



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



## **IMF estimates India's GDP growth rate at 6.8% in FY2023 and projects growth at 6.1% in FY2024**

According to the IMF's World Economic Outlook update: Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global growth is forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging markets and developing economies.

Risks to the outlook remain unusually large and to the downside. Monetary policy could miscalculate the right stance to reduce inflation. Policy paths in the largest economies could continue to diverge, leading to further US dollar appreciation and cross-border tensions. More energy and food price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress. Halting gas supplies by Russia could depress output in Europe. A resurgence of COVID-19 or new global health scares might further stunt growth. A worsening of China's property sector crisis could spill over to the domestic banking sector and weigh heavily on the country's growth, with negative cross-border effects. And geopolitical fragmentation could impede trade and capital flows, further hindering climate policy cooperation. The balance of risks is tilted firmly to the downside, with about a 25 percent chance of one-year-ahead global growth falling below 2.0

percent—in the 10th percentile of global growth outturns since 1970.

## Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)

	2021	PROJECTIONS	
		2022	2023
<b>World Output</b>	<b>6.0</b>	<b>3.2</b>	<b>2.7</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>2.4</b>	<b>1.1</b>
United States	5.7	1.6	1.0
Euro Area	5.2	3.1	0.5
Germany	2.6	1.5	-0.3
France	6.8	2.5	0.7
Italy	6.6	3.2	-0.2
Spain	5.1	4.3	1.2
Japan	1.7	1.7	1.6
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5
Other Advanced Economies	5.3	2.8	2.3
<b>Emerging Market and Developing Economies</b>	<b>6.6</b>	<b>3.7</b>	<b>3.7</b>
<b>Emerging and Developing Asia</b>	<b>7.2</b>	<b>4.4</b>	<b>4.9</b>
China	8.1	3.2	4.4
India	8.7	6.8	6.1
ASEAN-5	3.4	5.3	4.9
<b>Emerging and Developing Europe</b>	<b>6.8</b>	<b>0.0</b>	<b>0.6</b>
Russia	4.7	-3.4	-2.3
<b>Latin America and the Caribbean</b>	<b>6.9</b>	<b>3.5</b>	<b>1.7</b>
Brazil	4.6	2.8	1.0
Mexico	4.8	2.1	1.2
<b>Middle East and Central Asia</b>	<b>4.5</b>	<b>5.0</b>	<b>3.6</b>
Saudi Arabia	3.2	7.6	3.7
<b>Sub-Saharan Africa</b>	<b>4.7</b>	<b>3.6</b>	<b>3.7</b>
Nigeria	3.6	3.2	3.0
South Africa	4.9	2.1	1.1
<b>Memorandum</b>			
<b>Emerging Market and Middle-Income Economies</b>	<b>6.8</b>	<b>3.6</b>	<b>3.6</b>
<b>Low-Income Developing Countries</b>	<b>4.1</b>	<b>4.8</b>	<b>4.9</b>

Source: IMF, World Economic Outlook, October 2022

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the October 2022 WEO, India's growth projections are 6.9 percent in 2022 and 5.4 percent in 2023 based on calendar year.

## Outlook for India

The outlook for India has been revised down by 0.6 percentage point, to 6.8% for FY2023 and 6.1% for FY2024. For India, the revision reflects mainly less favorable external conditions and more rapid policy tightening.

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

<https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>

Please contact for any query related to this mail to Ms Manpreet Kaur, Research Associate at [manpreet.kaur@phdcci.in](mailto:manpreet.kaur@phdcci.in) with a cc to Dr S P Sharma, Chief Economist | DSG at

[spsharma@phdcci.in](mailto:spsharma@phdcci.in), PHD Chamber of Commerce and 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](mailto:spsharma@phdcci.in)

Website: [www.phdcci.in](http://www.phdcci.in)

Follow us on



*"Voice of Industry & Trade"*



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](mailto:phdcci@phdcci.in) • Website : [www.phdcci.in](http://www.phdcci.in), CIN: U74899DL1951GAP001947

Connect with us:

