

Mid Year Review of the Indian Economy 2002-03

The present Mid-Year Review of the Indian Economy is strategically timed to provide a critical analysis of trends in the current fiscal year before budget preparations for the next year get underway. It attempts to analyse the economy's present cyclical position against the background of performance over the last decade.

The medium-term projections provide a real GDP growth of 6 per cent, well below the target for the Tenth Five-Year Plan. The forecast for the current year places overall real GDP growth at 4.8 per cent with the major contributions coming from Services and Industry. At the macro level, it points to a slow down in investment growth and the need for reviving the investment climate. At the sectoral level the unsatisfactory performance of Agriculture in the 1990s has come as a disappointment since, with a more liberalised trade policy environment, it was expected to benefit positively.

A mixture of good and bad news, this Review assesses the prospects for the Indian economy for 2002-03 and presents a medium-term view on growth. The forecasts are based on the macroeconomic models developed by the NCAER.