S&P Global: India to grow 7% in FY27 and FY28

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News

S&P Global Ratings, in its 'Economic Outlook Asia-Pacific Q1 2027' (23 Nov 2026), projects India's GDP to grow 7% in both FY2026-27 and FY2027-28, supported by strong exports, public investment and resilient household consumption. It expects CPI inflation to average 5.3% in FY27, with risks tilted upward, and to ease to 4.7% in FY28, and it expects the RBI to raise the repo rate by 25 basis points in December, with another hike possible in early 2027. Weather, commodity prices and global developments are the main risks.

Key facts for the exam

Point	Details
Growth FY27 / FY28	7% / 7%
Inflation FY27 / FY28	5.3% / 4.7%
RBI rate	25 bp hike expected in December; another possible in early 2027
Risks	Weather, commodity prices, global developments

Background

- S&P Global, Moody's and Fitch are the "Big Three" credit rating agencies. In August 2025 S&P upgraded India's sovereign rating to 'BBB', its first upgrade in 18 years.

- India's financial year runs from 1 April to 31 March. Interest rates are set by RBI's six-member Monetary Policy Committee (MPC) (Section 45ZB of the RBI Act).

Tamil Nadu link: Exports drive growth, and Tamil Nadu became India's top electronics-exporting State in 2024-25, led by smartphone factories around Sriperumbudur and Hosur.

Frequently asked questions

What is this news about?

S&P Global Ratings, in its 'Economic Outlook Asia-Pacific Q1 2027' (23 Nov 2026), projects India's GDP to grow 7% in both FY2026-27 and FY2027-28, supported by strong exports, public investment and resilient household consumption.

What are the key facts to remember for the exam?

Growth FY27 / FY28: 7% / 7%; Inflation FY27 / FY28: 5.3% / 4.7%; RBI rate: 25 bp hike expected in December; another possible in early 2027; Risks: Weather, commodity prices, global developments.

What is the background to this news?

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Practice questions (with answers)

1. What GDP growth does S&P Global project for India in FY2026-27 and FY2027-28?

A) 7%

B) 8%

C) 7.2%

D) 6.5%

Answer: A – Explanation: 7% in both years; CPI inflation 5.3% in FY27 and 4.7% in FY28.

2. Which body decides the policy repo rate in India?

A) RBI Central Board of Directors

B) Monetary Policy Committee (MPC)

C) Union Finance Ministry

D) Financial Stability and Development Council (FSDC)

Answer: B – Explanation: The six-member MPC under Section 45ZB of the RBI Act; the RBI Governor chairs it and has a second or casting vote in case of a tie.

3. Which of these is NOT one of the 'Big Three' global credit rating agencies?

A) Fitch

B) Moody's

C) CRISIL

D) S&P Global

Answer: C – Explanation: S&P, Moody's and Fitch are the Big Three. CRISIL is an Indian agency (a subsidiary of S&P Global).

4. To which level did S&P upgrade India's sovereign rating in August 2025?

A) BBB

B) A−

C) BB+

D) BBB−

Answer: A – Explanation: S&P's first upgrade in 18 years (from BBB− to BBB). India's financial year runs from 1 April to 31 March.

5. Which State was India's top electronics exporter in 2024-25?

A) Maharashtra

B) Tamil Nadu

C) Karnataka

D) Uttar Pradesh

Answer: B – Explanation: Smartphone factories around Sriperumbudur and Hosur lead the way.