

# Bouncing Back? Indo-Italian Business in the Post-Crisis

## Outlook on Indian Economy

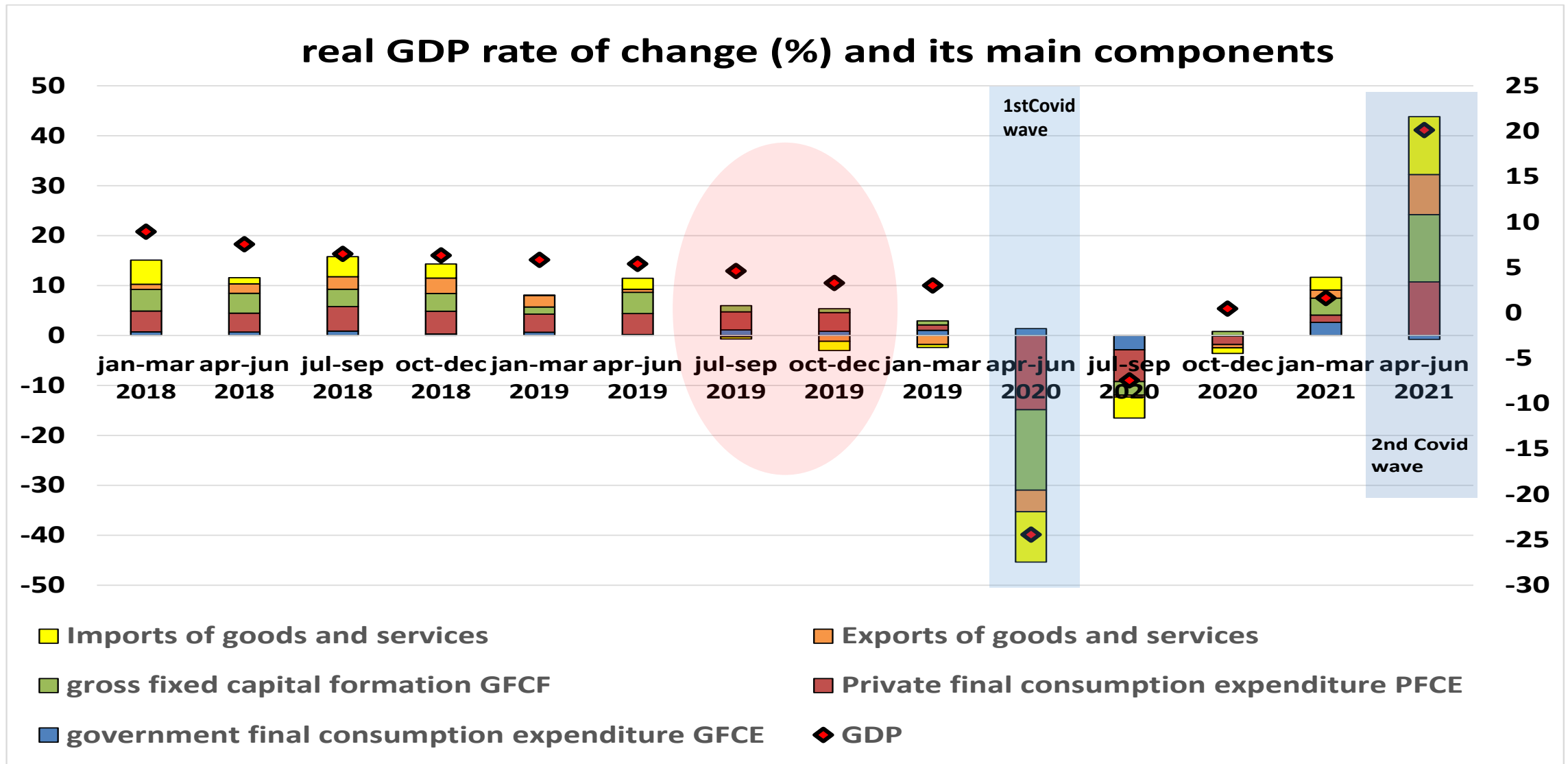
*5th October 2021*

**Giovanni Vittorino**

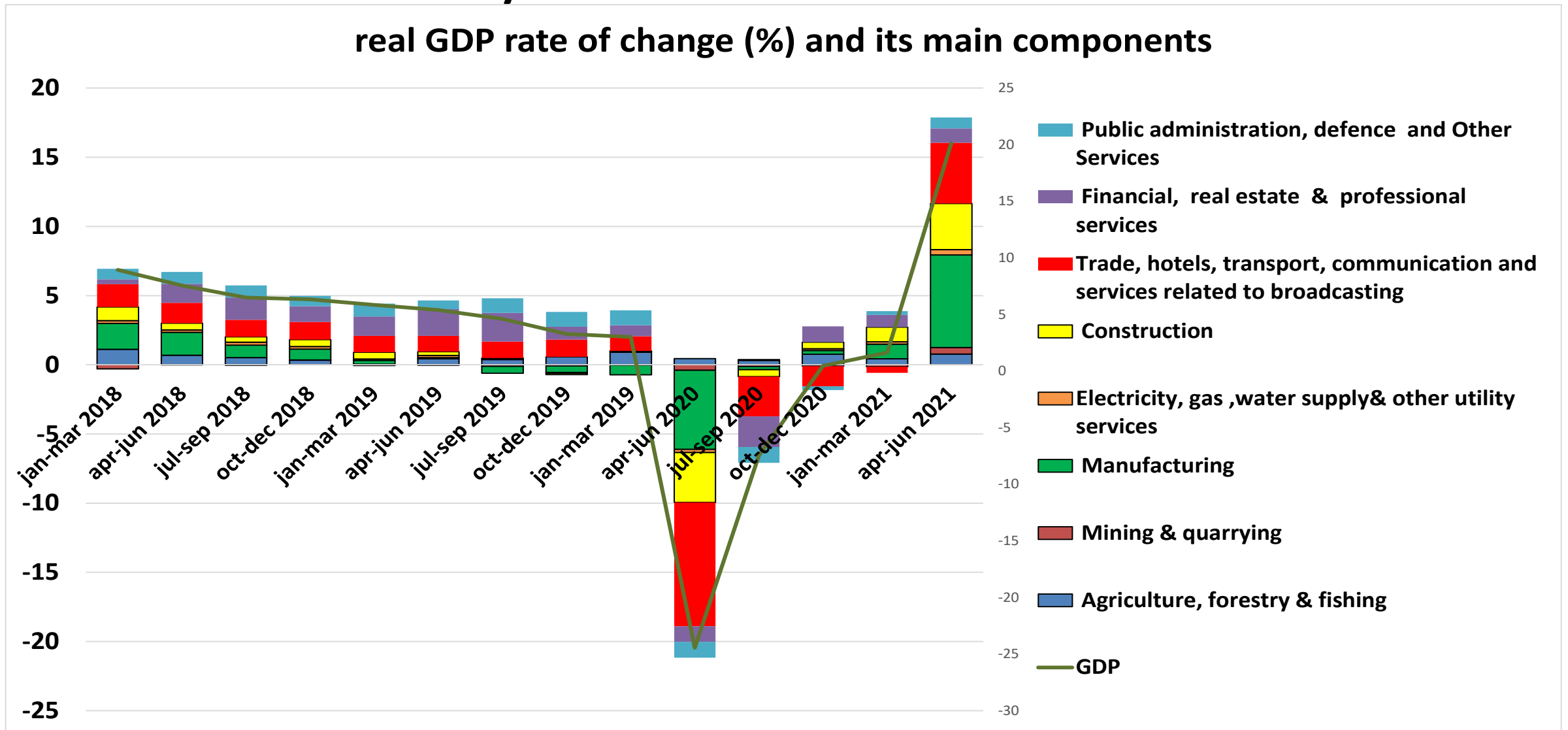
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*Disclaimer: the views set out in this presentation are the presenter's own and do not necessarily reflect the official opinion of the Bank of Italy.*

# Covid-19 hit a struggling economy... In 2021 Q1 the rebound has been substantial especially in trade



**Manufacture** can benefit from recent structural reforms and liberalization while **service sector** has the potential to contribute much more to economic recovery when international travel ban will be lifted





