

World Bank: Global Economic Prospects report

June 30, 2020

Why is it in the news?

- The World Bank has released the 2020 Global Economic Prospects report.

Highlights

Report on Global and Regional Growth:

- The Global growth is set to rise by 2.5% this year from 2.4% in 2019 as trade and investment gradually recover.
- The growth among advanced economies as a group is anticipated to slip to 1.4% in 2020 due to continued slowdown in the manufacturing sector.
- But the growth in emerging markets and developing economies is expected to accelerate to 4.1%. However, this growth is not broad-based as the improvement in performance is likely to come from a small group of large economies
- The report also estimates growth to rise to 5.5% for the South Asian region as a whole in 2020 on the assumption of a modest rebound in domestic demand and improved business confidence.

Report on India:

- The report has lowered its growth estimate for India to 5% for the current fiscal from the earlier projection of 6% for 2019-20.
- The report cited a lingering weakness in credit from non-banking financial companies (NBFCs) as the main cause for the slowdown. However, the report expects India's growth to recover only slightly to 5.8% in the next

fiscal year