

India's Q4 economic report card better than expected, GDP grows 1.6%; Experts decode GDP data

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India's economic report card came in with better-than-expected numbers as the GDP recorded a 1.6% growth in the January-March period. The growth figures were better than the 1% median forecast by 29 economists polled by Reuters. For the full financial year 2020-21, the economic contraction came in at -7.3%, better than the government's own -8% estimates. The agriculture sector continued to grow steadily in the quarter, while construction, electricity and other utilities posted strong growth. Although Q4 saw strong GDP growth, some do expect a reversal of the trend in the current quarter owing to the severe second wave seen in April and early May.

Construction, manufacturing sector surprise

Govinda Rao, Chief Economic Adviser, Brickwork ratings: "Construction and Manufacturing activities seemed to have picked up faster in the last quarter of FY21 while the services sector continues to suffer the most with Trade, hotels segment estimated to contract by 15.5%. The muted growth in public administration is also delaying the growth revival."