South Asia: Strong Expansion Continues

South Asia's economies have continued to hold up well against the background of a generally subdued global economic environment. Regional real GDP growth is expected to remain around 7¼ percent in both 2016 and 2017, with relatively stable inflation (apart from inflation upticks in Afghanistan, Nepal, and Sri Lanka). However, there are disparities within the region, with robust activity continuing to be driven to a large extent by the strong economic performance of India and Bangladesh. Limited progress is foreseen in tackling the region's remaining macroeconomic vulnerabilities, as fiscal deficits are expected to narrow only modestly in 2016 and 2017, despite continued consolidation in India, Pakistan, and Sri Lanka. External current account balances are projected to deteriorate across South Asian countries to reach a deficit of almost 2 percent of regional GDP by 2017, with particularly large imbalances in the Maldives and Bhutan. Key policy priorities differ across countries in the region, although all would benefit from continued structural reforms to address supply-side bottlenecks; improvements to the functioning of product and factor markets; and enhanced intra-regional trade.

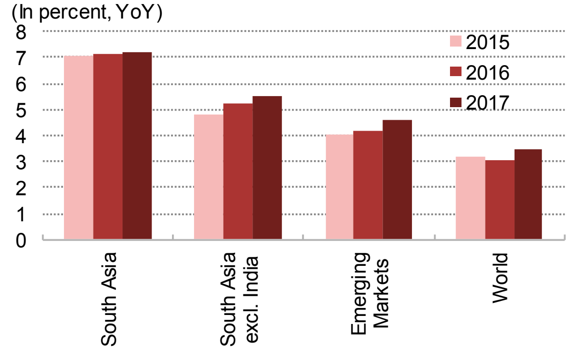
Global and Regional Economy

Global growth continues, but at a modest pace. The October 2016 *World Economic Outlook* forecasts global growth to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017, a fall of 0.1 percent for both 2016 and 2017 when compared with the April 2016 WEO forecasts. This downward revision continues the pattern of downward revisions in global growth forecasts of recent years. Growth prospects for different countries and country groups vary widely. In Asia, regional growth is forecast at 5.4 percent in 2016–17, led by China and India, with Asia continuing to deliver two-thirds of global growth (see IMF Asia-Pacific Department's October 2016 *Regional Economic Outlook Update*).

Global economic activity is expected to be driven to a large extent by emerging market and developing economies, where growth is projected to strengthen to 4.2 percent in 2016 and accelerate further in 2017, after five consecutive years of decline. In advanced economies, recent data points to more subdued growth in the near term, with growth marked down to just 1.6 percent in 2016 owing to a weaker outlook for the United States, while uncertainty following the Brexit vote is weighing on the outlook for several European countries. Some pick-up in advanced economy growth is expected for 2017, but longer-term prospects remain muted, given demographic headwinds and weak productivity growth.

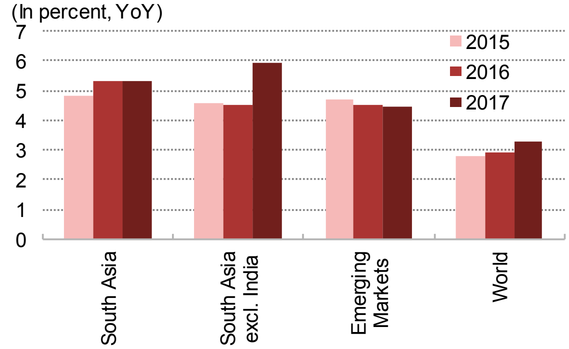
Downside risks continue to dominate the outlook, and revolve around the ramifications of a bumpier transition in China; asynchronous monetary developments in advanced economies; the long-run impact of Brexit, and other geopolitical risks The stalling or reversal of structural reforms (including new trade barriers) could exacerbate headwinds from low productivity growth, remaining crisis legacies, and deficient demand (the so-called "new mediocre").

Real GDP Growth
(In percent, YoY)



Source: IMF, *World Economic Outlook*; and IMF staff estimates.

Inflation
(In percent, YoY)

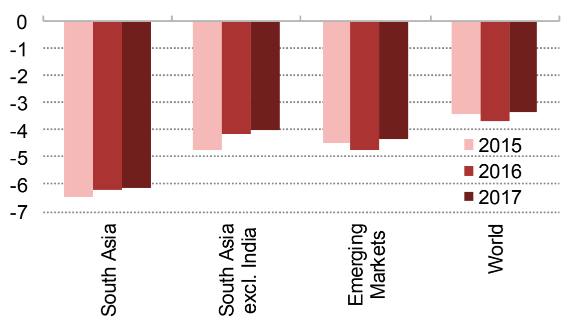


Source: IMF, *World Economic Outlook*; and IMF staff estimates.

