

## India's 2020 Q1 GDP Growth may Fall 40 bps on Covid-19

### INDIA'S LIMITED PRESENCE IN GLOBAL SUPPLY CHAIN A BLESSING IN DISGUISE

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The spread of Covid19 and its collateral damage on the Indian economy could be at the most 40 basis points if China's economy slows down to 1.2 per cent in the January-March'20 quarter, a study by Bloomberg Economics, the market intelligence arm of Bloomberg, showed. This is lower than the impact on Euro Area, Japan or Australia and some emerging market peers such as Hong Kong, Korea and Indonesia. The analysis points out that India's limited presence in global supply chain network could help India with only a marginal impact on its economy and the economy could benefit from the fall in global crude prices and US Treasury bond yields. The initial impact is expected to be the least on Mexico and Spain and the most in Hong Kong and South Korea. Covid19 is slowly spreading to the rest of the world from China and is expected to have adverse economic consequences across the globe.

Source: Bloomberg Economics

