



PHD Research Bureau
PHD Chamber of Commerce and Industry



Asian Development Outlook Supplement-December 2021 projects India's GDP to grow at 9.7% in FY2022 and 7.5% in FY2023

According to Asian Development Outlook Supplement, December 2021, Coronavirus Disease 2019 (COVID-19) has receded in developing Asia, but rising infections worldwide and the emergence of a fast-spreading variant suggest that the pandemic will take time to play out. As of 30 November, average new cases daily in developing Asia had fallen to about 50,000, down by 71% from an August peak and by 88% from the worst peak so far, in May. However, the number of cases globally is on the rise again, driven by a renewed wave of infections in Europe. The recent emergence of the highly mutated Omicron coronavirus variant is a sobering reminder that further outbreaks remain a possibility.

Economic growth forecasts for developing Asia are downgraded slightly to 7.0% in 2021 and 5.3% in 2022 as the recent emergence of a highly mutated virus variant and a rise in infections globally indicate that the pandemic is far from over.

Declining cases and vaccine progress have allowed many economies in developing Asia to start reopening. As a result, forward-looking purchasing managers' indexes (PMIs) rebounded in October from a sluggish third quarter (Q3), which was held back by virus outbreaks and associated restrictions.

GDP growth rate and inflation, %

	GDP growth					Inflation				
	2020	2021		2022		2020	2021		2022	
		September Update	December ADOS	September Update	December ADOS		September Update	December ADOS	September Update	December ADOS
Developing Asia	-0.1	7.1	7.0	5.4	5.3	2.8	2.2	2.1	2.7	2.7
Central Asia	-1.9	4.1	4.7	4.2	4.4	7.5	7.7	8.6	6.7	7.3
Kazakhstan	-2.6	3.4	3.7	3.7	3.9	6.8	6.9	7.8	6.4	6.4
East Asia	1.8	7.6	7.5	5.1	5.0	2.2	1.4	1.2	2.2	2.0
Hong Kong, China	-6.1	6.2	6.4	3.4	3.4	0.3	1.5	1.5	2.0	2.0
People's Republic of China	2.3	8.1	8.0	5.5	5.3	2.5	1.3	1.0	2.3	2.1
Republic of Korea	-0.9	4.0	4.0	3.1	3.1	0.5	2.0	2.3	1.6	1.9
Taipei, China	3.1	6.2	6.2	3.0	3.0	-0.2	1.5	2.0	1.1	1.1
South Asia	-5.6	8.8	8.6	7.0	7.0	6.5	5.8	5.9	5.1	5.3
India	-7.3	10.0	9.7	7.5	7.5	6.2	5.5	5.6	4.8	4.8
Southeast Asia	-4.0	3.1	3.0	5.0	5.1	1.2	2.2	2.1	2.4	2.5
Indonesia	-2.1	3.5	3.5	4.8	5.0	2.0	1.7	1.5	2.7	2.7
Malaysia	-5.6	4.7	3.8	6.1	5.9	-1.1	2.5	2.5	2.3	2.3
Philippines	-9.6	4.5	5.1	5.5	6.0	2.6	4.1	4.4	3.5	3.7
Singapore	-5.4	6.5	6.9	4.1	4.1	-0.2	1.6	2.0	1.4	1.4
Thailand	-6.1	0.8	1.0	3.9	4.0	-0.8	1.1	1.1	1.0	1.4
Viet Nam	2.9	3.8	2.0	6.5	6.5	3.2	2.8	2.2	3.5	3.8
The Pacific	-5.3	-0.6	-0.6	4.8	4.7	3.4	3.6	3.5	4.1	4.1

ADO = Asian Development Outlook, ADOS = ADO Supplement, GDP = gross domestic product.

Note: Developing Asia refers to the 46 members of the Asian Development Bank listed below. Central Asia comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. East Asia comprises Hong Kong, China; Mongolia; the People's Republic of China; the Republic of Korea; and Taipei, China. South Asia comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Southeast Asia comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam. The Pacific comprises the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Sources: Asian Development Bank. 2021. Asian Development Outlook 2021 Update; Asian Development Bank estimates.

Outlook for India

The growth forecast for South Asia is revised down to 8.6% for 2021, while the forecast for 2022 is maintained at 7.0%. India's projection is lowered to 9.7% for fiscal 2021 and remains unchanged at 7.5% for 2022.

In India, a strong 20.1% growth rebound in Q1 of fiscal year 2021-22 was followed in Q2 by growth moderation to 8.4%, marginally below expectations as a chip shortage hindered the production and sale of automobiles and many electronic goods. GDP growth nevertheless remained strong, driven by growth in private consumption at 8.6% and in investment at 17.2%. On the supply side, growth was broad based driven by strong expansion in services, particularly public administration and defense, and in mining. Asian Development Outlook 2021 projects India's GDP to grow at 9.7% in FY2022 and 7.5% in FY2023.

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

<https://www.adb.org/sites/default/files/publication/755501/ado-supplement-december-2021.pdf>

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Warm Regards,

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