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# India Economic Monitor

## March 2021 Update

# Executive Summary

India's GDP witnessed a 0.4% YoY growth in Oct-Dec'20 quarter vs. ~7% & ~24% contraction respectively in the previous two quarters. Both private & government consumption improved vs. previous quarter. Gross capital formation saw positive YoY growth after 4 quarters & industrial sector saw positive YoY growth after 5 quarters. In Feb'21- Merchandize trade continued to witness positive YoY growth; Auto sales, insurance premium grew vs. last year levels; Logistics (except passenger traffic), GST collections continued to witness an uptick vs. last year levels; GDP projections saw an upward revision at 6-10% YoY contraction for this financial year.

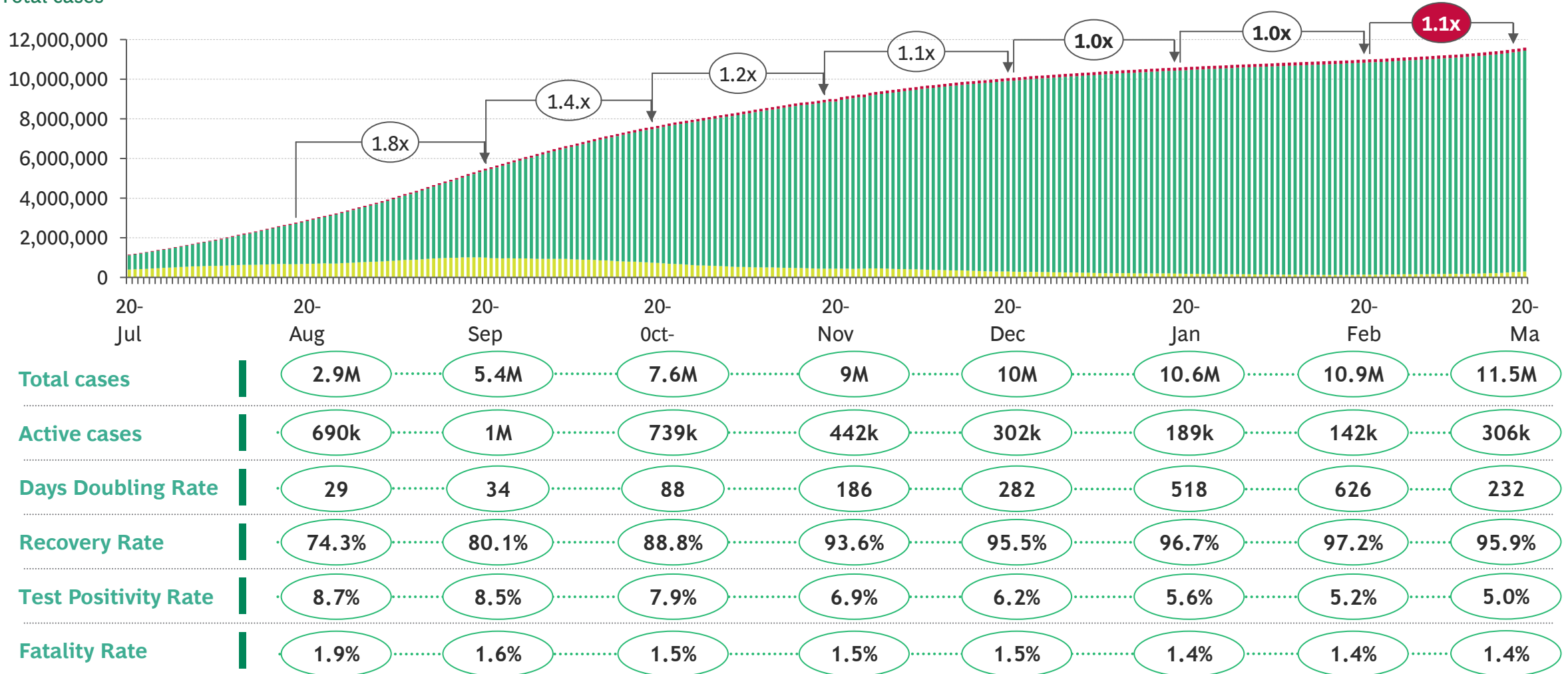
## Trends across key economic indicators

- **Industrial Activity:** Daily avg. power consumption continued to witness a 3% YoY growth in Feb'21; fuel consumption YoY gap widened to -5% in Feb'21 compared to -4% YoY in Jan'21; Index of Industrial Production dipped to -2% YoY after witnessing YoY growth in Dec'20
- **Trade:** In Feb'21, Merchandize exports & imports continued to witness YoY growth (1% & 7%); Services export & import YoY gap widened in Jan'21
- **Logistics:** FASTag transactions increased by 7% again in Feb'21 vs. Jan'21; E-way bills grew at 12% YoY in Feb'21 vs. 10% YoY growth in Jan'21; JNPT traffic continued to grow YoY in Feb'21 (at 11% YoY vs. 9% YoY in Jan'21); Air & rail passenger traffic improved in Jan-Feb'21 vs. previous months, however still significantly far from pre-COVID levels
- **Financial Services:** Aggregate deposits & bank credit improved vs. previous months; YoY growth rate improved in the last week of Feb'21 vs. previous weeks; Value of UPI transactions witnessed 90%+ YoY growth, reaching INR 4.25 Tn in Feb'21
- **Sector-wise Impact:** PVs, 2W & tractor sales continued to grow YoY in Feb'21 (PV sales grew 3%, 2W sales grew 12%, tractor sales grew 30% YoY), 3W sales YoY gap improved to 18% de-growth (vs. 36% de-growth in Jan'21); Fertilizer sales continued to see a contraction vs. last year levels, though YoY gap improved in Feb'21 (to 1% de-growth); Both Life and Non-life insurance premium observed a favorable uptick vs. last year levels in Feb'21
- **Macroeconomic Indicators:** GST collections continued to grow vs. last year for the 6<sup>th</sup> month in Feb'21, remaining above the INR 1 Tn mark; MGNREGA work demand & employment trended at ~20%+YoY levels, lower than YoY growth of previous months
- **Sentiment:** Urban consumer sentiment remained the same while rural marginally improved in Feb'21 vs. Jan'21, rural sentiment remained better than urban sentiment; Both Manufacturing & Services PMI remained beyond the 50-point mark in Feb'21 (57.5 & 55.3 respectively), Services PMI witnessed an appreciable growth vs. previous months; Improvement in value of stock market transactions in Feb'21 vs. previous months & last year; Mutual funds AUM continued to grow vs. last year levels in Feb'21

# COVID-19 cases in India on a continuous rise in Feb-Mar'21 with an increase in active case count in Mar'21

Data as of 20 Mar

Total cases



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

# Summary: Feb'21 trends continued to show improvement across select indicators, with most indicators exceeding last year levels

2020 2021

	Indicator	Unit	Mar	Sep	Oct	Nov	Dec	Jan	Feb
1	Industrial Activity								
	Power Consumption	MU	-10%	3%	10%	4%	5%	5%	3%
	Petroleum Consumption	MT	-18%	-4%	2%	-3%	-2%	-4%	-5%
	Index of Industrial Prod.	Index	-19%	1%	5%	-2%	2%	-2%	NA
2	Trade								
	Services Export	USD	1%	-1%	-6%	-5%	-6%	-10%	NA
	Services Import	USD	-2%	-9%	-12%	-12%	-8%	-16%	NA
	Merchandise Export	USD	-35%	6%	-5%	-9%	-1%	6%	1%
	Merchandise Import	USD	-29%	-20%	-12%	-13%	8%	2%	7%
3	Logistics								
	E-Way Bills Generated	Mn	-26%	9%	21%	8%	16%	10%	12%
	Railway Freight Originated	MT	-14%	16%	15%	9%	9%	9%	NA
	JNPT Container Traffic	TEUs	-13%	-5%	5%	8%	10%	9%	11%
	Air Freight	kT	-32%	-16%	-14%	-13%	-9%	-11%	NA
	Air Passenger Traffic	Mn	-38%	-70%	-62%	-57%	-50%	-47%	NA
	Rail Passengers Booked	Mn	-39%	-94%	-91%	-83%	-73%	-67%	-57%
4	Financial Services								
	UPI Transactions	Mn	24%	104%	102%	107%	105%	99%	91%
	Total Bank Credit	INR	6.1%	5.2%	5.4%	5.8%	5.9%	6.3%	6.6%
	Total Bank Deposits	INR	8.5%	11.3%	10.3%	10.8%	11.3%	11.3%	11.9%

