

INDIA'S GDP TO RISE 9.2% IN FY22: FIRST ADVANCE ESTIMATE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

[India's GDP](#) may grow 9.2% in the current financial year ending March 2022, according to the first advance estimates released by the government.

Indian economy has gained momentum during the July-September period, inching gradually back to normalcy as coronavirus related disruptions eased significantly in the aftermath of a devastating second wave.

GDP for the second quarter of the financial year grew by 8.4% from a year ago, one of the fastest rates among major economies, data released by the government showed on Tuesday.

"Real GDP or GDP at Constant Prices (2011-12) in the year 2021-22 is estimated at 147.54 lakh crore, as against the Provisional Estimate of GDP for the year 2020-21 of 135.13 lakh crore, released on 31st May 2021. The growth in real GDP during 2021-22 is estimated at 9.2 per cent as compared to the contraction of 7.3 per cent in 2020-21," Ministry of Statistics & Programme Implementation said in a statement.

Meanwhile, real GVA is estimated at 135.22 lakh crore in 2021-22, as against 124.53 lakh crore in 2020-21, showing a growth of 8.6%.

Reserve Bank of India (RBI) has projected a GDP growth rate of 9.5% for the current financial year with inflation seen at 5.3%.

The growth in nominal GDP during 2021-22 is estimated at 17.6%, while nominal GVA is estimated at 210.37 lakh crore in 2021-22, as against 179.15 lakh crore in 2020-21, showing a growth of 17.4%.

The government estimated that most key sectors will likely see double-digit growth in FY22, aided by base effect, while private consumption may see a modest recovery in same period.

The projection is less than the 9.5% forecast by the International Monetary Fund (IMF) and S&P, while Moody's Investors Service had in recent weeks put India's growth forecast at 9.3%. Fitch Ratings has projected an 8.7% expansion.

The NSO estimates significant growth in 'mining and quarrying' (14.3%), and 'trade, hotels, transport, communication and services related to broadcasting' (11.9%).

The agriculture sector is estimated to see a growth of 3.9% in FY22, higher than the 3.6% expansion recorded in the previous financial year.

Vivek Rathi, director at consultancy Knight Frank India, said the third wave of the virus had impacted the estimates. "We hope to have a softer landing from the third wave and continue economic momentum without severe disruptions."

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