



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **OECD projects India's GDP growth rate at 9.7% in FY2022 and 7.9% in FY2023**

According to OECD Economic Outlook, Volume 2021 (Preliminary Version), economic growth has picked up this year, helped by strong policy support, the ongoing deployment of effective vaccines and the gradual resumption of many economic activities, particularly in service sectors. The economic impact of the Delta variant has so far been relatively mild in countries with high vaccination rates, but has lowered near-term momentum elsewhere and added to pressures on global supply chains and costs. Faster progress in vaccine deployment, or a sharper rundown of household savings would enhance demand and lower unemployment but also potentially push up near-term inflationary pressures. Slow progress in vaccine rollout and the continued spread of new virus mutations would result in a weaker recovery and larger job losses.

Global GDP is projected to grow by 5.7% in 2021 and 4.5% in 2022. A strong rebound in Europe, the likelihood of additional fiscal support in the United States next year, and lower household saving will boost growth prospects in the advanced economies. Global GDP has now surpassed its pre-pandemic level, but output in mid-2021 was still 3.5 per cent lower than projected before the pandemic. This represents a real income shortfall of over USD 4.5 trillion (in 2015 PPPs), and is broadly equivalent to one year of global output growth in normal times. Closing this gap is essential to minimise long-term scars from the pandemic via job and income losses. Higher commodity prices and global shipping costs are currently adding around 1.5 percentage point to annual G20 consumer price inflation, accounting for most of the inflation upturn over the past year. OECD projects India's GDP growth rate at 9.7% in FY2022 and 7.9% in FY2023.

**OECD Interim Economic Outlook Forecasts September 2021**  
**Real GDP growth**

	Year-on-year % change				
	2020	2021		2022	
		Interim EO projections	Difference from May EO	Interim EO projections	Difference from May EO
<b>World</b>	<b>-3.4</b>	<b>5.7</b>	<b>-0.1</b>	<b>4.5</b>	<b>0.1</b>
<b>G20<sup>1</sup></b>	<b>-3.1</b>	<b>6.1</b>	<b>-0.2</b>	<b>4.8</b>	<b>0.1</b>
<b>Australia</b>	<b>-2.5</b>	<b>4.0</b>	<b>-1.1</b>	<b>3.3</b>	<b>-0.1</b>
<b>Canada</b>	<b>-5.3</b>	<b>5.4</b>	<b>-0.7</b>	<b>4.1</b>	<b>0.3</b>
<b>Euro area</b>	<b>-6.5</b>	<b>5.3</b>	<b>1.0</b>	<b>4.6</b>	<b>0.2</b>
<b>Germany</b>	<b>-4.9</b>	<b>2.9</b>	<b>-0.4</b>	<b>4.6</b>	<b>0.2</b>
<b>France</b>	<b>-8.0</b>	<b>6.3</b>	<b>0.5</b>	<b>4.0</b>	<b>0.0</b>
<b>Italy</b>	<b>-8.9</b>	<b>5.9</b>	<b>1.4</b>	<b>4.1</b>	<b>-0.3</b>
<b>Spain<sup>2</sup></b>	<b>-10.8</b>	<b>6.8</b>	<b>0.9</b>	<b>6.6</b>	<b>0.3</b>
<b>Japan</b>	<b>-4.6</b>	<b>2.5</b>	<b>-0.1</b>	<b>2.1</b>	<b>0.1</b>
<b>Korea</b>	<b>-0.9</b>	<b>4.0</b>	<b>0.2</b>	<b>2.9</b>	<b>0.1</b>
<b>Mexico</b>	<b>-8.3</b>	<b>6.3</b>	<b>1.3</b>	<b>3.4</b>	<b>0.2</b>
<b>Turkey</b>	<b>1.8</b>	<b>8.4</b>	<b>2.7</b>	<b>3.1</b>	<b>-0.3</b>
<b>United Kingdom</b>	<b>-9.8</b>	<b>6.7</b>	<b>-0.5</b>	<b>5.2</b>	<b>-0.3</b>
<b>United States</b>	<b>-3.4</b>	<b>6.0</b>	<b>-0.9</b>	<b>3.9</b>	<b>0.3</b>
<b>Argentina</b>	<b>-9.9</b>	<b>7.6</b>	<b>1.5</b>	<b>1.9</b>	<b>0.1</b>
<b>Brazil</b>	<b>-4.4</b>	<b>5.2</b>	<b>1.5</b>	<b>2.3</b>	<b>-0.2</b>
<b>China</b>	<b>2.3</b>	<b>8.5</b>	<b>0.0</b>	<b>5.8</b>	<b>0.0</b>
<b>India<sup>3</sup></b>	<b>-7.3</b>	<b>9.7</b>	<b>-0.2</b>	<b>7.9</b>	<b>-0.3</b>
<b>Indonesia</b>	<b>-2.1</b>	<b>3.7</b>	<b>-1.0</b>	<b>4.9</b>	<b>-0.2</b>
<b>Russia</b>	<b>-2.5</b>	<b>2.7</b>	<b>-0.8</b>	<b>3.4</b>	<b>0.6</b>
<b>Saudi Arabia</b>	<b>-4.1</b>	<b>2.3</b>	<b>-0.5</b>	<b>4.8</b>	<b>1.0</b>
<b>South Africa</b>	<b>-7.0</b>	<b>4.6</b>	<b>0.8</b>	<b>2.5</b>	<b>0.0</b>

Note: Difference from May 2021 Economic Outlook in percentage points, based on rounded figures. World and G20 aggregates use moving nominal GDP weights at purchasing power parities.

1. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right.
2. Spain is a permanent invitee to the G20.
3. Fiscal years, starting in April.

Source: PHD Research Bureau, PHDCCI, compiled from OECD Economic Outlook, September 2021.

Growth picked up sharply in the second quarter of 2021 in countries in which containment measures were largely eased, or where infection rates remained low, helped by strong consumer spending on services and supportive macroeconomic policies. However, high numbers of infections are still occurring due to the spread of the more transmissible Delta variant, and there are marked differences in the pace of vaccinations and the scope for policy support across countries, particularly in many emerging-market and developing economies.

High-frequency activity indicators, such as the Google location-based measures of retail and recreation mobility, suggest global activity continued to strengthen in recent months, helped by improvements in Europe and a marked rebound in both India and Latin America. Recent activity indicators also show signs of slowing momentum. The risk of lasting costs from the pandemic also persists. The output shortfall from the pre-pandemic path at the end of 2022 in the median G20 emerging-market economy is projected to be twice that in the median G20 advanced economy, and particularly high in India. The global economic recovery is projected to continue but remain uneven. Vaccination campaigns are proceeding at different rates around the world, and the scale of macroeconomic policy support and the ability to reopen contact-intensive activities differs considerably across economies.

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

<https://www.oecd-ilibrary.org/sites/490d4832->

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Warm Regards,

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