2020 2021

	Indicator	Unit	Mar	Sep	Oct	Nov	Dec	Jan	Feb
5	Sector-wise Impact								
	Cement Production	MT	-25%	-4%	3%	-7%	-7%	-6%	NA
	Steel Sales	MT	-23%	-1%	1%	23%	18%	13%	NA
	Passenger Vehicle Sales	k	-50%	13%	9%	-3%	7%	2%	3%
	Tractor Sales	k	-50%	27%	9%	48%	41%	48%	30%
	Two-wheeler Sales	k	-36%	11%	18%	13%	11%	10%	12%
	Fertilizer Sales	MT	18%	-11%	9%	-10%	-14%	-5%	-1%
	Gross Premium (Life)	INR	-32%	26%	32%	-27%	-3%	4%	21%
	Gross Premium (Non-Life)	INR	-11%	-4%	-0.4%	3%	12%	7%	14%
	Pharma. Sales	INR	9%	5%	10%	1%	9%	5%	12%
	Chemical Production Index	Index	-2%	0%	3%	5%	5%	NA	NA
6	Macroeconomic Indicators								
	Total GST Collection	INR	-8%	4%	10%	1%	12%	8%	8%
	Central Govt. Expenditure	INR Tn	2.2	2.3	1.8	2.4	3.7	2.4	NA
	MGNREGA Jobs Demand	HHs	2%	71%	89%	50%	56%	39%	29%
	MGNREGA Jobs Provided	HHs	-1%	65%	83%	47%	47%	32%	19%
	No. of Tenders Announced	k	-4%	110%	201%	127%	253%	68%	54%
	FDI Inflow	USD Bn	4.9	4.1	5.1	6.8	7.3	NA	NA
	FII	USD Bn	-15.0	1.4	3.0	9.8	8.6	NA	NA
7	Sentiment								
	India VIX	Index	64.4	19.5	24.8	19.8	21.1	25.3	28.1
	PMI (Manufacturing)	Index	51.8	56.8	58.9	56.3	56.4	57.7	57.5
	PMI (Services)	Index	49.3	49.8	54.1	53.7	52.3	52.8	55.3

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. and 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





1

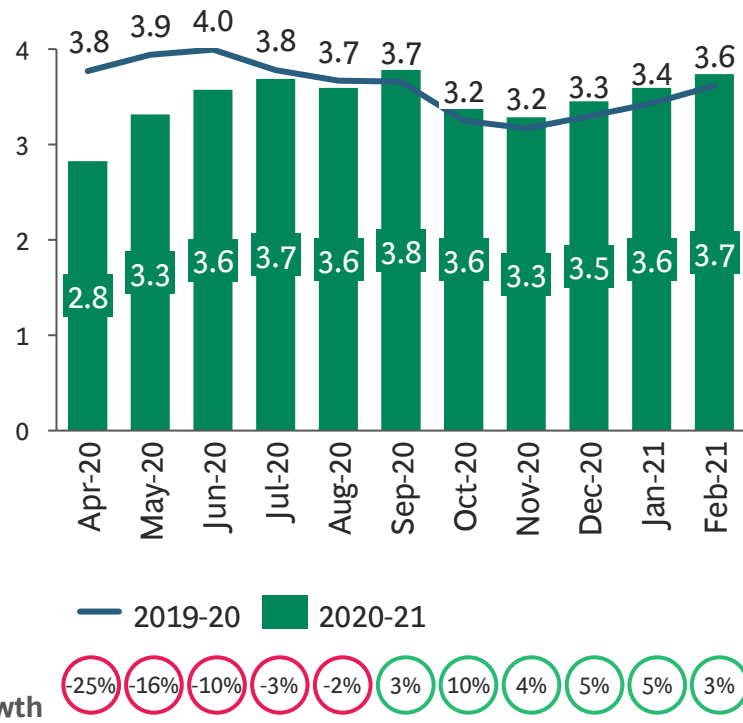
## Economic Indicators

2

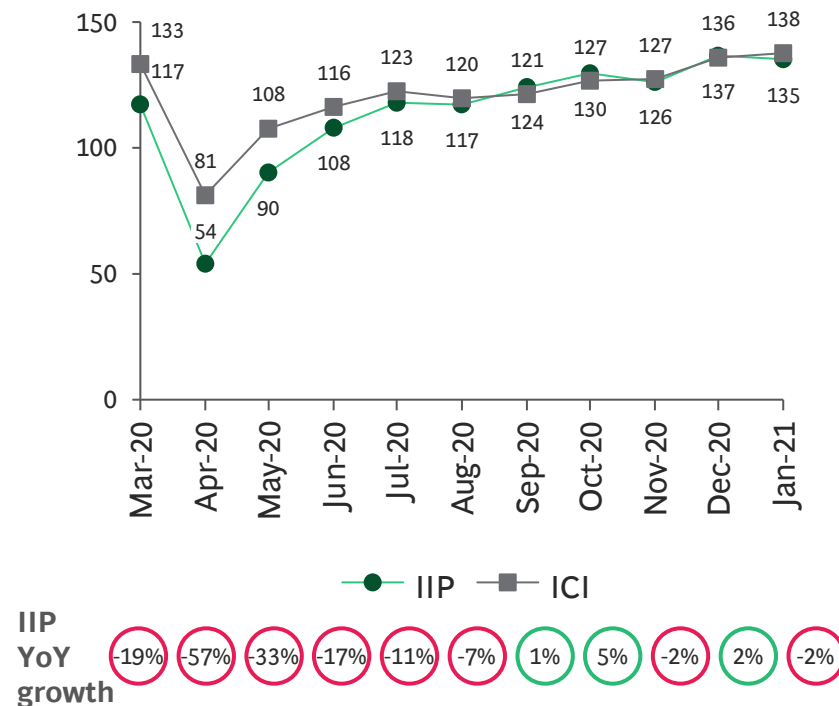
## GDP Deep-Dive

# Power consumption continued to grow & fuel consumption continued to dip YoY in Feb'21; IIP dipped YoY in Jan'21, after growing YoY in Dec'20

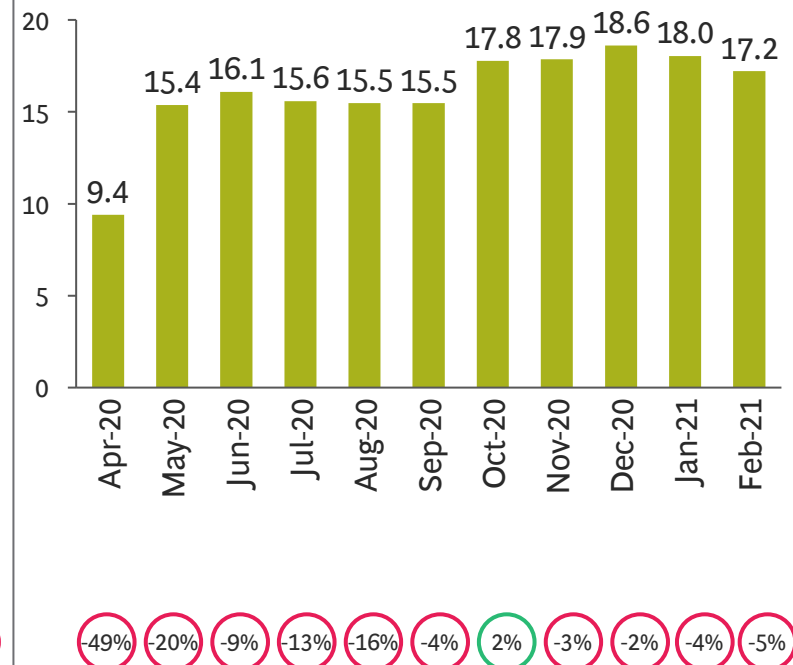
## Daily Average Power Consumption Volume ('000s MUs)



