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Govt pegs India's FY22 GDP growth at 8.7%; Here are the key highlights

ET Online Last Updated: May 31, 2022, 09:36 PM IST

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Synopsis

The Indian economy's growth moderated to 4.1% on an annual basis in the last quarter of the previous fiscal while the growth rate for FY22 has been pegged at 8.7%, government data showed on Tuesday. Here are some key highlights.



India's economic growth slows to 4.1% in January-March quarter

The Indian economy's growth moderated to 4.1% on an annual basis in the last quarter of the previous fiscal while the growth rate for FY22 has been pegged at 8.7%, government data showed on Tuesday.

India's gross domestic product (GDP) had contracted by 6.6% in FY21. The expansion in gross value added (**GVA**)

meanwhile, has been pegged at 3.9% in year-on-year (YoY) terms. Analysts had estimated **India's** real GDP to grow around 5% YoY in Q4FY22 & a 9% GDP growth in FY22.

Here are the key highlights:

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the previous fiscal. Nominal GDP saw a growth of 19.5% in FY22 after contracting 1.4% in FY21.

- Real GVA grew 8.1% in FY22 after contracting 4.8% in FY21. Manufacturing GVA contracted 0.2% while trade, hotels, transport, etc grew 5.3%. Mining and quarrying registered a growth of 6.7% in Q4FY22 after contracting 3.9% in Q4FY21. Overall in FY22, it grew 11.5% against a contraction of 8.6% seen in FY21.
- The private final consumption expenditure (PFCE), which forms the biggest chunk of the GDP, saw a marginal growth of 1.77% in the final quarter. The growth of private consumption in Q3 has been revised to 7.45% from 7% previously.
- The **Gross Fixed Capital Formation** (GFCF) grew 5.1% on an annual basis in Q4 after growing 2% in the previous quarter. The **GFCF** forms the second-biggest chunk of GDP.
- The Government Final Consumption Expenditure (GFCE), which grew 3.4% in Q3FY22, registered a growth of 4.8% in Q4.
- In Q4FY22, exports grew 16.85% on a year-on-year basis while imports grew 18%. In Q3FY22, exports had grown 23.12% while imports had grown 35.17%.

"The deceleration in GDP growth in Q4 is on expected lines. The contraction in the manufacturing sector - which struggled with supply bottlenecks and high input prices- in the last quarter of FY22 is a cause of concern. The other concerning aspect is the reduction in consumption to GDP ratio in the fourth quarter of FY22, even while the investment to GDP ratio has bounced back. Going forward, India's economy will continue to feel the heat of global volatility and uncertainties," Rajani Sinha, Chief Economist, CareEdge said.

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Services is expected to see a bounce back in FY23 with a return to economic normalcy. However, in services sector, some segments like the **Information Technology** would feel the pinch of slowing in US economic growth. Factoring for the uncertain economic environment, we expect India's GDP to grow by 7-7.5% in FY23," she added.

In Video: **India's economic growth slows to 4.1% in January-March quarter**

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Pratyay Bhaumik

1 day ago

Govt is counting too much on growth of service sector to revive growth restoration against a dismal overall senerio. Alas,IT is in contraction mode. Health care is in stupor, Education anh hospitality is in sulking mode. very meagre growth expectation is currently peeping out fron service sector.The sudden tapering of actual growth in Q4 is an ominous sign which can not be explained by bolt from Ukraine .



Ashokkumar Patel

1 day ago

Inflation can lead to export led growth and hence it should not be controlled by export restrictions except on food articles in case of real shortage. Inflatoon should be allowed to calm down on its own. Containing fiscal deficit and monetary measures will help in further cooling.

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India's Q1 growth seen in double digits but inflation, crude prices pose risks

By Kirtika Suneja, ET Bureau

Last Updated: Jun 02, 2022, 04:46 AM IST

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Synopsis

Data released June 1 showed goods and services tax (GST) collections topped ₹1.4 lakh crore for the third month running in May, while the manufacturing purchasing managers' index (PMI) remained firmly in the growth zone at 54.6 in that month.



GST nos, robust auto sales, PMI growth in May, core sector data for Apr show pickup in economic activity

India's [economy](#) is off to a strong start in the new financial year with several high-frequency indicators holding firm despite multiple headwinds, bouncing back from the tepid fourth quarter of FY22.

Data released June 1 showed goods and services tax ([GST](#)) collections topped ₹1.4 lakh crore for the third month

running in May, while the manufacturing purchasing managers' index ([PMI](#)) remained firmly in the growth zone at 54.6 in that month.

Automakers reported robust passenger car and commercial vehicle sales for May despite parts shortages and supply issues. Railway freight loading rose 15% in the same month to 131.7 million tonnes against 114.9 million tonnes in the year earlier. The country's merchandise exports rose 21.1% year-on-year to \$23.7 billion in the first three weeks of May.

[Core sector](#) growth hit a six-month high of 8.4% in April, data released on Tuesday showed, while credit growth was up 11.9% year-on-year as of May 6.

"The high-frequency indicators for April and May show that there is a pickup in activity," said Sakshi Gupta, principal economist at [HDFC Bank](#).

India's economy grew 4.1% in the March quarter, pulled down by the Omicron

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Geopolitical Challenges

Economists expect double-digit growth in the June quarter, propelled by the low base of last year. FY23 growth is seen at a healthy 7-8% compared with 8.7% in FY22, helped by the low base of 6.6% contraction in FY21.

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