SOUTH ASIA

Growth in the South Asia region rose to 6.9 percent in 2014 and is expected to continue firming over the forecast period, led by a cyclical recovery in India and supported by a gradual strengthening of demand in high-income countries. The decline in global oil prices has been a major benefit for the region, driving improvements in fiscal and current accounts, enabling subsidy reforms in some countries, and facilitating the easing of monetary policy. Macroeconomic adjustments in India since 2013 have reduced potential vulnerability to headwinds from the tightening of monetary policy in the U.S. Risks to the outlook are balanced, and depend on the implementation of structural reforms, including those that help to delink fiscal balance sheets from global energy prices. Political uncertainty, stressed bank balance sheets, and the ability to maintain fiscal discipline are some of the other key risks to the region.

Recent Developments

Aggregate growth in South Asia (SA) rose to 6.9 percent in 2014, its fastest pace in three years. Further momentum is expected in 2015 in line with the cyclical recovery in India, the largest regional economy. Revised GDP data for India show a faster rebound than initially estimated (Figure 2.45), with growth rising to 7.3 percent in the recently-completed fiscal year (FY2014–15, ending in March). The upward revisions—deriving mainly from improvements in data sources used to compute GDP alongside base-year revisions to better capture the changing structure of the economy—show strengthening manufacturing and strong growth in government consumption offsetting weakness in external demand over the past year. Higher frequency activity data show that the domestic recovery is picking up (Figure 2.46): momentum in industrial output has picked up strongly since the start of the year and while business sentiment data are pointing to a sustained acceleration in the service sector. Meanwhile, earlier tightening of monetary policy and domestic policy measures such as limited increase in mandated minimum procurement prices for grains has sent inflation tumbling, increasing real household disposable incomes.

FIGURE 2.45 India: Real GDP growth

GDP revisions show the downturn has been sharper and the subsequent recovery stronger than initially estimated.

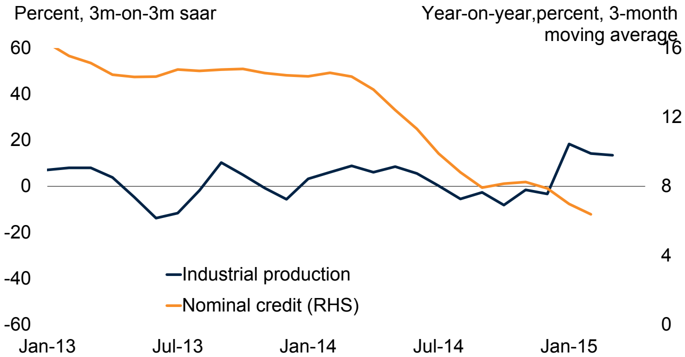
Sources: Haver Analytics and World Bank.

In the rest of the region, activity and growth have remained robust, owing to healthy remittances, the fall in global oil prices, strong tourist inflows (Bhutan, Maldives, Nepal, and Sri Lanka), good harvests (Afghanistan, Bangladesh and Pakistan), the construction of major hydropower projects, and a relaxation of credit controls (Bhutan). These factors have helped to compensate for sluggish export growth (Figure 2.47). In Nepal, the earthquake in April and associated aftershocks have taken a huge toll in terms of human life lost, but also severely damaged infrastructure and affected activity. In Pakistan, an easing of political tensions toward the end of last year has helped already strong service sector growth, and the recent trade and investment agreements with China worth $28 billion in infrastructure and energy proj-

The main author of this section is Tehmina Khan.

FIGURE 2.46 India: Industrial production and credit

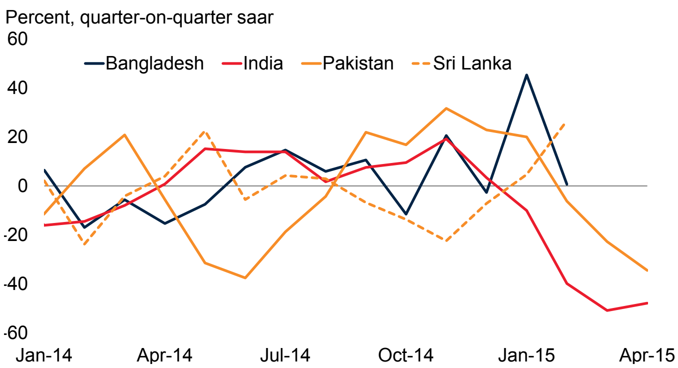
High frequency data show industrial production gaining momentum but weak external demand and slow credit growth.



