



India Economic Monitor

December 2021 Update

Executive Summary

India's GDP grew by 8.4% YoY in Jul-Sep'21 & surpassed Jul-Sep'19 levels by 0.3%. Agriculture, industry & services witnessed an uptick vs. Jul-Sep'20. However, select high contact sub-sectors (e.g., trade, financial services, construction) remained below pre-COVID levels. Share of investments & net exports in GDP grew while that of consumption contracted. Some high frequency indicators (e.g., power & fuel consumption, logistics) fell in Oct-Nov'21 vs. previous month. UPI transaction value & volumes witnessed marginal decline vs. Oct'21. Supply disruptions led to decline across sectors (e.g., auto) vs. pre-COVID levels. WPI accelerated to a record high level led by increase in food & fuel prices, CPI quickened to a 3-month high albeit remained within RBI's 6% band. Consumer sentiment improved from the historic low in Jul'21, with higher expenditure on essential items. Manufacturing PMI reached a 10-month high while services PMI dipped marginally. Analyst forecasts indicate GDP growth of 8.3% to 9.7% YoY.

Trends across key economic indicators

- **Industrial Activity:** Average power & fuel consumption fell in Nov'21 vs. Oct'21, approaching pre-COVID levels; Indices of industrial activity (IIP & ICI) grew in Nov'21 after remaining muted in previous months, marginally exceeding pre-COVID levels
- **Trade:** Merchandise trade deficit spiked in Nov'21 vs. Oct'21 owing to a sharp decrease in exports; Services trade surplus declined slightly in Oct'21 vs. Sep'21
- **Logistics:** E-way bills hit a 5-month low while FASTag transactions remained at Oct'21 levels in Nov'21; JNPT traffic & railway passenger bookings remained significantly above pre-COVID levels; Air freight approached Oct'19 levels in Oct'21
- **Financial Services:** Aggregate deposits & bank credit grew at a consistent pace, exceeding pre-COVID levels; UPI transaction value & volumes witnessed a marginal MoM decline in Nov'21, although remained significantly above pre-COVID levels
- **Sector-wise Impact:** Auto sales fell sharply in Nov'21 vs. Oct'21, remaining below pre-COVID levels (except tractor sales); Cement production remained above pre-COVID levels, although dipped vs. Sep'21; Steel consumption grew substantially in Nov'21 vs. Nov'19; Fertilizer sales soared to a new high in Nov'21; Life insurance premium grew while non-life insurance premium inched closer to pre-COVID levels in Nov'21
- **Macroeconomic Indicators:** GST collections surged to a 7-month high in Nov'21; Both count & value of Govt. tenders exceeded pre-COVID levels in Oct'21; Gross fiscal deficit fell sharply in Nov'21 vs. Oct'21
- **Sentiment:** Both CSI & FEI indices remained on a steady upward trajectory in Nov'21 vs. previous months; NSE & BSE transactions sharply fell in Nov'21 vs. Oct'21; Manufacturing PMI accelerated to a 10-month high while Services PMI dipped marginally in Nov'21 vs. Oct'21

Note: 2019 data has been considered as pre-COVID level to assess recovery trends

Summary: Select high frequency indicators grew while others fell in Oct-Nov'21 vs. pre-COVID levels

Absolute YoY delta comparison of 2021 month-wise data vs. pre-COVID 2019 levels (for respective month)

	Indicator	Unit	Jun	Jul	Aug	Sep	Oct	Nov
1	Industrial Activity							
	Power Consumption	MU	-4%	7%	14%	1%	14%	6%
	Petroleum Consumption	MT	-10%	-8%	-7%	-2%	3%	-7%
	Index of Industrial Prod.	Index	-5%	0%	4%	4%	8%	NA
2	Trade							
	Services Export	USD	6%	-1%	12%	18%	12%	NA
	Services Import	USD	-5%	-11%	8%	10%	7%	NA
	Merchandise Export	USD	30%	35%	28%	30%	35%	16%
	Merchandise Import	USD	4%	17%	18%	53%	48%	39%
3	Logistics							
	E-Way Bills Generated	Mn	29%	23%	29%	30%	39%	4%
	Railway Freight Originated	MT	11%	13%	22%	20%	25%	16%
	JNPT Container Traffic	TEUs	8%	1%	4%	8%	18%	23%
	Air Freight	kT	-13%	-12%	-8%	-3%	0%	NA
	Air Passenger Traffic	Mn	-77%	-64%	-50%	-43%	-34%	NA
	Rail Passengers Booked	Mn	-80%	-73%	-63%	-58%	-51%	-46%
4	Financial Services							
	UPI Transactions	Mn	274%	314%	314%	305%	303%	306%
	Total Bank Credit	INR	12%	13%	13%	12%	12%	NA
	Total Bank Deposits	INR	20%	23%	21%	21%	21%	NA

	Indicator	Unit	Jun	Jul	Aug	Sep	Oct	Nov
5	Sector-wise Impact							
	Cement Production	MT	-3%	5%	17%	7%	NA	NA
	Steel Sales	MT	-6%	-5%	-15%	-3%	-1%	8%
	Passenger Vehicle Sales	k	7%	26%	10%	-23%	-17%	-17%
	Tractor Sales	k	47%	47%	49%	15%	12%	24%
	Two-wheeler Sales	k	-28%	-10%	-6%	-4%	-7%	-18%
	Fertilizer Sales	MT	36%	49%	21%	-27%	6%	14%
	Gross Premium (Life)	INR	-7%	-5%	18%	55%	25%	4%
	Gross Premium (Non-Life)	INR	3%	40%	37%	-8%	11%	8%
	Pharma. Sales	INR	18%	14%	15%	18%	NA	NA
	Macroeconomic Indicators							
6	Total GST Collection	INR	-7%	14%	14%	27%	36%	27%
	MGNREGA Jobs Demand	HHs	37%	73%	68%	61%	60%	39%
	MGNREGA Jobs Provided	HHs	1%	42%	57%	54%	51%	33%
	No. of Tenders Announced	k	73%	130%	169%	129%	168%	140%
7	Sentiment							
	India VIX	Index	-10%	-6%	-12%	16%	7%	52%
	PMI (Manufacturing)	Index	48.1	55.3	52.3	53.7	55.9	57.6
	PMI (Services)	Index	41.2	45.4	56.7	55.2	58.4	58.1

2021 Monthly Trend Summary: Majority of high frequency indicators witnessed mixed growth in Oct-Nov'21 vs. previous month

Absolute MoM delta comparison of 2021 data (vs. previous month)

	Indicator	Jun	Jul	Aug	Sep	Oct	Nov
1	Industrial Activity						
	Power Consumption	8%	5%	3%	-12%	0%	-9%
	Petroleum Consumption	8%	3%	-4%	0%	12%	-4%
	Index of Industrial Prod.	6%	7%	0%	-2%	5%	NA
2	Trade						
	Services Export	14%	-4%	3%	6%	-4%	NA
	Services Import	9%	3%	0%	6%	-5%	NA
	Merchandise Export	1%	9%	-6%	2%	6%	-16%
	Merchandise Import	9%	11%	1%	20%	-2%	-4%
3	Logistics						
	E-Way Bills Generated	37%	17%	3%	3%	8%	-24%
	Railway Freight Originated	-2%	0%	-2%	-4%	11%	0%
	JNPT Container Traffic	-3%	-2%	5%	-5%	10%	-1%
	Air Freight	0%	9%	2%	4%	10%	NA
4	Financial Services						
	UPI Transactions	12%	11%	5%	2%	18%	0%
5	Sector-wise Impact						
	Steel Sales	-13%	0%	-4%	5%	7%	NA
	Passenger Vehicle Sales	137%	11%	-11%	-25%	25%	-2%
	Two-wheeler Sales	97%	16%	4%	11%	2%	-27%
	Gross Premium (Life)	131%	-32%	36%	11%	-30%	26%
6	Macroeconomic Indicators						
	Total GST Collection	-10%	25%	-4%	4%	11%	1%
	MGNREGA Jobs Provided	32%	-27%	-9%	-4%	11%	-20%

Industrial activity exhibited mixed trends in Sep-Oct'21 vs. previous month– Power & fuel consumption declined; IIP recorded MoM growth

Services exports & imports fell; Merchandise imports fell & exports also recorded significant degrowth

Select logistics indicators declined significantly in Oct-Nov'21- JNPT traffic, rail freight & E-way bills recorded substantial decline while air freight grew

UPI transactions (by value) remained unchanged from the previous month in Nov'21

Some sectors grew while others fell in Nov'21 vs.Oct'21
Passenger vehicle & 2W sales logged a decline while life insurance recorded significant MoM growth

Growth across select macroeconomic indicators was non-uniform in Nov'21-GST collections grew marginally while MGNREGA jobs provided decreased

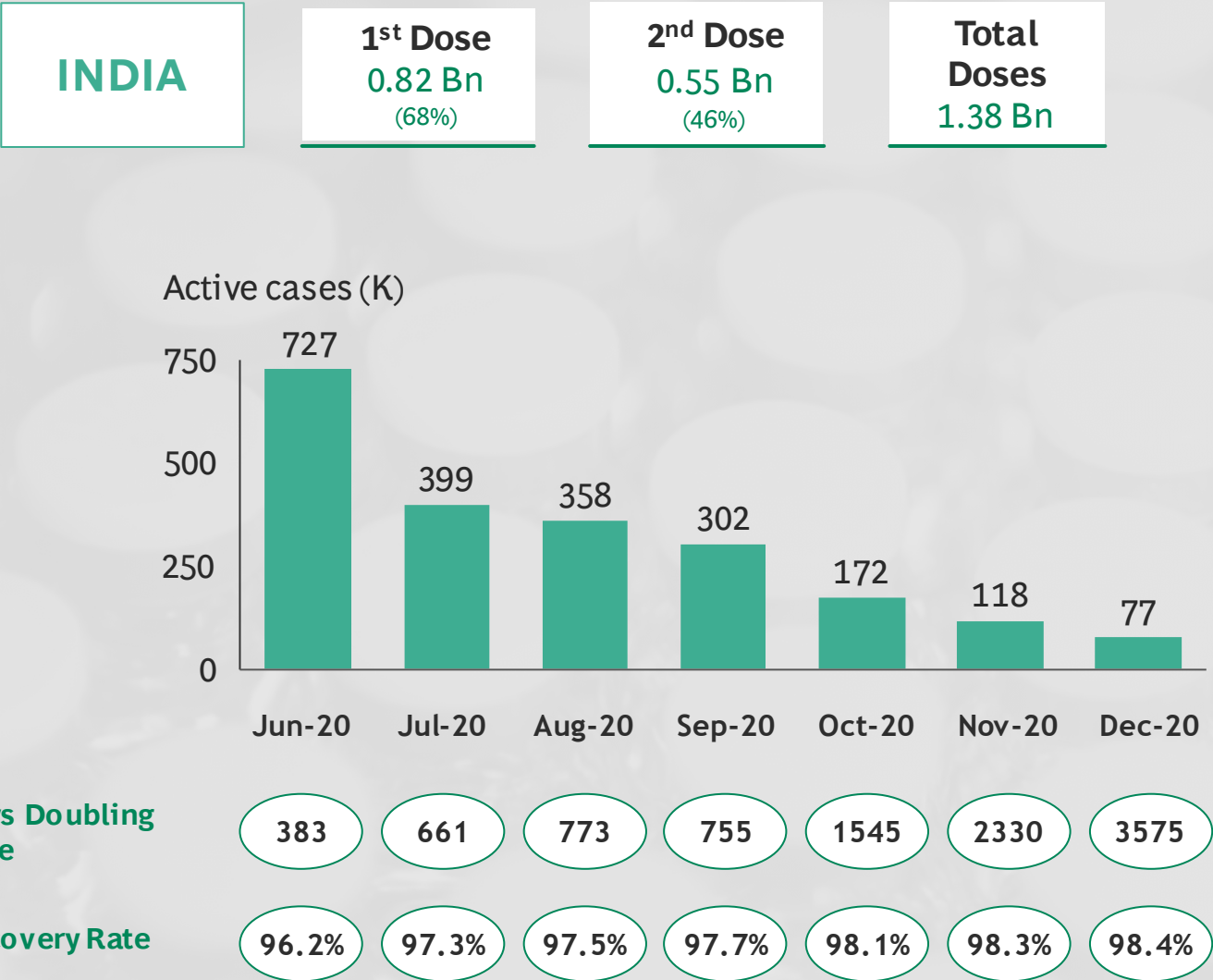


Degrowth



Growth

India crossed 1 Bn mark in administering COVID vaccines; More than 65% of India's population partially vaccinated & 46% fully vaccinated as on 3rd week of Dec'21



Data as of 21st Dec

















S. No	State/UT	Beneficiaries partially vaccinated (%)
1	Goa	84%
2	Lakshadweep	82%
3	Chandigarh	81%
4	Himachal Pradesh	80%
5	Sikkim	79%
6	A & N Islands	75%
7	Delhi	74%
8	Andhra Pradesh	74%
9	Kerala	74%
10	Telangana	74%
11	Jammu and Kashmir	73%
12	Ladakh	73%
13	Dadra & Nagar Haveli & Daman & Diu	72%
14	Karnataka	72%
15	Uttarakhand	69%
16	Gujarat	69%
17	Haryana	67%
18	West Bengal	66%
19	Odisha	66%
20	Maharashtra	65%
21	Tamil Nadu	65%
22	Tripura	64%
23	Assam	63%
24	Madhya Pradesh	63%
25	Mizoram	62%
26	Chhattisgarh	61%
27	Rajasthan	59%
28	Punjab	57%
29	Puducherry	55%
30	Uttar Pradesh	55%
31	Arunachal Pradesh	53%
32	Jharkhand	48%
33	Bihar	48%
34	Manipur	42%
35	Meghalaya	38%
36	Nagaland	35%

Source: Calculated based on count of 1st dose of vaccination divided by state/UT population as per Census 2011; Miscellaneous doses of ~3.8 Mn are not accounted for in this analysis.
Source: Ministry of Health & Family Welfare (MoHFW), MOSPI, <https://covid19tracker.in>, BCG analysis

India's proportion of fully vaccinated population higher than select G20 peers, however long way ahead to fully vaccinate entire population

Data as of 21st Dec

Select G20 countries

Country	Doses administered (Mn)	Vaccinated—first dose (%)	Fully vaccinated (%)
 South Korea	96.62	84.0%	81.0%
 Canada	65.39	84.0%	78.0%
 Japan	198.81	79.0%	78.0%
 Italy	106.31	80.0%	74.0%
 France	117.99	78.0%	73.0%
 Argentina	73.70	84.0%	71.0%
 UK	127.53	77.0%	70.0%
 Germany	143.18	73.0%	70.0%
 Brazil	325.59	78.0%	67.0%
 United States	496.24	73.0%	62.0%
 Turkey	124.91	68.0%	61.0%
 Mexico	141.83	64.0%	52.0%
 India	1389.59	68.5%	46.2%
 Russia	140.26	50.0%	44.0%
 Indonesia	258.96	56.0%	40.0%
 South Africa	27.51	32.0%	27.0%



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Economic Indicators

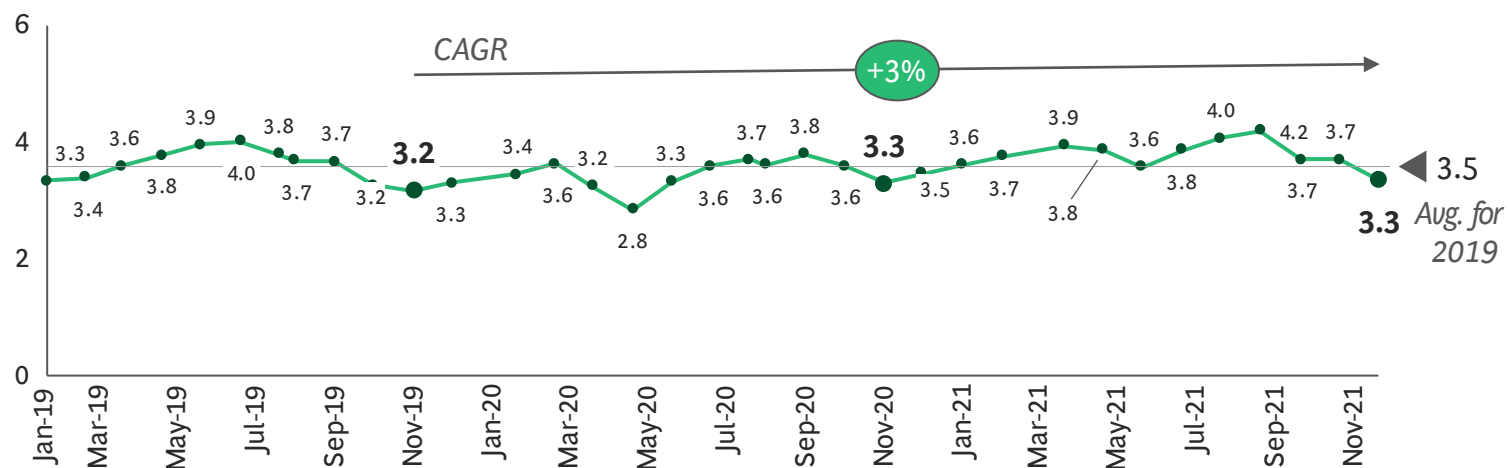
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GDP Deep-Dive

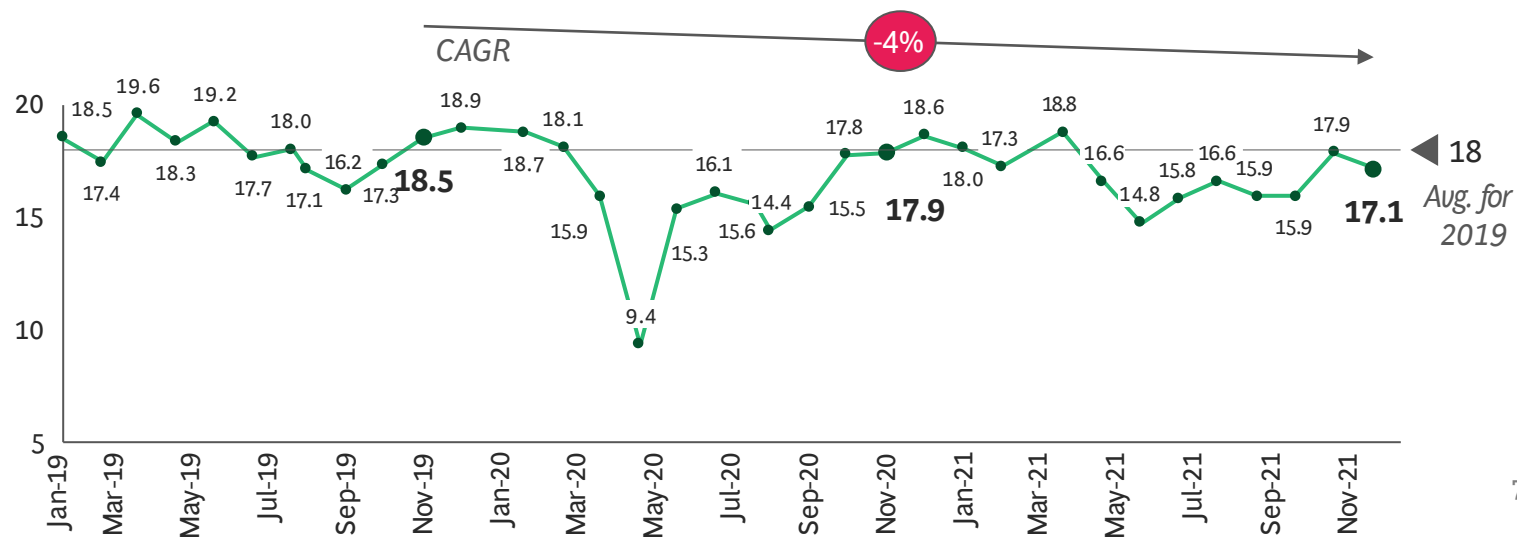


Daily average power & fuel consumption dipped in Nov'21 vs. Oct'21; Petroleum consumption fell below 2019 levels

Daily Average Power Consumption Volume ('000s MUs)



Consumption of Petroleum Products (in MMT)¹



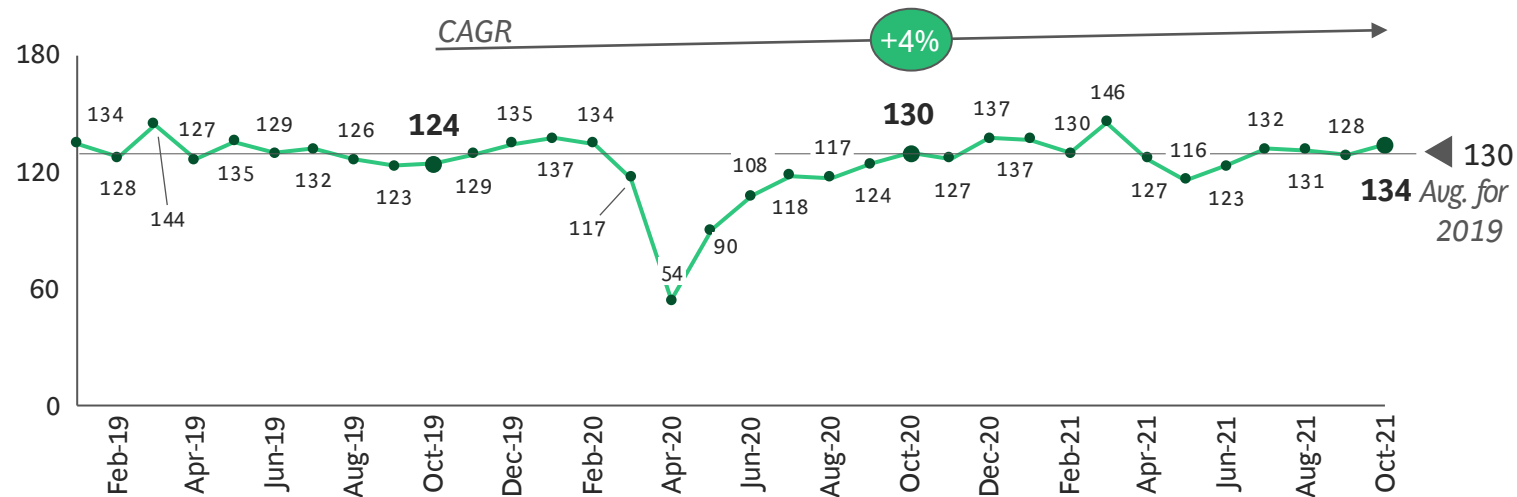
1. Petroleum products include LPG, Naphtha, MS, ATF, SKO, HSD, LDO, Lubricants & Greases, FO & LSHS, Bitumen, coke as reported (provisional) by Petroleum Planning & Analysis Cell

Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, PPAC, BCG analysis

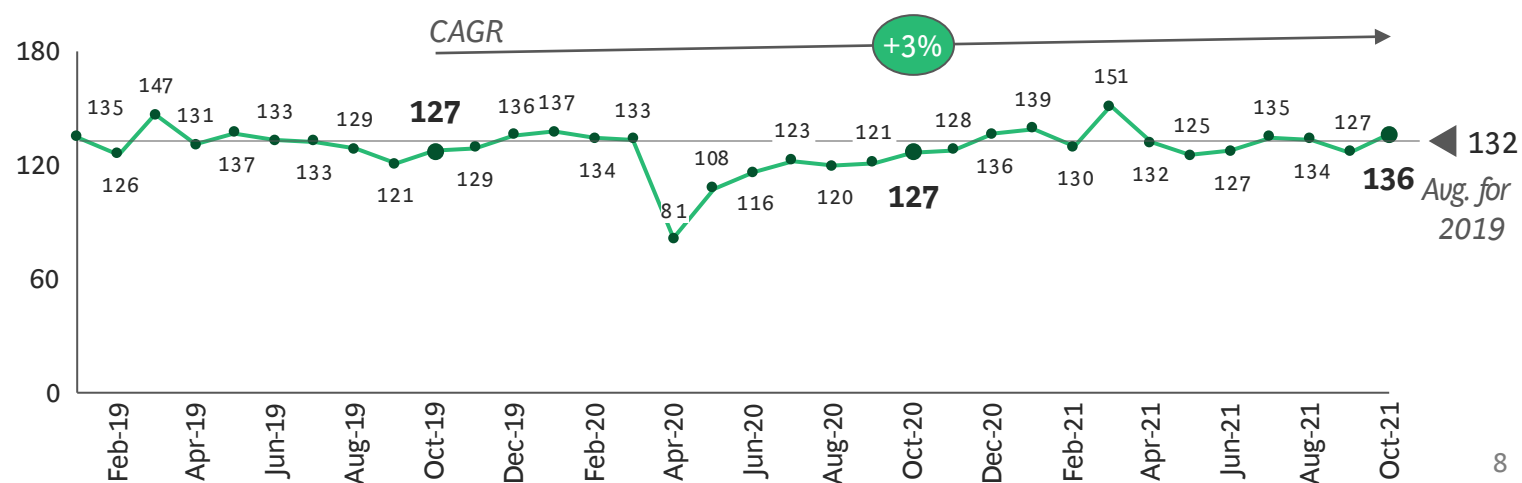


Both IIP & ICI improved in Oct'21 vs. previous months, exceeding 2019 levels

IIP (Index of Industrial Production)¹



ICI (Index of Core Industries)²



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)



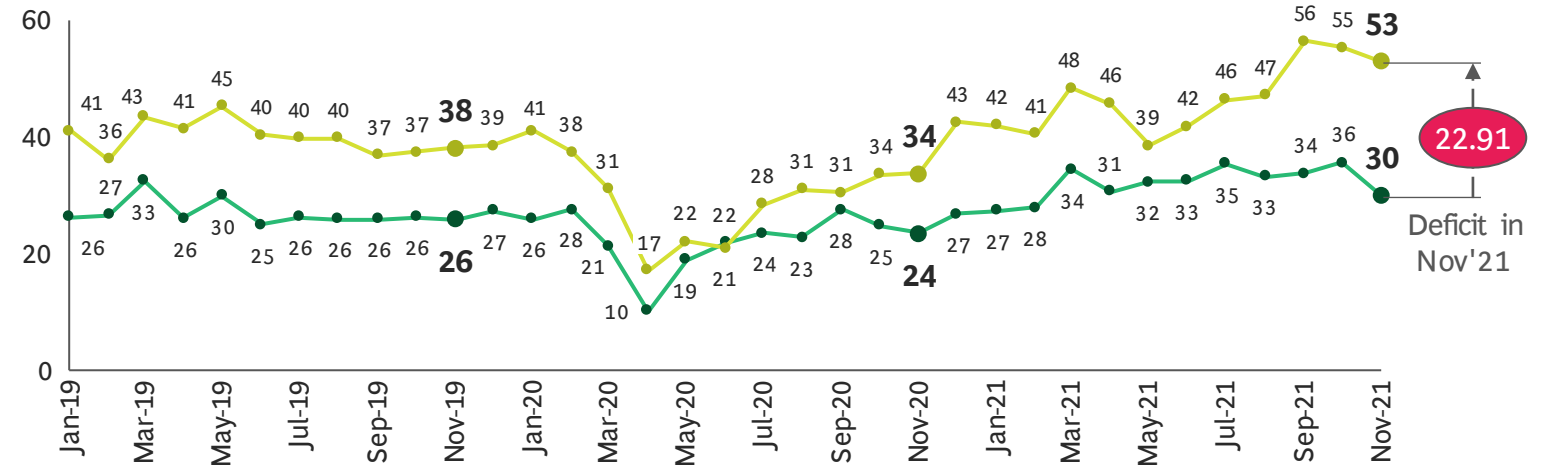
Merchandise trade gap significantly increased in Nov'21 vs. Oct'21 & Nov'19 levels

Services trade surplus fell slightly in Oct'21 vs. Sep'21, albeit remained above 2019 & 2020 levels

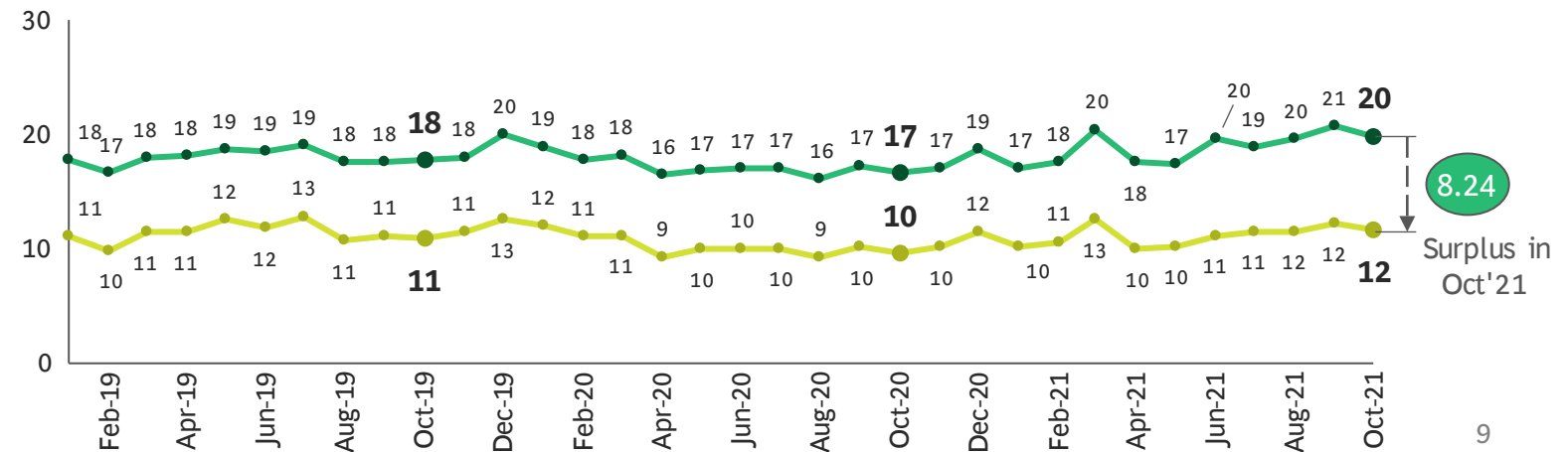
1. Jul'21 Merchandise Import and Export numbers, Jun'21; Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry on 13th Aug'21

Source: RBI, Ministry of Commerce and Industry, BCG analysis

Merchandise Trade (USD Bn)



Services Trade (USD Bn)



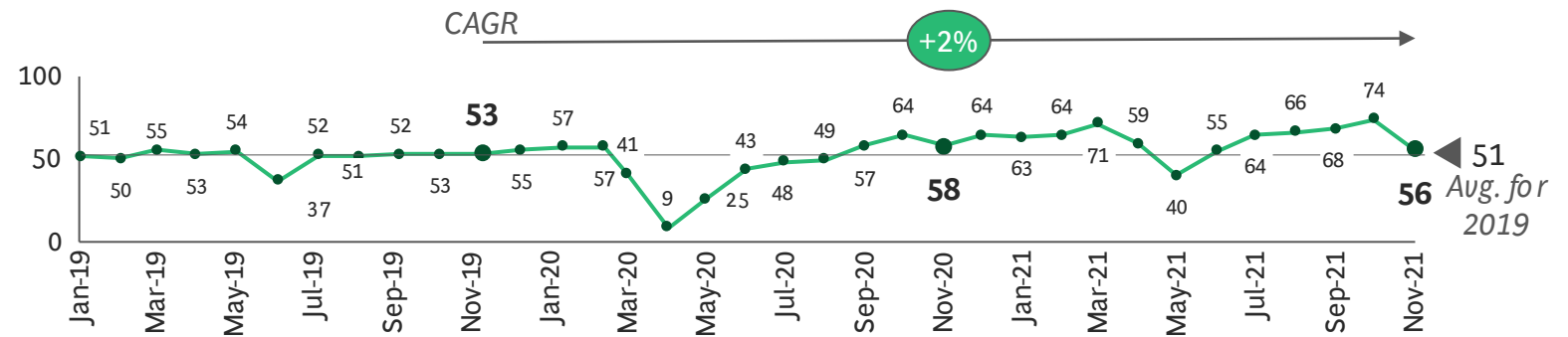


FASTag transaction volumes remained at Oct'21 levels in Nov'21; E-way bills hit a 5-month low, approaching Nov'19 levels

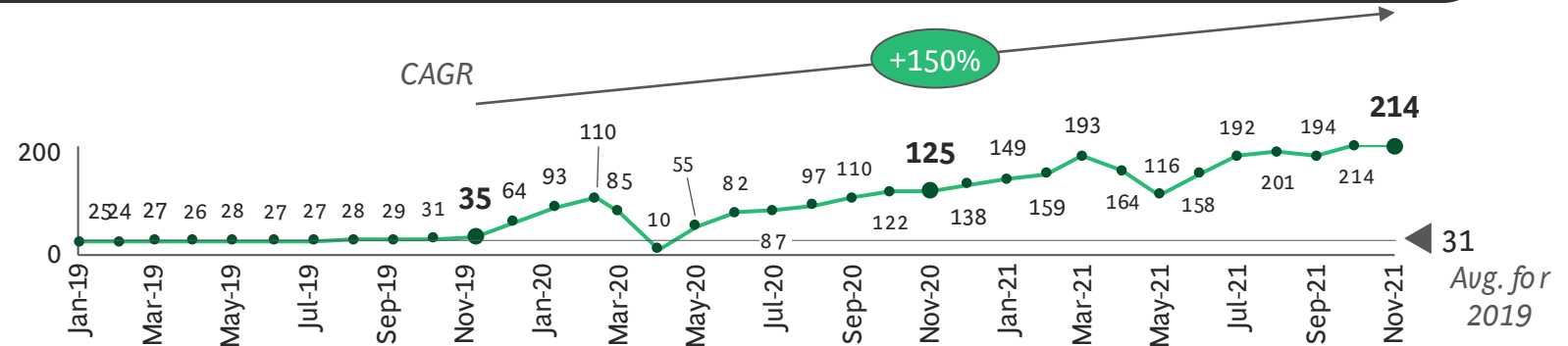
Railway freight remained near Oct'21 levels in Nov'21, although exceeded Nov'19 levels

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. Source: GST Network, NHAI, NPCI, Ministry of Railways, CEIC data, BCG analysis

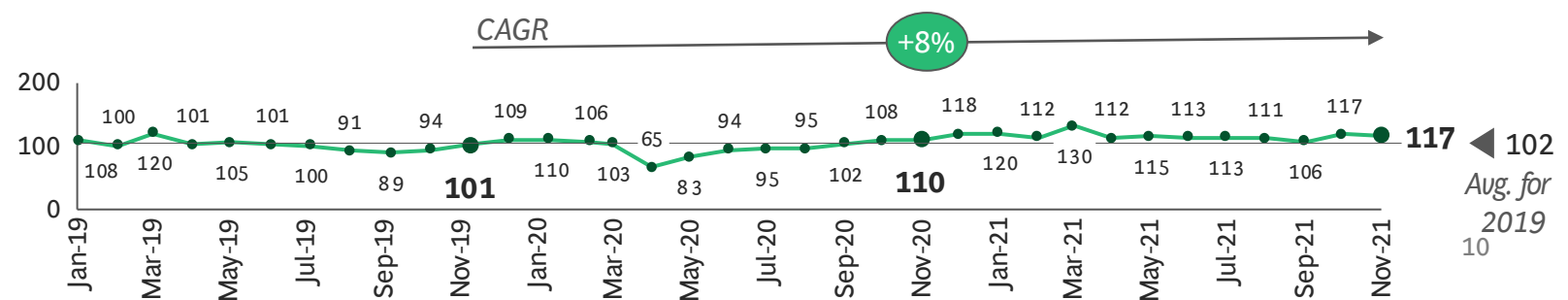
E-way bills¹ generated (Mn)



FASTag transaction volume (Mn)



Railway freight traffic originating (Mn Tons)



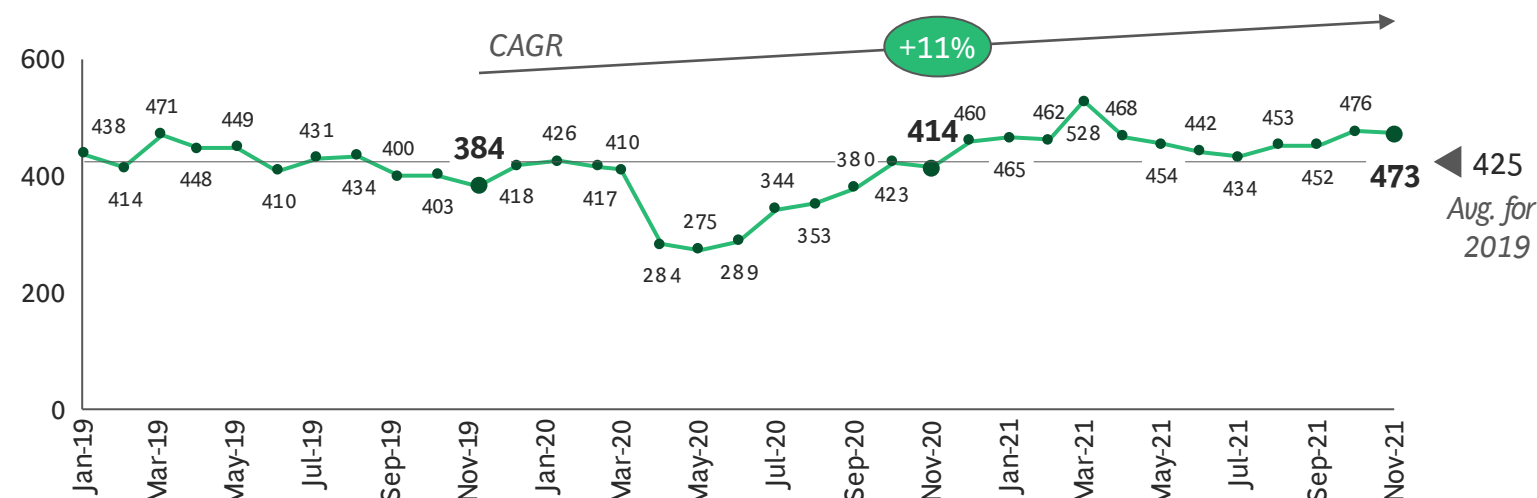


JNPT traffic dipped marginally in Nov'21 vs. Oct'21, albeit surpassed Nov'19 levels

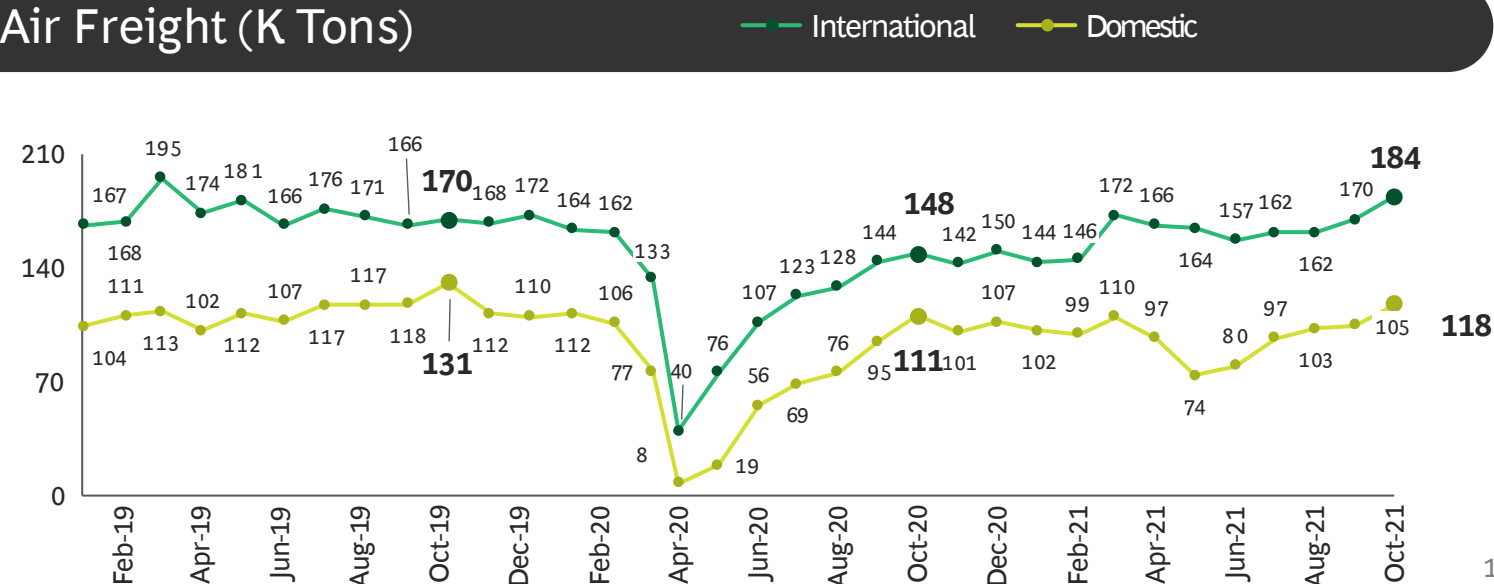
Air freight exceeded Sep'21 levels in Oct'21, approaching Oct'19 levels

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

JNPT Container Traffic ('000s TEUs¹)



Air Freight (K Tons)

