

A decorative graphic on the left side of the slide features a dark grey background with a curved band of teal and green squares. Below this band, there are several concentric circles and lines in shades of green and teal, creating a complex, abstract pattern.

India Economic Monitor

December 2020 Update

Executive Summary

India GDP witnessed 7.5% YoY de-growth in the Jul-Sep 2020 quarter vs. 23.9% contraction in the previous quarter. Private consumption & gross capital formation recovered while govt. consumption dipped vs. previous quarter. Manufacturing recorded a YoY growth of 0.6% in Jul-Sep quarter vs. 39% YoY de-growth in the previous quarter. Nov'20 high frequency data reflects improvement vs. previous months as well as last year across select indicators - GST collections continued to grow vs. last year; Index of Industrial Production (factory output) stood at an 8-month high. GDP projections saw an upward revision at 7-10% YoY contraction for this financial year.

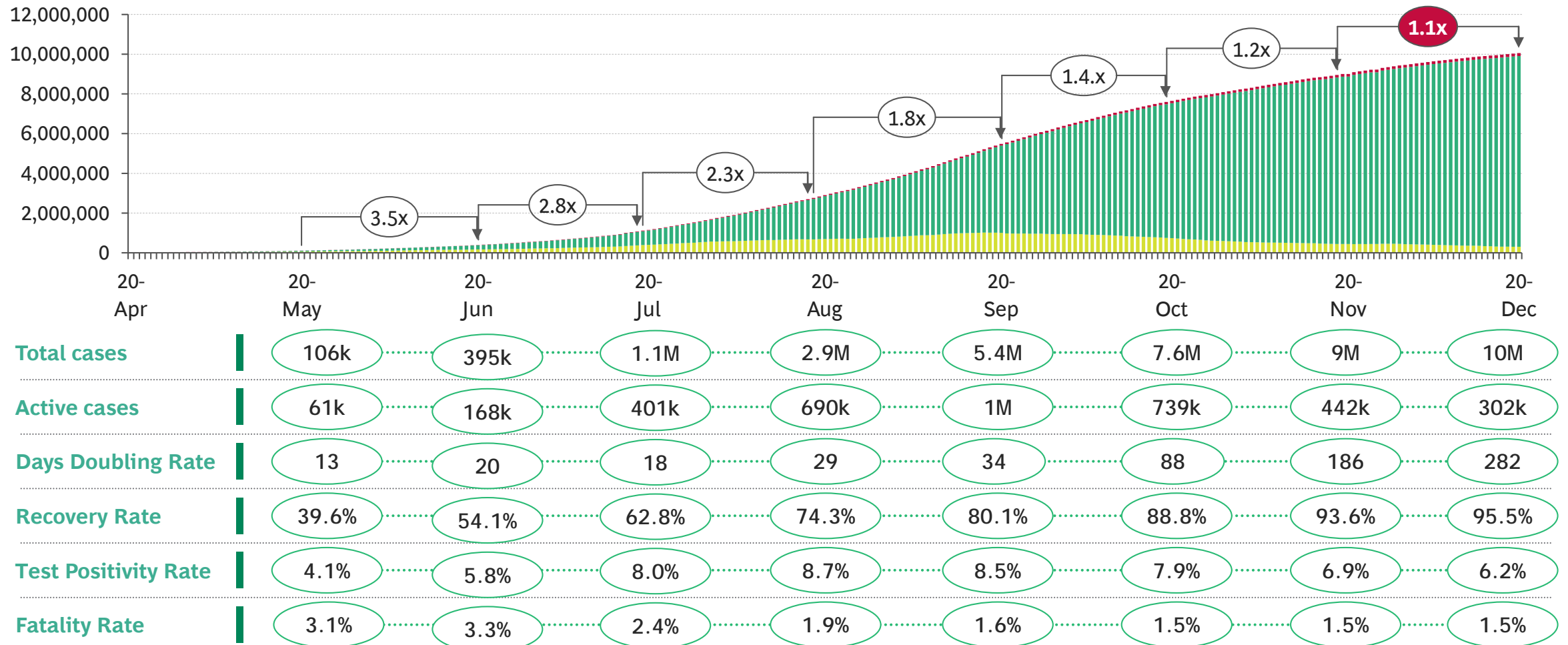
Trends across key economic indicators

- **Industrial Activity:** Daily avg. power consumption witnessed a 4% YoY growth in Nov'20 as compared to a 10% YoY growth in Oct'20; fuel consumption contracted 4% YoY in Nov'20 after witnessing positive YoY growth in Oct'20; Index of Industrial Production grew vs. last year in Oct'20, for the second month
- **Trade:** In Nov'20, Merchandise trade stayed at last month levels, however, continued negative YoY gap of -9% in exports and -13% in imports; Services trade slightly declined, widening YoY gap to -6% in exports and -12% in imports in Oct'20
- **Logistics:** FASTag transactions increased 2% vs. previous months in Nov'20, E-way bills grew at 8% YoY in Nov'20 ; JNPT traffic continued to grow in Nov'20 vs. last year; Air & rail passenger traffic improved in Sep-Oct'20 vs. previous months, however significantly far from pre-COVID levels
- **Financial Services:** Aggregate deposits & bank credit improved vs. previous months; deposit & credit YoY growth improved in the last week of Nov'20; Value of UPI transactions continued to hit all time high level at INR 3.9 Tn (100+% YoY growth)
- **Sector-wise Impact:** 2W & tractor sales continued to improve vs. last year levels in Nov'20 (2W sales grew 13%, tractor sales grew 48% YoY), Passenger vehicles & 3W witnessed YoY de-growth of -3% and -41% respectively; Pharma sales continued to grow vs. last year & fertilizer sales declined in Nov'20 after growing YoY in Oct'20; Consumption of steel grew in Nov'20 vs. last year & previous months; Non-life insurance premium grew vs. Nov'19 levels while life insurance premiums witnessed a dip vs. Nov'19 levels
- **Macroeconomic Indicators:** GST collections continued to grow vs. last year for the 3rd month in Nov'20, crossing the INR 1 Tn mark; MGNREGA work demand & employment dipped in Nov'20 to 40-50% YoY levels after trending at 75%+ than last year levels in previous months
- **Sentiment:** Consumer sentiment marginally dipped in Nov'20 vs. Oct'20; rural better than urban; Both Manufacturing & Services PMI remained beyond the 50-point mark in Nov'20 (56.3 & 53.7 respectively), however, witnessed a marginal dip vs. Oct'20 highs; Improvement in value of stock market transactions vs. Sep-Oct'20 in Nov'20; Mutual funds AUM continued to grow vs. last year levels & previous months in Nov'20

COVID-19 cases in India on a continuous rise in Nov-Dec'20 albeit with a declining active case count and improved recovery rate

Data as of 20 Dec

Total cases



Source: Ministry of Health & Family Welfare (MoHFW); covid19india.org; BCG analysis



1

Economic Indicators

2

GDP Deep-Dive

Summary: Nov'20 trends continued to show improvement across most indicators, with select indicators exceeding last year levels

	Indicator	Unit	Mar	Jun	Jul	Aug	Sep	Oct	Nov
1	Industrial Activity								
	Power Consumption	MU	-10%	-10%	-3%	-2%	3%	10%	4%
	Petroleum Consumption	MT	-18%	-8%	-12%	-16%	-4%	3%	-4%
	Index of Industrial Prod.	Index	-18%	-17%	-10%	-8%	0.5%	3.6%	NA
2	Trade								
	Services Export	USD	1%	-8%	-11%	-10%	-1%	-6%	NA
	Services Import	USD	-2%	-15%	-22%	-20%	-9%	-12%	NA
	Merchandise Export	USD	-35%	-12%	-10%	-13%	6%	-5%	-9%
	Merchandise Import	USD	-29%	-48%	-28%	-26%	-20%	-12%	-13%
3	Logistics								
	E-Way Bills Generated	Mn	-26%	18%	-7%	-4%	9%	21%	8%
	Railway Freight Originated	MT	-14%	-8%	-5%	4%	16%	15%	NA
	JNPT Container Traffic	TEUs	-13%	-29%	-20%	-19%	-5%	5%	8%
	Air Freight	kT	-32%	-40%	-34%	-30%	-16%	-14%	-13%
	Air Passenger Traffic	Mn	-38%	-85%	-84%	-79%	-70%	-62%	-57%
	Rail Passengers Booked	Mn	-39%	-100%	-98%	-97%	-94%	-91%	NA
4	Financial Services								
	NPCI Retail Txns. (Values)	INR	-4%	-2%	-4%	0%	11%	7%	NA
	NPCI Retail Txns.(Volume)	Mn	24%	39%	37%	40%	49%	41%	NA
	Total Bank Credit	INR	6.1%	6.2%	5.9%	5.5%	5.2%	5.4%	5.7%
	Total Bank Deposits	INR	8.5%	11.1%	11.0%	11.0%	11.3%	10.3%	10.7%

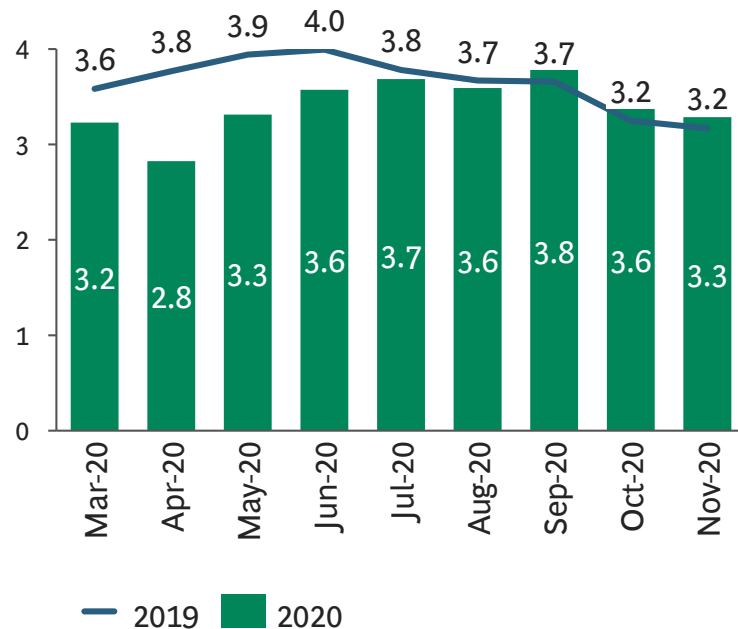
	Indicator	Unit	Mar	Jun	Jul	Aug	Sep	Oct	Nov
5	Sector-wise Impact								
	Cement Production	MT	-25%	-7%	-14%	-15%	-4%	3%	NA
	Steel Consumption	MT	-23%	-29%	-9%	-8%	-1%	1%	23%
	Passenger Vehicle Sales	k	-56%	-51%	-14%	-2%	13%	9%	-3%
	Tractor Sales	k	-50%	20%	36%	65%	27%	9%	48%
	Two-wheeler Sales	k	-36%	-38%	-20%	0.2%	11%	18%	13%
	Fertilizer Sales	MT	18%	79%	34%	-9%	-11%	9%	-10%
	Gross Premium (Life)	INR	-32%	-10%	7%	15%	26%	32%	-27%
	Gross Premium (Non-Life)	INR	-11%	8%	18%	10%	-4%	-0.4%	3%
	Pharma. Sales	INR	9%	2%	0.2%	-2%	4%	10%	1%
	Chemical Production Index	Index	-2%	-26%	-13%	-4%	-2%	NA	NA
6	Macroeconomic Indicators								
	Total GST Collection	INR	-8%	-9%	-15%	-12%	4%	10%	1%
	Central Govt. Expenditure	INR Tn	2.2	3.0	2.4	1.9	2.3	1.8	NA
	MGNREGA Jobs Demand	HHs	2%	74%	74%	67%	71%	89%	50%
	MGNREGA Jobs Provided	HHs	-1%	80%	83%	63%	65%	83%	44%
	No. of Tenders Announced	k	-4%	29%	125%	80%	110%	201%	127%
	FDI Inflow	USD Bn	4.9	-0.1	4.0	18.4	3.3	NA	NA
	FII	USD Bn	-15.0	3.1	0.6	6.7	-0.3	NA	NA
7	Sentiment								
	India VIX	Index	64.4	29.1	24.7	22.8	19.5	24.8	19.8
	PMI (Manufacturing)	Index	51.8	47.2	46.0	52.0	56.8	58.9	56.3
	PMI (Services)	Index	49.3	33.7	34.2	41.8	49.8	54.1	53.7

Data for 2020; YoY growth represented for all indicators (except for India VIX, PMI, Central govt. expenditure, FDI, and FII where absolute values are represented)

Source: POSOCO, PPAC, MoSPI, RBI, Ministry of Comm. & Industry, GST Network, Ministry of Railways, JNPT, AAI, NPCI, JPC, Ministry of Steel, SIAM, CMIE, mFMS, IRDAI, AIOCD, American Chemistry Council, GST Council, Ministry of Finance, Controller General of Accounts, Ministry of Rural Development, Projects Today, Bloomberg, NSE, BSE, IHS Markit, BCG analysis

Power consumption improved while fuel consumption dipped vs. Nov'19; IIP witnessed YoY growth in Oct'20, reaching an 8-month high

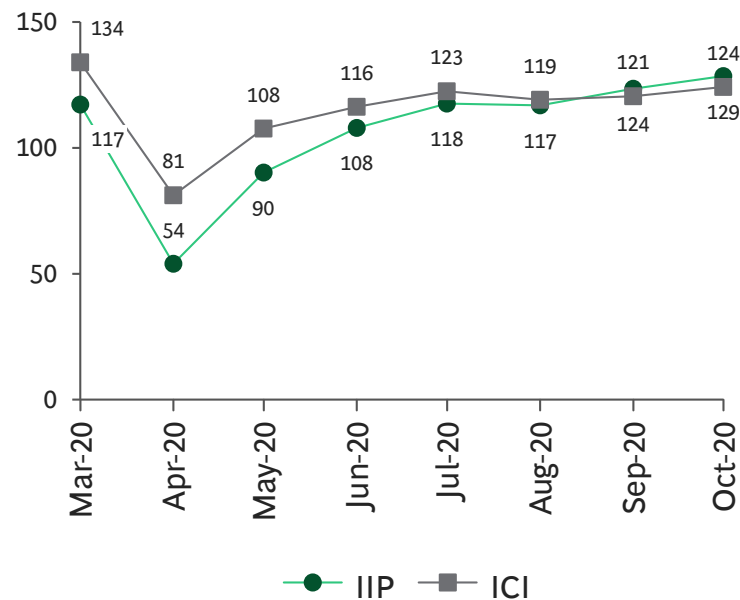
Daily Average Power Consumption Volume ('000s MUs)



YoY
growth



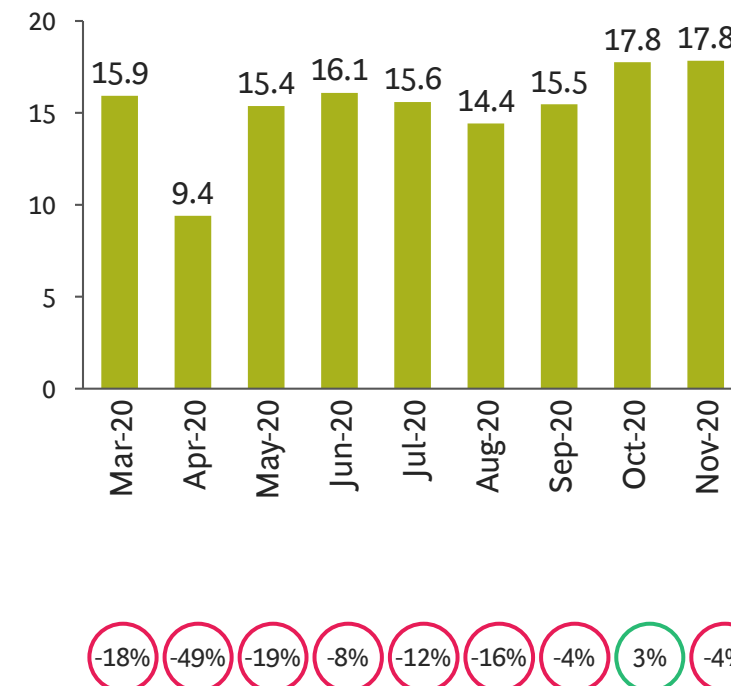
IIP¹ (Index of Industrial Production) & ICI² (Index of Core Industries)³



IIP
YoY
growth



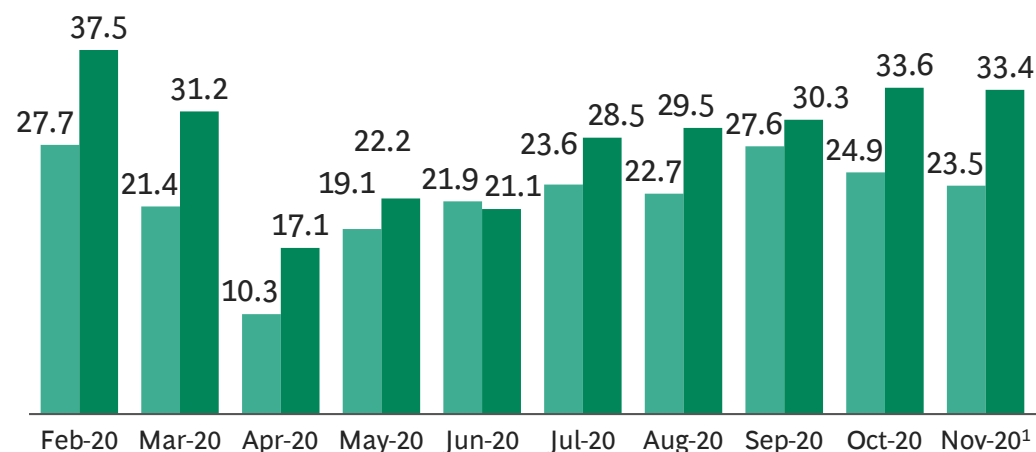
Consumption of Petroleum Products (in MMT)⁴



1. Index of Industrial Production (IIP) shows the growth rates in different industry groups (comprises of Mfg. (78% weightage), Mining (14%), Electricity (8%))
 2. Index of Core Industries (ICI) measures performance of production in 8 core industries (Coal, Crude, NG, Refinery Products, Fertilizers, Steel, Cement & Electricity)
 3. In view of the effect of the containment measures for COVID-19 pandemic, the indices for Apr-20 & May-20 are not comparable with preceding months
 4. Petroleum products include LPG, Naphtha, MS, ATF, SKO, HSD, LDO, Lubricants & Greases, FO & LSHS, Bitumen, coke as reported (provisional) by Petroleum Planning & Analysis Cell
 Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, PPAC, BCG analysis

Merchandise trade stayed at Oct'20 levels, however, continued negative gap with last year; Services trade slightly declined, widening YoY gap

Merchandise Trade (USD Bn)

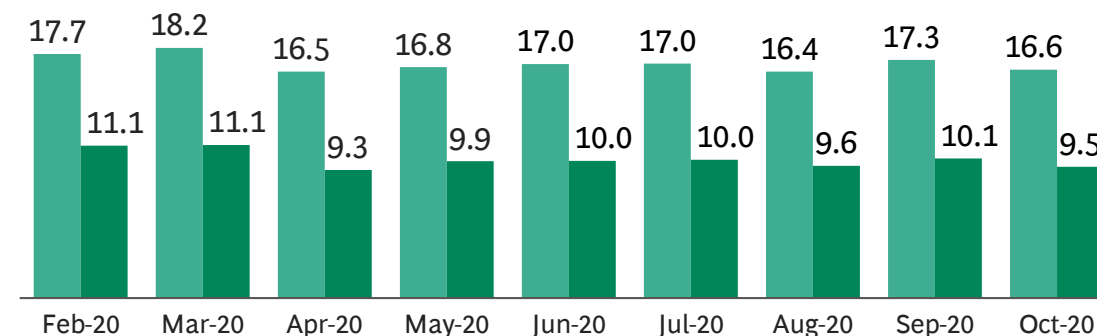


Merchandise Exports Merchandise Imports

Exports YoY growth: 3%, -35%, -60%, -36%, -12%, -10%, -13%, 6%, -5%, -9%

Imports YoY growth: 2%, -29%, -60%, -52%, -48%, -28%, -26%, -20%, -12%, -13%

Services Trade (USD Bn)



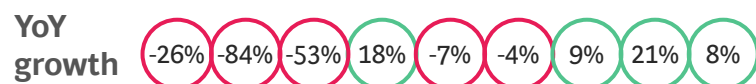
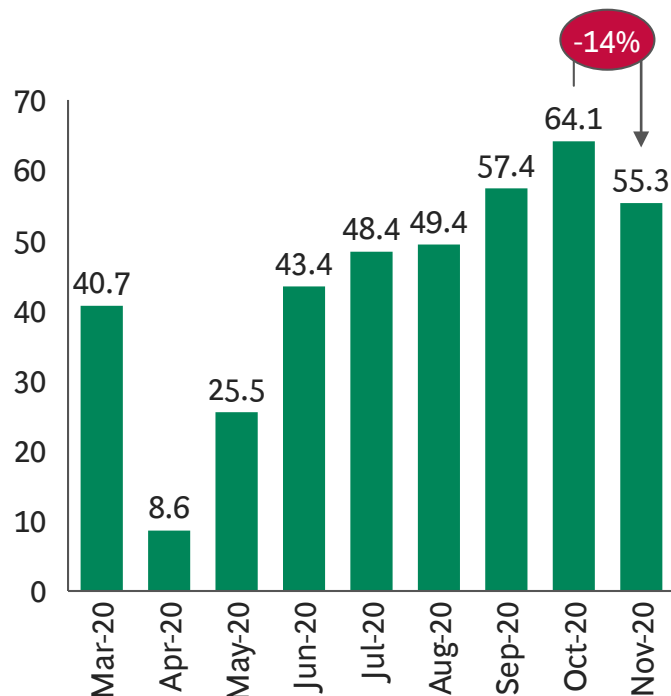
Services Exports Services Imports

