the government, and a robust financial system are adding to the resilience of the Indian economy, Dinesh pointed out. Dinesh said that the private sector capex thrust might follow. "Our CEO survey shows that many sectors have exceeded 75% capacity utilisation," he noted.

"The multi-dimensional re-



forms, along with fiscal and monetary policies, will help the Indian economy step up its GDP growth to a CAGR of 7.8% in the next decade (FY22-FY31) as compared to 6.6% in the previous decade (ex FY21)," he noted, further highlighting that the reforms witnessed on ease of doing and cost of doing business are on a far different level.

Although Dinesh lauded the government's efforts highlighting that it has introduced not just pragmatic but transformational reforms, he emphasised more models for financing growth.

"If you need to have 7.5% growth, the government needs to work to-

wards financing growth via long-term funds and finding innovative avenues for growth capital from banks."

## MODERATING INFLATION

Dinesh said that inflation should decline to 5.3%—within RBI's target band of 2-6%—in FY24, so the central bank needs to change its stance from accommodative to neutral. He further noted that 72% of over 630 CEOs participating in CII's annual survey believed inflation would fall below the 5% mark in FY24.

Inflation in April had slipped to an 18-month low of 4.7%, inching closer to the 4% target.