

ADB Projects India's Growth at 7.3% in 2018

Asian Development Bank (ADB) President Takehiko Nakao said India's growth in 2018 would pick up to 7.3%.

Addressing the opening session of the board of governors at the 51st ADB annual meeting here on Saturday, Nakao said despite operational challenges, Asia and the Pacific was well positioned to sustain its growth momentum, supported by robust private consumption and investment, and anchored by sound macroeconomic policies and structural reforms.

"China is expected to grow by 6.6% in 2018, even as its growth continues to gradually moderate. In India, growth should pick up to 7.3%. The Association of Southeast Asian Nations region, with a large population of 650 million, is continuing to grow at 5.2%. The recent rebound in oil prices has helped relieve fiscal pressures in oil-producing economies in Central Asia," he said.

On the growth perspective for the region, Nakao said active trade and foreign direct investment were the foundation of

Asia's economic success, and essential for continuing solid growth. "Developing Asia grew by 6.1% in 2017, and we expect growth will be 6% in 2018. Excluding the four newly industrialised economies of Hong Kong, China; Republic of Korea; Singapore; and Taipei, China, developing Asia's rate of growth is expected to be 6.5% in 2018. Despite current disputes among some countries, we firmly believe that countries should make utmost efforts to maintain and foster an open multilateral trade system," he added.

ADB's Chief Economist Yasuyuki Sawada said despite the short-term costs, the benefits of reforms – such as the GST – would propel India's growth. Robust foreign direct investment flows attracted by liberalised regulations and the government's steps to improve the ease of doing business will further bolster growth, he added. The bank projected inflation to inch up to 4.6% in FY2018 and 5% in FY2019, driven by further firming of global commodity prices and strengthening of domestic demand.

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