

India may sustain 6.5-7% GDP growth between FY26 & FY30: UBS

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India is expected to sustain a potential growth rate of 6.5 per cent -7 per cent year-on-year (Y-o-Y) between 2025-26 and 2029-30, UBS Securities said on Monday.

During FY25, India is expected to grow at 7 per cent as post-pandemic recovery in the capital expenditure (capex) cycle, driven by government spending and strong residential real estate demand is likely to continue, said Tanvee Gupta Jain, chief India economist at UBS Securities.

In the recent review of the monetary policy, the Reserve Bank of India revised its FY25 gross domestic product (GDP) forecast to 7.2 per cent from 7 per cent projected in April.

Corporate capital expenditure recovery is expected to pick up now that elections are over, with visible data impacts from FY26, it said.

Household consumption growth is projected to rise to 5 per cent Y-o-Y in FY25, driven by premium and rural segments, though urban mass-market demand will remain modest, she said. Exports are expected to improve slightly due to global goods import recovery and increased services exports.