Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

A review of the various national economies is provided below:

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with USD1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2% in 2017.

Eurozone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all eurozone economies and sectors. (Source: WEO January 2018, Focus Economics)

China: The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. For the full year, China's growth is estimated at 6.9%, its highest since 2010. Private firm investments rose 6% in 2017 from 3.2% in 2016. Disposable income growth picked up to 7.3% in 2017 from 6.3% in 2016. Consumption should outpace investment and demand for services could remain strong (52% of economic output). China's exports rose 6.9% from the previous year to $188.98 billion in October 2017. (Source: WEO, NBS)

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

GCC: GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. GDP growth remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economy. Regional growth is projected to increase steadily after 2017, to 3% in 2018 and 3.2% by 2020, following acceleration among oil exporters and importers, moderated geopolitical tension and rise in oil prices. (Source: World Bank)

Russia: The economy appeared to have exited a two-year recession that, thanks to the authorities' effective policy response and existence of robust buffers, proved shallower-than-past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

Brazil: In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%. According to the Brazilian Institute of Geography and Statistics (IBGE), a decline in inflation (inflation was 3.5% in 2017 as compared to 8.7% in 2016) also contributed to economic growth.

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to USD 414 billion as on January 2018. (Source: CSO, economic survey 2017-18)