Against this generally challenging global background, South Asia's economies are expected to continue to perform well. Growth in 2016 is expected to rise slightly to 7.2 percent for the region, with all countries but Nepal either maintaining or accelerating their rates of expansion. Growth will be supported by still favorable terms of trade and financial conditions, and is expected to continue at the same rate in 2017. With strong growth, inflation is expected to rise slightly in 2016 to 5.3 percent and remain at that level thereafter.

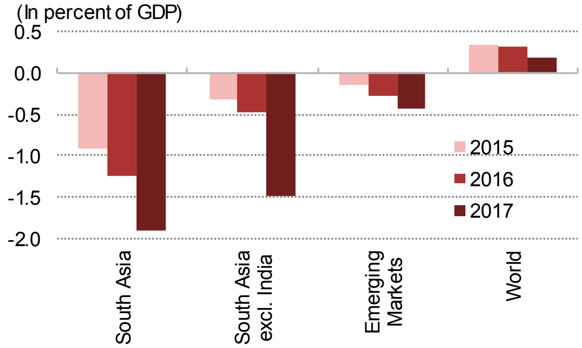
Limited progress is foreseen in addressing the region's remaining macroeconomic vulnerabilities. Fiscal deficits remain sizeable in a number of countries and are expected to narrow only modestly on aggregate in 2016 and 2017. As a result, general government debt levels are forecast to decline only very gradually. After falling for three consecutive years, the region's current account deficit is expected to rise somewhat to 1.2 percent and 1.9 percent of GDP in 2016 and 2017, respectively.

Fiscal Balance
(In percent of GDP)



Source: IMF, *World Economic Outlook*; and IMF staff estimates.

Current Account Balance
(In percent of GDP)



Source: IMF, *World Economic Outlook*; and IMF staff estimates.

Policy priorities differ across countries in the region. Fiscal consolidation is urgent in the Maldives and should continue gradually in several other countries, including India and Pakistan. Relatively high levels of distressed assets are weighing on the banking systems of a number of countries in the region and should be addressed. In all countries, structural reforms to overcome supply-side bottlenecks and enhance the functioning of product and factor markets would help support continued high and inclusive growth.

India

The Indian economy continues on a recovery path, helped by a large terms of trade gain, positive policy actions including implementation of key structural reforms, and a return to normal monsoonal rainfall. After bottoming at 5.6 percent in FY2012/13, growth has risen steadily, reaching 7.6 percent during FY2015/16 and is projected to remain broadly unchanged at 7.6 percent in FY2016/17 and FY2017/18. Between FY2013/14 and FY2015/16 there was a cumulative 13 percent increase in India's terms of trade, largely due to low oil and energy prices, which boosted economic activity, contributed to a further improvement in India's current account and fiscal positions, and enabled a sharp decline in inflation. As a result of reduced external vulnerabilities, improved growth prospects and continued relaxation in FDI ceilings, India has experienced large FDI and portfolio capital inflows, a real appreciation of the rupee, and a robust rebound in foreign exchange reserves (reaching an all-time high of over US$370 billion or about 8 months of import cover). Nonetheless, macroeconomic challenges remain as growth is constrained by supply-side bottlenecks and continuing weaknesses in the corporate and banking sectors.

CPI inflation moderated to 5.1 percent in August 2016, down from an average of almost 10 percent during 2011–13, reflecting the authorities' relatively tight monetary policy stance, and continued low global commodity (oil and food) prices. CPI inflation is projected at around 5.5 percent by end-2016/17, and to be close to the Reserve Bank of India's objective of 5 percent by Q1 2017. The current account deficit has narrowed from a high of 4.8 percent of GDP in FY2012/13 to an average of around 1.2 percent of GDP during FY2013/14–FY2015/16, and is projected at about 1.4 percent of

GDP in FY2016/17. Sluggish global economic growth prospects, particularly in key advanced economy trading partners, pose headwinds to an export recovery.

The Indian Parliament passed unanimously the long-awaited Goods and Services Tax (GST) Constitutional Amendment Bill in August 2016, enabling a major reform of the Indian tax system, as the GST will replace a plethora of cascading center, state, inter-state, and local taxes with a single, nationwide, value-added tax on goods and services. Next steps include drafting and passing the detailed GST Law, and technical preparations, with implementation set for April 2017.

The FY2016/17 Budget envisages a welcome return to fiscal consolidation with an annual decline in the central government deficit from 3.9 to 3.5 percent of GDP (authorities' definition). Nonetheless, further reductions in fuel and food subsidies and tax reforms, including implementation of the recently-approved GST and improving tax administration, are needed to achieve fiscal consolidation plans over the medium term.

