
Macroeconomic indicators - UNCTAD sees only 5pct growth for India

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With the global economic winter being far from over, the UN body UNCTAD projected much lower growth of 5% for India in 2009 against official and RBI forecasts of above six per cent in the current fiscal.

The United Nations Conference on Trade and Development in its Trade and Development Report 2009, expects Indian economy to expand by 5% in 2009.

The economy grew by 6.7% in the financial year 2008-09. In the first quarter of the 2009-10 fiscal, the Gross Domestic Product expanded at 6.1% and both the Reserve Bank and the Prime Minister's Economic Advisory Council expect GDP to be above six per cent for 2009-10.

However, despite projecting a lower growth rate, the UNCTAD report lists India as the second fastest growing economy after China, in the backdrop of the global economy set to shrink by 2.7% in 2009.

It said that "The economic winter is far from over tumbling profits in the real economy, previous over investment in real estate and rising unemployment will continue to constrain private consumption and investment for the foreseeable future."

It added that "Even economies that will grow this year, such as those of China and India, are slowing significantly compared to previous years adding crisis is unprecedented in its depth and breadth leaving virtually no country unscathed.

(Sourced from Financial Express)

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