

# At 7.2%, India to stay fastest growing eco

TIMES NEWS NETWORK

**New Delhi:** In some welcome news for a government heading into national polls in a few months, the Central Statistics Office on Monday forecast that the economy will grow 7.2% in 2018-19, faster than the previous year's 6.7% expansion.

The estimate is a shade lower than the RBI's, which expects the economy to grow 7.4% in the current fiscal year that ends in March.

The forecast will help India keep the fastest growing economy tag as growth in China is expected to slow.

"Very healthy advance

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GDP growth numbers for 2018-19. India remains fastest growing major economy globally," said economic affairs secretary S C Garg.

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# ‘Private consumption a sore spot’

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The manufacturing sector is estimated to grow by 8.3% in 2018-19, faster than the previous year’s 5.7% while farm sector is set to grow by 3.8% compared with 3.4% in 2017-18. Construction is expected to show signs of a turn-

around growing by an annual 8.9% compared with 5.7% expansion in the previous year.

“Revival in private investment is critical to sustaining the upswing in overall investments. Improvement in private consumption demand and a stable election outcome will play

an important role in that,” said D K Joshi, chief economist at ratings agency Crisil.

“Private consumption was a sore spot with its growth slipping a new to 6.4% from 6.6% as farm incomes and rural wage growth remained weak. Real agriculture GDP growth was strong at 3.8% but nomi-

nal growth fell to 3.8% from 4.5% suggesting farmers are realising less from their produce,” he added.

Economists said on the consumption side, the FY15-FY19 private final consumption expenditure average growth of 6.8% is 40 basis points higher than the previous 5 year average.