



India Economic Monitor

January 2022 Update

Executive Summary

In the last month of 2021, increased mobility & lower COVID case count led to an uptick across select indicators (e.g., avg. power & fuel consumption) vs. previous month. Healthy performance of sectors such as chemicals, engineering goods & textiles led to a record level of merchandise exports while imports also soared. E-way bills recorded their second highest value & FASTag transactions surged to an all time high. UPI transaction value & volumes scaled new peaks, almost doubling since the start of 2021. Supply shortages & high input costs continued to impact select sectors (e.g., auto, cement) vs. pre-COVID levels¹. Favorable base effect helped bring down CPI in recent months, however it approached RBI's upper band of 6% with base turning unfavorable in Dec'21; WPI eased vs. Nov'21, although remained in double digits. CMIE's rural & urban employment rates remained flat in 2021 with slight dip during the second Covid wave; still lower than pre-COVID levels. Manufacturing & Services PMI moderated vs. Nov'21 on account of inflationary pressures, although remained above the 50-point mark. Analyst forecasts indicate GDP growth between 8.3% to 9.7% YoY. With the onset of the third wave in last week of December'21, the impact on economic indicators in Jan'22 is yet to be seen.

Trends across key economic indicators

- **Industrial Activity:** Average power & fuel consumption grew in Dec'21 fueled by higher mobility, surpassing pre-COVID levels; Indices of industrial activity (IIP & ICI) fell in Dec'21 vs. Nov'21
- **Trade:** Merchandise exports & imports rose to record high levels in Dec'21; Services trade surplus declined slightly in Nov'21 vs. Dec'21
- **Logistics:** E-way bills recorded the second highest value in Dec'21 while FASTag transactions surged to an all-time high signaling increased economic activity; JNPT traffic & railway passenger bookings witnessed an uptick in Dec'21 vs. Nov'21; Air freight fell below Nov'19 levels in Nov'21
- **Financial Services:** Aggregate deposits & bank credit grew at a gradual pace, exceeding pre-COVID levels; UPI transaction value crossed the INR 8 Tn mark & transaction volumes also witnessed an uptick in Dec'21 vs. Nov'21
- **Sector-wise Impact:** Supply chain shortages continued to drive down 2W & tractor sales while PV & 3W sales increased in Dec'21 vs. Nov'21; Cement production fell significantly below pre-COVID levels; Steel consumption rose substantially in Dec'21 vs. Nov'21 & Dec'19 levels; Fertilizer sales declined in Dec'21 vs. Nov'21 although remained above pre-COVID levels; Life insurance premium fell while non-life insurance premium grew in Dec'21 vs. Nov'21
- **Macroeconomic Indicators:** GST collections remained above the INR 1 Tn mark in Dec'21; Rural & urban employment rates remained below pre-COVID levels; Gross fiscal deficit grew in Nov'21 vs. Oct'21
- **Sentiment:** Both CSI & FEI indices remained on a steady upward trajectory in Nov'21 vs. previous months; WPI eased to 13.56% in Dec'21 vs. Nov'21 while CPI climbed to a 5-month high; Both Manufacturing & Services PMI fell marginally in Dec'21 vs. Nov'21, although remained in expansion mode

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

Summary: Select high frequency indicators exhibited strong improvement in 2021 vs. pre-COVID levels (1/2)

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

	Indicator	Unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Industrial Activity													
	Power Consumption	MU	-7%	-10%	-9%	2%	-10%	-4%	7%	14%	1%	14%	6%	8%
	Petroleum Consumption	MT	-3%	-1%	-5%	-7%	-23%	-8%	-8%	-7%	-2%	2%	-7%	-3%
	Index of Industrial Prod.	Index	-1%	-1%	0%	0%	-15%	-5%	0%	4%	4%	8%	0%	NA
2	Trade													
	Services Export	USD	-4%	6%	14%	-3%	-7%	6%	-1%	12%	18%	12%	12%	NA
	Services Import	USD	-8%	8%	10%	-13%	-18%	-5%	-11%	8%	10%	7%	10%	NA
	Merchandize Export	USD	4%	4%	5%	17%	8%	30%	35%	28%	30%	35%	16%	38%
	Merchandize Import	USD	1%	10%	10%	10%	-15%	4%	17%	18%	53%	48%	39%	54%
3	Logistics													
	E-Way Bills Generated	Mn	24%	27%	30%	12%	-30%	29%	23%	29%	30%	39%	4%	29%
	Railway Freight Originated	MT	12%	12%	9%	10%	9%	11%	13%	22%	20%	25%	16%	NA
	JNPT Container Traffic	TEUs	6%	12%	12%	4%	1%	8%	1%	4%	8%	18%	23%	25%
	Air Passenger Traffic	Mn	-46%	-39%	-40%	-53%	-85%	-77%	-64%	-50%	-43%	-34%	-26%	NA
	Rail Passengers Booked	Mn	-67%	-55%	-56%	-69%	-87%	-80%	-73%	-63%	-58%	-51%	-46%	-43%
4	Financial Services													
	UPI Transactions	Mn	292%	297%	280%	238%	222%	274%	314%	314%	305%	303%	306%	308%
	Total Bank Credit	INR	14%	14%	12%	13%	11%	12%	13%	13%	12%	12%	13%	NA
	Total Bank Deposits	INR	23%	23%	20%	22%	21%	20%	23%	21%	21%	21%	20%	NA

Summary: Select high frequency indicators exhibited strong improvement in 2021 vs. pre-COVID levels (2/2)

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

	Indicator	Unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
5	Sector-wise Impact													
	Cement Production	MT	-1%	2%	-1%	-4%	-15%	-3%	5%	17%	7%	18%	-10%	NA
	Steel Sales	MT	22%	17%	-2%	-2%	6%	-6%	-5%	-15%	-3%	-1%	8%	10%
	Passenger Vehicle Sales	k	-4%	-2%	-8%	0%	-58%	7%	26%	10%	-23%	-17%	-17%	-5%
	Tractor Sales	k	19%	42%	65%	16%	-2%	47%	47%	49%	15%	12%	24%	9%
	Two-wheeler Sales	k	-2%	-5%	10%	-20%	-65%	-28%	-10%	-6%	-4%	-7%	-18%	2%
	Fertilizer Sales	MT	15%	15%	-23%	40%	35%	49%	35%	10%	0%	9%	5%	7%
	Gross Premium (Life)	INR	23%	23%	16%	-2%	-30%	-7%	-5%	18%	55%	25%	4%	-2%
	Pharma. Sales	INR	13%	14%	21%	13%	36%	18%	14%	15%	18%	16%	8%	14%
6	Macroeconomic Indicators													
	Total GST Collection	INR	17%	16%	17%	24%	2%	-7%	14%	14%	27%	36%	27%	26%
	MGNREGA Jobs Demand	HHs	-88%	-86%	-87%	21%	10%	37%	73%	68%	61%	60%	39%	45%
	Wholesale Price Index	%	2.5	4.8	7.8	10.7	13.1	12.0	11.1	11.6	10.6	12.5	14.2	13.5
	Consumer Price Index	%	4.0	5.0	5.5	4.2	6.3	6.2	5.5	5.3	4.3	4.4	4.9	5.6
	Govt. Tenders Announced	k	59%	38%	102%	232%	82%	73%	130%	169%	129%	168%	140%	186%
7	Sentiment													
	India VIX	Index	48%	54%	20%	5%	5%	-10%	-6%	-12%	16%	7%	52%	39%
	PMI (Manufacturing)	Index	57.7	57.5	55.4	55.5	50.8	48.1	55.3	52.3	53.7	55.9	57.6	55.5
	PMI (Services)	Index	52.8	55.3	54.6	54	46.4	41.2	45.4	56.7	55.2	58.4	58.1	55.5



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Economic Indicators

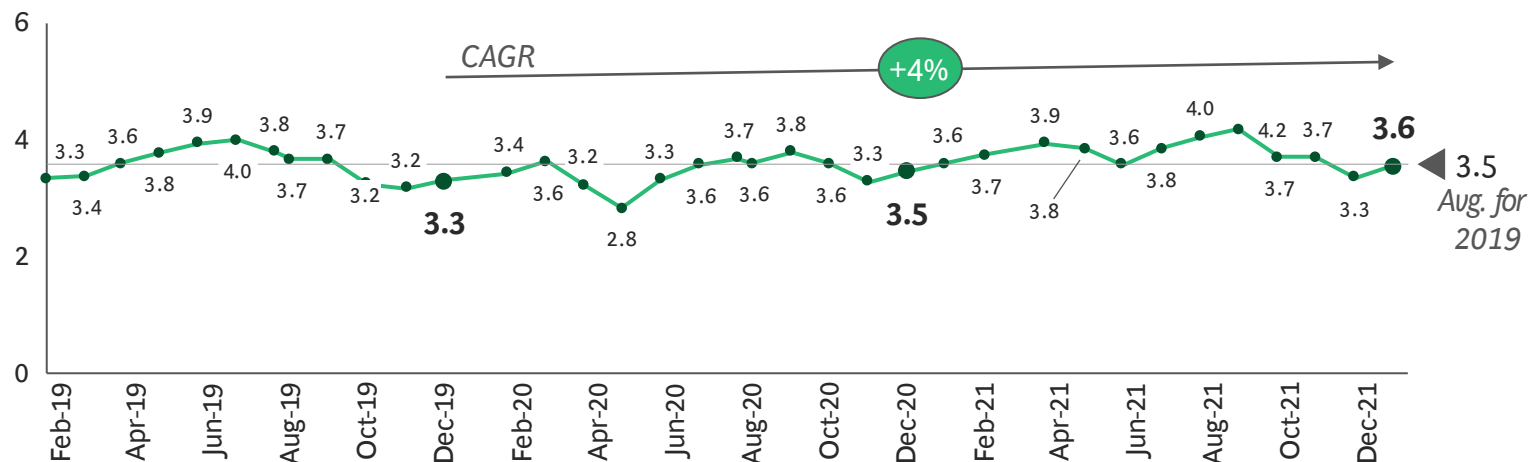
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GDP Deep-Dive

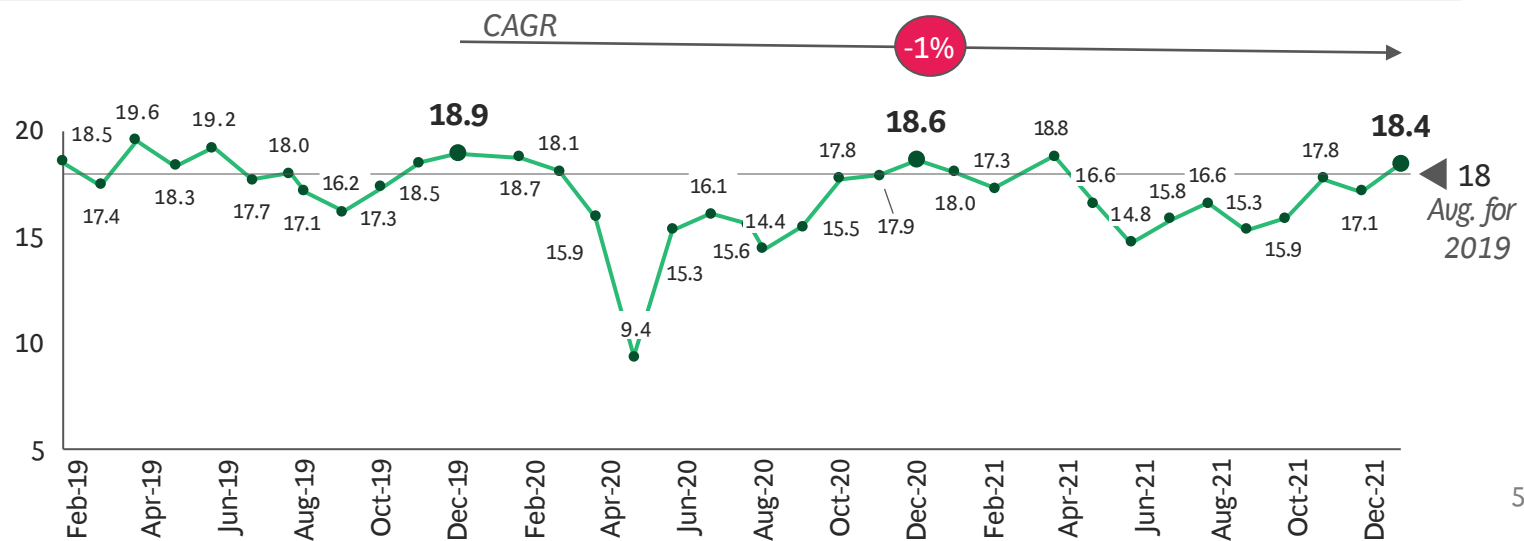


Daily average power & fuel consumption improved in Dec'21 vs. Nov'21, slightly exceeding Dec'19 levels

Daily Average Power Consumption Volume ('000s MUs)



Consumption of Petroleum Products (in MMT)¹



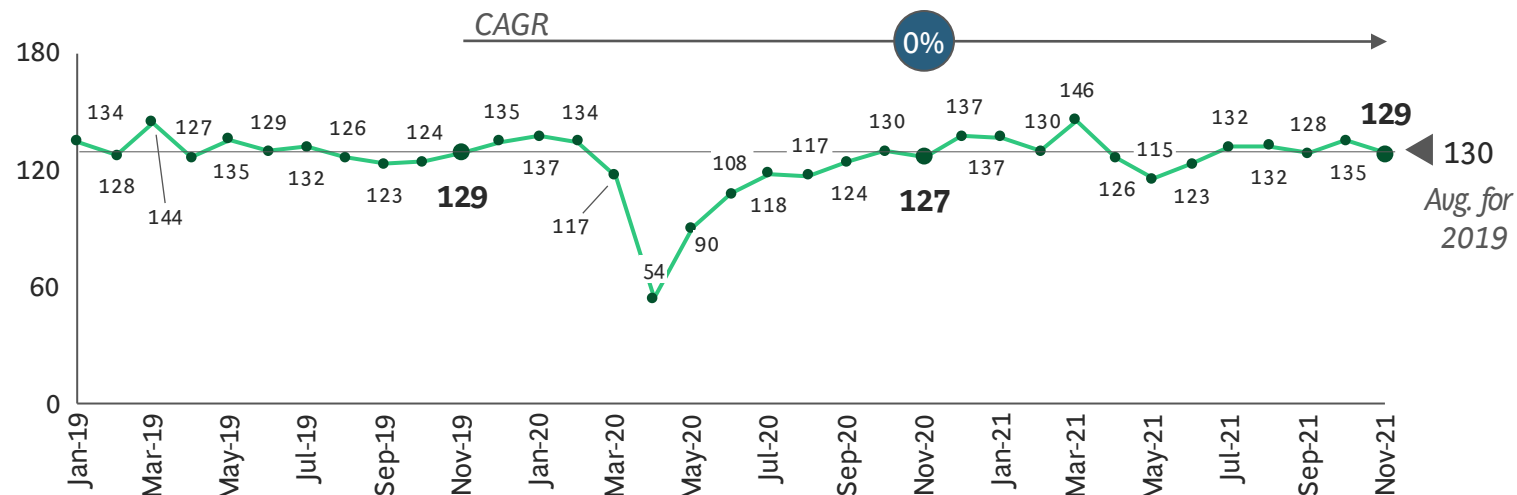
1. Petroleum products include LPG, Naphtha, MS, ATF, SKO, HSD, LDO, Lubricants & Greases, FO & LSHS, Bitumen, coke as reported (provisional) by Petroleum Planning & Analysis Cell

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

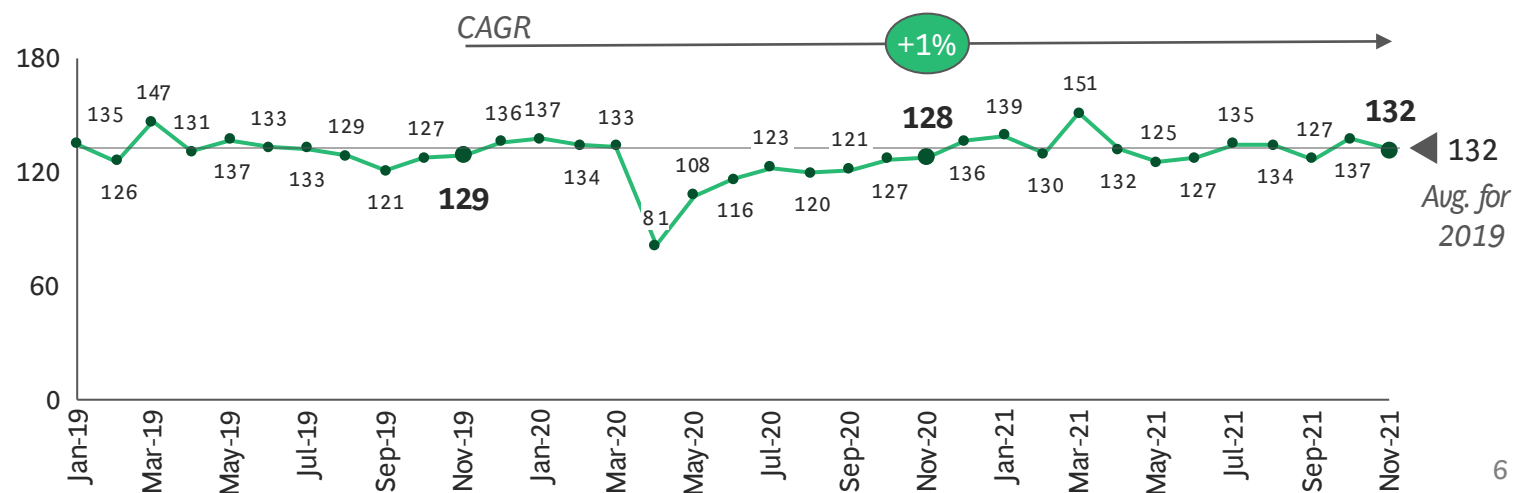


Both IIP & ICI fell in Nov'21 vs. Oct'21; IIP approached Nov'19 levels while ICI remained above Nov'19 levels in Nov'21

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)

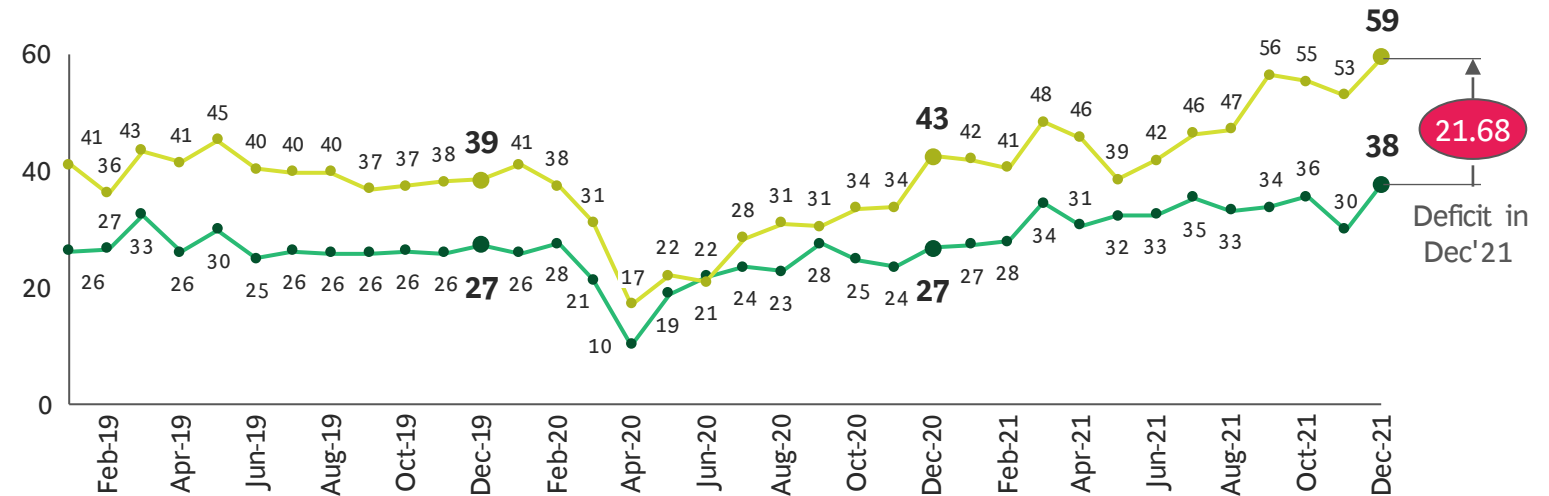


Merchandise trade gap narrowed marginally in Dec'21 vs. Nov'21, although remained above Dec'19 levels

