



GDP GROWTH: ECONOMY

NEWS: GDP growth hits 5.4% in Q2, lowest in 7 quarters

WHAT'S IN THE NEWS?

India's GDP growth fell to a seven-quarter low of 5.4% in Q2 (2024-25), with GVA growth slowing to 5.8%. Achieving the RBI's full-year growth target of 7.2% will require a significant rebound in the second half of the year.

India's GDP Growth Slumps in Q2 (2024-25)

GDP and GVA Growth Trends

GDP Growth: Dropped to 5.4% in Q2 (July-September 2024), lowest in 7 quarters, from 6.7% in Q1.

GVA Growth: Declined to 5.8% in Q2 from 6.8% in Q1.

Real GDP growth for the first half of 2024-25 is at 6%, the slowest since H2 of 2022-23 (5.3%).

GVA growth for H1 (2024-25) is estimated at 6.2%, slightly higher than GDP growth, reversing the previous trend.

Comparisons with Previous Periods

Q2 GDP growth in 2023-24 was 8.1%, and GVA growth was 7.7%.

H1 GDP growth in 2023-24 stood at 8.2%, higher than the current year's 6%.





TERABYTE

Everything Matters

P L RAJ IAS & IPS ACADEMY

Making You Serve the Nation

Projections and Challenges

RBI Projections: Q2 GDP growth estimated at 7%, with a full-year forecast of 7.2%.

Finance Ministry Expectations: Growth expected in the 6.5%–7% range for 2024-25.

Achieving these targets requires a strong rebound in H2.

Observations

Economic slowdown attributed to weaker-than-expected activity in Q2.

Reaching the projected growth rates poses a significant challenge given the sluggish start.