

Global slowdown positive for India on balance: CEA

Nageswaran expects GDP to grow 7.2–7.4% in FY23

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The global economic slowdown will be a positive for India, and its gross domestic product (GDP) is expected to grow at a rate between 7.2 per cent and 7.4 per cent this financial year, Chief Economic Adviser V Anantha Nageswaran told *Business Standard* in an interview.

The Reserve Bank of India (RBI) has forecast GDP growth of 7.2 per cent, and the International Monetary Fund (IMF) expects it to be 7.4 per cent.

“I think global growth was going to be impacted whether or not the central banks in the developed world tightened (their monetary policy), because the high inflation rate would have reduced consumer appetite and purchasing power. And, therefore, I feel the slowdown, on balance, would be a positive thing for India, given the kind of downward pressure it exerts on the crude oil



Chief Economic Adviser V Anantha Nageswaran said the slowdown would exert downward pressure on the crude oil and other commodity prices



and other commodity prices, industrial metals, and food supplies in general,” said Nageswaran.

After the Q1 GDP print of 13.5 per cent, a number of banks and financial institutions slashed their India growth forecasts for FY23. These included State Bank of India, Goldman Sachs, Citigroup, and ratings agencies Moody’s, Fitch, and India Ratings.

Most central banks around the world have raised interest rates this year in a determined battle to curb the rising inflation. A *Business Standard* poll of analysts showed the RBI was expected to raise the key policy rate by 35-50 basis points on September 30.

“So far we have weathered the first six months of the (Ukraine)

conflict. And I think if we just continue to stay on track with whatever we have been doing in the last six months, we should achieve the kind of growth rates that are now anticipated for India by the RBI and the IMF,” said Nageswaran.