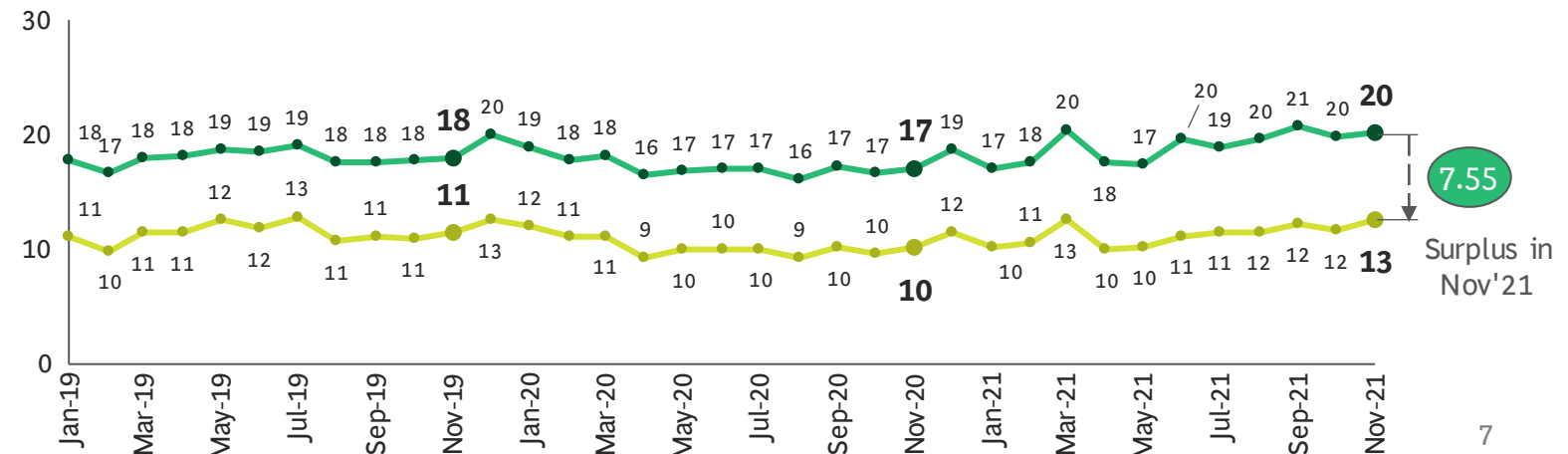
Services trade surplus fell for the second consecutive month in Nov'21, however remained above 2019 & 2020 levels

1. Dec'21 Merchandise Import and Export numbers; Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry on 14th Jan'22
Source: RBI, Ministry of Commerce and Industry, BCG analysis

Merchandise Trade (USD Bn)



Services Trade (USD Bn)



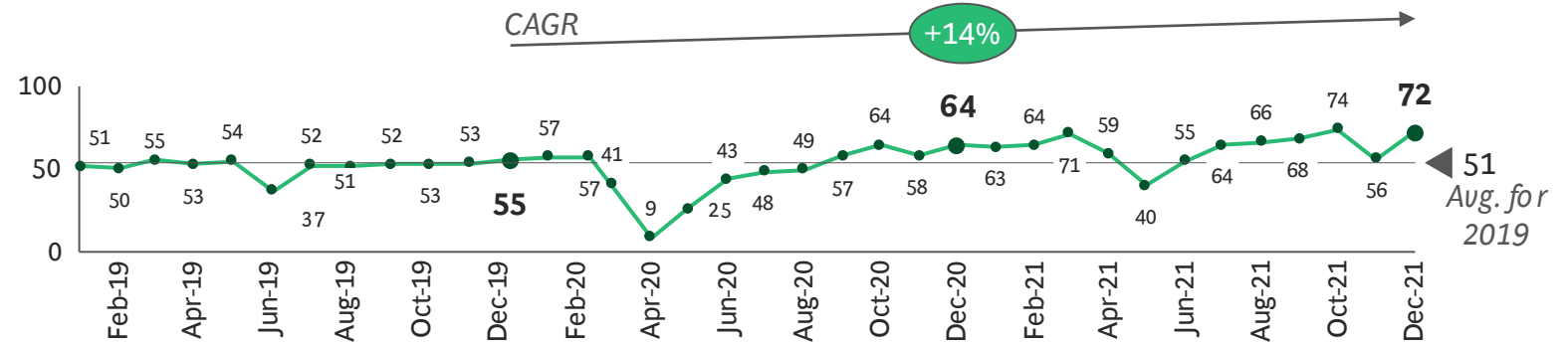


E-way bills witnessed an uptick in Dec'21 vs. Nov'21; FASTag transactions surged to a record high level in Dec'21

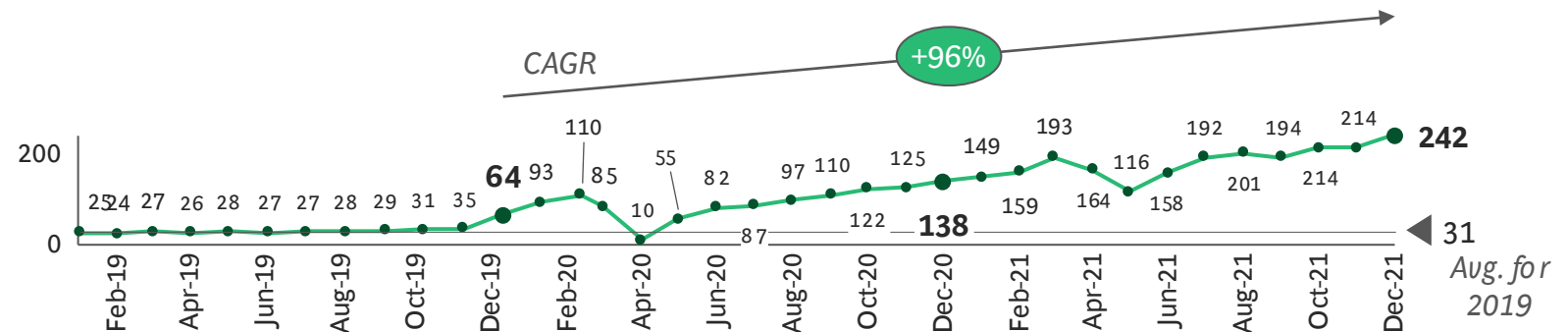
Railway freight remained at Oct'21 levels in Nov'21, although exceeded Nov'19 levels

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

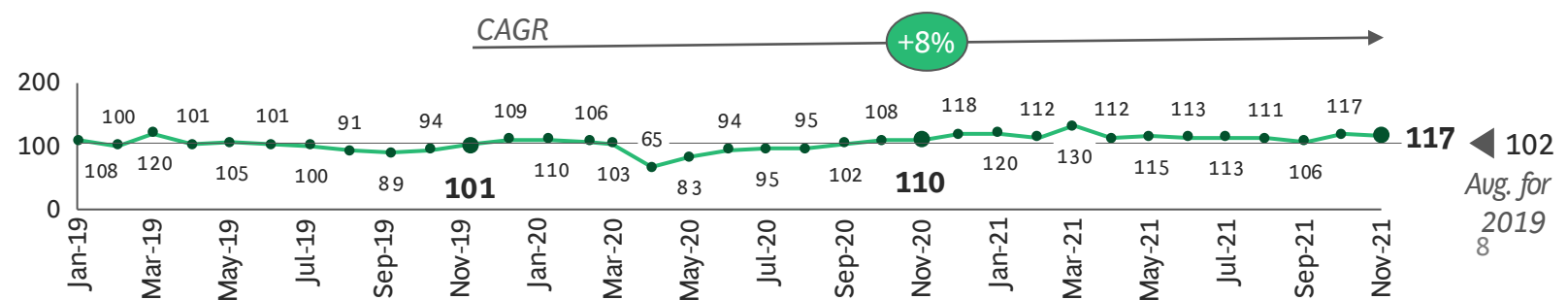
E-way bills¹ generated (Mn)



FASTag transaction volume (Mn)



Railway freight traffic originating (Mn Tons)



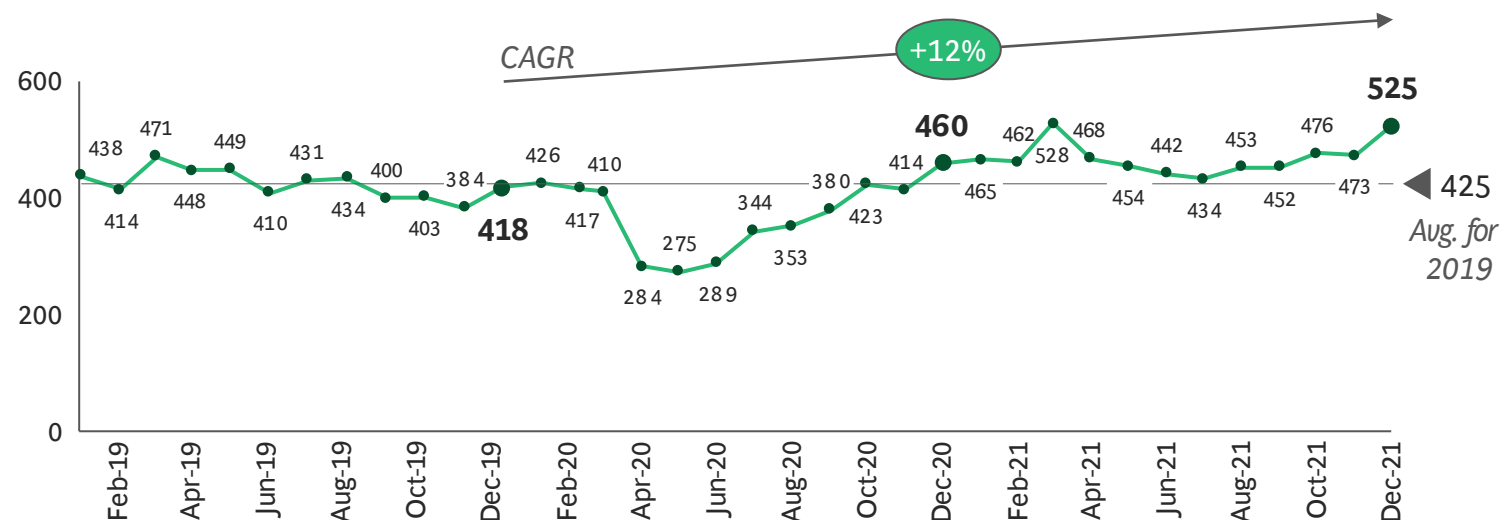


JNPT traffic climbed to a 9-month high in Dec'21 vs. previous months & Dec'19 levels

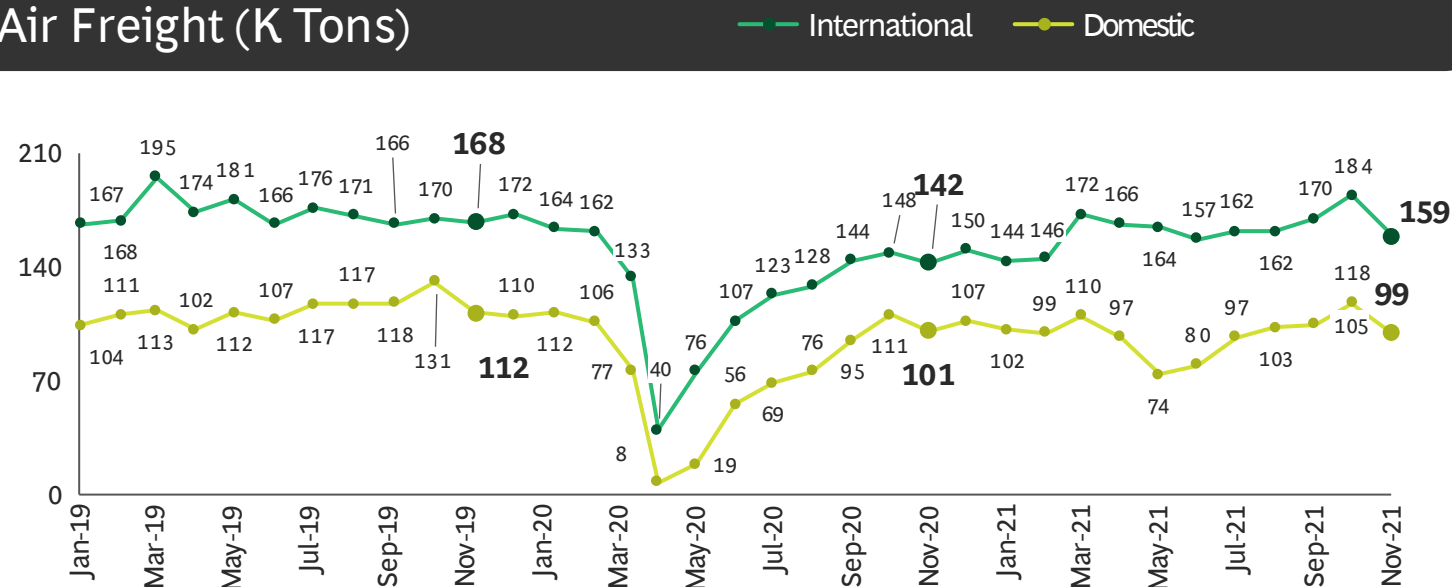
Air freight fell in Nov'21 vs. Oct'21 & Nov'19 levels, although exceeded Nov'20 levels

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)

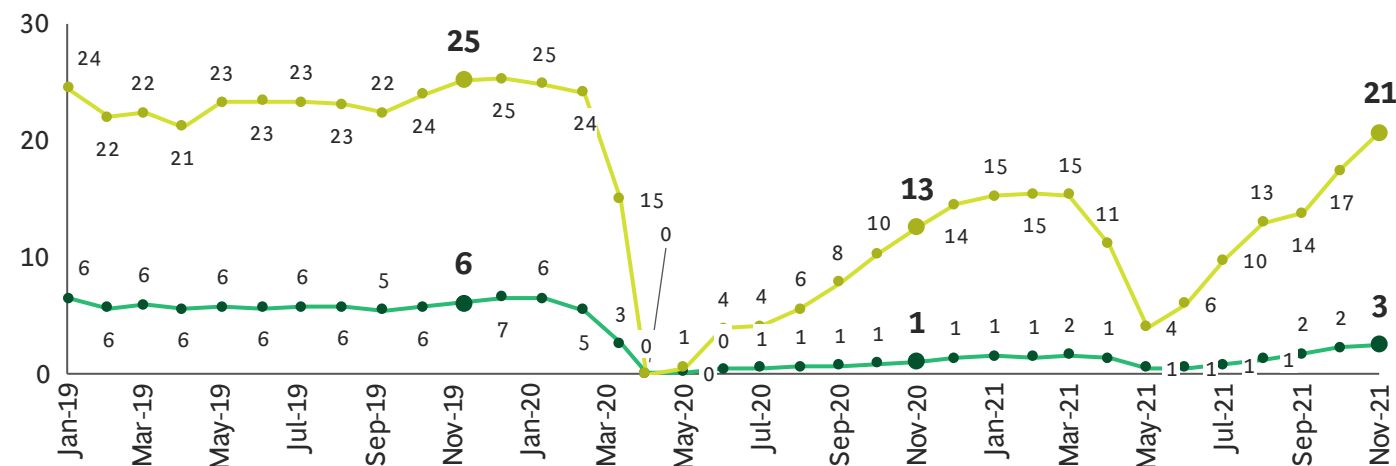




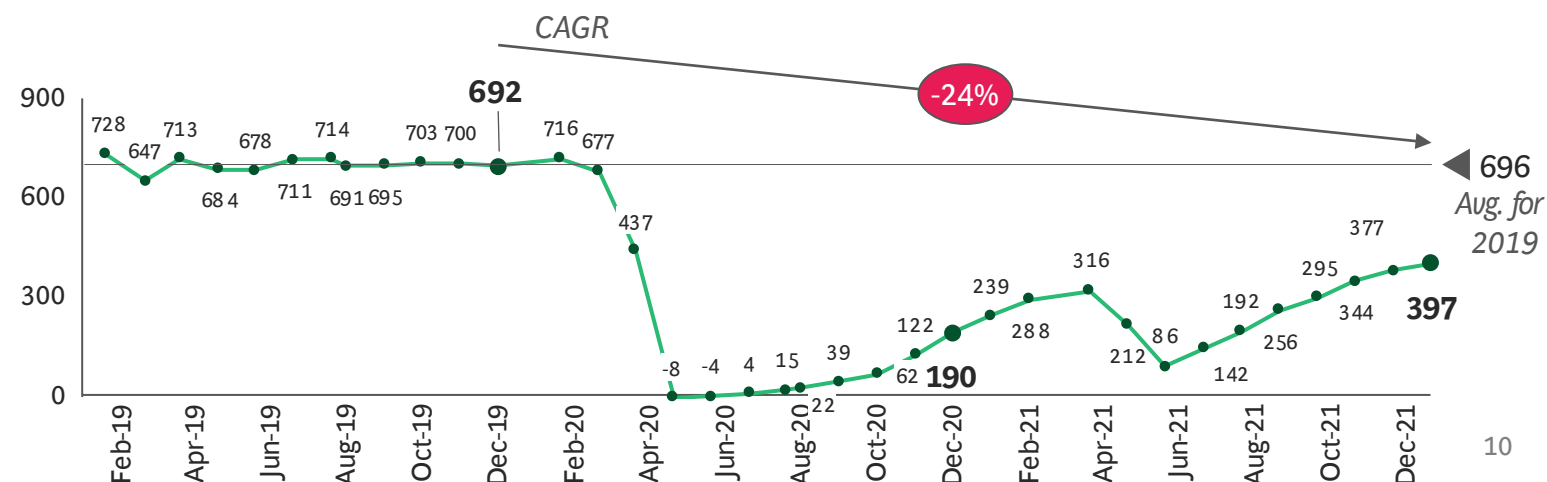
Both air & rail passenger traffic grew significantly in Nov & Dec'21 vs. previous month & 2020 levels

Air Passengers (Mn)

International Domestic



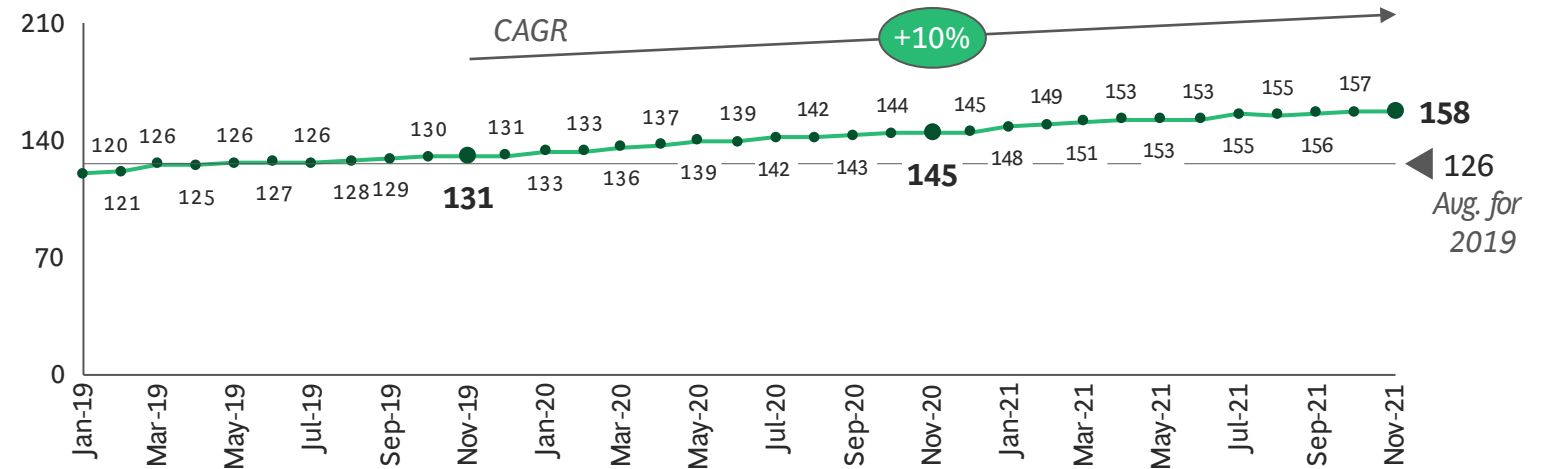
Railway Passenger Bookings (Mn)