Sources: IFS, Haver Analytics, and World Bank.
Note: SAAR refers to seasonally adjusted and annualized data.

FIGURE 2.47 Export growth

Regional exports have struggled to build momentum since the second half of last year.



Sources: IFS, Haver Analytics, and World Bank.
Note: SAAR refers to seasonally adjusted and annualized data.

ects to connect China's western regions with Pakistan's Gwadar port have buoyed investor confidence, with current 5-year CDS spreads some 400 basis points lower than in December 2014.

Remittances inflows have been particularly strong in Pakistan, amounting to $13.3bn in the first three quarters of FY2014–15 (a 15 percent increase from a year earlier), helping shore up consumption in the face of energy bottlenecks that have hampered production and exports. Flows to Sri Lanka and Bangladesh have also remained strong, in the latter, helping to blunt the impact on the economy of recent political tensions and a transport blockade in February that affected garment exports. In Nepal, the outflow of migrants has continued to be strong after a period of massive growth (with the stock of migrants increasing from about 1 million in 2010 to around 2 million in 2013). However, remittances growth decelerated in 2014, possibly reflecting less use of formal transfer channels. Remittances to India were broadly flat during 2014 and may reflect the diversion of investment-oriented remittances towards the higher returns offered by Indian stock markets under a simplified portfolio investment regime for the diaspora introduced in late 2013.

Lower oil prices have improved the terms of trade and helped narrow regional trade deficits (Figure 2.48). Trade deficits in Bhutan, Maldives, Pakistan, and Sri Lanka, should see the largest improvements, given evidence of stronger short-term response of imports to oil price movements. Although India is a major (net) oil importing economy, the improvement is expected to be relatively more modest as diesel and other petroleum products comprise a significant share of exports (World Bank, 2015m). Nevertheless, with lower inflation expectations curbing demand for imported gold as a hedge, India's trade deficit is improving and this has helped narrow the current account deficit to 1.4 percent of GDP in 2014, down from 5.0 percent in mid-2012.

External balances in the region have also been supported by strong remittance inflows. In the case of Pakistan, remittances have been a key factor in helping contain the current-account deficit at an estimated 1.2 percent of GDP in FY2014/15. Together with the strong economic prospects of some economies, strong capital inflows, and healthy or improving current account balances, local currencies have broadly held their value against the U.S. dollar (Figure 2.49). However, the Rupee has come under some pressure in late April and early May, in part reflecting reduced foreign investor appetite for equities and bonds in response to unexpected tax bills that India imposed late last year. On a trade-weighted basis, though, currencies have appreciated slightly in recent months (Figure 2.50) implying a loss of price-competitiveness at a time when export momentum is already negative.

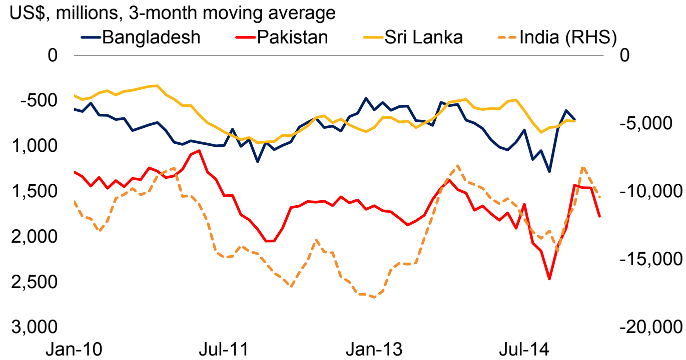
Inflation has fallen to record or multi-year lows in the region (Figure 2.51). Partly reflecting favorable base effects and the impact of lower energy and food prices, the disinflation trend has been further reinforced by relatively strong local currencies, and has facilitated policy easing in India and Pakistan, and most recently in Sri Lanka. In India, lower inflation has primarily been driven by a sharp deceleration in food prices, although improvements in the monetary policy framework may have also begun to help anchor inflation expectations. Core inflation has also eased in line with inflation expectations.

