

India GDP rises at 7.2%, beats expectations

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May 31, 2023: New Delhi: According to official figures released on Wednesday for the 4th quarter, the yearly growth rate of GDP rose to 7.2% in 2022-23. In FY23 also, 7.2% economic growth is predicted for India. India's exceptional growth rates show that **economic management by the Narendra Modi government has been able to save it from the headwinds of high inflation and likely recession in the west.**

According to **CBC News**, the economic outlook for Canada in 2023 is not very optimistic. A recession is looming, and unemployment is expected to rise while prices remain high and interest rates bite into purchasing power. Deloitte Canada estimates that the US economy is entering a recession in addition to Canada and Europe.

www.DiGiNews360.com feels that India has to make greater efforts to increase its GDP growth rate to even a higher level, if the **large gap** between the size of Indian and Chinese economies is to be narrowed. While both the manufacturing and the agriculture sectors have to continue to improve, a much greater effort has to be made in the manufacturing sector.

The higher-than-expected growth in GDP is led by 4.5% surge in the manufacturing sector as compared to -1.4% in Q3FY2023 and 0.6% in Q4 FY2022. The agriculture sector also showed a sharp uptick to 5.5% ahead of expectations.

From equity markets point of view, the strong growth in manufacturing sector only reinforces the trend seen in Q4 quarterly results where many mid-sized companies in sectors like engineering, auto ancillary, building material etc have shown a strong volume offtake. What's more, the commentary on demand outlook is also quite encouraging in most of the cases and the easing of input cost pressure is adding to the management confidence.

Nifty has broken out of the 2,000 points range of 16,000-18,000 level and the market seems to be set to scale new peak in H2 of 2023. Interestingly, the broader markets are also doing well after a corrective phase of 18-20 months, post peaking out in October 2021.

By---- Dr K N Mistry