The Government of India has implemented multiple structural reforms in 2016, including: adoption of a formal medium-term inflation target (4 percent median CPI inflation with a symmetric 2 percent band) in August 2016; passage of the GST in August 2016; passage of a new Bankruptcy Code in May 2016; supply-side measures to contain food inflation; and improvements in financial inclusion and domestic bond markets. These should help raise medium-term GDP growth rates in India.

Pakistan

Despite a very weak cotton harvest and a continued decline in exports, real GDP growth is estimated at 4.7 percent in FY2015/16, supported by buoyant construction activity, healthy expansion of the service sector, strengthened private sector credit growth, and gradual improvements in the supply of gas and electricity. Growth will likely increase moderately to 5 percent in FY2016/17, benefitting from an investment upturn related to the China Pakistan Economic Corridor (CPEC). Headline inflation has continued to gradually rebound (to 3.9 percent y-o-y in September 2016), as the favorable effect of past declines in international oil prices has continued to wane, and is expected to remain contained at 5.2 percent in FY2016/17, well-anchored by prudent monetary policy.

The three-year IMF-supported program was successfully completed in September 2016. Significant progress has been made under the program in strengthening Pakistan's economic and financial resilience, including through rebuilding Pakistan's international reserves and reducing the fiscal deficit, although public debt has remained high at 65 percent of GDP. Progress has also been achieved in addressing structural bottlenecks to higher growth, including advancements in the energy sector reform and a new comprehensive strategy to improve the business climate, although continued resolve will be needed in these and other areas to attract higher investment and foster private sector-led growth.

Policy priorities for the period ahead include reinforcing the gains in economic resilience by further gradual fiscal adjustment, maintaining prudent monetary policy, and continuing to bolster external buffers within a context of adequate exchange rate flexibility. Structural priorities include creating space for higher priority spending by expanding tax revenue in an equitable way, completing the energy sector reform, restructuring or privatizing public sector enterprises, improving the business climate and competitiveness, and fostering financial sector stability and development.

Bangladesh

Activity and demand have been stronger than expected in FY2016 (ending June 2016), with real GDP growth estimated at about 7 percent. Headline inflation eased further in FY2016, with annual average CPI inflation reaching 5.9 percent in June 2016, compared to 6.4 percent in June 2015. Food inflation has eased on the back of a good harvest and declining global prices. On the external front, the current account balance continued to be positive in FY2016. External reserves have risen to a comfortable level of over six months of import cover. Inbound remittances recovered in FY2015, but weakened in FY2016 due to persistent low oil prices.

The outlook for Bangladesh remains broadly positive, but subject to downside risks. Real GDP growth is expected to reach 6.9 percent in FY2017 and to remain around 7 percent over the medium term. The fiscal deficit will widen on the back of the hike in public sector pay, but should remain sustainable assuming the new VAT comes into full effect in the near term. On the back of investment-led growth, the current account surplus is expected to decline and turn into a slight deficit over the medium term, with international reserves remaining adequate.

Headline inflation is projected to pick up moderately from recent lows, with nonfood inflation facing upward pressure from higher public sector wages, but should remain below 7 percent. The announced monetary policy statement for the second half of 2016 points to a continued prudent monetary policy stance. Broad money growth at 15.5 percent is broadly in line with nominal GDP growth. Despite the recent decline, the authorities should remain vigilant against upside risks to inflation from higher public sector salaries and minimum wages in the garment industry, as well as the recent increases in electricity and gas tariffs.

Sri Lanka

Real GDP growth fell from 5.2 percent (y/y) in 2016 Q1 to below expectations in Q2, at 2.6 percent (y/y), reflecting floods in May and soft activity in construction and manufacturing. Growth is expected to pick up in the second half of the year owing to stronger performance in tourism and resumption of construction. Headline inflation stood at 3.9 percent (y/y) in September 2016, and core inflation remained elevated at 4.2 percent. Sri Lanka's external current account deficit in the first half of the year narrowed to 2 percent of GDP, helped by a slightly improved trade balance and strong inflows in remittances and tourism. The EMBI spreads continued to fall in 2016 Q2 reflecting an increase in market confidence and prudent macroeconomic policies. Following the issuance of US$1.5 billion in international sovereign bonds at favorable yields in early July, gross foreign exchange reserves recovered to about US$6.4 billion at end-September 2016 after falling for most of the year.

The fiscal deficit expanded to 6.9 percent of GDP in 2015, compared with 6.2 percent in 2014. A revised budget was implemented in January 2015 following national elections, bringing a significant increase in wages, salaries, transfers and other categories of recurrent spending. The expanded deficit and depreciation of the rupee led to an increase in Sri Lanka's debt-to-GDP ratio from 70.7 percent in 2014 to 76 percent in 2015. As part of their consolidation agenda under a three-year IMF-supported program, the government has committed to reduce the overall fiscal deficit to 5.4 percent of GDP in 2016, and to 3.5 percent by 2020—reflecting an underlying shift to a primary surplus of 1 percent of GDP to ensure a continued decline in the debt-to-GDP ratio over the medium term.