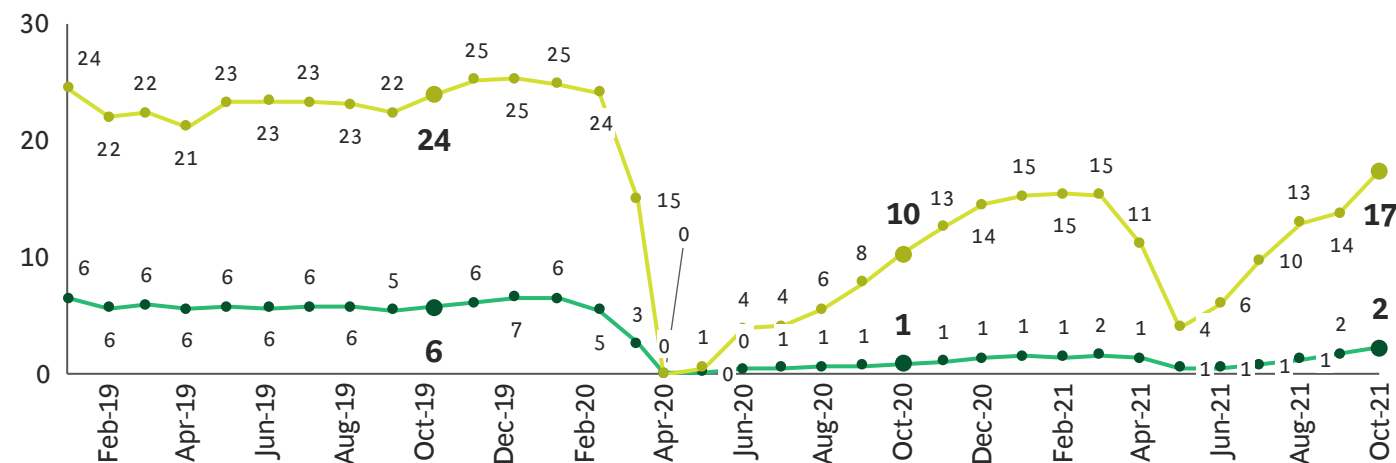




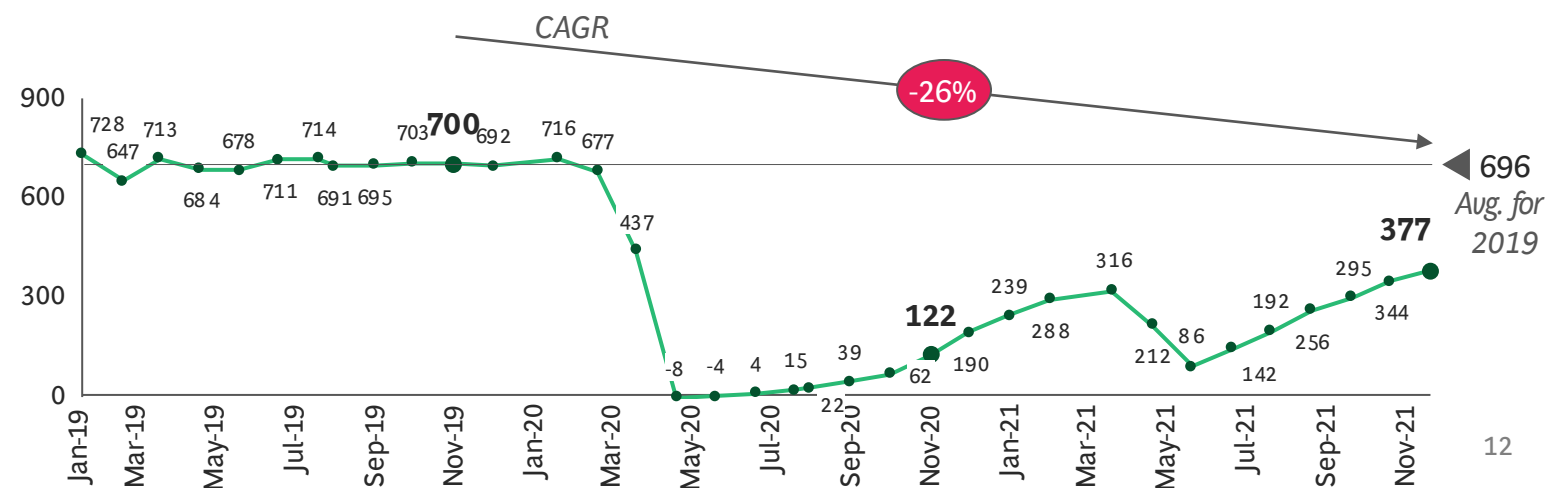
Both air & rail passenger traffic grew significantly in Oct'21-Nov'21 vs. previous month & 2020 levels

Air Passengers (Mn)

International Domestic



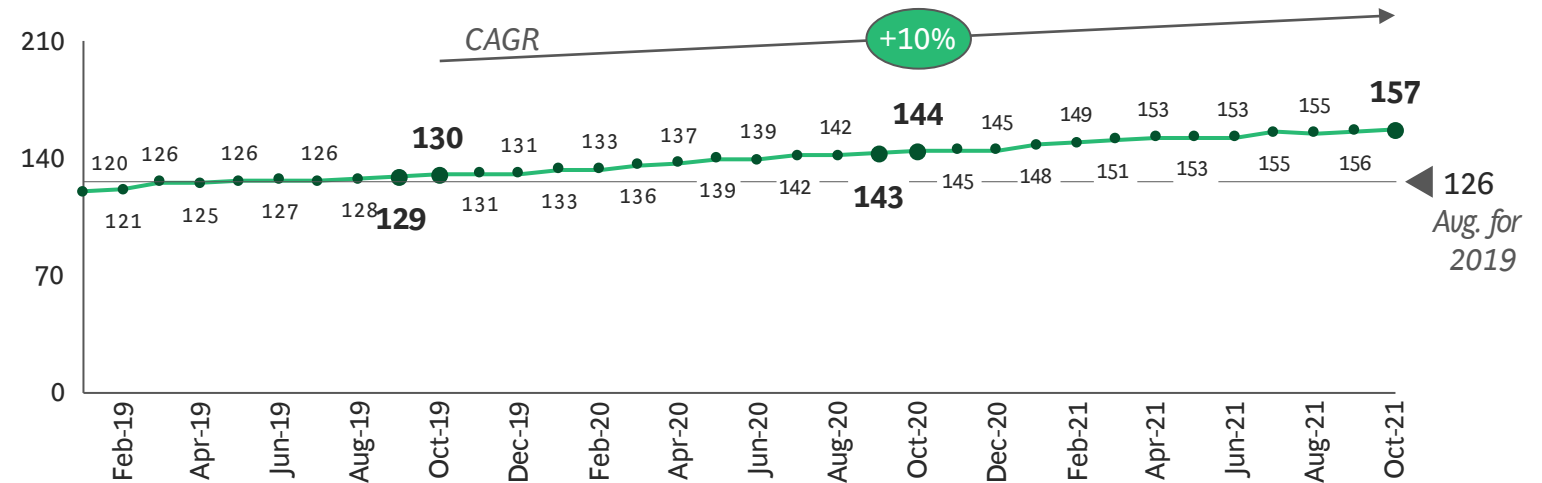
Railway Passenger Bookings (Mn)



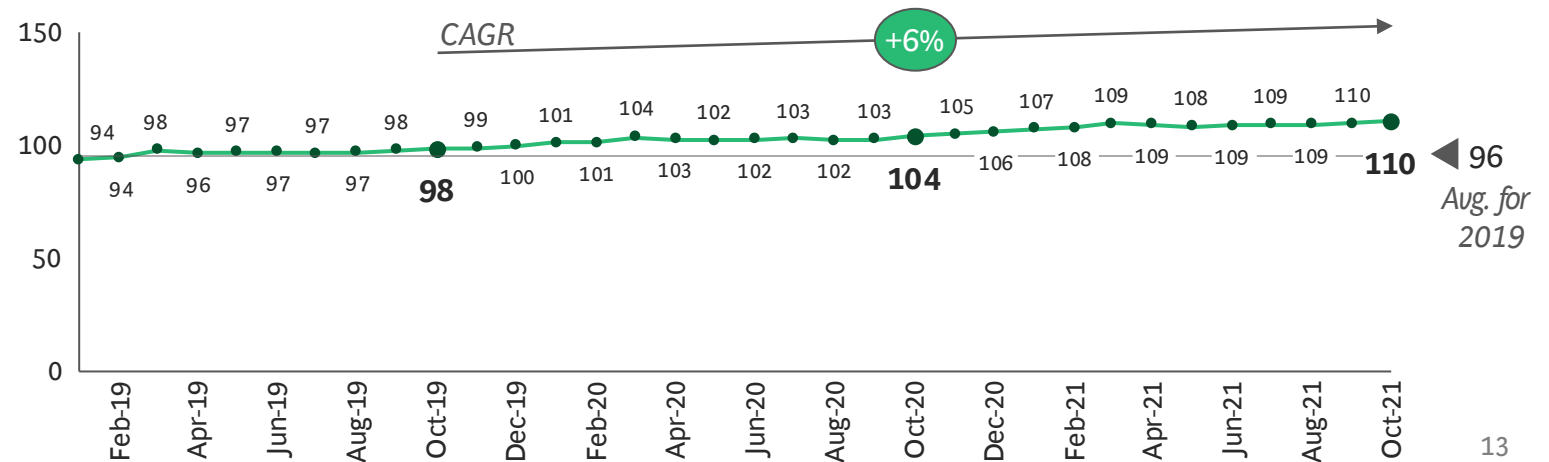


Aggregate bank
deposit & credit growth
remained at Aug-
Sep'21 levels in Oct'21

Total deposits value aggregated for all banks (INR Tn)



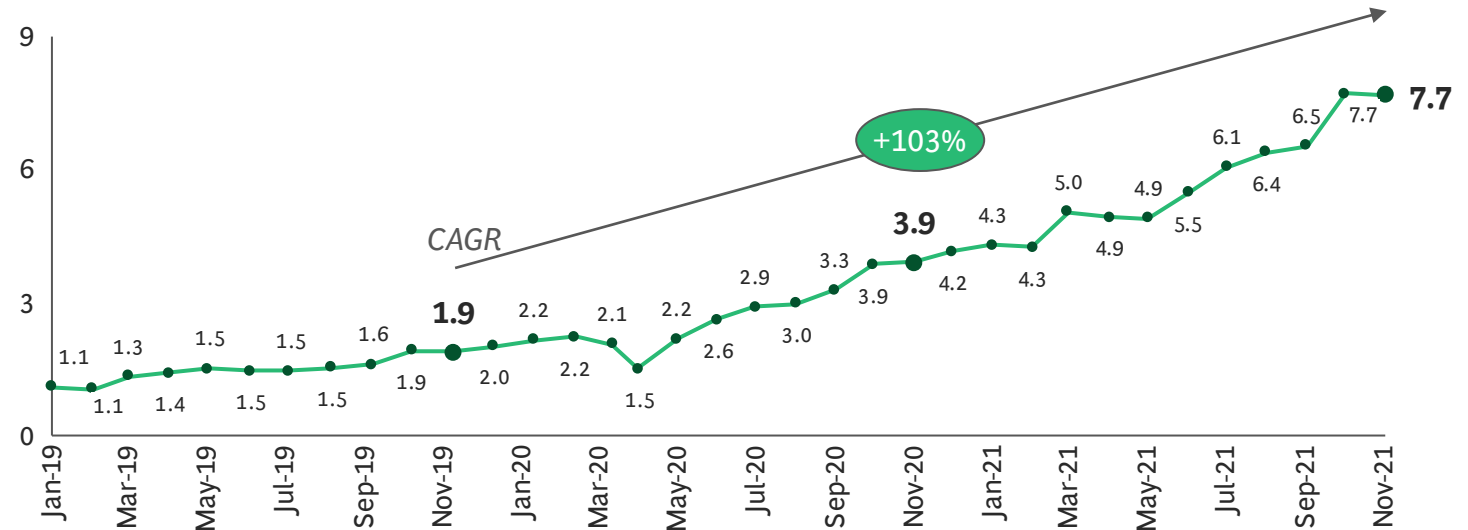
Total credit outstanding value aggregated for all banks (INR Tn)



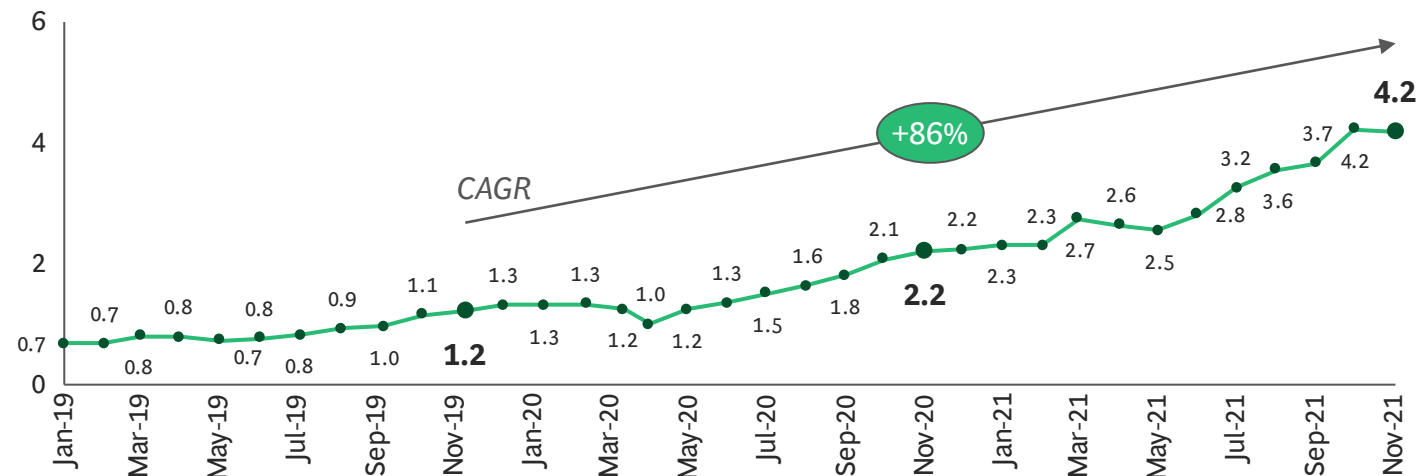


UPI transaction value & volume witnessed a marginal decline in Nov'21 vs. Oct'21, although remained significantly above 2019 & 2020 levels

UPI Transactions Value (in INR Tn)



UPI Transactions Volumes (in Bn)

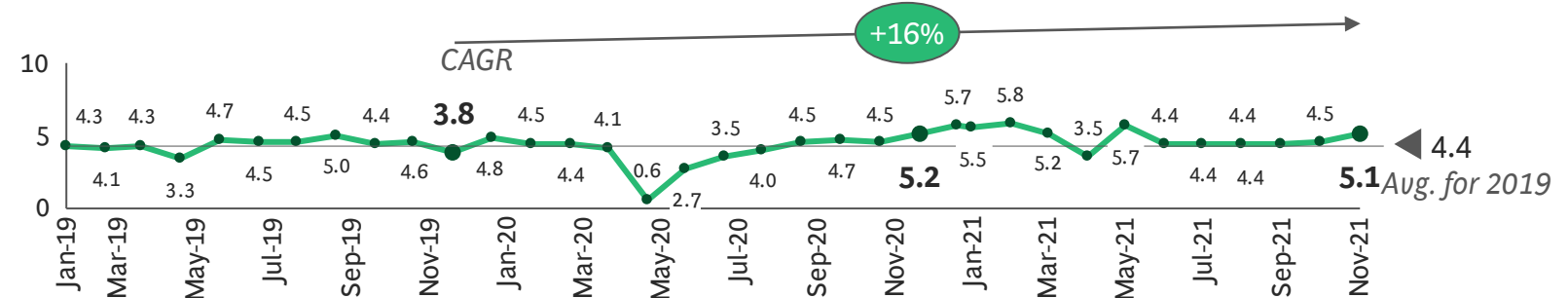




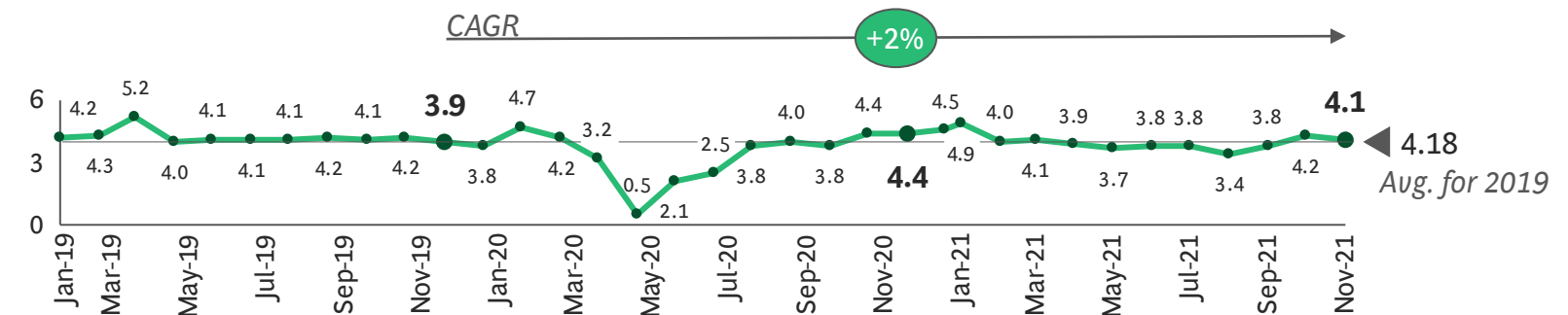
Steel consumption significantly exceeded Oct'21 & Nov'19 levels in Nov'21

Cement production fell for the second consecutive month in Sep'21, albeit remained above Sep'19 levels

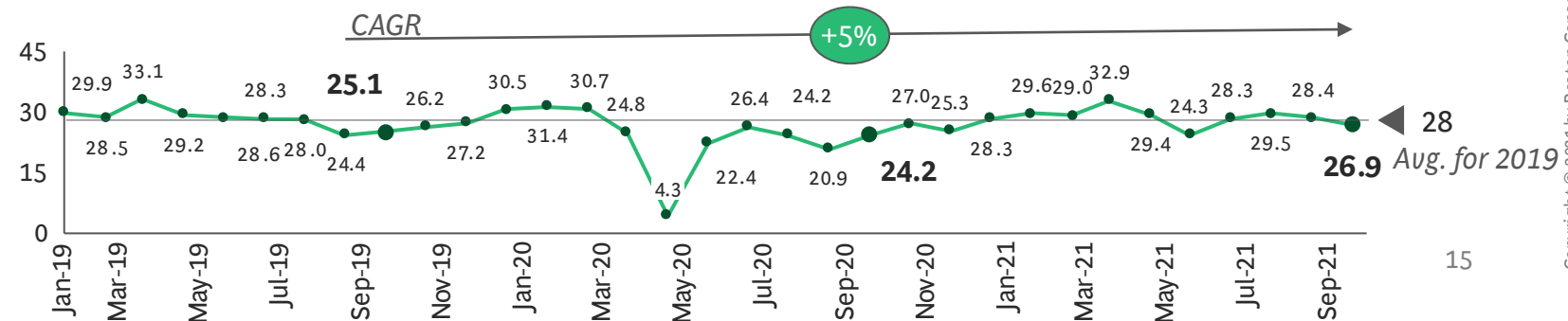
Consumption of Long Steel (in MMT)



Consumption of Flat Steel (in MMT)



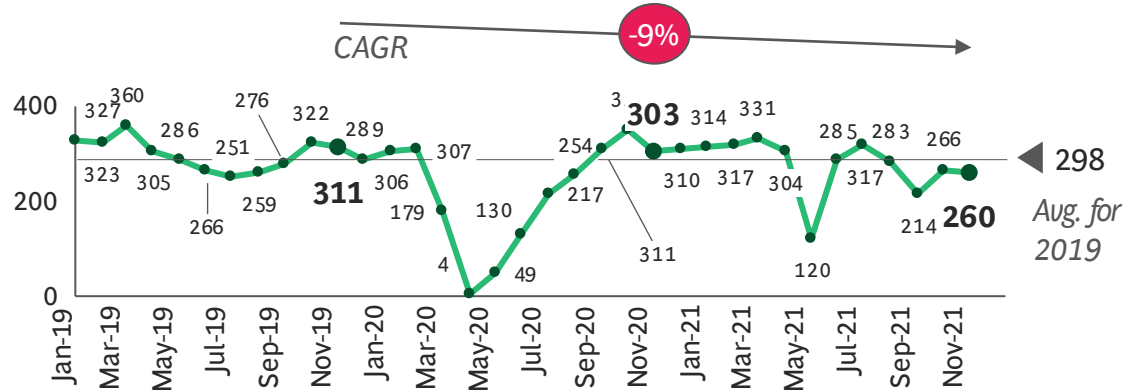
Cement Production (in MT)



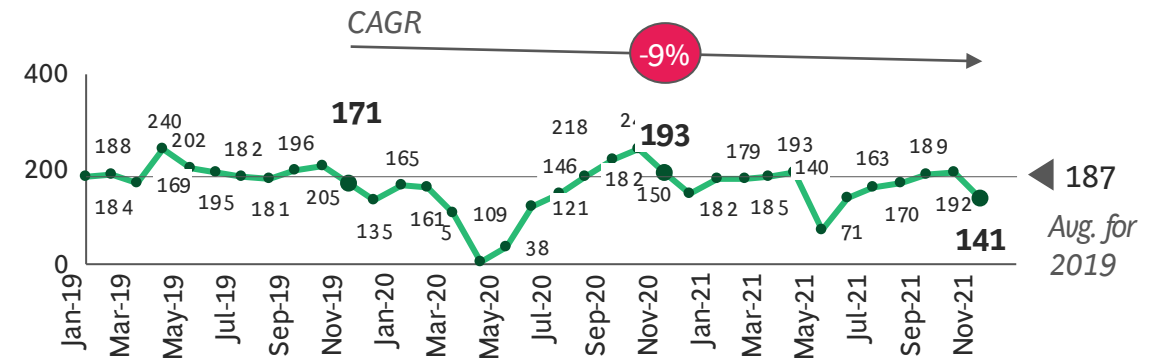
Auto sales declined sharply in Nov'21 vs. Oct'21; Tractor sales exceeded Nov'19 levels while PV, 2W and 3W sales remained below 2019 levels



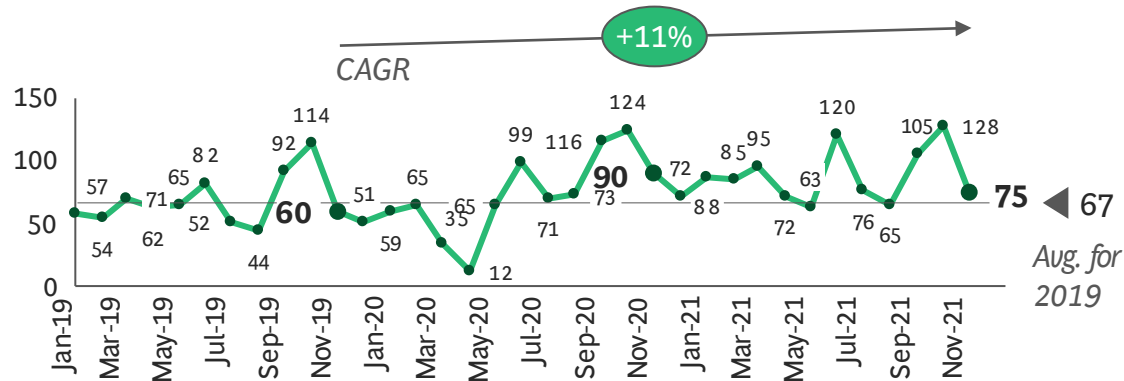
Passenger vehicles sales ('000 units)



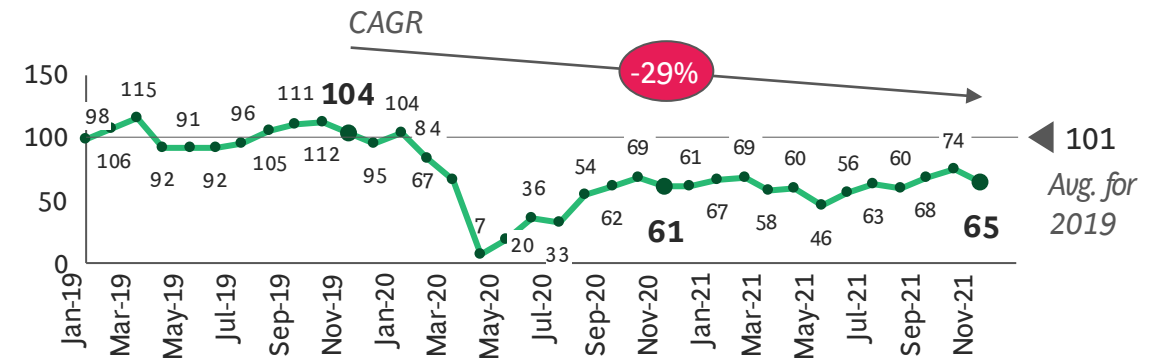
Two-wheeler sales ('0000 units)



Tractor sales ('000 units)



Three-wheeler sales ('000 units)



Figures represent wholesale numbers (including exports).

