

# 'India to Make S Asia the Fastest Growing'

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## Our Bureau

**New Delhi:** India's recovering growth will drive South Asia to the fastest growing region, said World Bank's biannual South Asia Economic Focus released on Sunday.

India is forecast to grow 7.3% in the current fiscal and 7.5% the next year, while South Asia will grow 6.9% in 2018 and 7.1% in 2019, the report said.

It said while demonetisation and the goods and services tax (GST) are expected to increase the formalization of payments and the efficiency of transactions in India, they both created short-term disruptions in economic activity.

"India's economy has bottomed out from the deceleration caused by one-time policy events such as demonetization and GST introduction," the report said.

Private consumption will remain the primary driver of

growth while the services sector and, increasingly, the industrial sector will lead production growth.

The report did not agree with the notion that the region has 'jobless growth'.

It analysed data from 2001 onwards and concluded that employment does respond to economic growth in the short term, implying that growth is not jobless. "Every month, the working age increases by 1.3 million people and India must create 8.1 million jobs a year to maintain its employment rate, which has been declining

 based on employment data analysed from 2005 to 2015, largely due to women leaving the job market," it said.

"It also appears that countries in South Asia have created large numbers of jobs over the years," it said but concluded that the nature of the jobs created is not fully encouraging.

Rapid growth alone will not be sufficient to bring South Asian employment rates to the levels observed elsewhere in the developing world, the report added.

"In addition to high growth, more and better jobs need to be created for every percentage point of growth," it said.