Nepal

Real GDP growth decelerated sharply to 0.6 percent in 2015/16 (mid-July 2015 to mid-July 2016) due to the disruption to trade and economic activity from the 4½-month stand-still at Nepal's southern border. Inflation rose to 10.4 percent (y/y) in July 2016 in part reflecting shortages of fuel and other essential goods related to the trade disruption and earlier earthquakes. With average inflation in Nepal at close to 10 percent in 2015/16, the inflation wedge with India widened to almost 5 percentage points. With the currency pegged to the Indian rupee, the real effective exchange rate appreciated further.

Nepal's external position has remained strong. On the back of resilient remittances, the external current account has now been in surplus for five years. Remittances amounted to US$6.3 billion or 30 percent of GDP in 2015/16, up from 29 percent of GDP the year before, despite an 18 percent decline in the number of migrants moving abroad for work. Central Bank international reserves (including gold and SDR holdings) increased by 20 percent over the past year to a new high of US$8.6 billion (10.8 months of prospective goods and services imports) in July 2016.

Nepal's general government balance recorded a surplus in 2015/16, reflecting subdued capital spending and better-than-expected revenue performance. The latter was partly related to a one-off increase in capital gains taxes on the sale of a mobile network provider. Despite the large reconstruction and development needs, budget under-implementation worsened in 2015/16 with the execution rate for capital expenditure falling to 53 percent. Moreover, half of the spending took place in the last month of 2015/16. Together with an increase in domestic borrowing that was not spent, the government increased its cash holdings at the central bank by Rs.94 billion (4.2 percent of GDP) during 2015/16. Reflecting the overall surplus, net government debt remained on a declining path, falling to 22 percent of GDP (net of government deposits at the Central Bank) in July 2016, down from 34 percent of GDP four years ago.

Growth is set to recover as economic activity returns to normal and capital expenditure picks up as the government plans to raise spending to expedite post-earthquake reconstruction activity, including accelerating the overdue delivery of housing grants to earthquake-affected households. Nevertheless, risks to growth are tilted to the downside reflecting persistent under-execution of the budget and a loose monetary policy stance. Other risks include financial sector vulnerabilities arising from the earthquakes and trade disruption. The longer-term challenge is to boost the economy through well-managed fiscal policy to accommodate stepped-up capital spending, appropriate monetary policy to support the exchange rate peg and contain inflation, continued financial sector reforms, and structural policies to boost inclusive growth.

Bhutan

The outlook for Bhutan remains generally favorable. Growth is on a recovery path, driven by a pick-up in mining, services and on-going hydropower related construction. In the medium-term, commissioning of new hydropower projects will boost output and exports, as well as fiscal revenues. At the same time, inflation has eased—headline inflation fell to 3.3 percent in 2016Q2 from 6.7 percent in 2014Q4. Inflation is projected to pick up but remain low, benefitting partly from India's improved inflation outlook and stable rupee to which Bhutan's currency is pegged.

The large fiscal deficit in FY2012/13 turned into a sizable surplus in FY2013/14, reflecting substantially lower capital spending at the beginning of the Eleventh Five-Year Plan and higher-than-expected project-tied grants. With a gradual pickup in capital spending and public sector salary increase, the fiscal balance turned into a small deficit in FY2014/15, and is projected to remain in deficit in FY2015/16. Strengthening domestic revenue collection will be important in the medium-term to ensure fiscal sustainability. To that effect, the planned implementation of a modern goods and services tax will be key.

Regarding the external sector, the current account deficit is projected to remain high until 2017/18 as large hydropower projects remain in the construction phase. The deficit will continue to be financed mainly by loans and grants from India. However, over the medium-term, a sharp increase in hydropower exports with the commissioning of new hydropower plants is projected to improve the current account balance. As a result, foreign exchange reserves, currently at about US$1 billion (over 9 months of imports) are projected to increase further.

Islamic Republic of Afghanistan

Economic activity remains weak. GDP growth continued to decline in 2015, reaching 0.8 percent after 1.3 percent and 3.9 percent in 2014 and 2013, respectively. This reflects a further deterioration in security conditions, the continued impact of troop withdrawal, delays in budget execution, and unfavorable weather lowering agricultural output. Inflation, after remaining in negative territory for some time in 2014–15, rose to 7.4 percent year-on-year in July on account of the Afghani's depreciation (14 percent year-to-year) and base effects. In the first half of 2016, the budget recorded a small surplus as domestic revenue collection and grants exceeded underperforming expenditure execution. The external current account was in surplus reflecting inflows of foreign aid, resulting in a continued comfortable international reserves buffer of almost nine months of imports.

