



Current Affairs of the Day

India may get a major share of U.S. vaccine exports

Highlights:

1. India expects to secure the biggest chunk of the 60 million AstraZeneca COVID-19 vaccine doses that the U.S. will share globally.
2. The wheels of diplomacy and appeals from WHO and top public health experts changed their thinking and now we have the U.S. ready to send vaccines. India was lobbying hard to get more than 35% of the doses.

ADB sees India grow by 11%, adds a caveat

Clouds loom: The lender sees ‘considerable downside risk’ from the latest COVID wave, says may revise the forecast in July. Risks to outlook tilt to the downside, says ADB, cites vaccine roll-out, financial conditions.

Highlights:

1. The Asian Development Bank has raised its forecast for India’s growth in 2021-22 to 11%, from 8% earlier, even as it warned that failure to control the resurgence of COVID-19 cases including April’s exponential jump poses a “considerable downside risk to the recovery”.
2. In its assessment based on end-March data, the ADB cited this year’s ‘more targeted’ containment measures compared with last year’s ‘large-scale’ national lockdown and said these would prove ‘less costly to the economy, which had seen a strong rebound in recent months’ economic indicators after last year’s ‘big recession’.
3. A stimulus-fuelled surge in the U.S., India’s largest export market, will support the revival, but a severe second COVID-19 wave is threatening the recovery.
4. Another risk is a further tightening of global financial conditions, which would apply pressure on India’s market interest rates and therefore affect economic normalisation,” the ADB warned, adding that a likely pick-up in private investment could be dented as rising bad loans could discourage India’s banks from undertaking fresh lending.
5. The lender sees India’s average inflation rate slowing to 5.2% this year from 6.2% last fiscal, and reverting to 4.8% (recorded in 2019-20), over the succeeding 12 months.