In India, although diesel prices were liberalized, periodic increases since November in excise taxes on diesel and petrol to bolster government revenues and meet fiscal targets, have meant that domestic fuel prices have been relatively slow to fall. The extent of pass-through from international oil prices in India is estimated at 33 and 20 percent for diesel and gasoline respectively, but is higher in Pakistan and Sri Lanka (World Bank, 2015m), where reductions in (administered) fuel prices have helped to push inflation to multi-year or record lows. Inflation has eased somewhat in Bangladesh, but remains relatively elevated, partly owing to limited spare capacity in the economy and recent transport disruptions. In addition, administered energy prices have not changed since 2013, mainly reflecting efforts to recoup losses at the national energy company.

The decline in global oil prices is also helping support fiscal consolidation efforts in the region. The general government deficit in India narrowed to 6.7 percent in FY 2014–15 (ending March), from close to 8 percent in FY 2011–12, reflecting savings from the elimination of diesel subsidies, higher fuel excise duties, and underperformance in capital spending. In Pakistan, the government has remained focused on fiscal tightening as part of conditions attached to the IMF's Extended Fund Facility loan program. The decline in global oil prices is helping reduce spending on subsidies and contingent liabilities at state-owned companies, and has enabled adjustments in administered energy prices to the benefit of consumers. Nevertheless, deficits remain large and debt levels high in Pakistan and in several countries in the region (Figure 2.52), in part reflecting poor tax policy and weak tax administration. Together, these have contributed to some of the lowest tax-GDP ratios among developing countries and weakened long-term fiscal sustainability (World Bank 2015k). Afghanistan, meanwhile, is in the midst of a fiscal crisis, with declining revenues and higher security and social

FIGURE 2.48 Goods trade balance

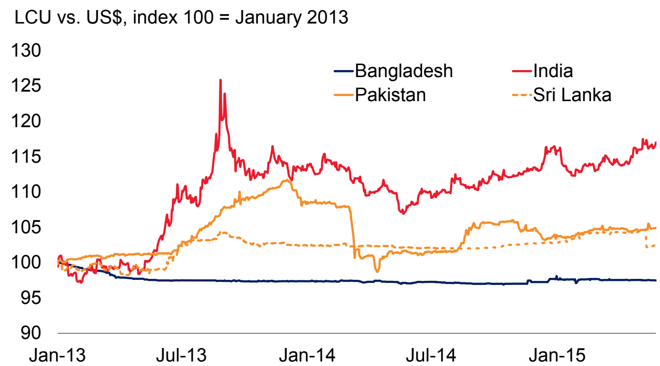
A lower oil import bill is helping curb trade deficits.



Sources: Haver Analytics and World Bank.

FIGURE 2.49 Exchange rates against the U.S. dollar

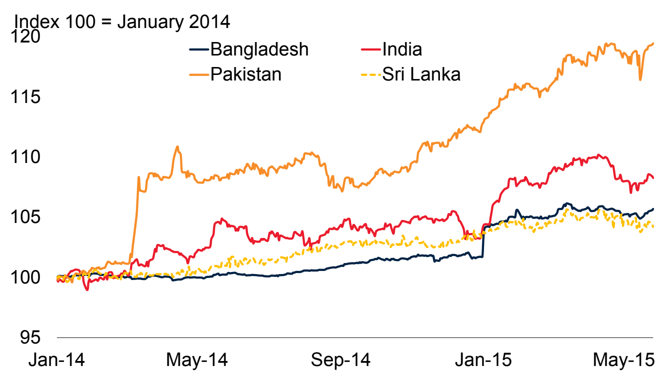
Regional currencies have only depreciated marginally against the US dollar...



Sources: Haver Analytics and World Bank.
Note: Increase denotes depreciation.

FIGURE 2.50 Nominal effective exchange rates

...but are appreciating in trade-weighted terms.



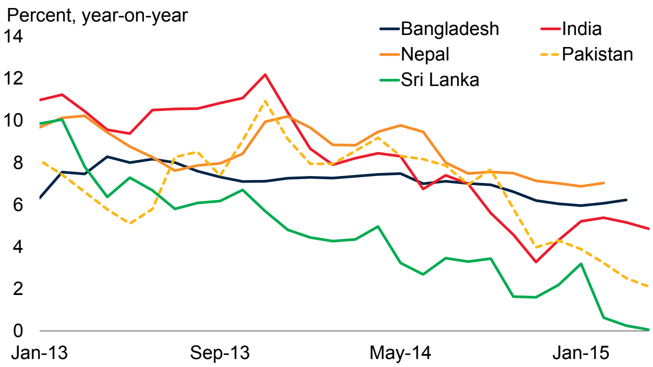
Sources: Haver Analytics and World Bank.
Note: Increase denotes appreciation.

benefit spending resulting in a large unfinanced fiscal gap of $500 million in 2014.

