

# FY24 should conclude with strong growth, says FinMin

RUCHIKA CHITRAVANSHI

New Delhi, 21 November

The Ministry of Finance (FinMin) is expecting to conclude the full financial year as projected with a strong growth performance and macro-economic stability even as it flagged risks of demand taking a hit on fuller transmission of monetary policy, high inflation, uncertain external financial flows.

India has projected a gross domestic product (GDP) growth of 6.5 per cent for FY24. The second quarter GDP growth data is expected on November 30. India's gross GDP grew by 7.8 per cent in the April-June quarter of current financial year, which was higher than expected.

The FinMin in its monthly economic review for October said that despite elevated input costs, investments may remain strong due to the government's sustained investment push, healthy corporate profits, and a reduction in bank non-performing loans.

The monthly review also said that on the demand side, private final consumption expenditure has emerged as the strongest driver of India's growth so far in FY24. The festival season, it said, has further strengthened consumption demand.

"Strong consumption has also been expressing itself digitally with the UPI transactions reaching an all-time high and crossing 11 billion in October."

The government is also confident of achieving the budgeted deficit target for the current financial year. "Continued buoyancy in revenue collections supported by prudent expenditure management has enabled the fiscal deficit to be contained within 40 per cent of the Budget Estimate during the first half of the year." The review noted that the 'priced to perfection' US stocks continue to be a source of potential risk for global stocks. On balance, however, it said that India's growth experience in FY24 will continue to be a positive outlier as compared to other major economies.

"In the medium term, thanks to the sustained focus on public investment in infrastructure and advances in digital public infrastructure, India can look ahead to the prospect of a longer economic and financial cycle than in the past, subject to global factors," the review said.

The FinMin's review said the rapid reversal of rate hike expectations in the US and the slide in the US 10-year treasury



## REPORT CARD

- ▶ India's growth experience in FY24 will continue to be a positive outlier as compared to other major economies
- ▶ Demand may take a hit on full policy transmission, high inflation, uncertain external financial flows
- ▶ Private final consumption expenditure is the strongest driver of India's growth so far in FY24
- ▶ Investments may remain strong despite elevated input costs
- ▶ 'Priced to perfection' US stocks continue to be a source of potential risk for global stocks

## Only govt should do food certification, not NGOs: FM

PRESS TRUST OF INDIA

Hyderabad, 21 November

Finance Minister Nirmala Sitharaman on Tuesday said food certification should be done only by governmental agencies, and not by non-governmental organisations.

In a press conference, replying to a query on the UP government banning the production, storage, distribution and sale of food products with halal certification, she said it is not right for any organisation other than the government ones to give certification.

"Food quality and food testing are essentially a government job. Government should do it. We have our Food Safety and Standards Authority of India," she said, adding it is the government agencies that should ascertain whether there are chemical additives, artificial colours and so on.

"They (government bodies) will

have to be the authority to certify which is quality food for people to consume. non-governmental organisations doing it is not right," she said.

Sitharaman was in Hyderabad to participate in poll rallies for BJP candidates in the run up to the November 30 assembly elections.

The Uttar Pradesh government on November 18 banned the production, storage, distribution and sale of food products with halal certification, with immediate effect, while exempting products manufactured for export.



yield, coupled with the decline in oil prices, is good news for emerging markets in general, India included.

Talking about the expanding services sector, the review said despite rising input

costs, overall sentiment in the services sector remains upbeat, driven, among others, by an upswing in the tourism and hotel industry as leisure and business travel pick up momentum.