



PHD Research Bureau
PHD Chamber of Commerce and Industry



World Bank projects India's GDP to grow at 6.3% for FY 2023-24

According to the World Bank, India Development Update, April 2023: Real GDP growth is expected to moderate from 6.9 percent in FY22 -23 to 6.3 percent in FY 23 -24, because of continued global growth spillovers, the lagged impact of the monetary policy tightening and slower consumption growth. Global growth is expected to slow down significantly in 2023 to 1.8 percent (compared to 2.8 percent in 2022), with the pace of growth likely to be the third weakest in nearly three decades and overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009 (Global Economic Prospects, January 2023). Economic activity has softened amid deteriorating financial conditions on the back of synchronized global monetary policy tightening. While inflation is expected to ease this year following subsiding global supply disruptions, softer demand, and moderating prices of critical commodities like metals and oil, it is likely that inflationary pressures will be persistent for a longer period (Global Economic Prospects, January 2023).

In India, while the central bank hiked its policy rate multiple times since May 2022 to keep elevated household inflation expectations anchored, headline inflation remains elevated. The lagged impact of monetary policy tightening, heightened growth uncertainty, and reduced current spending of the government are expected to constrain domestic demand in India in FY23-24. Merchandise export growth will slow down as global demand softens and import growth will also be muted due to moderating domestic demand. The trade deficit is expected to narrow which would lower the drag net exports places on growth compared to FY22-23.

Table 3.1: Macroeconomic outlook indicators

Indicator (percent y-o-y, unless otherwise indicated)	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Real GDP Growth, at constant market prices	3.9	-5.8	9.1	6.9	6.3
Private Consumption	5.2	-5.2	11.2	8.3	6.9
Government Consumption	3.9	-0.9	6.6	1.2	-1.1
Gross Fixed Capital Formation	1.1	-7.3	14.6	10.1	9.3
Exports, Goods and Services	-3.4	-9.1	29.3	11.5	9.2
Imports, Goods and Services	-0.8	-13.7	21.8	19.0	11.6
Real GDP Growth, at constant factor prices	3.9	-4.2	8.8	6.6	6.3
Agriculture	6.2	4.1	3.5	3.2	3.4
Industry	-1.4	-0.9	11.6	3.6	6.8
Services	6.4	-8.2	8.8	9.5	6.7
Inflation (Consumer Price Index)	4.8	6.2	5.5	6.6	5.2
Current Account Balance (percent of GDP)	-0.9	0.9	-1.2	-3.0	-2.1
Fiscal Balance (percent of GDP)	-7.2	-13.3	-10.5	-9.4	-8.7
Debt (percent of GDP)	73.6	87.5	85.4	83.0	83.4
Primary Balance (percent of GDP)	-2.5	-7.8	-5.2	-4.2	-3.3

Source: CEIC and World Bank Staff calculations

Note: Shaded columns are WB forecasts

Please access the detail document through the appended link:

<https://documents1.worldbank.org/curated/en/099926004032338633/pdf/IDU05899cc410fae104e1708fed09a0345ca6f6c.pdf>

Please contact for any query related to this mail to Ms. Devanshi Bhola, Research Assistant at devanshi.bhola@phdcci.in and Ms. Manpreet Kaur, Research Associate at manpreet.kaur@phdcci.in with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in, PHD Chamber of Commerce and Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India



Tel: +91 49545454
Fax: +91 11 26855450
Email: spsharma@phdcci.in
Website: www.phdcci.in
Follow us on



"Voice of Industry & Trade"



PHD House, 4/2 Sri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, Ctn: U74899DL1951GAP001947

Connect with us:

