

## India's GDP likely to expand by 7.7 pc in FY17: NCAER



Economic think-tank NCAER today projected India's economic growth rate to improve marginally to 7.7 per cent in 2016-17 against the backdrop of IMD's forecast of better monsoon rains this year. (Reuters)

Economic think-tank NCAER today projected India's economic growth rate to improve marginally to 7.7 per cent in 2016-17 against the backdrop of IMD's forecast of better monsoon rains this year.

The agriculture sector has witnessed feeble growth on account of drought for two successive years. The average rate of growth in the agricultural and allied sectors' GDP for 2014-15 and 2015-16 has been a low 0.5 per cent.

Two consecutive years of sub-par monsoon have had a significant impact on the output of both food as well as non-food crops.

India Meteorological Department (IMD) has predicted monsoon for 2016-17 at 106 per cent of the Long Period Average (LPA) with a model error of 5 per cent, "which may have a positive impact on agriculture and thereby the economy," NCAER said in its Quarterly Review of the Economy.

"NCAER's annual model for GDP market prices at 2011-12 prices estimates GDP growth rate of 7.6 per cent for 2015 - 2016 and forecasts it at 7.7 per cent for 2016-17," the economic think tank said in a statement.

It further said growth in exports and imports, year-on-year, is projected at (-) 1.6 per cent and (-) 0.6 per cent respectively for 2016-17.

Inflation (WPI) is projected at 0.9 per cent for the fiscal. Current Account Balance as a percentage of GDP is projected at (-) 1 per cent and fiscal deficit as a percentage of GDP at 3.5 per cent for 2016-17.

NCAER, the National Council of Applied Economic Research was set up in 1956 at the behest of Prime Minister Jawaharlal Nehru to inform policy choices for both public and private sectors.

