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GDP growth seen falling to 6% and GVA to 5.8% in Q1

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Weakening demand, a contraction in exports, muted investment activity and overall slowdown—all

adding up to pull down GDP and GVA projections substantially. Indian GDP and the gross value added (GVA) at basic prices in year-on-year (YoY) terms would have eased substantially to 6 per cent and 5.8

per cent, respectively, in Q1 FY2020—from 8 per cent and 7.7 per cent, respectively, in Q1 FY2019. That's what Icria believes. Icria attributed this to a slowdown in the expansion of industry (from 9.8

per cent to 5 per cent) and agriculture (from 5.1 per cent to 2 per cent).

“Industrial growth is expected to decelerate sharply to 5 per cent in Q1 FY2020 from 9.8 per cent in Q1 FY2019, driven by fac-

tors such as weakening domestic demand, a contraction in exports, muted investment activity during the elections and an unfavourable base effect,” Aditi Nayar, Principal Economist, Icria Ltd.