

CHANGING REALITIES

The slowdown story of 2008-09.

GDP to grow at 7.7%
against **9.1%**
in 2007-08

Reasons to cheer

- Robust employment growth between 1999-00 and 2004-05; highest growth in industry & services
- Stable investment rate projected at **37.5%**

Persisting concerns

- Current account deficit to go up to **3.2%** of GDP from **1.5%** in 2007-08
- Inflation yet to peak
- Fiscal risks as off-budget liabilities estimated to be **5%** of GDP
- Rupee to come under further pressure
- Savings rate to decline to **34.5%**

Source: Economic advisory council