The policy environment is gradually improving in the region, notably in India, where coordina-

FIGURE 2.51 Inflation

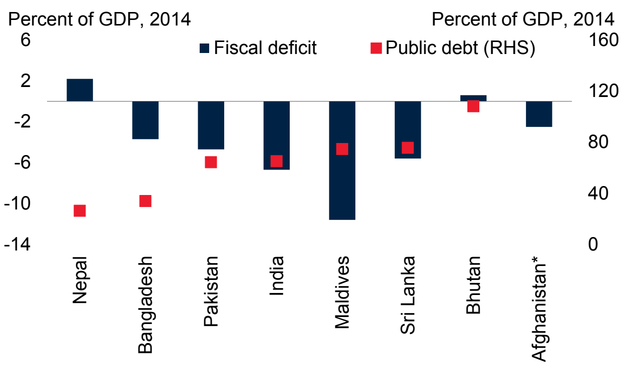
Inflation has fallen to multi-year or record lows.



Sources: Haver Analytics and World Bank.

FIGURE 2.52 Government finances

Deficits remain large in several countries and debt levels high.



Sources: World Bank.
Note: Asterisk denotes that data is not available for public debt.

tion in monetary and fiscal policy has strengthened. On the fiscal side, this is reflected in the improvement in the quality of fiscal consolidation planned in the latest government budget (albeit at the cost of a slower pace of fiscal tightening) that includes an expansion in public investment, simpler and lower corporate taxes offset by higher excise taxes on fuel. Legislation is also pending on a goods and service tax (GST), which would replace the existing system of multiple (and distortionary) local and state taxes with a single unified national GST, but this will likely take time to pass. Regarding monetary policy, the adoption of a formal inflation target has boosted the independence of India's central bank and provides a clear anchor for inflation expectations. Other key reforms in India include the elimination of diesel subsidies in 2014 and, more recently, an increase in foreign shareholding limits in the insurance sector, which should boost FDI.

Reforms are also underway elsewhere in the region, albeit at a slower pace. In Pakistan, an ambitious but piecemeal privatization program has been launched. Severe energy shortages in January 2015 exposed the slow progress thus far on energy reforms. However, almost half ($15.5 billion) of recent investments agreed with China in April are estimated to be channeled into coal, nuclear, renewable energy and hydropower projects in the next few years. These are expected to add some 10,000mw in electricity generation to the national grid (about half of current installed capacity) by 2017, which should help ease energy constraints. Nepal introduced reforms to the subsidy system in 2014Q4, including the liberalization of petroleum product prices. However, progress on rationalizing prices and dismantling subsidies for liquefied petroleum gas (LPG) has been slower despite a large fiscal cost. In Sri Lanka, policy actions by the newly-elected government include a one-off tax increase for large corporates, a cut in infrastructure spending, and a substantial increase in public sector salaries. These actions have added to investor uncertainty ahead of upcoming parliamentary elections in June.

Outlook

Regional GDP growth is expected to remain firm at just over 7 percent during 2015, and rise at a moderate pace toward 7.5 percent in 2017, in line with the ongoing recovery in India and broadly stable growth in the rest of the region. In the baseline, stronger regional growth is underpinned by strengthening public investment. Private investment should also improve, but at a slower pace as high levels of NPLs on banking sector balance sheets in Bangladesh, Bhutan, India, and Pakistan hold back the recovery in credit growth.

Tailwinds from the fall in global commodity prices and falling inflation should support real incomes and consumer spending in the early part of the forecast period, as should relatively stable growth in remittance inflows, which are a substantial share of GDP in the region (World Bank 2015k). Although there are risks that the recent fall in global oil prices could adversely impact remittances from oil-producing Gulf economies (a major destination for migrants from SAR), there are several offsetting trends. These include large fiscal and sovereign wealth fund buffers in Gulf Cooperation Council (GCC) countries that should help to support activity there alongside ongoing large scale construction activities (including preparations for the 2022 FIFA World Cup in Qatar), and improving economic prospects in the U.S. and Euro Area. Most governments are expected to remain focused on rebuilding fiscal space and curbing fiscal deficits through a mix of expenditure and revenue measures (notably the introduction of GSTs or VATs in India and Bangladesh).