Growth is projected to modestly improve to 2 percent in 2016, but the increasingly tenuous security situation and political uncertainties constitute significant downside risks. The authorities continue to address fiscal and banking vulnerabilities by mobilizing revenue and strengthening financial sector supervision and enforcement. Substantial medium-term grant financing will be needed to finance development and security needs, facilitate the move toward fiscal sustainability, and enhance confidence in the Afghan economy.

Maldives

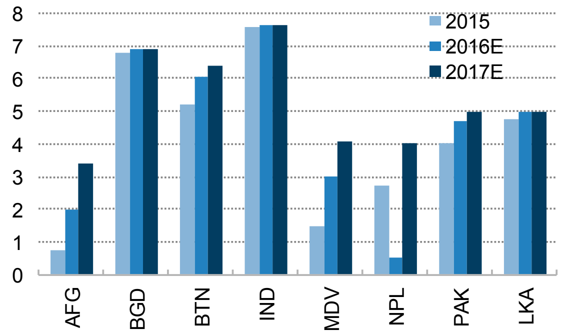
Real GDP growth is estimated to have slowed sharply from 6.5 percent in 2014 to around 1.5 percent in 2015, following a sharp fall in tourist arrivals from China. Growth is expected to pick up moderately to 3 percent in 2016, underpinned by a scaling up of infrastructure spending. Inflation has slowed since earlier in the year mainly due to food prices and was almost flat in July at 0.1 percent (y/y). The current account deficit is projected to have widened to around 12 percent of GDP in 2016, despite lower oil prices, following a sharp pick up in non-oil imports. Gross foreign reserves stood at US$538 million as of end-August (2.2 months of import cover), down by US$135 million compared to the same period last year, while parallel market rates have risen since the most recent Article IV mission in January this year. Strong revenues resulted in a better than expected outturn for the fiscal deficit in 2015 (at around 9 percent of GDP). However, sustained high deficits have placed the public debt-to-GDP ratio above the 60 percent limit in the Fiscal Responsibility Law and on a rising trajectory.

After reducing the deficit in 2015, the 2016 budget turned expansionary, driven by capital spending. Fiscal developments so far in 2016 are consistent with the deficit widening from 8.7 percent of GDP in 2015 to 13.7 percent of GDP in 2016. Non-tax revenues have fallen short of budget targets, prompting the government to streamline domestically-funded capital projects; strictly enforce an employment freeze; expand the green tax to guesthouses; and introduce a remittances tax. Going forward, a durable fiscal adjustment of around 5.5 percent of GDP is needed over the medium term. To attain this, the priorities are: firmer control of current spending (including the wage bill and healthcare costs); better targeting of subsidies; and prioritization of capital expenditures. Stronger public financial management, including over capital budgets, would also support fiscal adjustment. In addition, the well-administered tax system should be leveraged to generate higher revenues, through base broadening and higher tax rates.

South Asia: Recent Economic Developments and Outlook

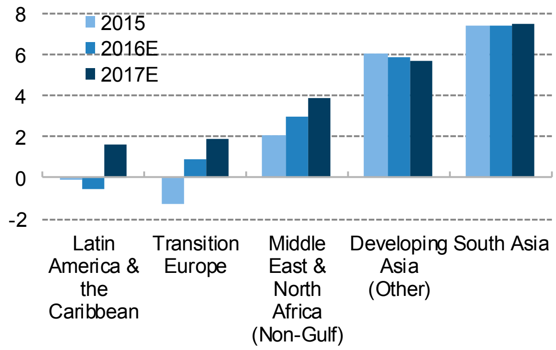
Economic growth is expected to accelerate in most countries

Real GDP Growth
(In percent, YoY)



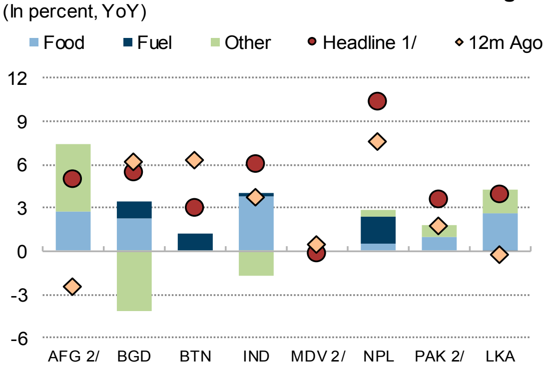
South Asian growth remains a clear leader relative to comparator regions

Emerging Regions: Real GDP Growth
(In percent, YoY)