Exports YoY growth: 7%, 1%, -9%, -10%, -8%, -11%, -10%, -1%, -6%

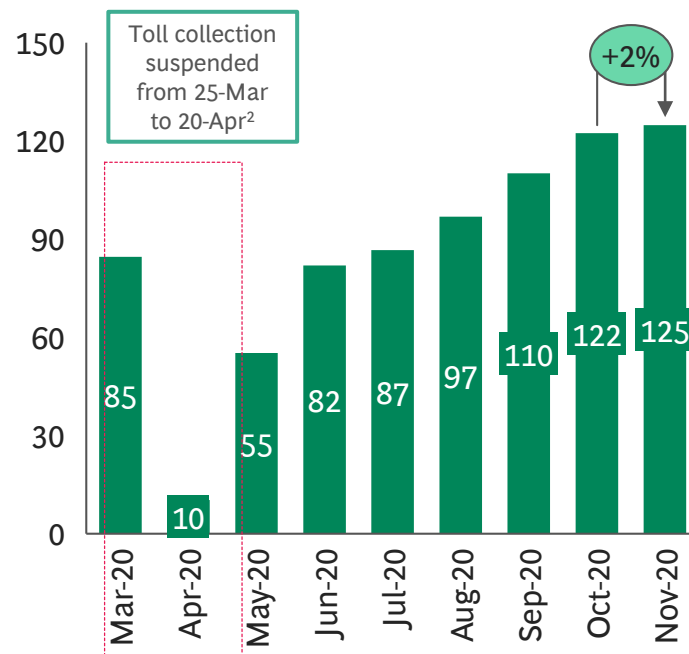
Imports YoY growth: 13%, -2%, -18%, -20%, -15%, -22%, -20%, -9%, -12%

E-way bill & FASTag transaction volumes grew YoY in Nov'20; Rail freight continued to grow YoY in Oct'20

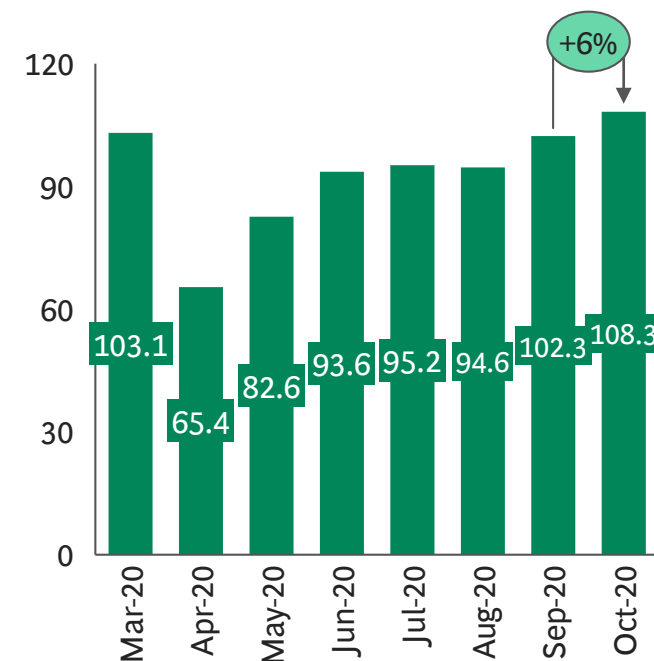
E-way bills¹ generated (Mn)



FASTag transaction volume (Mn)



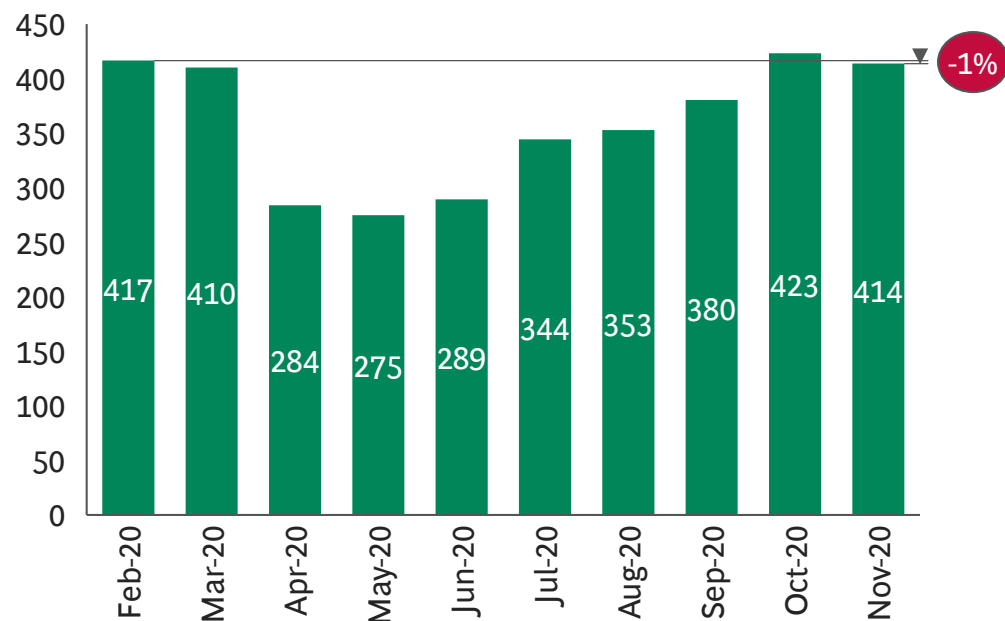
Railway freight traffic originating (Mn Tons)



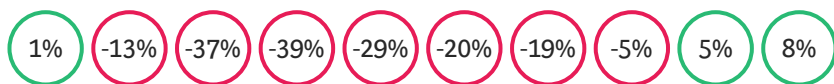
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000; 2. As per announcement by NHAI; 3. High YoY growth due to drop in e-way bills in Jun-19; due to new provision introduced limiting generation of E-Way bills if the GST Return filing pending for last 2 months
Source: GST Network, NHAI, NPCI, Ministry of Railways, CEIC data, BCG analysis

JNPT traffic grew vs. Nov'19 levels; Air Freight YoY gap improved in Nov'20 vs. Apr-Oct'20 levels, though below last year levels

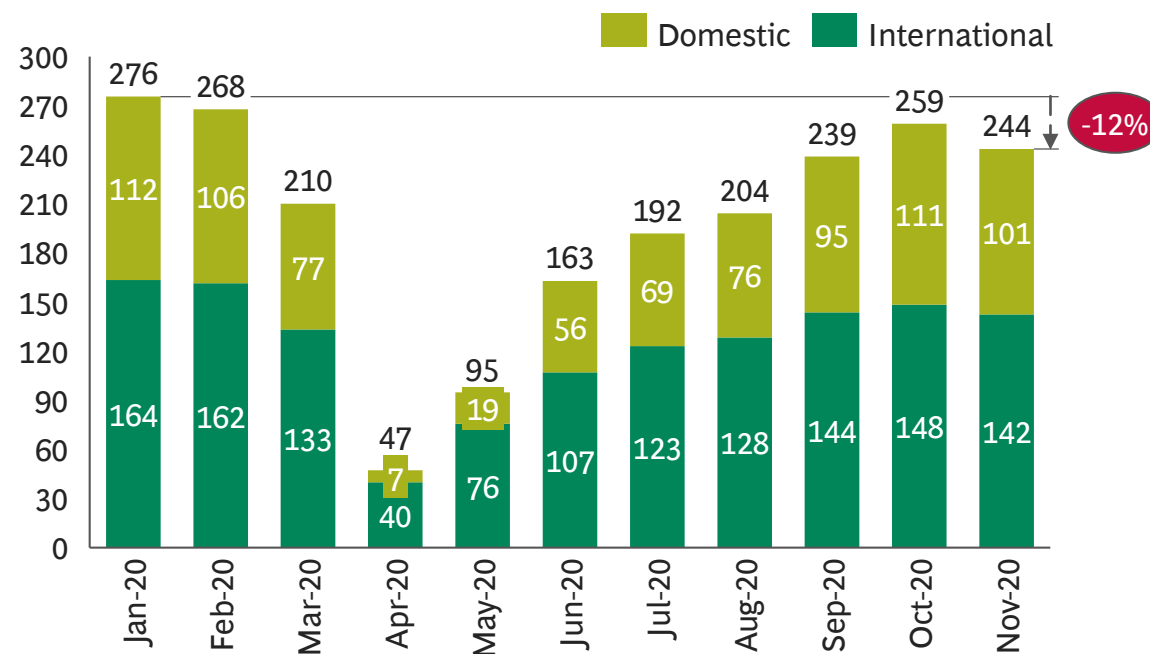
JNPT Container Traffic ('000s TEUs¹)



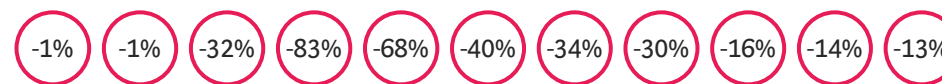
YoY growth



Air Freight (k Tons)



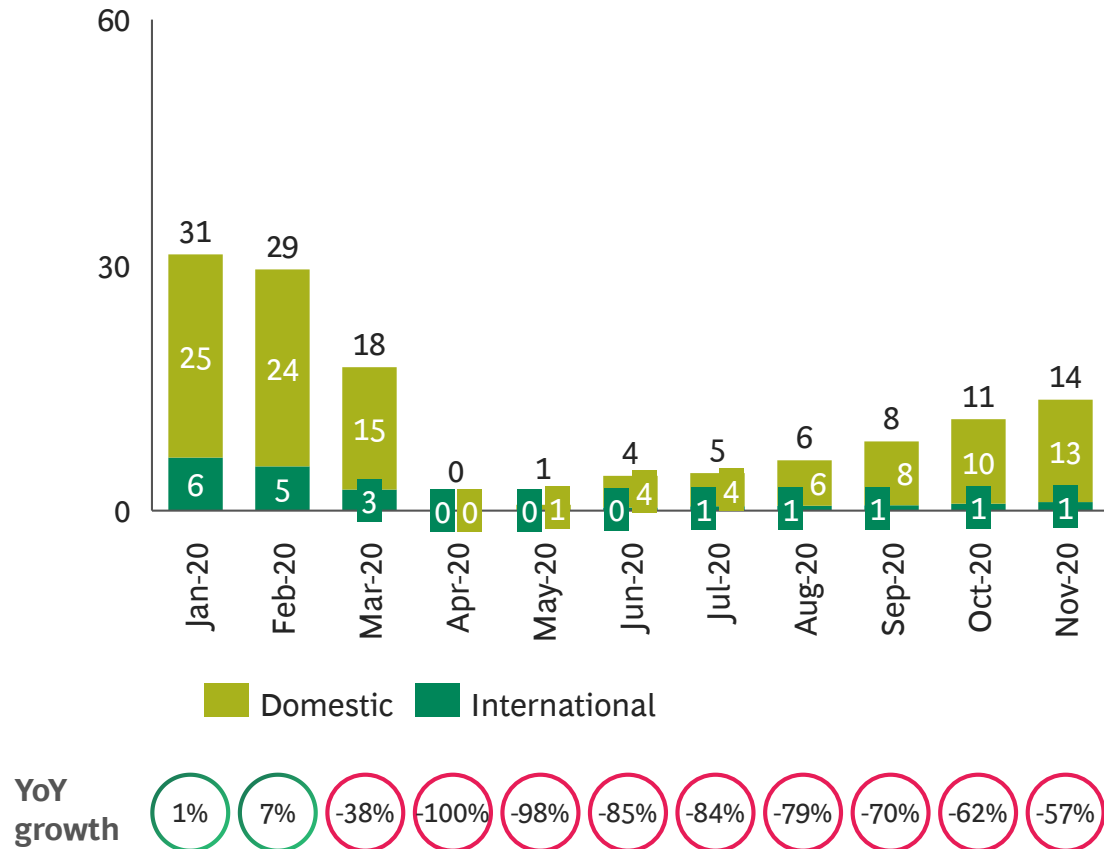
YoY growth



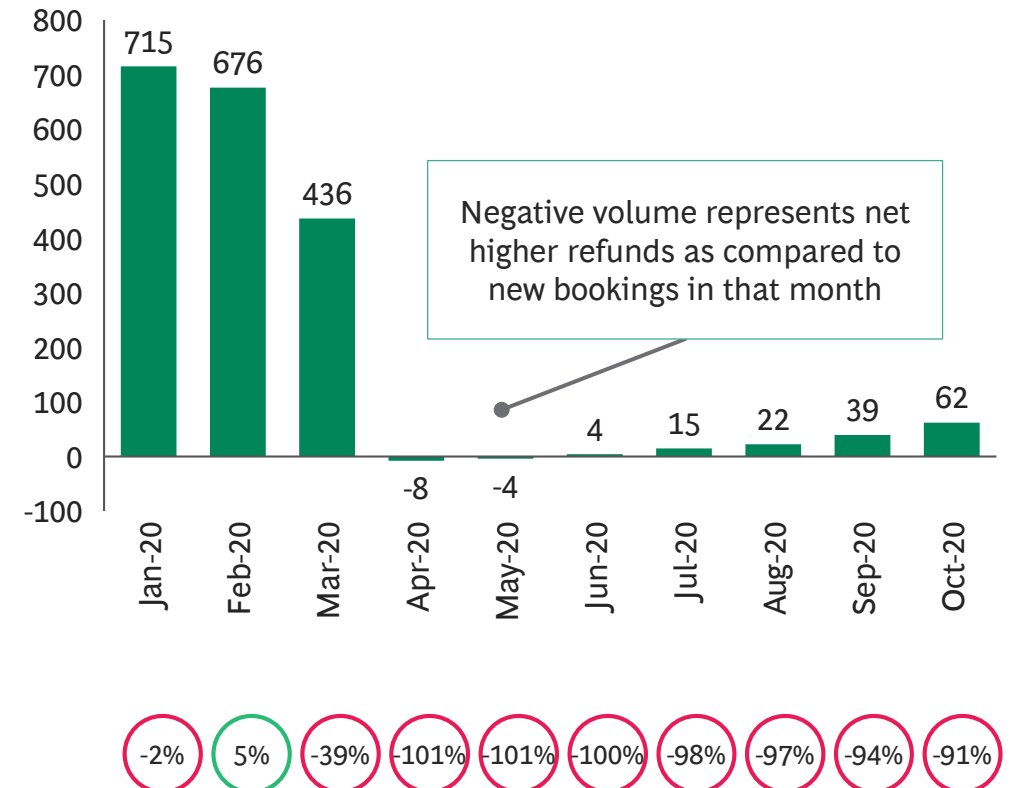
1. TEU refers to Twenty-foot equivalent unit equivalent to 20 shipping containers (20 feet long, 8 feet tall)
Source: Jawaharlal Nehru Port Trust, Airport Authority of India, BCG analysis

Air & rail passenger traffic saw improvement vs. Apr-Sep'20 levels, though significantly below last year levels

Air Passengers (Mn)

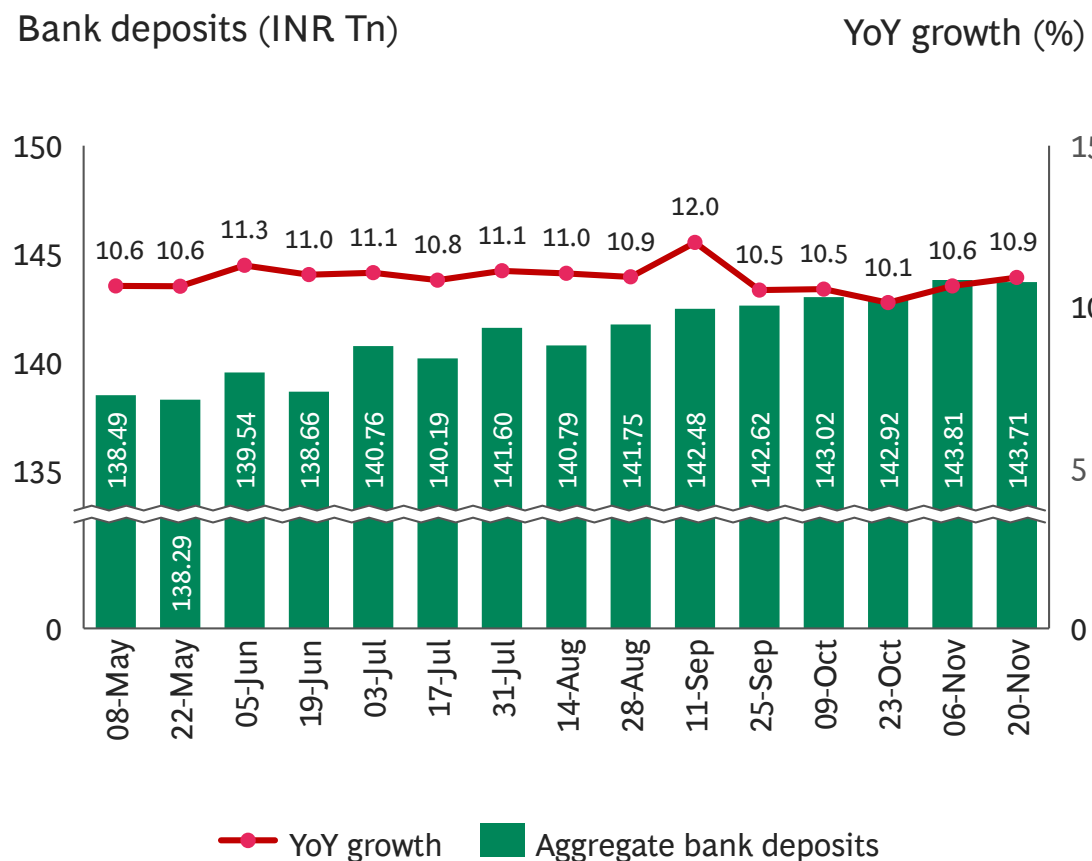


Railway Passenger Bookings (Mn)

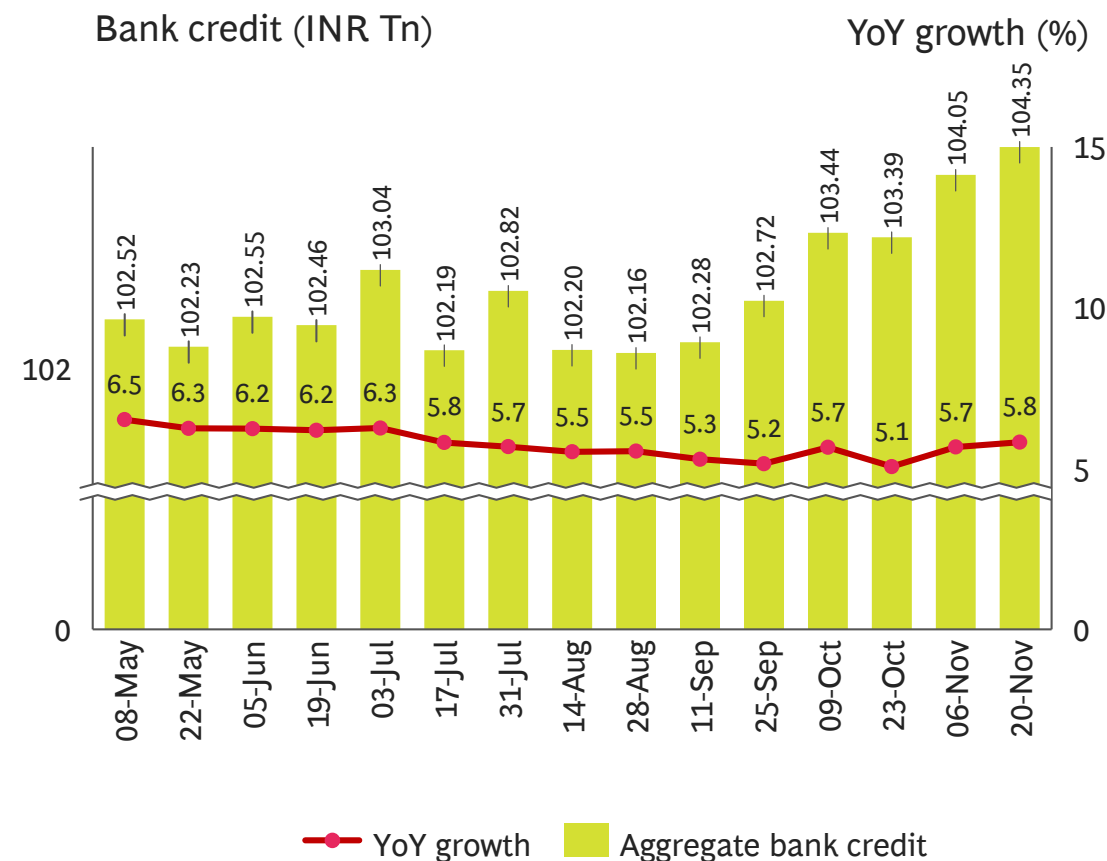


Aggregate deposits & bank credit improved vs. previous months; deposit & credit YoY growth improved in the last week of Nov'20

