

Indian economy to advance 7.3% in 2018-19, fastest-growing in globe: World Bank

According to the Global Economics Prospects Report of World Bank, global growth is projected to reach 3.1% in 2018. It is projected that India will regain its position as the world's fastest growing major economy projected to accelerate to 7.3% in FY2018-19 and 7.5% on average in 2019-20, reflecting robust private consumption and strengthening investment.

Major Economies: Recent developments and outlook

Advanced Economies

- Growth in **United States** reached 2.3% in 2017, supported by broad-based strength in domestic demand, especially investment.
- The **Euro Area** economy grew 2.4% in 2017, its fastest increase since the financial crisis, reflecting strong consumption, investment and exports.
- Growth in **Japan** reached 1.7% in 2017, underpinned by supportive financial conditions and strong exports.
- Growth in **China** reached 6.9% in 2017 and remained solid in this year.

Emerging and developing economies

Emerging and developing economies growth accelerated to 4.3% in 2017 and is expected to reach 4.5% in 2018 and stabilize at 4.7% in both 2019 and 2020. Emerging and developing economies growth is projected to strengthen only slightly approaching its potential pace, as the recovery in commodity exporters matures.

Low Income Countries

Growth in low-income countries is expected to rise to 5.7 percent in 2018 and to an average of 6.1 percent in 2019-20, from 5.5 percent in 2017. This upswing reflects rising mineral production, spurred by higher oil and metals prices, improving agricultural output and continued infrastructure investment. Growth among non-resource-intensive countries is expected to remain robust, supported by increasing agricultural production, high public investment levels, and rising remittance flows, with the larger economies expanding at a faster pace. The poverty headcount among LICs is projected to decrease only modestly, and decline most slowly among fragile countries.

Outlook for India

According to the Report, India's GDP growth bottomed out in the middle of 2017 after slowing for five consecutive quarters, and has since improved significantly, with momentum carrying over into 2018 on the back of a recovery in investment.

Annual Estimates and Forecasts

Countries	2015	2016	2017	2018	2019	2020
South Asia	7.1	7.5	6.6	6.9	7.1	7.2
Afghanistan	1.3	2.4	2.6	2.2	2.5	3.3
Bhutan	6.2	7.3	7.4	5.8	5.4	6.0
India	8.2	7.1	6.7	7.3	7.5	7.5
Maldives	2.2	6.2	6.2	5.5	4.5	4.9
Nepal	3.3	0.6	7.9	6.3	4.5	4.2
Pakistan	4.1	4.6	5.4	5.8	5.0	5.4
Sri Lanka	5.0	4.5	3.1	4.8	4.5	4.5

India has overcome the temporary disruptions caused by the implementation of the Goods and Services (GST) by mid 2017, and manufacturing output and industrial production have continued to firm. Per capita growth are expected to help bring down poverty in the coming years. The Bank said that India's fiscal balances have deteriorated, there has been a continuous buildup of debt, the current account deficit has widened.

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Warm regards,

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