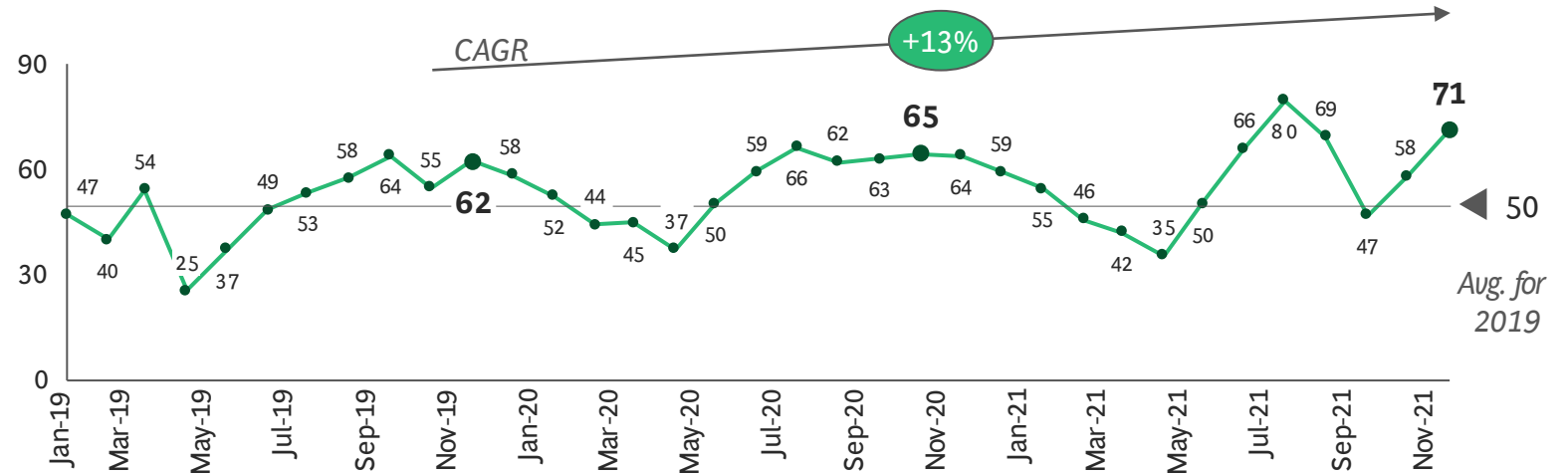
1. Tata Motors data is available for Apr-June only, BMW, Mercedes and Volvo Auto data is not available; Source: SIAM, CMIE, TMA, Press search, BCG analysis



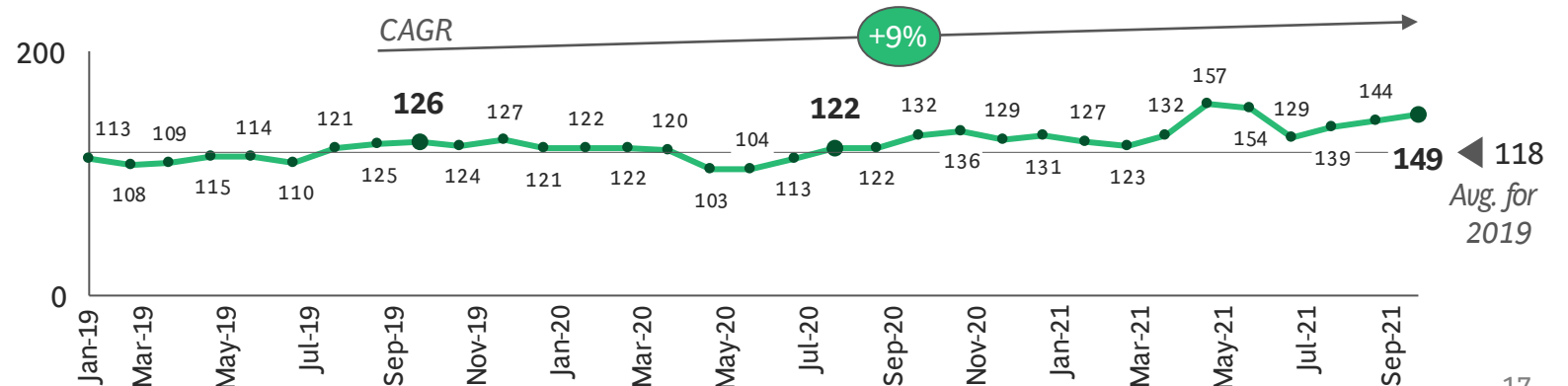
Fertilizer sales climbed to a new high in Nov'21 vs. previous months

Pharmaceutical sales grew in Sep'21 vs. previous months, exceeding Sep'19 levels

Fertilizer Sales (in lac tonnes)



Pharmaceutical Sales¹ (INR Tn)



1. Pharmaceutical Sales are updated quarterly. Last updated in Sep'21
Source: AIOCD (Total Sales), American Chemistry Council, Mobile Based Fertilizer Management System (mFMS), Ministry of Chemicals and Fertilizers, Press search, BCG analysis

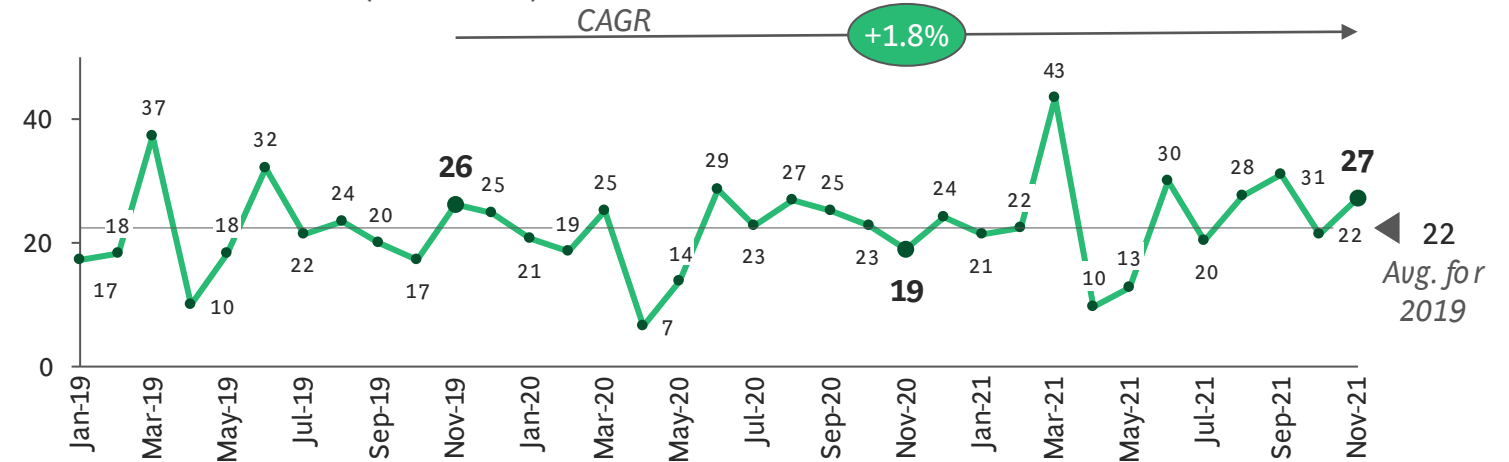


Life insurance premium witnessed an uptick in Nov'21 vs. Oct'21 & Nov'19; Non-life insurance premium fell for the second consecutive month in Nov'21, although remained above Nov'19 levels

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

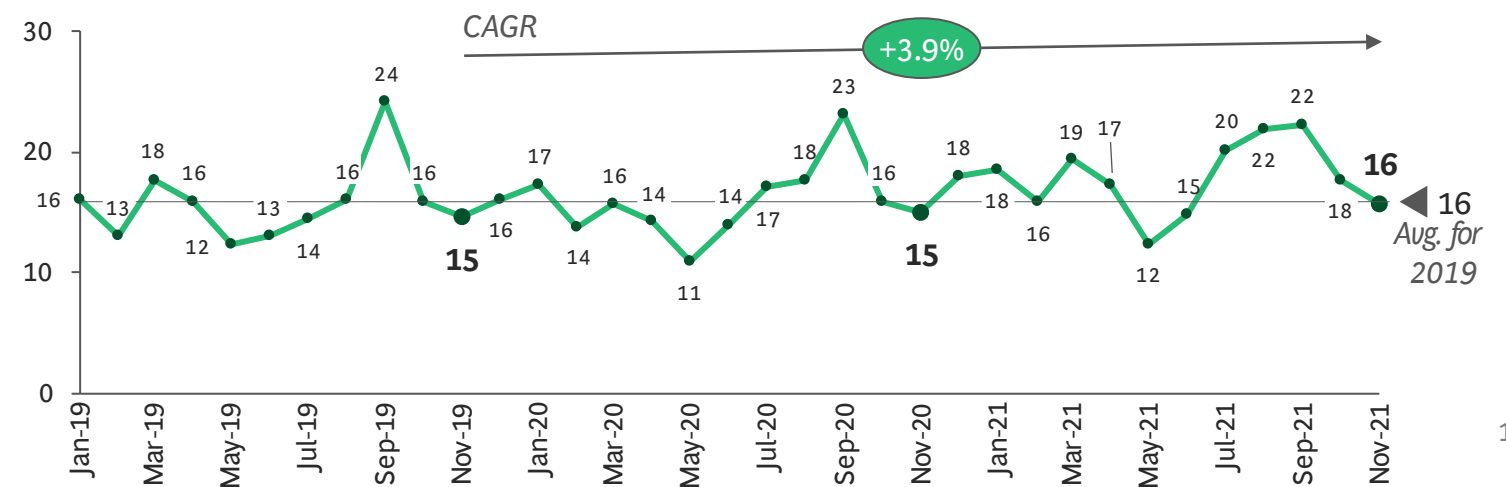
Life Insurance premium

New Business Premium (INR '000 Cr)



Non-Life Insurance premium¹

Gross Domestic Premium Income (INR '000 Cr)





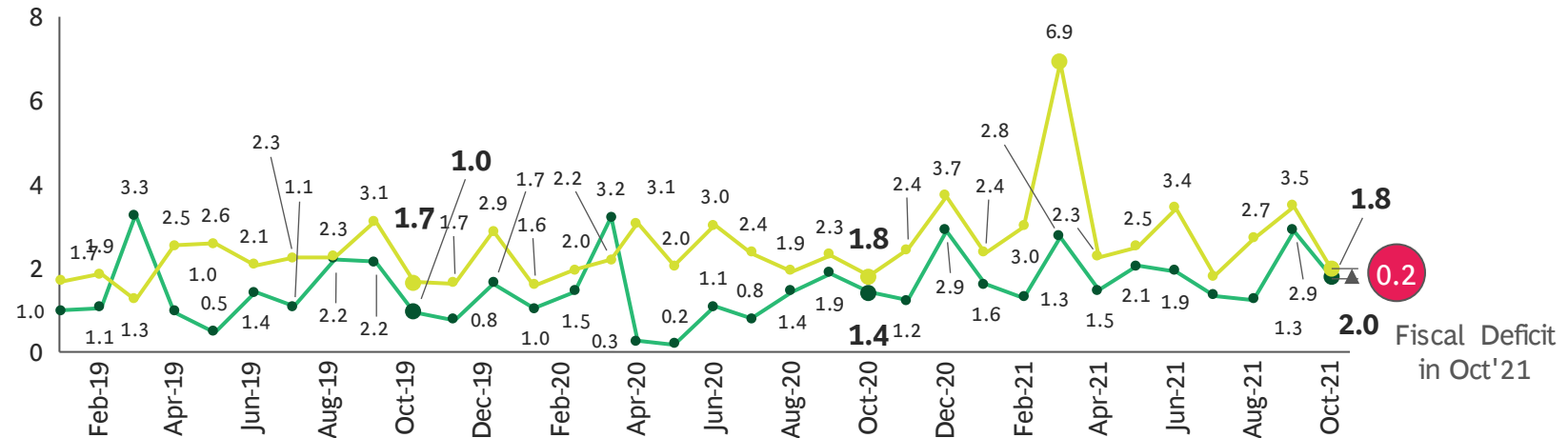
Fiscal deficit fell sharply in Oct'21 vs. Sep'21 & Oct'19 levels

GST collections exceeded Oct'21 levels in Nov'21, surging to a 7-month high

1. GST Collections include all components: CGST, SGST, IGST, Cess
Source: Ministry of Finance, GST Council, BCG analysis

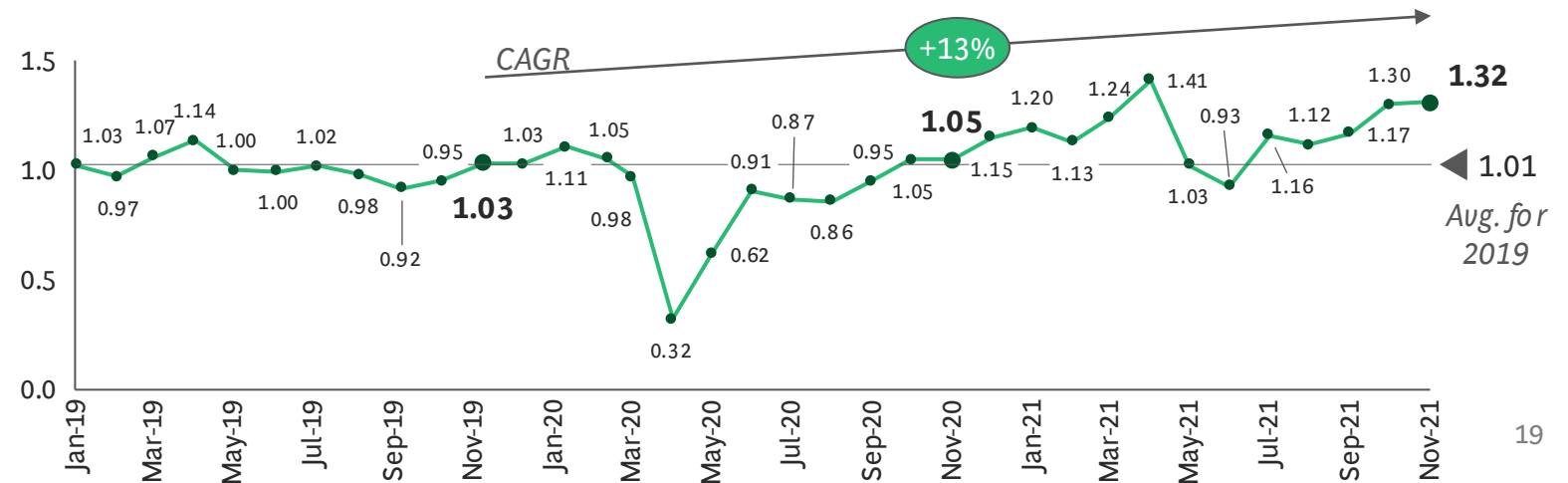
Central Govt. Revenue & Expenditure (INR Tn)

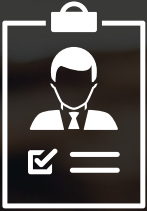
(based on data from Controller General of Accounts, Ministry of Finance)



Total GST Collections¹ (INR Tn)

(based on data from GST Council)

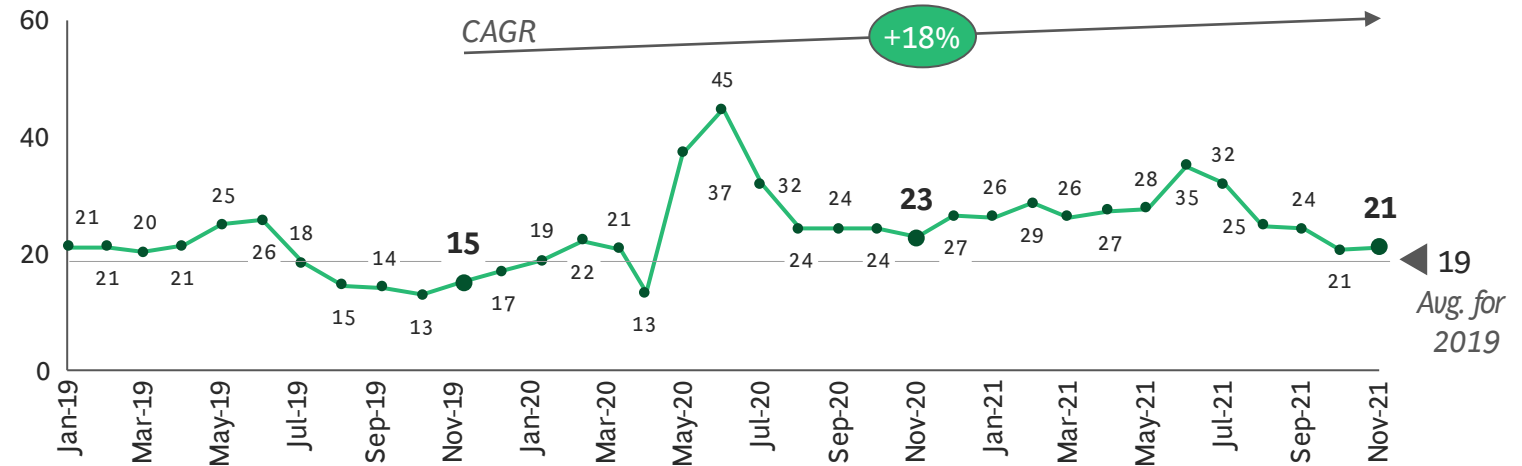




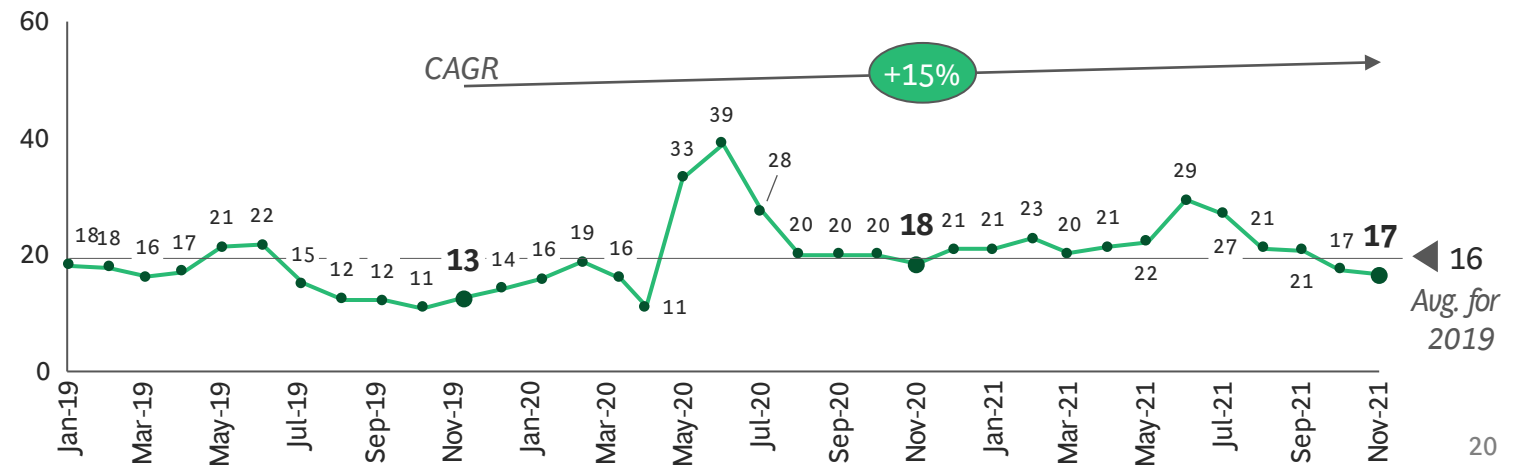
MGNREGA work demanded & employment provided remained near Oct'21 levels in Nov'21, although exceeded 2019 levels

