

World Economic Outlook

July 3, 2020

- The World Economic Outlook (WEO) is an IMF report that provides analysis and forecasts of economic developments and policies in its member countries.
- The report encapsulates state of the global economy and highlights risks and uncertainty that threaten growth

Recent report- Highlights

Report on Global Growth:

- The report has reduced its global growth projection to 2.9 percent in 2019, 3.3 percent in 2020 and 3.4 percent for 2021.
- The global growth forecasts has been reduced due to sharper than expected slowdowns in India and other emerging markets.
- But the report has said that a US-China trade deal is an expected sign that trade and manufacturing activity may soon recover.

Concerns:

- Rising geopolitical tensions between the United States and Iran could disrupt global oil supply, hurt sentiment and weaken business investment.
- Social unrest across many countries could disrupt activity, complicate reform efforts and weaken sentiment dragging the growth lower than projected.

Report on India:

- The report has revised downward India's gross domestic product (GDP) growth projection to 4.8% for the financial year 2020 (FY20) and 5.8% for FY21.
- The downward is attributed to the current slowdown in

the country, stress in the non-bank financial sector and weak rural income growth.

- However, the growth is expected to pick up to 6.5 percent in FY22, supported by monetary and fiscal stimulus as well as subdued oil prices.