Inflation remains anchored at low levels, with Nepal a notable exception

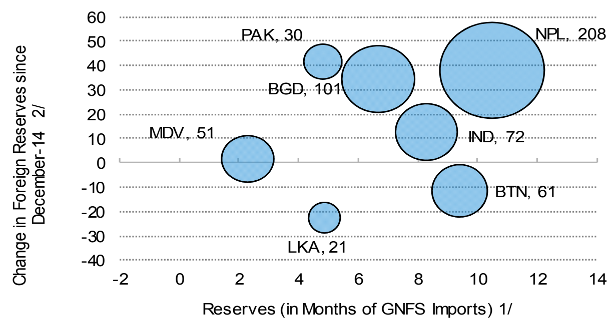
Inflation: Headline and Contributions to Change
(In percent, YoY)



1/ LKA (Sept-16), PAK (Aug-16); IND, NPL (Jul-16); BGD, MDV, AFG (May-16); BTN (Mar-16).
2/ Fuel series unavailable.

Foreign exchange reserves have generally grown rapidly, with Maldives, Sri Lanka and Bhutan among the exceptions

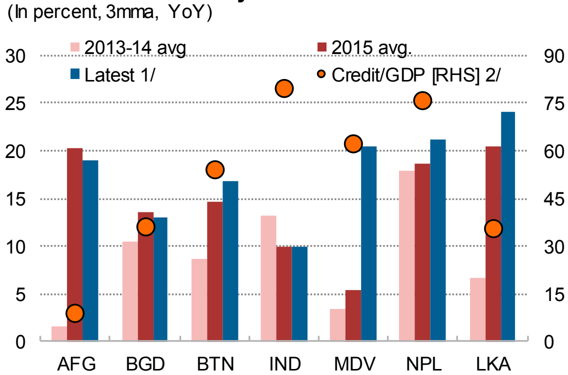
Foreign Reserves
(In percent; bubble size: reserves as a % of external debt 1/)



1/ As of end-2015.
2/ IND, NPL, BGD (Jul-16); BTN, MDV, LKA, PAK (May-16).

Credit growth is accelerating in many South Asian economies, but remains tepid in India

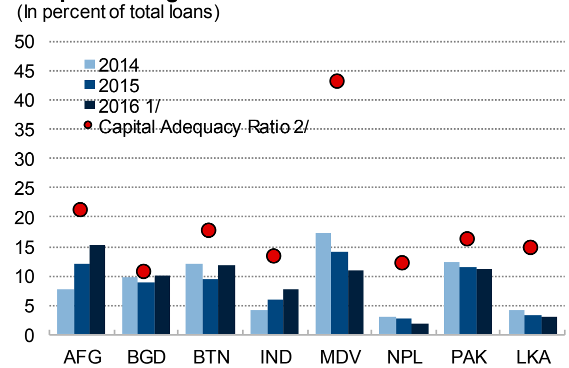
Credit to the Economy
(In percent, 3mma, YoY)



1/ IND, NPL (Jul-16); AFG (Jun-16); MDV (May-16); BTN, LKA (Dec-15); BGD(Nov-15).
2/ As of 2015 or latest available.

Impaired loans are large in some banking systems, but capital adequacy appears strong

Nonperforming Loans Ratio
(In percent of total loans)



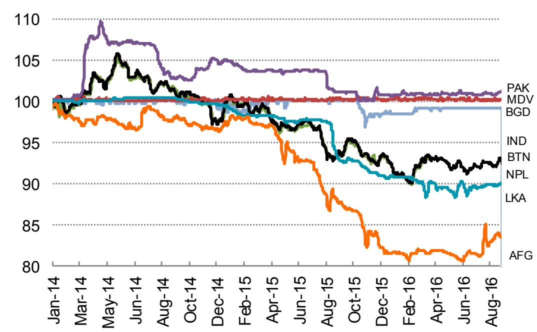
1/ AFG, BTN (2016Q1), IND, MDV, PAK, LKA, BGD (2016Q2), NPL (staff estimates 2016).
2/ AFG, BTN (2016Q1), IND, MDV, PAK, LKA (2016Q2), BGD (2015Q4), NPL (staff estimates 2016)

Sources: IMF, *International Financial Statistics*; IMF, *Financial Soundness Indicators;* IMF, *World Economic Outlook*; national monetary authorities; Haver Analytics; Bloomberg; and CEIC. Country acronyms denote: Islamic Republic of Afghanistan (AFG); Bangladesh (BGD); Bhutan (BTN); India (IND); Maldives (MDV); Nepal (NPL); Pakistan (PAK); and Sri Lanka (LKA). EM denotes emerging market economies.