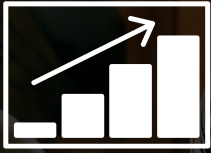
MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act
Source: Ministry of Labor & Employment, Ministry of Rural Development, The Indian Express, Outlook India, LiveMint, BCG analysis

MGNREGA Work Demand (households, in Mn)



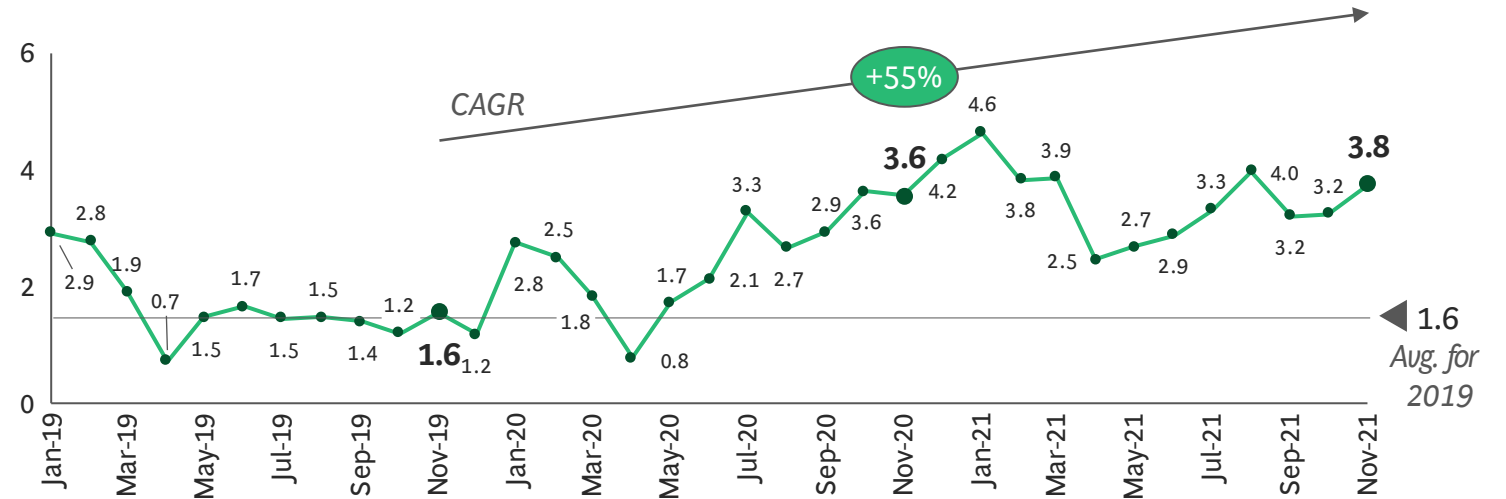
MGNREGA Employment Provided (households, in Mn)



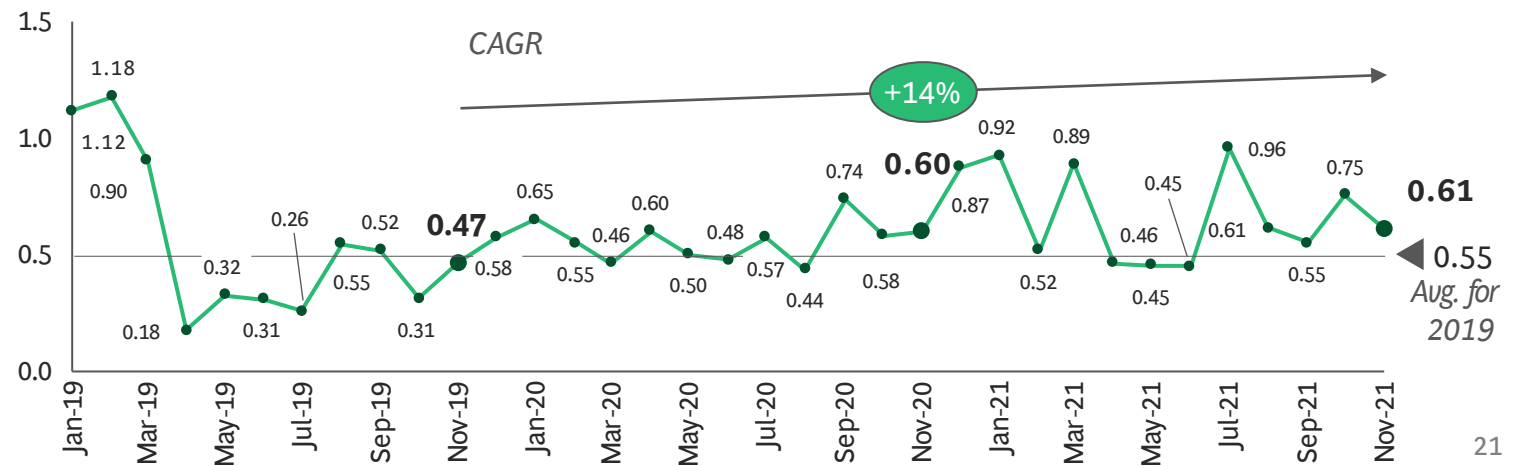


Count of Govt. tenders increased while value of tenders fell in Nov'21 vs. Oct'21, albeit remained above 2019 levels

Count of tenders announced by central and state govts (K)



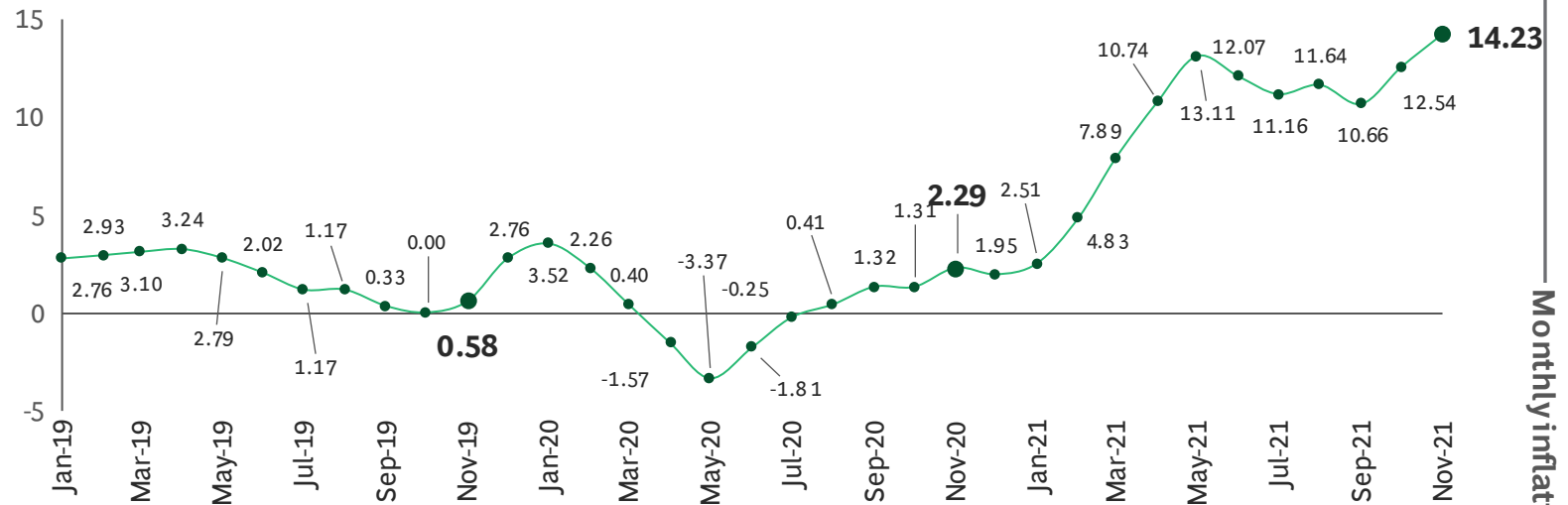
Value of tenders announced by central and state govts (INR Tn)



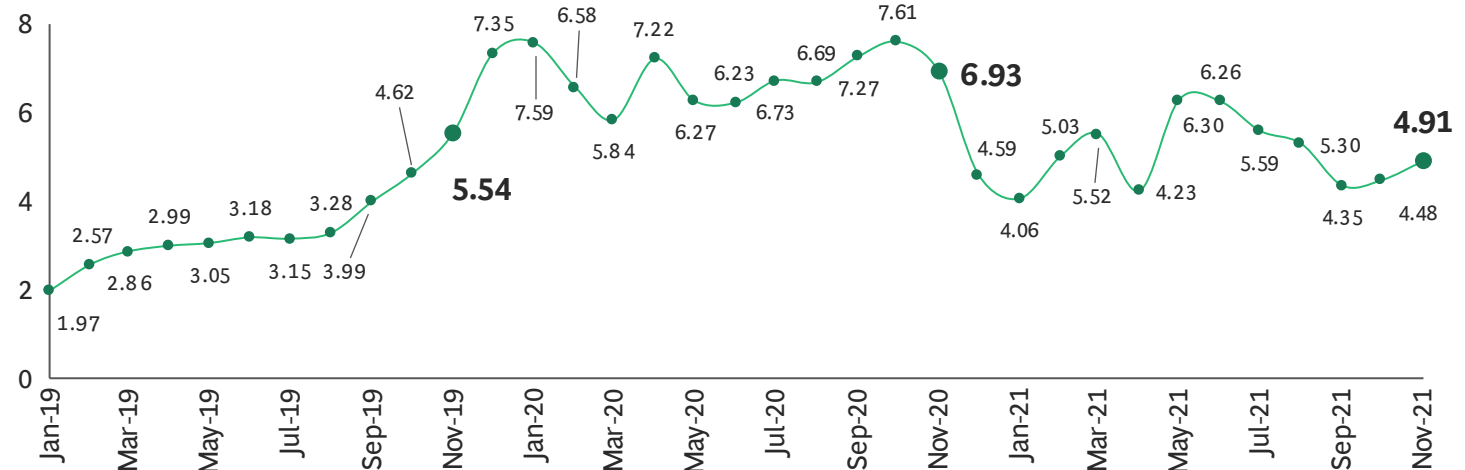


WPI accelerated to a record high in Nov'21; CPI touched a 3-month high, although remained within RBI's 6% band

Wholesale Price Index (WPI)¹

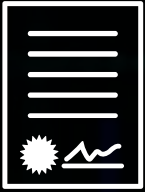


Consumer Price Index (CPI)²



1. 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 YoY increase in prices of the commodities
2. 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 YoY increase in prices of the commodities

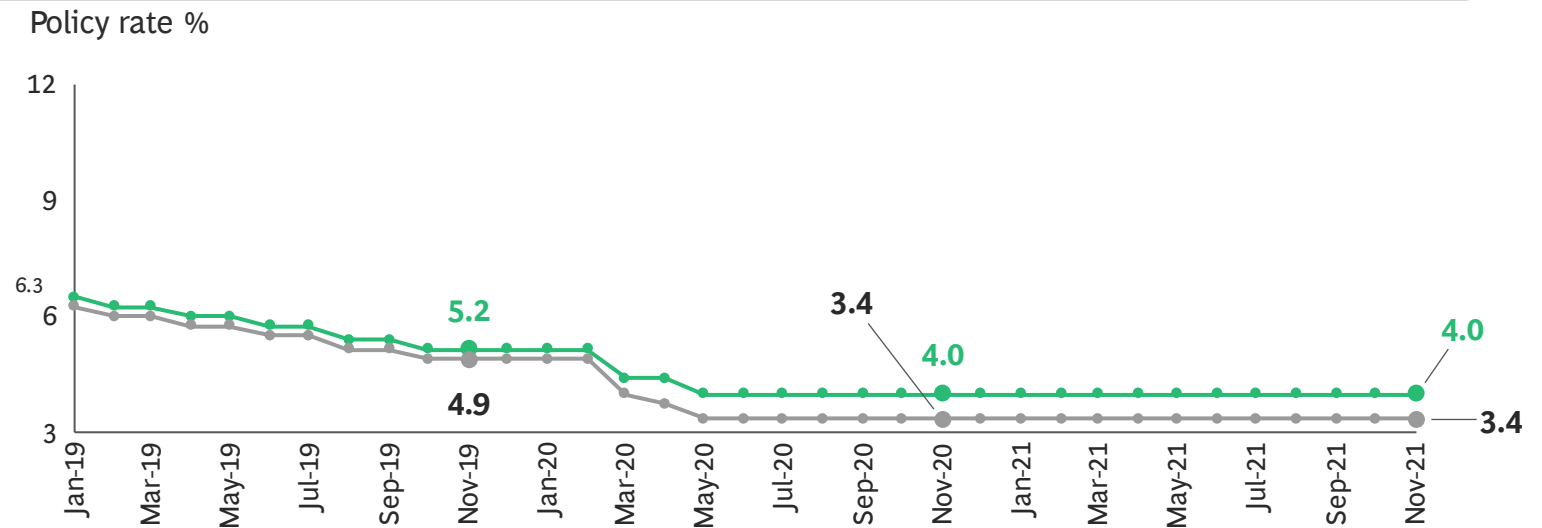
Source: MOSPI, CMIE, BCG Analysis



Repo and reverse repo rate remained unchanged from the previous months in Nov'21

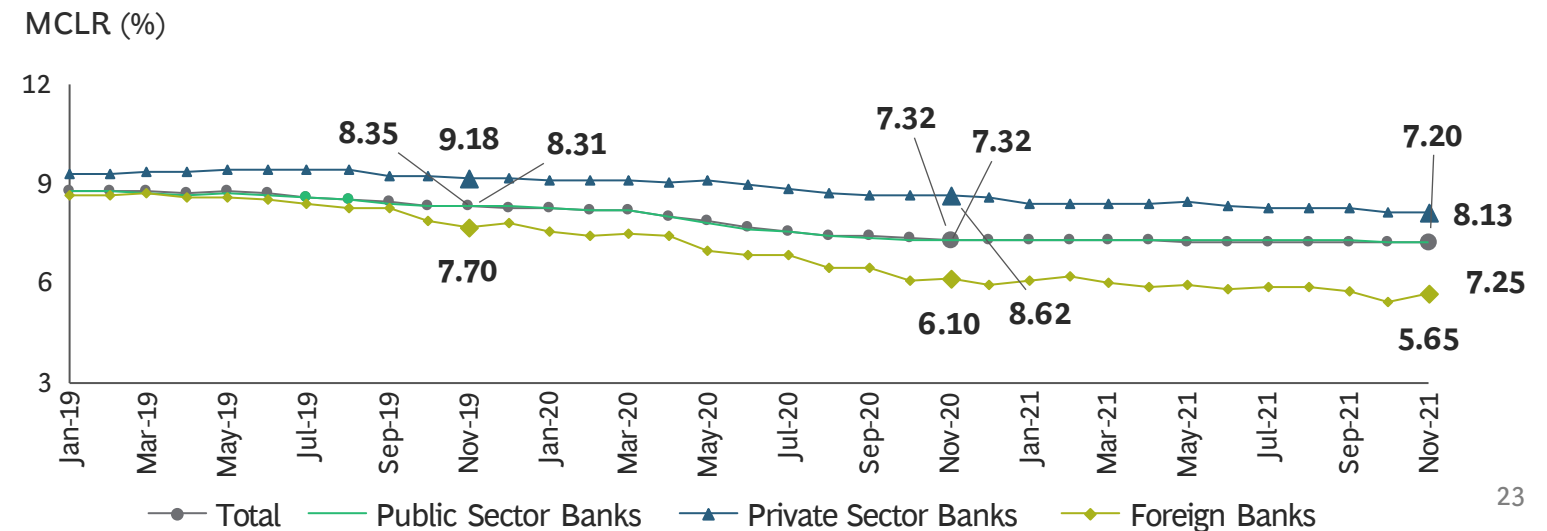
MCLR dipped slightly in Nov'21 vs. Oct'21

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). 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.

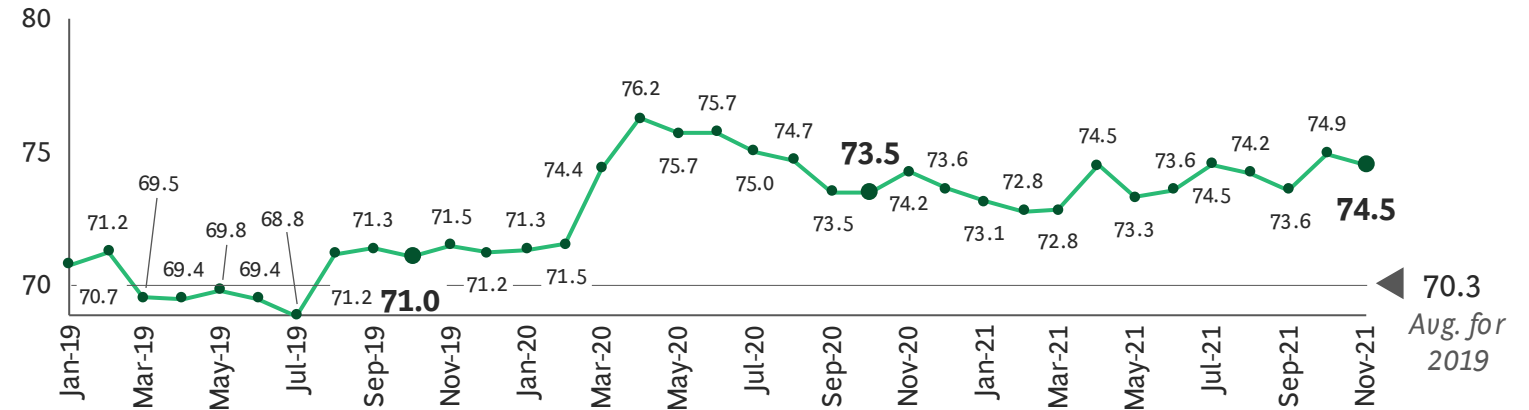
Source: CMIE, RBI DBIE



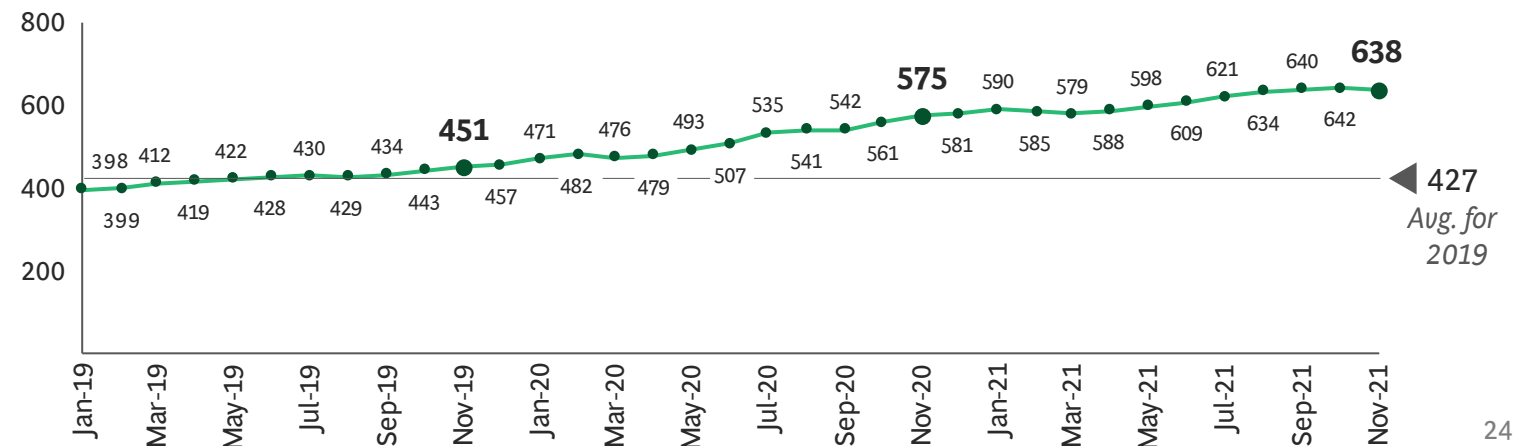
Exchange rate remained
range bound at
~74/dollar in Nov'21

Forex reserves fell
marginally in Nov'21 vs.
Oct'21

Monthly Exchange Rate (INR/USD)



