



## **UNCTAD projects India's GDP to grow at 7.2% in 2021 and 6.7% in 2022**

According to the UNCTAD report on Trade and development 2021, the global economy is set for a strong recovery in 2021, albeit with a good deal of uncertainty clouding the details at the regional and country levels over the second half of the year. As in the past, policy makers continue to pay undue attention to financial markets, whose horizon rarely stretches beyond quarterly macroeconomic and earnings data and whose sentiment appears jittery even in the face of small changes in leading indicators.

After a 3.5 per cent fall in 2020, UNCTAD expects world output to grow 5.3 per cent this year, partially recovering the ground lost in 2020. However, considering the average annual global growth rate of 3 per cent in 2017–2019, world income will still be 3.7 per cent below where its pre-pandemic trend would have put it by 2022. Based on the nominal gross domestic product (GDP) estimates for this year, the expected shortfall represents a cumulative income loss of about USD 10 trillion in 2020–21. Looking ahead UNCTAD expects world output to grow 3.6 per cent in 2022.

### **Outlook for India**

India is expected to grow 7.2 per cent in 2021 (calendar year) and 6.7% in 2022 (calendar year). As the discussion of regional trends shows, the recovery in India is constrained by the on-going human and economic cost of Covid-19, and the negative impact of food price inflation on private consumption. In India, consumer inflation was already at 6 per cent before the pandemic. The Covid-19 shock caused a temporary dip in prices, but as the economy recovered and food prices accelerated, the country returned to a 6 per cent inflation rate in mid-2021.

<b>S.no.</b>	<b>World output Growth (Annual Percentage Change)</b>			
<b>1</b>	<b>Country groups</b>	<b>2020</b>	<b>2021(b)</b>	<b>2022(b)</b>
<b>2</b>	<b>World</b>	<b>-3.5</b>	<b>5.3</b>	<b>3.6</b>
<b>3</b>	<b>Africa</b>	<b>-3.4</b>	<b>3.2</b>	<b>2.9</b>
<b>4</b>	<b>North Africa (incl. South Sudan)</b>	<b>-5.2</b>	<b>4.2</b>	<b>3.1</b>
5	South Africa	-7.0	4	2.3
6	America	-4.4	5.6	2.9
7	Latin America and the Caribbea	-7.1	5.5	2.6

<b>8</b>	<b>Central America (excl. Mexico) and Caribbean</b>	<b>-8.1</b>	<b>3.9</b>	<b>2.9</b>
9	Mexico	-8.3	6.2	2.8
10	Argentina	-9.9	6.7	2.9
11	Brazil	-4.1	4.9	1.8
12	Canada	-5.4	5.1	2.9
13	United States	-3.5	5.7	3
<b>14</b>	<b>Asia (excl. Cyprus)</b>	<b>-1.1</b>	<b>5.9</b>	<b>4.7</b>
15	Central Asia	-0.3	4.3	3.1
16	China	2.3	8.3	5.7
17	Japan	-4.7	2.4	2.1
18	Republic of Korea	-0.9	3.9	2.8
<b>19</b>	<b>India</b>	<b>-7</b>	<b>7.2</b>	<b>6.7</b>
20	Indonesia	-2.1	3.6	4.9
21	Saudi Arabia	-4.1	2.7	3.3
22	Turkey	1.8	3.9	3.6
<b>23</b>	<b>European Union (EU 27)</b>	<b>-6.2</b>	<b>4</b>	<b>3.3</b>
24	France	-8	5.2	3.4
25	Germany	-4.9	2.2	3.2
26	Italy	-8.9	5.5	3
27	Russian Federation	-3	3.8	2.3
28	United Kingdom	-9.9	6.7	2.1
29	Australia	-2.5	3.2	2.8
<b>30</b>	<b>Developed (M49, incl. Republic of Korea)</b>	<b>-4.7</b>	<b>4.7</b>	<b>2.9</b>
<b>31</b>	<b>Developing (M49)</b>	<b>-1.8</b>	<b>6.2</b>	<b>4.7</b>

Source: PHD Research Bureau, PHDCCI, compiled from UNCTAD report on Trade and development 2021 (Notes: UNCTAD projections are based on calendar years). Note: Calculations for country aggregates are based on GDP at constant 2015 dollars. b denotes Forecasts.

India, which experienced a contraction of 7.0 per cent in 2020, showed a strong quarterly growth of 1.9 per cent growth in the first quarter 2021, on the back of the momentum of the second half of 2020 and supported by government spending in goods and services. Meanwhile, a severe and broadly unanticipated second wave of the pandemic, compounded by bottlenecks in the vaccine roll out, hit the country in the second quarter, on top of rising food and general price inflation, forcing widespread lockdowns and drastic consumption and investment adjustments.

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

[https://unctad.org/system/files/official-document/tdr2021\\_en.pdf](https://unctad.org/system/files/official-document/tdr2021_en.pdf)

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Warm Regards,

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