

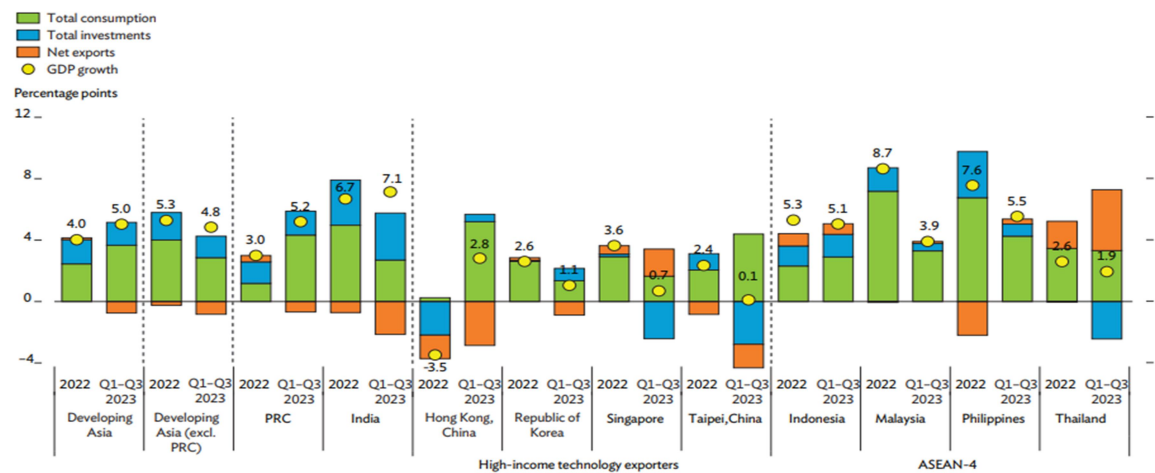
# Asian Development Bank revises India’s growth projections up to 6.7% from 6.3% for FY2023

The growth forecast for South Asia is revised up to 5.7% in 2023 mainly on higher-than-expected growth in India for the July–September quarter

South Asia’s projection is revised up to 5.7% for 2023, driven by stronger than-expected growth in India, and is unchanged at 6.0% for 2024. India's growth projections are revised up to 6.7% from 6.3% for FY2023 (ending 31 March 2024).

India’s growth accelerated to 7.1% in the first 3 quarters of the calendar year, driven by strong industrial production and investment. PMIs were consistently above 50 for most of the year in India, Indonesia, and the Philippines, buoyed by strong domestic demand.

Figure 1 Contributions to GDP Growth, 2022 and 2023 to Date



ASEAN = Association of Southeast Asian Nations, GDP = gross domestic product, PRC = People's Republic of China, Q = quarter.  
 Notes: Economies included are those that have available quarterly GDP data with demand-side breakdowns, which account for about 90% of developing Asia. Components do not add up to the total due to statistical discrepancies and the chain-linking method. All data are in calendar years. Q1–Q3 2023 GDP growth is the percentage growth rate of GDP in the first 3 quarters of 2023 for the same period in 2022.  
 Sources: Haver Analytics; CEIC Data Company.

Economy	2023									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Manufacturing PMI, seasonally adjusted</b>										
India	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5
Philippines	53.5	52.7	52.5	51.4	52.2	50.9	51.9	49.7	50.6	52.4
Indonesia	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5
Singapore	49.8	50.0	49.9	49.7	49.5	49.7	49.8	49.9	50.1	50.2
Republic of Korea	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8
Viet Nam	47.4	51.2	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6
PRC	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5
Taipei,China	44.3	49.0	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6
Thailand	54.5	54.8	53.1	60.4	58.2	53.2	50.7	48.9	47.8	47.5
Malaysia	46.5	48.4	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8
<b>Services PMI, seasonally adjusted</b>										
India	57.2	59.4	57.8	62.0	61.2	58.5	62.3	60.1	61.0	58.4
PRC	52.9	55.0	57.8	56.4	57.1	53.9	54.1	51.8	50.2	50.4
<b>Services PMI, not seasonally adjusted</b>										
Sri Lanka	50.2	48.7	55.1	49.6	53.5	56.7	59.5	57.6	54.7	56.2
Philippines	53.7	54.9	53.4	56.9	54.0	53.0	48.8	53.0	53.2	50.1