## IIP<sup>1</sup> (Index of Industrial Production) & ICI<sup>2</sup> (Index of Core Industries)<sup>3</sup>



## Consumption of Petroleum Products (in MMT)<sup>4</sup>



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)

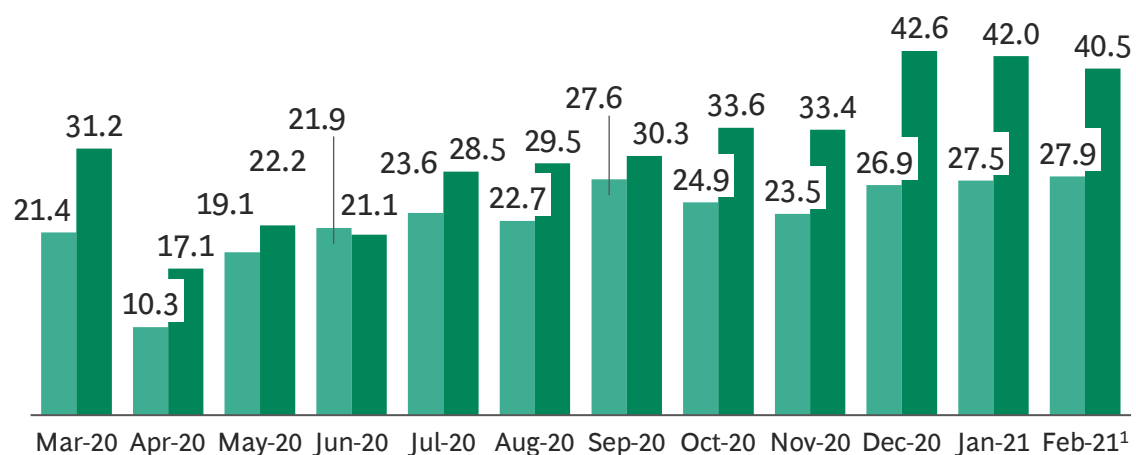
3. In view of the effect of the containment measures for COVID-19 pandemic, the indices for Apr-20 & May-20 are not comparable with preceding months

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 continued to improve, registering YoY growth in Feb'21; Services import & export YoY gap widened in Jan'21 vs. Dec'20

## Merchandise Trade (USD Bn)



Merchandise Exports Merchandise Imports

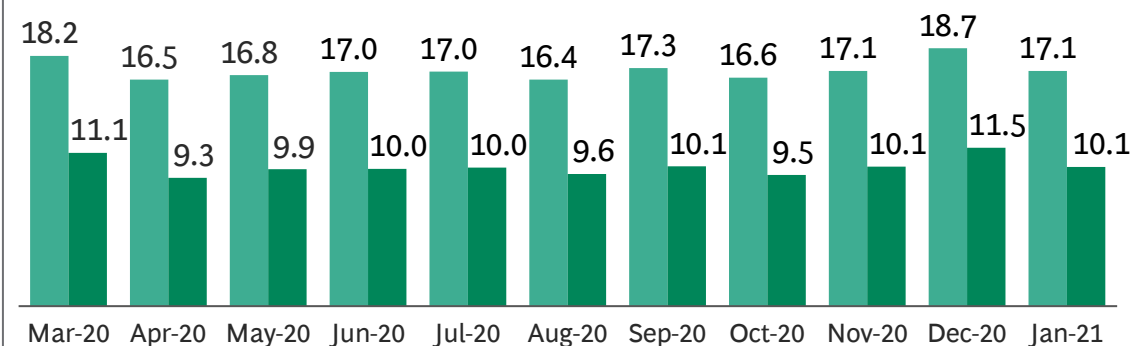
Exports YoY growth

-35%	-60%	-36%	-12%	-10%	-13%	6%	-5%	-9%	-1%	6%	1%
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Imports YoY growth

-29%	-60%	-52%	-48%	-28%	-26%	-20%	-12%	-13%	8%	2%	7%
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## Services Trade (USD Bn)



Services Exports Services Imports

Exports YoY growth

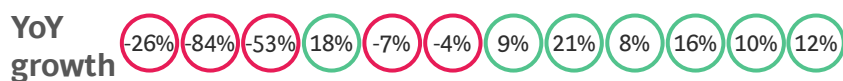
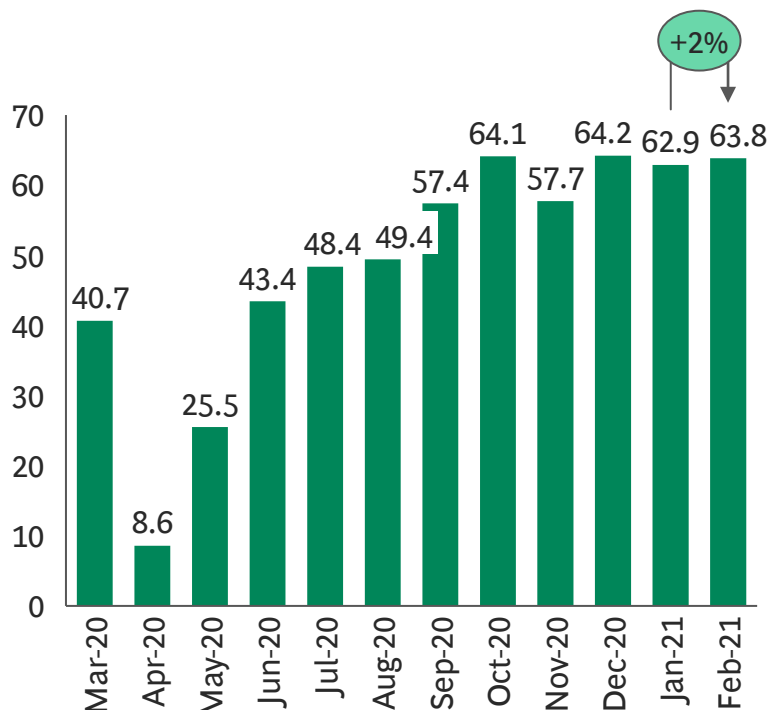
1%	-9%	-10%	-8%	-11%	-10%	-1%	-6%	-5%	-6%	-10%
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Imports YoY growth

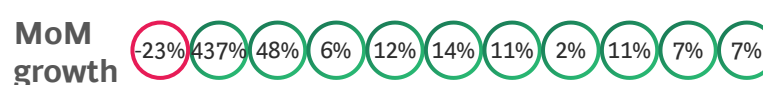
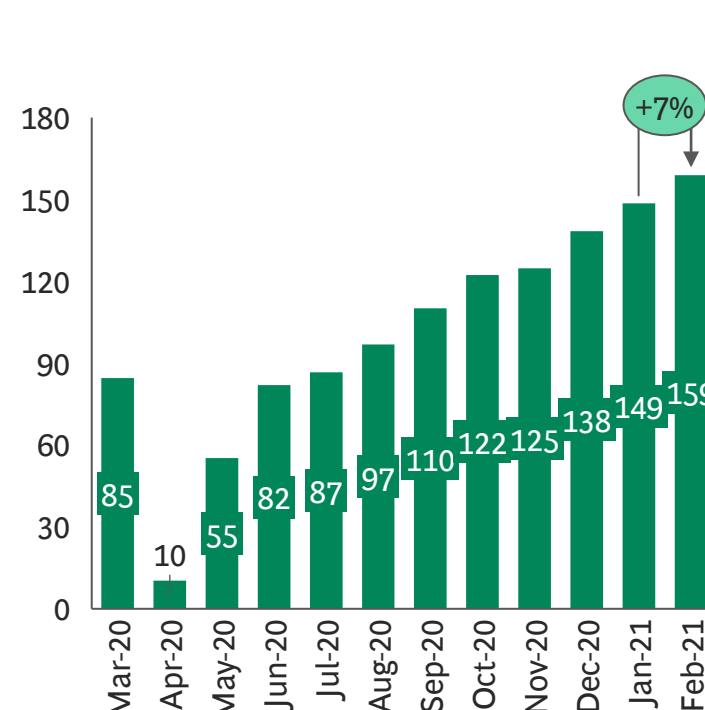
-2%	-18%	-20%	-15%	-22%	-20%	-9%	-12%	-12%	-8%	-16%
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# E-way bill & FASTag transaction volumes continued to grow in Feb'21; Rail freight continued to grow vs. last year & previous months in Jan'21