Total deposits value & YoY growth aggregated for all banks



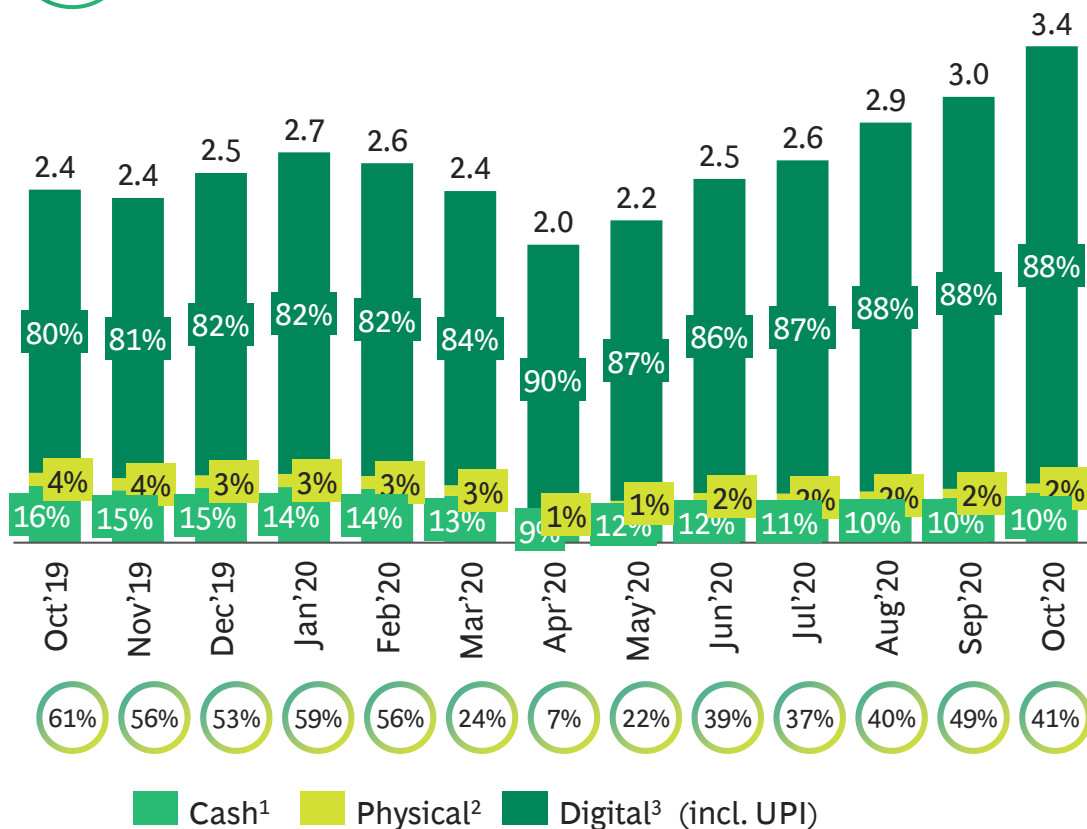
Total credit outstanding value & YoY growth aggregated for all banks



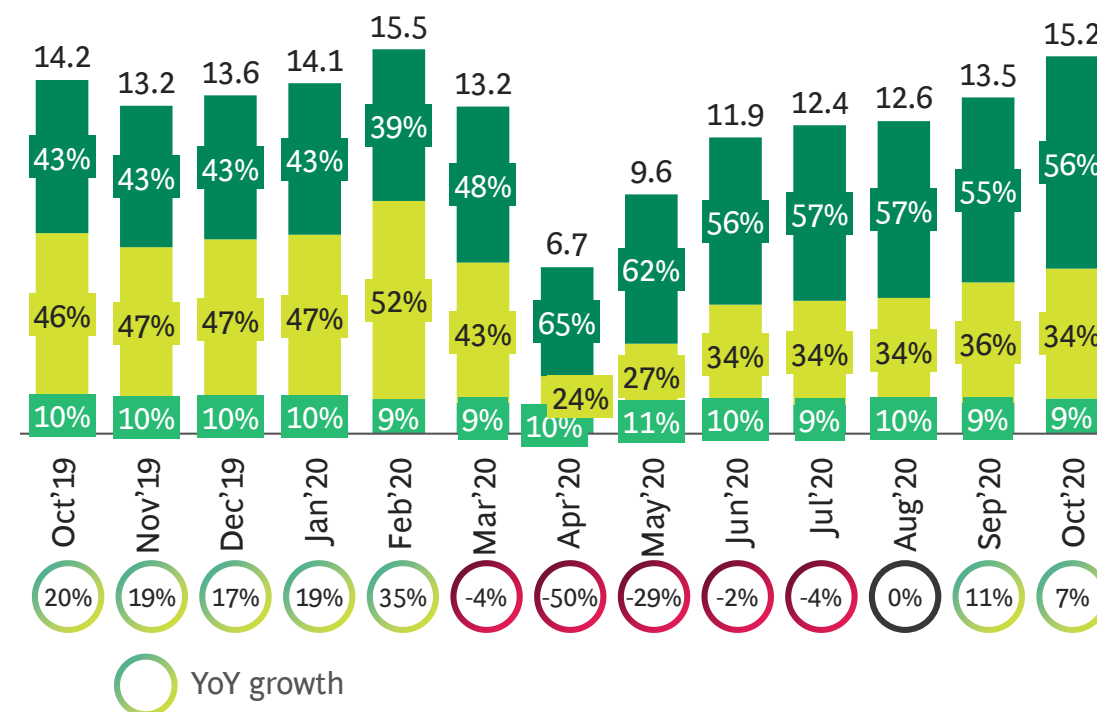
Oct'20 retail transactions observed strong growth vs. previous months & last year; Stronger YoY growth in volume as compared to value



Volume of retail transactions⁴ (in Bn)



Value of retail transactions⁴ (in INR Tn)

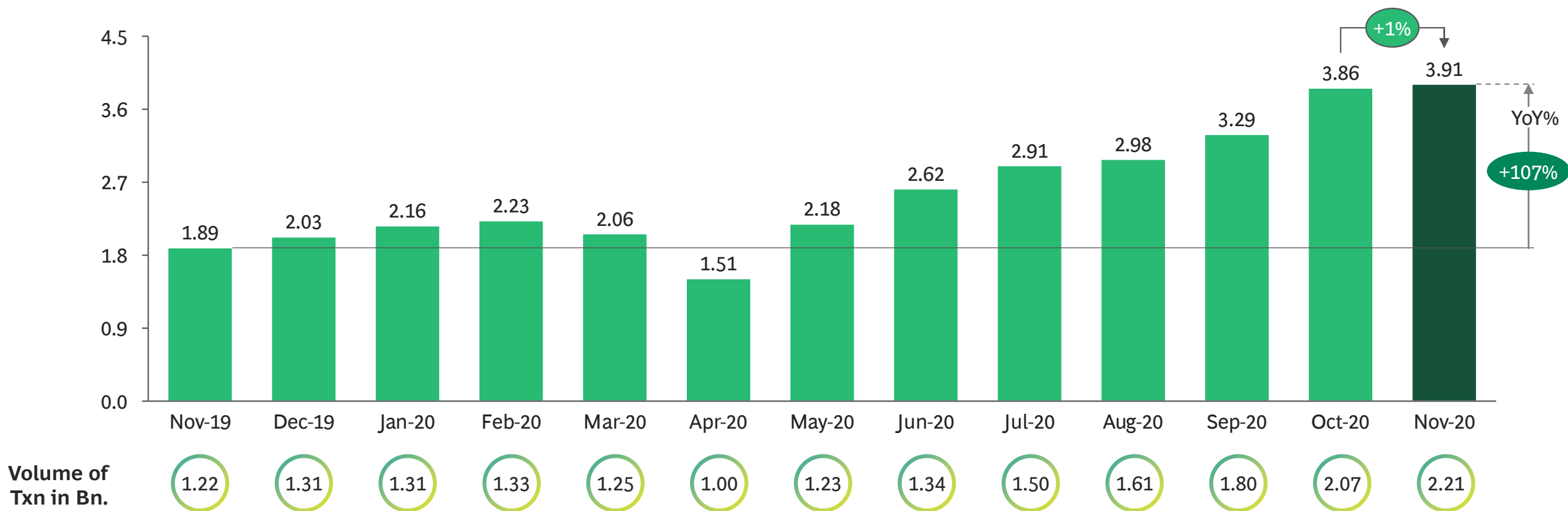


1. Cash refers to NFS Inter Bank ATM Cash Withdrawal; 2. Physical refer to CTS Cheque Clearing (Processed Volume); 3. Digital refer to NACH- National Automated Clearing House, IMPS, RuPay Card usage at (POS), RuPay Card usage at (eCom) AEPS (Inter Bank) Txn over Micro ATM (e.g., Cash withdrawal/Cash Deposit), BBPS (Bill Payment passing through BBPCU), UPI—Unified Payments Interface, USSD 1.0, NETC 4. NPCI retail transactions does not include NEFT, RTGS through RBI, Credit and debit card transactions other than RuPay, mobile banking & internet banking transaction, cash withdrawal from bank's ATM

Source: BCG Analysis, National Payment Corporation of India (NPCI)

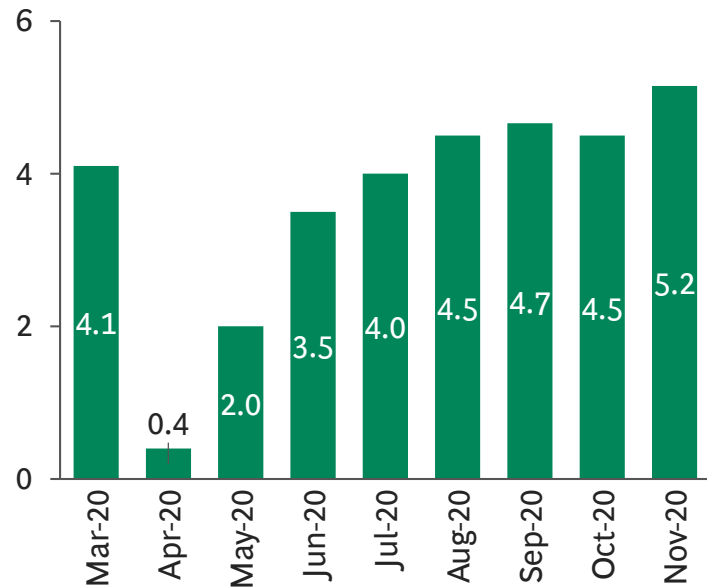
Value of UPI transactions in Nov'20 continued to spike by 100+% vs. previous year's levels, hitting a new milestone

Value of transactions in INR Tn



Consumption of steel grew in Nov'20 vs. last year & previous months; Cement production grew vs. Oct'20 and Mar-Sep'20 levels

Consumption of Long Steel (in MMT)

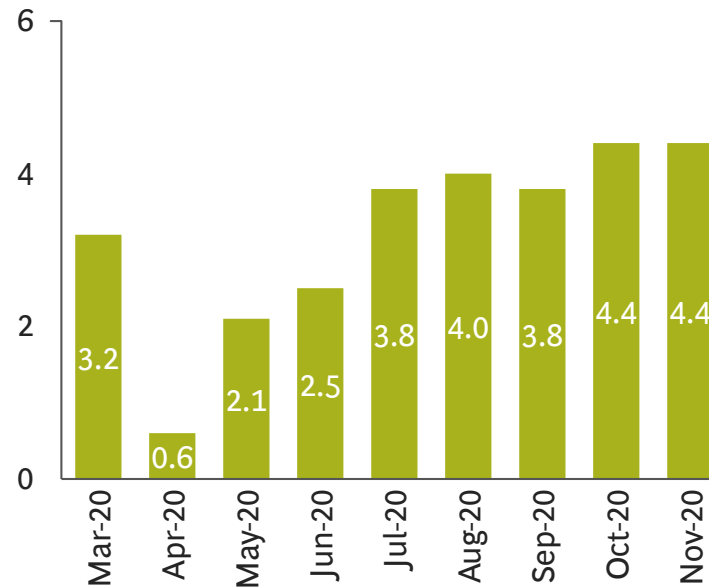


Long Steel Consumption

YoY
growth



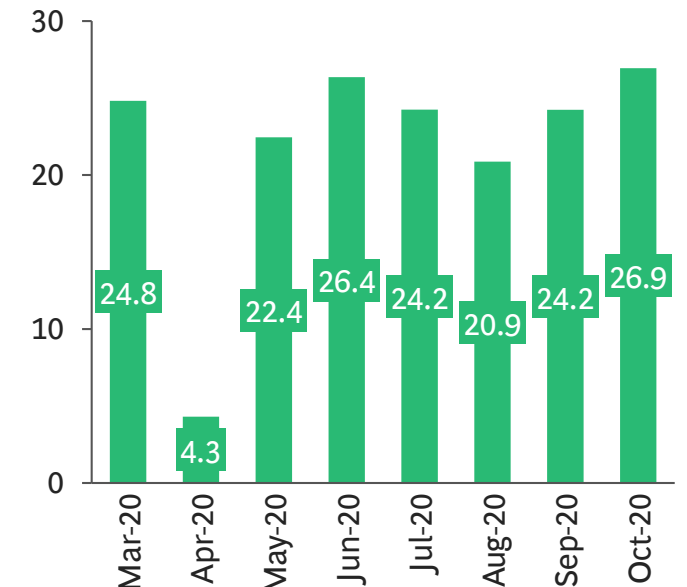
Consumption of Flat Steel (in MMT)



Flat Steel Consumption



Cement Production (in MT)



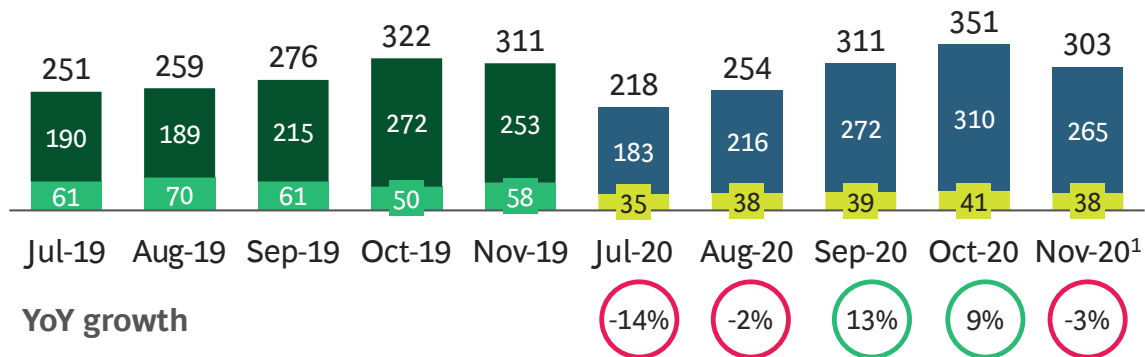
Cement Production



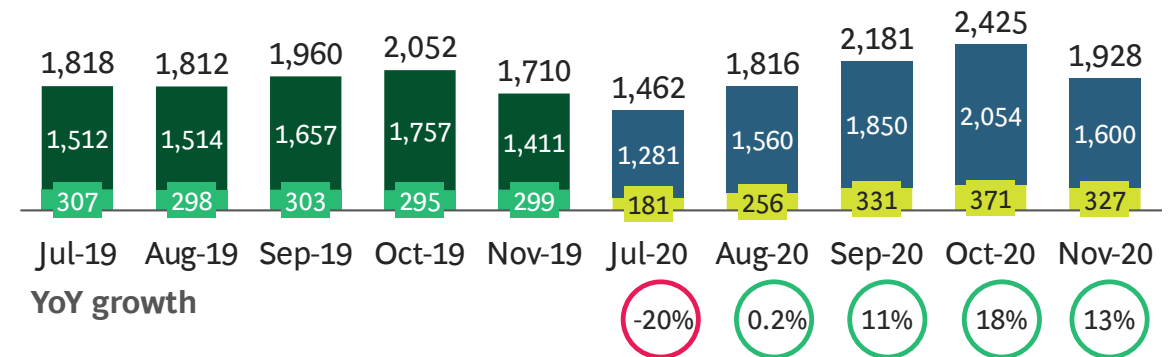
2W & tractor sales continued to improve vs. last year levels; Passenger vehicle & 3W sales witnessed a dip in Nov'20 vs. last year



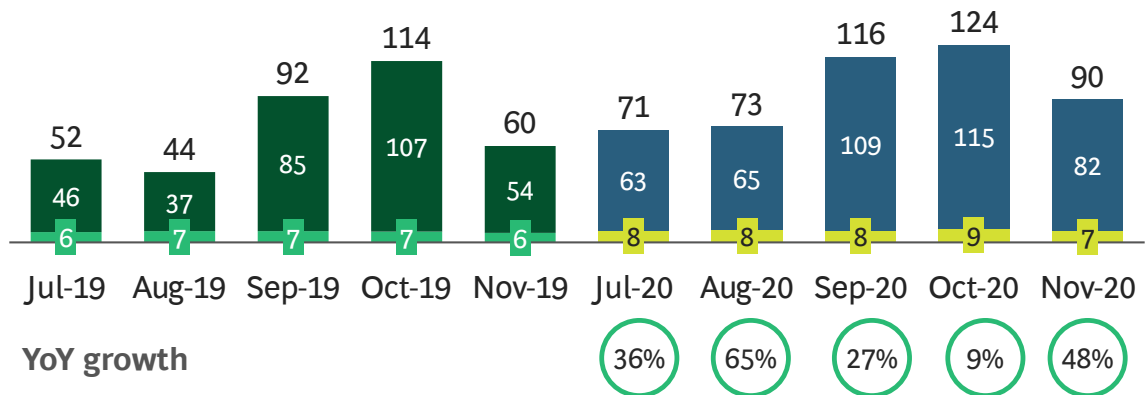
Passenger vehicles sales ('000 units)



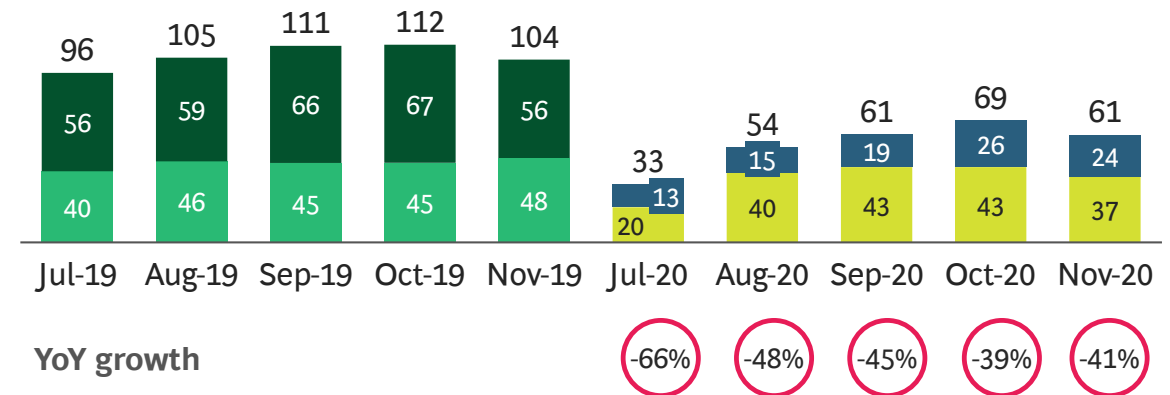
Two-wheeler sales ('000 units)



Tractor sales ('000 units)



Three-wheeler sales ('000 units)



Domestic sales 2019 Exports 2019 Domestic sales 2020 Exports 2020

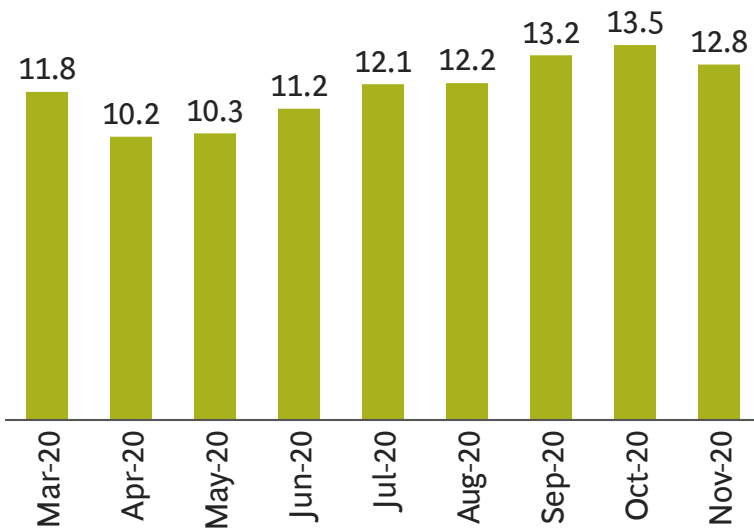
Figures represent wholesale numbers.

