



PHD Research Bureau
PHD Chamber of Commerce and Industry



IMF projects Indian economy's GDP growth at 9.5% in FY2022 and 8.5% in FY2023: World Economic Outlook, July 2021

According to IMF World Economic Outlook, July 2021, economic prospects have diverged further across countries since the April 2021 World Economic Outlook (WEO) forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0% in 2021 and 4.9% in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support.

Latest World Economic Outlook Update Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2020	2021	2022
World Output	-3.2	6.0	4.9
Advanced Economies	-4.6	5.6	4.4
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Germany	-4.8	3.6	4.1
France	-8.0	5.8	4.2
Italy	-8.9	4.9	4.2
Spain	-10.8	6.2	5.8
Japan	-4.7	2.8	3.0
United Kingdom	-9.8	7.0	4.8
Canada	-5.3	6.3	4.5
Other Advanced Economies	-2.0	4.9	3.6
Emerging Market and Developing Economies	-2.1	6.3	5.2
Emerging and Developing Asia	-0.9	7.5	6.4
China	2.3	8.1	5.7
India	-7.3	9.5	8.5
ASEAN-5	-3.4	4.3	6.3
Emerging and Developing Europe	-2.0	4.9	3.6
Russia	-3.0	4.4	3.1
Latin America and the Caribbean	-7.0	5.8	3.2
Brazil	-4.1	5.3	1.9
Mexico	-8.3	6.3	4.2
Middle East and Central Asia	-2.6	4.0	3.7
Saudi Arabia	-4.1	2.4	4.8
Sub-Saharan Africa	-1.8	3.4	4.1
Nigeria	-1.8	2.5	2.6
South Africa	-7.0	4.0	2.2
<i>Memorandum</i>			
Emerging Market and Middle-Income Economies	-2.3	6.5	5.2
Low-Income Developing Countries	0.2	3.9	5.5

Source: IMF, *World Economic Outlook Update*, July 2021

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2020/2021 starting in April 2020. For the July 2021 WEO, India's growth projections are 8.8 percent in 2021 and 8.3 percent in 2022 based on calendar year.

Outlook for India

Steady recovery is not assured anywhere so long as segments of the population remain susceptible to the virus and its mutations. Recovery has been set back severely in countries that experienced renewed waves— notably India. Growth prospects in India have been downgraded following the severe second COVID wave during March–May and expected slow recovery in confidence from that setback. The Indian economy is projected to grow at 9.5% in FY2022 and 8.5% in FY2023.

Please find enclosed the detailed document on the same for your kind reference.

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Warm Regards,

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