

# India GDP grew by 9.7% in H1 of FY23: FinMin

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India's gross domestic product growth in the first half of the current fiscal year averaged at 9.7 per cent, the finance ministry said in its mid-year expenditure and revenue statement on Tuesday.

The ministry said it could not present the medium-term expenditure framework (MTEF), as mandated by the Fiscal Responsibility and Budget Management Act, because the global macro-economic situation disrupted the government's projections. "India's economic growth, measured by growth in GDP at constant prices, has been estimated at 9.7 per cent for the first half (April-September) of FY23, as compared to 13.7 per cent in H1FY22 and 4.7 per cent in H2 of FY22," the ministry said.

On the MTEF, it said the FRBM Act states that if any deviation is made in meeting the fiscal obligations cast on the central government under this Act, the minister-in-charge of the finance ministry shall make a statement in both Houses of Parliament explaining any deviation in meeting the obligations.

"As per Section 3(1B) of the FRBM Act, 2003, the MTEF Statement needs to be laid in the Parliament in the session

immediately following the session of Parliament in which the Medium Term Fiscal Policy Statement, the Fiscal Policy Strategy Statement and the Macro-Economic Framework Statement are laid." The three statements were laid in the Budget session.

"During preparation of the MTEF statement, assumptions have to be made regarding the growth rate of the economy and tax and non-tax receipts of the Government to come up with meaningful expenditure projections. Three continuous Covid-19 waves, Russia-

Ukraine conflict, and global economic uncertainties have affected almost all macroeconomic indicators, making synchronisation between the Budget and medium-term goals difficult," it said.

The ministry said that while expenditure projections for the year factored in GDP growth, and various obligations, effective management of the exogenous shocks and global uncertainties requires the additional flexibilities in terms of expenditure management and fiscal consolidation. "Since the MTEF statement requires rolling targets for expenditure lines for the next two financial years, the normative increase will be based on the anticipated expenditure of the current fiscal year."

**The ministry could not present medium-term expenditure framework in Parliament because of global macro-economic situations**