

# OECD projects India's growth at 7.6% in FY26, 6.1 % in FY27

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The Organization for Economic Cooperation and Development (OECD) on Thursday projected India's GDP to grow at 7.6 per cent in the current financial year (FY26) and 6.1 per cent in 2026-27 (FY27).

The OECD in its interim Economic Outlook report said the evolving conflict in the West Asia has "human and economic costs" for the countries directly involved, and will test the resilience of the global economy.

A halt in shipments through the Strait of Hormuz and the closure or damage of energy infrastructure has generated a surge in energy prices and disrupted the global supply of energy and other important commodities, such as fertilisers.

"The decline in (US) tariffs should support growth in India, though gas rationing will disrupt some production activities and fiscal support is expected to fade, with growth easing from 7.6 per cent in FY26 to 6.1 per cent in FY27 and 6.4 per cent in FY28," the OECD said.

The fading deflationary impact of past food and energy price-reducing shocks will be exacerbated by the recent surge in global energy prices, OECD said, which will push inflation

## FY27 growth to stay above 7% despite global slowdown risks: Assocham

India's economy is expected to maintain growth of above 7 per cent in 2026-27 (FY27), supported by strong domestic consumption and investment, even as global growth could slip below 3 per cent amid geopolitical tensions, industry body The Associated Chambers of Commerce and Industry of India (Assocham) said on Thursday.

India's gross domestic product (GDP) is projected to expand by about 7.6 per cent in FY26 and remain above 7 per cent in the following financial year, despite rising global uncertainties, the industry body said in a statement.

"India's GDP growth estimate of about 7.6 per cent for 2025-26 remains unchanged, and we expect GDP growth of over 7 per cent in the upcoming financial year 2026-27," said Nirmal K Minda, president of Assocham, adding that domestic consumption and investments are likely to continue driving economic activity.

India has sustained growth above 7 per cent for the past three years despite global headwinds, reflecting the resilience of the domestic economy, the industry body said.

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up from 2 per cent in FY26 to 5.1 per cent and 4.1 per cent in FY27 and FY28, respectively.

Amongst the emerging-market economies, India is projected to raise policy rates temporarily in the second quarter of 2026 to help offset stronger inflationary pressures, the OECD report said.

US bilateral tariff rates have declined following the US Supreme Court ruling against the tariffs im-

posed under the International Emergency Economic Powers Act. There are particularly large reductions for several emerging-market economies, including India.

Nonetheless, the overall US effective tariff rate remains well above that prevailing prior to 2025. The OECD report projected global GDP growth to ease to 2.9 per cent in 2026 before edging up to 3 per cent in 2027.