**Table 2: GDP Growth and Inflation, %**

	GDP Growth					Inflation						
	2022		2023		2024		2022		2023		2024	
		September	December	September	December		September	December	September	December		
Developing Asia	4.3	4.7	4.9	4.8	4.8	4.4	3.6	3.5	3.5	3.6		
Developing Asia excluding the PRC	5.5	4.5	4.5	5.0	5.0	6.7	6.3	6.4	4.9	5.0		
Caucasus and Central Asia	5.1	4.6	4.8	4.7	4.6	12.9	10.6	10.9	8.0	8.4		
Kazakhstan	3.2	4.1	4.5	4.3	4.3	15.0	12.7	14.0	7.6	8.7		
East Asia	2.8	4.4	4.7	4.2	4.2	2.3	1.0	0.9	2.1	2.1		
Hong Kong, China	-3.5	4.3	3.6	3.3	3.3	1.9	2.5	2.1	2.1	2.1		
People's Republic of China	3.0	4.9	5.2	4.5	4.5	2.0	0.7	0.5	2.0	2.0		
Republic of Korea	2.6	1.3	1.3	2.2	2.2	5.1	3.3	3.6	2.2	2.5		
Taipei,China	2.4	1.2	1.2	2.7	2.7	2.9	2.0	2.4	2.0	2.0		
South Asia	6.7	5.4	5.7	6.0	6.0	8.2	8.6	8.6	6.6	6.7		
India	7.2	6.3	6.7	6.7	6.7	6.7	5.5	5.5	4.2	4.2		
Southeast Asia	5.6	4.6	4.3	4.8	4.7	5.1	4.2	4.2	3.3	3.5		
Indonesia	5.3	5.0	5.0	5.0	5.0	4.2	3.6	3.6	3.0	3.0		
Malaysia	8.7	4.5	4.2	4.9	4.6	3.4	3.0	2.8	2.7	2.7		
Philippines	7.6	5.7	5.7	6.2	6.2	5.8	6.2	6.2	4.0	4.0		
Singapore	3.6	1.0	1.0	2.5	2.5	6.1	5.0	4.9	3.0	3.0		
Thailand	2.6	3.5	2.5	3.7	3.3	6.1	2.5	1.5	2.3	2.3		
Viet Nam	8.0	5.8	5.2	6.0	6.0	3.2	3.8	3.8	4.0	4.0		
The Pacific	6.1	3.5	3.5	2.9	2.9	5.2	4.9	4.9	4.5	4.5		

Note: Developing Asia refers to the 46 developing members of the Asian Development Bank. Caucasus and Central Asia comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan. East Asia comprises Hong Kong, China; Mongolia; the People's Republic of China; the Republic of Korea; Taipei, China. South Asia comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka. Southeast Asia comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, 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, Vanuatu.

Sources: Asian Development Bank. 2023. *Asian Development Outlook September 2023*; Asian Development Bank estimates.

**Developing Asia's** inflation forecast is revised down marginally to 3.5% for 2023 on a lower forecast for inflation in the PRC. Crucially for the region, rice prices rose to a 15-year high in mid November as market expectations adjusted to India's expanded restrictions on rice exports.

Inflation forecasts in the rest of South Asia are unchanged. India's inflation forecasts for 2023 and 2024 are in line with recent data and so still within expectations.

To read the complete note, please click the link below:

<https://www.adb.org/sites/default/files/publication/931316/ado-december-2023.pdf>

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