



PHD Research Bureau
PHD Chamber of Commerce and Industry



World Bank: Global Economic Prospects, projects, India's GDP to grow at 8.3% in FY2022, 8.7% in FY2023 and 6.8% in FY2024

World Bank: Global Economic Prospects says that after rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions.

Global growth is projected to soften further to 3.2% in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)— particularly in small states and fragile and conflict -afflicted countries—they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a deanchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

Growth in SAR is projected to accelerate to 7.6 % in 2022, as pandemic-related disruptions fade, before slowing to 6.0% in 2023. Growth projections have been revised up since June 2021 for each year of the forecast period, largely reflecting better prospects in Bangladesh, India and Pakistan. Returning demand is expected to drive a strong rebound in imports and gradually widen the region's current account deficit. Despite the upward revision to growth, output in 2023 is still expected to be almost 8% smaller than the level of output projected for 2023 prior to the pandemic. In the subregion excluding India, output in 2023 is now expected to be around 4% below pre-pandemic projections.

Outlook for India

India's economy is expected to expand by 8.3% in fiscal year 2021/22 (ending March 2022), unchanged from last June's forecast as the recovery is yet to become broad-based. The economy should benefit from the resumption of contact-intensive services, and ongoing but narrowing monetary and fiscal policy support. In FY2022/23 and FY2023/24 growth has been upgraded, to 8.7 and 6.8% respectively, to reflect an improving investment outlook with private investment, particularly manufacturing, benefiting from the Production-Linked Incentive (PLI) Scheme, and increases in infrastructure investment. The growth outlook will also be supported by ongoing structural reforms, a better-than-

expected financial sector recovery, and measures to resolve financial sector challenges despite ongoing risks.

TABLE 1.1 Real GDP¹

(Percent change from previous year)

Percentage point
differences from
June 2021 projections

	2019	2020	2021e	2022f	2023f	2021e	2022f	2023f
World	2.6	-3.4	5.5	4.1	3.2	-0.2	-0.2	0.1
Advanced economies	1.7	-4.6	5.0	3.8	2.3	-0.4	-0.2	0.1
United States	2.3	-3.4	5.6	3.7	2.6	-1.2	-0.5	0.3
Euro area	1.6	-6.4	5.2	4.2	2.1	1.0	-0.2	-0.3
Japan	-0.2	-4.5	1.7	2.9	1.2	-1.2	0.3	0.2
Emerging market and developing economies	3.8	-1.7	6.3	4.6	4.4	0.2	-0.1	0.0
East Asia and Pacific	5.8	1.2	7.1	5.1	5.2	-0.6	-0.2	0.0
China	6.0	2.2	8.0	5.1	5.3	-0.5	-0.3	0.0
Indonesia	5.0	-2.1	3.7	5.2	5.1	-0.7	0.2	0.0
Thailand	2.3	-6.1	1.0	3.9	4.3	-1.2	-1.2	0.0
Europe and Central Asia	2.7	-2.0	5.8	3.0	2.9	1.9	-0.9	-0.6
Russian Federation	2.0	-3.0	4.3	2.4	1.8	1.1	-0.8	-0.5
Turkey	0.9	1.8	9.5	2.0	3.0	4.5	-2.5	-1.5
Poland	4.7	-2.5	5.1	4.7	3.4	1.3	0.2	-0.5
Latin America and the Caribbean	0.8	-6.4	6.7	2.6	2.7	1.5	-0.3	0.2
Brazil	1.2	-3.9	4.9	1.4	2.7	0.4	-1.1	0.4
Mexico	-0.2	-8.2	5.7	3.0	2.2	0.7	0.0	0.2
Argentina	-2.0	-9.9	10.0	2.6	2.1	3.6	0.9	0.2
Middle East and North Africa	0.9	-4.0	3.1	4.4	3.4	0.6	0.8	0.1
Saudi Arabia	0.3	-4.1	2.4	4.9	2.3	0.0	1.6	-0.9
Iran, Islamic Rep. ³	-6.8	3.4	3.1	2.4	2.2	1.0	0.2	-0.1
Egypt, Arab Rep. ²	5.6	3.6	3.3	5.5	5.5	1.0	1.0	0.0
South Asia	4.4	-5.2	7.0	7.6	6.0	0.1	0.8	0.8
India ³	4.0	-7.3	8.3	8.7	6.8	0.0	1.2	0.3
Pakistan ²	2.1	-0.5	3.5	3.4	4.0	2.2	1.4	0.6
Bangladesh ²	8.2	3.5	5.0	6.4	6.9	1.4	1.3	0.7
Sub-Saharan Africa	2.5	-2.2	3.5	3.6	3.8	0.7	0.3	0.0
Nigeria	2.2	-1.8	2.4	2.5	2.8	0.6	0.4	0.4
South Africa	0.1	-6.4	4.6	2.1	1.5	1.1	0.0	0.0
Angola	-0.6	-5.4	0.4	3.1	2.8	-0.1	-0.2	-0.7
Memorandum items:								
Real GDP¹								
High-income countries	1.7	-4.6	5.0	3.8	2.4	-0.3	-0.2	0.2
Developing countries	4.0	-1.4	6.5	4.6	4.5	0.2	-0.2	0.0
EMDEs excluding China	2.5	-4.2	5.2	4.2	3.8	0.8	0.0	0.1
Commodity-exporting EMDEs	1.8	-3.9	4.5	3.3	3.1	0.9	0.0	0.0
Commodity-importing EMDEs	4.9	-0.5	7.2	5.2	5.0	-0.1	-0.2	0.0
Commodity-importing EMDEs excluding China	3.3	-4.5	6.1	5.3	4.6	0.7	0.0	0.1
Low-income countries	4.6	1.3	3.3	4.9	5.9	0.2	0.0	0.0
EM7	4.5	-0.6	7.2	4.8	4.7	0.0	-0.3	0.0
World (PPP weights) ⁴	2.9	-3.0	5.7	4.4	3.6	0.0	-0.1	0.1
World trade volume⁵	1.1	-8.2	9.5	5.8	4.7	1.2	-0.5	0.3
Commodity prices⁶								
Oil price	-10.2	-32.8	67.2	7.2	-12.2	16.9	7.2	-13.1
Non-energy commodity price index	-4.2	3.0	31.9	-2.0	-4.0	9.4	0.5	-1.3

Source: World Bank.

1. Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates. The aggregate growth rates may differ from the previously published numbers that were calculated using GDP weights at average 2010 prices and market exchange rates. Data for Afghanistan and Lebanon are excluded.

2. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labeled 2019 refers to FY2018/19.

3. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. The column labeled 2019 refers to FY2019/20.

4. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.

5. World trade volume of goods and nonfactor services.

6. Oil price is the simple average of Brent, Dubai, and West Texas Intermediate prices. The non-energy index is the weighted average of 39 commodity prices (7 metals, 5 fertilizers, and 27 agricultural commodities). For additional details, please see <https://www.worldbank.org/commodities>.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing countries, commodity exporters, and commodity importers, please refer to table 1.2. EM7 includes Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Turkey. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

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

<https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf>

Please contact for any query related to this mail to Ms Shivani Mehrotra, Research Officer at shivani.mehrotra@phdcci.in, with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Senior Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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