1. Tata Motors data is available for Apr-June only, BMW, Mercedes and Volvo Auto data is not available

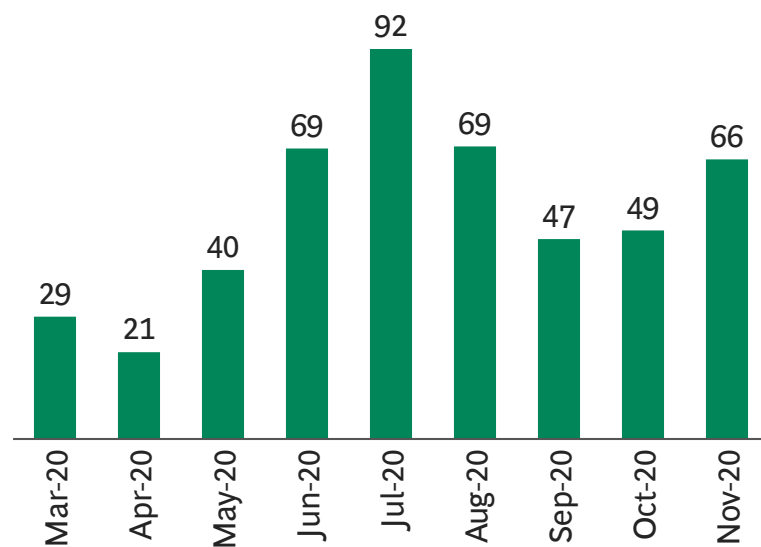
Source: SIAM, CMIE, Press search, BCG analysis

Pharma sales continued to grow vs. last year while fertilizer sales witnessed a contraction vs. last year levels in Nov'20

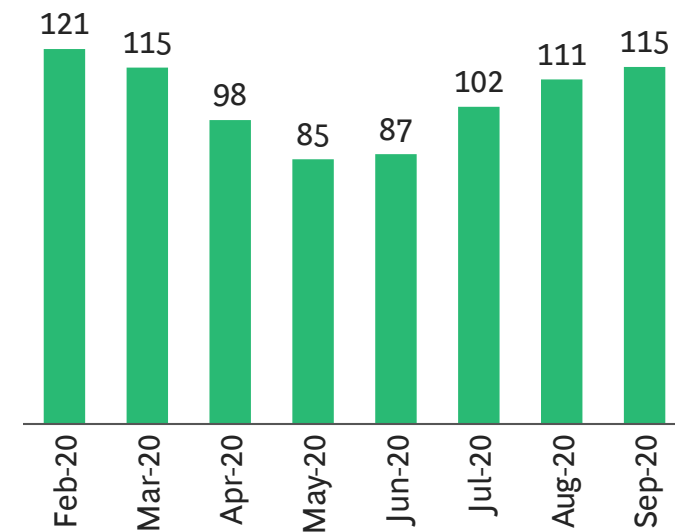
Pharmaceutical Sales (INR k Cr)

YoY
growth

Fertilizer Sales (in LMT)



Indian Chemical Production Index¹ (3mo. moving avg.)

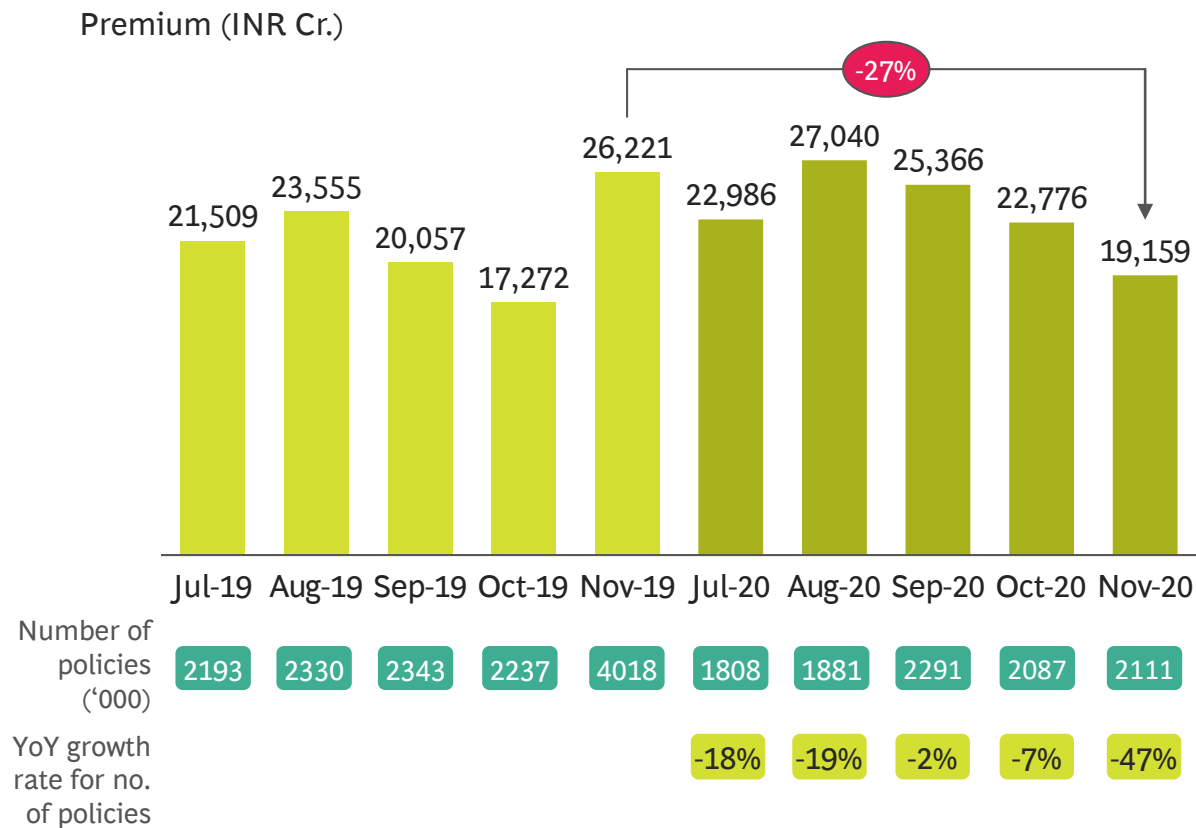


1. Indian Chemical Production Index refers to a 3-month moving average figure for chemicals production with figure for 2012 as base figure (100)

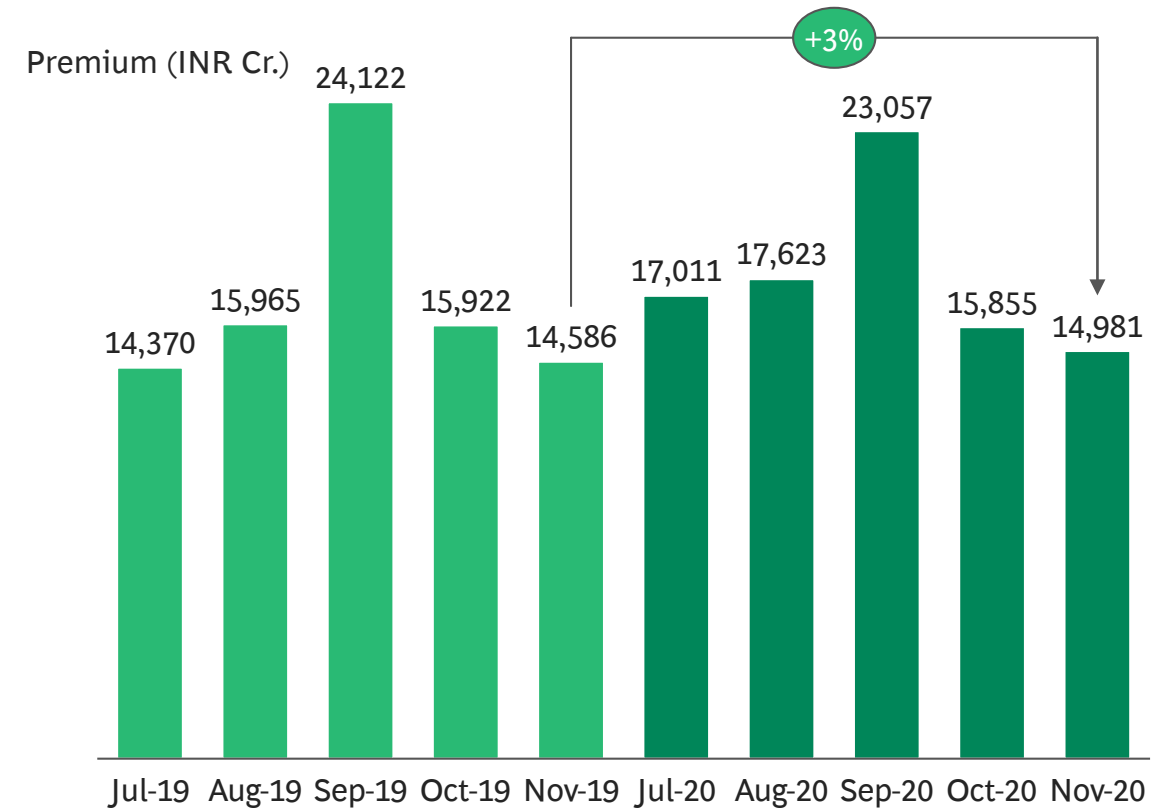
Source: AIOCD, American Chemistry Council, Mobile Based Fertilizer Management System (mFMS), Ministry of Finance, PIB, The Economic Times, Press search, BCG analysis

Non-life insurance premium observed an uptick while life insurance premium noticeably declined vs. last year levels in Nov'20

Life Insurance premium observed 27% decline in Nov'20



Non-Life¹ Insurance premium grew 3% YoY in Nov'20

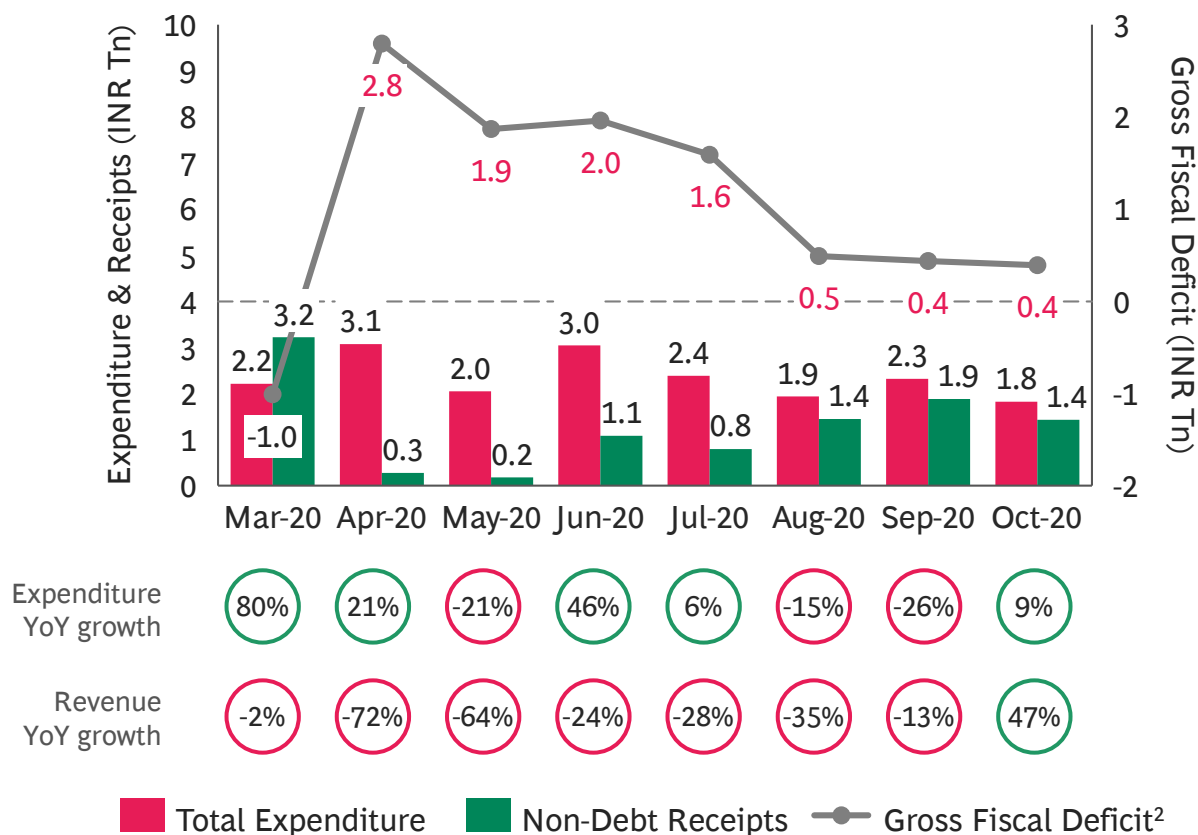


1. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous
Source: IRDAI, BCG Analysis

Central Govt.'s revenue & expenditure increased YoY in Oct'20; GST collections continued to grow vs. last year in Nov'20

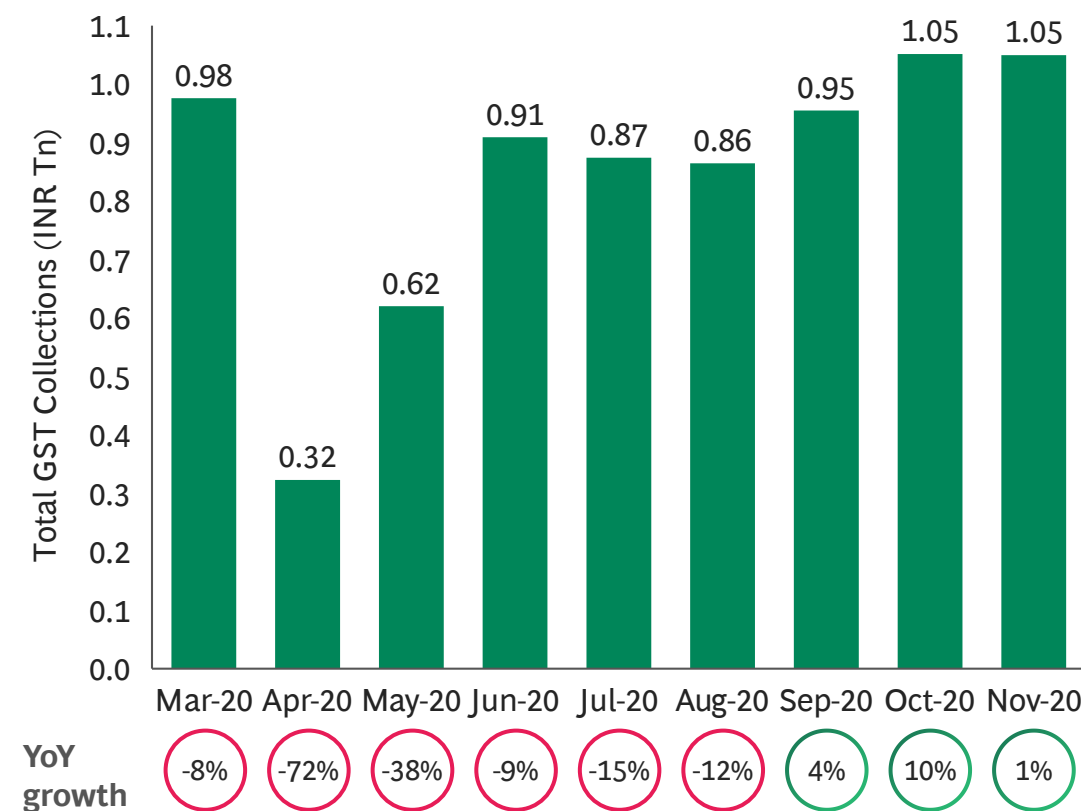
Central Govt. Revenue & Expenditure (INR Tn)

(based on data from Controller General of Accounts, Ministry of Finance)



Total GST Collections³ (INR Tn)

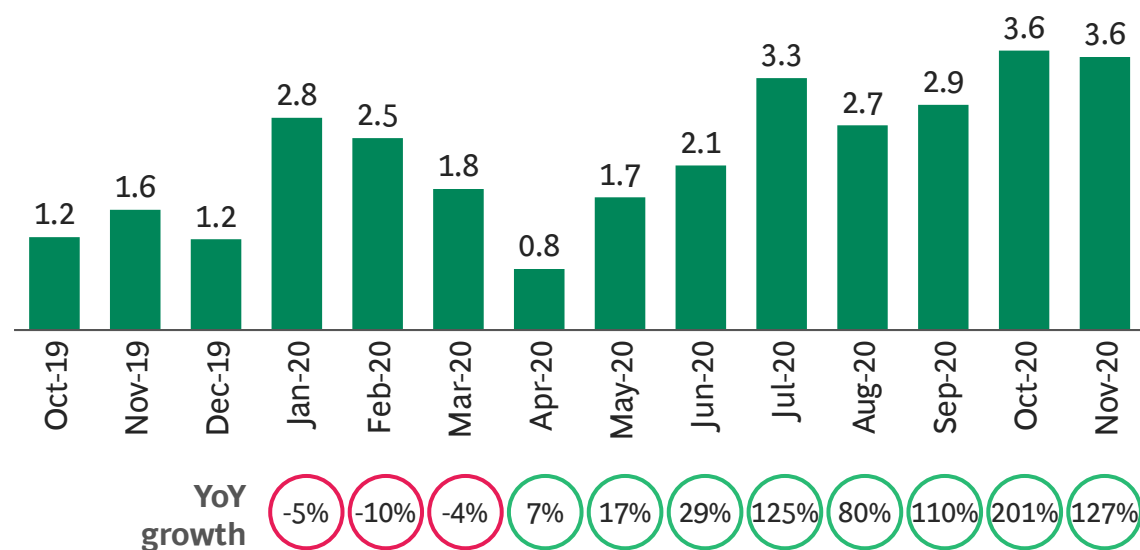
(based on data from GST Council)



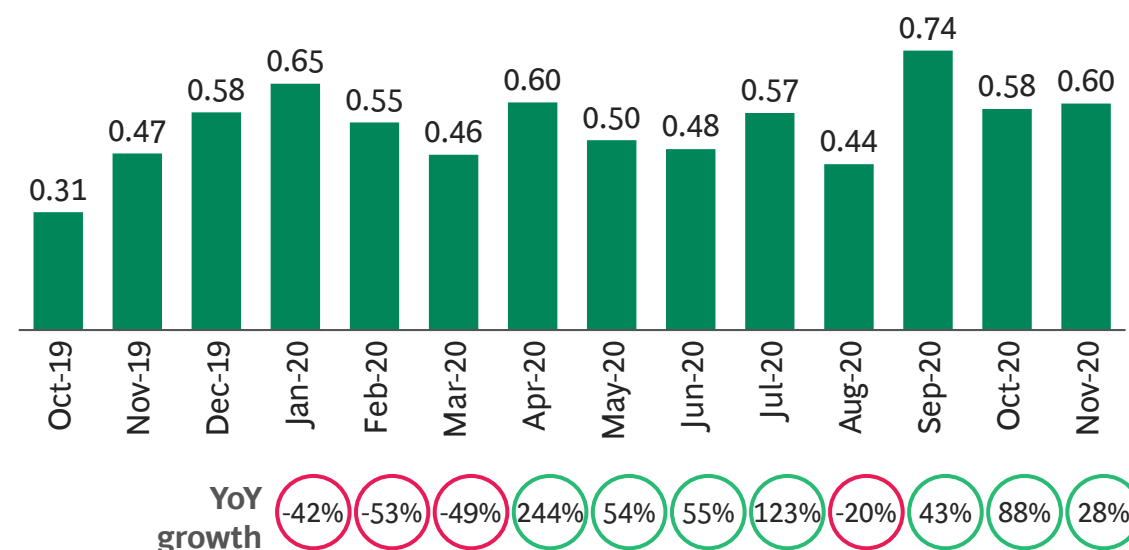
1. Bloomberg Quint 2. Gross Fiscal Deficit is the difference between the total Non-Debt Receipts of the government (revenue receipts and non-debt capital receipts) and Total expenditure 3. GST Collections include all components: CGST, SGST, IGST, Cess
Source: Ministry of Finance, GST Council, BCG analysis

Count & value of tenders announced by Central & State Govts. continued to grow in Nov'20 vs. last year levels

Count of tenders announced by central & state govts (k)

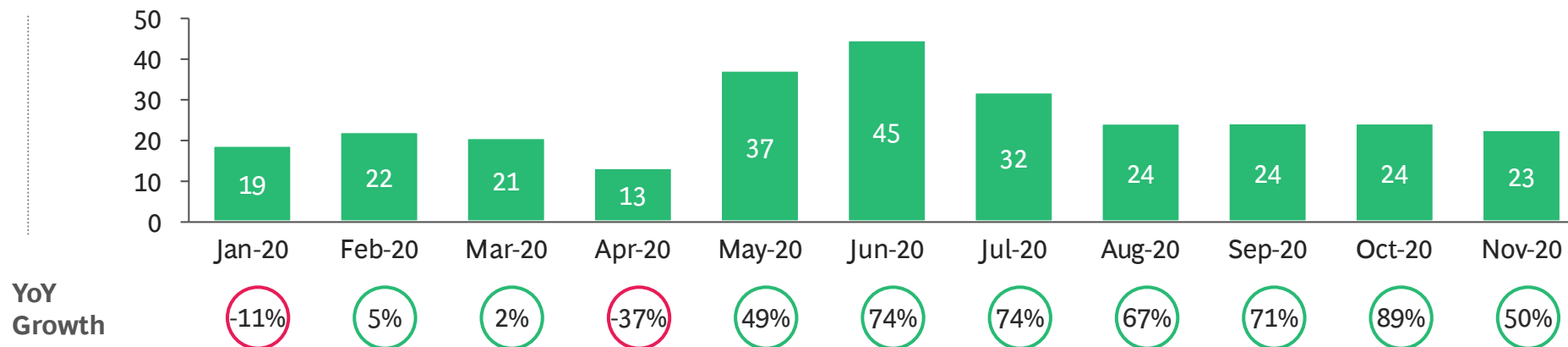


Value of tenders announced by central & state govts (INR Tn)