**IMF (WEO, July 2021) Exps for GDP**  
**9.5%** in FY21-22 (apr-mar) vs **8.5%** FY22-23

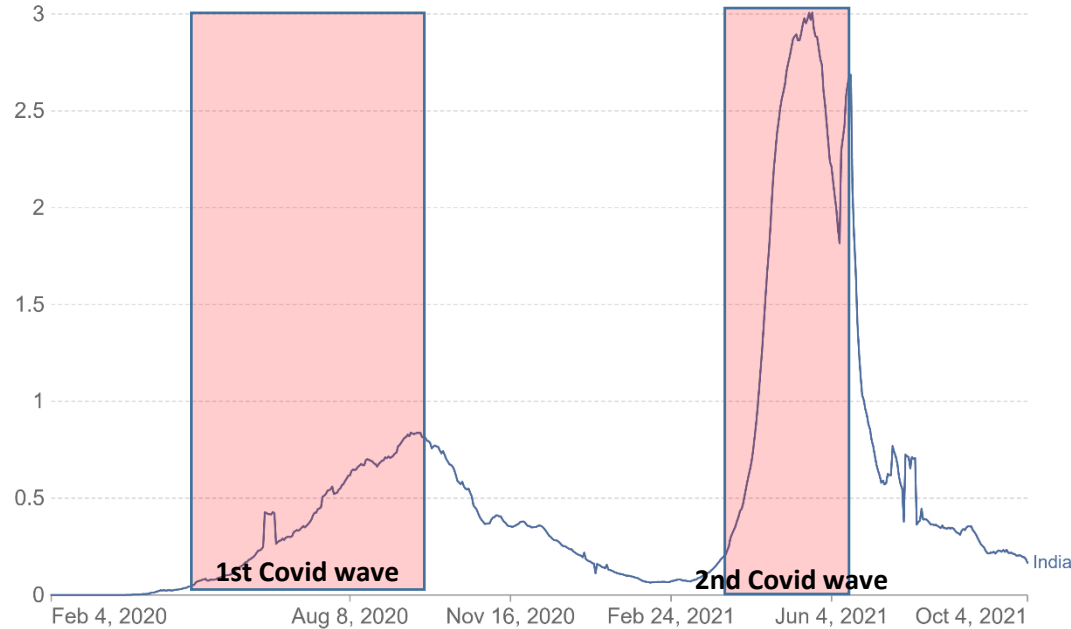
- 1. Fiscal policy** space is narrow however the **fiscal stimulus** has been effective with emphasis on poor people, health, liberalization and asset sales. Several structural reforms are in the pipeline.
- 2. Monetary policy (repo rate) on hold** due to sharp increase in **core inflation** (cost-push shocks induced by Covid waves). **Liquidity and regulatory measures proved adequate in supporting credit.**
- 3. Threats:** carbon and oil prices are rising (an incentive to speed up the green economy transition?). Financial system weaknesses (Non-Performing Assets) and MP tightening from other central banks. Covid-19 developments still worrying.

# Vaccination campaign tightly connected with economic recovery

## Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.

Our World  
in Data



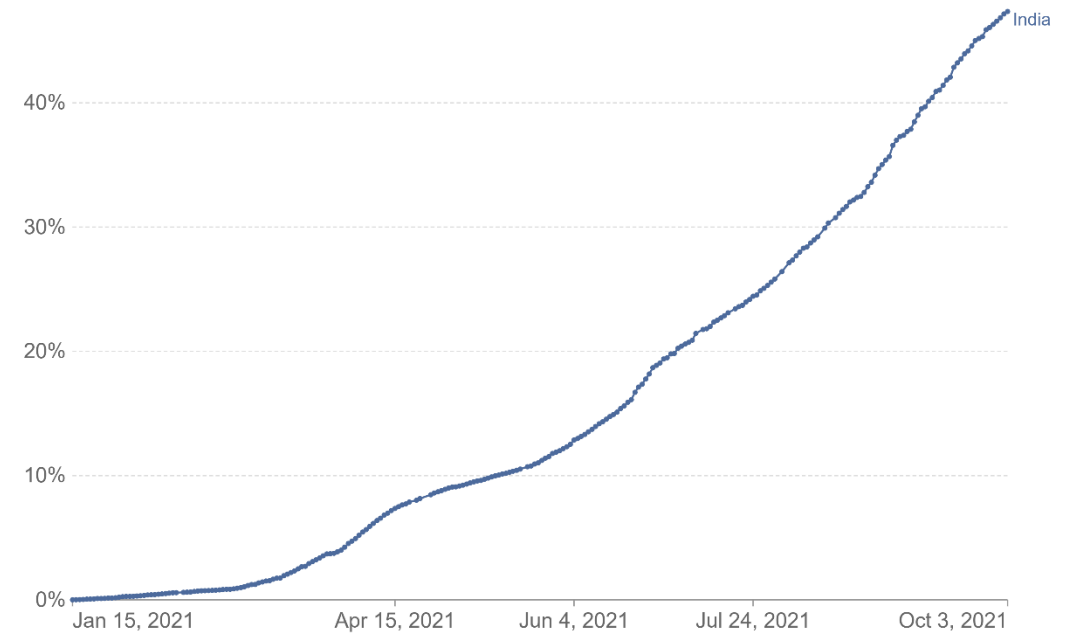
Source: Johns Hopkins University CSSE COVID-19 Data

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## Share of people who received at least one dose of COVID-19 vaccine

Total number of people who received at least one vaccine dose, divided by the total population of the country.

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Source: Official data collated by Our World in Data.

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Over 400,000 daily cases in  
May 2021 (2<sup>nd</sup> wave)

Lockdowns less stringent  
and mainly local

Almost 48% (660m) of the  
population received at least  
one dose so far

6-7m of doses administered  
on a daily basis (900m overall)

Vaccine production capacity  
has improved

Authorities are working to  
avoid a 3<sup>rd</sup> wave



Source: <https://timesofindia.indiatimes.com/travel>  
Credits: Getty Images

**Thank you for your attention!**  
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