

Press Notice

IMF Resident Representative Office in India

January 24, 2013

Understanding IMF Real GDP Growth Forecasts for India

The IMF winter World Economic Outlook (WEO) forecasts were released yesterday, January 23, 2013, in Washington. The revised global outlook is available at www.imf.org/weo.

For India, we wish to emphasize the basis on which our forecasts are produced. To be comparable across countries, the IMF growth projections are done at *market prices*, and for the *calendar year*, which differs somewhat from the *factor cost, fiscal year* definition used by Government and most analysts in India. GDP growth estimates at market prices equal the factor cost estimates, minus subsidies but including indirect taxes.

IMF Real GDP growth forecasts

	Calendar Year (CY)			Fiscal Year (FY)		
	2012	2013	2014	2012/13	2013/14	2014/15
GDP growth at factor cost	5.4	5.9	6.4	5.4	6.0	6.5
GDP growth at market prices	4.5	5.9	6.4	4.5	6.0	6.5

Source: World Economic Outlook

India's growth projection for CY 2012 has been marked down somewhat as a result of the lower growth figure reported by the Central Statistical Organization (CSO) for the third quarter of CY 2012. At market prices, growth in that quarter was 2.8 percent. For the first three quarters of CY 2012 compared to the first three quarters of CY2011, growth at market prices was 4.1 percent, compared to 5.4 percent at factor costs.

Our revised WEO GDP growth projections correspond to 5.4 percent in 2012/13 and 6.0 percent in 2013/14 at factor costs, the headline measure in India.

IMF World Economic Outlook projections are produced four times a year. The next round of WEO forecasts will be released in April 2013 at the time of the World Bank – IMF Spring Meetings.