

Sansad TV Perspective: Global Economic Outlook

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: **Global Economic Outlook**

Video link: <https://youtu.be/7CVo74QmpXw>

Anchor - Teena Jha

1. Prof. Charan Singh, CEO, E-Grow Foundation
2. Alexander Stater, Ambassador, India-US Business Council
3. Dr. S.P Sharma, Economist

Context: The International Monetary Fund (IMF) has released the [World Economic Outlook](#) Report.

What is the World Economic Outlook?

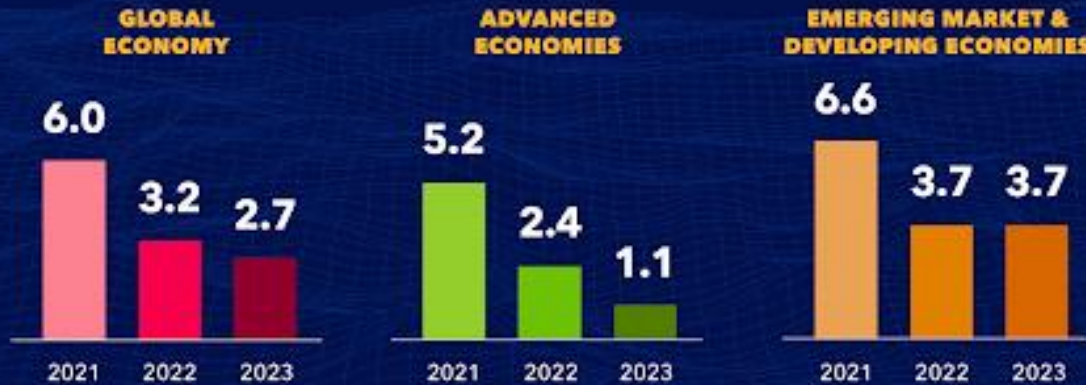
- World Economic Outlook is a report published by the **International Monetary Fund (IMF)** **twice a year**.
- This report analyses global economic development in the near and medium term.

Key findings of the report:

- The report suggests that **one-third of the world's economy would be in recession** in 2023 as the major economies of the world are facing a huge crisis.
- The year 2023 will be tougher than last year because the economies of the US, the EU and China will slow down.
- Global growth is forecast to slow from **6 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023**. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the [COVID-19 pandemic](#).
- The rate of **inflation growth would be higher** across the major economies of the world.
- Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.

WORLD ECONOMIC OUTLOOK OCTOBER 2022

GROWTH PROJECTIONS



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GDP projections by IMF

World Economic Outlook released today shows Indian economy to grow at 6.8%, lower than it previous projection of 7.4%

