

India is an oasis of stability in a turbulent world: Economic Survey

STRONG FUNDAMENTALS. It steps up FY27 growth rate to 6.8-7.2% despite many global headwinds

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The Economic Survey on Thursday underscored India's strongest economic performance in decades, projecting GDP growth for 2026-27 at 6.8-7.2 per cent at a time when the global system no longer rewards economic success with currency stability, assured capital flows or strategic insulation.

Against intensifying geopolitical fragmentation, volatile capital markets and subdued global growth, India's expansion stands out both for its pace and resilience, the Survey said.

Amid strong global headwinds, the Survey's projection of real GDP growth in FY27 in the 6.8-7.2 per cent range was well above the 6.4-6.6 per cent estimates of several multilateral agencies and global brokerages.

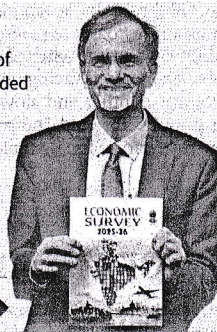
The Survey was tabled in the Lok Sabha by Finance Minister Nirmala Sitharaman. Addressing the media later, Chief Economic Advisor V Anantha Nageswaran described India as "an oasis

Key takeaways

- Growth estimated around 7%, with real GDP growth for FY27 projected at **6.8-7.2%**
- Private final consumption expenditure grew 7% in FY26, reaching **61.5%** of GDP, the highest since 2012
- Investment activity strengthened in FY26, with Gross Fixed Capital Formation rising **7.8%**; its share remaining steady at **30%** of GDP

- Services remain key driver of growth with Gross Value Added estimated at **9.1%** for FY26
- Industrial sector shows signs of strength, with manufacturing growing by **8.4%** in the first half of FY26, surpassing the FY26 estimate of 7%

V. Anantha Nageswaran
Chief Economic Advisor



of macro stability in a turbulent world." He said if India succeeds in improving manufacturing and export competitiveness, deepens process reforms in areas such as land and logistics, and reduces the cost of manufacturing, growth could rise beyond the 7 per cent trajectory to 7.5-8 per cent over the next few years.

PAT FROM PM

Prime Minister Narendra Modi said the Survey highlights "strong macroeconomic fundamentals, sustained growth momentum and the expanding role of innovation, entrepreneurship

and infrastructure in nation-building... The insights offered will guide informed policymaking and reinforce confidence in India's economic future," he said in a social media post.

Sitharaman highlighted India's emergence as a global bright spot in a world increasingly defined by geopolitical disruption and economic turbulence. She pointed to the Survey's articulation of India's evolution from 'Swadeshi to Strategic Resilience and ultimately to Strategic Indispensability'.

This progression, she said, would shift the global mindset from "thinking about

buying Indian" to "buying Indian without thinking". It is in this context that the government has prioritised deregulation, supply-side reforms and sustained efforts to strengthen domestic manufacturing, she said.

In the preface to the Survey, Nageswaran said the outlook is one of steady growth amid heightened global uncertainty, calling for caution but not pessimism. FY27, he noted, is likely to be a year of adjustment as firms and households adapt to changing global conditions, even as domestic demand and private investment gather momentum.

Nevertheless, the external environment remains uncertain and continues to shape the overall outlook.

MEDIUM-TERM OUTLOOK

The Survey flagged that the medium-term global economic outlook remains subdued, with downside risks dominating. Global growth is expected to stay modest, keeping commodity prices broadly stable. While inflation has eased across major economies, opening the door for more accommodative monetary policies, significant risks persist.

"If the AI boom fails to deliver the anticipated productivity gains, it could trigger a correction in overly optimistic asset valuations, with the potential for wider financial contagion. A prolonged escalation of trade conflicts would further weigh on investment and dampen global growth," the Survey warned.

Taken together, these suggest that downside risks to global growth remain pronounced, even as a fragile stability holds for now.

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