



World Bank projects India's GDP growth at 8.3% in FY 2021-22 and 7.5% in FY 2022-23

According to the World Bank Report- South Asia Economic Focus, Fall 2021, South Asia's recovery continues as global demand rebounded and targeted containment measures helped minimize the economic impacts of the recent waves of COVID-19. But the recovery remains fragile and uneven, and significant risks exist that could jeopardize short-term recovery and long-term growth. Regional growth is set to increase by 7.1% in 2021 and 2022, as the economic recovery in South Asia continues.

Despite devastating COVID-19 waves in the second quarter of 2021, countries were able to minimize economic impacts, thanks to more targeted and localized containment measures and a rebound in global demand. However, recovery remains uneven as many challenges and uncertainties remain. The strong near-term growth is driven in part by very low base numbers in 2020. The outlook will depend on the speed of vaccination, the possible emergence of new COVID variants, as well as any major slowdown in global growth momentum. Global recovery momentum is showing signs of a slowdown under the impact of the COVID Delta variant. Any major disruptions to the global recovery can have adverse impacts on South Asia, through trade, tourism, and migrant workers. Supply constraints have pushed up inflation in the region and as the economy recovers, rising demand may sustain the high inflation.

GDP growth has turned positive again

		Real GDP growth at constant market prices (percent)				Revision to forecast from June 2021 (percentage point)	
Calendar year basis	Country fiscal year	2020	2021(e)	2022(f)	2023(f)	2021(f)	2022(f)
South Asia region		-5.4	7.1	7.1	5.4	0.3	0.3
Maldives	January to December	-33.6	22.3	11.0	12.0	5.2	-0.5
Sri Lanka	January to December	-3.6	3.3	2.1	2.2	-0.1	0.1
Fiscal year basis		FY20/21	FY21/22(e)	FY22/23(f)	FY23/24(f)	FY21/22(f)	FY22/23(f)
India	April to March	-7.3	8.3	7.5	6.5	0.0	0.0
		FY19/20	FY20/21(e)	FY21/22(f)	FY22/23(f)	FY20/21(f)	FY21/22(f)
Bangladesh	July to June	3.5	5.0	6.4	6.9	1.4	1.3
Bhutan	July to June	-0.6	-1.2	3.6	4.3	0.6	-1.4
Nepal	mid-July to mid-July	-2.1	1.8	3.9	4.7	-0.9	0.0
Pakistan	July to June	-0.5	3.5	3.4	4.0	2.2	1.4

Source: PHD Research Bureau, PHDCCI, compiled from World Bank Report-South Asia Economic Focus, Fall 2021

Outlook for India

India's economy, South Asia's largest, is expected to grow by 8.3% in FY 2021-22, supported by increase in public investment to boost domestic demand and incentives schemes to boost manufacturing. In India, the need for medical oxygen grew from 2,500 metric tons to over 12,000 metric tons per day during May-June, against an average daily supply of around 3,000 metric tons of Liquid Medical Oxygen (LMO). Purchasing Managers' Index (PMI) for India shows that headline manufacturing and services slowed during April-June this year. PMI indexes moved back to expansion territory (a value above 50) in July and August, while electricity usage recovered in July in India. For the second quarter this year, which coincided with the recent COVID-19 outbreak, India reported a record real GDP growth of 20 percent. The number reflects a recovery from the large contraction (24 percent) during the same period last year.

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

<https://openknowledge.worldbank.org/bitstream/handle/10986/36317/9781464817977.pdf>

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Warm Regards,

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