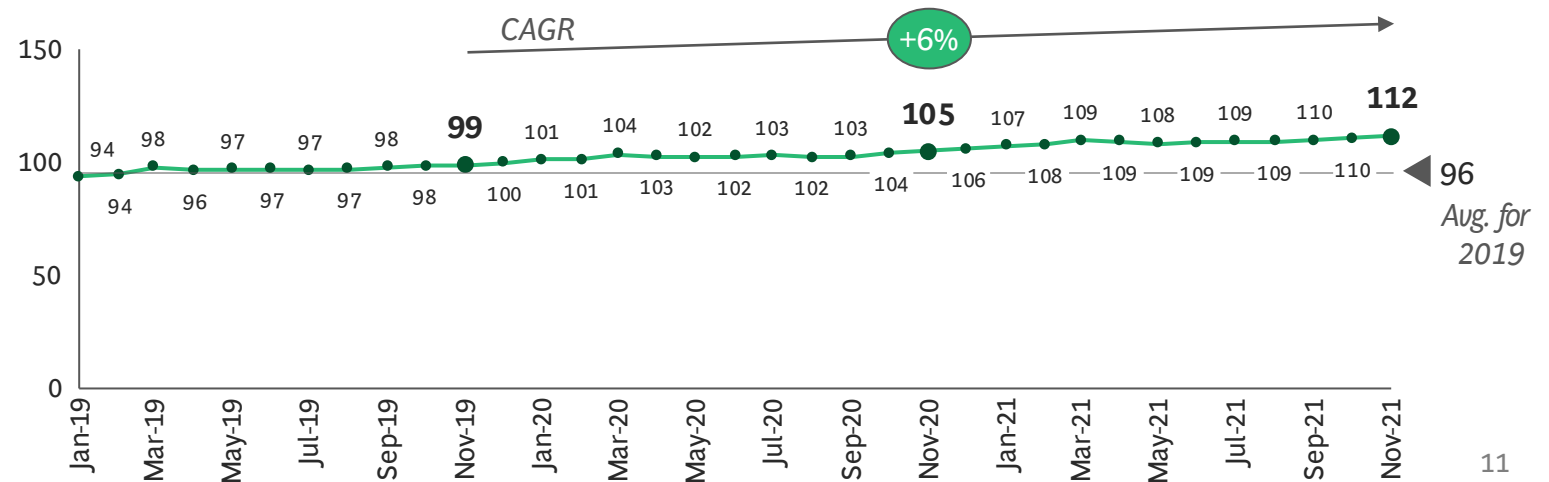


Aggregate bank deposit & credit grew marginally in Nov'21 vs. Oct'21, remaining above Nov'19 levels

Total deposits value aggregated for all banks (INR Tn)



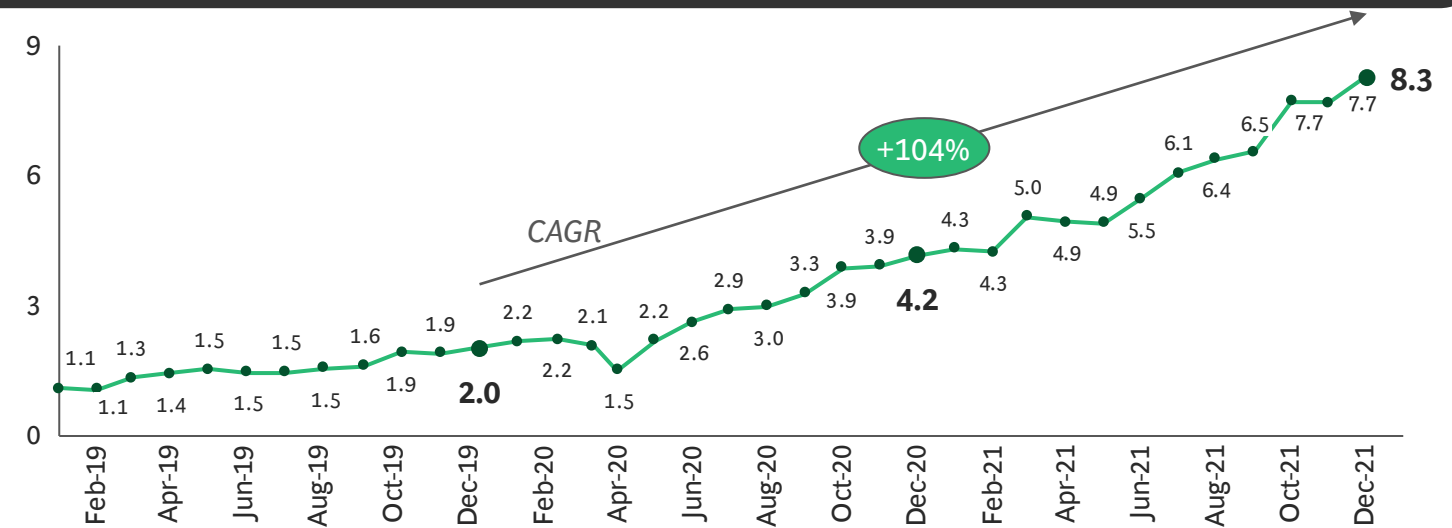
Total credit outstanding value aggregated for all banks (INR Tn)



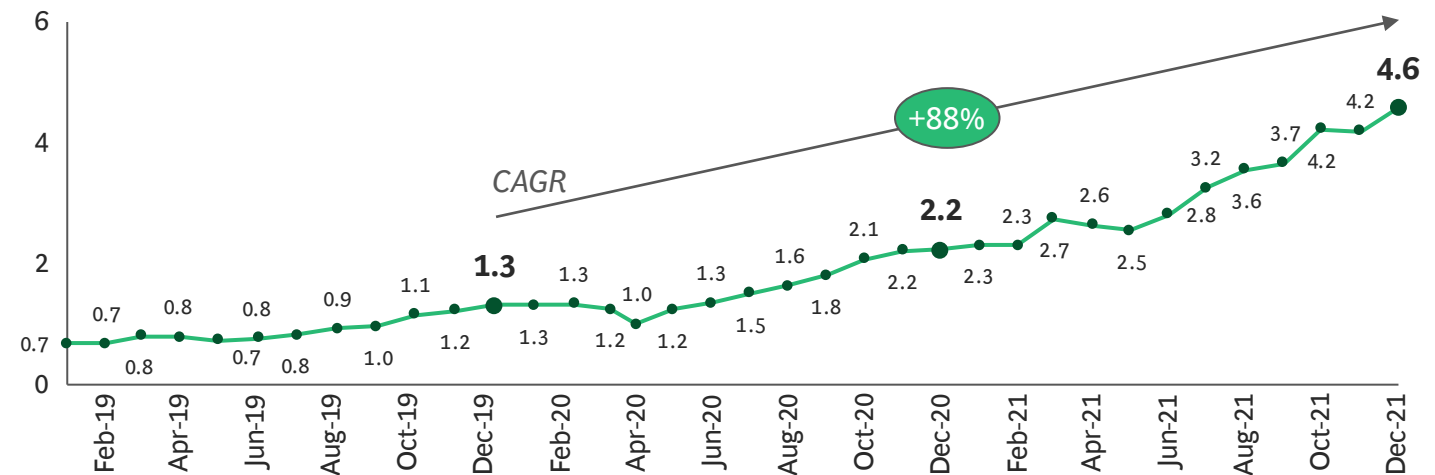


UPI transaction value & volume reached record high levels in Dec'21 vs. previous months

UPI Transactions Value (in INR Tn)



UPI Transactions Volumes (in Bn)

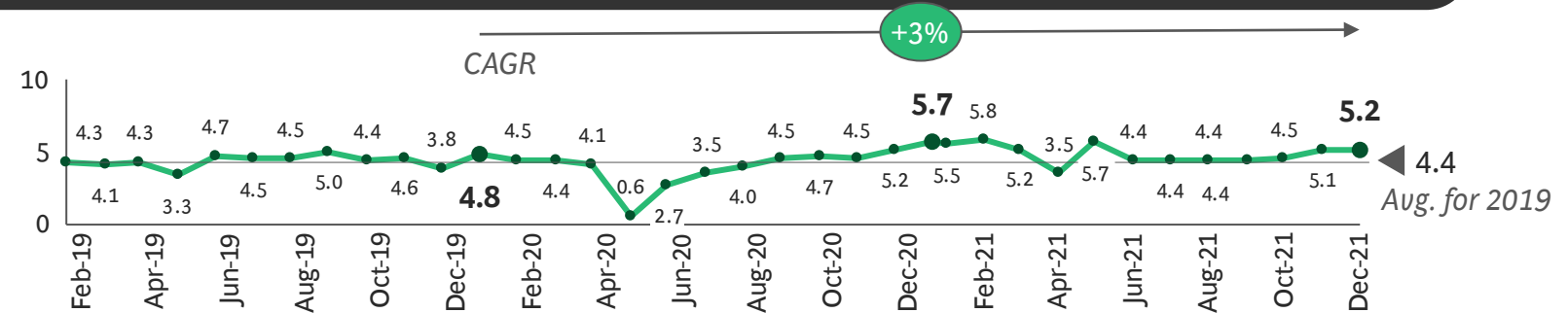




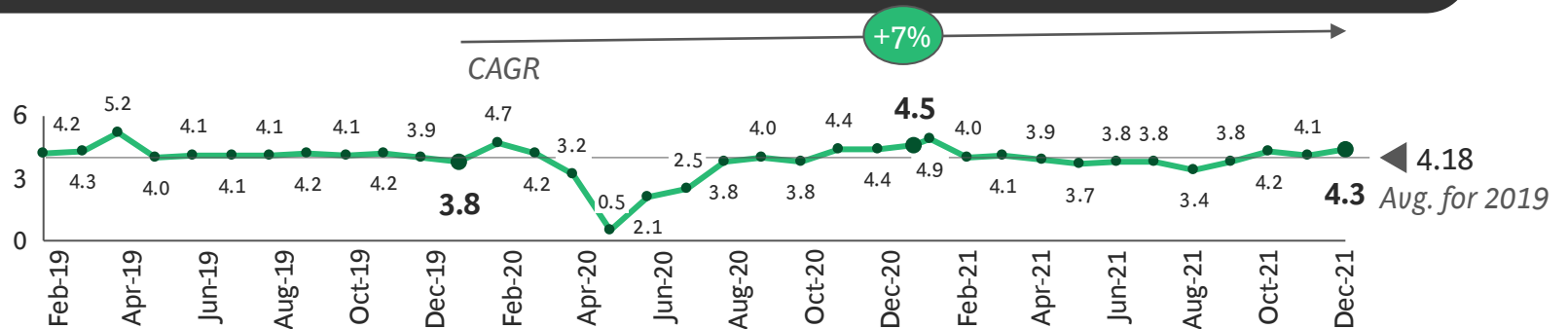
Steel consumption exceeded Nov'21 & Dec'19 levels in Dec'21

Cement production declined sharply in Nov'21 vs. Oct'21, falling below 2019 levels

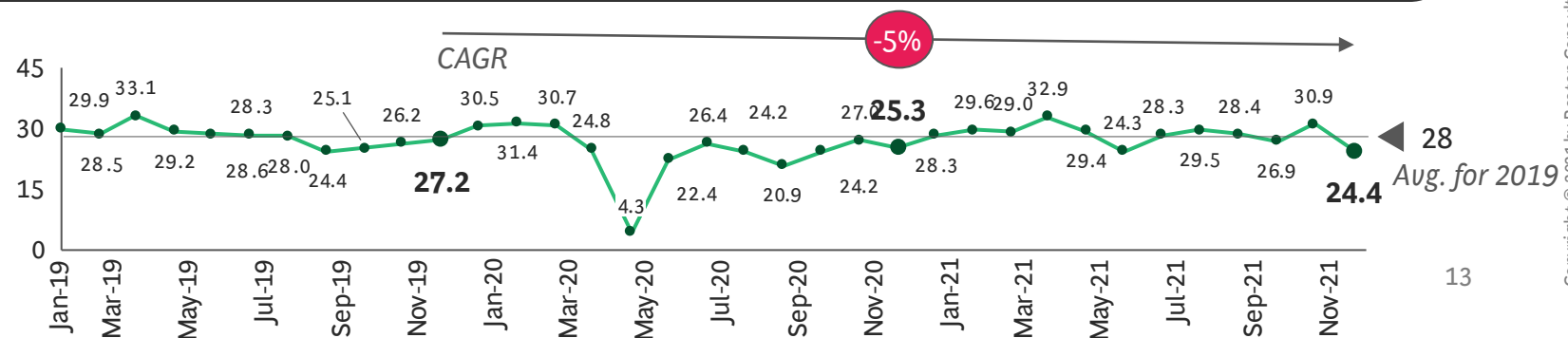
Consumption of Long Steel (in MMT)



Consumption of Flat Steel (in MMT)



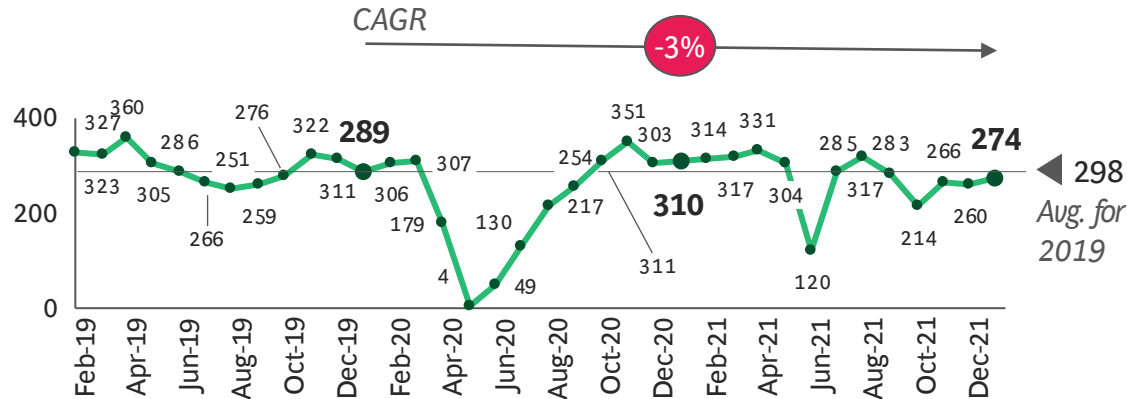
Cement Production (in MT)



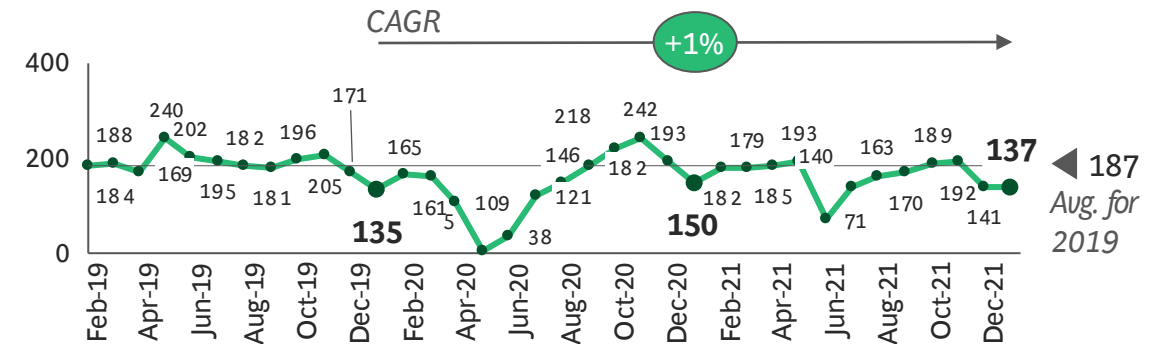
Mixed growth of auto sales in Dec'21 vs. Nov'21 & Dec'19; PV & 3W sales improved marginally in Dec'21 vs. Nov'21 while tractor & 2W sales declined



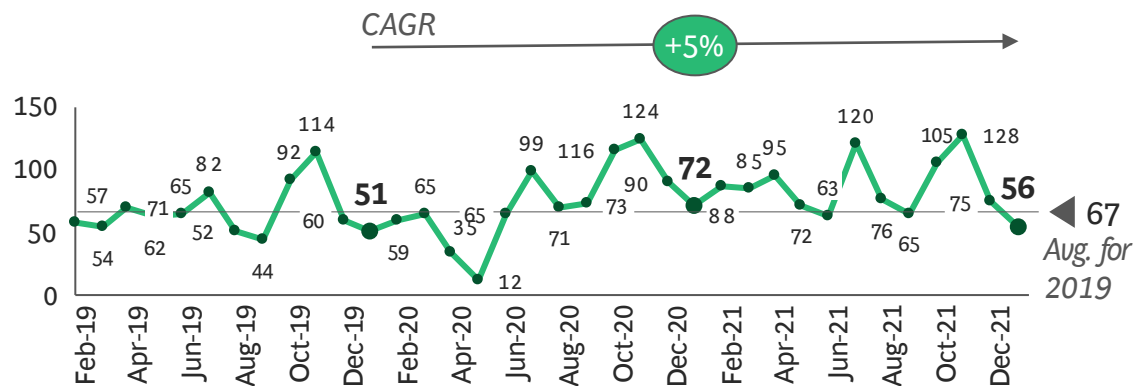
Passenger vehicles sales ('000 units)



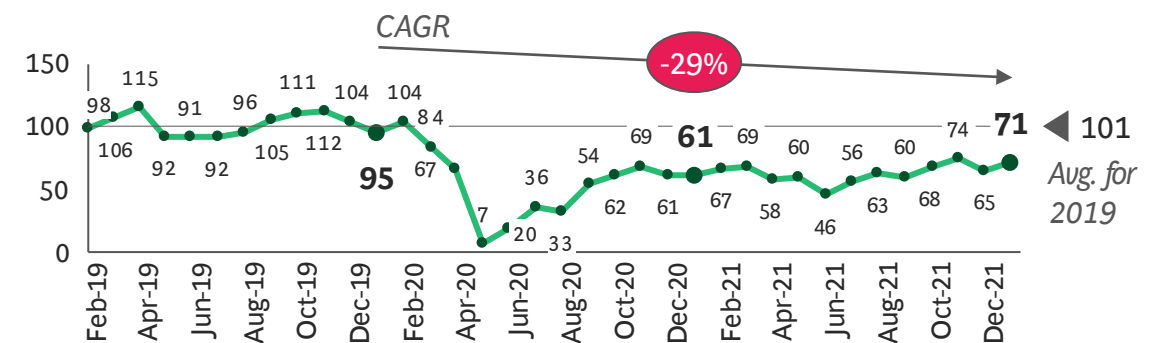
Two-wheeler sales ('0000 units)



Tractor sales ('000 units)



Three-wheeler sales ('000 units)



Figures represent wholesale numbers (including exports).