Accordingly, growth will be driven primarily by domestic demand during the early part of the forecast period, with a rising contribution from external demand in later years as growth in advanced economies picks up. Although imports should rise as the investment strengthens, current account balances should remain manageable, reflecting macroeconomic adjustments in recent years (in India, partly in response to currency pressures during the "taper tantrum" in mid-2013), domestic fiscal consolidation efforts, and lower oil import bills. As a large, financially-open emerging market economy, India remains exposed to volatility in global financial markets and shifts in global portfolio allocations that may follow policy rate hikes in the United States, expected later this year. However, the substantial reduction in current account deficits since 2013, record-high foreign exchange reserves, and improvements in the policy environment should also help contain such risks.

- India is expected to continue on its path of recovery, with growth expected to reach 8 percent in FY2017–18, from 7.5 percent in FY2015–16. The improvement in the outlook hinges on steady progress on key reforms, including removing bottlenecks in public-private partnerships, the GST bill, and input market reforms (land, labor and finance) which are needed to ease supply side and energy constraints. The GST would help create a single markets for goods and broaden the tax base. Fiscal discipline elsewhere would help public capital expenditures to rise as announced in the recent budget, and potentially attract private investment, which has been extremely weak in recent years. The slower pace of fiscal consolidation over the next few years means that fiscal tightening will prove less of a drag, while lower corporate taxes and base-broadening measures should also help support business confidence and lift private investment.
- Energy shortages in Pakistan, which have weighed on investment, and activity in recent years, are expected to diminish gradually as investment in energy projects increases supply. Credit growth is also expected to pick up, helped by fiscal consolidation. Coupled with solid growth in remittances, and recovering manufacturing and service sector growth, GDP growth is forecast to rise from 3.7 percent in 2015–16 to 4.5 percent in 2017–18.
- In Bangladesh, the growth forecast for FY2015 has been revised down on account of recent political tensions. The forecast is now 5.6 percent, compared with 6.4 percent in the previous forecast and 6.1 percent in FY2014. As tensions settle, growth should pick up in line with a recovery in exports and investment. Consumption should also remain supported by resilient remittance inflows, particularly following the resumption of migration of Bangladeshi workers to Saudi Arabia. With the economy running at capacity, growth is expected to remain at close to potential over the forecast period.
- Among the smaller economies of the region, the severe earthquake in April will weigh on growth in Nepal this year. However activity should rebound as reconstruction efforts are stepped up, and should also remain supported by relatively healthy service sector growth and private consumption spending (with remittances expected to increase). Both Bhutan and Nepal, whose currencies are pegged to the Indian rupee, should also benefit from strengthening growth and lower inflation in India over the forecast period. In Bhutan, the construction of major hydropower projects and the relaxation of credit controls are expected to lift growth over 7 percent over the forecast period, and even higher once hydro-electricity exports to India begin to rise. Growth in Sri Lanka is expected to decelerate gradually to its potential growth rate, as the government reassesses the investment-led growth model, partially offset by increases in consumption, and strong tourism and remittance inflows. In Afghani-

stan, growth is projected to rise from 2.5 percent in 2015 to 5 percent over the forecast period if political uncertainty diminishes and the security environment improves. However, the fiscal revenue shortfall is expected to persist if reforms to improve revenues continue to stall.

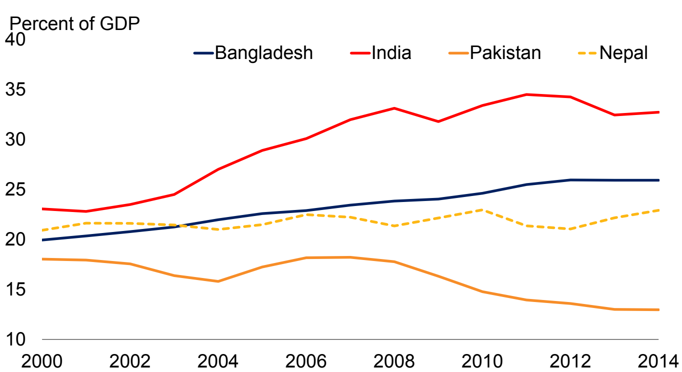
Risks and Policy Challenges

The key risks for the region are balanced and mainly domestic in nature. They relate to whether investment growth—which has stalled in recent years in India, continues to decline in Pakistan (Figure 2.53), and has weakened in Bangladesh more recently—strengthens as forecast. External risks include potential headwinds from financial market volatility as monetary policy is tightened in the U.S., although these are mitigated by a significant improvement in current account balances in the region. Slower growth in the Gulf region or a disruption of oil trade (due to conflicts in the MENA region) could affect remittance inflows and lift oil prices, with repercussions for the region. Upside risks include a faster pace of reforms in India and other countries, better-than-anticipated growth in high-income countries, and a fall in oil prices below current baseline projections.