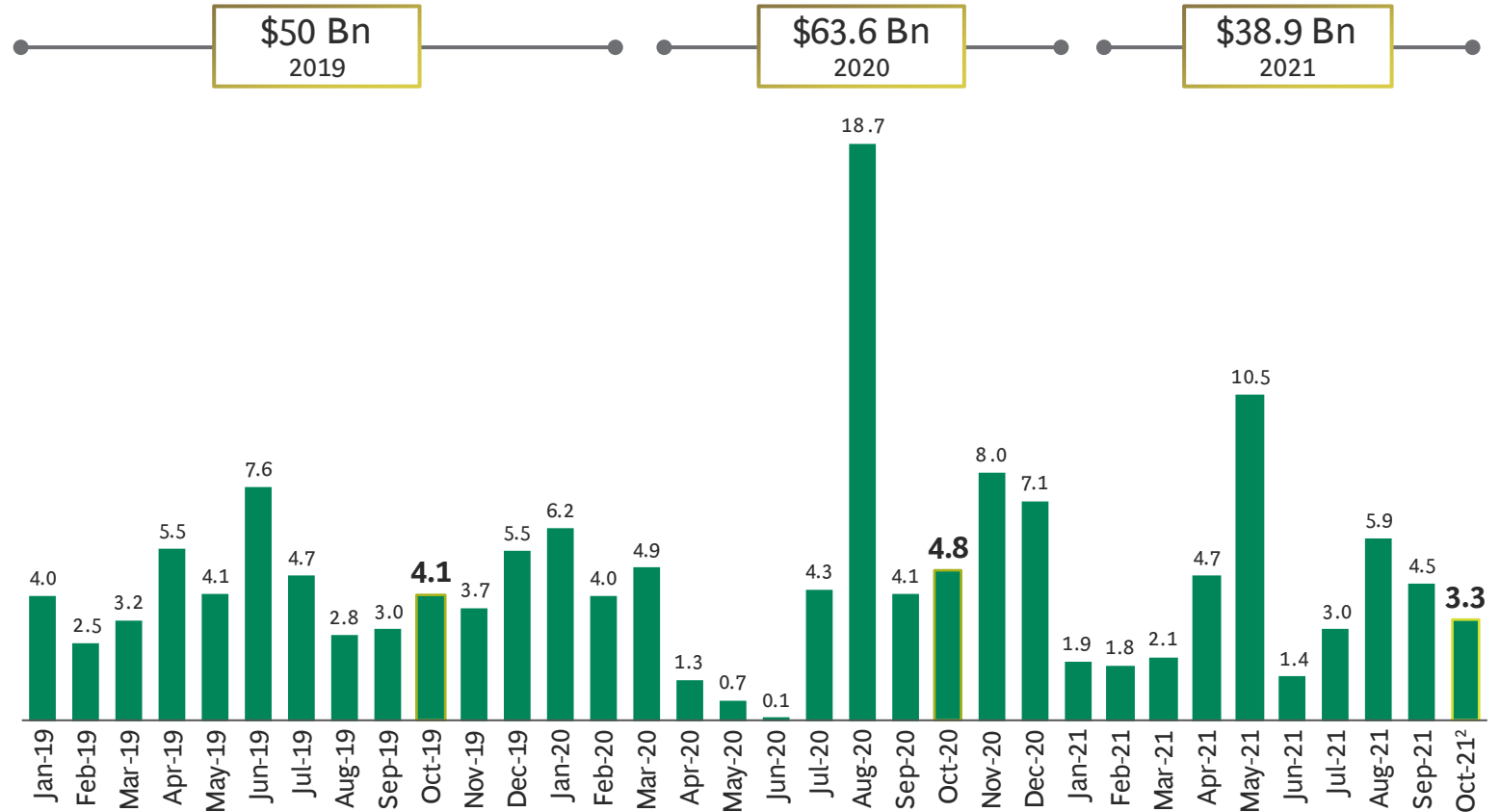
Forex reserves (\$ Bn)





FDI inflows decreased
in Oct'21 vs. Sep'21 &
Oct'19 levels

Foreign Direct Investments¹ (\$ Bn)



1. Denotes total inward FDI to India; 2. Oct'21 figures are provisional

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

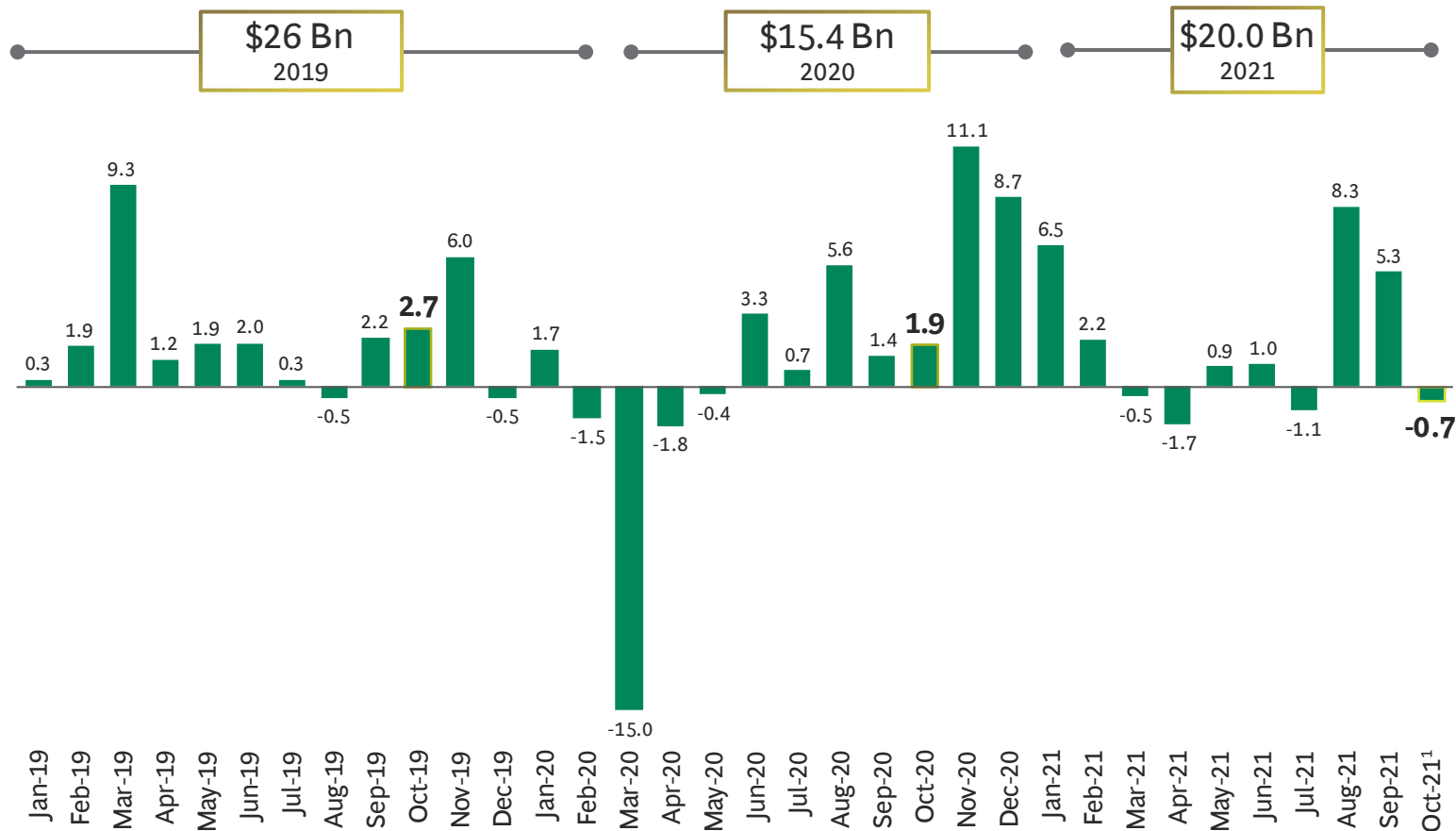
Source: CMIE

xx Annual (Calendar Year) FDI Inflows



Foreign Institutional Investments fell in the negative territory in Oct'21, remaining below 2019 & 2020 levels

Foreign Institutional Investments (\$ Bn)

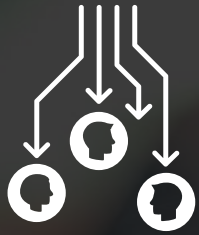


1. Oct'21 figures are provisional

Source: CMIE, RBI

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

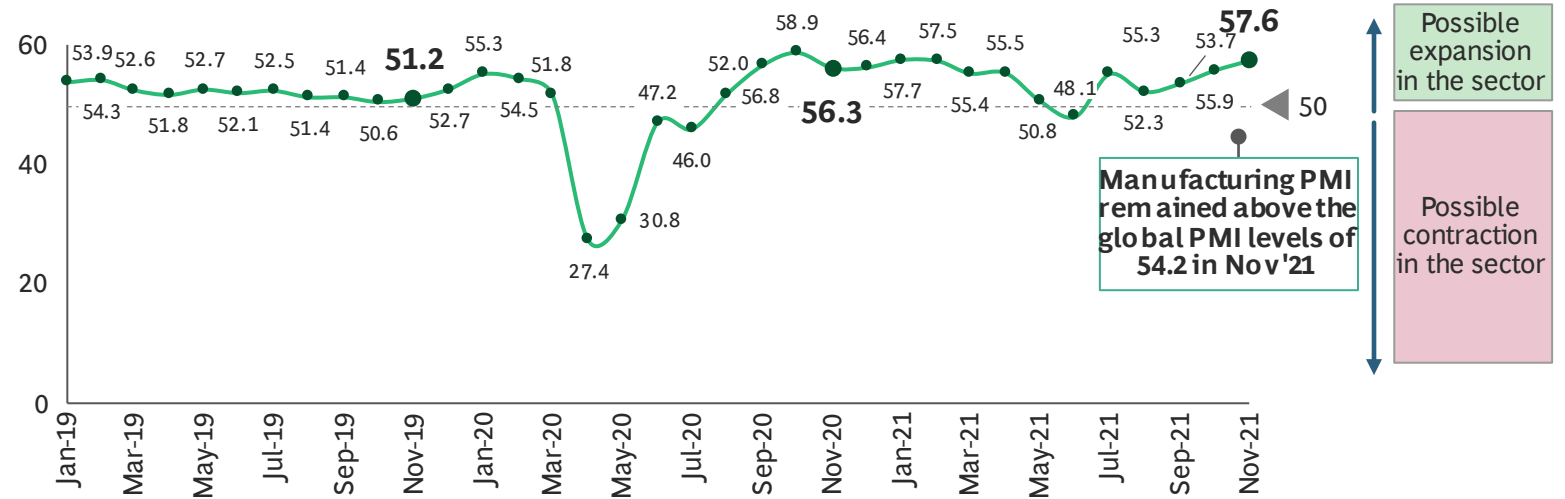
xx Annual (Calendar Year) FIIs



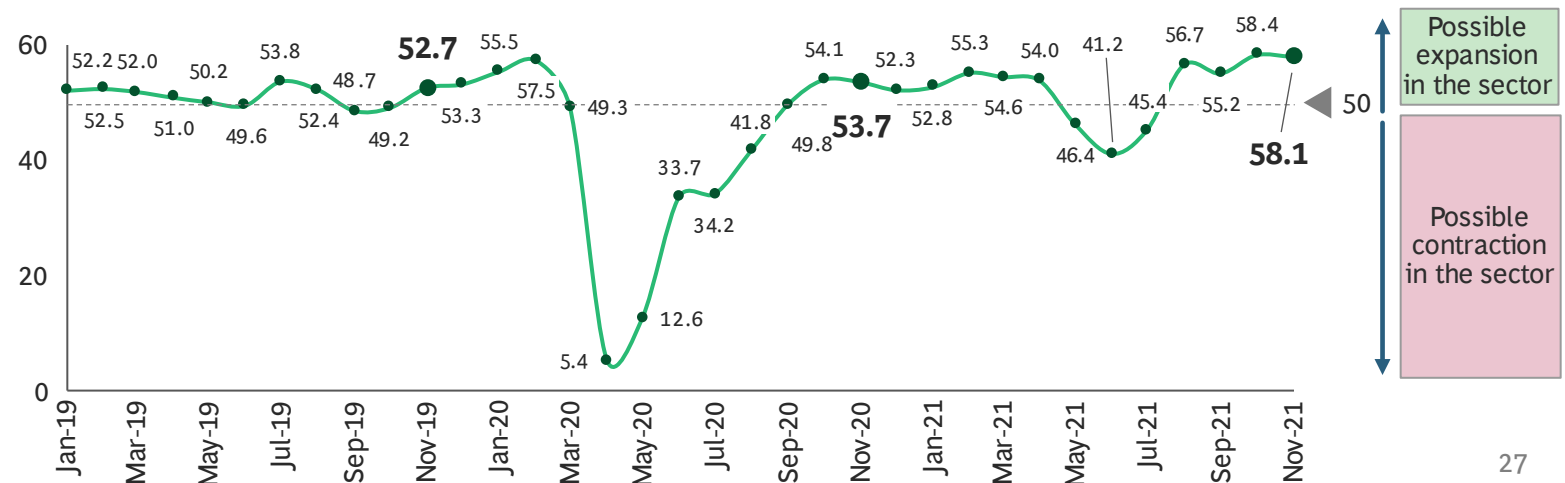
Manufacturing PMI accelerated to a 10-month high in Nov'21; Services PMI dipped marginally in Nov'21 vs. Oct'21, albeit remained above the 50-point mark

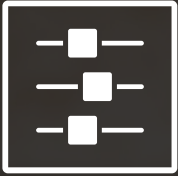
Note: The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity. Value >50 indicates possible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

Manufacturing PMI



Services PMI

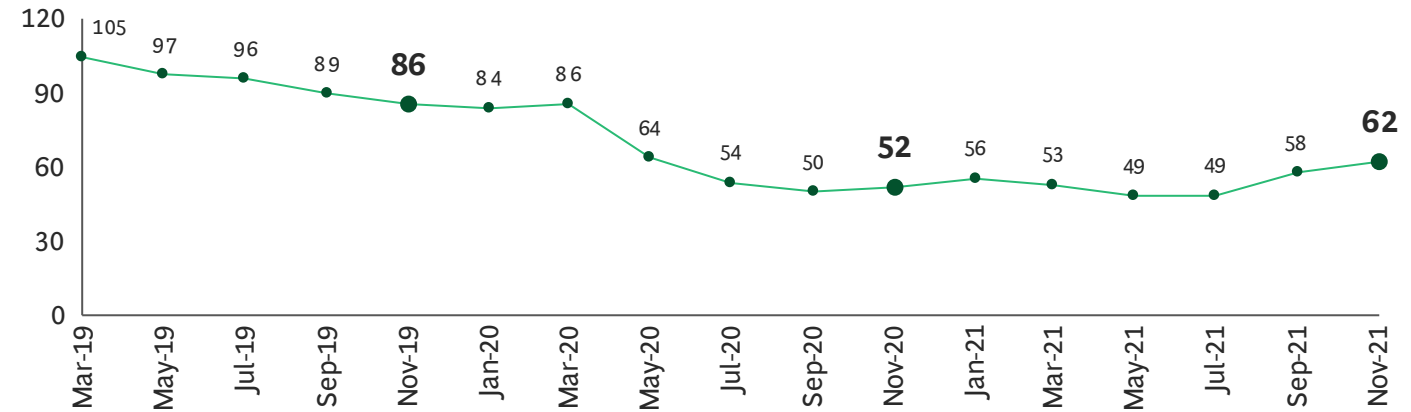




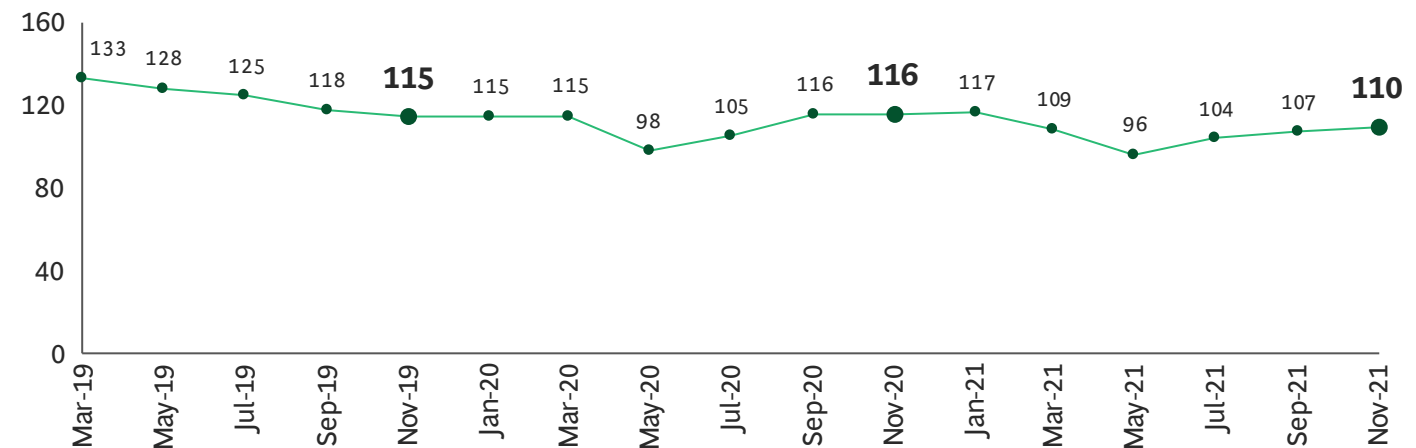
Consumer sentiment improved significantly in Nov'21 vs. previous months; FEI continued on a steady upward trajectory in Nov'21 vs. previous months

Source: RBI
 Sample size: 5,310 households across 13 major cities surveyed during 25th Oct to 3rd Nov, 2021
 CSI/FEI = 100 + Average of Net Responses of (General Economic Situation, Employment Scenario, Price Level, Household Income and Overall Spending). Data are based on web releases made since March 2015. For each survey round, the final figures as available in the latest web release covering the same have been considered.

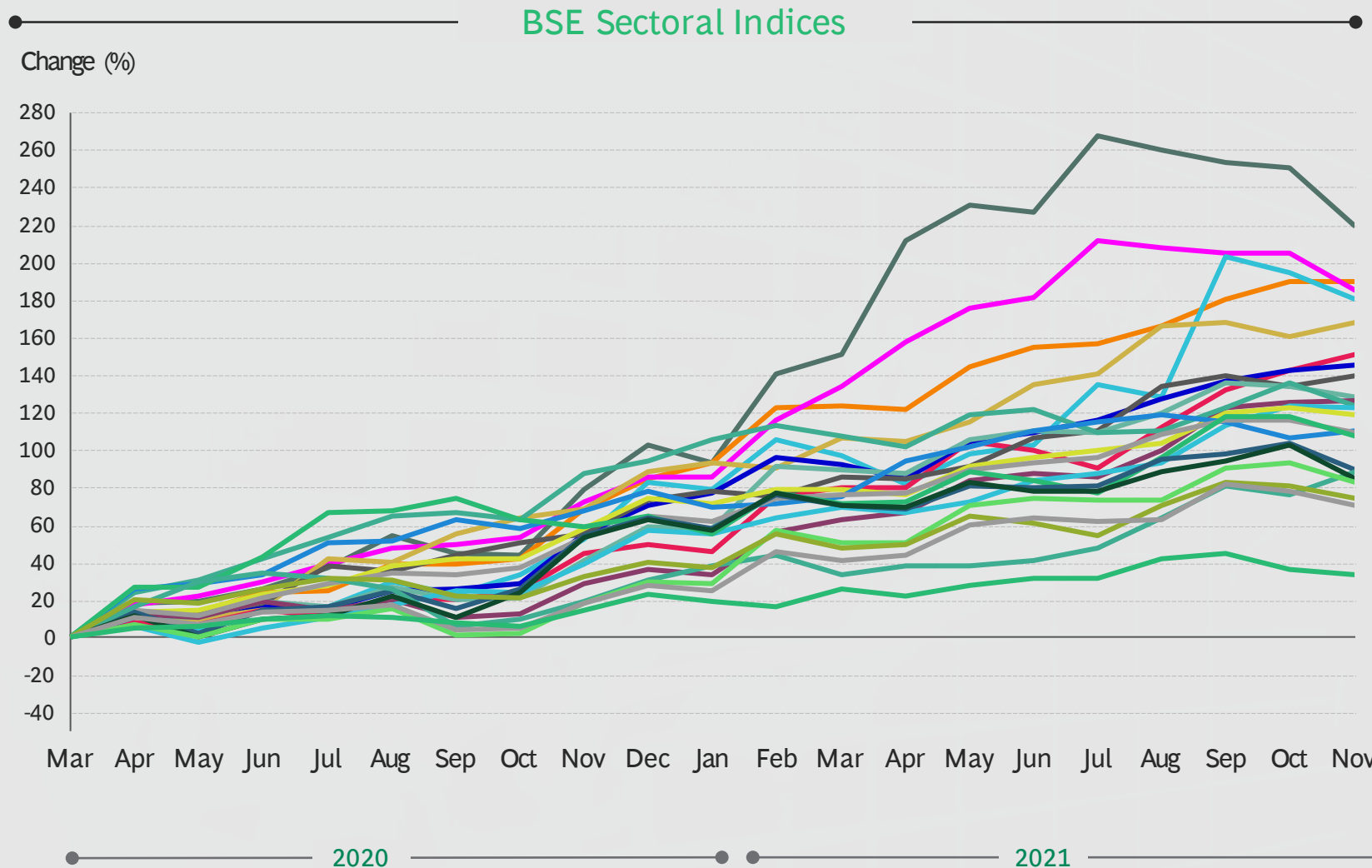
Current Situation Index (CSI)



Future Expectations Index (FEI)



BSE sectoral indices trended upwards across all sectors in Nov'21 vs. Nov'20



Descending order of performance¹

Sector	% Change
Metal	218.9
Industrials	190.0
Basic Materials	185.2
Realty	180.7
IT	167.7
Power	150.8
Capital Goods	144.9
TecK	140.0
CPSE	128.0
Utilities	126.0
BSEAUTO Index	123.2
Consumer Durables	122.6
Consumer discretionary	118.9
Healthcare	109.9
BSE 500	109.7
Energy	107.5
Finance	89.3
Telecom	88.2
Bankex	84.9
PSU	82.8
Oil and Gas	74.7
Infra	70.2
FMCG	33.5

1. Growth rate vs. 31st Mar'20 2. The S&PBSE TECK index comprises constituents of the S&P BSE 500 that are classified as members of the media & publishing, information technology and telecommunications sector 3. CPSE- Central Public Sector Enterprises; Source: S&P Global, Refinitiv DataStream, BCG analysis



