



ADB projects India's GDP growth rate at 10% in FY2021 and 7.5% in FY2022

According to Asian Development Outlook, 2021 (update), released in September 2021, Developing Asia continues to grapple with the COVID-19 pandemic. Renewed outbreaks are a cause for concern, amid uneven progress on vaccination. Regional growth paths are diverging, with economies that have successfully contained the pandemic or are making good progress on vaccination programs forging ahead. Several risks cloud developing Asia's outlook. The main threats come from the COVID-19 pandemic, including the emergence of new variants, slower-than-expected vaccine rollouts, and waning vaccine effectiveness. Geopolitical tensions, financial turmoil, and disruptions to global supply chains may also undermine the region's growth prospects.

The region's output is forecast to expand by 7.1% in 2021 and 5.4% in 2022, supported by a broad recovery in exports. Price pressures are expected to remain in check, with headline inflation forecast at 2.2% in 2021 and 2.7% in 2022. As economies recover from the pandemic, medium-term risks will take center stage again, led by extreme weather events related to climate change, which are becoming more frequent.

Asian Development Outlook 2021

GDP growth rate, % per year					
	2020	2021		2022	
		April ADO 2021	September Update	April ADO 2021	September Update
Developing Asia	-0.1	7.3	7.1	5.3	5.4
Central Asia	-1.9	3.4	4.1	4.0	4.2
Armenia	-7.4	1.8	5.2	3.0	3.5
Azerbaijan	-4.3	1.9	2.2	2.5	2.5
Georgia	-6.2	3.5	8.5	6.0	6.5
Kazakhstan	-2.6	3.2	3.4	3.5	3.7
Kyrgyz Republic	-8.6	3.5	3.5	5.0	5.0
Tajikistan	4.5	5.0	5.0	5.5	5.5
Turkmenistan	1.6	4.8	4.8	4.9	4.9
Uzbekistan	1.6	4.0	5.0	5.0	5.5
East Asia	1.8	7.4	7.6	5.1	5.1
Hong Kong, China	-6.1	4.6	6.2	4.5	3.4
Mongolia	-5.3	4.8	4.6	5.7	6.0
People's Republic of China	2.3	8.1	8.1	5.5	5.5
Republic of Korea	-0.9	3.5	4.0	3.1	3.1
Taipei, China	3.1	4.6	6.2	3.0	3.0
South Asia	-5.6	9.5	8.8	6.6	7.0
Afghanistan	-1.9	3.0	...	4.0	..
Bangladesh	3.5	6.8	5.5	7.2	6.8
Bhutan	0.9	-3.4	-3.4	3.7	3.7
India	-7.3	11.0	10.0	7.0	7.5
Maldives	-32.0	13.1	18.0	14.0	15.0
Nepal	-2.1	3.1	2.3	5.1	4.1
Pakistan	-0.5	2.0	3.9	4.0	4.0
Sri Lanka	-3.6	4.1	3.4	3.6	3.4

Southeast Asia	-4.0	4.4	3.1	5.1	5.0
Brunei Darussalam	1.2	2.5	1.8	3.0	3.5
Cambodia	-3.1	4.0	1.9	5.5	5.5
Indonesia	-2.1	4.5	3.5	5.0	4.8
Lao People's Democratic Republic	-0.5	4.0	2.3	4.5	4.0
Malaysia	-5.6	6.0	4.7	5.7	6.1
Myanmar	3.3	-9.8	-18.4
Philippines	-9.6	4.5	4.5	5.5	5.5
Singapore	-5.4	6.0	6.5	4.1	4.1
Thailand	-6.1	3.0	0.8	4.5	3.9
Timor-Leste	-8.5	3.4	2.2	4.3	4.0
Viet Nam	2.9	6.7	3.8	7.0	6.5
The Pacific	-5.3	1.4	-0.6	3.8	4.8
Cook Islands	-5.9	-26.0	-26.0	6.0	7.1
Federated States of Micronesia	-3.9	-1.8	-1.1	2.0	2.0
Fiji	-15.7	2.0	-5.0	7.3	8.8
Kiribati	0.6	-0.2	0.3	2.3	2.3
Marshall Islands	-2.6	-1.4	-3.3	2.5	4.0
Nauru	0.8	1.5	1.5	1.0	1.0
Niue
Palau	-10.3	-7.8	-10.8	10.4	8.8
Papua New Guinea	-3.3	2.5	1.3	3.0	4.1
Samoa	-3.2	-9.2	-9.2	3.1	3.1
Solomon Islands	-4.5	1.0	1.0	4.5	4.5
Tonga	-0.8	-5.3	-5.3	1.8	1.8
Tuvalu	1.0	2.5	2.5	3.0	3.0
Vanuatu	-8.5	2.0	-3.0	4.0	5.0

... = not available, ADO = Asian Development Outlook, GDP = gross domestic product.
Note: Because of the uncertain situation, no forecasts are provided for 2021 and 2022 in Afghanistan, and for fiscal year 2022 in Myanmar.

Source: PHD Research Bureau, PHDCCI, compiled from Asian Development Outlook, 2021.

Outlook for India

The growth forecast for India in FY2021 is revised down, as May's spike in COVID-19 dented the recovery. The outbreak, however, dissipated faster than anticipated, resulting in several states easing lockdown measures and returning to more normal travel patterns. The economy is expected to rebound strongly in the remaining three quarters of FY2021, and grow by 10.0% in the full fiscal year before moderating to 7.5% in FY2022. Because consumption will recover only gradually, government spending and exports will contribute more to FY2021's growth than they did in the previous fiscal year. Exports continued to rise in the first quarter of 2021 on recovering external demand, and they were 19% above pre-pandemic volumes in June. The disruptions associated with the Delta COVID-19 variant, however, hit India's exports during April–May. Readings of the manufacturing purchasing managers' index have rose sharply to 55.3 in India in July. The index has generally performed better in economies with high vaccination rates in recent months. Inflation in India is expected to decelerate to 5.5% this year from 6.2% in 2020.

Please find appended the link to access the detailed document on the same.

<https://www.adb.org/sites/default/files/publication/726556/ado2021-update.pdf>

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Warm Regards,



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