



WB Raises India's GDP Forecast to 7%

Source: TH

Recently, the **World Bank** has raised **India's growth forecast for FY25 to 7%** from 6.6%.

- This aligns with forecasts from the [International Monetary Fund \(IMF\)](#) and [Asian Development Bank \(ADB\)](#).
- The [Reserve Bank of India \(RBI\)](#) has also projected India's GDP to grow at 7.2% in FY25.
- The World Bank expects a gradual **rise in private investment and a recovery in consumption**, but highlights unemployment as a key challenge to India's economic growth.
- While **urban female unemployment** has improved to **8.5%** in early FY 24-25, **urban youth unemployment** remains high at **17%**.

// **INTERNATIONAL MONETARY FUND**

- Estd. - 1944 (UN Bretton Woods Conference following Great Depression 1930s)
- Headquarters - Washington, DC, USA
- Functions -
 - » Global financial assistance
 - » Facilitate international trade
 - » Financing for developing countries
 - » Promotion of exchange rate stability
- Member States - 190 (India a founding member)

India's FM is the ex-officio Governor on the Board of Governors of IMF

- Special Drawing Rights (SDR) -
 - » IMF's intl. reserve asset to supplement the official reserves of its member countries (not a currency)

Currencies in SDR Basket - \$, €, £, ¥ (Yen) and CN¥ (Renminbi)

- IMF Quotas -
 - » Reflects a member country's relative position in world economy (India – 2.75%)
 - » Denominated in SDRs
- Flagship Publications -
 - » World Economic Outlook
 - » Global Financial Stability Report
 - » Fiscal Monitor
 - » External Sector Report

World Bank Group (WBG)

- Estd. - Same as IMF
- Headquarters - Washington, DC, USA

5 Institutions of WBG (estd.)

- International Bank for Reconstruction and Development (IBRD) aka **World Bank (1944)**
- International Finance Corporation (IFC) (1956)
- International Development Association (IDA) (1960)
- International Centre for the Settlement of Investment Disputes (ICSID) (1966)
- Multilateral Guarantee Agency (MIGA) (1988)

Membership of IMF is a prerequisite for membership of IBRD

Functions

- Provide loans, credits, and grants
- Investment, advice, asset management to companies/govts.
- Low/No-interest loans to **Low-income countries**
- Settle investment-disputes
- Insure lenders/investors against political risks

- Member States - 189 (India a founding member of IBRD, IFC & IDA)
 - » Ending extreme poverty by 2030

India is not a member of ICSID; claims it biased towards developed countries

- Major Publications -
 - » Human Capital Index
 - » World Development Report

  Drishti IAS

Read more: [World Bank Forecasts India's Economic Growth Rate](#)

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