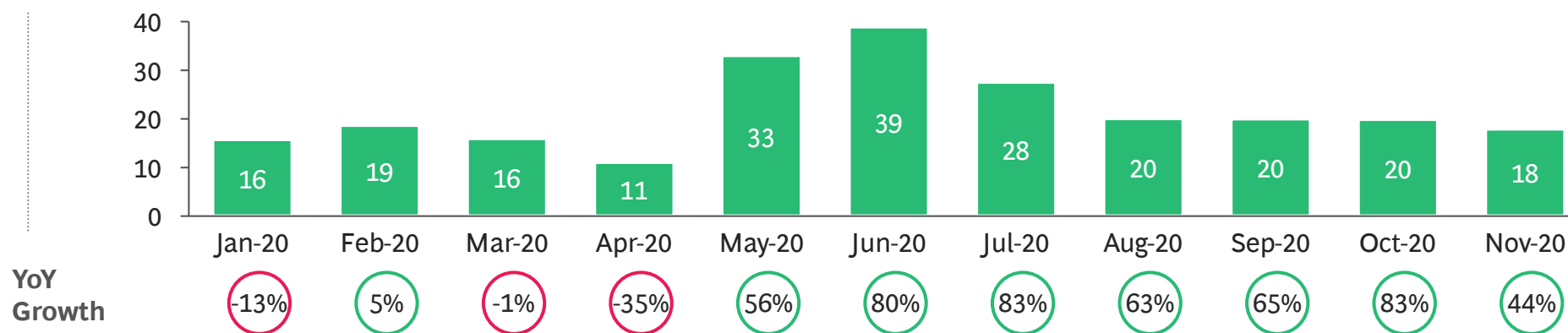


MGNREGA work demand & employment dipped in Nov'20 to 40-50% YoY levels after trending at 75%+ than last year levels in previous months

Work Demand (households, in Mn)



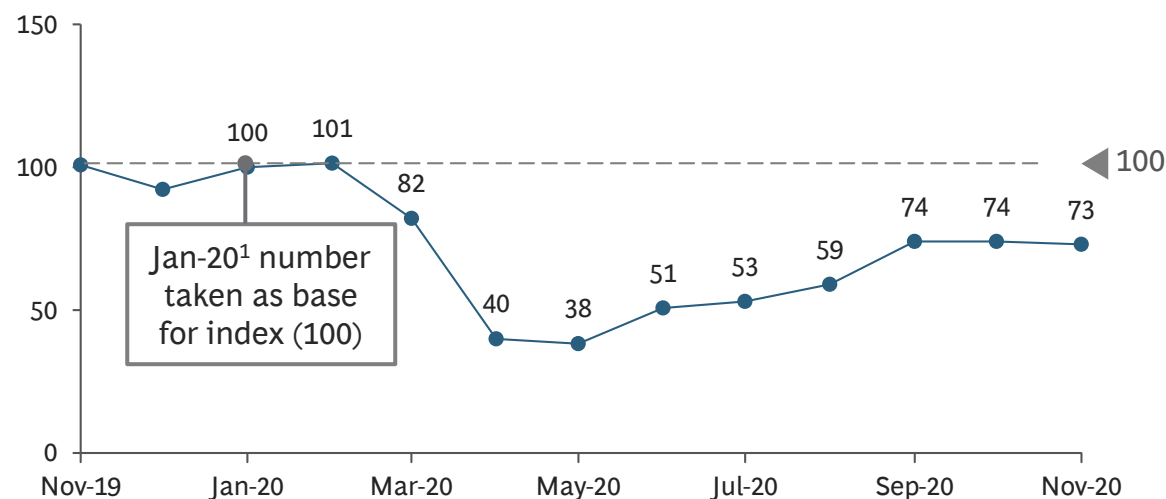
Employment Provided (households, in Mn)



Organized sector hiring and joining activity improved in Jul-Sep'20 (based on select indicators)

Naukri Jobspeak Index remained stable in Nov'20

Naukri Jobspeak Index



Naukri Jobspeak Index

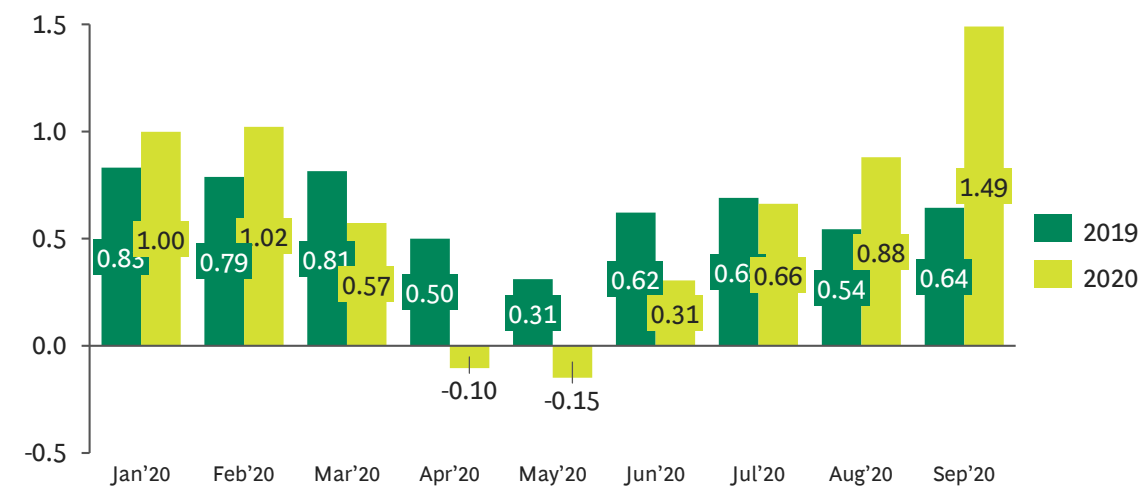
Monthly index which calculates and records hiring activity based on *newly added job listings on Naukri.com* every month

Jobs analyzed for the monthly index are qualified on the basis of *white-collar jobs belonging to the organized corporate sector*

1. Jan-20 level considered as pre-COVID-19 level 2. Active members refers to total contributing members during last one year as published on EPFO dashboard as on 21-Sep-20; 3. Covers every establishment in which 20+ people are employed and certain organizations are covered, subject to certain conditions and exemptions even if they employ less than 20 persons each 4. Net EPF additions are revised monthly as per the EPFO data
Source: Ministry of Labor and Employment, InfoEdge, Naukri.com, BCG analysis

Net new EPF subscribers improved to ~1.5 Mn in Sep'20 – higher than Mar-Aug'20 levels, as well as last year

Net new EPF Subscriber (in Mn)



Net New EPF Subscriber Trend

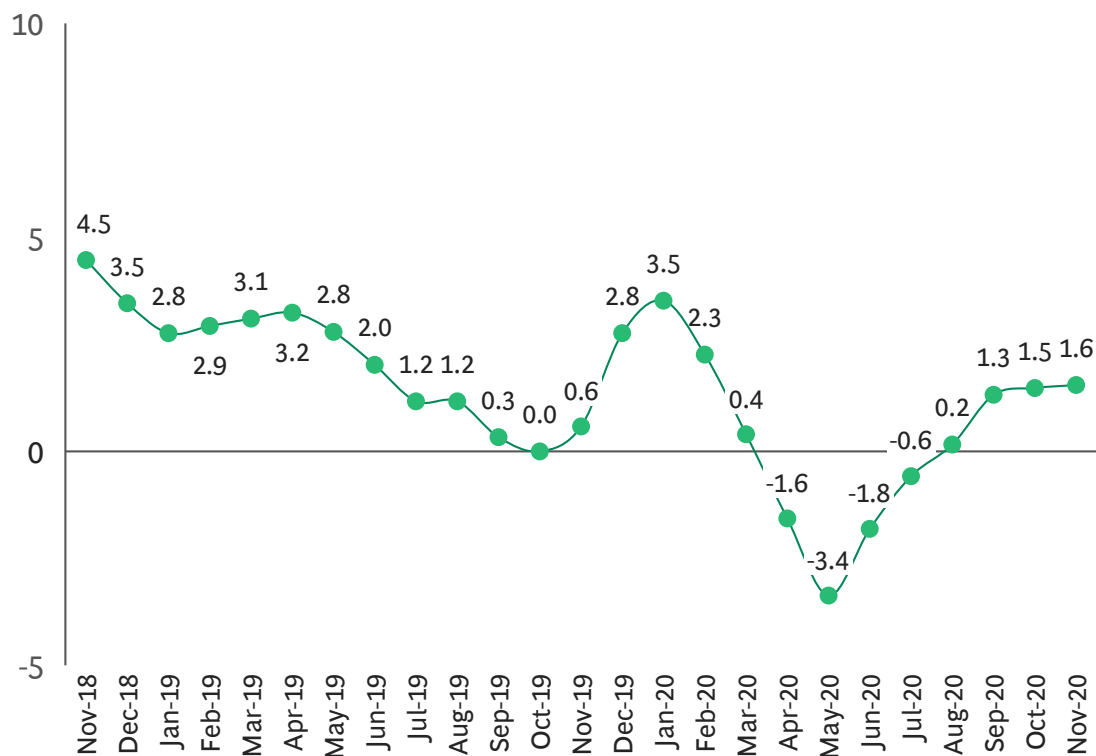
Net new EPF subscribers are net of the members newly enrolled, exited and rejoined during the month as per records of the EPFO

Employees in an establishment³ drawing less than INR 15,000 per month are mandated to become members of the EPF upon joining

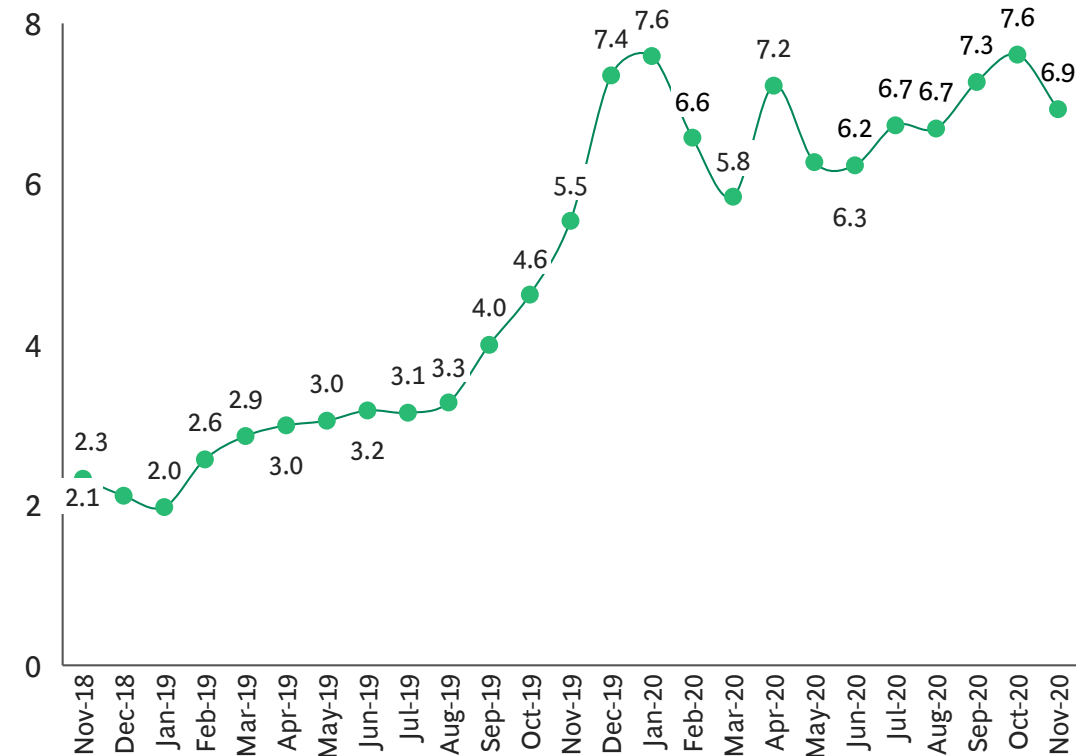
WPI reached a 9-month high in Nov'20; CPI eased in Nov'20, however still beyond RBI's upper margin of 6%

Monthly inflation rate (in %)

Wholesale Price Index (WPI)²



Consumer Price Index (CPI)¹



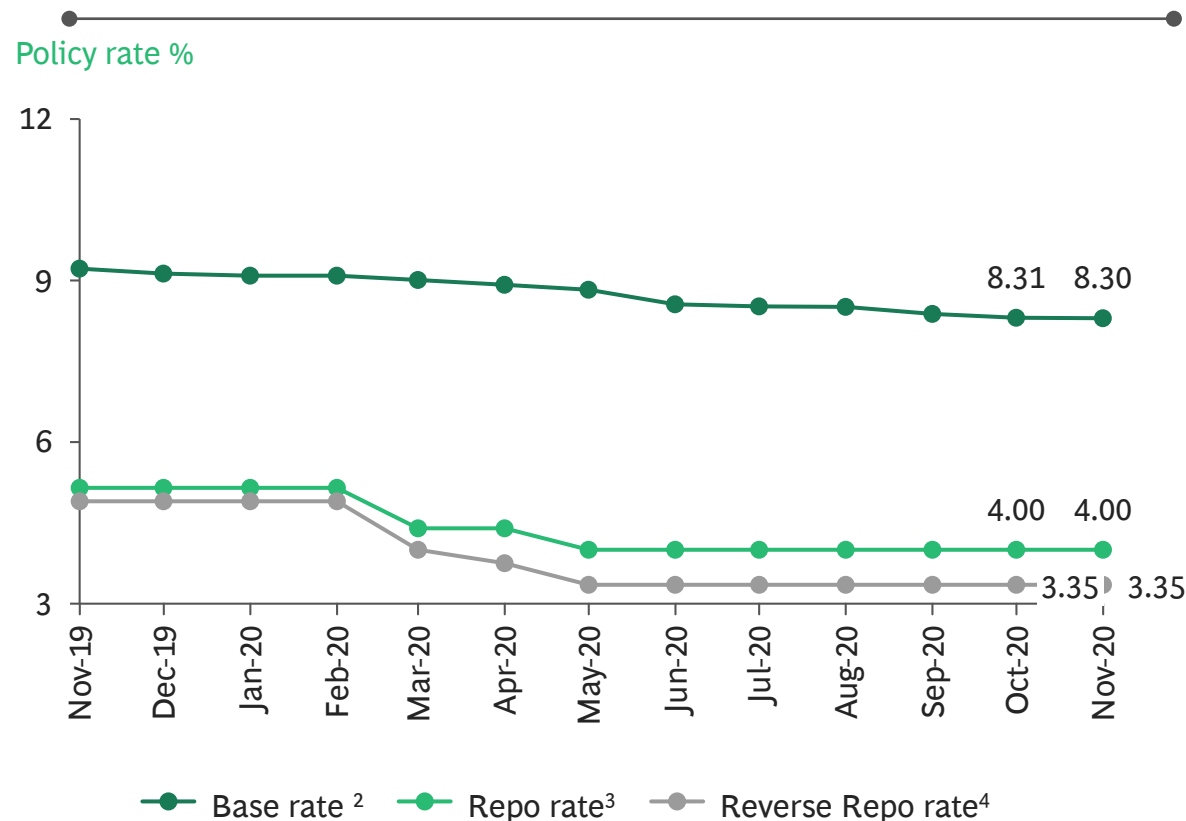
1. The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated as year on year increase in prices of the commodities 2. The wholesale price index (WPI) measures and tracks the changes in the price of goods in the stages before the retail level – that is, goods that are sold in bulk and traded between entities or businesses instead of consumers. It is calculated as year on year increase in prices of the commodities

Note: In May 2016, the Reserve Bank of India (RBI) Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework.

Source: BCG Analysis. DPIIT, MOSPI, Office of the Economic Advisor - Department for Promotion of Industry and Internal Trade, CMIE

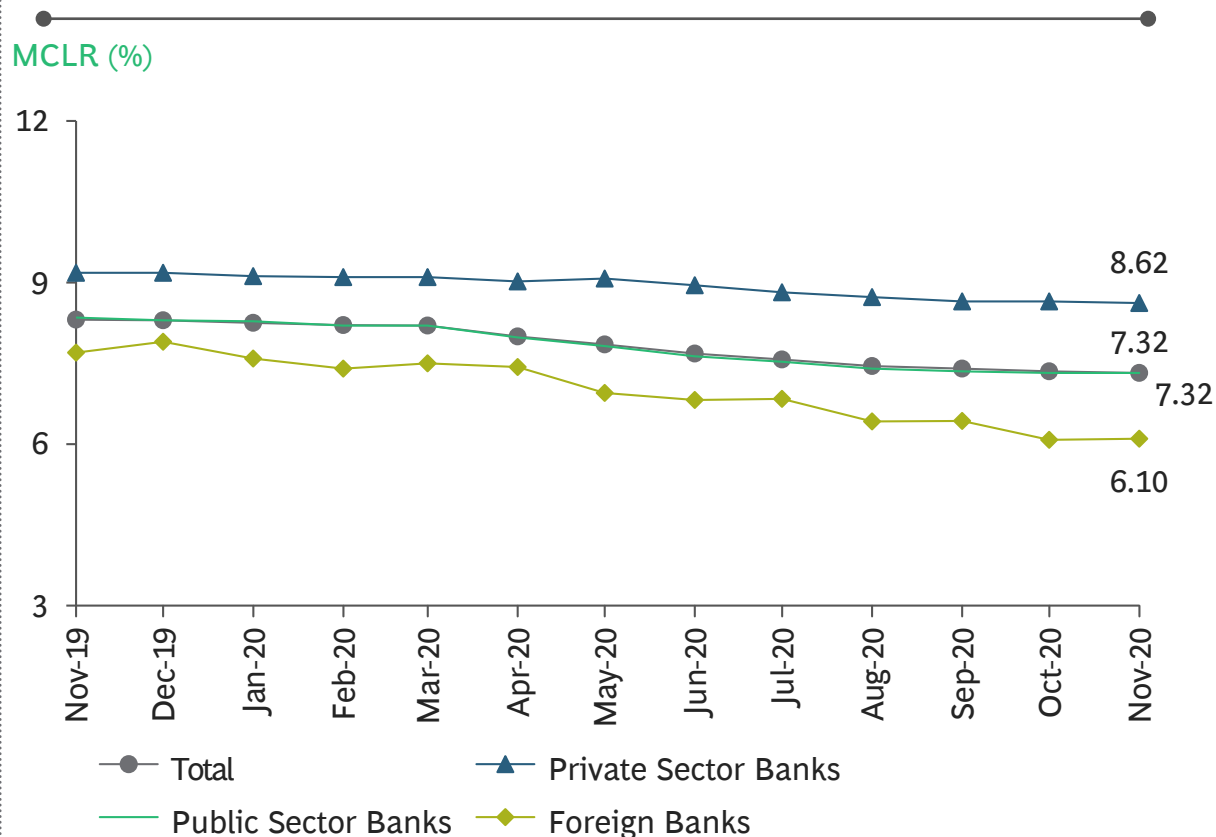
Nov'20 repo & reverse repo rate remained at the same level; base rate & MCLR on bank borrowings marginally dipped vs. previous months

Reserve bank's policy rates (%)



MCLR¹ of scheduled commercial banks

(Median rate on one-year borrowings, in %)



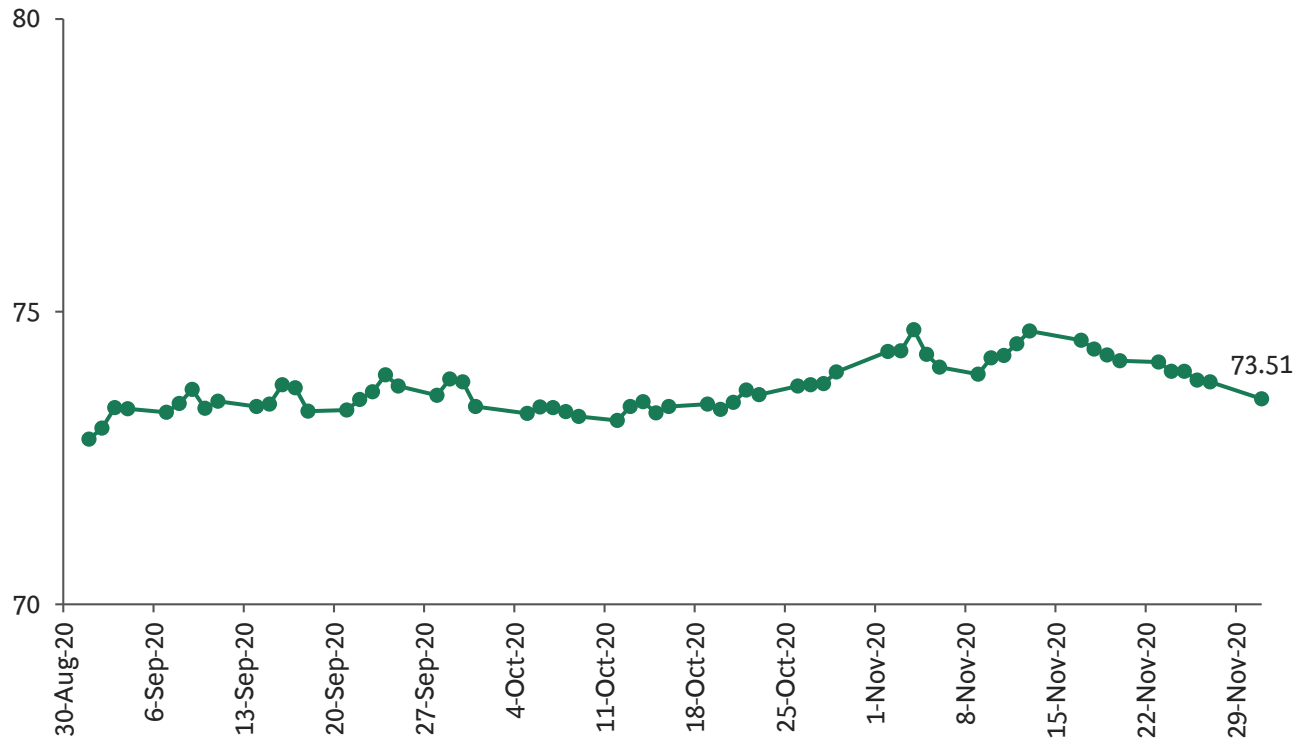
1. MCLR: Minimum interest rate at which scheduled commercial banks can lend to customers (based on incremental cost of funds). Marginal Cost of Funds based Lending Rate was introduced from April 2016 for fixing interest rates, and replaced the former Base rate methodology (based on average cost of funds). 2. Base Rate: Minimum rate set by the Reserve Bank of India below which banks are not allowed to lend to its customers 3. Repo Rate: Interest rate at which the RBI lends short term funds to licensed commercial banks 4. Reverse Repo Rate: Interest rate which the RBI borrows money from commercial banks