The regional growth outlook is predicated on the ability of governments to deliver on reforms and on a pickup in domestic investment, both of which are essential to ease infrastructure bottlenecks over the medium term. In India, there is a risk that the passage of key legislative bills pending in parliament (land acquisition reforms and GST) is delayed which could dampen investor sentiment and weigh on infrastructure spending plans. Energy remains a key constraint, and the fall in oil prices over the past year represents a rare opportunity to rationalize energy prices as well as undertake wide-ranging energy sector reforms. To the extent that credible reform agendas boost investor sentiment, they will also help create a virtuous cycle of stronger investment (including foreign investment) and output growth in the short term. If, however, reforms stall, this could result in significantly lower investment and growth than projected in the baseline.

FIGURE 2.53 Investment

Investment as a share of GDP has trended lower in Pakistan in recent years to extremely low levels.



Sources: Haver Analytics and World Bank.

Political uncertainty remains an important risk factor in Afghanistan, Bangladesh, Nepal, and Pakistan. In addition to delaying or distracting attention from legislative reforms, it could hold back broader investment sentiment and spending. In Pakistan, promised Chinese investments are contingent on improvements in security and the fulfillment of institutional, regulatory, logistical and other commitments by the government. In Bhutan, delays in the construction of hydropower projects, and in Nepal uncertainty over the extent to which FDI commitments translate into hydropower investments remain key risks. The recent natural disaster in Nepal has added to these risks, with policy makers likely to be focusing attention on disaster relief and reconstruction.

In addition, stressed banking sectors and corporate balance sheets are key downside risks in several countries in the region. Corporate leverage in India is among the highest among major emerging market economies, and foreign currency debt in the form of external commercial borrowings has been steadily increasing over the past decade (Lindner and Jung, 2014). In both India and Bangladesh banking sector strains are largest in state-owned banks. In Pakistan, the heavy reliance of the government on the banking sector for budgetary borrowing is crowding out private sector credit growth. In the absence of measures to address problem loans on banking sector balance sheets (Figures 2.54 and 2.55), rising global funding costs (as U.S. policy rates rise) could impede already weak credit growth (Figure 2.56) and a strengthening of investment. In Nepal, significant damage to physical infrastructure (private and public) may present short to medium term risks to financial sector stability from potential runs on the banking sector that trigger a liquidity crisis, and if banks see their capital buffers eroded by the physical destruction of real estate pledged as collateral or a surge in NPLs (as income streams of debtors are disrupted).

Other key risks and policy challenges include the ability to maintain fiscal discipline. In India, fiscal consolidation has been relaxed in an attempt to raise public investment. However, even this relaxation in fiscal targets could prove hard to meet if asset divestment and subsidy targets are not met. In Pakistan, in the absence of concerted tax policy reforms that successfully raise tax revenues (particularly direct taxes), the ability to meet fiscal deficit targets is likely to depend on the ability of the government to restructure and privatize loss-making enterprises. Similarly, in Sri Lanka, the quality of fiscal consolidation underway has deteriorated, and the government could potentially overshoot its fiscal targets in the short term. Nepal's budget surplus is likely to shrink reflecting the impact of the earthquake on revenue collection and rising government spending on relief and reconstruction.

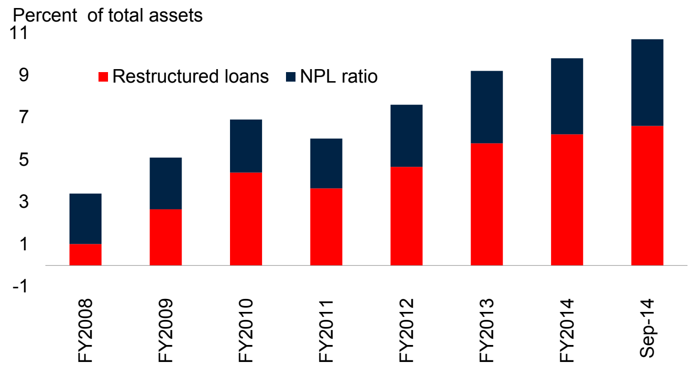
Moreover, the recent decline in oil prices provides a major opportunity to permanently decouple fiscal balances from international oil price movements. Although progress is being made in India on this front[1], there has been limited pricing reform in Bangladesh and Pakistan. In Pakistan, energy pricing reforms are particularly important given the country's heavy dependence on imported oil in electricity generation, and heavily subsidized electricity tariffs that cost 1.2 percent of GDP in FY 2013–14 (World Bank, 2015m).

