

1. South Asia Economic Focus: Expanding Opportunities: Toward Inclusive Growth

Why in News?

- The World Bank has recently released a report titled “South Asia Economic Focus: Expanding Opportunities: Toward Inclusive Growth,” which provides an economic forecast for India, Sri Lanka, and Pakistan.

Highlights

- India’s growth rate has been downgraded to 6.3% for FY 2023-24, and the report cites high borrowing costs and slower income growth as the primary reasons for this downgrade.
- The female labour participation rate and the size and productivity of the informal sector are also concerns in India.
- However, the services sector and the construction sector are the fastest-growing industries in India, with strong investment growth and high business confidence.
- India’s growth rate is expected to grow at 6.4% in FY 2024-25, which is an upgrade of 0.3 % points from the previous forecast.
- The outlook for Sri Lanka and Pakistan is bleak, with Sri Lanka experiencing a contraction of -4.3% in 2023 and negotiating a USD 3 billion loan from the IMF, while Pakistan is forecasted to have a growth rate of 0.4% for the year ending June 30, 2023.
- The development objectives of Energy Efficiency Scale-up Program for India are to scale up energy savings in residential and public sectors, strengthen Energy Efficiency Services Limited’s (EESL) institutional capacity, and enhance its access to commercial financing.
- The project aims to connect unconnected habitations with all-weather roads. Key to the program is an all-weather access to the respective roads.
- The Government of India and the World Bank today signed a USD 650 million agreement for faster and more efficient movement of raw materials and finished goods between the north and eastern parts of India.