

# NDTV PROFIT

Press Trust of India | Updated On: July 28, 2014 23:18 (IST)



**New Delhi:** With the manufacturing sector showing signs of a nascent recovery, the National Council of Applied Economic Research (NCAER) has said it expects India's GDP to expand at 5.2-5.7 per cent this fiscal year.

"GDP growth rate for 2014-15 is projected at 5.2-5.7 per cent. The higher growth of 5.7 per cent is conditional on pick up of investment spending," economic think tank NCAER said in a statement.

India recorded sub-5 per cent growth in 2012-13 and 2013-14 due to general global slowdown and domestic factors, like high interest rate and stubborn inflation.

The Economic Survey expected the country's economy to expand by 5.4-5.9 per cent this fiscal year (2014-15).

The index of industrial production (IIP), the principal indicator for industrial activity, grew by 3.4 per cent and 4.7 per cent in the months of April and May 2014, respectively.

Manufacturing, which accounts for 75 per cent of the index, showed signs of nascent recovery, clocking a growth of 2.5 per cent and 4.8 per cent in April and May, respectively, as against negative growth in the earlier months.

The think tank further said growth in agriculture sector is likely to be lower in 2014-15 year-on-year due to poor monsoon. It expects the fiscal deficit at 4.5 per cent of GDP for 2014-15.

Finance Minister Arun Jaitley while presenting the Budget had said government will retain the fiscal deficit target for 2014-15 at 4.1 per cent of GDP.

NCAER has projected the wholesale price based average inflation rate at 6.4 per cent in the fiscal year.