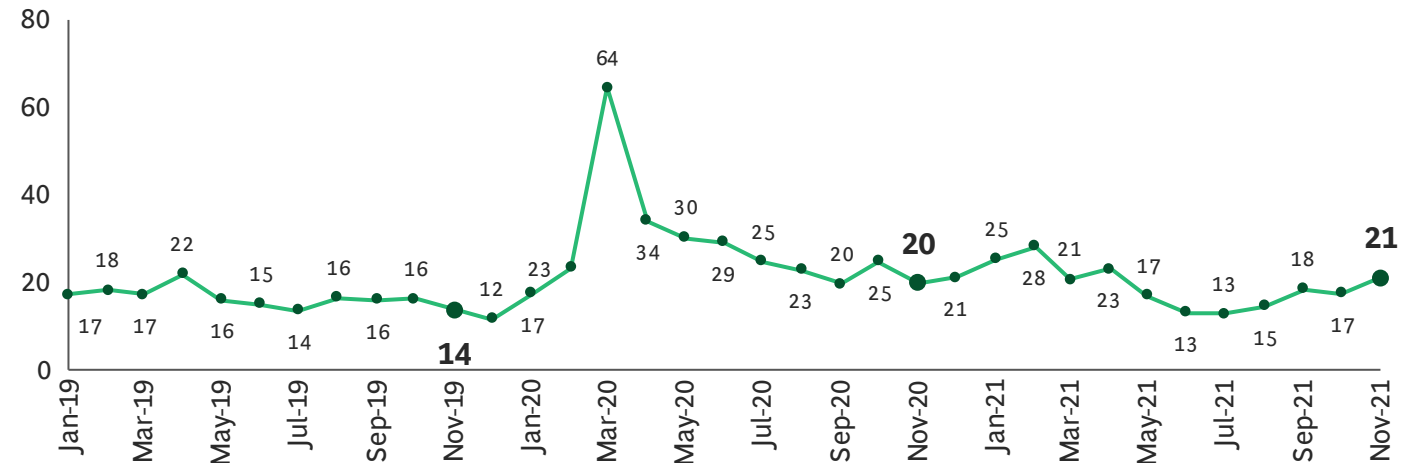
Volatility spiked to a 7-month high in Nov'21

Mutual fund AUM remained unchanged from the previous month in Nov'21

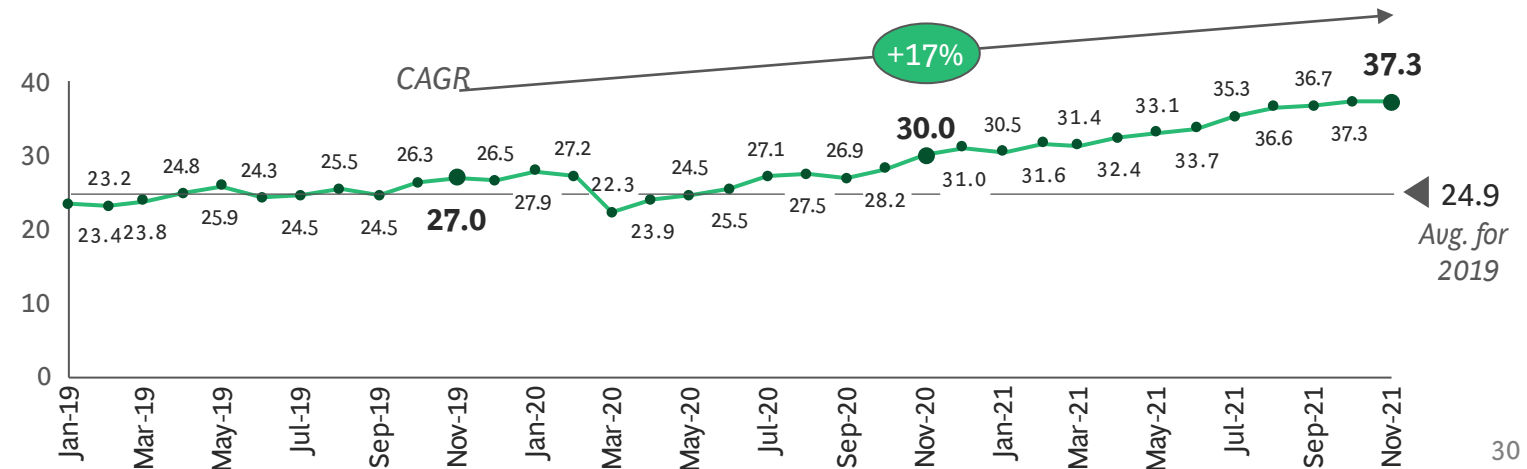
1. Volatility Index is a measure of market's expectation of volatility over the near term; India VIX is a volatility index based on the NIFTY50 Index Option prices providing the expected market volatility over the next 30 calendar days—figures represented are as of end of every month shown
2. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown
3. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks

Source: BSE, NSE, AMFI, BCG analysis

India Volatility Index (VIX)¹



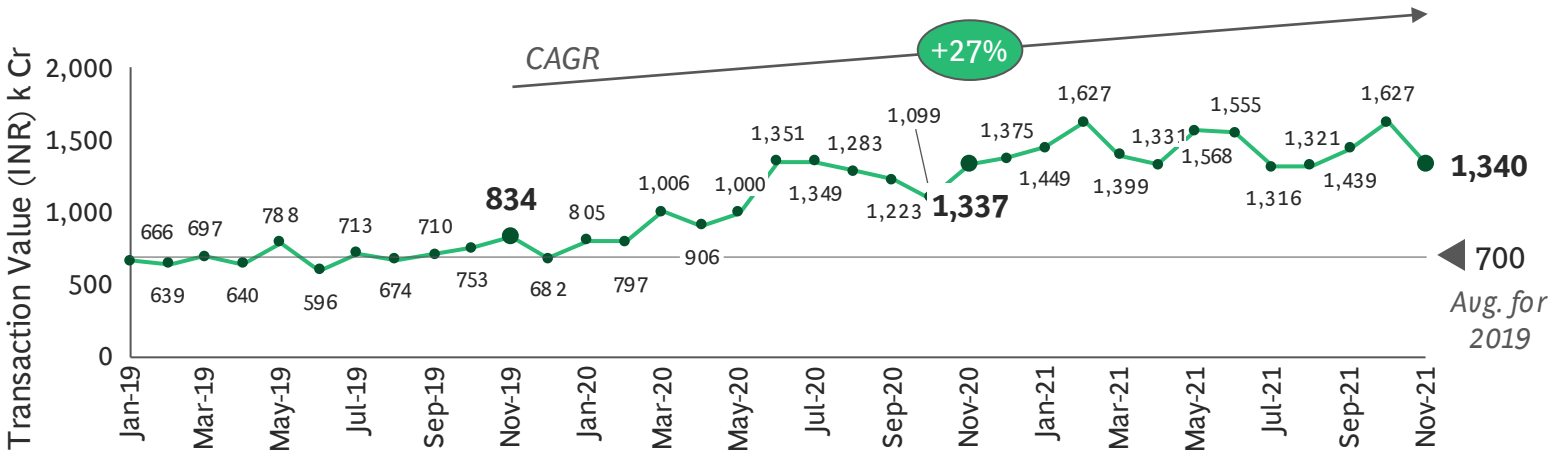
Mutual Funds AUM² (INR L Cr)



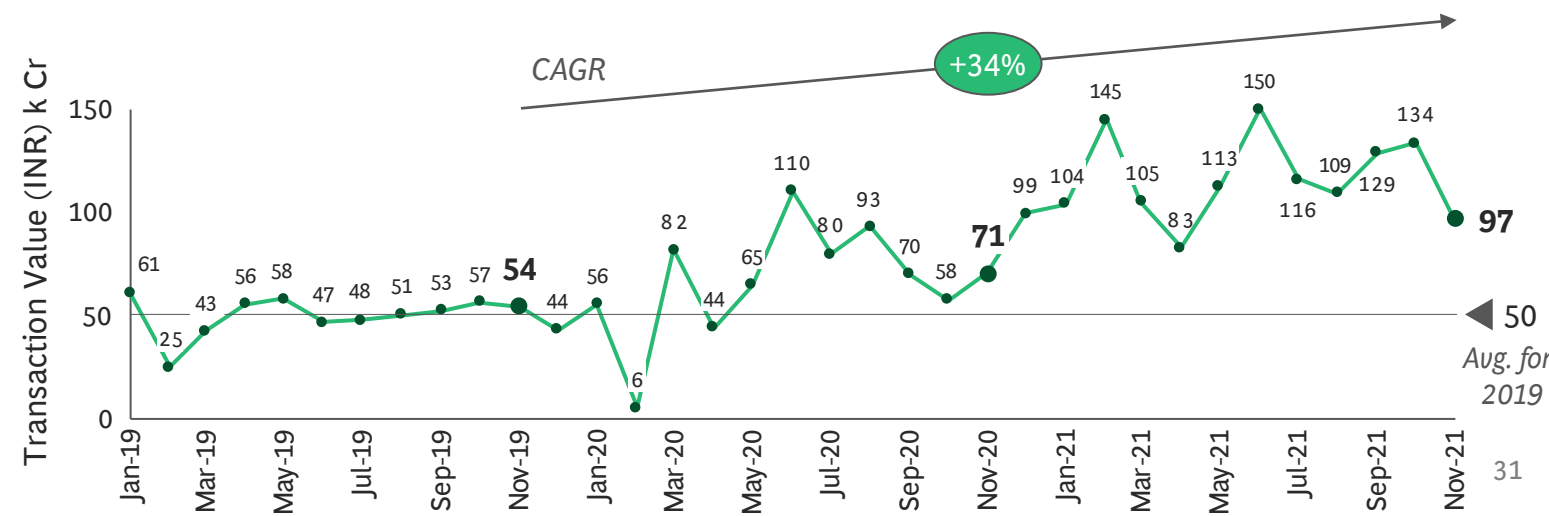


Both NSE & BSE transactions fell sharply in Nov'21 vs. Oct'21

NSE Transactions (INR k Cr)



BSE Transactions (INR k Cr)



Source: BSE, NSE, BCG analysis



1

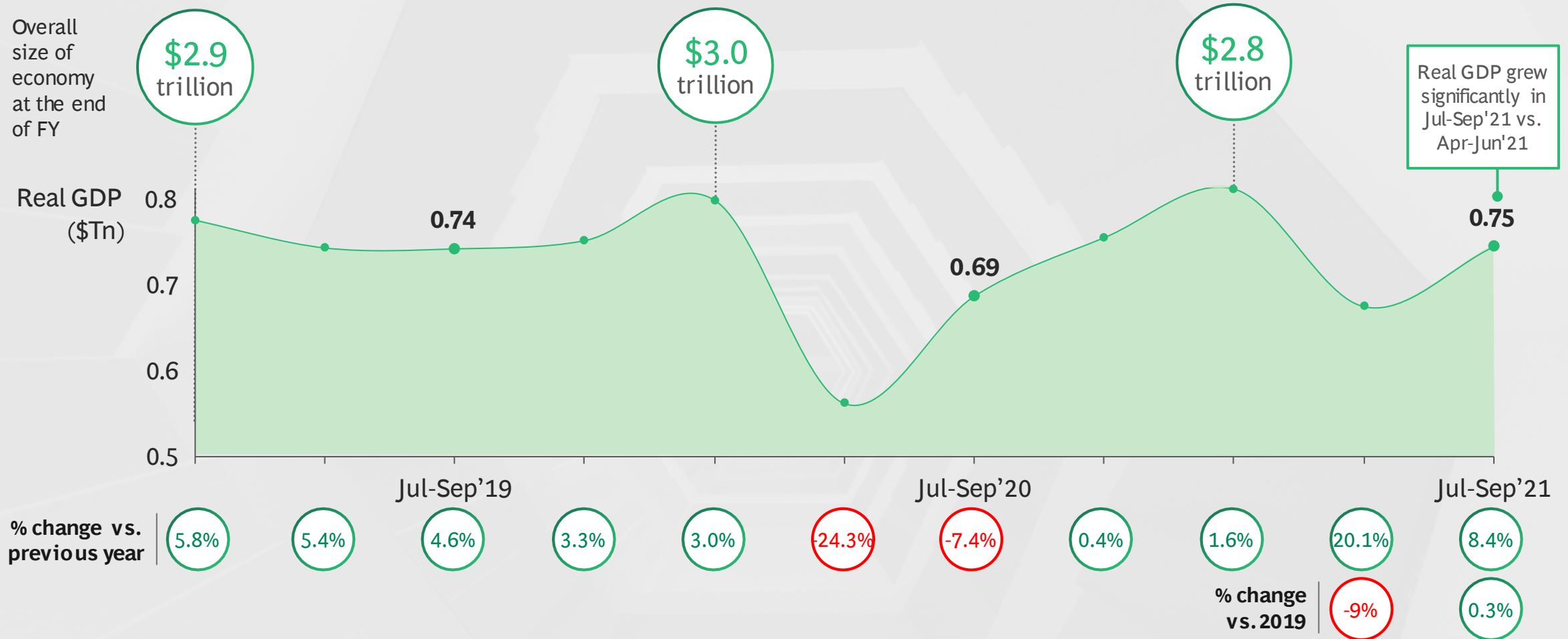
Economic Indicators

2

GDP Deep-Dive

Real GDP grew by 8.4% YoY in Jul-Sep'21; Economy approached pre-pandemic levels with 0.3% growth vs. Jul-Sep'19

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 (2011-12 has been used as the base year)
Source: MOSPI, BCG Analysis

Consumption (Pvt. & Govt.) improved in Jul-Sep'21 vs. Jul-Sep'20, although declined vs. '19 levels; Investments & net exports grew vs. '20 & '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 2020	-7.4%		-11.2%		-23.5		-8.0%		-2.0%		-18.0%
Oct-Dec 2020	0.5%		-2.8%		-1.0%		3.0%		-3.5%		-5.0%
Jan-Mar 2021	1.6%		2.7%		28.3%		13.8%		8.8%		12.3%
Apr-Jun 2021	20.1%		19.3%		-4.8%		56.7%		39.1%		60.2%
% change vs. Jul-Sep'20	Jul-Sep 2021		8.4%		8.6%		17.2%		19.6%		40.6%
% change vs. Jul-Sep'19	Jul-Sep 2021 ¹		0.3%		-3.5%		7.9%		17.2%		15.5%

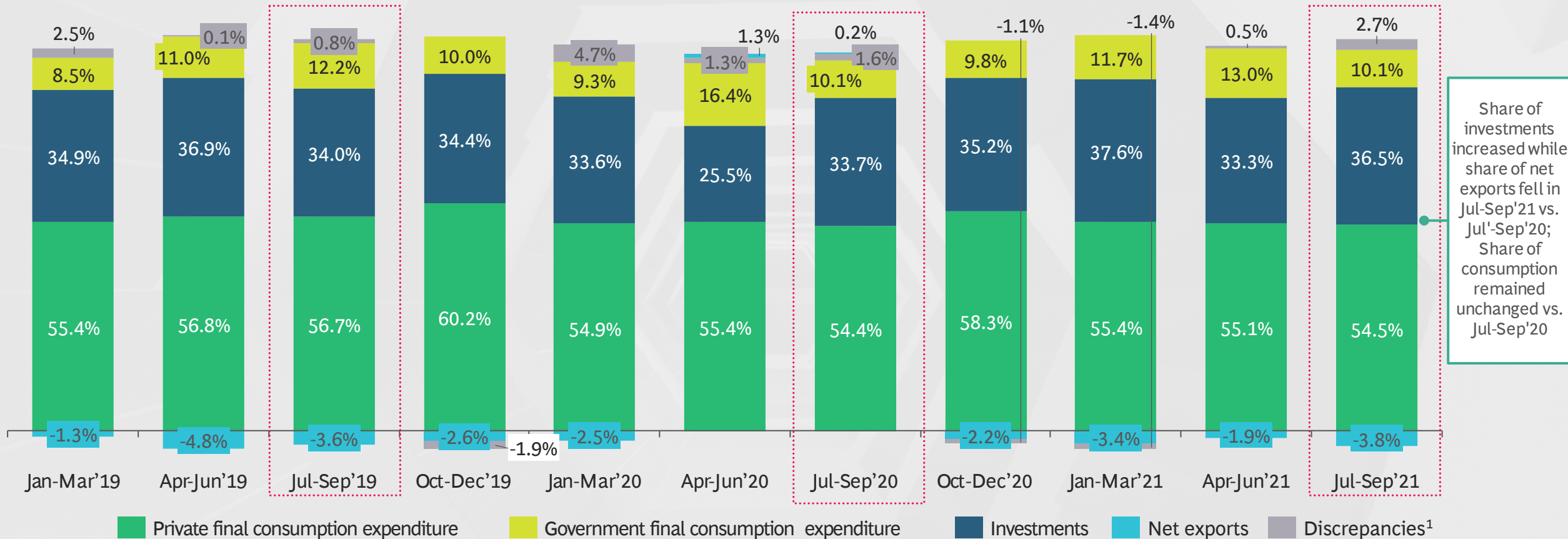
Source: MOSPI, BCG Analysis

1. Represents absolute growth rate between Jul-Sep'21 and Jul-Sep'19

Note: Highlighted numbers represent growth (green) or decline (yellow) compared to the previous year quarter (Jul-Sep-Jun'21 vs Jul-Sep'20)

Share of consumption (Pvt. & Govt.) & net exports in GDP fell while that of investments increased in Jul-Sep'21 vs. Jul-Sep'19

GDP
DEEP-DIVE



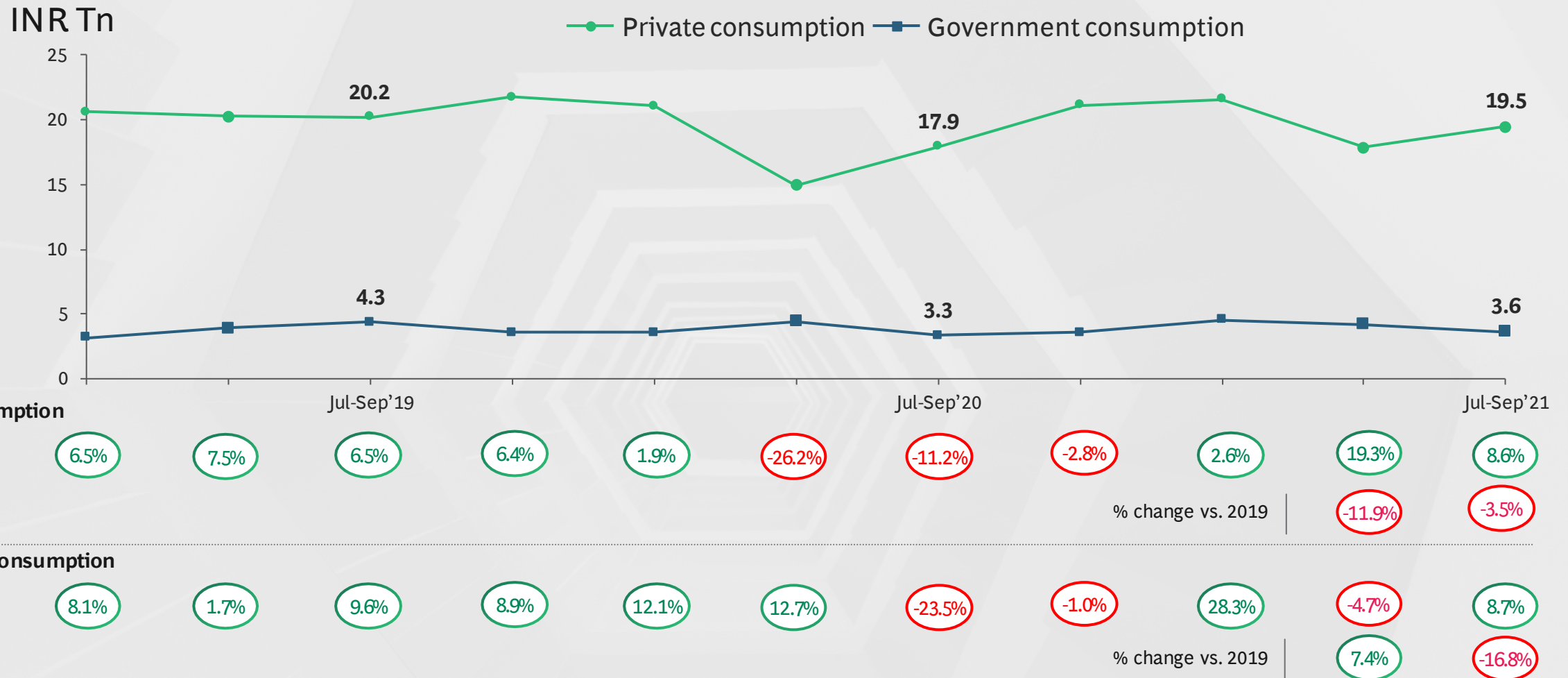
1. Statistical Discrepancy: taking the GDP from the production approach as the control total, gives the measure of the overall difference between the production approach and the expenditure approach followed for estimation.

