

## IMF World Economic Outlook (WEO), January 2021

**Global Economy is projected to expand by (+)5.5 % in 2021.  
India to grow at a rate of 11.5% in 2021 and 6.8% in 2022.**

**Projected Global Economy Growth: (+)5.5% in 2021 and (+)4.2 % in 2021.**

- According to the flagship report of IMF - '**World Economic Outlook**' released on 26<sup>th</sup> January 2021, the global economy is projected to expand by (+)5.5% in 2021. **(Table)**.
- In 2022 the economy is projected to grow by 4.2% mainly due to the assumption that strong policy support and vaccine development will lift economic activity **(Table)**.

**Projected Growth in Advanced Economies is (+)4.3% and EMDEs (+)6.3% in 2021.**

- **Advanced Economies** are projected to expand by (+)4.3% in 2021 which includes the USA (+5.1%), Japan (+3.1 %), the United Kingdom (+4.5%), Germany (+3.5 %), France (+5.5%), Italy (+3.0 %), and Spain (+5.9 %).
- The group of **emerging market and developing economies (EMDEs)** is projected to expand by +6.3% in 2021.
- *India is expected to record a rich growth of 11.5% in 2021 as against 8.8% predicted in WEO, October 2020.*

**Projected Growth in Global Trade is (+) 8 % in 2021 and (+) 6 % in 2022.**

- Global trade volumes are forecasted to grow about 8 per cent in 2021, before moderating to 6 % in 2022 which is consistent with a recovery in global activity. The services trade is expected to recover more slowly than merchandise trade volumes due to subdued cross border tourism and business travel.

**IMF highlights factors that would determine the economic outcomes.**

- The Fund clearly states that there is exceptional uncertainty around the global growth forecast and economic outcomes would depend on factors.
  - a. the path of the pandemic
  - b. Vaccines, therapies, and efficacy of containment efforts,
  - c. Rising commodity prices
  - d. Supportive financial conditions
  - e. Additional Fiscal policy support

**Table**  
**Overview of the World Economic Outlook Projections**  
 (% change)

Particulars	2020	Projections	
		2021f	2022f
World Output	-3.5	5.5	4.2
<b>Advanced Economies</b>	<b>-4.9</b>	<b>4.3</b>	<b>3.1</b>
USA	-3.4	5.1	2.5
Euro Area	-7.2	4.2	3.6
Germany	-5.4	3.5	3.1
France	-9.0	5.5	4.1
Italy	-9.2	3.0	3.6
Spain	-11.1	5.9	4.7
Japan	-5.1	3.1	2.4
UK	-10.0	4.5	5.0
Canada	-5.5	3.6	4.1
Other Advanced Economies*	-2.5	3.6	3.1
<b>Emerging Market and Developing Economies</b>	<b>-2.4</b>	<b>6.3</b>	<b>5.0</b>
<b>Emerging and Developing Asia</b>	<b>-1.1</b>	<b>8.3</b>	<b>5.9</b>
China	2.3	8.1	5.6
India**	-8.0	11.5	6.8
ASEAN-5***	-3.7	5.2	6.0
<b>Emerging and Developing Europe</b>	<b>-2.8</b>	<b>4.0</b>	<b>3.9</b>
Russia	-3.6	3.0	3.9
<b>Latin America and the Caribbean</b>	<b>-7.4</b>	<b>4.1</b>	<b>2.9</b>
Brazil	-4.5	3.6	2.6
Mexico	-8.5	4.3	2.5
<b>Middle East and Central Asia</b>	<b>-3.2</b>	<b>3.0</b>	<b>4.2</b>
Saudi Arabia	-3.9	2.6	4.0
<b>Sub-Saharan Africa</b>	<b>-2.6</b>	<b>3.2</b>	<b>3.9</b>
Nigeria	-3.2	1.5	2.5
South Africa	-7.5	2.8	1.4

Source: IMF, \*Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries \*\*For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with the fiscal year 2011/12 as a base year. \*\*\* Indonesia, Malaysia, Philippines, Thailand, Vietnam.

f = forecast

**Analysis By:** GJEPC Statistics Team

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