Source: CMIE, RBI DBIE

INR remained rangebound between ~73/dollar & ~74/dollar;
Forex reserves reached their new peak at ~575 USD Bn in Nov'20

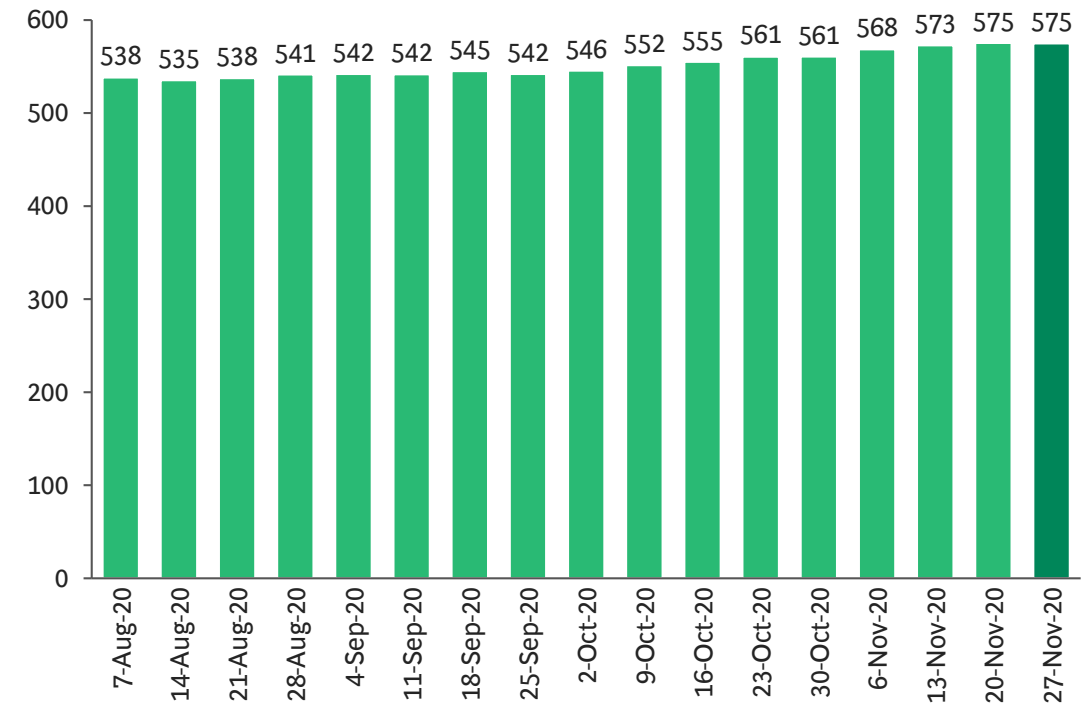
Exchange Rate (INR/USD)

Exchange Rate (INR/USD)



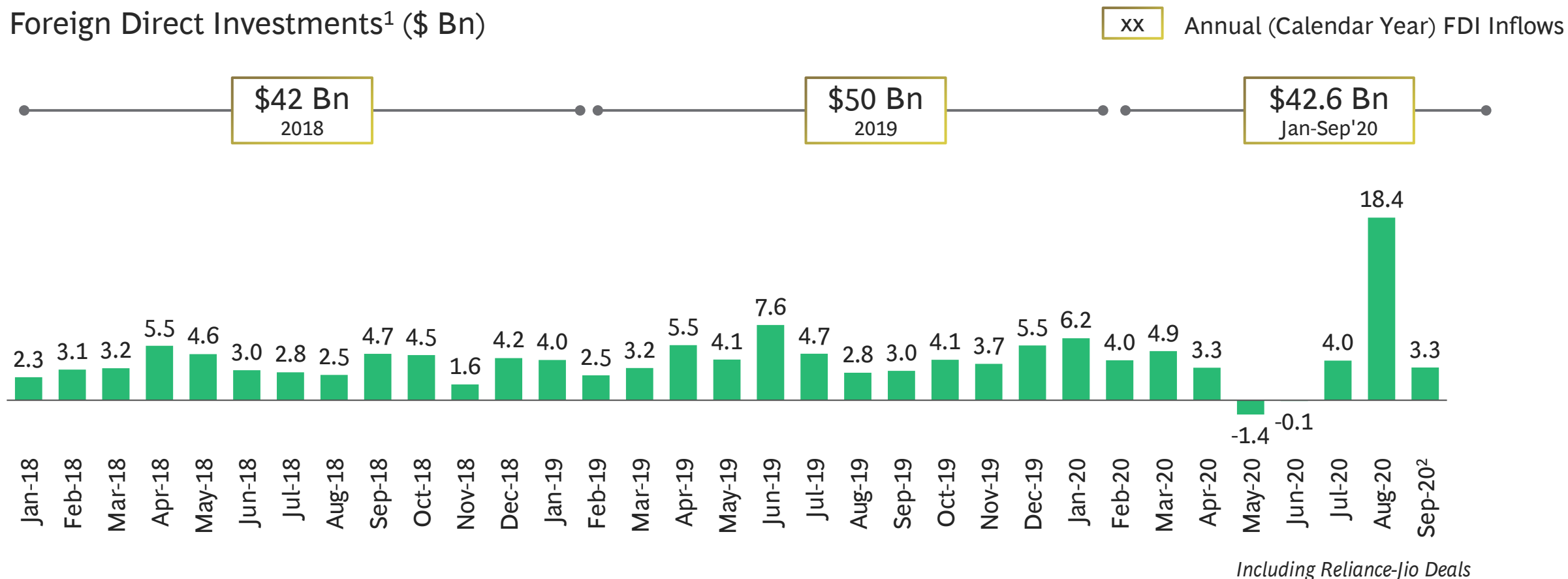
Forex reserves (USD Billion)

Forex reserves (USD Billion)



India witnessed significant FDI in Jan-Sep'20

Foreign Direct Investments¹ (\$ Bn)



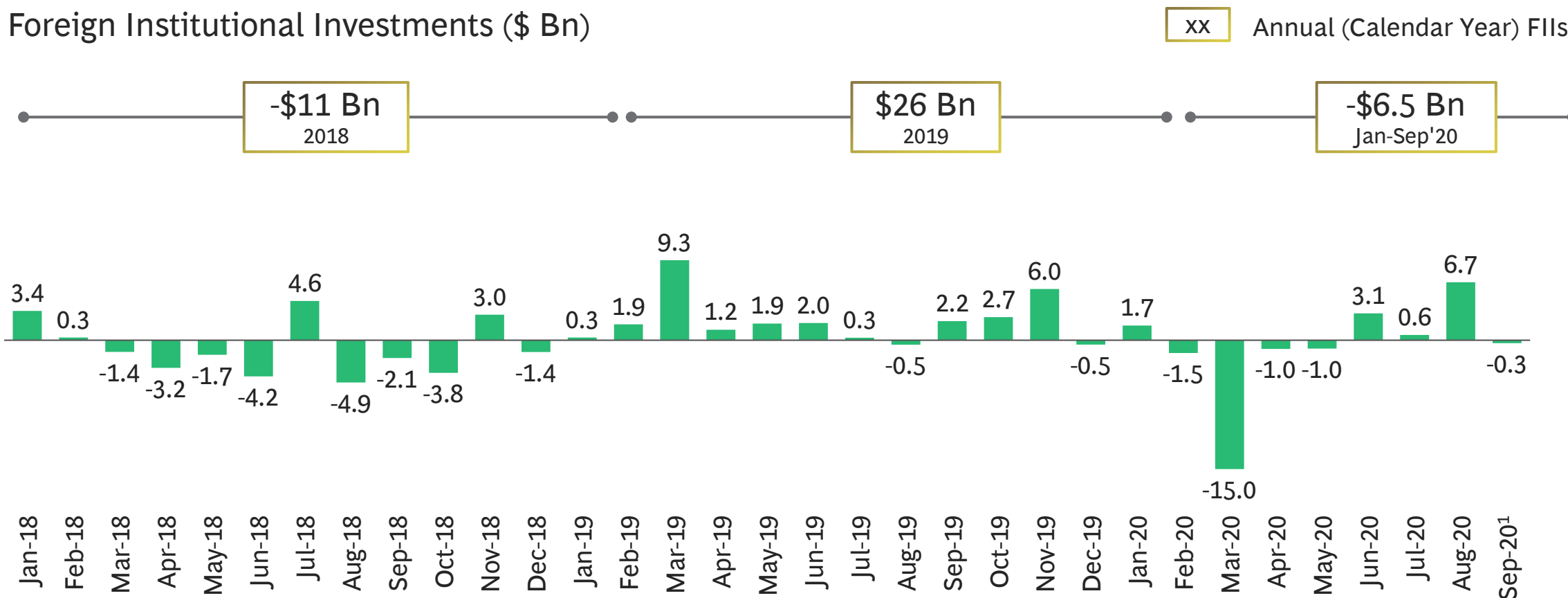
1. Denotes total inward FDI to India; 2. Sep'20 figures are provisional

Source: CMIE

Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

Foreign Institutional Investments remained somber in Jan-Sep'20

Foreign Institutional Investments (\$ Bn)



1. Sep'20 figures are provisional

Source: CMIE

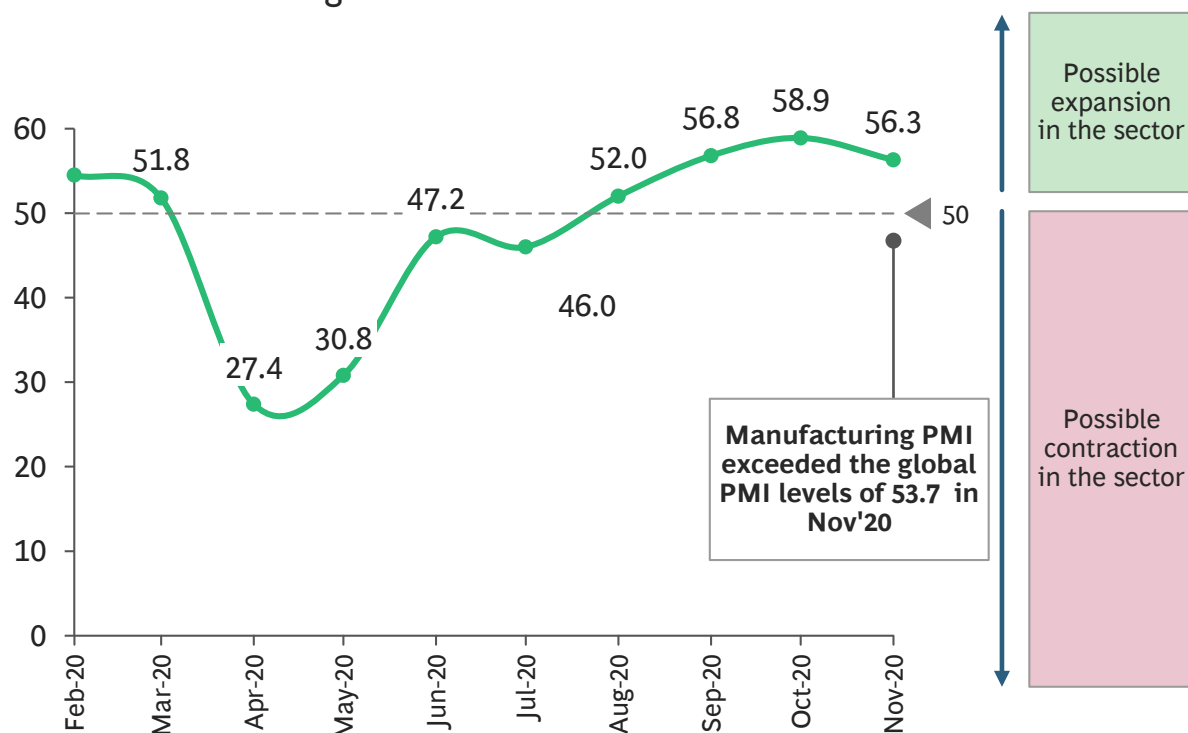
Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

Both Manufacturing & Services PMI remained beyond the 50-point mark in Nov'20, however, witnessed a marginal dip vs. Oct'20 highs

SENTIMENT –
MFG. & SERVICES
PMI

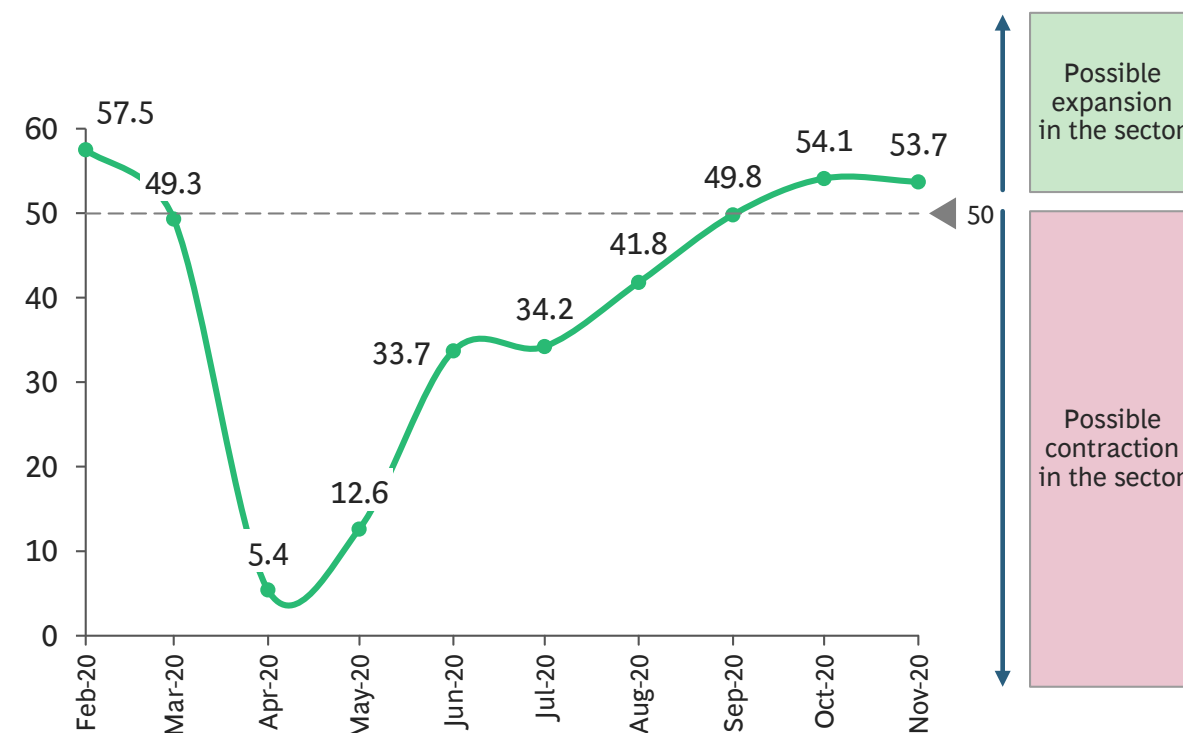
Manufacturing PMI reached 56.3 in Nov'20, a marginal dip after Oct'20 mark

Manufacturing PMI



Services PMI reached 53.7 in Nov'20, a marginal dip after Oct'20 mark

Services PMI



Note: The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity. Value >50 indicates possible expansion in the sector, and value <50 indicates recession.
Source: IHS Markit, CMIE, Analyst Reports, BCG analysis

Consumer sentiment marginally dipped in Nov'20 vs. Oct'20; rural sentiment remained better than urban

CMIE Consumer Sentiment Survey

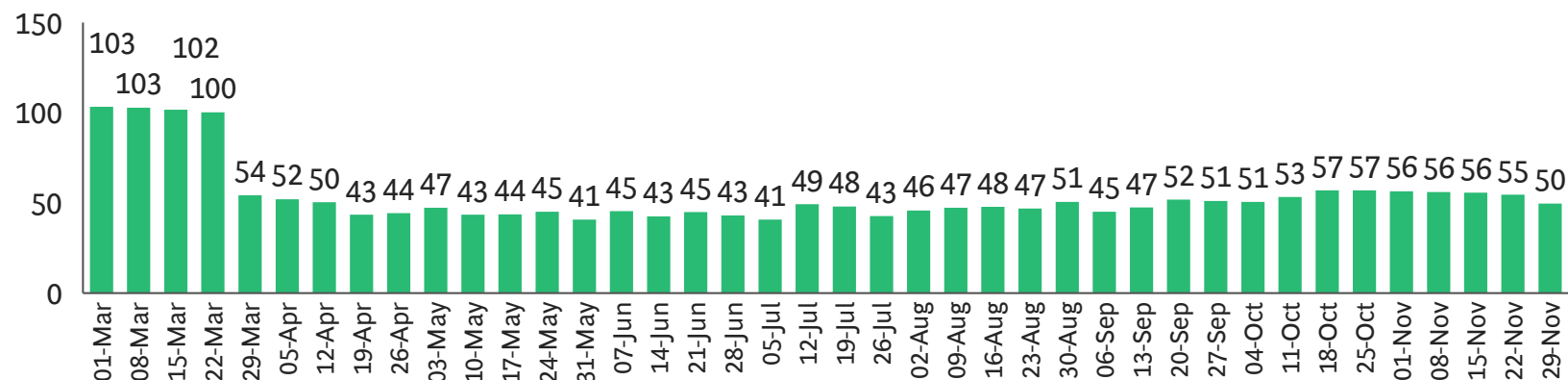
Sample Size

- 1.74L households in 90 cities and 969 villages surveyed over 4 months

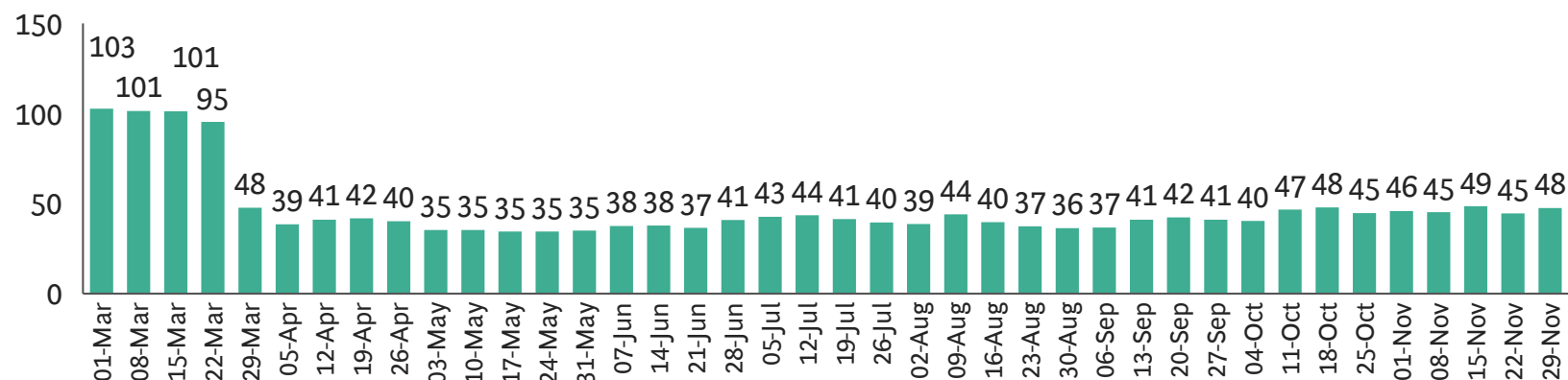
Methodology

- Longitudinal survey: Same set of households surveyed in batches over time
- Scoring based on 5 questions:
 - Perception of current well-being
 - Expectations of future well-being
 - Perceptions of current economic conditions of the country
 - Perceptions of prospective economic conditions of the country
 - Household's propensity to spend on consumer durables