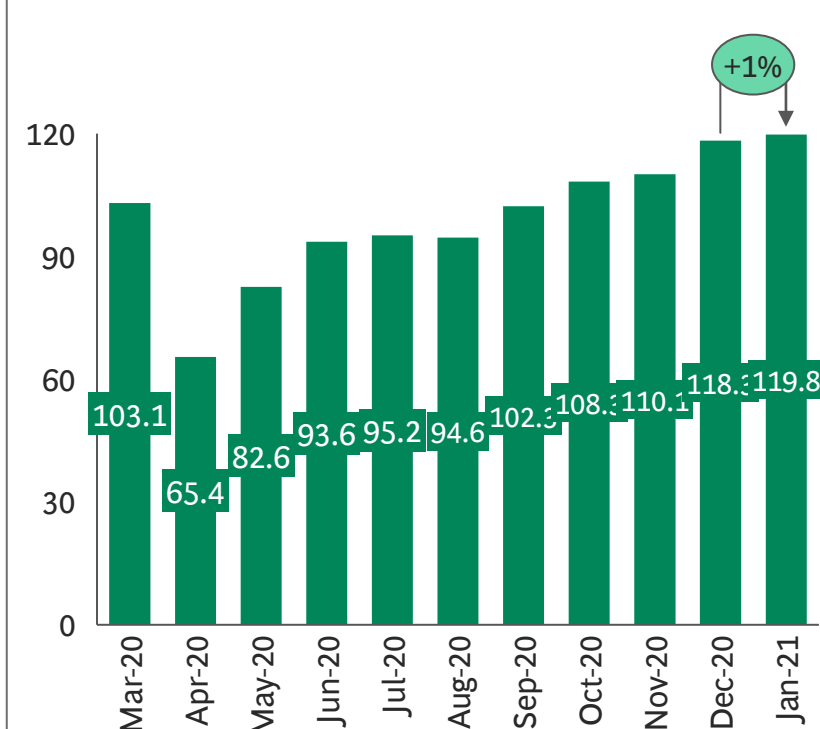
## E-way bills<sup>1</sup> generated (Mn)



## FASTag transaction volume (Mn)



## Railway freight traffic originating (Mn Tons)



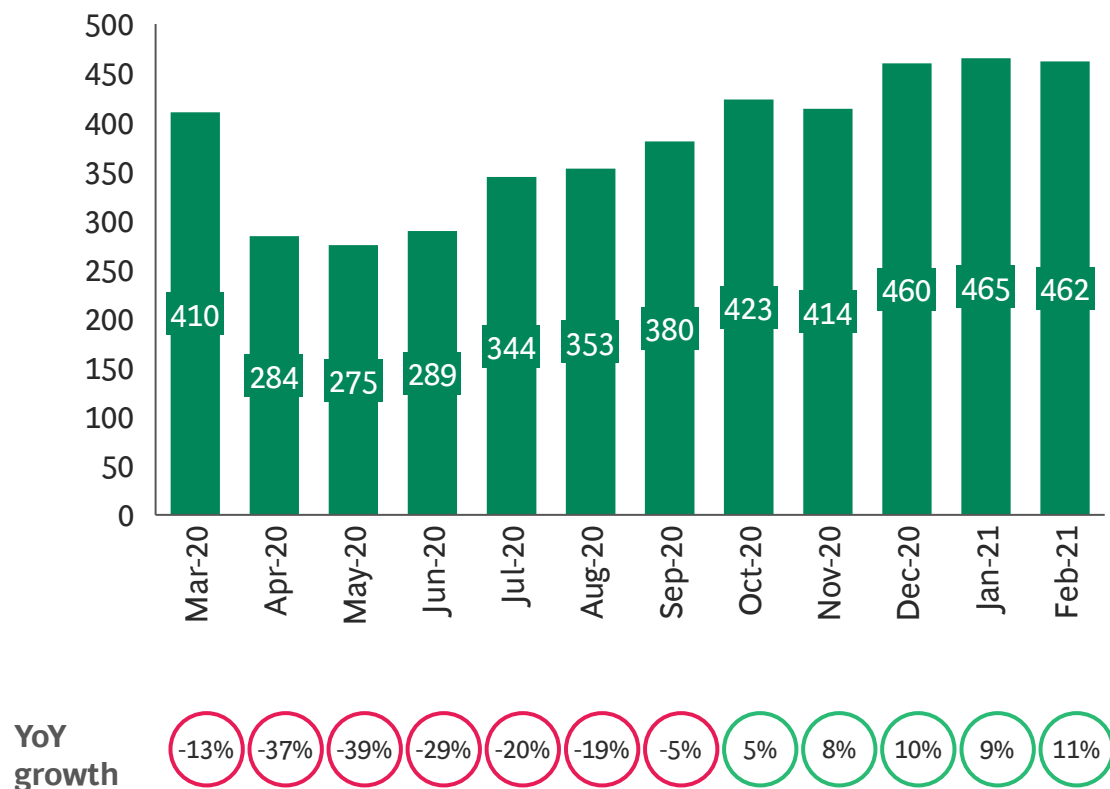
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000; 2. FASTag as per announcement by NHAI