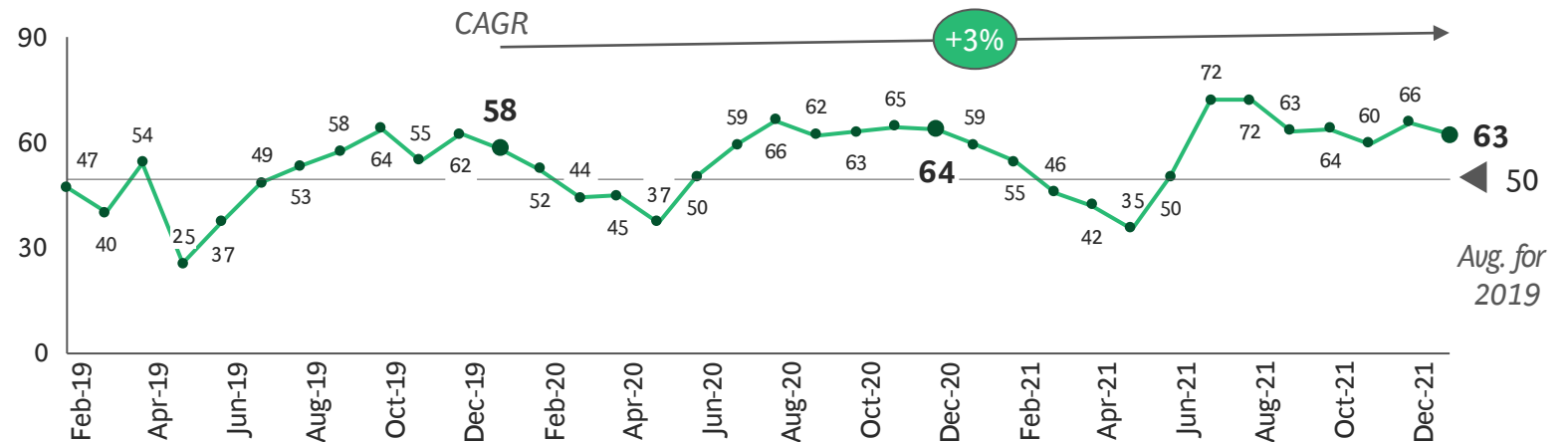
1. BMW, Mercedes and Volvo Auto data is not available; Source: SIAM, CMIE, TMA, Press search, BCG analysis



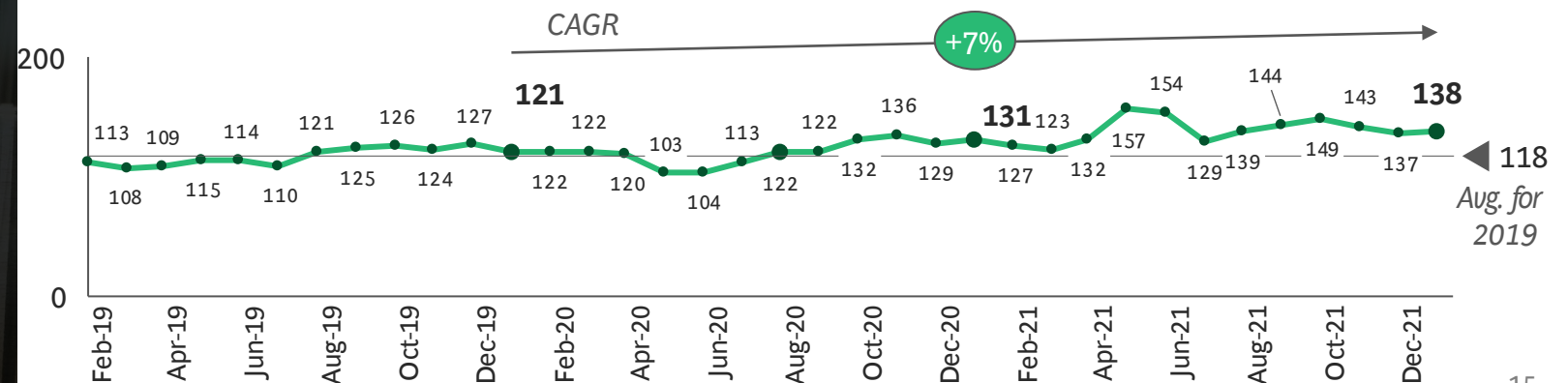
Fertilizer sales dipped in Dec'21 vs. Nov'21, although remained above Dec'19 levels

Pharmaceutical sales remained near Nov'21 levels in Dec'21, albeit exceeded Dec'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

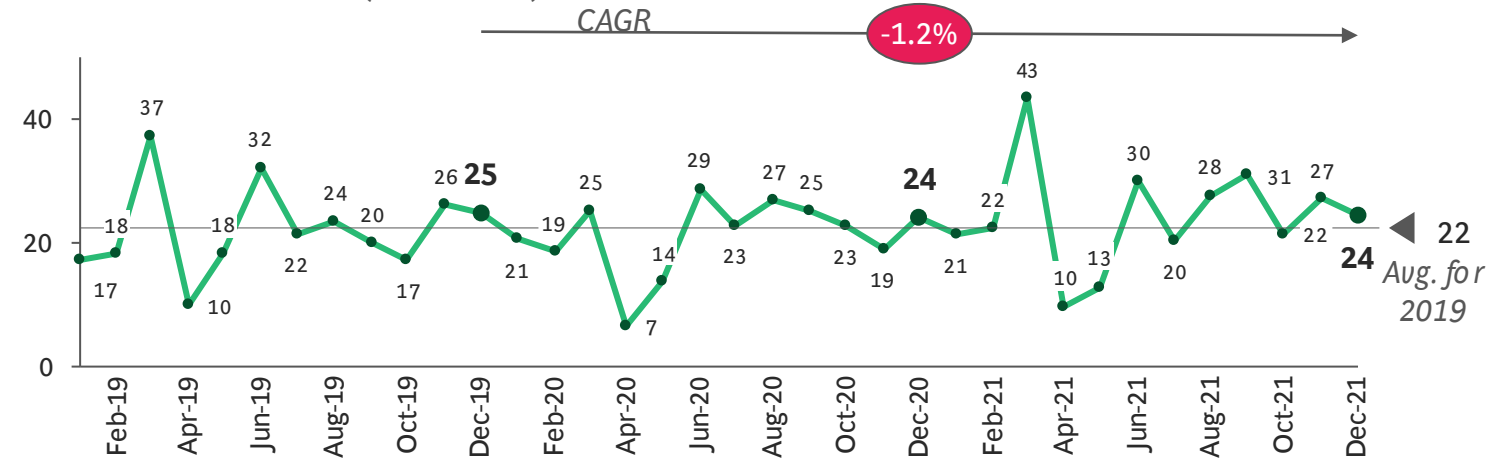


Life insurance premium fell in Dec'21 vs. Nov'21 & Dec'19; Non-Life insurance premium witnessed an uptick in Dec'21 vs. Nov'21 & Dec'19

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

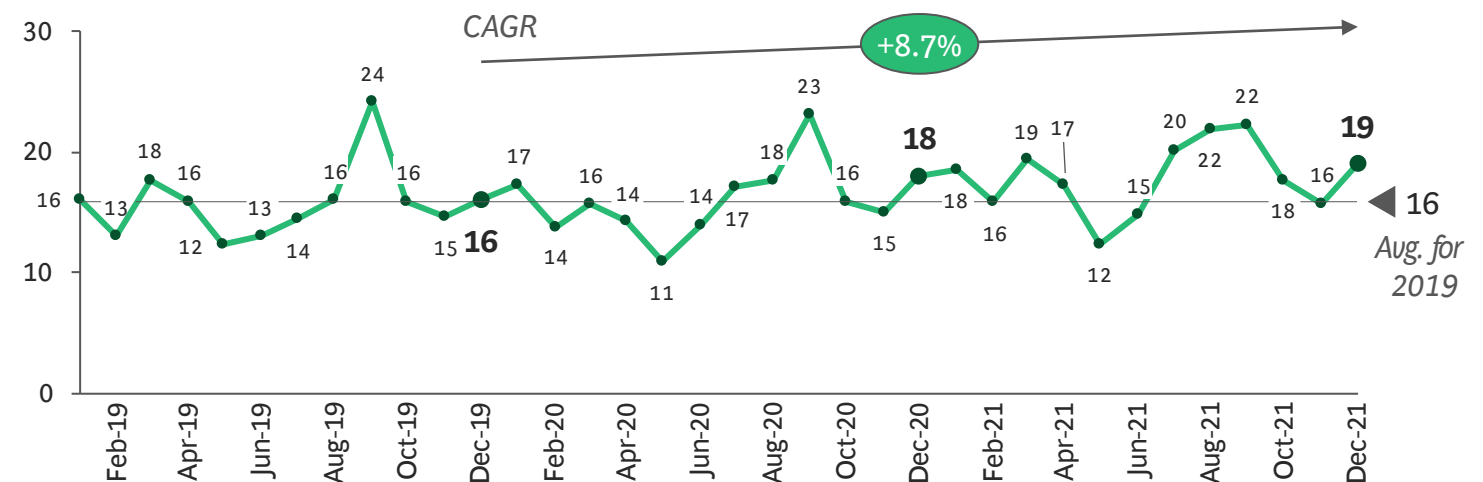
Life Insurance premium

New Business Premium (INR '000 Cr)



Non-Life Insurance premium¹

Gross Domestic Premium Income (INR '000 Cr)





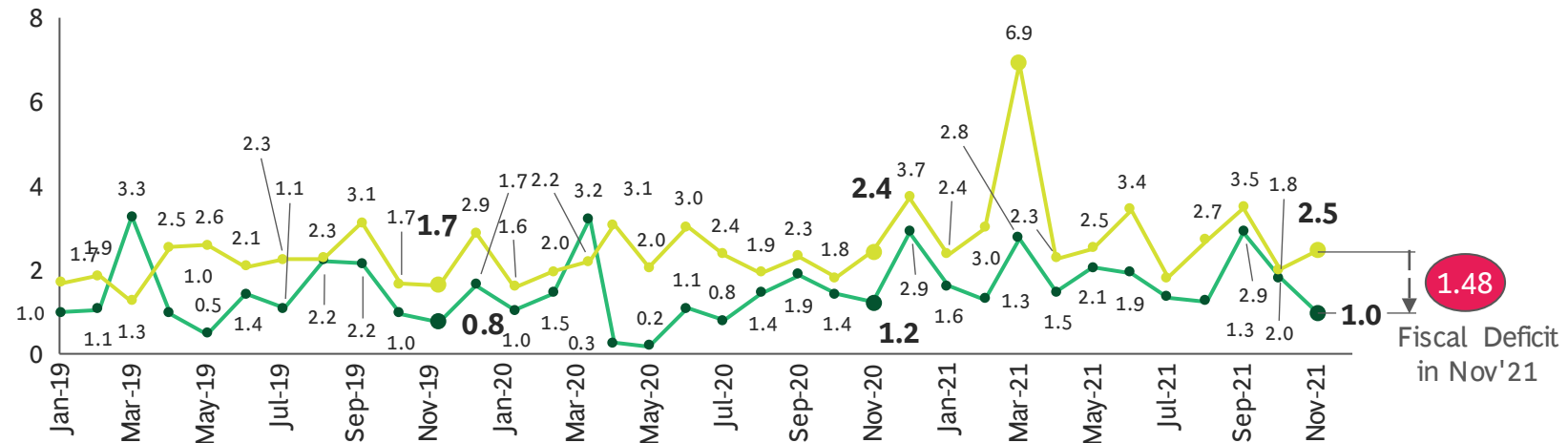
Fiscal deficit grew in Nov'21 vs. Oct'21 & Nov'19 levels

GST collections dipped marginally in Dec'21 vs. Nov'21, albeit remained above the INR 1 Tn mark

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

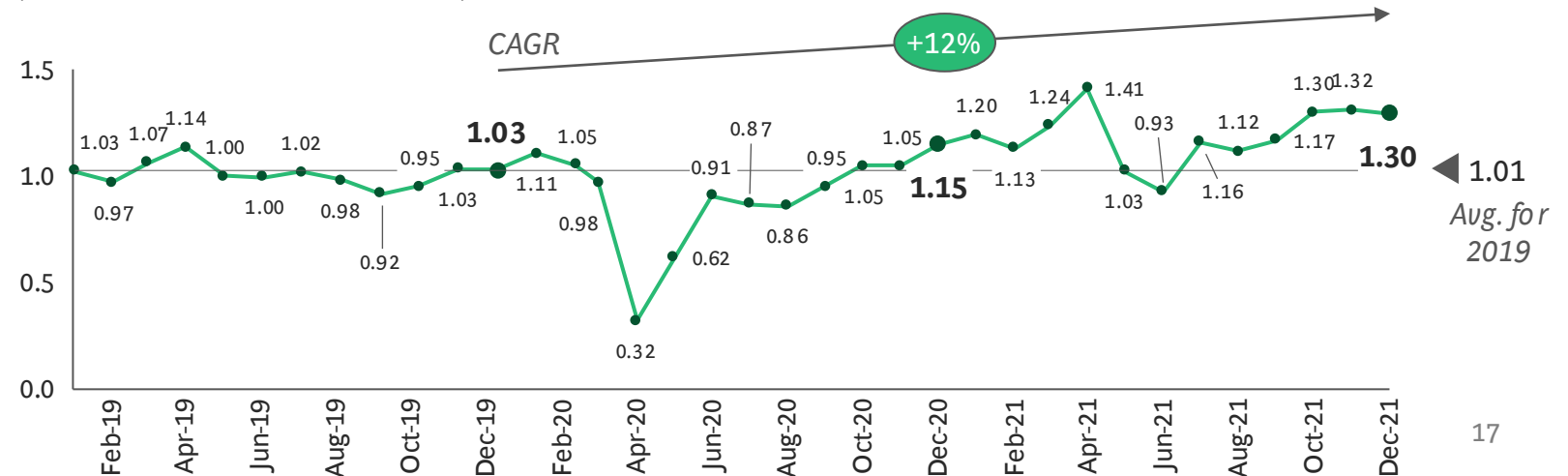
Central Govt. Revenue & Expenditure (INR Tn)

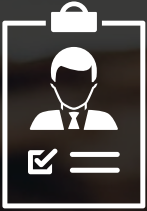
(based on data from Controller General of Accounts, Ministry of Finance)



Total GST Collections¹ (INR Tn)

(based on data from GST Council)

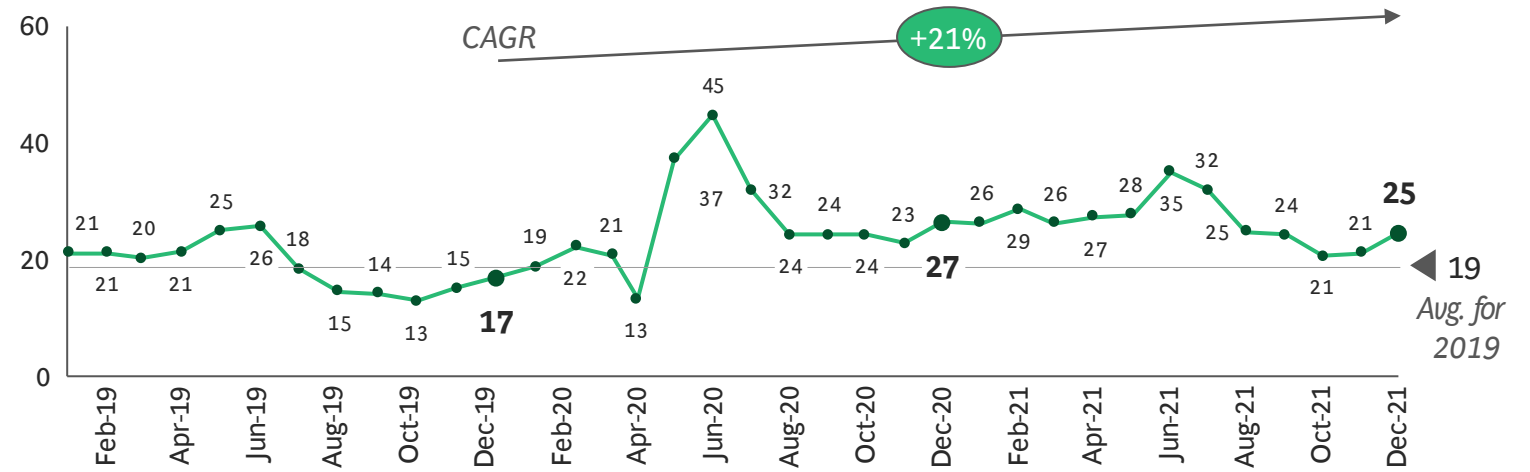




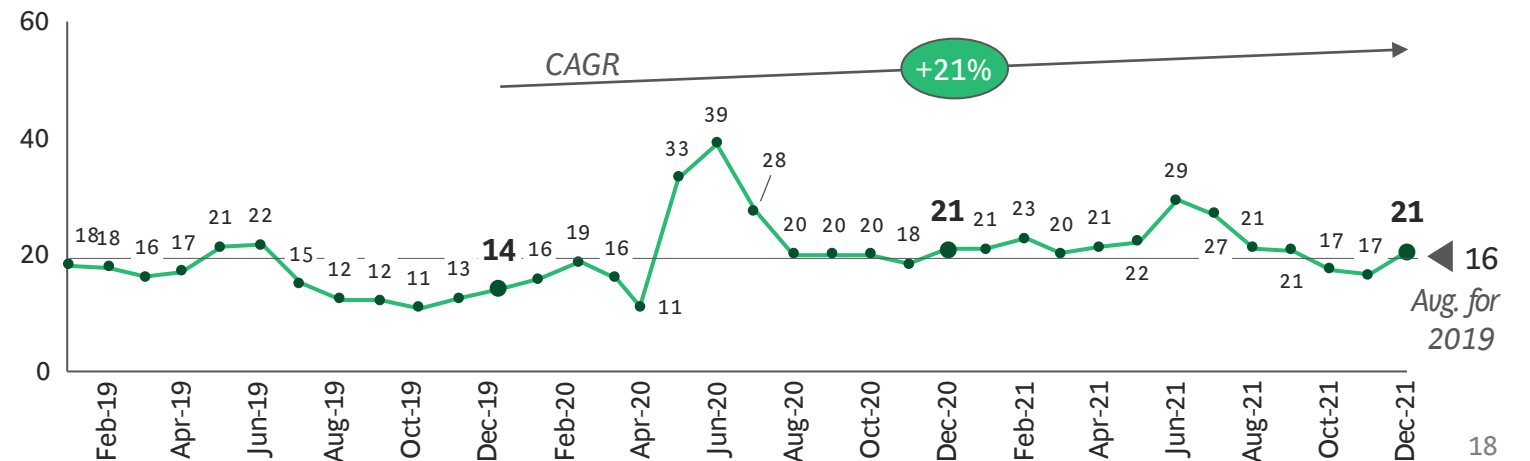
MGNREGA work demanded & employment provided grew in Dec'21 vs. Nov'21, surpassing Dec'19 levels

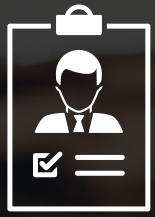
MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act
Source: Ministry of Labor & Employment, Ministry of Rural Development, The Indian Express, Outlook India, LiveMint, CMIE, BCG analysis

MGNREGA Work Demand (households, in Mn)



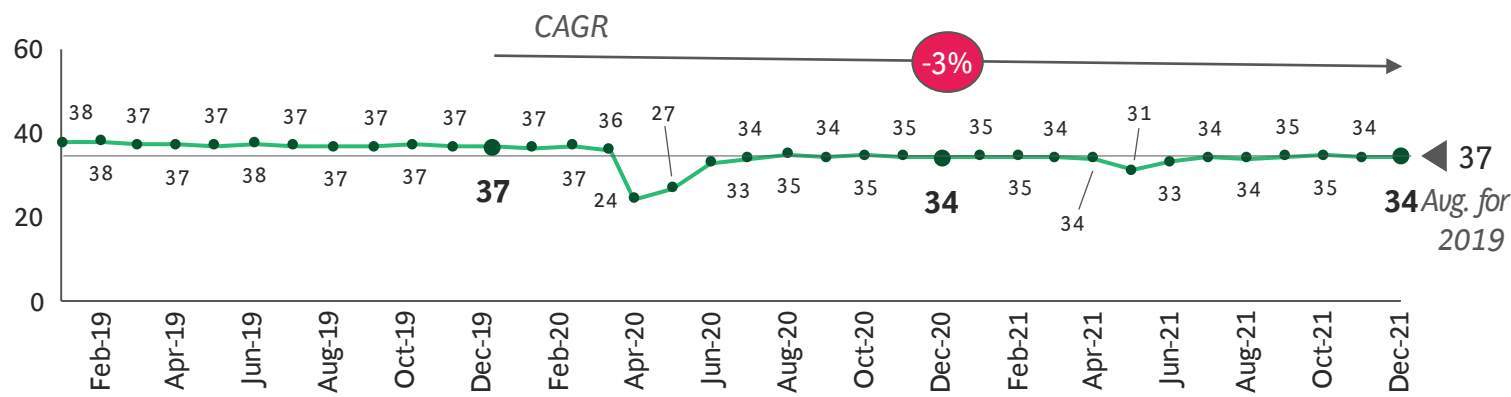
MGNREGA Employment Provided (households, in Mn)



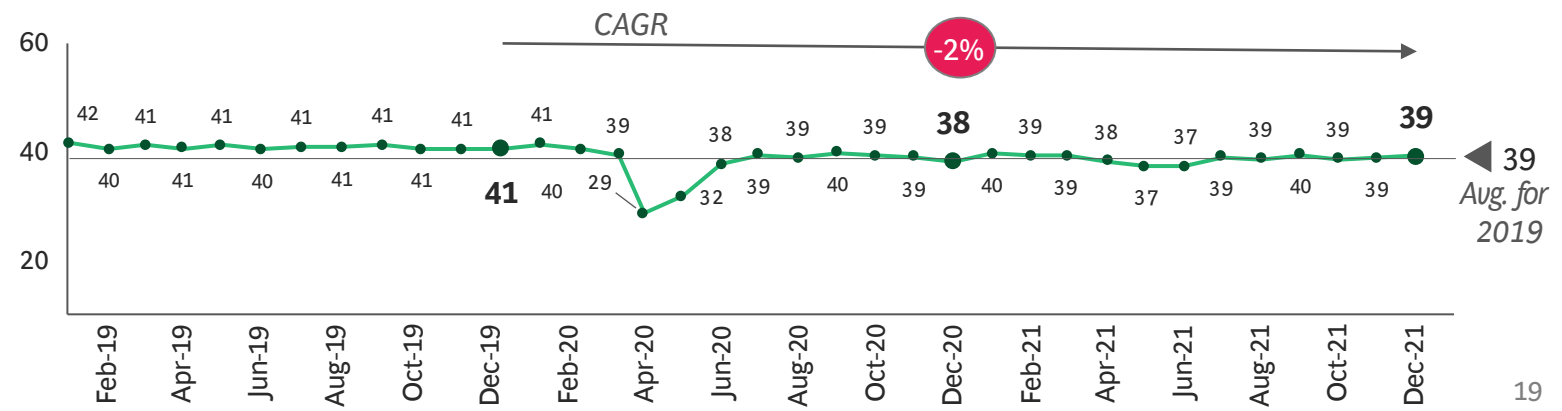


Both urban & rural employment rates remained unchanged from the previous month in Dec'21, although remained below pre-COVID levels

CMIE Urban Employment Rate (%)



CMIE Rural Employment Rate (%)



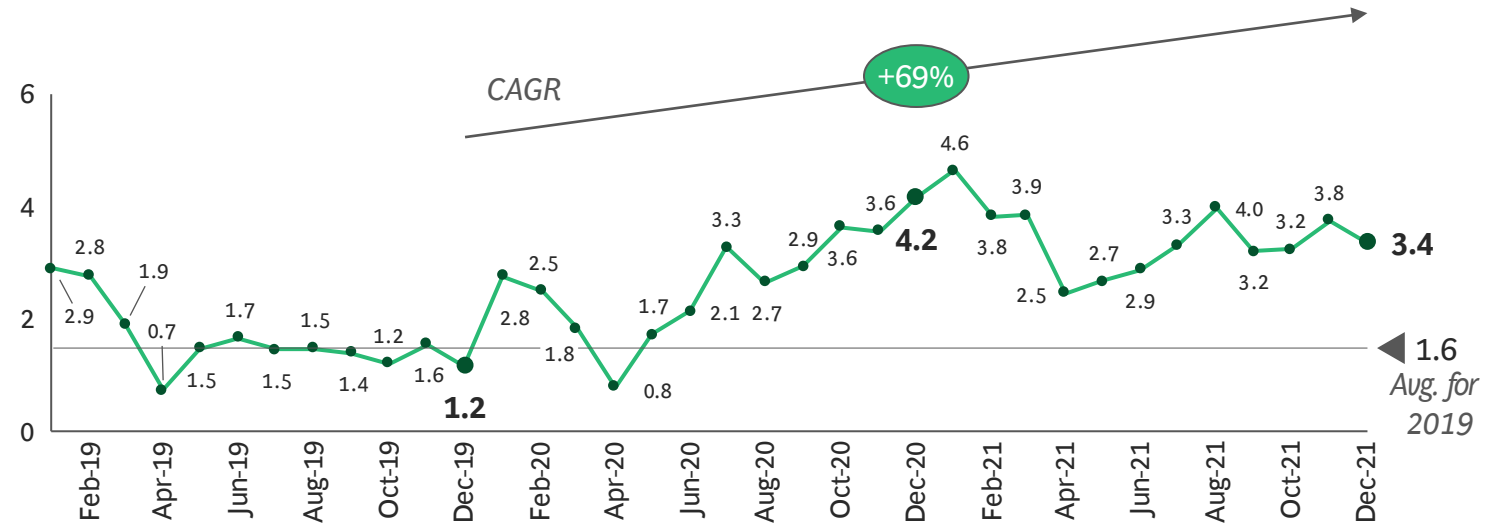
CMIE's Consumer Pyramids panel of households contains over 178,677 households and these include over 522,000 members who are over 15 years old. This is the largest sample of individuals from whom data is gathered on the employment and unemployment status. Employment status indicates whether a member of a household who is 15 years of age or more is employed or not employed as of the date of the survey.



