

IMF World Economic Outlook (WEO), April 2021

Global Economy is projected to expand by (+) 6 % in 2021.

India to grow at a rate of 12.5% in 2021 and 6.9% in 2022.

Projected Global Economy Growth: (+) 6% in 2021 and (+)4.4 % in 2022.

- ➔ According to the flagship report of IMF - '**World Economic Outlook**' released on 6th April 2021, the global economy is projected to expand by (+) 6 % in 2021 reflecting additional fiscal support in a large few economies, the anticipated vaccine powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. **(Table)**.
- ➔ In 2022 the economy is projected to grow by 4.4 % **(Table)**.

Projected Growth in Advanced Economies is (+)5.1 % and EMDEs (+)6.7 % in 2021.

- ➔ **Advanced Economies** are projected to expand by (+)5.1 % in 2021 which includes the USA (+6.4 %), Japan (+3.3 %), the United Kingdom (+5.3 %), Germany (+3.6 %), France (+5.8%), Italy (+4.2 %), and Spain (+6.4 %).
- ➔ The group of **emerging markets and developing economies (EMDEs)** is projected to expand by +6.7% in 2021.
- ➔ **India is expected to record a rich growth of 12.5% in 2021 as against 11.5 % predicted in WEO, January 2021.**

Projected Growth in Global Trade is (+) 8.4 % in 2021 and (+) 6.5 % in 2022.

- ➔ Global trade volumes are forecasted to grow about 8 per cent in 2021, before moderating to 6 % in 2022 due to the rebound in merchandise trade volumes. The services trade is expected to remain subdued until the pandemic is brought under control

IMF highlights factors that would determine the economic outcomes.

- ➔ The Fund clearly states that there is high uncertainty around the global growth forecast and economic outcomes would depend on factors.
 - a. the path of the Health crisis
 - b. Vaccines, therapies, and their efficacy towards new Covid-19 strains.
 - c. Effectiveness of policy actions to limit economic damage
 - d. Commodity prices and Evolution of financial conditions
 - e. Adjustment capacity of the economy

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

Particulars	2020	Projections	
		2021f	2022f
World Output	-3.3	6	4.4
Advanced Economies	-4.7	5.1	3.6
USA	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
France	-8.2	5.8	4.2
Italy	-8.9	4.2	3.6
Spain	-11	6.4	4.7
Japan	-4.8	3.3	2.5
UK	-9.9	5.3	5.1
Canada	-5.4	5	4.7
Other Advanced Economies*	-2.1	4.4	3.4
Emerging Market and Developing Economies	-2.2	6.7	5
Emerging and Developing Asia	-1	8.6	6
China	2.3	8.4	5.6
India**	-8	12.5	6.9
ASEAN-5***	-3.4	4.9	6.1
Emerging and Developing Europe	-2	4.4	3.9
Russia	-3.1	3.8	3.8
Latin America and the Caribbean	-7	4.6	3.1
Brazil	-4.1	3.7	2.6
Mexico	-8.2	5	3
Middle East and Central Asia	-2.9	3.7	3.8
Saudi Arabia	-4.1	2.9	4
Sub-Saharan Africa	-1.9	3.4	4
Nigeria	-1.8	2.5	2.3
South Africa	-7	3.1	2

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

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