South Asia: Recent Economic Developments and Outlook, cont'd

Nominal exchange rate flexibility is a policy feature in several South Asian economies

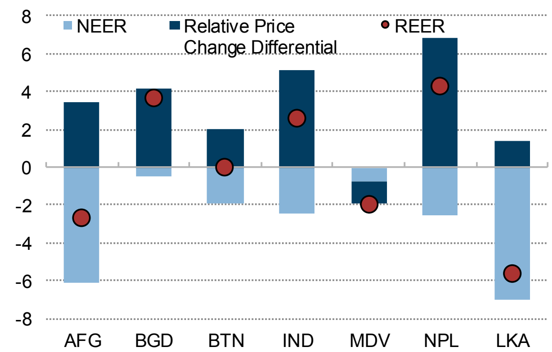
Exchange Rates
(USD/LCU, Index, Jan 1 2014 = 100, 5-day moving average) 1/ 2/



1/ LCU = Local currency unit.
2/ BTN and NPL have pegs with the Indian rupee.

Cross currency movements have been a prominent driver of real exchange rates

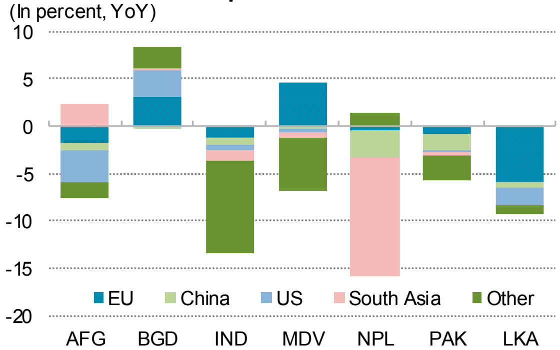
Contributions to changes in REER 1/
(In percent, YoY)



1/ As of August 2016 or latest.

Intra-South Asian trade remains small—links to advanced economies and large EMs are key

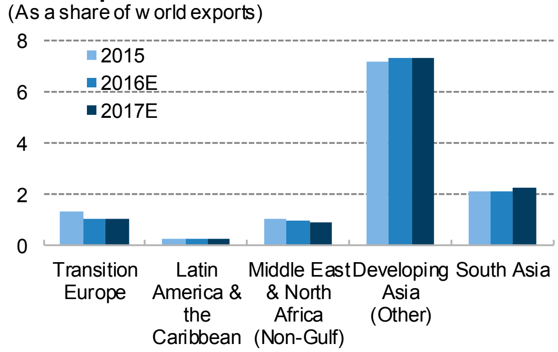
Contributions to Export Growth 1/
(In percent, YoY)



1/ As of April 2016.

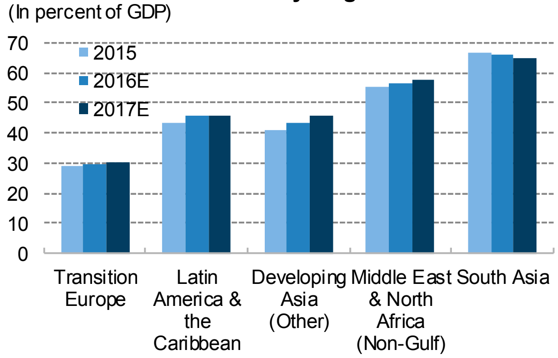
South Asia's share of world trade continues to grow, but remains relatively small

EM's Exports of G&S
(As a share of world exports)



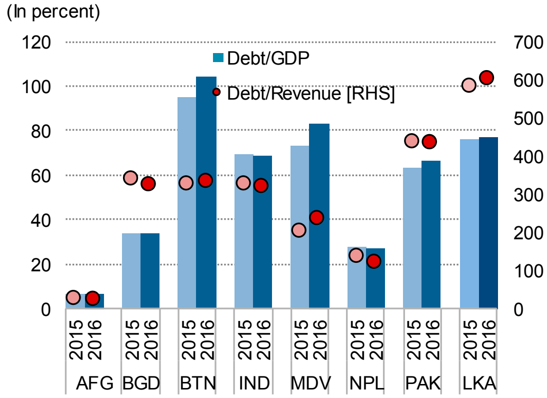
While it has declined recently, South Asian regional public debt remains the highest among comparator regions

EM's Government Debt by Region
(In percent of GDP)



Public debt-to-GDP ratios have increased in most countries, while debt-to-revenue ratios have fallen in many South Asian countries

South Asia: Public Debt
(In percent)



Sources: IMF, *Direction of Trade Statistics*; IMF, *World Economic Outlook*; CEIC; Haver Analytics; and Bloomberg. Country acronyms denote: Islamic Republic of Afghanistan (AFG); Bangladesh (BGD); Bhutan (BTN); India (IND); Maldives (MDV); Nepal (NPL); Pakistan (PAK); and Sri Lanka (LKA). EM denotes emerging market economies.