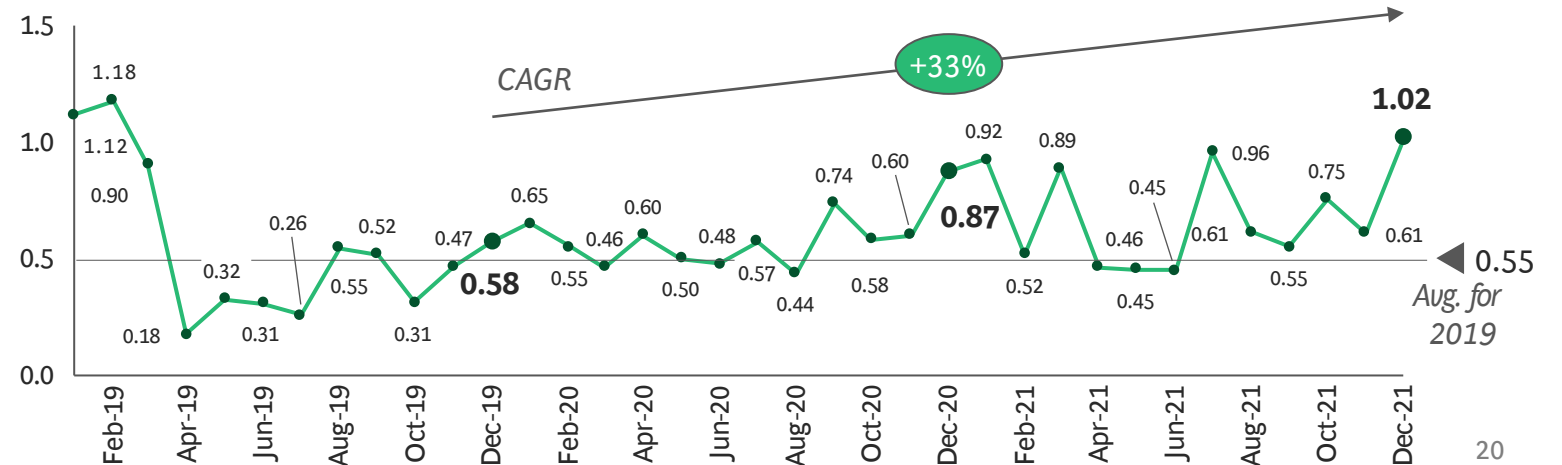
Count of Govt. tenders dipped while value of Govt. tenders grew in Dec'21 vs. Nov'21; Both count & value of Govt. tenders remained above 2019 levels

Source: Project Today database, BCG analysis

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



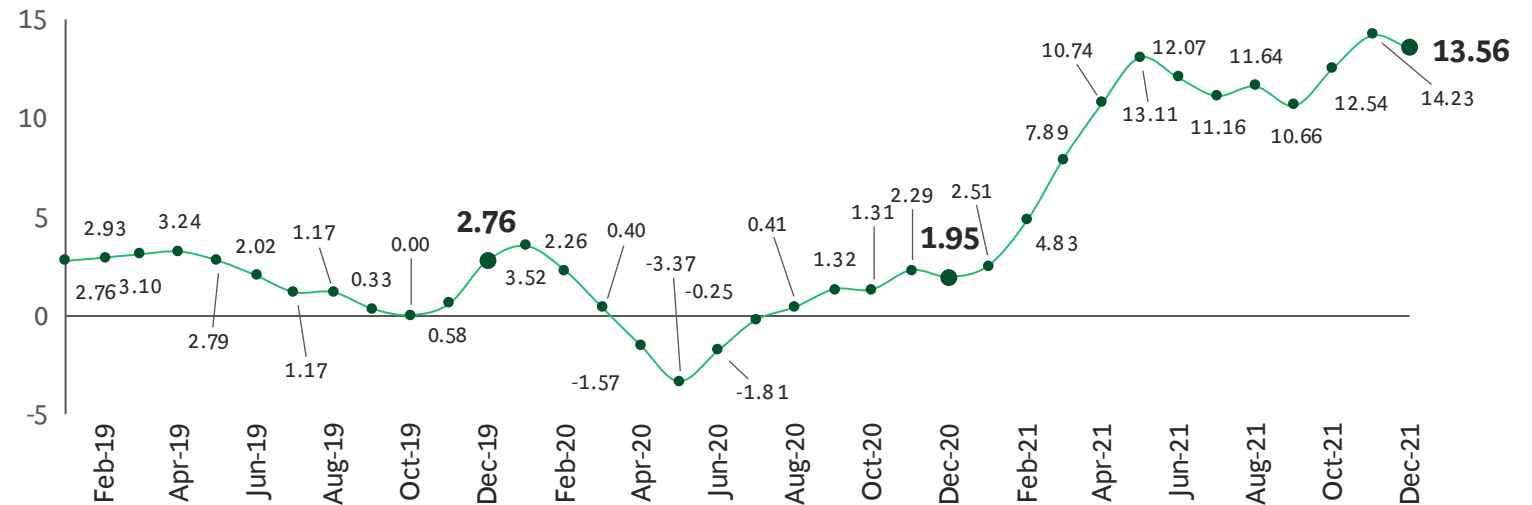
Value of tenders announced by central and state govts (INR Tn)



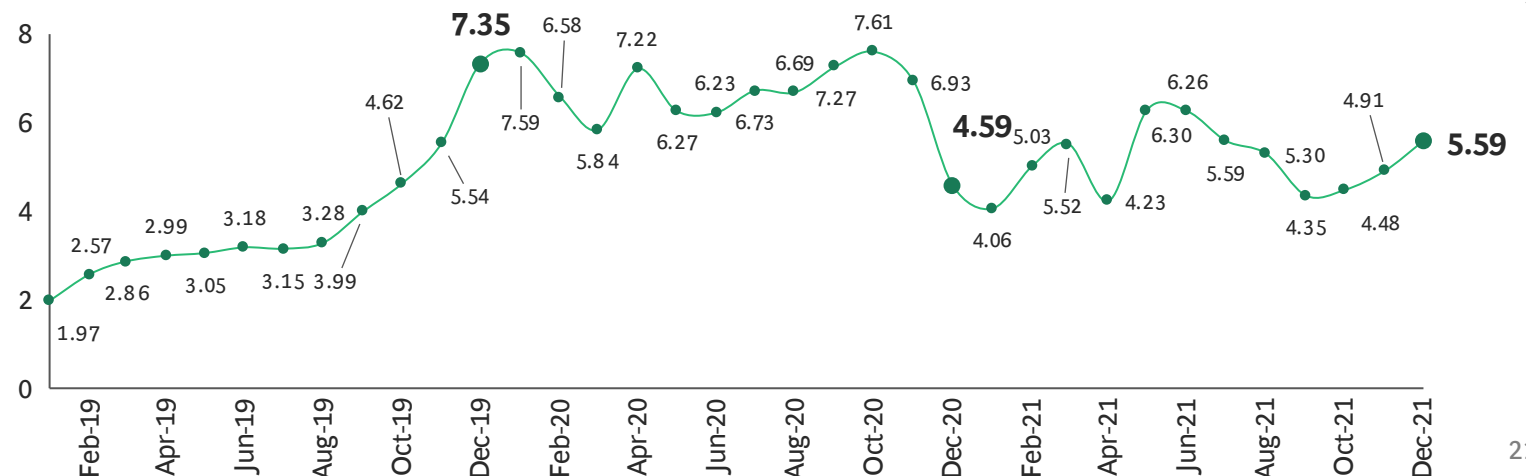


WPI eased in Dec'21 vs. Nov'21 while CPI spiked, although remained within RBI's 6% band

Wholesale Price Index (WPI)¹

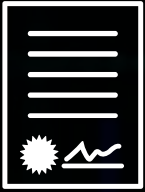


Consumer Price Index (CPI)²



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

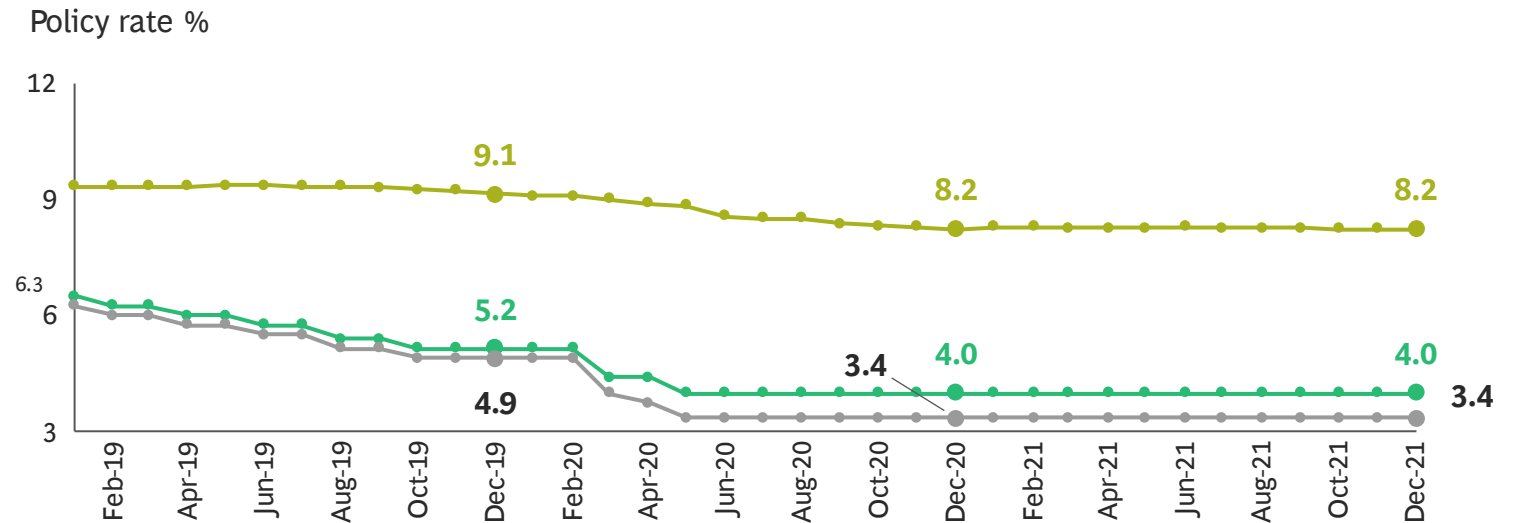
2. CPI is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated as YoY increase in prices of the commodities



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

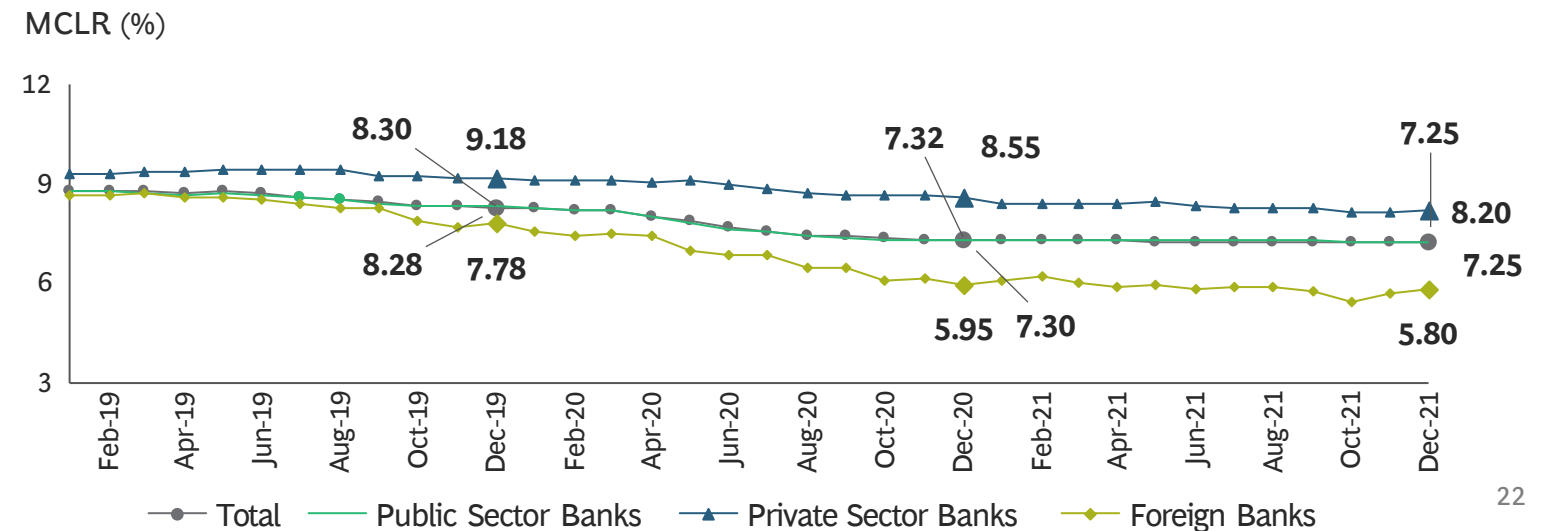
MCLR grew marginally in Dec'21 vs. Nov'21

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.

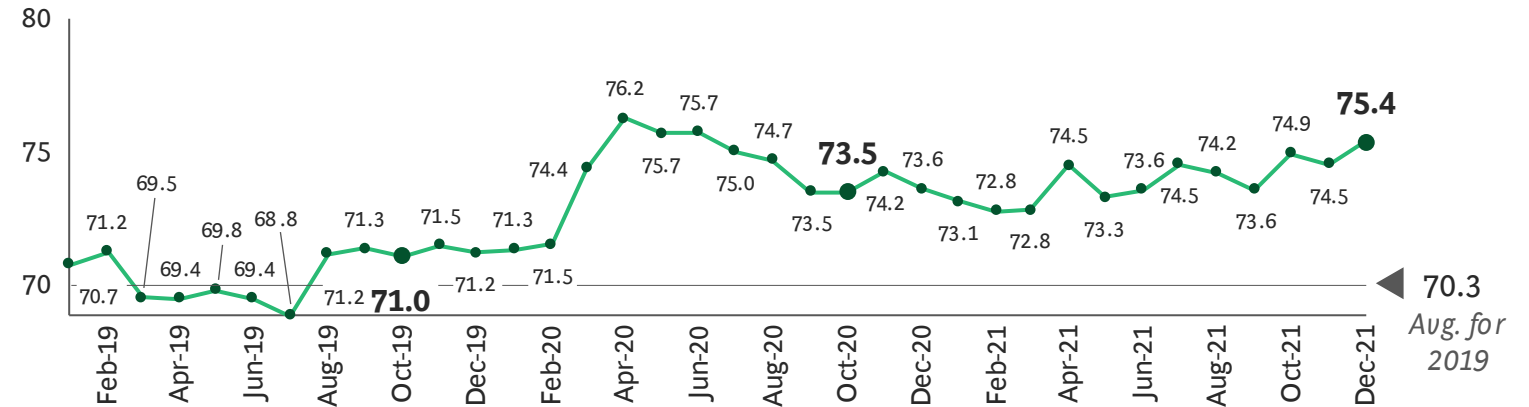
Source: CMIE, RBI DBIE



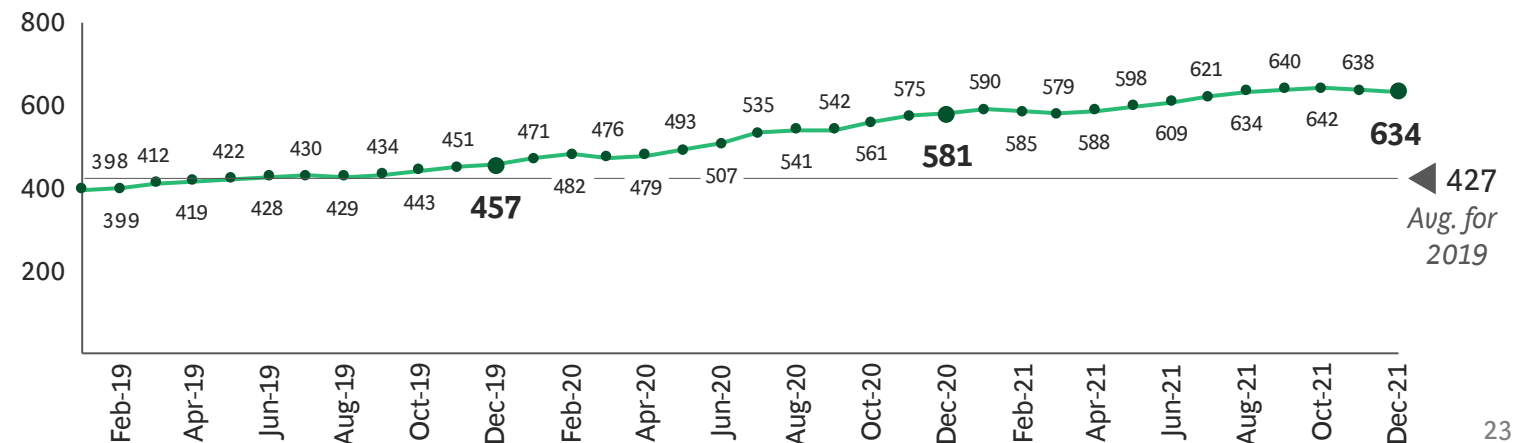
Exchange rate weakened
at ~75/dollar in Dec'21

Forex reserves fell for the
second consecutive
month in Dec'21

Monthly Exchange Rate (INR/USD)