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

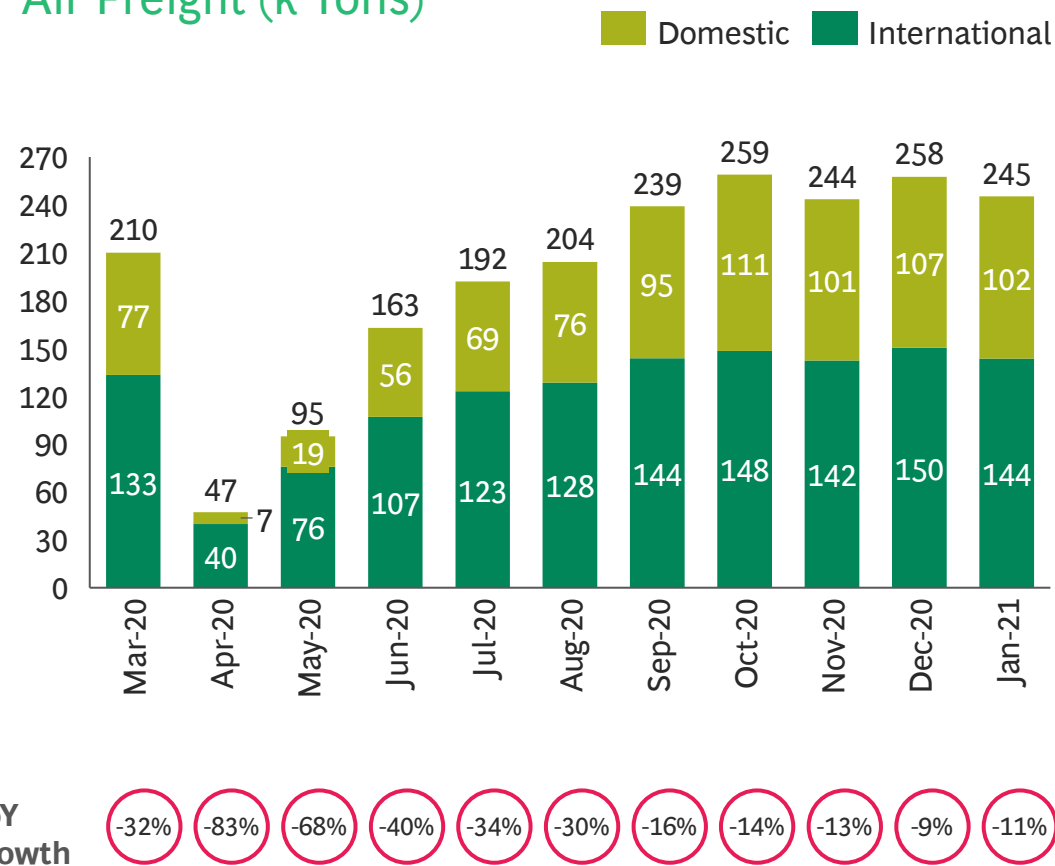


# JNPT traffic continued to improve YoY in Feb'21; Air Freight traffic dipped in Jan'21 vs. Dec'20 levels & remained below last year levels

## JNPT Container Traffic ('000s TEUs<sup>1</sup>)



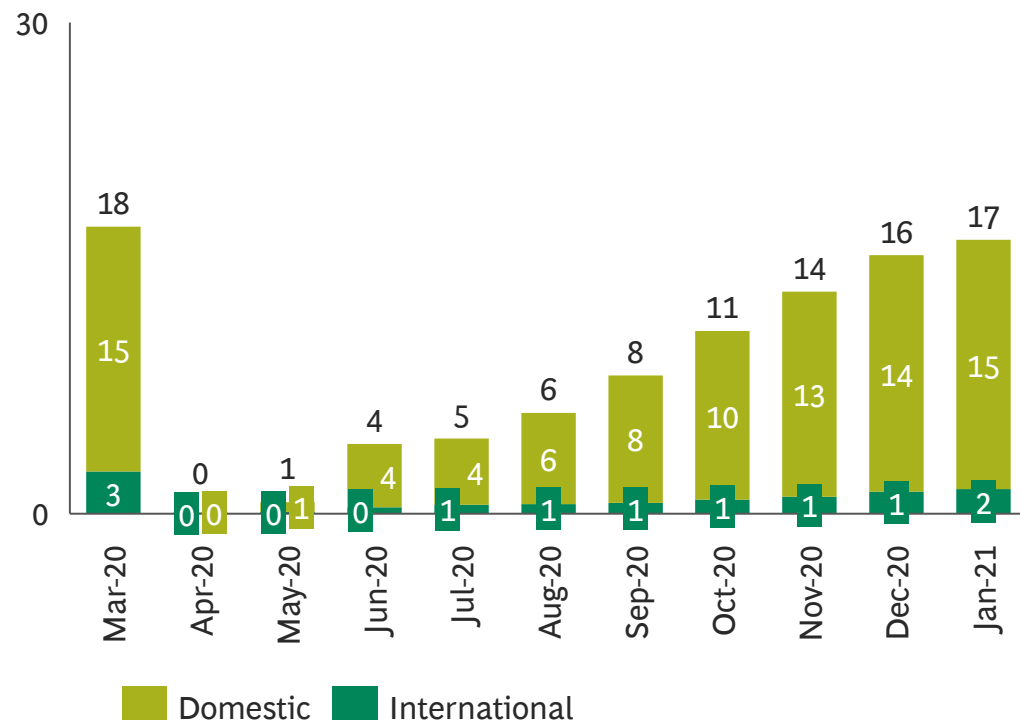
## Air Freight (k Tons)



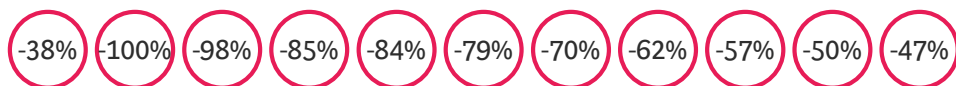
1. TEU refers to Twenty-foot equivalent unit equivalent to 20 shipping containers (20 feet long, 8 feet tall)  
Source: Jawaharlal Nehru Port Trust, Airport Authority of India, BCG analysis

# Air & rail passenger traffic continued to improve vs. Apr-Dec'20 levels, though still significantly below last year levels

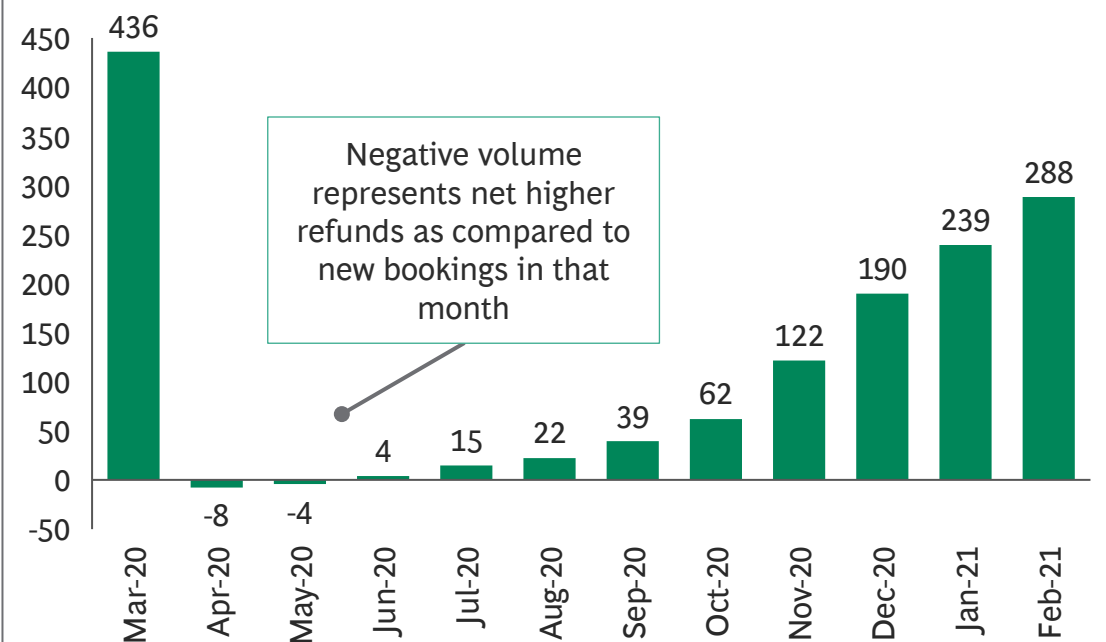
## Air Passengers (Mn)



