

Economy remains resilient amid global tensions, supply chain issues: RBI report

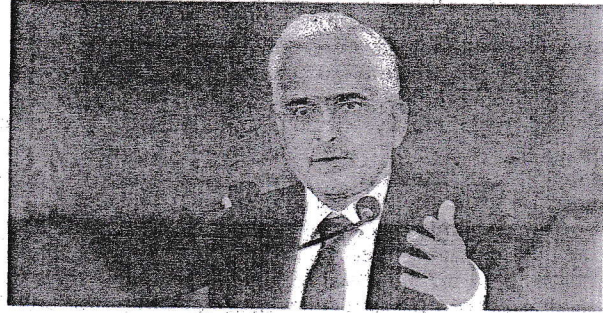
Our Bureau
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Amid an uncertain global economic outlook, headwinds from supply chain pressures induced by global freight and container costs, and semiconductor shortage, the Indian economy remains resilient, said RBI's 'State of the Economy' report. The Central Board of Directors of the Reserve Bank of India on Tuesday reviewed the global and domestic economic scenario and outlook.

This review, released in the monthly bulletin, comes in the backdrop of geopolitical tensions, rekindled fears of a potential recession in key economies and financial market volatility in response to monetary policy divergence, casting a shadow on global economic prospects even as inflation moderated grudgingly across countries.

RURAL CONSUMPTION

In India, aggregate demand conditions are gathering mo-



ASSESSING WORK. The board, led by Governor Shaktikanta Das, reviewed various areas of operations of the central bank

mentum with revival in rural consumption, riding on the back of growing income, per the RBI staffers.

This stimulus is expected to reinvigorate the subdued participation of the private sector, they said. Headline inflation moderated from its spike in June to 3.5 per cent in July, primarily due to the downward statistical pull of base effects.

FISCAL CONDITION

"The momentum of global disinflation is slowing, however, warranting caution in easing monetary policy. Fin-

ancial conditions have been accommodative despite the upward drift in longer-term yields...Our economic activity index (EAI), based on a range of high frequency indicators, projects GDP growth of 7.2 per cent in Q2:2024-25," the bulletin said.

The board, under the Chairmanship of Governor Shaktikanta Das, also reviewed various areas of operations of the Reserve Bank of India including the functioning of local boards and activities of select Central Office Departments.