

South Asia regains top spot in growth outlook as economist sentiment flips

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South Asia has regained the top spot in the regional growth outlook, which is good news for India. Nearly two-thirds of chief economists surveyed by the World Economic Forum (WEF) expect strong (60 per cent) or very strong (6 per cent) economic growth in the region.

This marks a sharp turnaround from a similar survey conducted last September, when only 31 per cent of respondents were bullish on South Asia.

The Chief Economists Outlook, released on Monday by the WEF in Davos in collaboration with the Centre for New Economy and Society, is based on a survey of leading chief economists from government and the private sector conducted between November 19 and December 3.

At the global level, the report paints a tougher picture. As many as 53 per cent of economists expect the global economy to weaken over the year ahead. While this is an improvement from last September — when 72 per cent projected further weakening — the report cautions that significant uncertainties remain, despite the global economy's



Growth signals

% share of respondents expecting economic growth

	Very strong	Strong	Moderate, weak or very weak
South Asia	6	60	34
China	0	24	76
US	0	11	89
East Asia and Pacific	0	45	55
Europe	0	3	97

Note: Chart shows five key regions out of the nine;
Source: WEF

relative resilience to recent shocks.

South Asia, however, stands out as a bright spot among emerging economies, with India anchoring the regional outlook despite mounting trade headwinds.

Inflation expectations have also eased. About 69 per cent of economists expect moderate inflation in the region this year, up from 64 per cent in the September survey, while 18 per cent foresee low inflation. The share of respondents expecting high inflation has dropped sharply, from 18 per cent last September to just 3 per cent in the latest survey.

On monetary policy, 68 per cent of respondents expect policy settings to remain unchanged. Mean-

while, 85 per cent — up from 80 per cent in September — do not expect any major changes in fiscal policy this year.

Artificial intelligence (AI) is expected to deliver meaningful productivity gains across South Asia. Half of the economists surveyed believe the region, led by India, will see productivity gains from AI within one to two years. This timeline is comparable to East Asia and the Pacific, where 60 per cent of economists share this view.

South Asia is also seen as better positioned than Europe, where the report suggests it could take up to three years for AI-driven productivity gains to materialise.