YoY growth

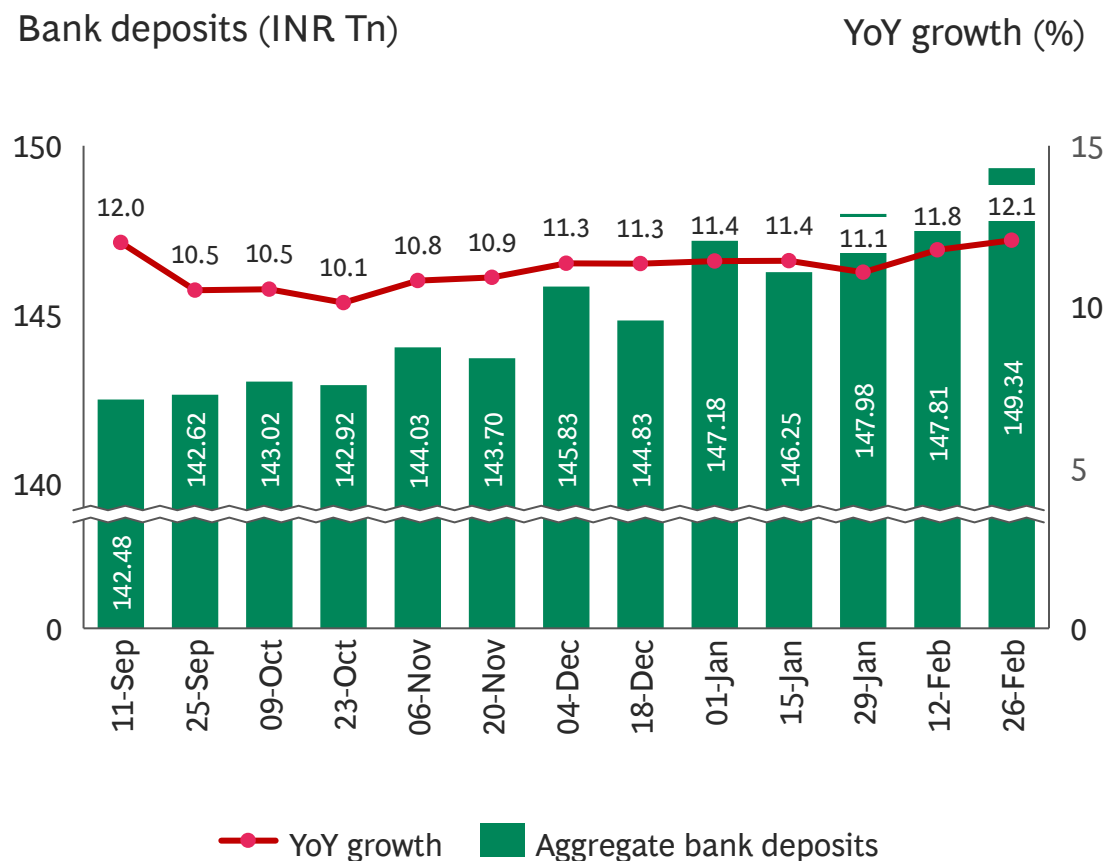


## Railway Passenger Bookings (Mn)

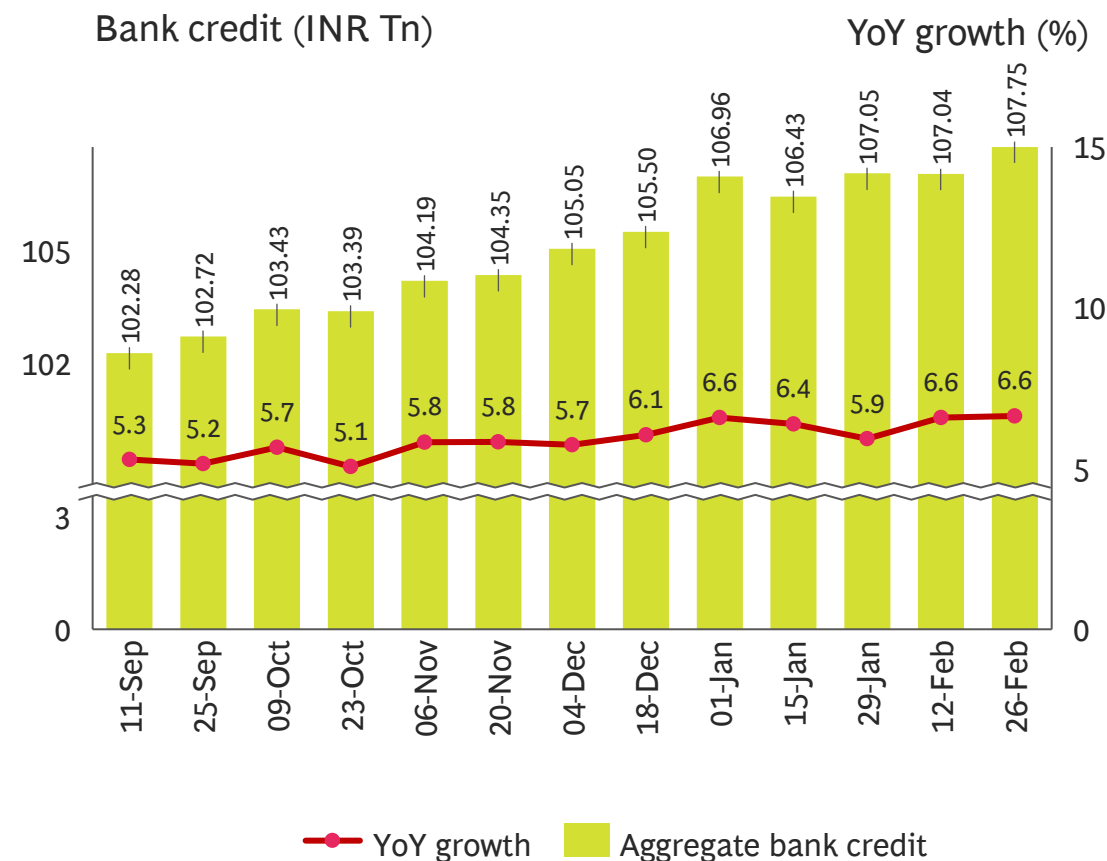


# Aggregate deposits & bank credit, and their YoY growth rate grew in the last week of Feb'21 vs. previous weeks

## Total deposits value & YoY growth aggregated for all banks

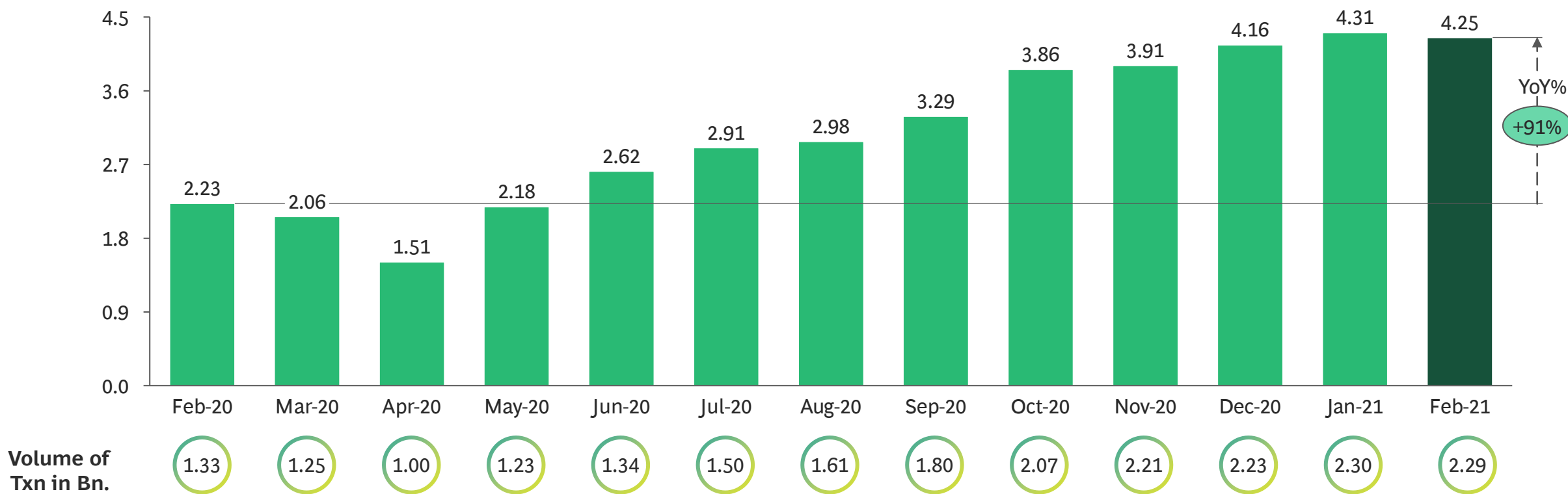


## Total credit outstanding value & YoY growth aggregated for all banks



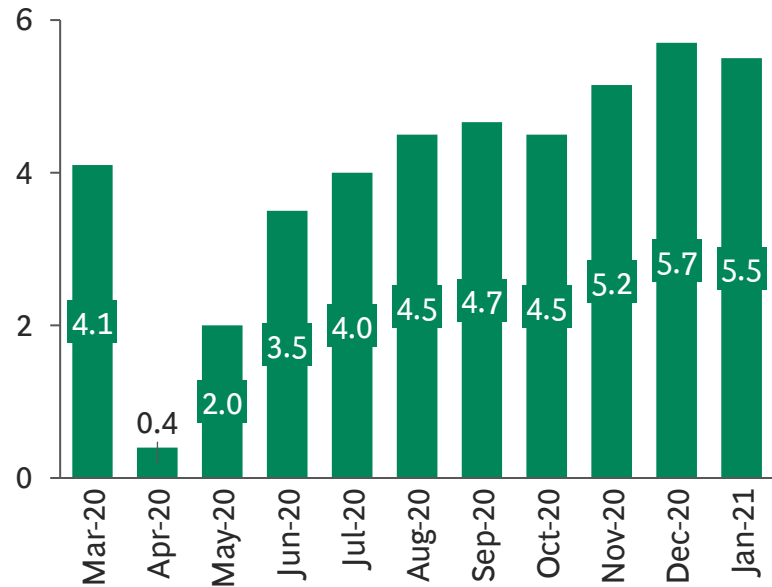
# Value of UPI transactions continued to grow YoY in Feb'21, witnessing 90%+ growth vs. previous year levels

## Value of transactions in INR Tn



# Consumption of steel continued to grow