

# Economy to grow at 6.3% in FY24: Ficci

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The economy is expected to grow at 6.3 per cent in the financial year 2023-24 (FY24), according to the latest Economic Outlook Survey released by Federation of Indian Chambers of Commerce and Industry (Ficci) on Monday. The healthy financial sector, robust urban demand, uptick in private investment over government's front-loading of capex, pick-up in real estate and the festival season are all expected to be contributing factors.

"The latest round of the survey puts forth an annual median GDP (gross domestic product) growth forecast for the year 2023-24 at 6.3 per cent — with a minimum and maximum growth estimate of 6.0 per cent and 6.6 per cent, respectively. The GDP growth is expected to moderate in 2023-24 — from the 7.2 per cent growth number clocked in the year 2022-23," the survey read.

The survey was conducted in September 2023 and drew responses from leading economists representing the industry, banking, and financial services sector.

Besides, the survey also notes that persisting headwinds on account of geopolitical stress, slowing growth in China, lagged impact of monetary tightening, and a below normal monsoon poses downside risks to growth.

Growth in agriculture and allied activities is expected to slow down to 2.7 per cent in the current financial year from 4 per cent in FY23, as El Niño has impacted the spatial distribution of rainfall this monsoon season. Meanwhile, the industry and services sector are anticipated to grow by 5.6 per cent and 7.3 per cent, respectively.

The survey forecast that the course of

inflation remains uncertain as CPI-based inflation is expected to remain at 5.5 per cent in FY24, with a minimum and maximum range of 5.3 per cent and 5.7 per cent, respectively.

"The CPI inflation rate may have peaked, but upside risks to prices remain on fore. Prices of cereals have remained sticky. The acreage coverage of pulses and oilseeds under kharif crops has reported a contraction. The cancellation of Black Sea grain deal could impact India as it imports a major share of

its sunflower oil from Ukraine and Russia. The spike in weather-related uncertainties have witnessed an increase in recent times and would continue to add to the volatility in food prices. The recent escalation in crude prices could also add to the inflation buildup," the survey says.

**Geopolitical stress, slowing growth in China, lagged impact of monetary tightening, and a below normal monsoon continue to pose downside risks to growth**