

# IMF cuts emerging Asia, India growth forecasts

## Fund sees India GDP growth at 9.5%

REUTERS  
TOKYO

The International Monetary Fund on Tuesday cut this year's economic growth forecast for emerging Asia, including India, as a spike in coronavirus cases from new variants and slow vaccinations cloud the region's recovery prospects.

The downgrade, which contrasted with an upward revision in the IMF's forecast for advanced nations, highlights the divergence emerging across countries on the pace of recovery from the pandemic's hit.

In an update **to its World Economic Outlook (WEO)**, the IMF forecast emerging Asia will grow 7.5% this year, down 1.1 percentage points from its projection in April.

That was a much bigger downgrade than a 0.4 point



**Growth prospects in India have been downgraded following the severe second COVID wave**

mark-down for emerging economies across the globe.

"Growth prospects in India have been downgraded following the severe second COVID wave during March-May and expected slow recovery in confidence from that setback," the IMF said.

"Similar dynamics are at work in the ASEAN-5 group... where recent infection waves are causing a drag on activity," it said.

The IMF cut this year's growth forecast for India by 3 percentage points to 9.5%.

China's forecast for 2021 was revised down 0.3 point to 8.1%.