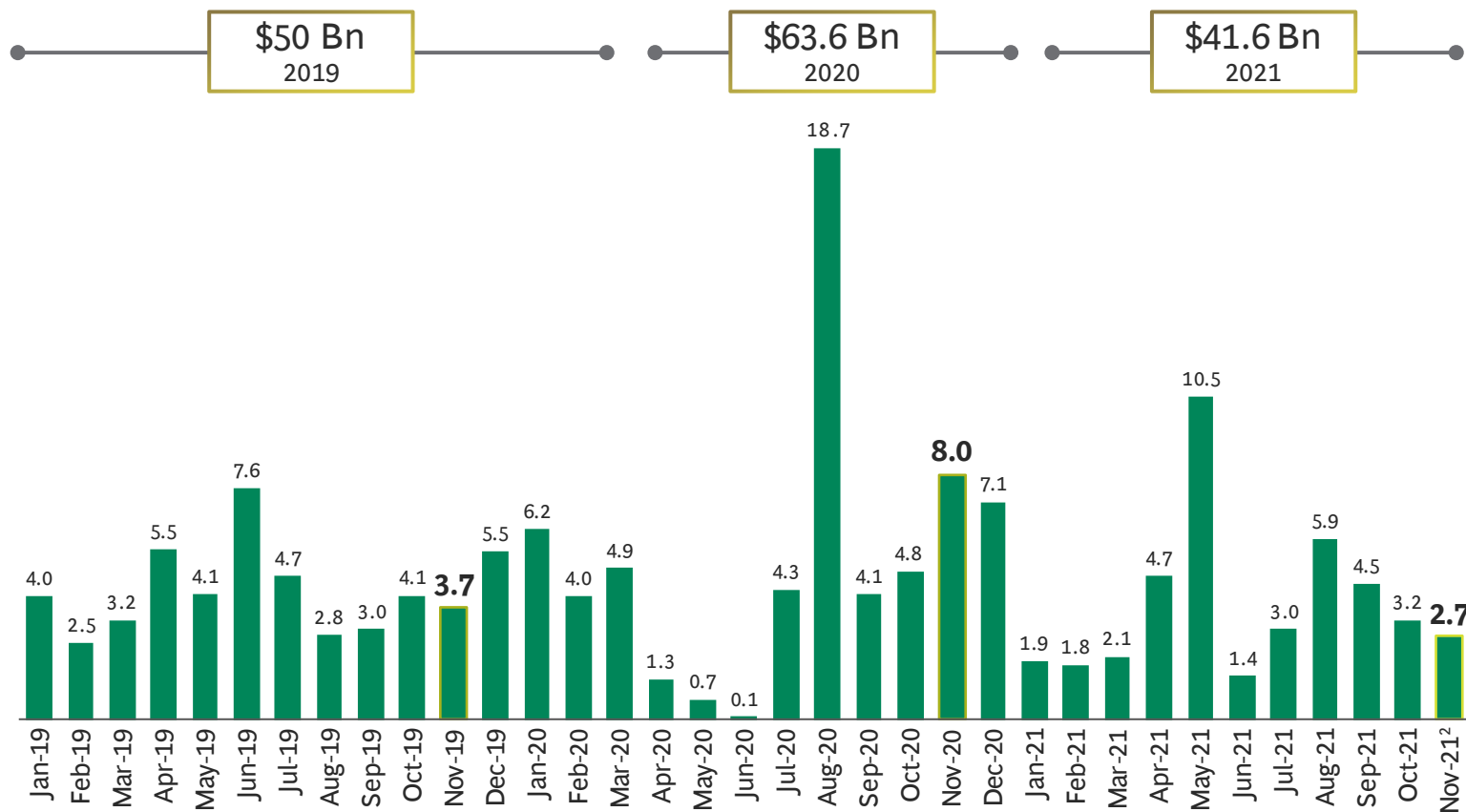
Forex reserves (\$ Bn)





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

Foreign Direct Investments¹ (\$ Bn)



1. Denotes total inward FDI to India; 2. Nov'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

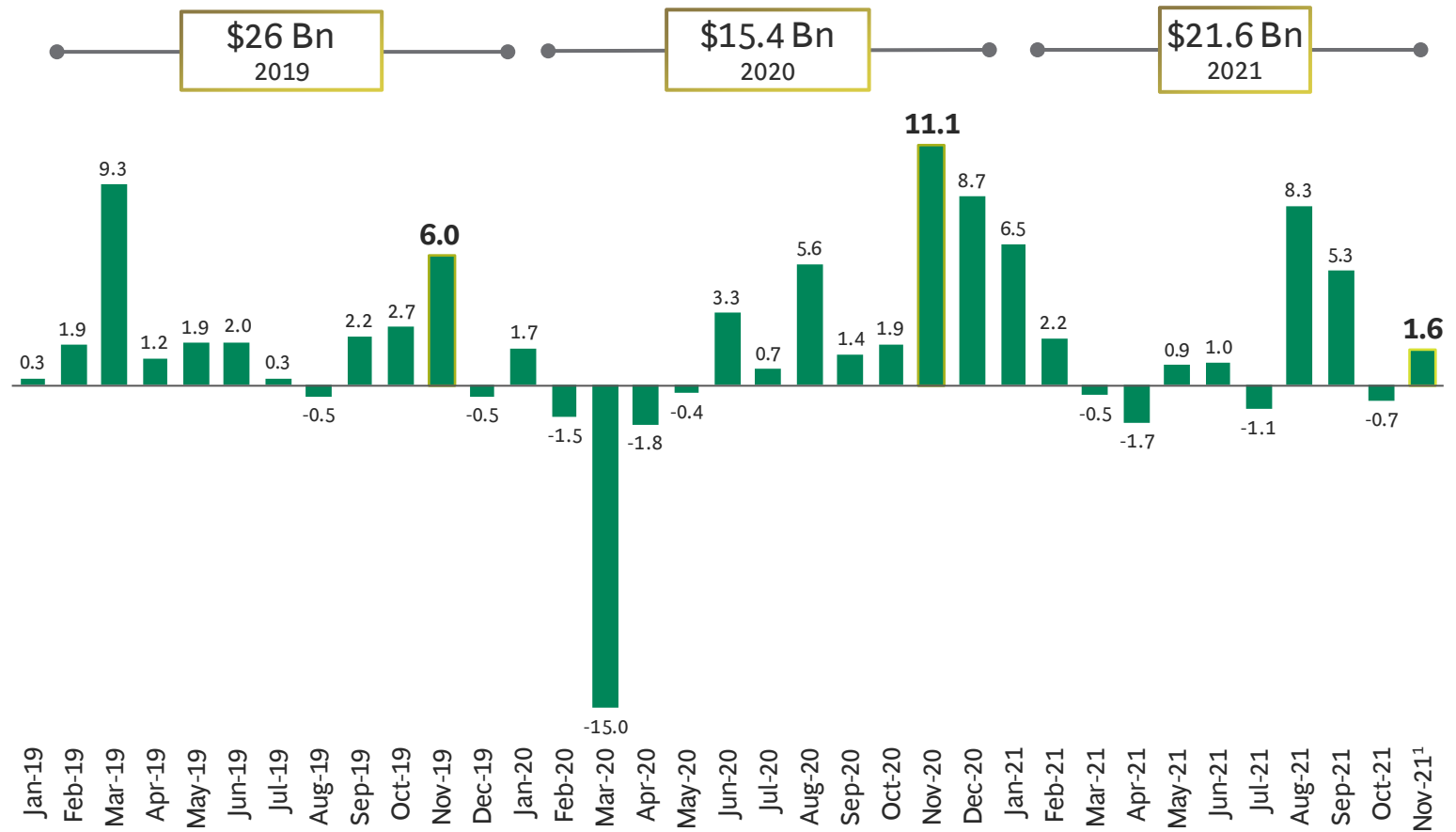
Source: CMIE

xx Annual (Calendar Year) FDI Inflows



Foreign Institutional Investments improved in Nov'21 vs. Oct'21, although remained significantly below 2019 & 2020 levels

Foreign Institutional Investments (\$ Bn)

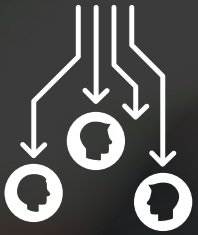


1. Nov'21 figures are provisional

Source: CMIE, RBI

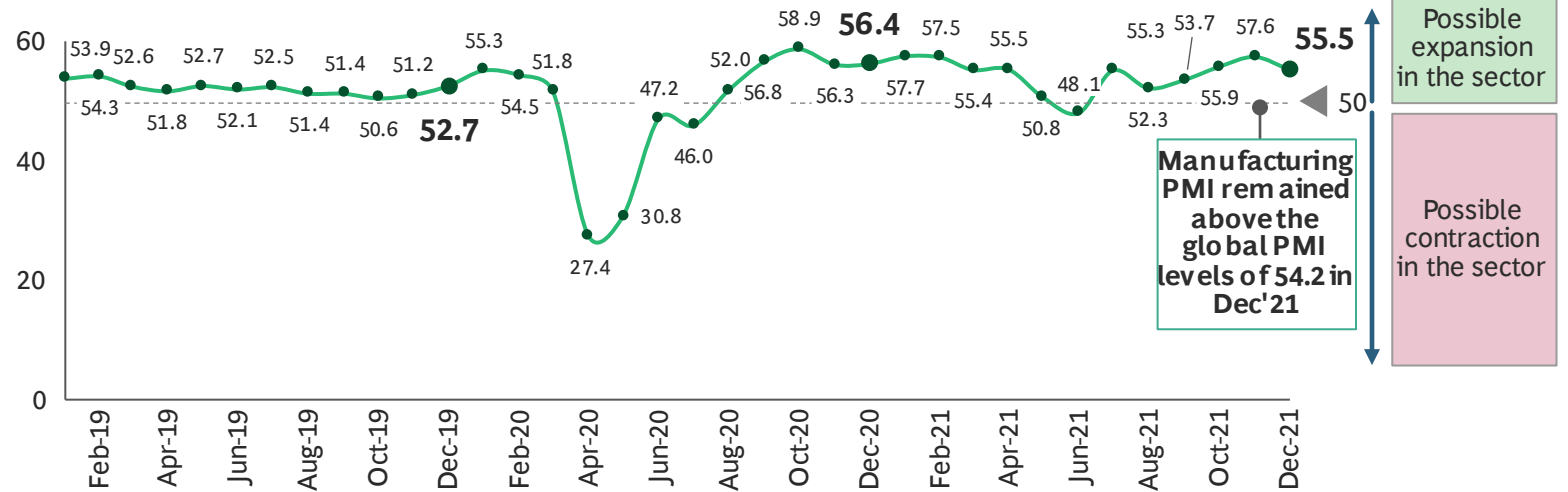
Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

xx Annual (Calendar Year) FIIs

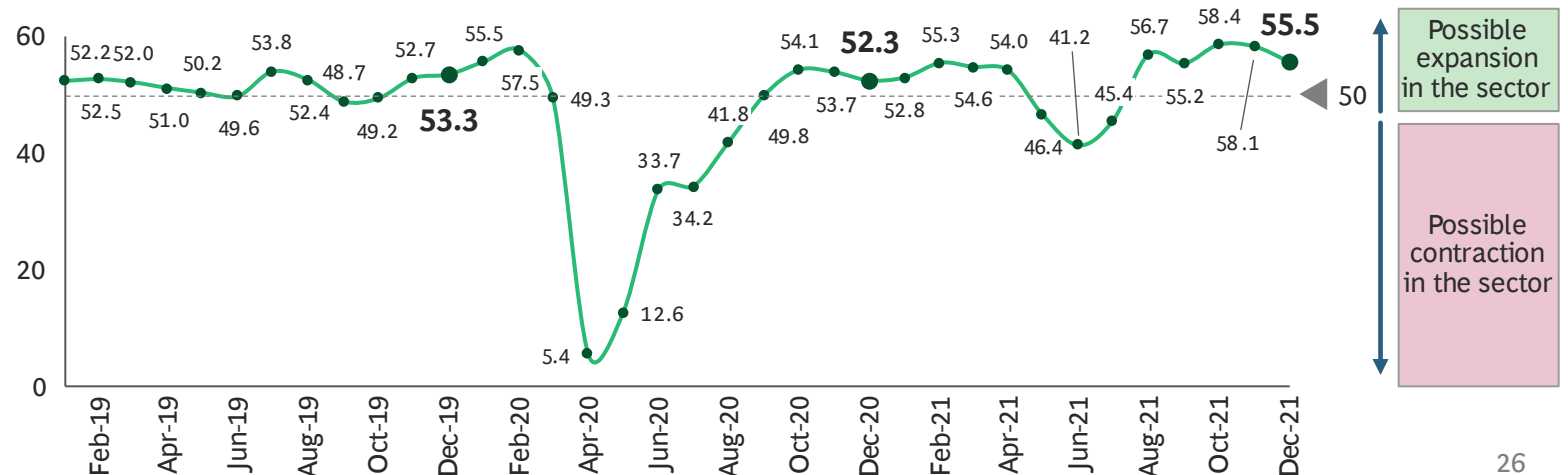


Both manufacturing & services PMI eased in Dec'21 vs. Nov'21, although remained above the 50-point mark

Manufacturing PMI

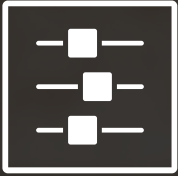


Services PMI



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

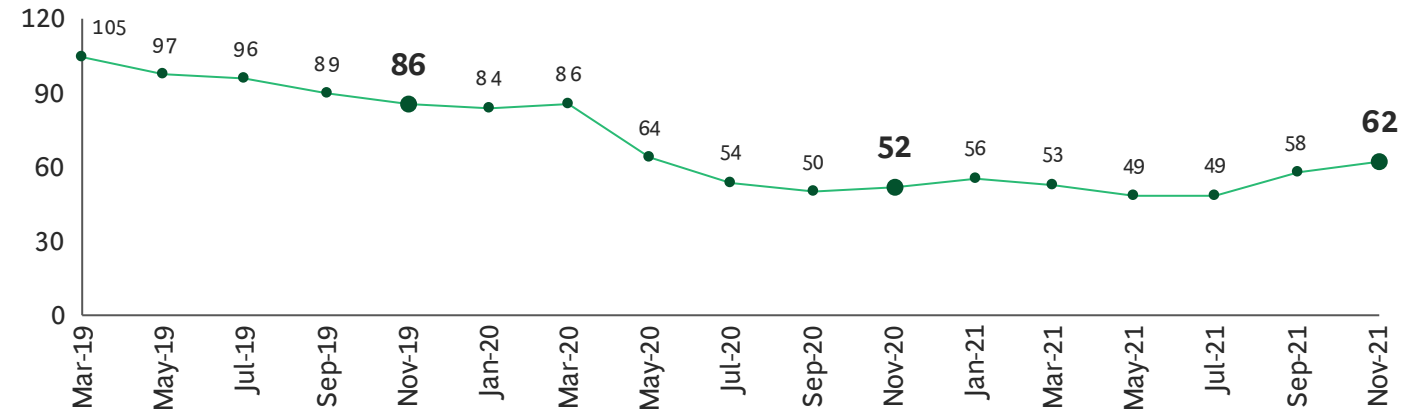


Consumer sentiment improved significantly in Nov'21 vs. previous months; FEI continued on a steady upward trajectory in Nov'21 vs. previous months

Source: RBI
 Sample size: 5,310 households across 13 major cities surveyed during 25th Oct to 3rd Nov, 2021
 $CSI/FEI = 100 + \text{Average of Net Responses of (General Economic Situation, Employment Scenario, Price Level, Household income and Overall Spending)}$. 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.

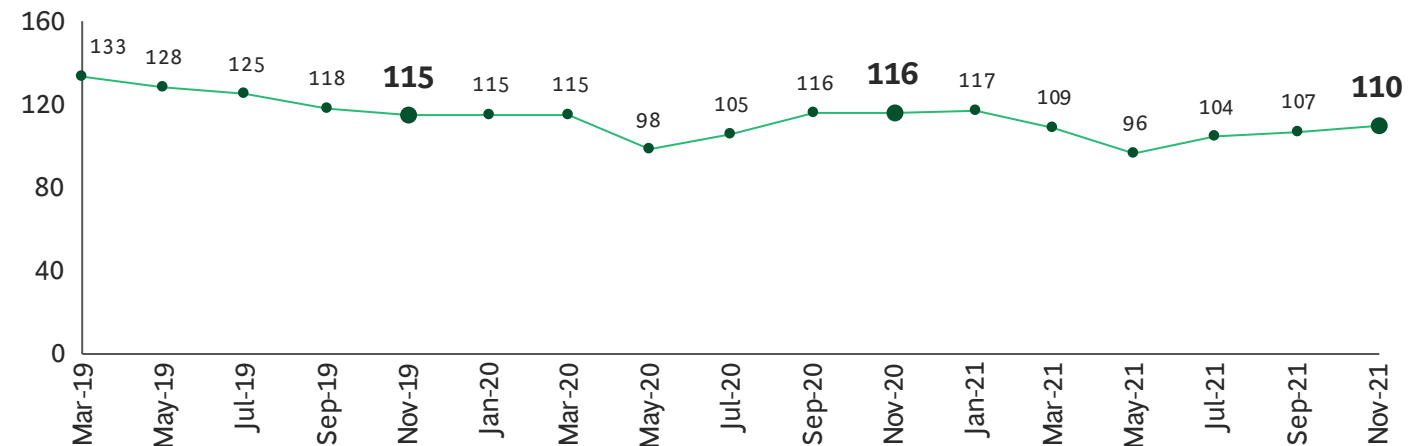
Current Situation Index (CSI)

CSI summarizes the consumers' current perception as compared to a year ago based on general economic situation, employment scenario, price level, households' income and spending, as per RBI Consumer Confidence Survey

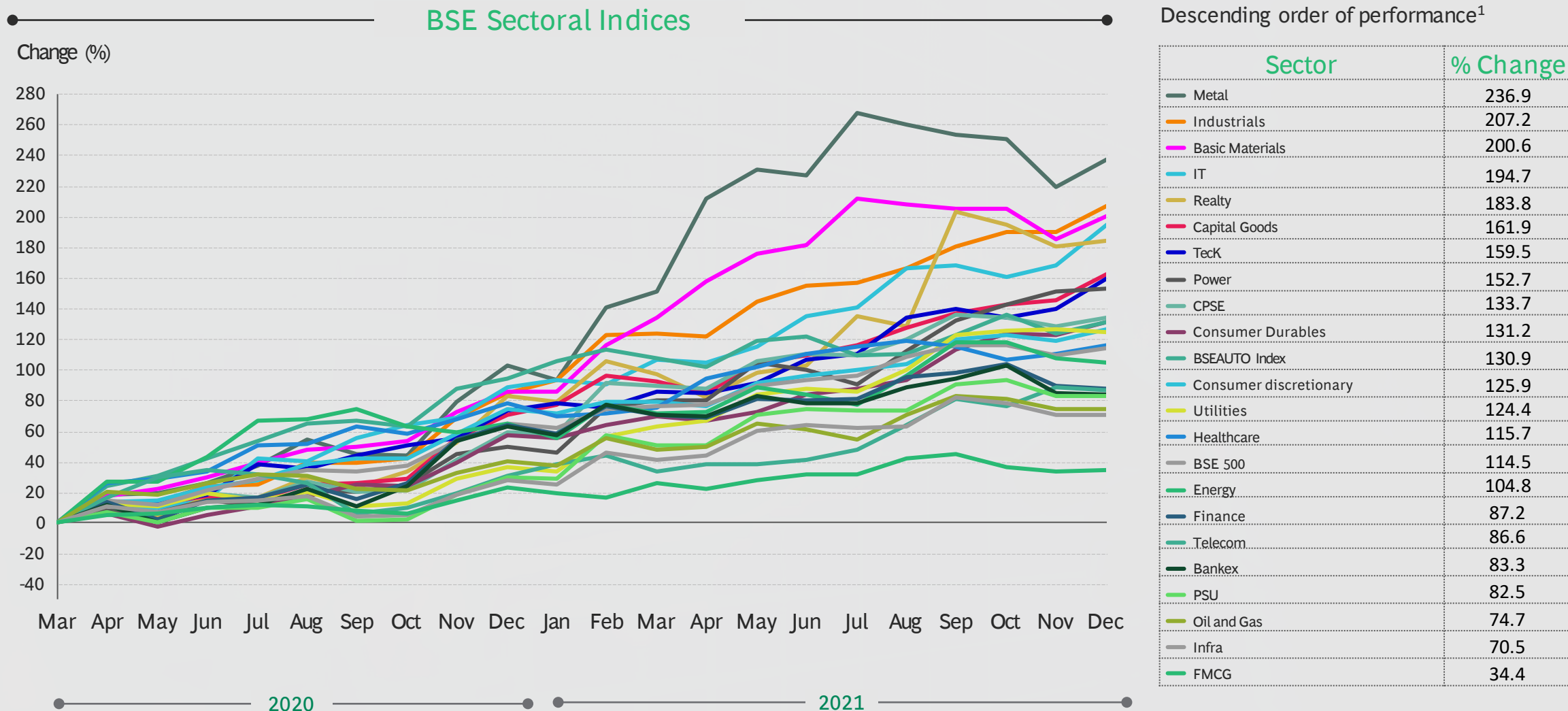


Future Expectations Index (FEI)

