

India's economic growth falls further to 7.6 percent

India's economic growth has fallen further to 7.6 percent for the second quarter of this fiscal, as per official statistics on the country's gross domestic product (GDP) released here Friday.

The country's growth was 7.9 percent during the first quarter of the fiscal (April-June) and 9.2 percent during the second quarter of 2007-08 (July-September), according to the Central Statistical Organisation (CSO) data.

Prime Minister Manmohan Singh, Finance Minister P. Chidambaram and Reserve Bank of India (RBI) Governor D. Subbarao have projected the Indian economy to expand by 7-8 percent during the current fiscal year ending March 31, 2009.

The main reason for the fall in the overall economic expansion during the period under review (July-September, 2008) was a low, 5-percent growth in the manufacturing sector, as opposed to 9.2 percent in the like period of last fiscal.

Similarly, agriculture also logged a significantly lower growth of 2.7 percent, as opposed to 4.7 percent, while hospitality, transport and communications expanded the best 10.8 percent against 11 percent during the second quarter of fiscal 2007-08.

What has, however, come as a surprise was the 9.7 percent growth in construction, as opposed to 11.8 percent in the corresponding period of the previous year.

Similarly, financial services, realty and business services also registered a notable growth of 9.2 percent, against 12.4 percent, given the circumstances where real estate companies have been complaining about a major slowdown.

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