South Asia: Selected Economic Indicators

	Average 2001-10	2011	2012	2013	2014	2015	Projections 2016	Projections 2017
Real GDP Growth	**7.0**	**6.3**	**5.6**	**6.2**	**6.8**	**7.0**	**7.2**	**7.2**
(Annual change; percent)								
Afghanistan	9.1	6.5	14.0	3.9	1.3	0.8	2.0	3.4
Bangladesh	5.8	6.5	6.3	6.0	6.3	6.8	6.9	6.9
Bhutan	8.4	9.7	6.4	3.6	3.8	5.2	6.0	6.4
India	7.6	6.6	5.6	6.6	7.2	7.6	7.6	7.6
Maldives	8.5	8.7	2.5	4.7	6.5	1.5	3.0	4.1
Nepal	4.0	3.4	4.8	4.1	6.0	2.7	0.6	4.0
Pakistan	4.6	3.6	3.8	3.7	4.1	4.0	4.7	5.0
Sri Lanka	4.8	8.4	9.1	3.4	4.9	4.8	5.0	5.0
Consumer Price Inflation	**6.5**	**10.0**	**9.7**	**9.0**	**6.2**	**4.8**	**5.3**	**5.3**
(Year average; percent)								
Afghanistan	11.7	11.8	6.4	7.4	4.7	-1.5	4.5	6.0
Bangladesh	6.3	11.5	6.2	7.5	7.0	6.4	6.7	6.9
Bhutan	4.6	7.3	9.3	11.3	9.9	6.3	4.4	4.6
India	6.1	9.5	9.9	9.4	5.9	4.9	5.5	5.2
Maldives	4.1	11.3	10.9	4.0	2.5	1.4	2.1	2.6
Nepal	6.2	9.6	8.3	9.9	9.0	7.2	10.0	9.9
Pakistan	8.2	13.7	11.0	7.4	8.6	4.5	2.9	5.2
Sri Lanka	11.1	6.7	7.5	6.9	3.3	0.9	4.1	5.3
General Gov. Overall Fiscal Balance	**-7.3**	**-7.6**	**-7.2**	**-7.3**	**-6.7**	**-6.5**	**-6.2**	**-6.1**
(Percent of GDP)								
Afghanistan[1]	-1.3	-0.7	0.2	-0.6	-1.7	-1.4	0.1	0.0
Bangladesh[1]	-2.9	-3.6	-3.0	-3.4	-3.1	-3.9	-4.3	-4.7
Bhutan	-2.2	-1.7	-2.4	-5.8	2.9	-0.2	-0.7	-2.5
India	-8.4	-8.2	-7.5	-7.6	-7.3	-6.9	-6.7	-6.6
Maldives	-7.5	-7.7	-7.9	-7.8	-9.4	-8.7	-13.7	-18.4
Nepal	-1.6	-1.3	-1.4	1.5	0.8	-0.7	0.6	-2.5
Pakistan	-3.8	-6.7	-8.6	-8.4	-4.9	-5.2	-4.4	-3.6
Sri Lanka[1]	-6.9	-6.2	-5.6	-5.2	-6.2	-7.0	-5.4	-4.7
Current Account Balance	**-0.7**	**-3.6**	**-4.1**	**-1.4**	**-1.2**	**-0.9**	**-1.2**	**-1.9**
(Percent of GDP)								
Afghanistan	17.0	6.0	5.9	8.7	2.4	4.7	4.5	1.1
Bangladesh	0.5	-1.0	0.7	1.2	0.9	0.7	-0.1	-0.7
Bhutan	-13.1	-29.8	-21.5	-25.4	-26.4	-28.8	-27.8	-31.5
India	-0.8	-4.3	-4.8	-1.7	-1.3	-1.1	-1.4	-2.0
Maldives	-13.3	-16.5	-7.3	-4.5	-3.9	-9.5	-11.9	-14.1
Nepal	2.5	-1.0	4.8	3.3	4.5	5.0	3.9	-0.9
Pakistan	-1.5	0.1	-2.1	-1.1	-1.3	-1.0	-0.9	-1.5
Sri Lanka	-2.7	-7.1	-5.8	-3.4	-2.5	-2.5	-1.6	-3.0

Sources: IMF, *World Economic Outlook*; national monetary authorities; and IMF staff estimates and projections.

[1]Central government.

Notes: Regional aggregates weighted by PPP GDP. Variables reported on a fiscal year basis for India (April/March); Bhutan, Pakistan (July/June); Afghanistan (March 21/March 20 until 2011, and December 21/December 20 thereafter); Nepal (August/July); Bangladesh (Fiscal Balance only: July/June). Sri Lanka real GDP growth numbers reflect projections based on the revised (2010 base) national accounts data published by the authorities.