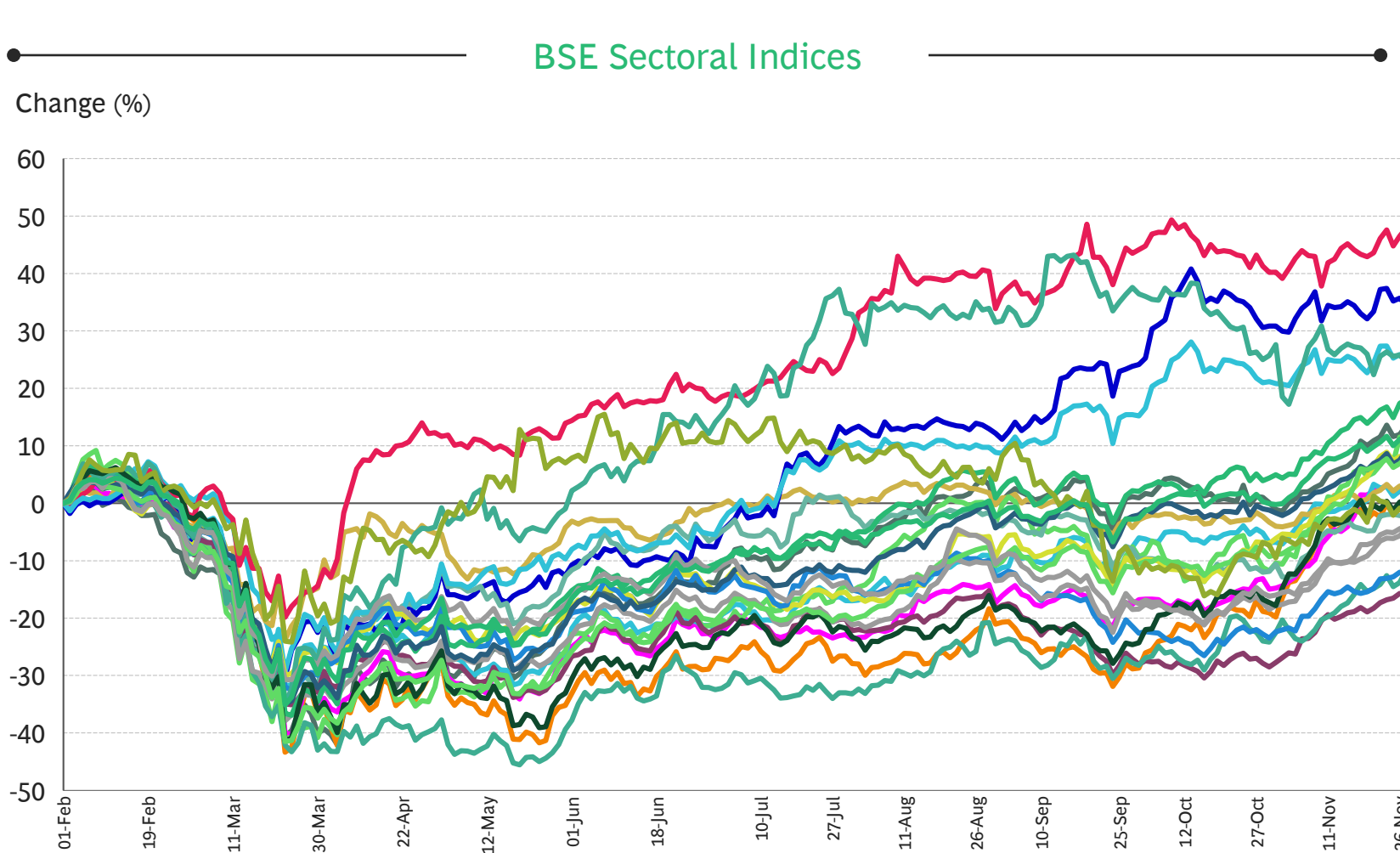
Rural Consumer Sentiment Index



Urban Consumer Sentiment Index



Healthcare, IT, Tech. & Energy continued in positive territory in BSE; PSU, CPSE & Realty saw maximum decline in Nov'20



Descending order of performance¹

Sector	% Change
Healthcare	50.04%
IT	37.63%
TECK ²	27.68%
Energy	26.23%
Basic Materials	20.16%
Auto	14.98%
Metal	13.21%
BSE 500	12.72%
Consumer Discretionary	10.44%
Power	9.54%
Industrials	9.07%
Consumer Durables	4.51%
Capital Goods	3.17%
FMCG	3.08%
Finance	1.36%
Telecom	0.83%
Bankex	-0.19%
Oil and Gas	-0.23%
Infra	-2.30%
Utilities	-3.37%
Realty	-8.37%
CPSE ³	-11.21%
PSU	-14.76%

1. Growth rate vs. 01-Feb-20

2. The S&P BSE TECK index comprises constituents of the S&P BSE 500 that are classified as members of the media & publishing, information technology & telecommunications sector

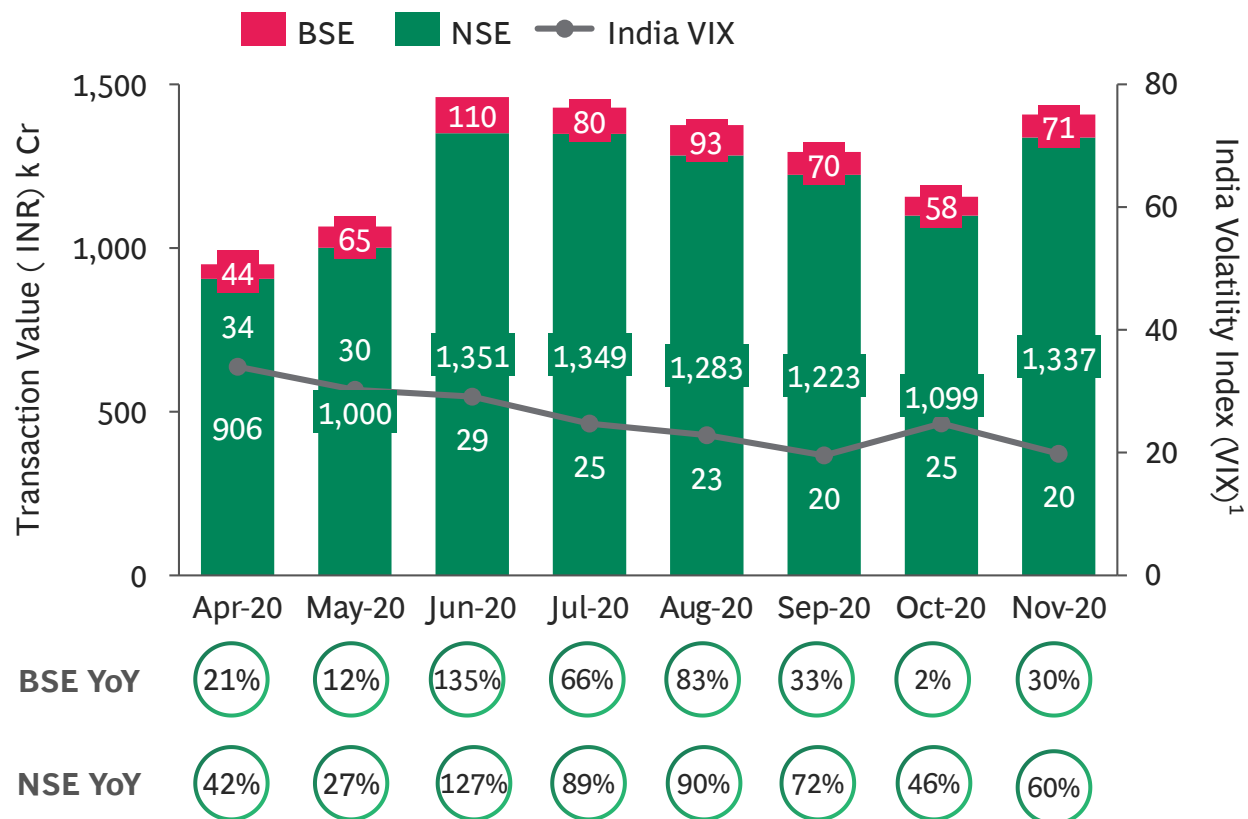
3. CPSE- Central Public Sector Enterprises

Source : BSE, Bloomberg, BCG analysis

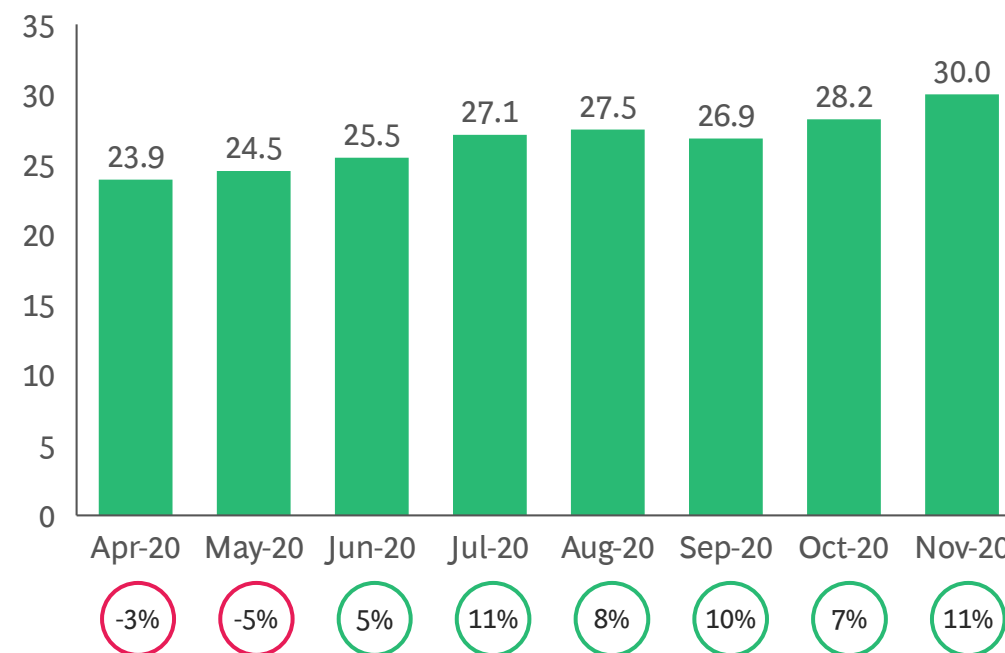
Value of stock market transactions improved in Nov'20 vs. Sep-Oct'20 levels; Mutual fund AUM grew by 11% YoY in Nov'20

SENTIMENT –
STOCK MKT.
TRANSACTIONS

Stock Market Transactions (INR k Cr)



Mutual Funds AUM² (INR L Cr)



Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic & foreign institutions and banks

1. Volatility Index is a measure of market's expectation of volatility over the near term; India VIX is a volatility index based on the NIFTY50 Index Option prices providing the expected market volatility over the next 30 calendar days – figures represented are as of end of every month shown

2. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown

Source: BSE, NSE, AMFI, BCG analysis



1

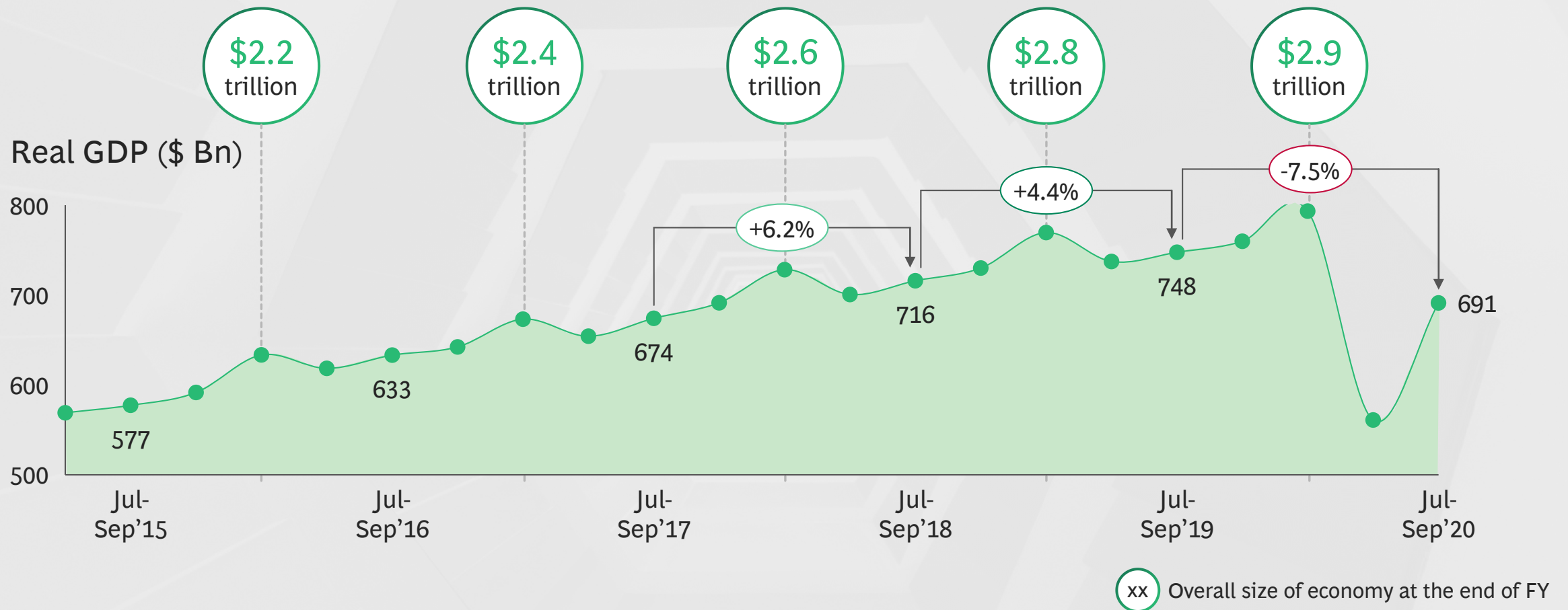
Economic Indicators

2

GDP Deep-Dive

Economy contracted by 7.5% YoY in Jul-Sep'20 while YoY gap improved vs. previous quarter; Real GDP reached almost to Jul-Sep'17 levels

GDP
DEEP-DIVE



Note: Real GDP at 2011-12 base prices, converted from INR using 2011-12 exchange rates (Rs. 47.95); The numbers would differ from estimates from World Bank, IMF, etc. due to difference in the base year (we use 2011-12)
Source: CMIE, BCG Analysis

The break-up of GDP across components shows a decline vs. Jul-Sep'19 levels

GDP
DEEP-DIVE

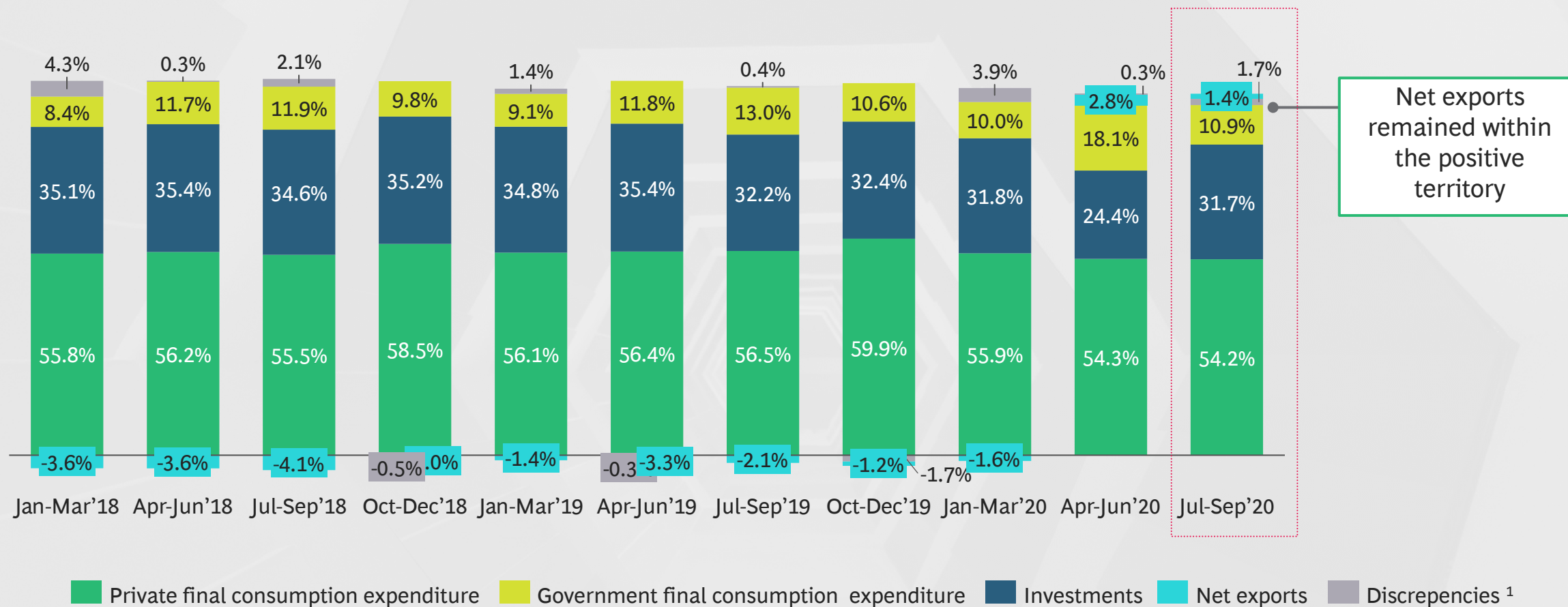
Quarterly growth % change YoY	Y GDP	=	C Pvt. Consumption	+	G Govt. Consumption	+	I Gross Investment	+	X Exports	-	M Imports
Jul-Sep 2019	4.4%		6.4%		14.2%		-2.9%		-2.2%		-9.4%
Oct-Dec 2019	4.1%		6.6%		13.4%		-4.3%		-6.1%		-12.4%
Jan-Mar 2020	3.1%		2.7%		13.6%		-5.8%		-8.5%		-7.0%
Apr-Jun 2020	-23.9%		-26.7%		16.4%		-47.5%		-19.8%		-40.4%
Jul-Sep 2020	-7.54%		-11.32%		-22.18%		-8.89%		-1.52%		-17.16%

Source: CMIE, BCG Analysis

Note: Highlighted circles represents growth (green) or decline (yellow) compared to the previous year quarter (Jul-Sep'20 vs Jul-Sep'19)

Share of investments in GDP increased in the Jul-Sep'20 while that of govt. consumption declined vs. the previous quarter

GDP
DEEP-DIVE



1. Statistical Discrepancy: taking the GDP from the production approach as the control total, gives the measure of the overall difference between the production approach and the expenditure approach followed for estimation.

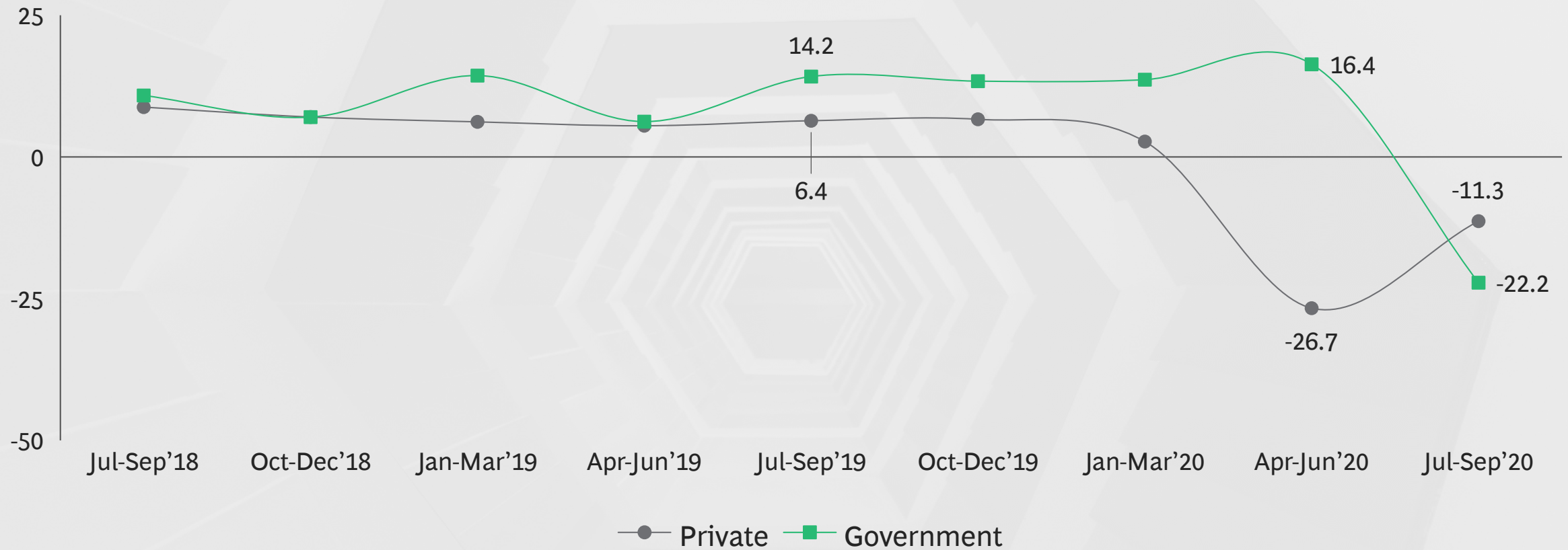
Note: This composition is basis Real GDP

Source: CMIE, BCG Analysis, MOSPI

Private consumption recovered while government consumption recorded steep decline in Jul-Sep'20 vs. previous quarter

GDP
DEEP-DIVE

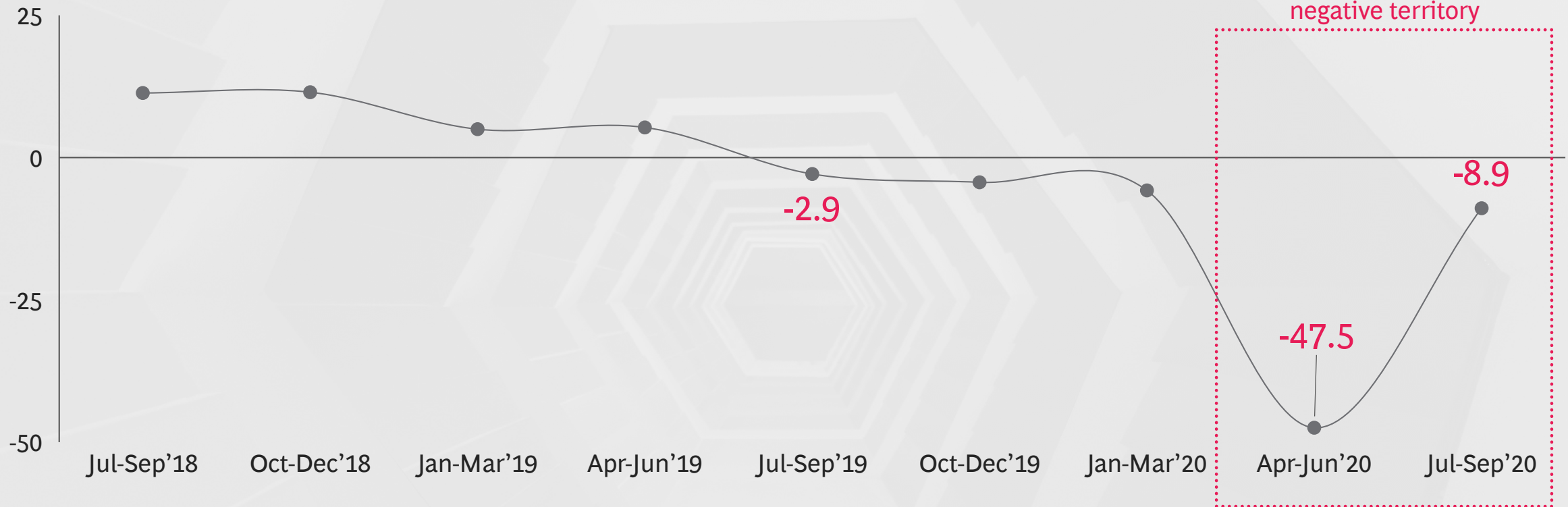
Final Consumption Expenditure, % change YoY



