

We expect a significant growth trajectory of more than 7.7% in next financial year 2021-22

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GOI projects (-)7.7% in FY 2020-21 in line with our 21st October projection based on PHDCCI EBM Index : PHD Chamber

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New Delhi,

Mr. Sanjay Aggarwal, President, PHD Chamber of Commerce and Industry has appreciated the Government for pulling the economy from the low growth of (-)23.9% in Q1 FY 2020-21 to the overall growth of (-)7.7% in FY 2020-21 in the extremely difficult time of Pandemic COVID-19.

National Statistical Office, GOI has released today the latest estimates of India's GDP growth at (-)7.7% for FY 2020-21 in its First Advance Estimates of National Income, of which the growth of Agriculture, forestry & fishing is estimated at 3.4%, Mining & quarrying at (-)12.4%, Manufacturing at (-)9.4%, Electricity, gas, water supply & other utility services at 2.7%, Construction at (-)12.6%, Trade, hotels, transport, communication & services related to broadcasting at (-)21.4%, Financial, real estate & professional services at (-)0.8% and Public administration, defence & other services at (-)3.7%.

Today's GOI estimate at (-) 7.7% is very much in line with our expectations as our PHDCCI Economic and Business Momentum (EBM) Index released on October 21, 2020, we had estimated that the GDP growth will be at around (-) 7.9% for the current financial year 2020-21, said Mr. Sanjay Aggarwal.

Going forward, we expect a significant growth trajectory of more than 7.7% in next financial year 2021-22, said Mr. Sanjay Aggarwal.

At this juncture, to continue the recovery momentum of economic and business activity, immediate policy attention is required towards credit access to industry and services sectors. Credit disbursement should be the top most priority at this juncture by the banking sector. The focus should be on ensuring provision of hassle free disbursements of loans vis-à-vis enhanced liquidity for MSMEs, especially in rural sectors, said Mr. Sanjay Aggarwal.

Going ahead, demand creation will have a multiplier effect on enhanced production possibilities, expansion of employment in factories, expansion of capital investments and overall virtuous circle of growth and development of Indian economy. The increased spending on infrastructure will give a multiplier effect to rejuvenate the aggregate demand in the economy and to mitigate the daunting impact of COVID-19 on the economy.

Also, there is a need to lower interest rates for consumers and businesses, lesser compliances for MSMEs vis-à-vis ease of doing business at the ground level and a lower tax regime to increase the personal disposable income of the people, said Mr. Sanjay Aggarwal.

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