Finally, greater regional integration and further trade opening will yield important benefits. Although most countries in SAR have substantially liberalized trade and investment regimes in recent decades, most economies remain highly protected, vis-à-vis intra-regional trade and trade with respect to other developing or high-income regions (Fukase and Martin, 2015). A comparison of import duty (as a share of goods imported) in South Asia suggests that tariff barriers are much higher in the region compared to ASEAN countries (Ding and Masha, 2012). Deeper economic ties and a reduction in trade barriers would provide opportunities to benefit from technological spillovers, improve access to the large U.S. market, and stimulate more productive growth in domestic industries.

[1]India has deregulated diesel prices, increased excise duties on petroleum and diesel, and under the Direct Benefit Transfer scheme, begun to deposit entitled subsidies directly into the bank accounts of consumers for the purchase of market-priced LPG cylinders. See World Bank (2015m) for more details.

FIGURE 2.54 India: Impaired loans

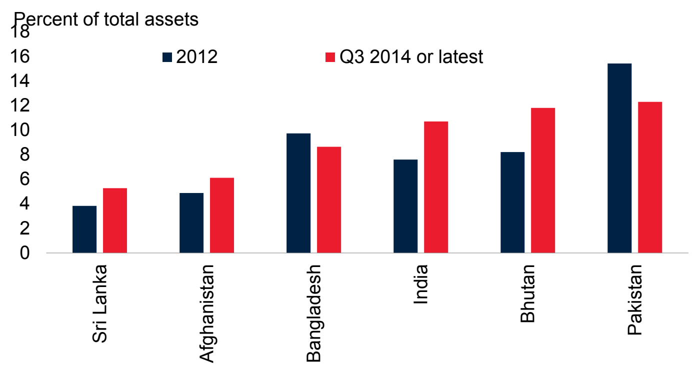
Bank asset quality has deteriorated in India in recent years.



Sources: IMF, Haver Analytics and World Bank.

FIGURE 2.55 Non-performing loans

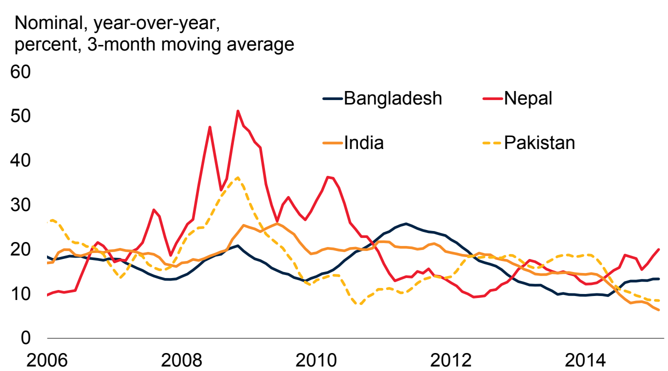
NPLs are high across the region ...



Sources: IMF
Note: Data for India includes restructured loans

FIGURE 2.56 Credit growth

...which has weighed on bank lending.



Sources: IFS, World Bank

TABLE 2.9 South Asia forecast summary

(Annual percent change unless indicated otherwise)

