
Macroeconomic indicators - India GDP over 7pct in 2010 - OECD

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Organization for Economic Co operation and Development in its latest report on semi annual economic outlook released has raised India 2010 gross domestic product growth forecast.

It said that growth is projected to reach over 7% in 2010 and 7.5% in 2011. Inflation has been rising since mid-2009 and is expected to remain high over the projection period.

The report said that “Given the magnitude of the easing and the speed at which inflation has bounced back, monetary policy will need to be tightened fairly soon.”

It said that reining in the budget deficit will be tough because of its size and the permanent nature of recent increases in spending. Higher financing costs, exacerbated by heavy government borrowing, will be a drag on investment and keep economic growth just below pre crisis rates.

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