

India's GDP on the rise with 8.2%, highest in two years



"The elephant is on the run" as India's gross domestic product (GDP) growth rate for the first quarter (April-June) of the current fiscal year has touched the tall 8.2% to score the highest in last two years.

The NDA government simply cannot stop flaunting over the fresh stats of India's GDP growth rate for the first quarter of 2018-19 financial year as the economic growth has rose to nine-quarter highest with 8.2%. The sudden expansion in the gross domestic product marks to be the fastest in past two years, backed by massive growth in manufacturing and spurred consumer spending. As the FM Arun Jaitley states, the GDP shows development in the country in "otherwise an environment of global turmoil represents the potential of new India."

However, it must be noted that the high growth rate is backed by the low base effect set during April-June 2017 with just 5.6%. The high manufacturing rates are also largely owes to a low base effect, whereas the services sector mirrors the actual GDP with a slower paced expansion. Perhaps that is why economists remain sceptical about the sustenance of the growth momentum in next quarters; but the government remains stern regarding its projection of at least 7.5% growth in FY19.