



UPSC &amp; STATE PCS CURRENT AFFAIRS · UJIYARI.COM

**DAILY CURRENT AFFAIRS**

# World Bank South Asia Economic Update April 2026 — India GDP at 7.6%, South Asia's Fastest-Growing Region

25 April 2026 · **ECONOMY** · **IR** · **GS3** · **GS2**

CURATED &amp; WRITTEN BY

**Bharat Choudhary**

UPSC Educator &amp; Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)**ALSO FROM THE CREATOR****BharatNotes**Free UPSC notes, MCQs, PYQ analysis. **100% Free.**[bharatnotes.com](http://bharatnotes.com) →**ADVERTISE****Advertise with Ujiyari**

Reach thousands of UPSC aspirants daily.

[epicbharat@gmail.com](mailto:epicbharat@gmail.com)

# World Bank South Asia Economic Update April 2026 — India GDP at 7.6%, South Asia's Fastest-Growing Region

25 April 2026 · 3 min read · 3 tags

## WHY IN NEWS

The **World Bank** released its **South Asia Economic Update (SAEU) — April 2026**, themed “*Working with Industrial Policy*”, projecting India’s GDP growth at **7.6% for FY2025-26** — the highest among major economies — but moderating to **6.6% in FY2026-27** due to Middle East conflict-driven energy price pressures. South Asia as a region grew at **7% in 2025** and is projected to slow to **6.3% in 2026**, remaining the world’s **fastest-growing EMDE** (Emerging Market and Developing Economy) region.

## INDIA’S GDP — KEY NUMBERS

INDICATOR	DATA
India GDP growth (FY26 estimate)	<b>7.6%</b>
India GDP growth (FY27 projection)	<b>6.6%</b>
South Asia growth (2025)	7.0%
South Asia growth (2026 projection)	6.3%
South Asia’s global rank	Fastest-growing EMDE region
India’s global rank (nominal GDP)	6th (2025-26, due to rupee depreciation)
India’s global rank (PPP GDP)	3rd

## WHY IS INDIA SLOWING DOWN IN FY27?

RISK FACTOR	IMPACT
<b>Middle East conflict</b>	Higher energy prices → inflation; India imports ~85% of oil
<b>US trade policy (tariffs)</b>	Reduced export competitiveness; lower US IT spending
<b>Weaker external demand</b>	Slower global growth dampens India's exports
<b>Fiscal space constraints</b>	High fiscal deficit limits counter-cyclical spending
<b>Private investment gap</b>	Corporate capex as % of GDP below pre-2008 levels

## INDIA'S RESILIENCE FACTORS

Despite headwinds, World Bank cites why India remains the growth leader:

- 1 **Strong domestic consumption** — urban and rural demand; post-COVID normalisation
- 2 **Foreign exchange reserves** — adequate buffer (~\$680–700 billion)
- 3 **Predominantly rupee-denominated debt** — limited currency mismatch risk
- 4 **Financial sector health** — NPAs at decade-lows; credit growth healthy
- 5 **GST formalisation** — improved tax buoyancy and revenue predictability
- 6 **Centre's capex push** — ₹11.1 lakh crore in FY25 Budget; multiplier effect on infrastructure

## SAEU THEME — "WORKING WITH INDUSTRIAL POLICY"

The **April 2026 SAEU** introduces a focused theme: **Industrial Policy** — active government intervention to direct investment, support strategic industries, and build manufacturing capability. This is a shift from the 1990s Washington Consensus that discouraged industrial policy.

## India's Industrial Policy Tools

TOOL	EXAMPLE
<b>PLI Scheme</b>	₹1.97 lakh crore across 14 sectors — electronics, pharma, solar, textiles
<b>National Manufacturing Mission</b>	Domestic value addition; India in global supply chains
<b>FAME (EVs)</b>	EV production + demand-side incentives
<b>Semiconductor Mission</b>	\$10 billion fund for chip fabrication
<b>Trade policy</b>	Customs duty rationalisation to support Make in India

## WORLD BANK VS OTHER FORECASTS (FY26)

AGENCY	INDIA GDP FORECAST (FY26)
<b>World Bank</b>	<b>7.6%</b>
IMF	~6.4%
UN ESCAP	~6.4%
RBI	6.7%
ADB	6.7%

*Note: Differences arise from methodology and base assumptions on FY25 growth.*

## COMPARABLE COUNTRIES — SOUTH ASIA CONTEXT

COUNTRY	2026 GROWTH PROJECTION
<b>India</b>	<b>7.6% (fastest)</b>
Bangladesh	~5.5%
Pakistan	~3.5% (post-IMF restructuring)
Sri Lanka	~4% (post-debt restructuring)
Nepal	~5%

India's share of South Asia's GDP: ~85%.

## UPSC RELEVANCE

### Prelims

- World Bank SAEU April 2026: India 7.6% FY26, 6.6% FY27
- Theme: *Working with Industrial Policy*
- South Asia: Fastest-growing EMDE region in 2025-26
- Published: April 8, 2026

### Mains

- “Despite being the world’s fastest-growing major economy, India faces structural risks that could erode its growth advantage. Examine.” (GS3)
- Industrial policy revival — state vs market debate; PLI as India’s tool
- Compare World Bank, IMF, RBI growth estimates and why they differ

## FACTS CORNER

FACT	DETAIL
India GDP (FY26)	7.6% — World Bank SAEU April 2026
India GDP (FY27)	6.6% — moderating due to Middle East energy risks
South Asia growth	7% (2025) → 6.3% (2026 projection)
South Asia rank	Fastest-growing EMDE region
Report theme	<i>Working with Industrial Policy</i>
Published	April 8, 2026
Key risk	Middle East conflict → energy price inflation
India resilience	Strong FX reserves, low NPA, domestic consumption, capex push

[← NEWER ARTICLE](#)

[OLDER ARTICLE →](#)

Jan Vishwas (Amendment of Provisions) Act, 2026 —...

India-Japan Defence Export Policy Shift — Mogami-Class...

## RELATED EDITORIALS

---

### INDIAN EXPRESS

[Decriminalising the State — Jan Vishwas Act 2026 and the Long Road to Trust-Based Governance](#)

25 Apr

---

### INDIAN EXPRESS

[Levelling Up — OGAI and the Challenge of Governing India's Online Gaming Ecosystem](#)

25 Apr

---

### THE HINDU

[Nuclear at a Crossroads — SHANTI Act, Private Entry, and India's 100 GW Ambition](#)

25 Apr

---

### INDIAN EXPRESS

[South Asia's Engine — World Bank's Growth Forecast, Industrial Policy, and India's Structural Risks](#)

25 Apr

---

## RELATED KEY TERMS

---

### KEY TERM

[ACNAS](#)

Advisory Committee on National Accounts Statistics — the expert body...

---

### KEY TERM

[Act East Policy](#)

India's strategic foreign policy framework prioritising active...

---

### KEY TERM

[Agri-Photovoltaic](#)

A dual land-use technology that integrates elevated solar panels with...

---

### KEY TERM

[Anti-Dumping Duty](#)

A protective tariff imposed on imports sold below their normal value...

---



CURATED &amp; WRITTEN BY

## Bharat Choudhary

UPSC Educator &amp; Content Creator

[in linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/daily/2026/04/25/world-bank-south-asia-economic-update-india-gdp-2026/>

### ALSO FROM THE CREATOR

## BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → bharatnotes.com](http://bharatnotes.com)

### 📌 OPPORTUNITY

## Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

**Ideal for:** Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · [ujiyari.com](http://ujiyari.com) · [bharatnotes.com](http://bharatnotes.com)