	00–10[a]	2011	2012	2013	2014e	2015f	2016f	2017f
GDP at market prices[b,e]	6.7	7.0	5.4	6.3	6.9	7.1	7.3	7.5
GDP per capita (units in US$)	5.1	5.5	3.9	4.8	5.5	5.7	6.0	6.2
PPP GDP[c]	6.7	7.0	5.4	6.3	7.0	7.1	7.3	7.5
Private consumption	5.9	8.3	6.0	5.6	6.3	6.5	6.3	6.2
Public consumption	6.5	6.2	3.5	6.6	9.0	8.4	7.2	6.5
Fixed investment	9.6	11.1	3.2	2.5	5.0	7.0	11.3	13.0
Exports, GNFS[d]	13.1	15.0	7.9	6.5	2.3	3.2	4.8	6.9
Imports, GNFS[d]	10.9	17.7	8.1	−2.9	−0.2	4.2	6.8	8.5
Net exports, contribution to growth	−0.3	−1.8	−0.7	2.6	0.7	−0.4	−0.8	−0.8
Consumer prices (annual average)	6.2	9.8	9.4	10.1	6.6	...	...	...
Fiscal balance (percent of GDP)	−7.4	−7.6	−7.2	−6.9	−6.7	−6.5	−6.0	−5.8
Memo items: GDP at market prices[e]								
South Asia excluding India	5.0	5.0	5.1	5.7	5.8	5.7	5.8	5.9
India	7.4	6.6	5.1	6.9	7.3	7.5	7.9	8.0
Pakistan	4.2	2.7	3.5	4.4	5.4	6.0	3.7	4.5
Bangladesh	6.1	6.5	6.0	6.1	5.6	6.3	6.7	6.7

Source: World Bank.
World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.
a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.
b. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.
c. GDP measured at PPP exchange rates.
d. Exports and imports of goods and non-factor services (GNFS).
e. National income and product account data refer to fiscal years (FY) for the South Asian countries, while aggregates are presented in calendar year (CY) terms. The fiscal year runs from July 1 through June 30 in Bangladesh, and Pakistan, and April 1 through March 31 in India. Due to reporting practices, Bangladesh and Pakistan report FY2012/13 data in CY2013, while India reports FY2012/13 in CY2012. 2014 data for Bangladesh show growth in 2014-15.

TABLE 2.10 South Asia country forecasts

(Real GDP growth at market prices in percent, unless indicated otherwise)

	00–10[a]	2011	2012	2013	2014e	2015f	2016f	2017f
Calendar year basis[b]								
Afghanistan	12.8	6.1	14.4	3.7	2.0	2.5	5.0	5.1
Bangladesh	6.2	6.3	6.1	5.9	6.0	6.5	6.7	6.7
Bhutan[c]	8.7	7.9	2.0	5.7	6.9	7.9	8.4	7.0
India	7.2	7.5	5.5	6.4	7.1	7.4	7.8	8.0
Maldives[d]	7.0	6.5	1.3	4.7	5.0	5.3	5.0	5.0
Nepal	3.8	4.1	4.3	4.6	4.8	4.4	5.0	5.5
Pakistan	4.2	3.1	4.0	4.9	5.7	4.8	4.1	4.5
Sri Lanka	5.2	8.2	6.3	7.3	7.4	6.9	6.6	6.5
Fiscal year basis[b]								
Bangladesh[e]	6.1	6.5	6.0	6.1	5.6	6.3	6.7	6.7
India[g]	7.4	6.6	5.1	6.9	7.3	7.5	7.9	8.0
Nepal[f]	3.9	3.4	4.9	3.8	5.5	4.2	4.5	5.5
Pakistan	4.2	2.7	3.5	4.4	5.4	6.0	3.7	4.5

Source: World Bank.
World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.
a. GDP growth rates over intervals are compound average; current account balance shares are simple averages over the period.
b. Historical data is reported on a market price basis.National income and product account data refer to fiscal years (FY) for the South Asian countries with the exception of Afghanistan, Maldives and Sri Lanka, which report in calendar year (CY). The fiscal year runs from July 1 through June 30 in Bangladesh, Bhutan, and Pakistan, from July 16 through July 15 in Nepal, and April 1 through March 31 in India. Due to reporting practices, Bangladesh, Bhutan, Nepal, and Pakistan report FY2012/13 data in CY2013, while India reports FY2012/13 in CY2012. GDP figures presented in calendar years (CY) terms for Bangladesh, Nepal, and Pakistan are calculated taking the average growth over the two fiscal year periods to provide an approximation of CY activity. Historical GDP data in CY terms for India are the sum of GDP in the four calendar quarters.
c. GDP data for Bhutan is on a CY basis.
d. Data for Maldives is GDP data at basic prices (i.e excluding taxes and including subsidies).
e. 2014 data for Bangladesh show growth in 2014-15.
f. Nepal forecasts are preliminary.
g. Data for Fiscal Year 2000-2012 is old GDP series (base year is FY 2005). Subsequent data is revised GDP series (base year FY 2012.)