

India to remain fastest-growing among largest economies, says World Bank

Retains FY25 growth forecast at 6.6%

ASIT RANJAN MISHRA

New Delhi, 11 June

The World Bank on Tuesday retained its growth forecast for India at 6.6 per cent for FY25. “India will remain the fastest-growing of the world’s largest economies, although its pace of expansion is expected to moderate. After a high growth rate in FY 2023/24, steady growth of 6.7 per cent per year, on average, is projected for the three fiscal years beginning in FY 2024/25,” the multilateral bank said in its latest biannual Global Economic Prospects.

For FY26 and FY27, the World Bank projected India’s economy to grow at 6.7 per cent and 6.8 per cent, respectively. In FY24, the National Statistical Office has estimated gross domestic product (GDP) to have grown at 8.2 per cent.

The World Bank cited the projected moderation in growth to a slowdown in

GROWTH PROJECTIONS

FY25 forecast (%)

ADB	7
OECD	6.6
Fitch	7
SBI	8
World Bank	6.6
Standard Chartered	7
IMF	6.8
RBI	7.2

Source: BS Research

investment from a high base. “However, investment growth is still expected to be stronger than previously envisaged and remain robust over the forecast period (FY25-FY27), with strong public investment accompanied by private investment. Private consumption growth is expected to benefit from a recovery of agricultural production and declining inflation. Government con-

sumption is projected to grow only slowly, in line with the government’s aim of reducing current expenditure relative to GDP,” it added. The Reserve Bank of India (RBI) in its latest monetary policy review last week raised its growth projection to 7.2 per cent for FY25 from 7 per cent estimated earlier.

“The forecast of above normal southwest monsoon by the India Meteorological Department (IMD) is expected to boost kharif production and replenish the reservoir levels. Strengthening agricultural sector activity is expected to boost rural consumption. On the other hand, sustained buoyancy in services activity should continue to support urban consumption. The healthy balance sheets of banks and corporates; government’s continued thrust on capex; high capacity utilisation, and business optimism augur well for investment activity. External demand should get a fillip from improving prospects of global trade,” RBI Governor Shaktikanta Das said in his statement.