

● CAPEX MAY MARGINALLY UNDERSHOOT BUDGET ESTIMATE

# Downside risk to FY25 GDP estimate minimal: Ajay Seth

**GDP expansion may have slowed a bit in the second quarter**

**FE BUREAU**  
New Delhi, November 20

**INDIA'S ECONOMIC GROWTH** may have slowed in the September quarter, but the downside risk to 6.5-7% growth is minimal, economic affairs secretary Ajay Seth said on Wednesday.

The Centre's capital expenditure may undershoot the Budget estimate (BE) of ₹11.11 lakh crore for the current financial year, with actual spend to be around 95% of BE, but it will still be significantly higher than in the last year, he said.

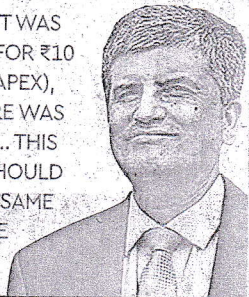
According to him, food prices have been a concern, but other than that, inflation is not a challenge for the country.

FE reported earlier that with the extended monsoon and general election-induced slowdown on

AJAY SETH, ECONOMIC AFFAIRS SECRETARY

## STAYING POSITIVE

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asset-creating spending continuing to weigh in, the Centre's capex may be lower by around ₹50,000 crore in the current financial year.

"Even last year, it was budgeted for ₹10 lakh crore (capex), expenditure was about 95%. I see even this year, we should be around the same percentage," Seth said at a Ficci event here. "While some sectors are

WHILE SOME SECTORS ARE A BIT SLOW, IN FEW OTHER SECTORS, THERE ARE ADDITIONAL DEMANDS COMING UP. INVESTMENT PACE YOY IS ACCELERATING

a bit slow, in few other sectors, there are additional demands coming up," Seth said, adding that the investment pace is accelerating year on year.

On the economic growth, Seth said while some goods and services may not have grown at the same pace as in the last year in the second quarter of the current fiscal year,

data on e-way bills and e-invoices do not indicate any significant downside possibility to the full-year growth of 6.5%-7% projected in the Economic Survey.

The Indian economy grew 6.7% in the first quarter of FY25, the slowest growth in five quarters. It grew 8.2% in FY24.

On the transition taking place in the US with Donald Trump winning the election, Seth said India will work around and see how to maximize opportunities for the country.

As far as geopolitics is concerned, Seth said there are wars or war-like situations in some parts of the world and concerns about the Chinese economy going forward. "Those would be the larger questions for us to work."

There's a concern that China has issues with manufacturing capacities, and if the demand is not increasing to the extent it has been in the past, there will be challenges for all countries, including India, Seth said.