IMF Growth Forecast

Why in news?

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IMF has released the latest update of the World Economic Outlook ahead of the World Economic Forum.

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What are highlights?

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- **India** - India is projected to grow at 7.4% in FY19 as against 6.7% this year.
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- This is projected to gain pace to grow at 7.8% in FY20.
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- India has slipped behind China this year in tax collections owing to disruption caused by demonetisation and GST.
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- The forecast will help India regain the tag of fastest-growing major economy, backing the government's economic revival theme.
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- Notably, stock markets have been surging recently, hitting successive records.
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- This is encouraged by the economic revival prospects and corporate earnings optimism, apart from other factors.
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- **Other countries** - In the current year, China will grow 6.8%, just ahead of India but will slip to 6.6% next year.
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- The US is forecast to grow 2.7% and 2.5% in 2018 and 2019, respectively, slightly higher than earlier estimates.
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- **Global** - The IMF noted that 2017 saw the best global growth in seven years.
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- The global economy is expected to grow 3.9% this year, faster than 3.7% forecast earlier in October.

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- The revision in global growth forecasts reflects increased global growth momentum and positive impact of US tax policy changes.
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- Shared priorities across all economies include implementing structural reforms to boost potential output and making growth more inclusive.
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Source: Economic Times

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