



KAMARAJ IAS ACADEMY
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IMF Says India Remains a Key Driver of Global Economic Growth

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The International Monetary Fund (IMF) has stated that India continues to be a key driver of global economic growth, despite rising global uncertainties arising from geopolitical tensions and trade disruptions. In its latest assessment, the IMF retained India's GDP growth forecast at 6.5% for FY 2026–27, maintaining the upward revision made in its earlier World Economic Outlook (April 2026). ?

The IMF also estimated that India's economy grew by 7.6% in FY 2025–26, reflecting strong domestic demand and macroeconomic resilience.

The IMF noted that India's economy remains supported by strong private consumption, public investment, digital transformation, and structural reforms. However, it cautioned that higher global energy prices, geopolitical conflicts, and trade uncertainties could put upward pressure on inflation and pose risks to future growth.

Why is it Important?

Reinforces India's position as one of the fastest-growing major economies.

Highlights India's growing contribution to global economic growth.

About the International Monetary Fund (IMF)

Established: 1944 (Bretton Woods Conference)

Began operations: 1945

Headquarters: Washington, D.C., USA

Current Managing Director: Kristalina Georgieva

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Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040
Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

Members: 191 countries

Functions of IMF

Promotes global monetary cooperation

Ensures financial stability

Facilitates international trade

Provides policy advice and financial assistance

Publishes the World Economic Outlook (WEO) and Global Financial Stability Report (GFSR)

Additional Key Facts

World Economic Outlook (WEO)

Published twice a year by the IMF.

Provides projections on:

Global GDP growth

Inflation

Trade

Fiscal and monetary trends

India's Growth Drivers

According to the IMF, India's growth is supported by:

Strong domestic consumption

Government capital expenditure

Expanding digital economy

Manufacturing and services growth

Demographic dividend

Risks to Growth

Volatile crude oil prices

Global conflicts and geopolitical tensions

Supply chain disruptions

Inflation and external demand slowdown

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Exam Focus Points (Quick Revision Notes)

Organisation in News ? International Monetary Fund (IMF)

India's FY 2026–27 Growth Forecast ? 6.5%

Estimated FY 2025–26 Growth ? 7.6%

Headquarters of IMF ? Washington, D.C., USA

Managing Director ? Kristalina Georgieva

Flagship IMF Report ? World Economic Outlook (WEO)

India's Role ? Key driver of global economic growth