

India To Lose Fastest-Growing Economy Tag In 2023



An advanced estimate is used by the government to decide its spending priorities in the upcoming federal budget on 1, February 2023, the last full-year expenditure plan of the central government before the upcoming elections in 2024.



Amid the global slowdown and fear of a recession, India is on the verge of losing its fastest-growing major economy tag due hit by weak demand, reported Bloomberg.

As per the advanced estimates of national income for 2022-23 revealed by the National Statistical Office (NSO) on Friday, the Indian economy is likely to grow at 7 per cent in 2022-23 as compared to 8.7 per cent in 2021-22.

The estimated projections are lower as compared to the centre's previous forecast of 8 to 8.5 per cent growth, still above the Reserve Bank's projection growth of 6.8 per cent.

The estimated growth will lower India's GDP growth than Saudi Arabia's expected 7.6 per cent expansion.

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Commenting on the matter, Aditi Nayar, an economist at ICRA, New [Delhi](#) said that the headline numbers are in-line with our estimation and Buoyant, albeit mixed domestic consumption should be able to stave off some pain from weak exports.

Meanwhile, India started the fiscal year with great optimism about demand growth but the positivity was short-lived due to unprecedented monetary policy tightening by central banks.

Vijay Kalantri, Chairman, MVIDC World Trade Center, Mumbai said, "The first advance GDP growth estimate of 7 per cent for FY23 is largely in line with the RBI estimate. But the worrying factor is that the manufacturing sector, which accounts for nearly 16 per cent of GDP, has grown hardly by 1.53 per cent in real terms."

The construction sector and capital formation have grown by 9.1 per cent and 11.5 per cent, which are the second-highest growth rates after 2011-12.