Note: This composition is basis Real GDP

Source: MOSPI, BCG Analysis

Pvt. & Govt. consumption grew by 8%+ YoY in Jul-Sep'21, however contracted vs. Jul-Sep'19 levels

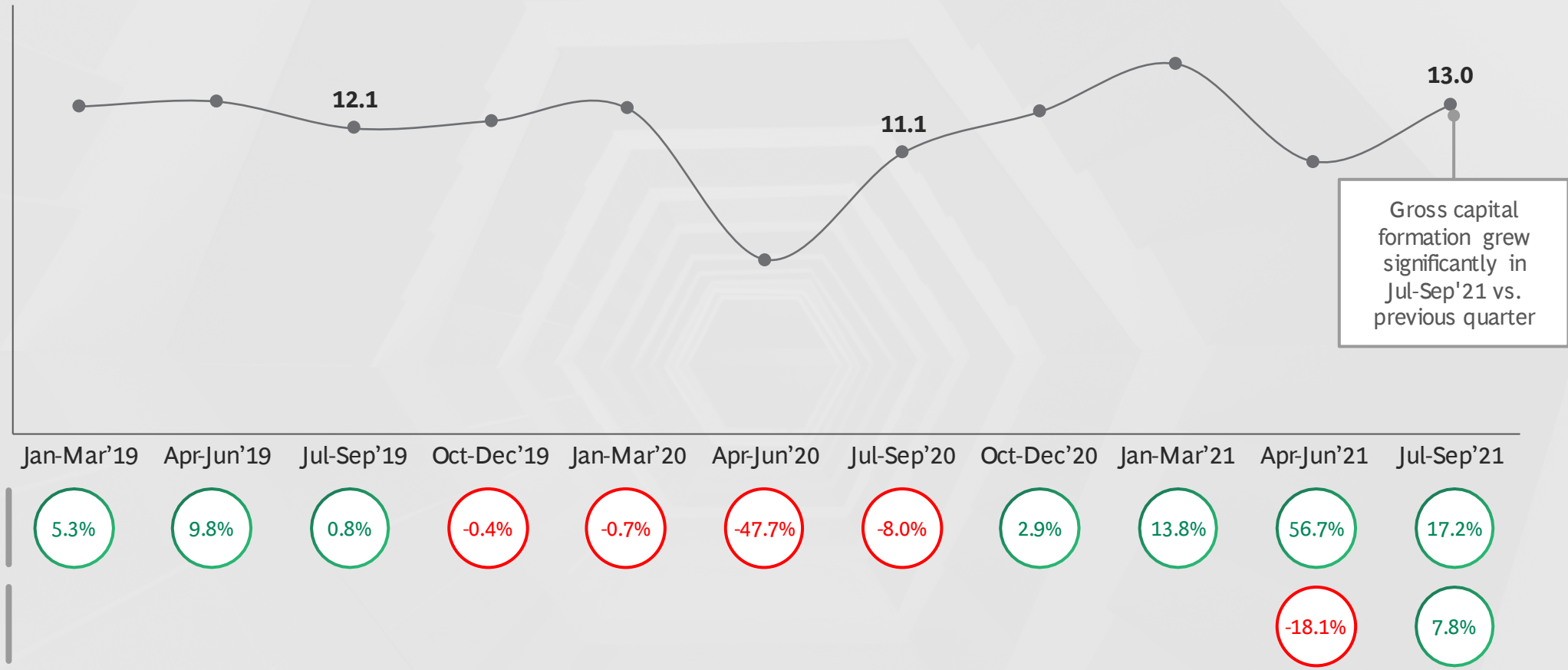
GDP
DEEP-DIVE



Gross capital formation improved in Jul-Sep'21 vs. Jul-Sep'20 & Jul-Sep'19 levels

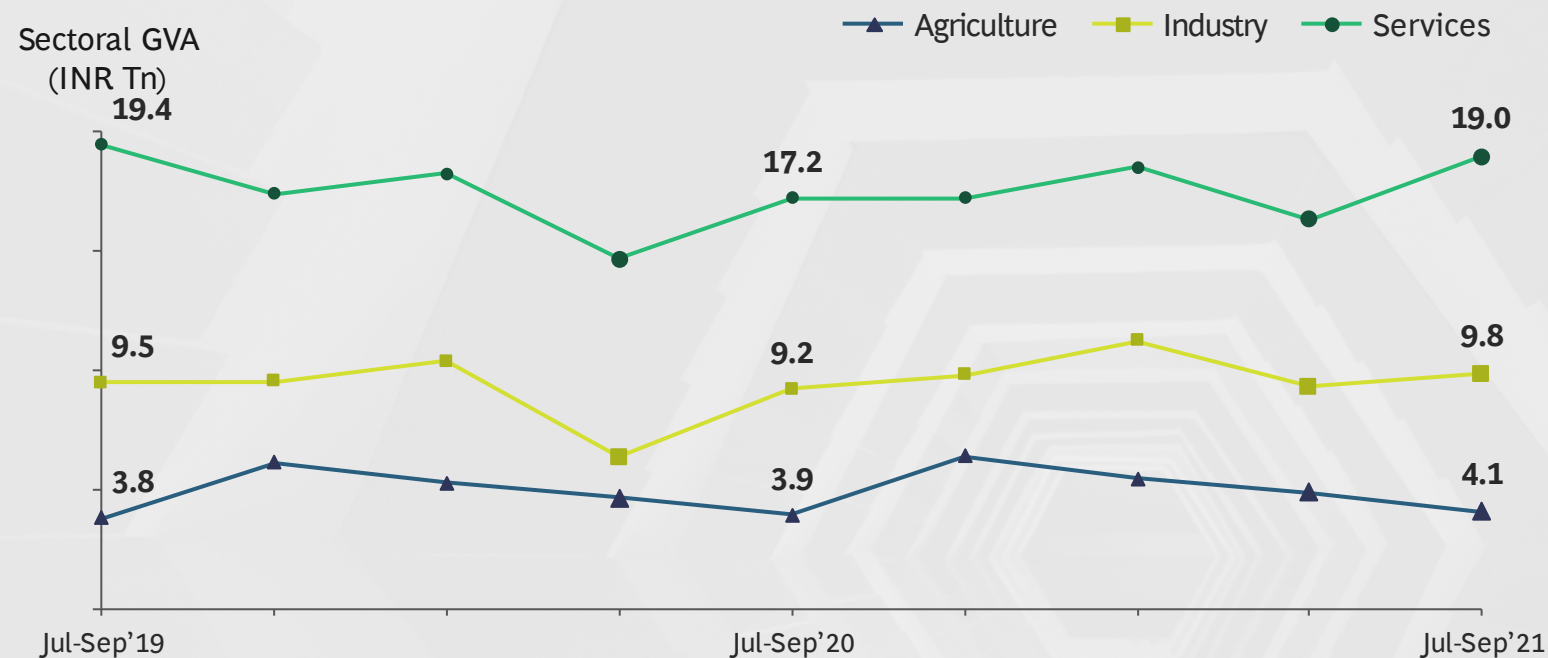
GDP
DEEP-DIVE

Gross Capital Formation (INR Tn)



Services improved in Jul-Sep'21 vs. Jul-Sep'20 levels, however fell vs. '19 levels; Agriculture & industry grew vs. Jul-Sep'19 & '20 levels

GDP
DEEP-DIVE



Services contracted in Jul-Sep'21 vs. Jul-Sep'19

Share in Industry GVA

% change vs. Jul-Sep'19

7.7%
Agriculture

3.7%
Industry

-2.4%
Services

100%

12.4%

29.9%

57.7%

Jul-Sep'21

YoY%

Agriculture

3.5%

3.4%

6.8%

3.5%

3.1%

4.5%

3.1%

4.5%

4.5%

Industry

-1.8%

-2.6%

-2.2%

-35.8%

-3.0%

2.9%

7.9%

46.2%

6.9%

Services

8.2%

7.0%

6.4%

-21.5%

-11.4%

-1.2%

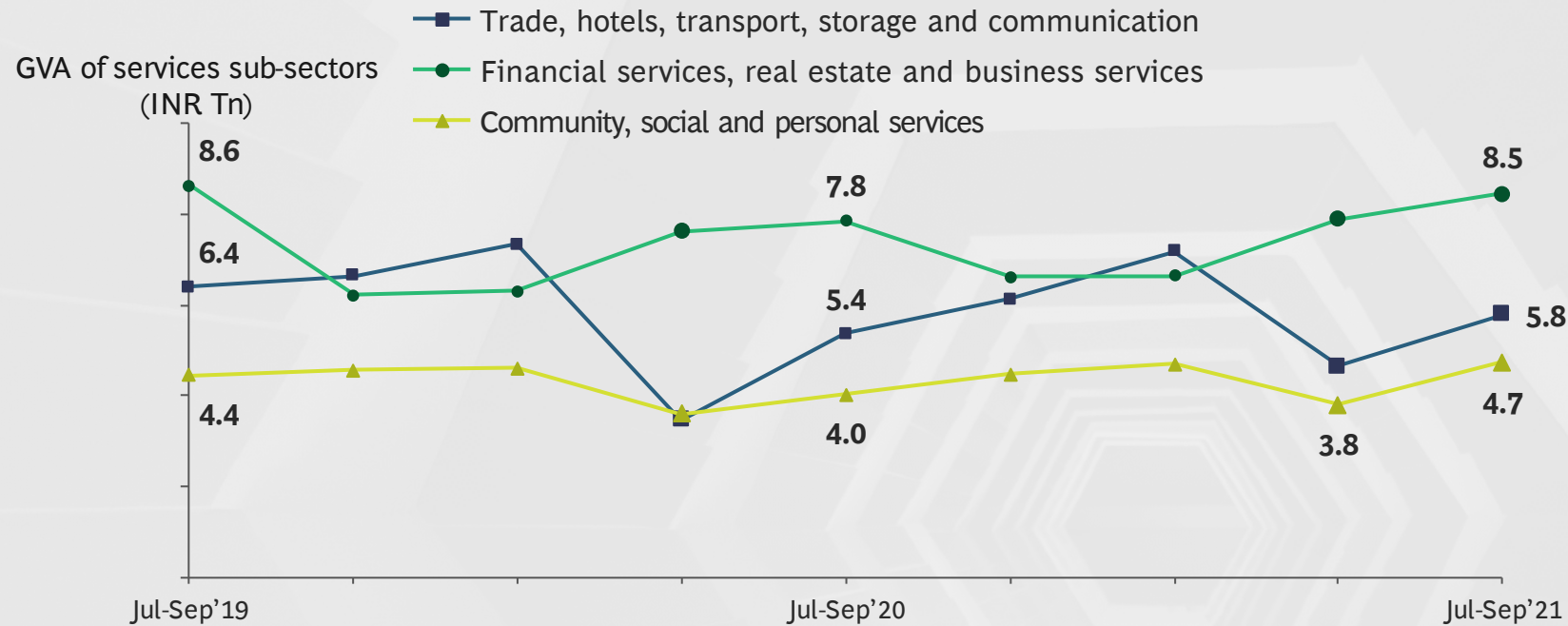
1.5%

11.4%

10.2%

Services sub-sectors grew in Jul-Sep'21 vs. Jul-Sep'20, albeit contracted vs. Jul-Sep'19 (except community services)

GDP
DEEP-DIVE



YoY %									
Trade	6.8%	7%	5.7%	-48%	-16.1%	-7.9%	-2.3%	34.3%	8.2%
Financial Services	8.9%	5.53%	4.8%	-5.04%	-9.1%	6.7%	5.4%	3.7%	7.8%
Community	8.8%	8.9%	9.6%	-10.2%	-9.2%	-2.2%	2.3%	5.8%	17.4%

Only community services grew in Jul-Sep'21 vs. Jul-Sep'19

% change vs. Jul-Sep'19

6.6%

Community, social and personal services

-2.0%

Financial services, real estate and business services

-9.2%

Trade, hotels, transport, storage and communication

Share in Industry GVA

100%

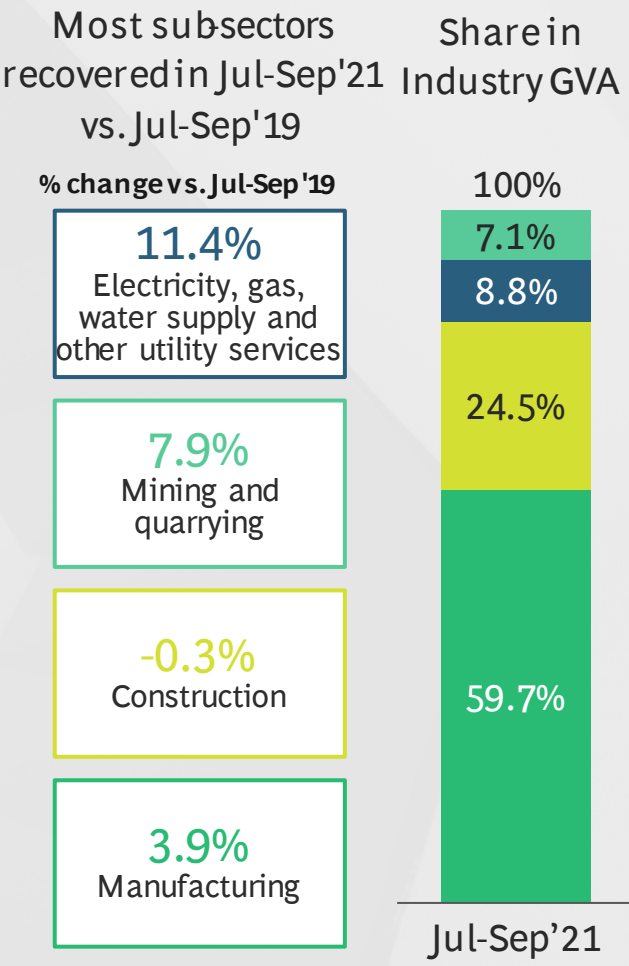
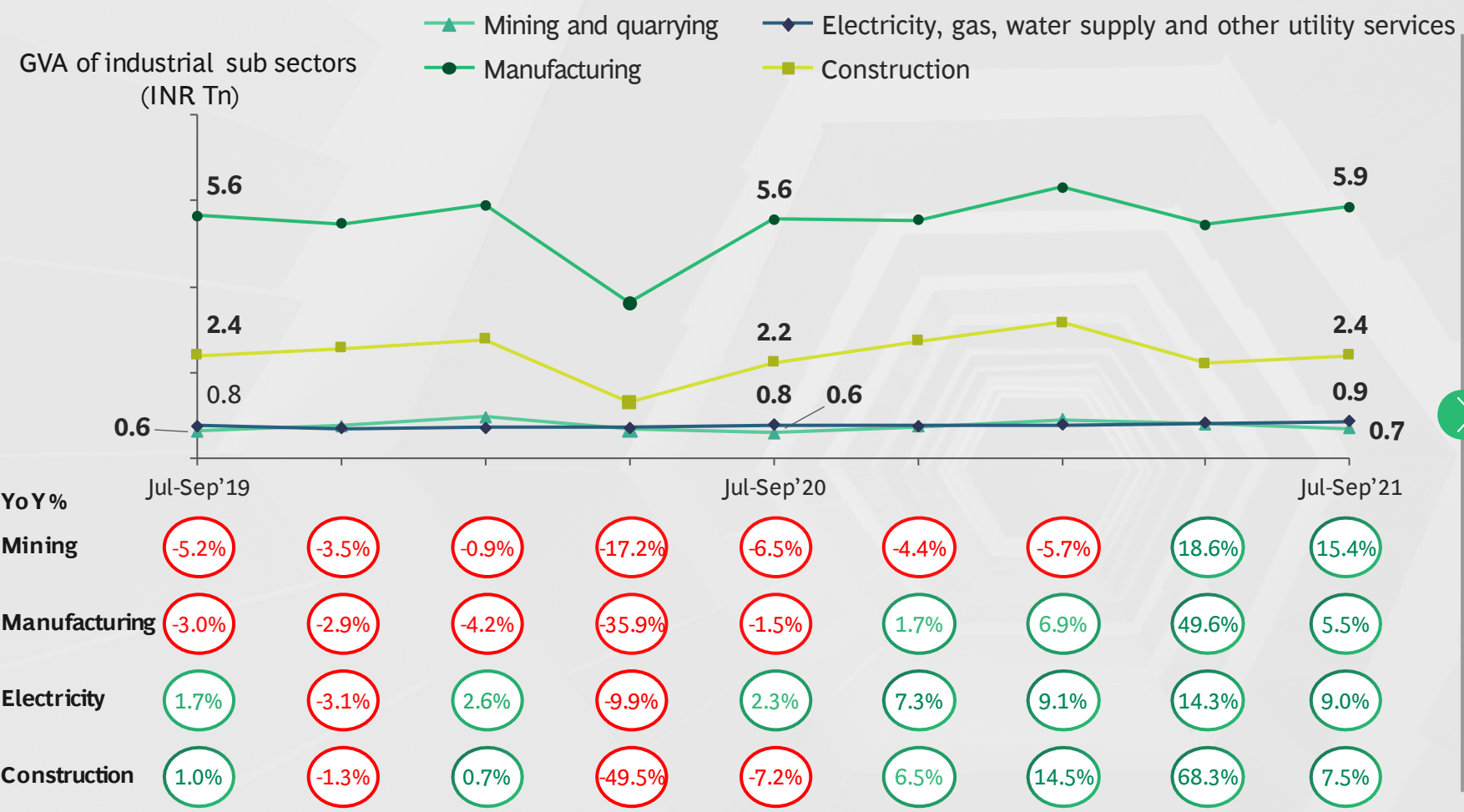
24.9%

30.5%

44.6%

Jul-Sep'21

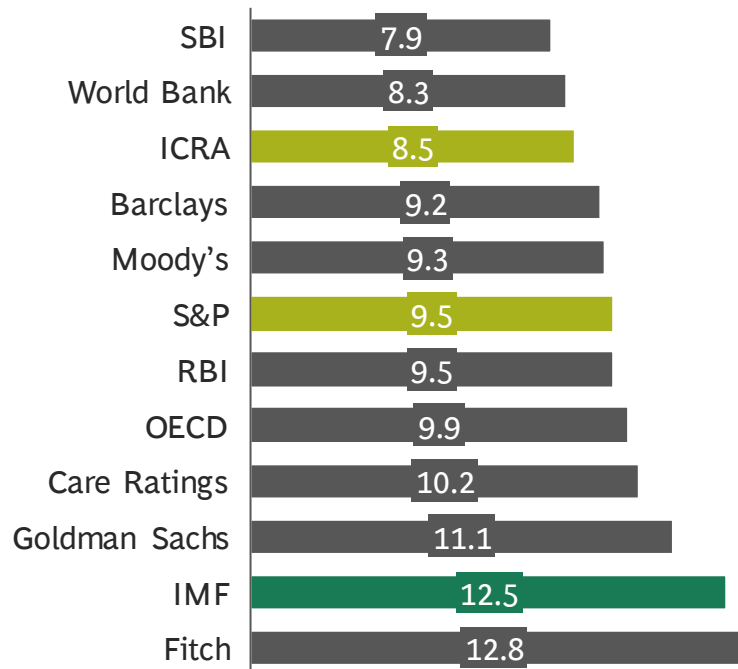
Industrial sub-sectors clocked growth in Jul-Sep'21 vs. Jul-Sep'20; Most sub-sectors (except construction) witnessed an uptick vs. Jul-Sep'19 levels



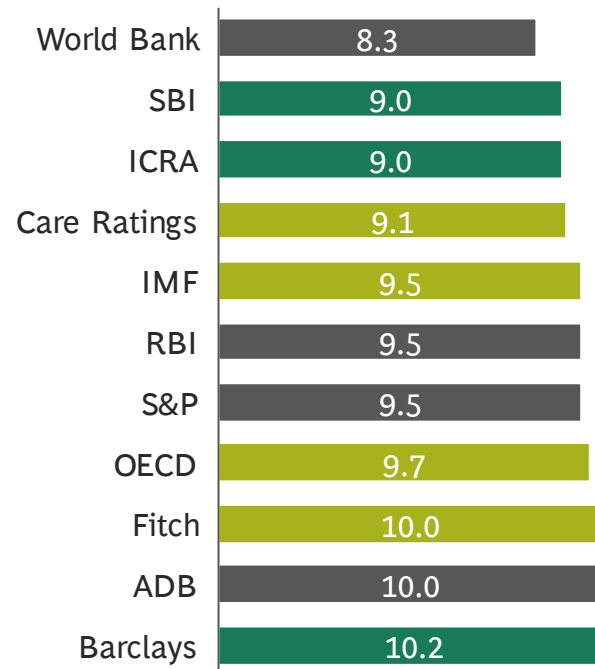
India's FY22 GDP forecasted to grow within the range 8.3% to 9.7% YoY; Projections revised downwards while some remained unchanged in Oct-Dec'21

India GDP growth forecast for FY22 (YoY,%)

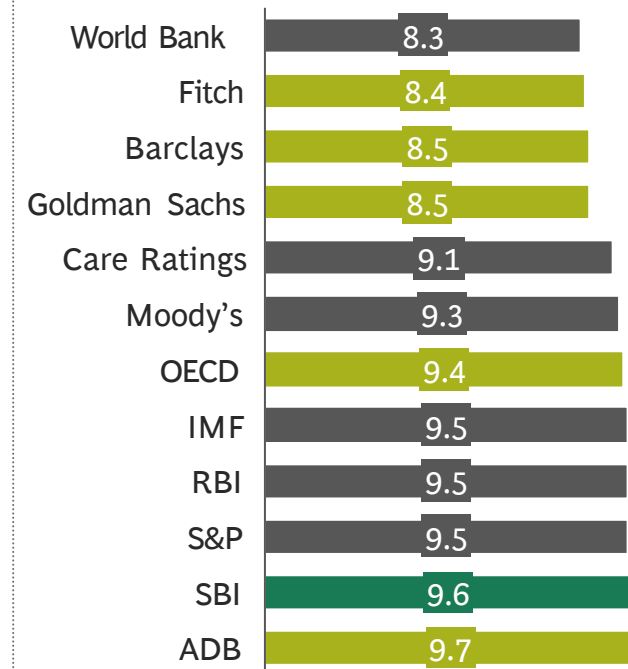
Apr-Jun'21



Jul-Sep'21



Oct-Dec'21



Data as of 21 Dec'21; Estimates likely to be revised further

No change
 Downward revision
 Upward revision

Note: Upper-limit has been included where agencies reported forecast range
Source: Analyst reports, BCG analysis

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