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GDP 2022: Growth slows to 4.1% in Q4; India to face global heat this year, yet remain fastest growing economy

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have bearing on india's economic growth.

Written by [Aakriti Bhalla](#)



May 31, 2022 7:34:29 pm



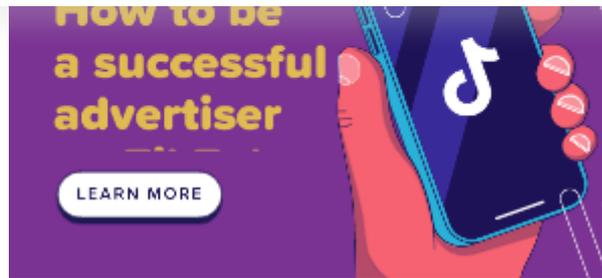
Economic growth in the last fiscal year stood at 8.7 per cent, the Ministry of Statistics said Tuesday.

India's fourth quarter GDP growth slowed to 4.1 per cent, slowest pace of growth in a year, as the omicron variant hampered economic activity while the war in Ukraine worsened fuel and food inflation. Economic growth in the last fiscal year stood at 8.7 per cent, the Ministry of Statistics and Programme

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with expectations.

Going ahead, global macroeconomic factors such as Russia-Ukraine war, high global commodity and food prices, and global central bank's monetary policy tightening will have bearing on India's economic growth. Economists expect FY 2023 GDP growth between 7% and 8%, even though India is expected to continue to be the fastest growing major economy of the world.



Suvodeep Rakshit, Senior Economist at Kotak Institutional Equities:

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Q4 GDP readings in line with expectations; manufacturing, construction showed muted growth

“The 4QFY22 GDP growth print of 4.1% and GVA growth print of 3.9% was in line with expectations even as it indicated that the economy is seeing only a gradual recovery. From the expenditure side, private consumption as well as investment growth were muted in 4QFY22 which reflected in the production side with contraction in manufacturing and weak growth in construction as well as services. However, much of services, especially contact-based services, have picked up in 1QFY23. Growth in 1QFY23 will be high given a low base (1QFY22 GDP was hit by second Covid wave). We expect FY 2023 GDP growth to be around 7.3%.”

Rajani Sinha, Chief Economist at CareEdge:

due to Russia-Ukraine war. This period saw high commodity prices and domestic inflation eating into the growth prospects. The contraction in manufacturing sector – that struggled with supply bottlenecks and high input prices- in the last quarter of FY22 is a cause of concern.”

“Going forward, India’s economy will continue to feel the heat from global volatility and uncertainties. Factors like Russia-Ukraine war, high global commodity prices, pace of monetary tightening by central banks globally and overall global economic slowdown will have a bearing on India’s economy.”

Sujan Hajra, Chief Economist and Executive Director at Anand Rathi Shares & Stock Brokers:

India expected to be remain fastest growing economy in FY 2023

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pandemic year. Yet, there are several positive indicators as well. The rebound in capex in FY22 is the biggest positive. Even private consumption shows signs of improvement.”

“Despite the ongoing geopolitical uncertainties, supply disruptions, high commodity prices, inflation and monetary tightening, we expect India to continue to be the fastest growing major economy of the world in FY23 as well with 7.5% growth.”

Rumki Majumdar, Economist at Deloitte India:

Inflation remained a persistent problem; weighed on consumer spending and production

other expenditure categories. Consequently, growth slowed to 4.1%.”

“The difference between the real and nominal GDP suggests that inflation has been a persistent problem, and the economy has been fighting the challenge of rising prices for a long time now. Higher prices weighed on consumer wallets and production costs.”

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