

S&P retains India's FY24 growth forecast

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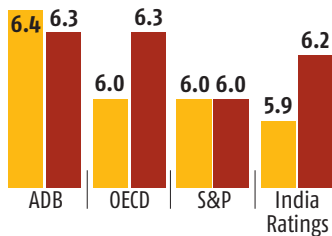
S&P, in its latest quarterly economic update for Asia-Pacific on Monday, has kept its FY24 growth forecast for India unchanged at 6 per cent due to the impact of a slowing world economy, delayed effect of rate hikes and the rising risk of subnormal monsoons.

“Notwithstanding the strong expansion in India in the June quarter, we maintain our forecast for fiscal 2024 (ending March 2024), given the slowing world economy, the delayed effect of rate hikes, and the rising risk of subnormal monsoons,” the report notes.

THE OUTLOOK

Growth forecast for FY24

■ Earlier ■ Revised (%)



Meanwhile, the credit rating agency revised upwards its FY24 consumer inflation forecast for India to 5.5 per cent from 5.0 per cent earlier, even as the vegetable

price inflation is expected to remain temporary and short lived.

On the other hand, the rating agency revised downwards China's growth forecast for 2023 to 4.8 per cent from 5.2 per cent earlier.

“Overall, we expect the region excluding China to grow by 3.9 per cent in 2023, compared with 3.8 per cent in June. We keep our 2024 forecast at 4.4 per cent, with the pick-up over 2023 due to a gradual improvement in external demand and monetary policy easing. Amid resilient domestic demand, the slowdown in 2023 should remain modest in most economies while easing inflation and external deficits have meant a reprieve for central banks,” the report says.