FEI reflects consumer expectations one year ahead and is calculated based on average net responses on future perceptions on various factors such as economic conditions, income, spending, price level, as per RBI Consumer Confidence Survey



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



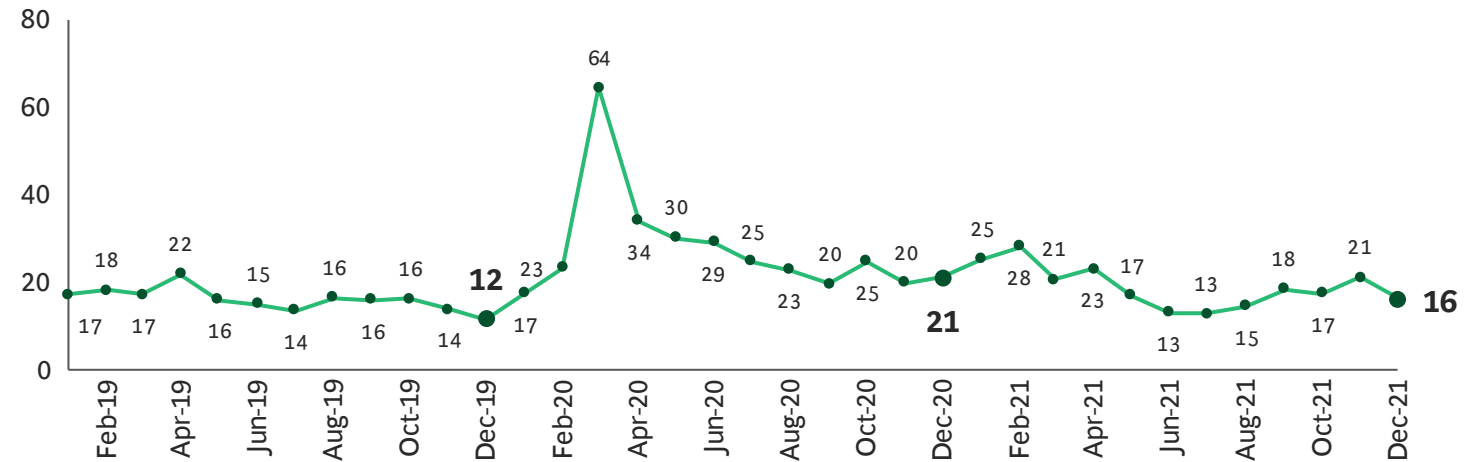
1. Growth rate vs. 31st Mar'20 2. The S&PBSE TECK index comprises constituents of the S&P BSE500 that are classified as members of the media & publishing, information technology and telecommunications sector 3. CPSE- Central Public Sector Enterprises; Source: S&P Global, Refinitiv DataStream, BCG analysis



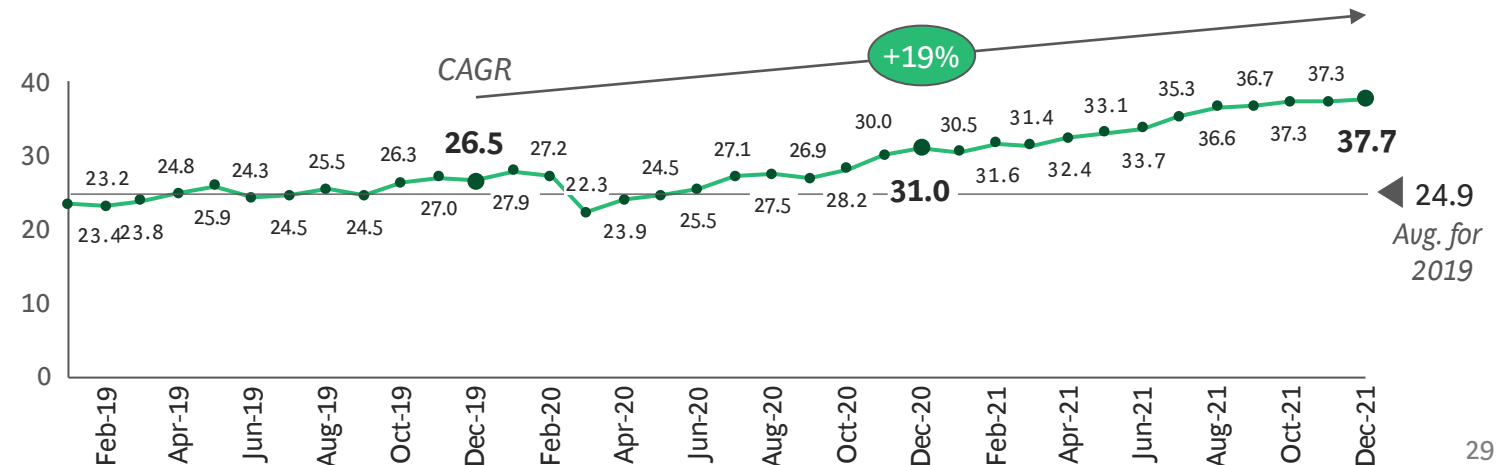
Volatility fell sharply in
Dec'21 vs. Nov'21

Mutual fund AUM grew in
Dec'21 vs. previous
months & Dec'19 levels

India Volatility Index (VIX)¹



Mutual Funds AUM² (INR L Cr)



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

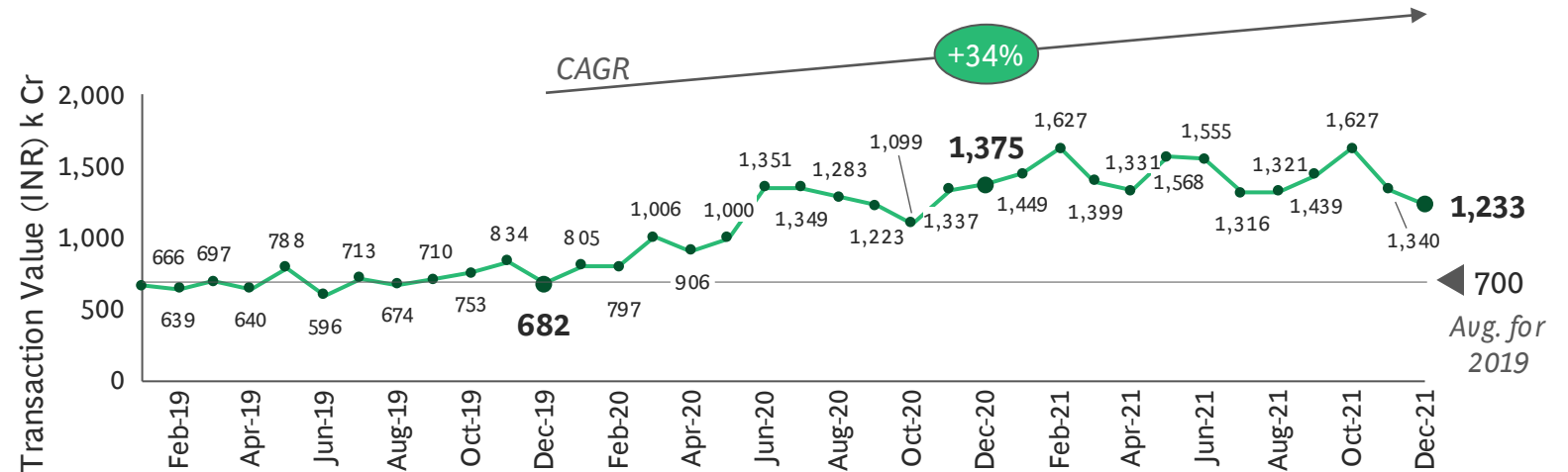
2. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown

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

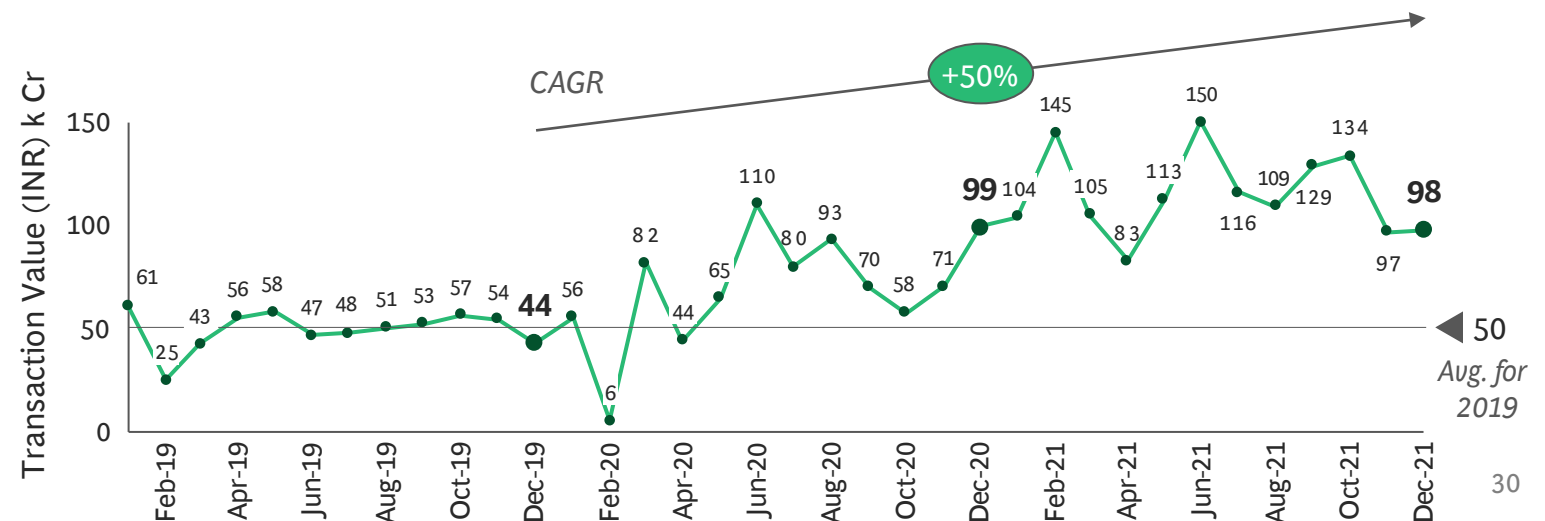


NSE transactions declined in Dec'21 vs. Nov'21; BSE transactions remained near Nov'21 levels in Dec'21

NSE Transactions (INR k Cr)



BSE Transactions (INR k Cr)





1

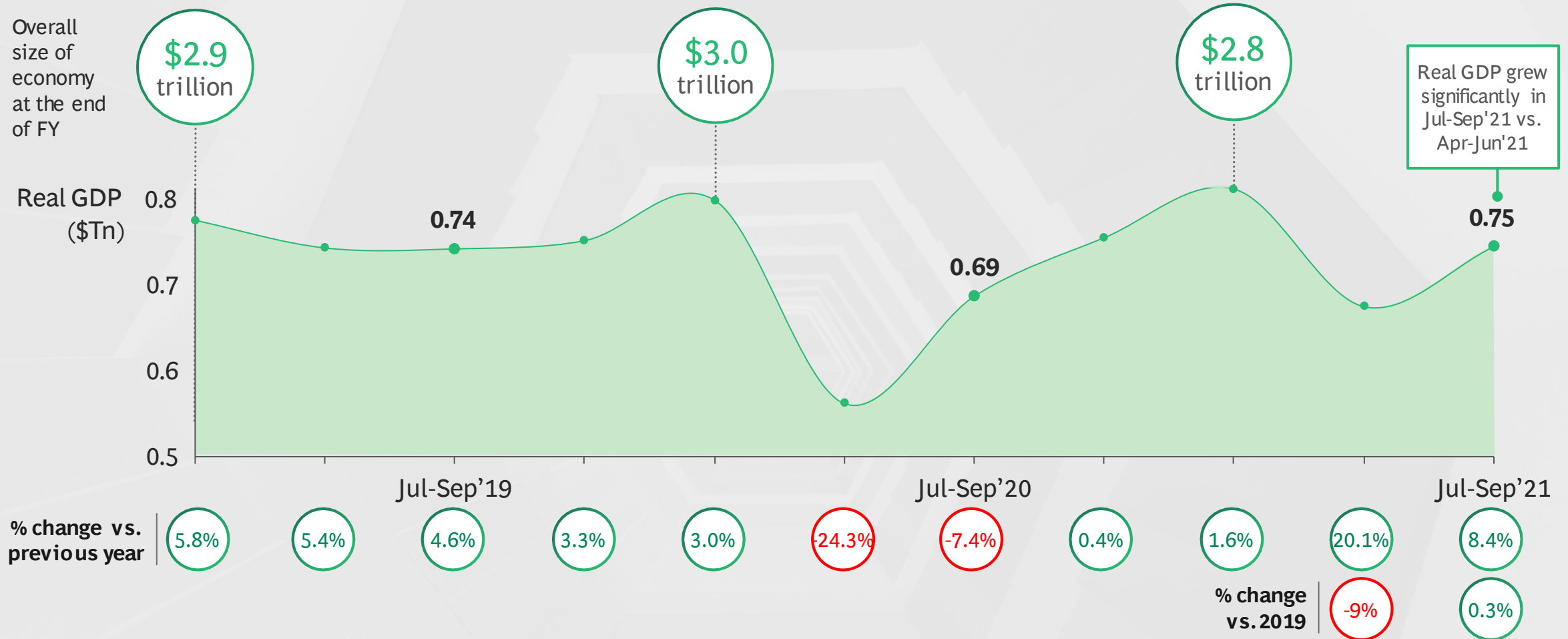
Economic Indicators

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%

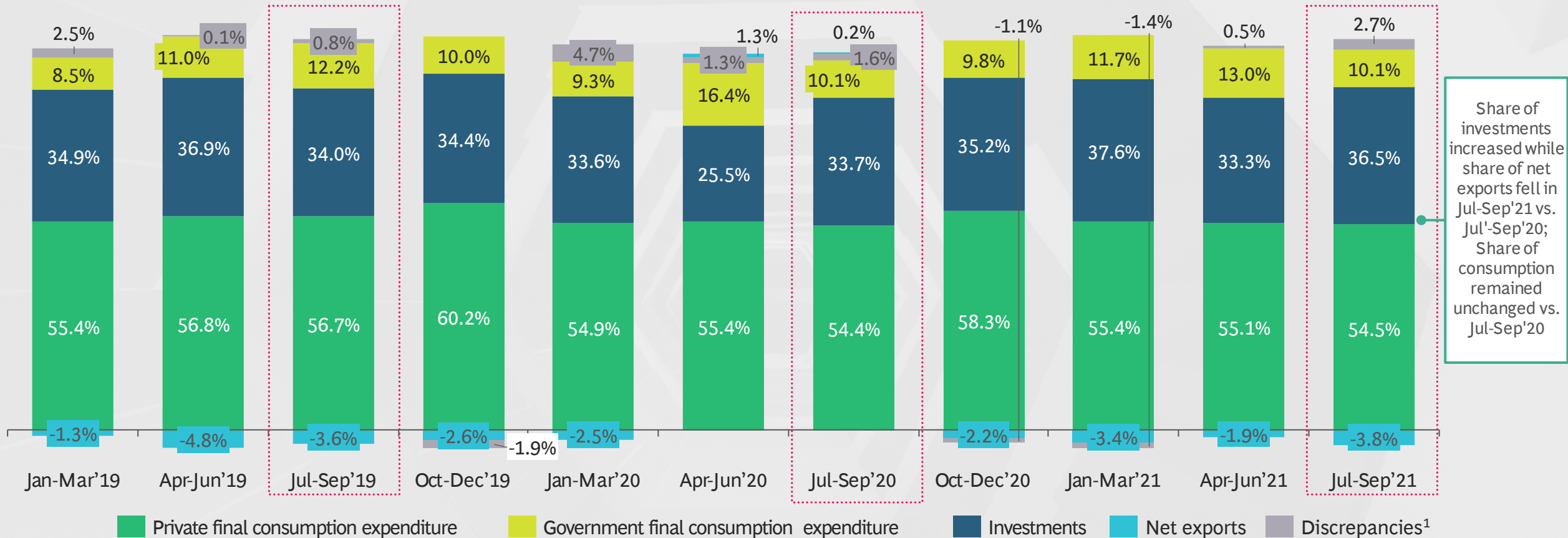
Source: MOSPI, BCG Analysis

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



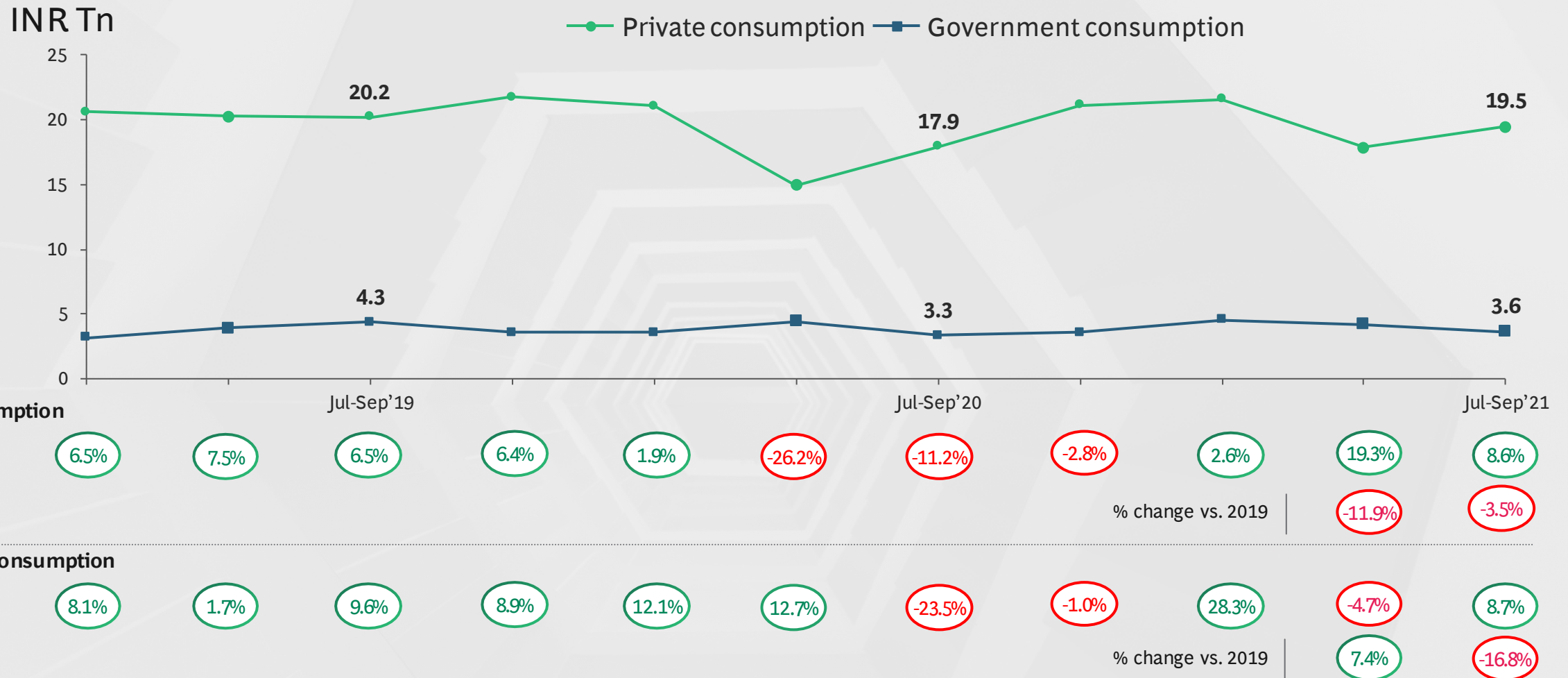
1. Statistical Discrepancy: taking the GDP from the production approach as the control total, gives the measure of the overall difference between the production approach and the expenditure approach followed for estimation.

