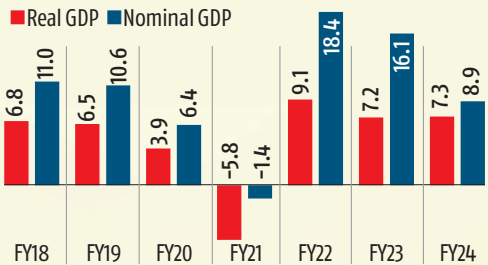
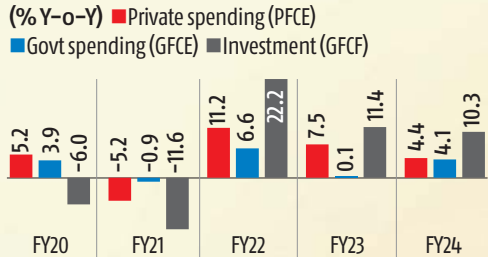


GDP may grow 7.3% in FY24

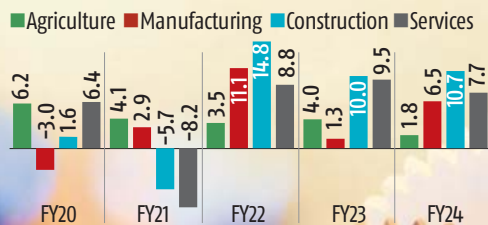
ON THE FAST TRACK



PICKUP IN GOVT SPENDING



CONSTRUCTION GROWTH BUILDS UP



CONSTRUCTION, MANUFACTURING LIKELY KEY DRIVERS

ASIT RANJAN MISHRA
New Delhi, 5 January

The National Statistical Office (NSO) has projected the Indian economy to grow at 7.3 per cent in 2023-2024 — higher than the Reserve Bank of India's estimate of 7 per cent — assuming an investment-led recovery in the world's fifth largest economy.

This beats the Street estimates by a wide margin. Most economists have assumed India's gross domestic product (GDP) to grow between 6.5 per cent and 6.7 per cent during the ongoing financial year. In FY23, GDP expanded 7.2 per cent.

The Indian economy grew 7.7 per cent in the first half (April-September) of FY24, data for which was released on November 30.

Released by the NSO on Friday, the First Advance Estimates of GDP — which have incorporated industrial production data of an additional month (October), as well as certain lead indicators until November and December — implicitly assume 6.95 per cent GDP growth in the second half (October-March) of the current financial year.

WEAK CONSUMPTION GROWTH AMONG MAJOR CONCERNS

With the government shifting the date of the presentation of the Union Budget to February 1 from the last day of February, starting with the FY18 Budget, the statistics department has advanced the release of the First Advance Estimates so that the government has an annual estimate of GDP that could be incorporated in the Budget calculations even at the cost of accuracy.

“The First Advance Estimates of FY24 show no let up in growth momentum in the economy. Resilience and strength of the economy, underpinned by reforms of the last nine years, have laid the foundations for the economy to sustain a healthy growth rate in the coming years,” the finance ministry posted on X.

On the NSO's estimates, Aditi Nayar, chief economist at ICRA, said: “In our view, growth assumed for the second half of FY24 is quite high, given the tepid outlook for agriculture, as well as apprehensions of a temporary slowdown in capex ahead of the general elections. In fact, the central government's capex declined by 8.8 per cent during October-November 2023, after rising by 43.1 per cent in the first half of FY24.”

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Govt capex leads investment growth

Pushed by robust government capital expenditure, infrastructure investments are expected to show a strong showing in the current financial year, according to the First Advance Estimates of gross domestic product for FY24 released by the National Statistical Office on Friday.

▶ Weak monsoon drags farm growth to seven-year low

▶ Low nominal GDP growth a challenge on fiscal deficit front

▶ UN report revises India's GDP estimate to 6.2% for 2024

PFCE: Private final consumption expenditure
GFCE: Government final consumption expenditure
GFCF: Gross fixed capital formation

Source: MoSPI

Premiums of non-life insurers up 15% in Dec

AATHIRA VARIER

Mumbai, 5 January

The monthly premiums of non-life insurance companies grew by 14.74 per cent in December 2023 to ₹25,098.18 crore from ₹21,874.61 crore in the year-ago month.

According to the General Insurance Council (GIC)'s monthly data, public-sector general insurance companies grew 13.10 per cent. The overall premium of the companies comprising The New India Assurance Company, National Insurance Company, The Oriental Insurance Company, and United India Insurance Company increased to ₹8,314.54 crore from ₹7,351.51 crore in the year-ago period.

The Oriental Insurance Company posted the highest growth of 29.40 per cent among public-sector companies to ₹1,711.14 crore from ₹1,322.34 crore. National Insurance Company posted a 17 per cent fall in the premium to ₹956.21 crore from ₹1,153.28 crore a year ago. The growth of the private general insurers increased by 16.16 per cent to ₹12,696.27 crore as compared to ₹10,929.52 crore across the time period.