

FY25 GDP growth likely to be close to 7.5%: NCAER

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Gross domestic product (GDP) growth during 2024-25 (FY25) may turn out to be higher than 7 per cent and even close to 7.5 per cent, with high frequency indicators showing resilience amid growth dynamism in the Indian economy, the monthly economic review released by the National Council of Applied Economic Research (NCAER) said on Wednesday.

“This outlook is underpinned by the buoyancy in economic activity witnessed in the first quarter; a keen policy focus on investment, growth, and macroeconomic stability; and the expectations of normal monsoon,” said NCAER director-general Poonam Gupta.

The Reserve Bank of India (RBI) has raised its projections for India's real GDP growth for FY25 to 7.2 per cent from 7 per cent. Growth projections have been upgraded by various other agencies as well with the median projection at 6.9 per cent.

Global growth projections for 2024 have been revised upward by the IMF, the World Bank as well as other rating agencies. The growth rate is projected to be between 2.6 and 3.2 per cent in 2024.

REAL GDP GROWTH

Projections for FY25 (%)

RBI	7.2	
Fitch Ratings	7.2	
ADB	7.0	
Kotak Mahindra	6.9	
IMF	6.8	
S&P Global Ratings	6.8	
World Bank	6.6	

Source: Reports, agencies

On the Indian economy, Gupta said that with inflation seemingly having peaked, monetary policy is unlikely to be tightened any further. She said, it may be eased during the year. “The global environment seems benign as well in the absence of any known global risks so far,” Gupta added. While retail inflation eased to a 12-month low of 4.7 per cent in May, taming food inflation continues to remain a challenge, said Gupta.

She said that a broader policy framework may be needed to address this issue.

These include building climate-resilient food supply along with a gentle shift towards packaged and preserved foods.

This will bridge the periodic supply and demand gap that has become routine.