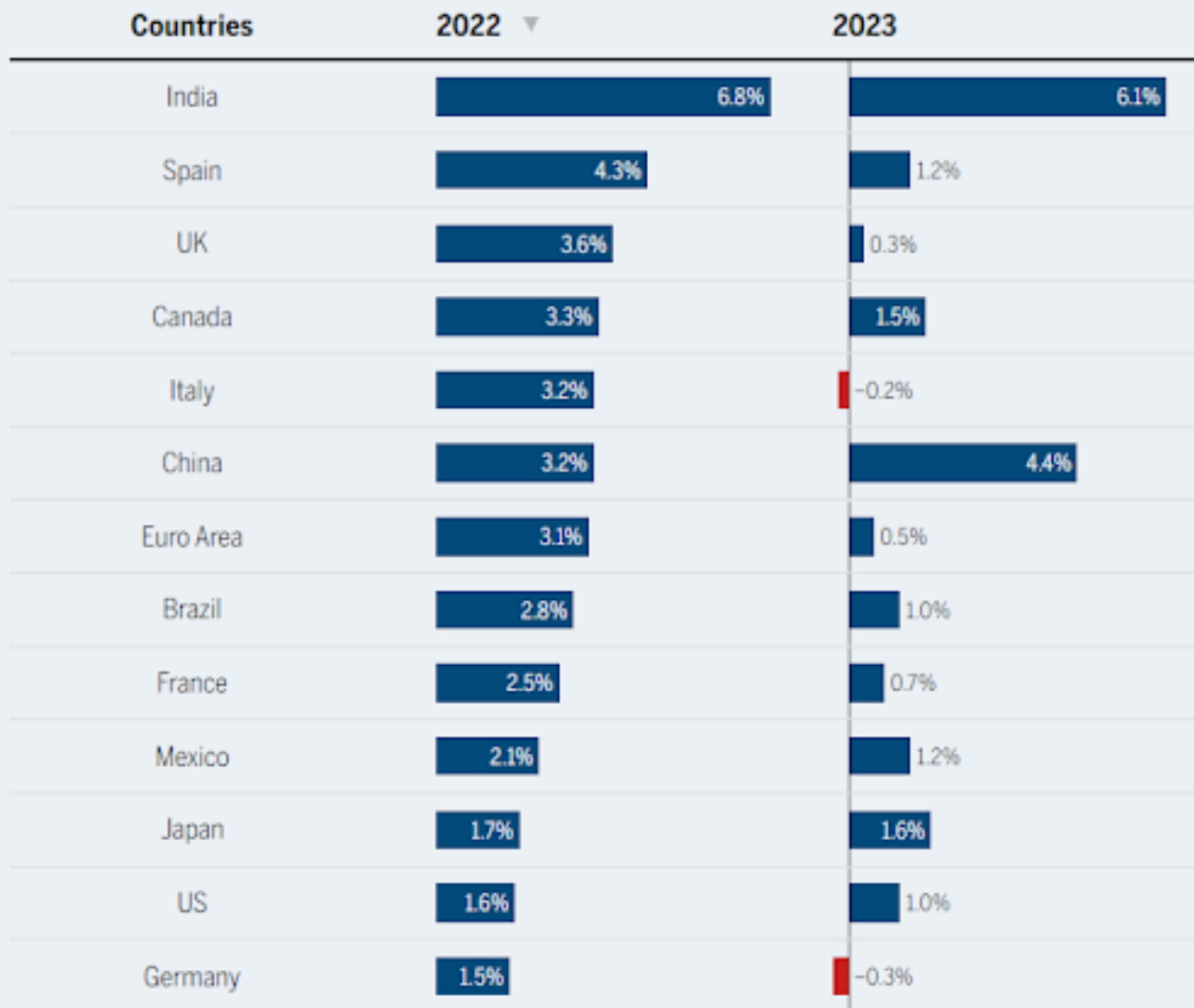


Image source: IMF

India's growth trajectory:

- It cut its forecast for India's [Gross Domestic Product](#) (GDP) growth in 2022 to 6.8%, from 7.4% for India in the fiscal year that started in April 2022.
- For 2023, India has been projected to grow at 6.1%.

Reasons for the grim picture:

- The IMF cites **the Ukraine war, record-high inflation and the effects of the pandemic** as key reasons for the pessimistic growth of the global economy.
- Re-emergence of the COVID crisis in China and its related ramification could push the world towards greater uncertainty.

Way forward:

- With proper **modulation of both monetary and fiscal policy**, the current uncertainty can be controlled to a greater extent.
 - Steps need to be taken to curb the overspread of the COVID crisis.
 - The global supply chain must be made robust so that it does not get affected due to ongoing challenges in the world.
 - An immediate solution to the Russia-Ukraine war must be found in order to avert the worst scenario of economic crisis.
 - Steps must be taken to **fight against inflation. This can be done by increasing the inflation rate, cutting supply-side barriers, and fixing loopholes.**
 - The world must develop consensus over prompt remedial action against climate change otherwise it will eventually have catastrophic impacts on health and economic outcomes the world over.
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