

The Economic Times, Thursday, 22 June 2017

NCAER pegs FY'18 GDP growth at 7.6% on normal monsoon

NEW DELHI: Economic think-tank NCAER has revised up its projection for the country's economic growth to 7.6 per cent for the current fiscal, compared with the earlier prediction of 7.3 per cent on forecast of normal monsoon

In its quarterly review of the economy, NCAER said prospects for the agricultural sector in 2017-18 remain optimistic on forecast of good rains

Recent estimates show that foodgrain production in 2016- 17 has touched a new record of 273.4 million tonnes or 8.7 per cent higher as compared to last year

Also, the level of water storage in the country's main reservoirs in 2017-18 is better compared to last year. In fact, better than the average storage over the last ten years.

"The forecast for growth of Gross Domestic Product (GDP) at market prices in 2017-18 is 7.6 per cent at constant (2011 -12) prices," said the National Council of Applied Economic Research (NCAER).

The agency has also revised upward its forecast of GVA (Gross Value Added at Basic Prices) growth at 7.3 per cent for 2017-18 from its February estimate of 7 per cent.

The economy grew 7.1 per cent in 2016-17, lower than 7.6 per cent against 8 per cent a year ago.

The World Bank has forecast growth to be 7.2 per cent during 2017-18.

The quarterly report further said Wholesale Price Index (WPI) inflation is projected at 6.7 per cent for 2017-18.

The report also notes that while there is ample liquidity in the system, and bank lending rates have come down post- demonetisation, bank credit is yet to pick up, as it is being weighed down largely by an excess amount of gross non- performing assets on balance sheets.

<http://economictimes.indiatimes.com/news/economy/indicators/ncaer-pegs-fy18-gdp-growth-at-7-6-on-normal-monsoon/articleshow/59253832.cms>