

# India's GDP growth may be below 9 per cent in the current financial year

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NEW DELHI: As the National Statistical Organisation (NSO) is going to announce the second advance estimate of the 2021-22 GDP growth on Monday, the general consensus is that GDP in the current financial year might grow at below 9%.

While the first advance estimate of the NSO had put the GDP growth at 9.2%, most economists believe that GDP growth could instead be around 8.5%. The main reason for the sharp downward revision could be the upward revision of 2020-21 GDP growth rate from -7.3% to -6.6%.

**However, a likely slowdown in January is also believed to be the reason for the sharp downward revision of the growth estimates. Brickwork Ratings on Friday said that it has revised its growth estimate from 8.5-9% to 8.3%, while India Ratings has recently said the growth numbers could be revised to 8.6%.**

**“The latest growth indicators suggest a loss of economic momentum in recent months. The rapid spread of Covid in January 2022 led to renewed restrictions on economic activities, dampening the revival process, particularly in contact-intensive sectors,” reasons Brickwork Ratings**

It also believes that production constraints caused by a semiconductor shortage in electronic and automobile industries, along with supply shortages in coal and power outages are causing a slowdown in the manufacturing sector.

India Ratings, on the other hand, holds the revision of 2020-21 GDP growth numbers responsible for downward revision of 2021-22 numbers. “The major reason is the upward revision of 2020-21 GDP to Rs 135.6 trillion in the first revised estimate (1st RE) of national income for FY21, released on 31 January 2022. As a result, the GDP growth of FY21 has now improved to negative 6.6% from the provisional estimate (PE) of negative 7.3% released on 31 May 2021,” it says.