



Embassy of Italy
New Delhi

ITALY IN INDIA

Webinar

"Financial Tools for Italian
Investments in India"

24 April 2020














IMF GROWTH PROJECTIONS IN 2020

Corona Impact IMF World Economic Outlook

GDP Growth Projections

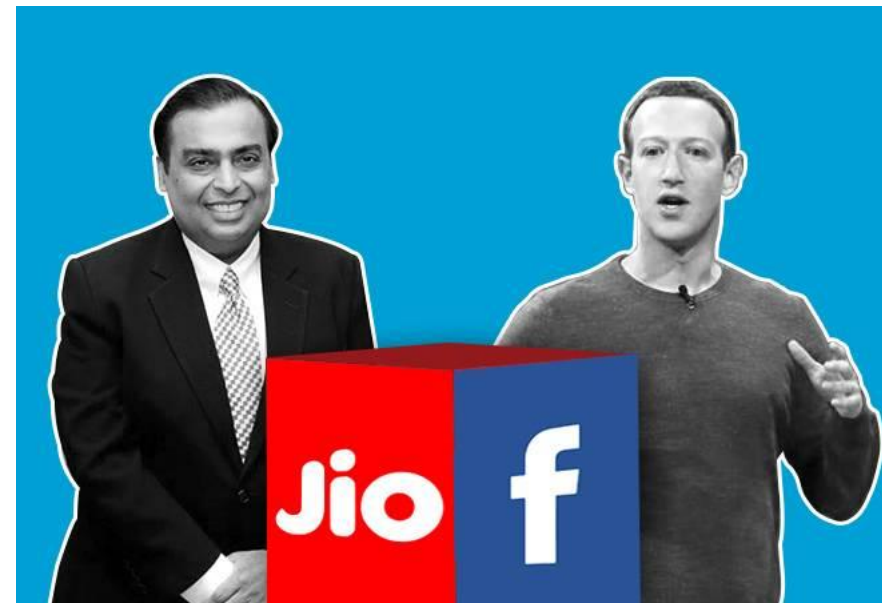
The COVID-19 pandemic will severely impact growth across all regions

Projections

(Real GDP, annual percentage change)	2019	2020	2021
World	2.9	-3.0	5.8
Advanced Economies	1.7	-6.1	4.5
 United States	2.3	-5.9	4.7
 Euro Area	1.2	-7.5	4.7
 Japan	0.7	-5.2	3.0
Emerging Market and Developing Economies (EMDEs)	3.7	-1.0	6.6
 China	6.1	1.2	9.2
 India	4.2	1.9	7.4
 Russia	1.3	-5.5	3.5
 Brazil	1.1	-5.3	2.9
 Saudi Arabia	0.3	-2.3	2.9
 Pakistan	3.3	-1.5	2.0
 Bangladesh	7.9	2.0	9.5
 South Africa	0.2	-5.8	4.0

India's growth on fiscal basis (2020 denotes 2020-21)

- According to the IMF India will be the **best performing G20 economy in 2020**.
- On April 21° Facebook made a **\$5.7 billion** investment in Jio Platforms Limited, owned by Reliance Industries.



ECONOMIC SCENARIO



Manager's Index (PMI) slipped to **51.8** in March (from 55.3 in January).

- Foreign Exchange Reserves **\$475 billion**

SOME DATA

Expected decline in remittances by **23%** (World Bank) from \$83 bln to \$64 bln.

-25% electricity consumption compared to Dec. 19 (Energy Policy Institute University of Chicago)

- Export **-34.6% ***
- Import **-28.7% ****

* \$21.41 bln from \$32.72 bln in March 2019

** \$31.16 bln from \$43.70 bln in March 2019

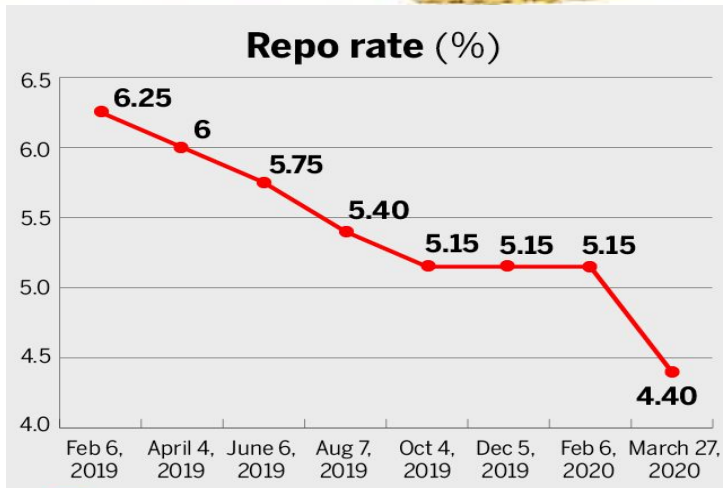
- Consumers' inflation down to **5.9%** in March compared to 6.58% in February.

Measures taken by India



HUMANITARIAN AID & MONETARY AND FINANCIAL MEASURES

- **\$22.6 billion economic stimulus plan (=0,8% GDP)** providing direct cash transfers and food security measures.
- **New measures to be adopted** to support MSMEs.



- Reverse repo rate slashed by 25 bps to 3.75% (rate at which RBI borrows money from commercial banks). Policy repo rate unchanged at 4.40% (rate at which RBI lends money to the commercial banks).
- Targeted long term repo operations (TLTRO II) worth \$13 bln
- Banks exempted from making dividend payout for 2019-2020.
- Liquidity Coverage Ratio requirement of banks from 100% to 80%

«Today's announce by @RBI will. Greatly enhance liquidity and improve credit supply. These steps would help our small business, MSMEs, farmers and the poor. It will also help all States by increasing WMA limits»