in Jan'21 vs. last year; Cement production YoY gap improved in Jan'21 vs. Nov-Dec'20

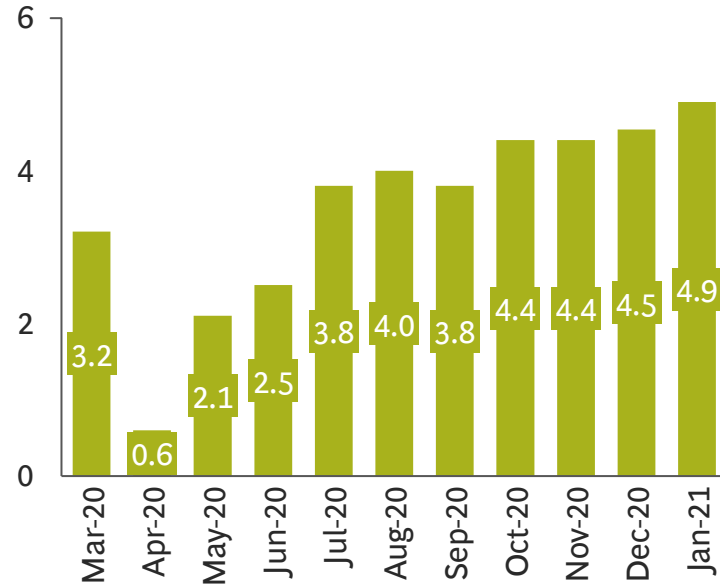
## Consumption of Long Steel (in MMT)



Long Steel Consumption



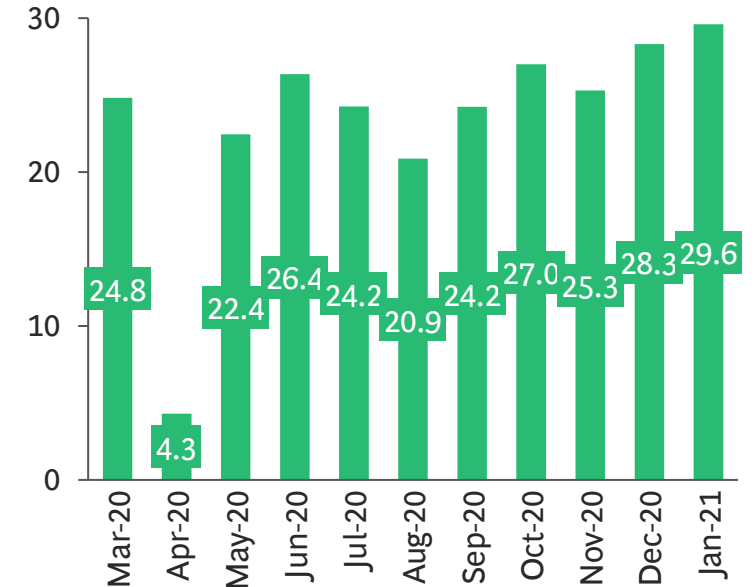
## Consumption of Flat Steel (in MMT)



Flat Steel Consumption



## Cement Production (in MT)



Cement Production

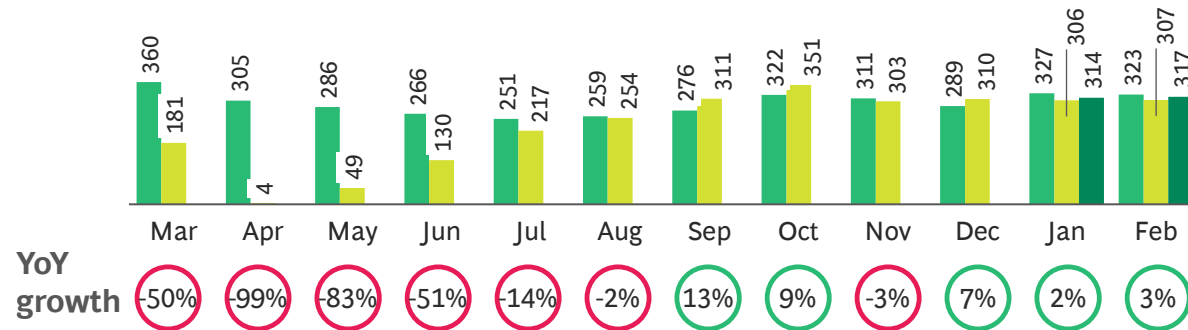




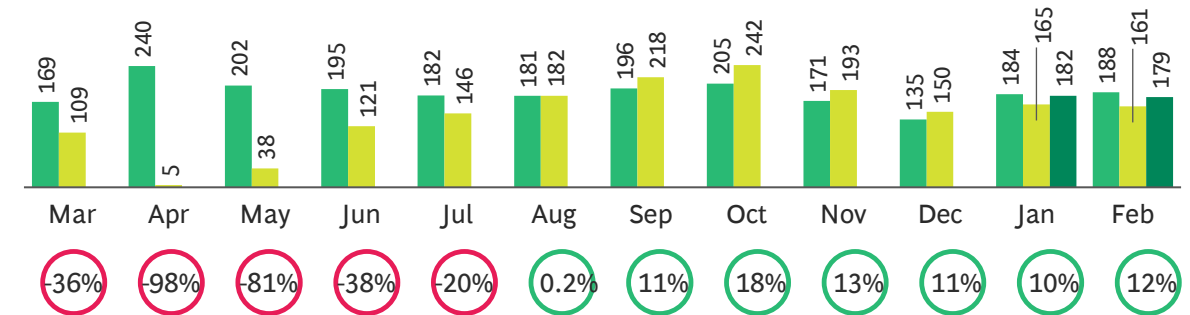
# Passenger vehicle, 2W & tractor sales continued to grow vs. last year levels while 3W sales continued to dip in Feb'21 vs. last year



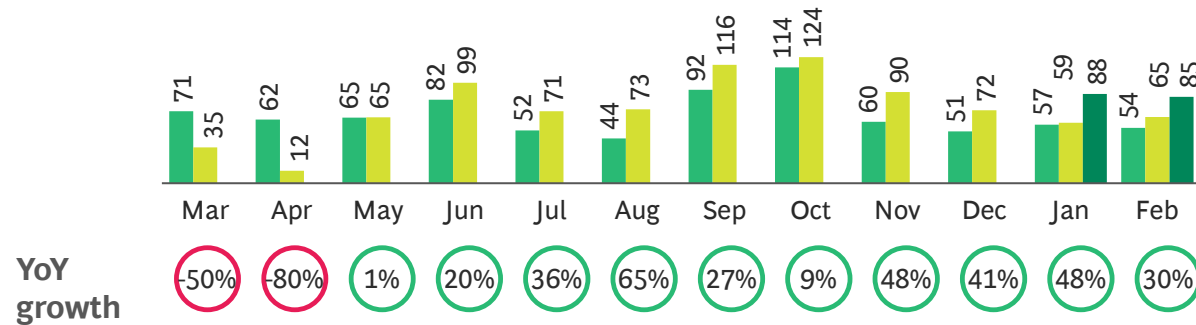
## Passenger vehicles sales ('000 units)



