Fitch ratings slashes India’s economic growth projection to 0.8% in current fiscal

The leading credit rating agency, Fitch Ratings has slashed India's economic growth projections to 0.8 per cent in the current fiscal saying an unparalleled global recession was underway due to disruptions caused by the outbreak of Corona virus pandemic and resultant lockdowns.

In its Global Economic Outlook, Fitch Ratings said India's Gross Domestic Product (GDP) growth will slip to 0.8 per cent for the year April 2020 to March 2021 as compared to an estimated 4.9 per cent growth in the previous fiscal. Growth is, however, expected to rebound to 6.7 per cent in 2021-22.

Fitch said, the slump in growth was mainly due to a projected fall in consumer spending and contraction in fixed investment. The agency has further made large cuts to global GDP forecasts in its latest Global Economic Outlook (GEO) in response to Corona virus-related lockdown extensions and incoming data flows.