Gross capital formation improved vs. previous quarter however still in the negative territory in Jul-Sep'20

GDP
DEEP-DIVE

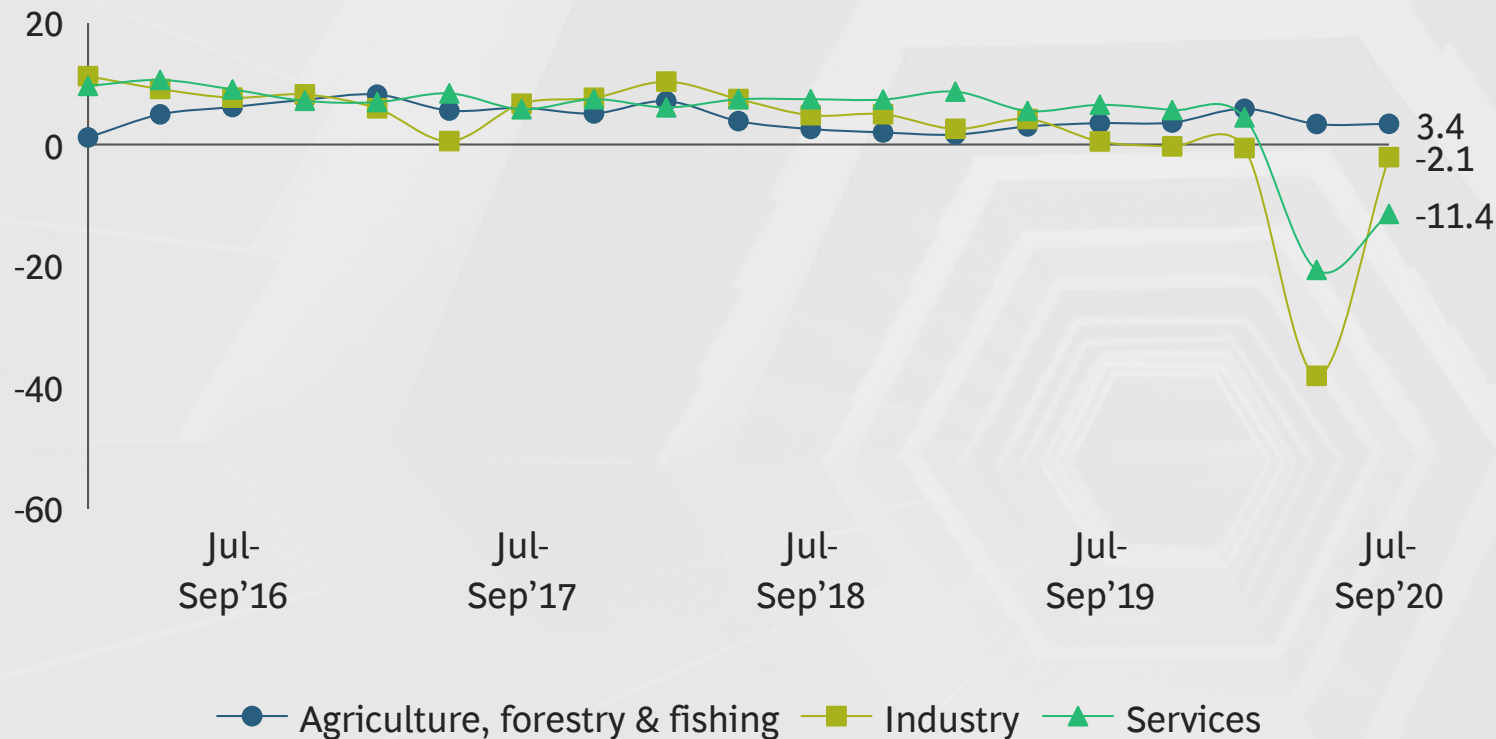
Gross Capital Formation, % change YoY



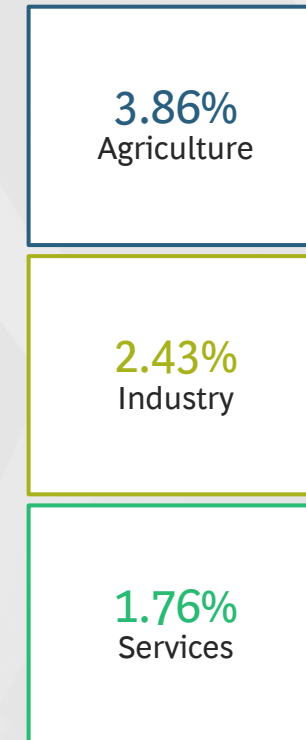
Growth in agriculture and allied activities remained stable while growth industry & services noticeably improved vs. previous quarter in Jul-Sep'20

GDP
DEEP-DIVE

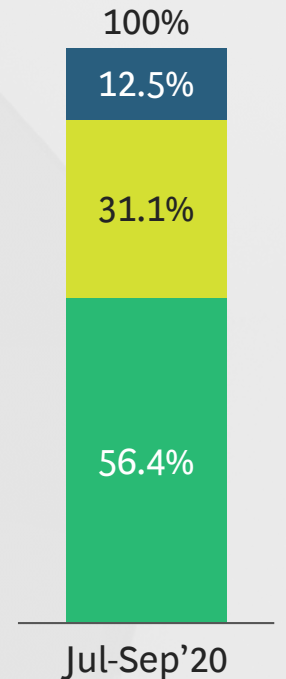
GVA Quarterly growth, % change YoY



Jul-Sep Qtr. CAGR¹
over 2016-20



Share in
Industry GVA

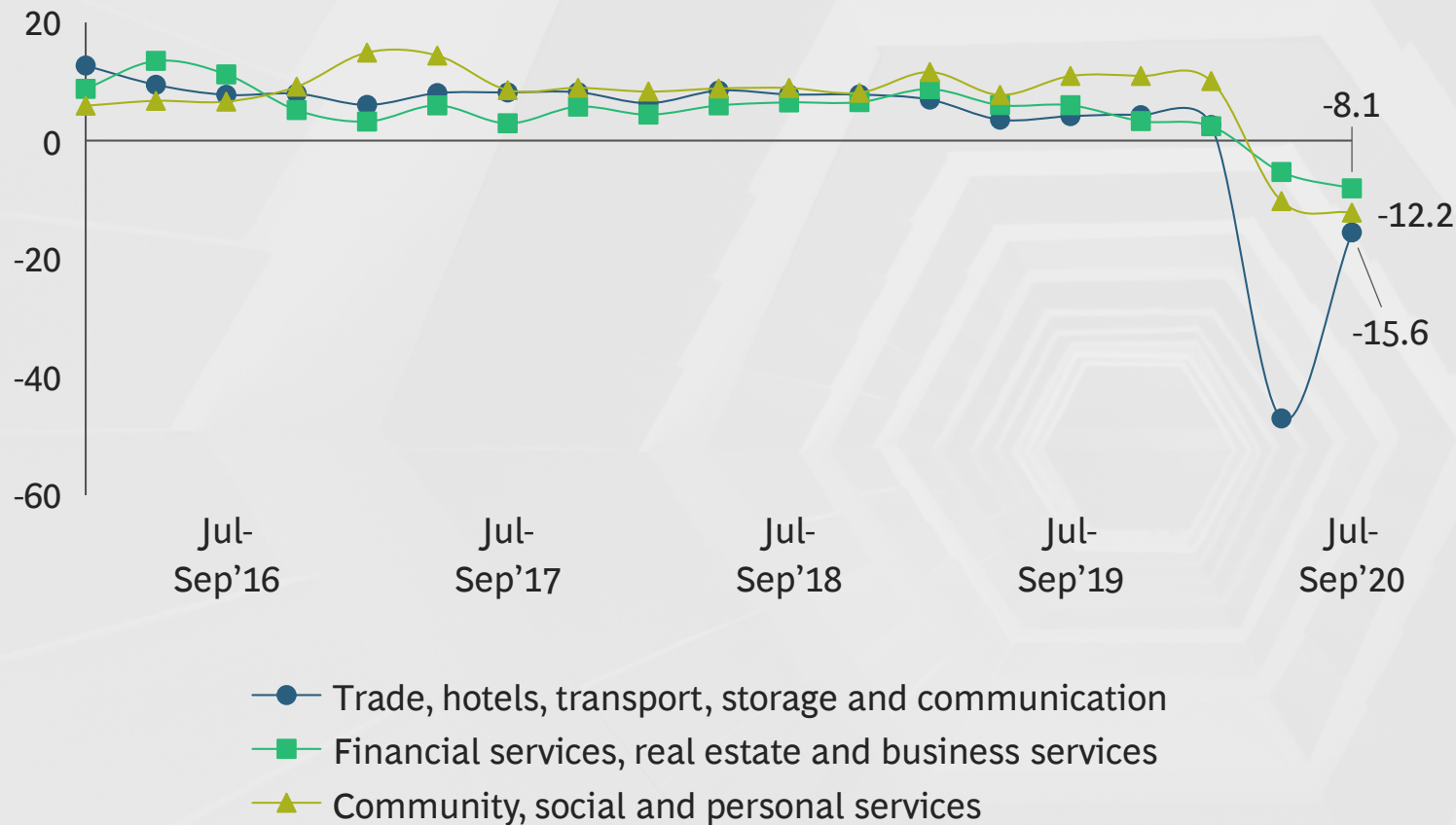


1. CAGR= [(Value of GVA in INR Mn in Jul-Sep'20/Value of GVA in INR Mn in Jul-Sep'16)^(1/4)]-1
Source: CMIE, BCG Analysis

Major components of the services sector dipped while trade, hotels, transport, storage & communication improved vs. previous quarter

GDP
DEEP-DIVE

Services GVA Quarterly growth, % change YoY



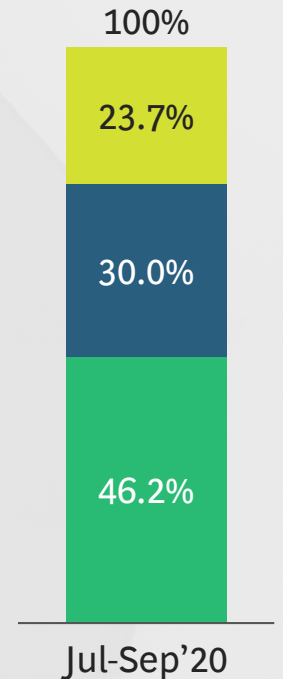
Jul-Sep Qtr. CAGR¹
over 2016-20

3.58%
Community, social
and personal
services

0.62%
Trade, hotels,
transport, storage
and communication

1.64%
Financial services,
real estate and
business services

Share in
Industry GVA

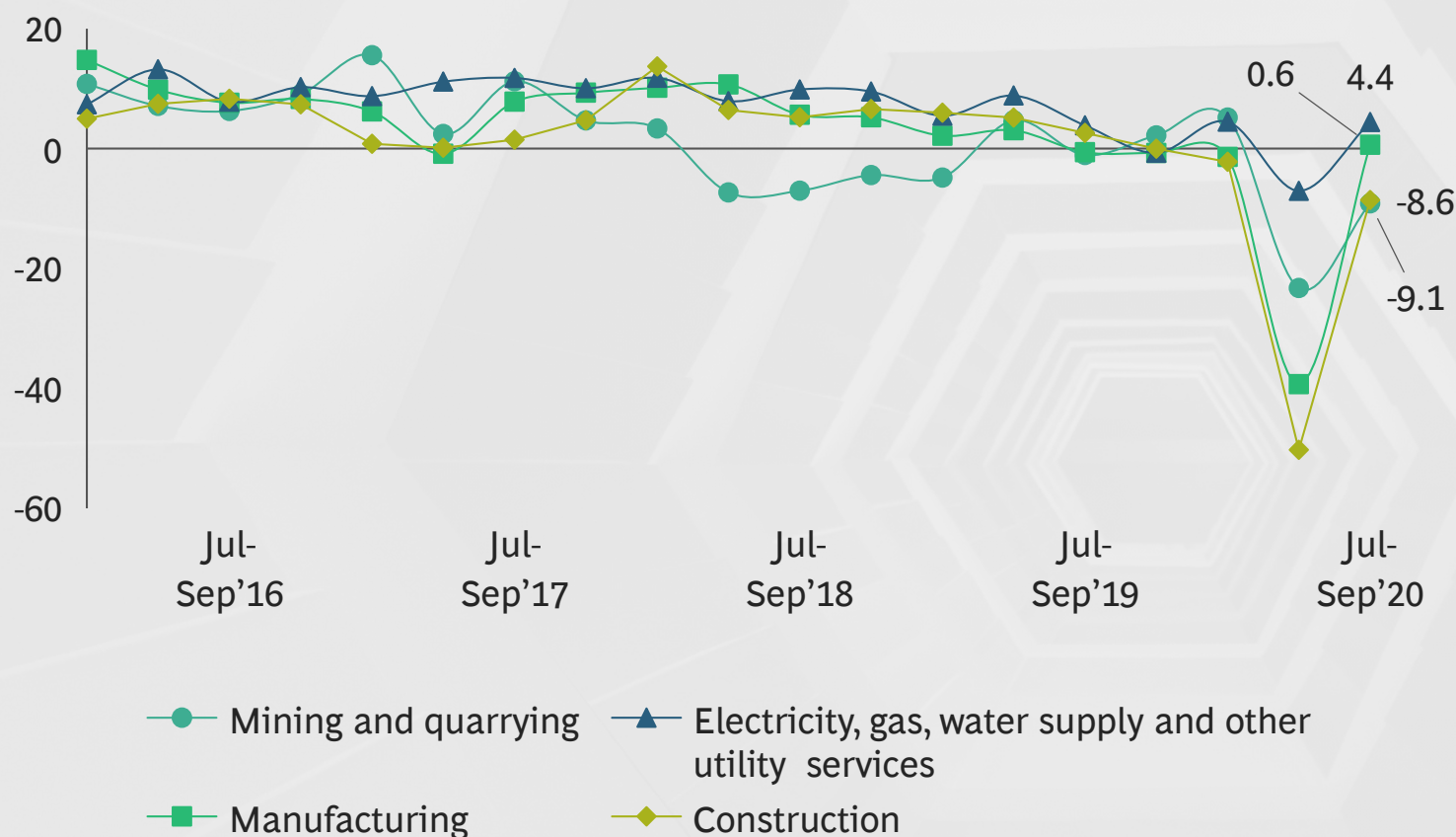


1. CAGR= [(Value of GVA in INR Mn in Jul-Sep'20/Value of GVA in INR Mn in Jul-Sep'16)^(1/4)]-1
Source: CMIE, BCG Analysis

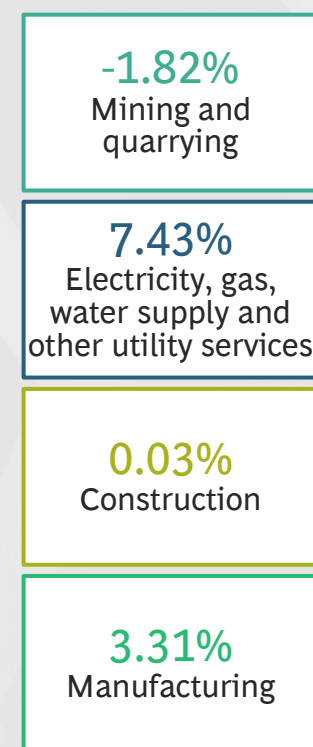
Industrial sector improved vs. previous quarter, especially manufacturing & utility services that saw positive YoY growth in Jul-Sep'20

GDP
DEEP-DIVE

Industry GVA Quarterly growth, % change YoY



Jul-Sep Qtr. CAGR¹
over 2016-20



Share in
Industry GVA

1. CAGR= [(Value of GVA in INR Mn in Jul-Sep'20/Value of GVA in INR Mn in Jul-Sep'16)^(1/4)]-1
Source: CMIE, BCG Analysis

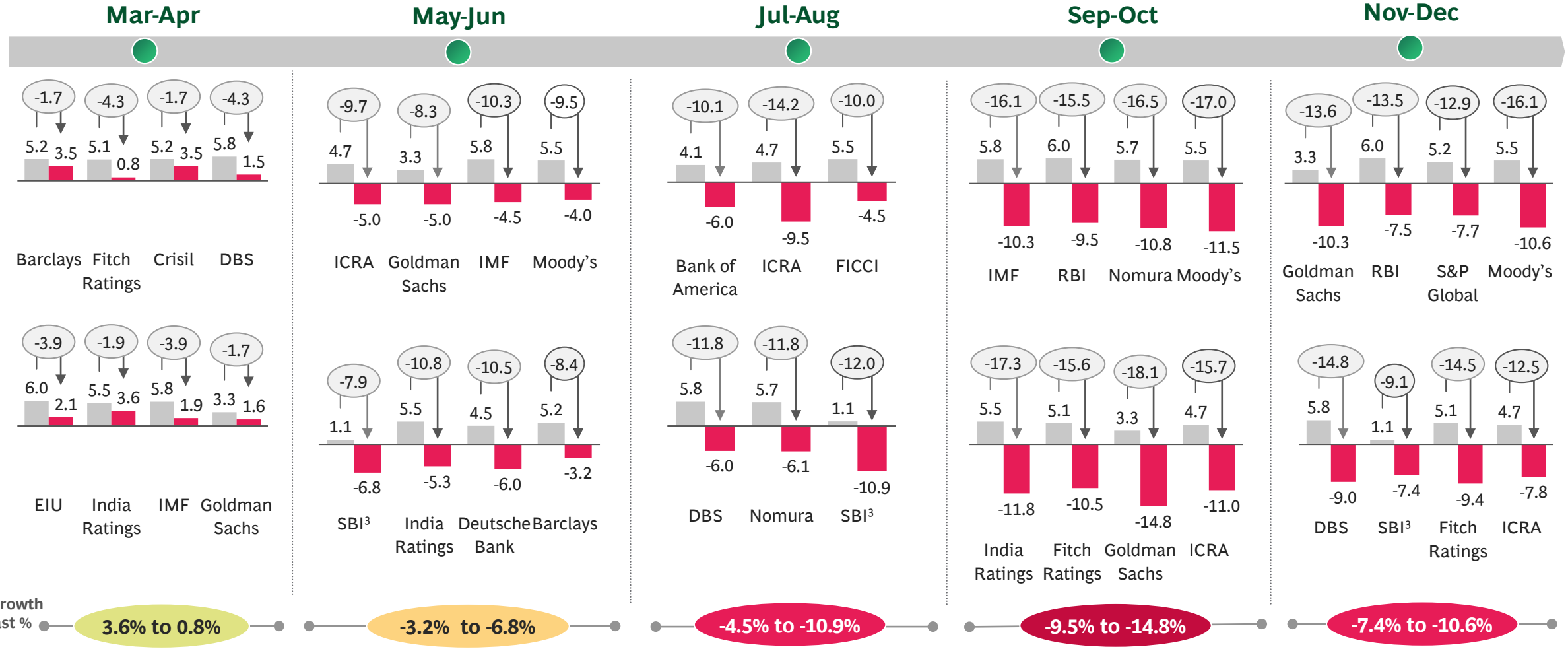
Indian GDP growth forecasts revised upwards to 7.4-10.6% contraction in the financial year

GDP FORECASTS

Data as of 18 Dec; Estimates likely to be revised further

NON - EXHAUSTIVE

India GDP growth forecast for FY21 (YoY, %)



1. Pre-lockdown forecasts were made during Feb-2020/early Mar-2020; 2. Post-lockdown forecasts refer to forecasts made between 25-Mar to 20-Sep-2020

3. Pre-lockdown forecast for SBI is as of 16-Apr-2020

Source: Analysts reports, BCG analysis

Pre-lockdown forecasts¹

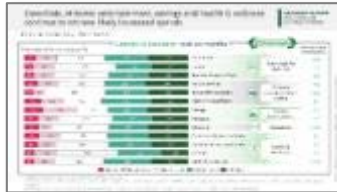
Post-lockdown forecasts²

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Lighthouse by BCG



Latest insights on consumer sentiment reflecting COVID-19 impact

Consumer Sentiments & Insights



Demand Sentinel dashboard to assess demand at district / micro-market level

Demand Sentinel



Experience in designing customer journeys at scale across industry sectors

End-to-end Digital Customer Journeys



Expertise in informed decision making, bringing in learnings from global crisis response

Next-gen Sales in the New Reality



Experience in developing sustainable world-class end-to-end digital supply chain capabilities

Digital Supply Chain



Experience in rationalizing cost structures across sectors

Zero Based Budgeting



BCG's 360° A&M Supercharger identifies the right commercial activation levers

Marketing Supercharger



BCG's proprietary & proven approach to organic growth creation

Demand Centric Growth



Brings Agile ways of working to the organization, gearing employees for success

Agile at Scale



THANK YOU