



**KAMARAJ IAS ACADEMY**  
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# World Bank Raises India's Growth Forecast to 6.6%

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The World Bank has revised India's GDP growth forecast upward to 6.6% for FY 2026–27, compared to its earlier estimate of 6.3%. The revision reflects confidence in India's economic resilience despite global uncertainties.

## Key Highlights of the Report:

### India's growth expected at:

7.6% in FY 2025–26

6.6% in FY 2026–27

India continues to remain the fastest-growing major economy and the main driver of South Asia's growth

South Asia's overall growth projected to slow to 6.3% in 2026 due to global challenges

### Reasons for Upward Revision:

Strong domestic demand and private consumption

Stable inflation trends

Improved export performance

Policy measures such as GST rationalisation and trade agreements (FTAs)

### Risks and Challenges:

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Despite the positive outlook, the World Bank highlighted several risks:

Middle East/West Asia conflict ? rising oil prices

Global energy market volatility

Possible increase in inflation (food & fuel prices)

Pressure on household income and consumption

Slower global growth affecting exports

### **Regional & Global Context:**

South Asia remains the fastest-growing region among developing economies

However, growth is expected to moderate due to:

Energy import dependence

Geopolitical tensions: Regional growth may recover to ~6.9% by 2027

### **Additional Key Facts:**

World Bank publishes South Asia Economic Update (biannual report)

India is a member of:

World Bank Group

IMF, WTO, G20, BRICS

India's economy:

4th largest (nominal GDP) globally

Driven mainly by services and domestic consumption

GDP growth is measured using real GDP (adjusted for inflation)