

# Fitch cuts India's FY26 growth forecast by 10 bps to 6.4%

**RUCHIKA CHITRAVANSHI**

New Delhi, 17 April

Fitch Ratings on Thursday lowered its projection of India's gross domestic product (GDP) growth in 2025-26 (FY26) to 6.4 per cent — 10 basis points lower than its March outlook, before the announcement of tariffs by the US and escalation of a trade war. The ratings agency, however, retained India's FY27 growth projection at 6.3 per cent.

In its Global Economic Outlook April 2025, the ratings agency said world growth was projected to fall below 2 per cent this year and that this would be the weakest global growth rate —

excluding the pandemic — since 2009.

In its March update, Fitch Ratings had said while more aggressive US trade policies than expected were “an important risk” to its forecast, India was somewhat insulated, given its low reliance on external demand.

The April Outlook projected that China's growth would fall below 4 per cent both this year and next, and euro zone growth would remain stuck well below

1 per cent. For the US, the report said growth would remain in the positive territory at 1.2 per cent for 2025, but would “slow to a crawl through the year at just 0.4 per cent year-on-year in the fourth quarter of 2025”.

**The ratings agency retained India's FY27 growth projection at 6.3 per cent**