Note: This composition is basis Real GDP

Source: MOSPI, BCG Analysis

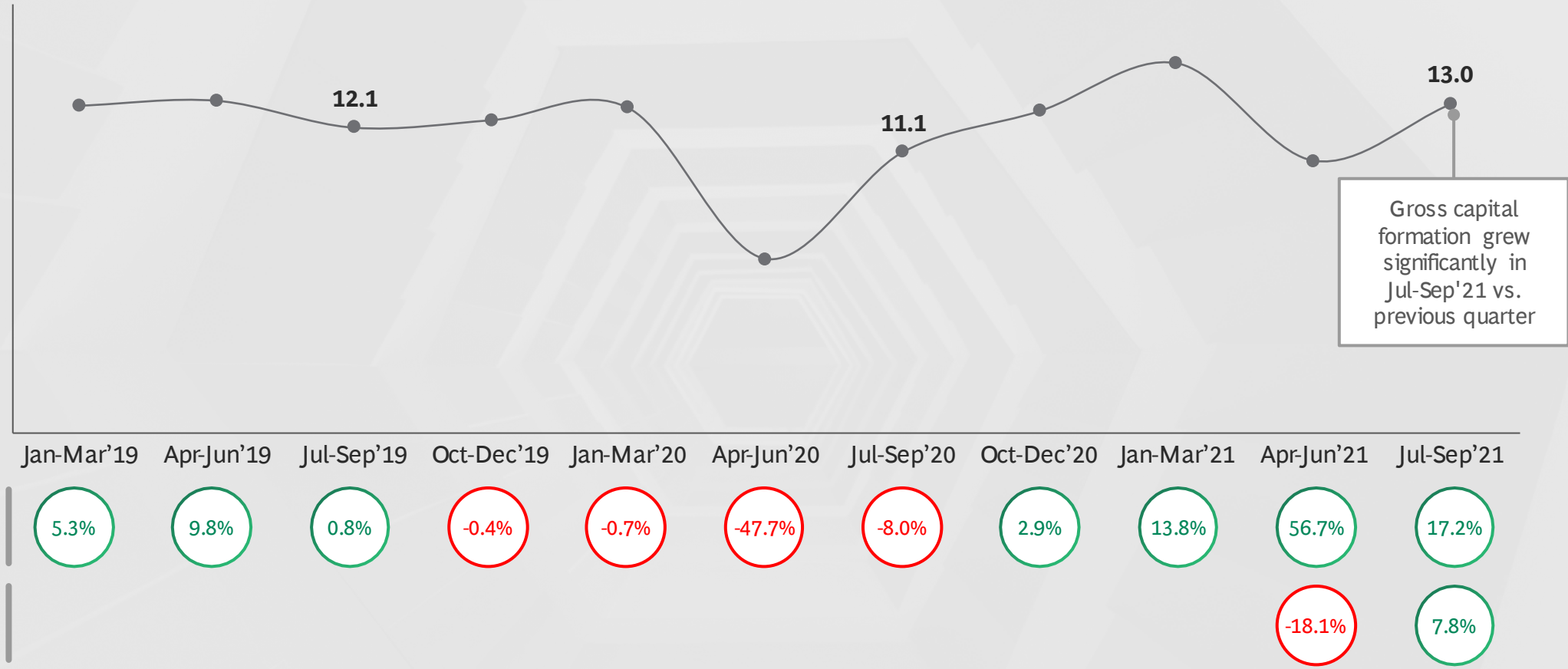
Pvt. & Govt. consumption grew by 8%+ YoY in Jul-Sep'21, however contracted vs. Jul-Sep'19 levels

GDP
DEEP-DIVE



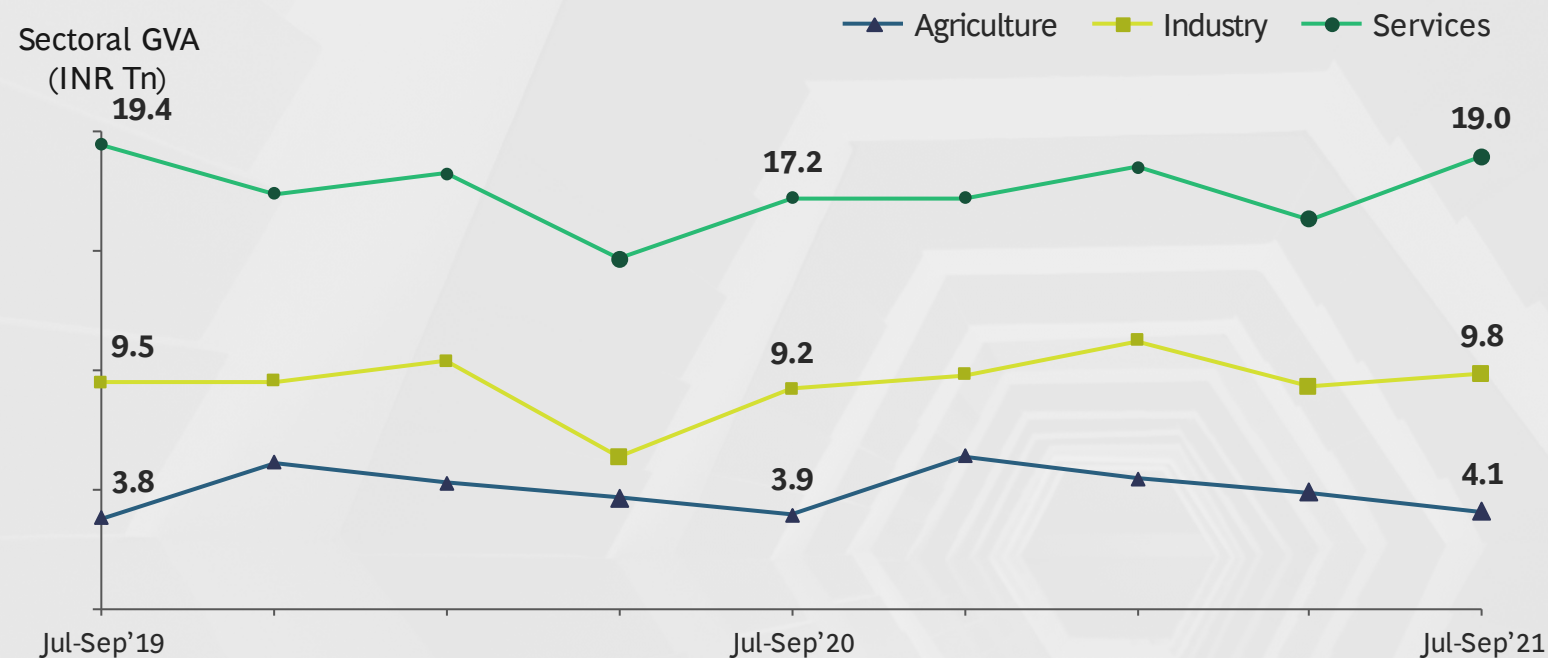
Gross capital formation improved in Jul-Sep'21 vs. Jul-Sep'20 & Jul-Sep'19 levels

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%

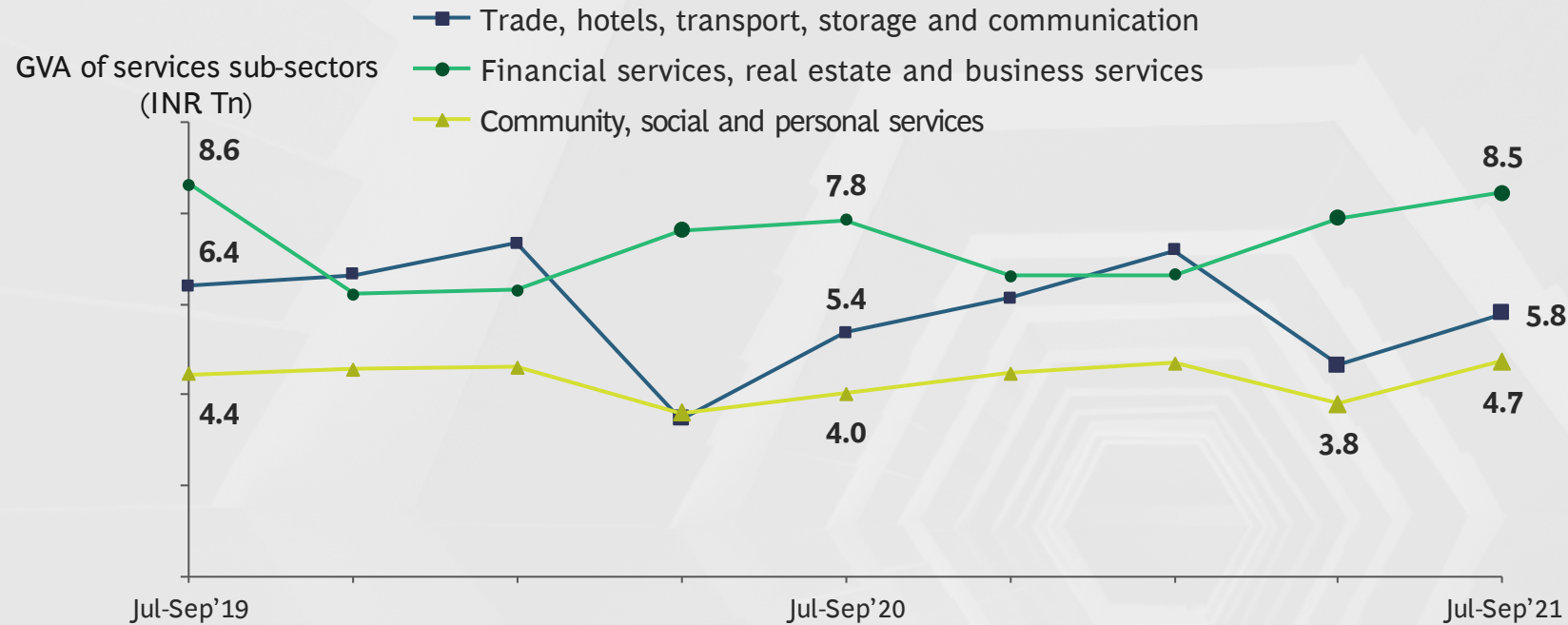
Jul-Sep'21

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%

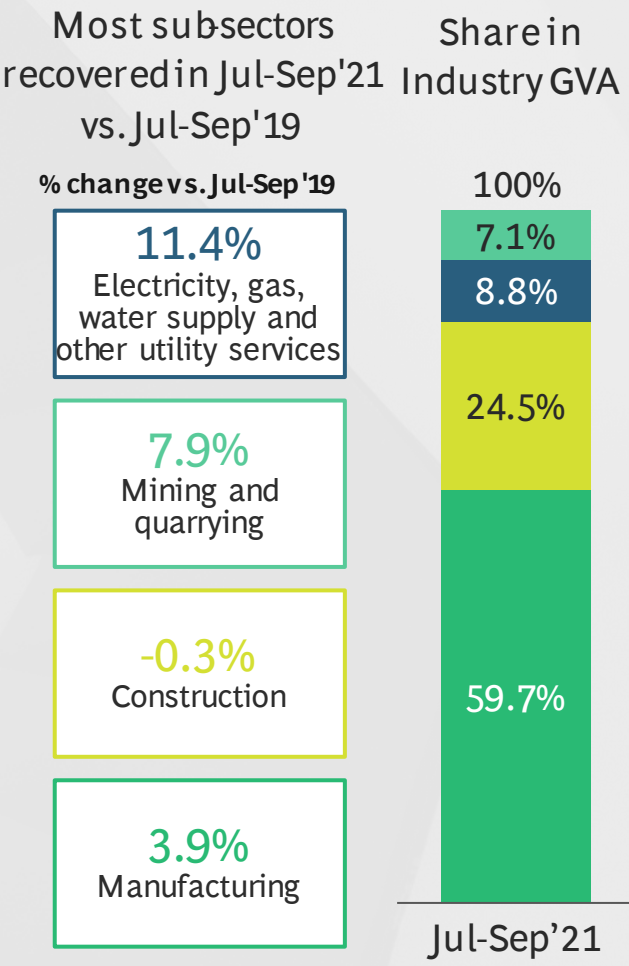
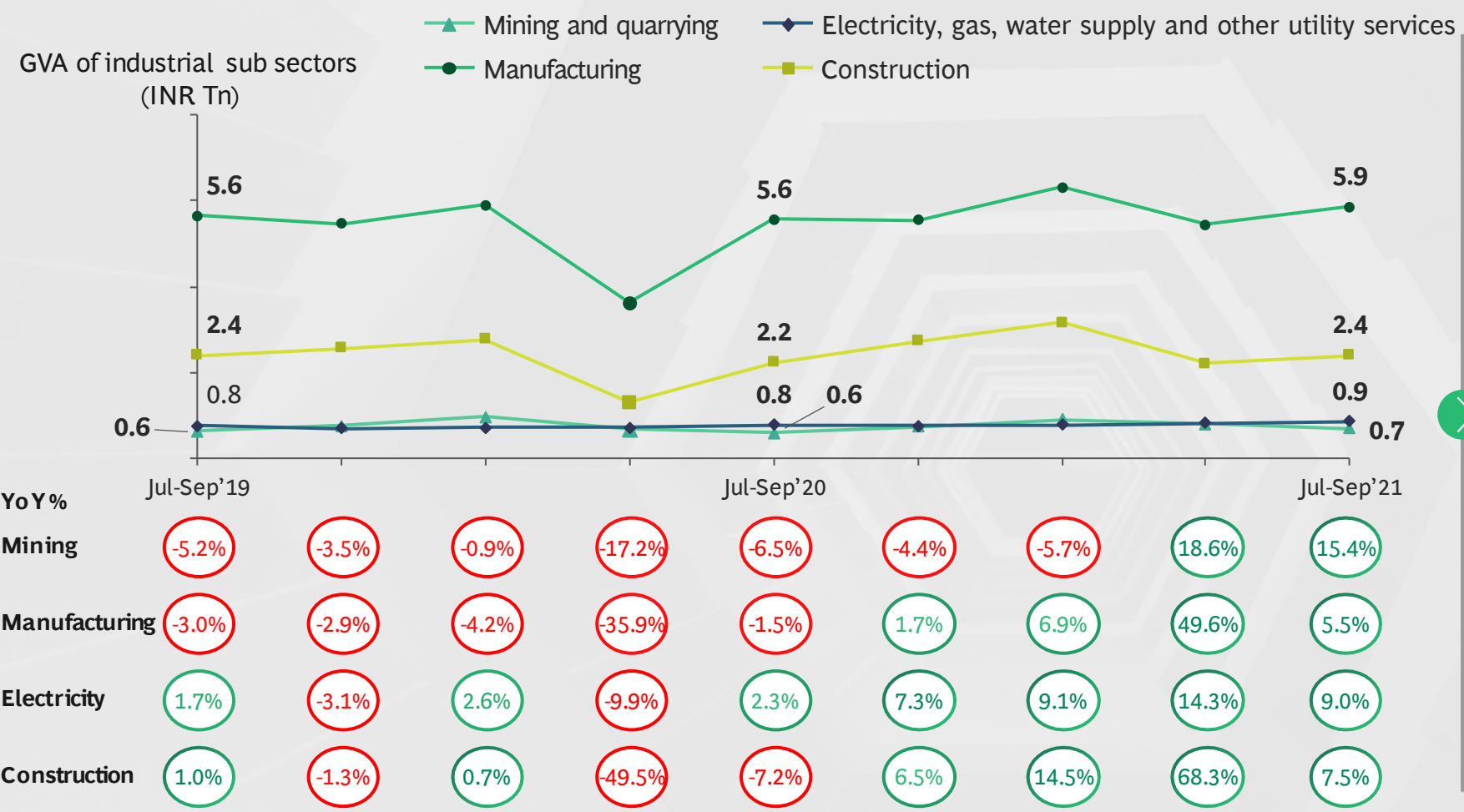
24.9%

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



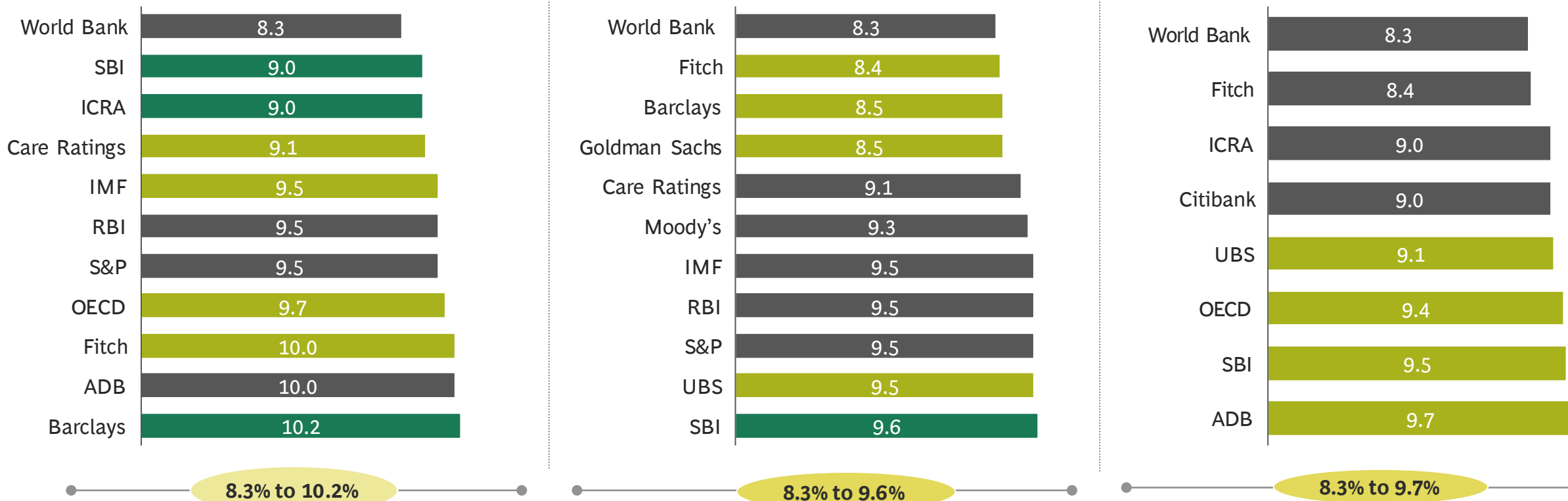
India's FY22 GDP forecasted to grow within the range 8.3% to 9.7% YoY; Projections revised downwards while some remained unchanged in Dec'21-Jan'22

India GDP growth forecast for FY22 (YoY,%)

Jul-Sep'21

Oct-Nov'21

Dec'21-Jan'22



Data as of 21 Jan'22; 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

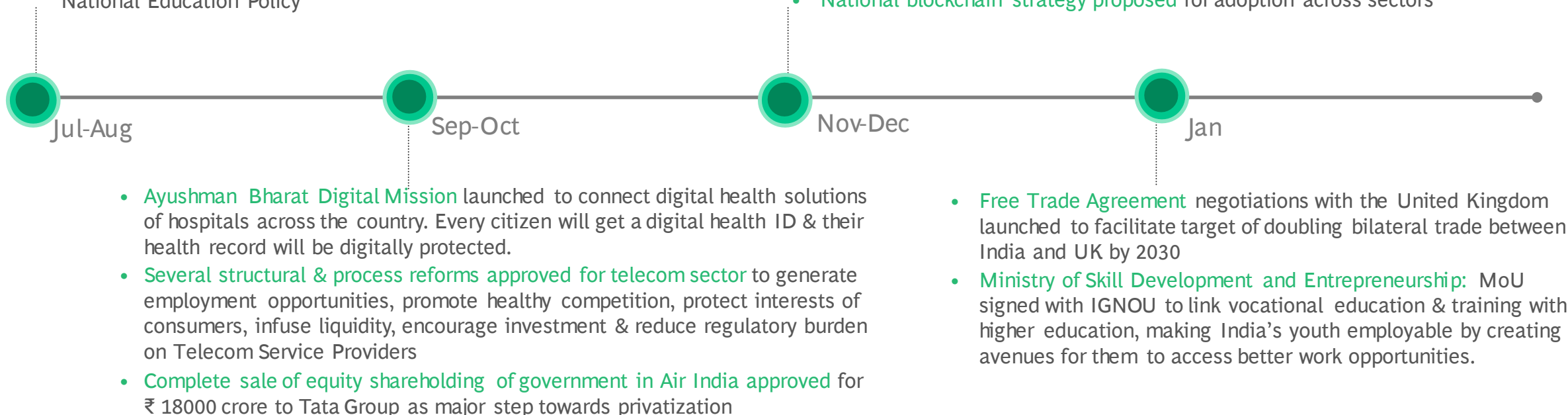
Several schemes announced to improve socio-economic conditions & drive Digital India agenda in 2021

Data as of 21st Jan'22

NON - EXHAUSTIVE

- **National Monetization Pipeline** worth ₹ 6 lakh crore announced to promote infrastructure creation & explore innovative ways of private participation without transfer of government ownership
- **NIPUN Bharat Mission launched** to improve foundational literacy and numeracy. Centre has set a target of achieving this by 2026-27 instead of 2025 as envisaged in the new National Education Policy

- **Pradhan Mantri Garib Kalyan Yojana extended** till Mar'22 as part of Govt's economic response to the pandemic. All beneficiaries covered under the National Food Security Act (NFSA) will continue to receive free-of-cost 5 kg of food grains per person every month
- **Electronic manufacturing boost:** Government will provide financial support of up to 50% of project cost for two semiconductor & two display fabs in the country
- **National blockchain strategy proposed** for adoption across sectors



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