
Macroeconomic indicators - Indian economy may grow by 8pct - PC

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Planning Commission of India said that India's economic growth rate is expected to accelerate to 8% in the next fiscal from 6.3% projected for the current financial year.

The Commission in its recent assessment of the economy also expects economic growth to go up to 9% in 2011-12 and further to 10% in 2014-15. These assumptions were made by the Planning Commission while projecting the state of government finances before the Eleventh Finance Commission recently.

The global slowdown has pulled down India's economic growth to 6.7% during 2008-09 from about 9% a year ago. During the current fiscal, as per the Planning Commission estimates, growth rate may fall to 6.3%.

In the first quarter of this fiscal, economy expanded by 6.1% and it is expected that growth rate would decelerate further in the second quarter before picking up.

In order to combat the impact of global crisis on the economy, the government and the Reserve Bank had come up with a host of stimulus measures, including Reserve Banking tax cuts and making available liquidity to the cash starved industries. However, stimulus measures, comprising a cut in taxes and increase in plan expenditure, to boost up the economy widened the fiscal deficit to 6.2% last year.

(Sourced from Financial Express)

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