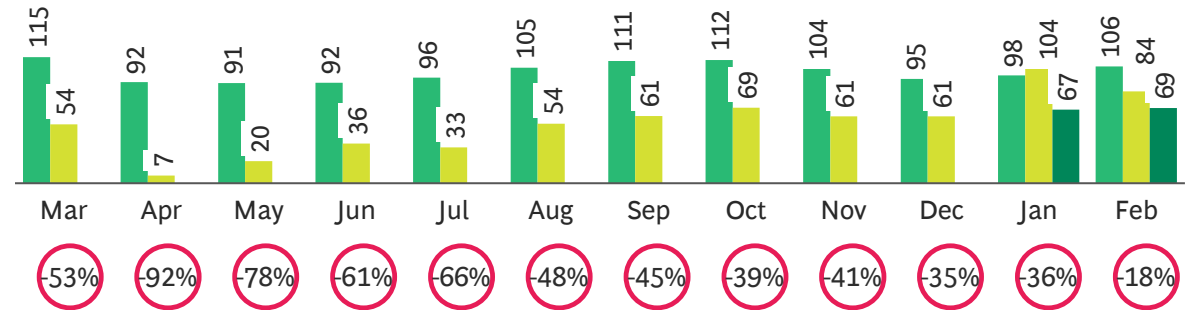
## Two-wheeler sales ('0000 units)



## Tractor sales ('000 units)



## Three-wheeler sales ('000 units)



2019 2020 2021

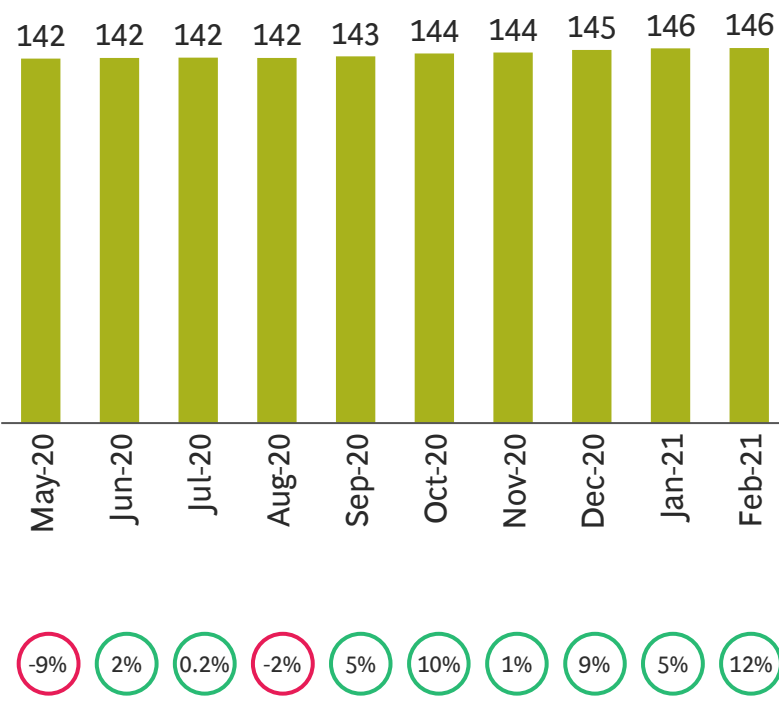
Figures represent wholesale numbers (including exports).

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

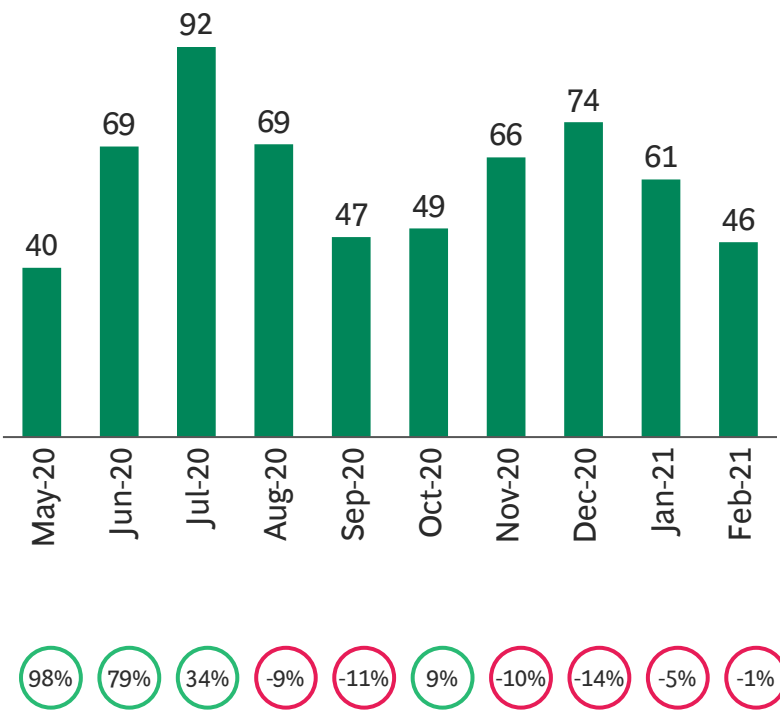
Source: SIAM, CMIE, Press search, BCG analysis

# Pharma sales continued to grow vs. last year in Feb'21; Fertilizer sales YoY gap improved on Feb'21

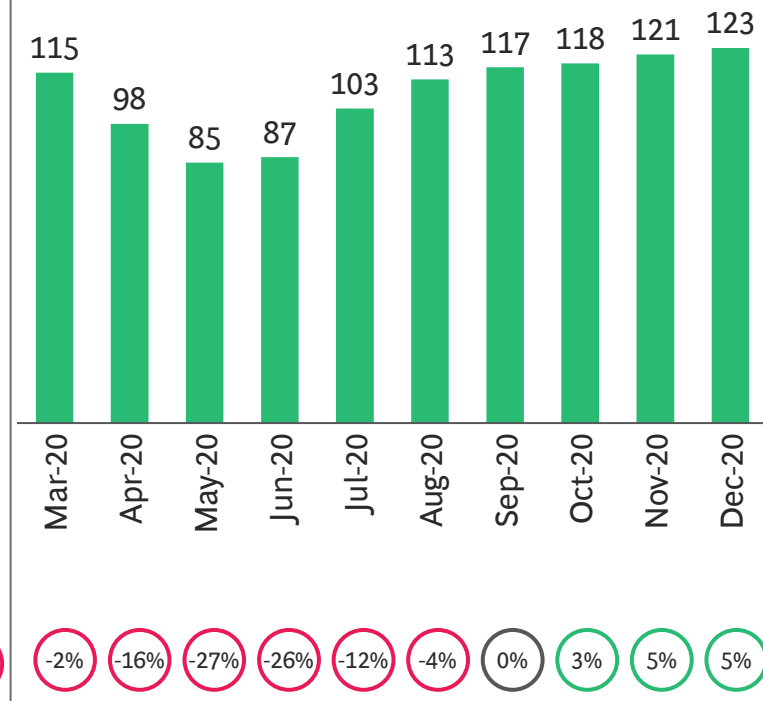
## Pharmaceutical Sales (INR k Cr – Moving Annual Total)



## Fertilizer Sales (in LMT)



## Indian Chemical Production Index<sup>1</sup> (3mo. moving avg.)

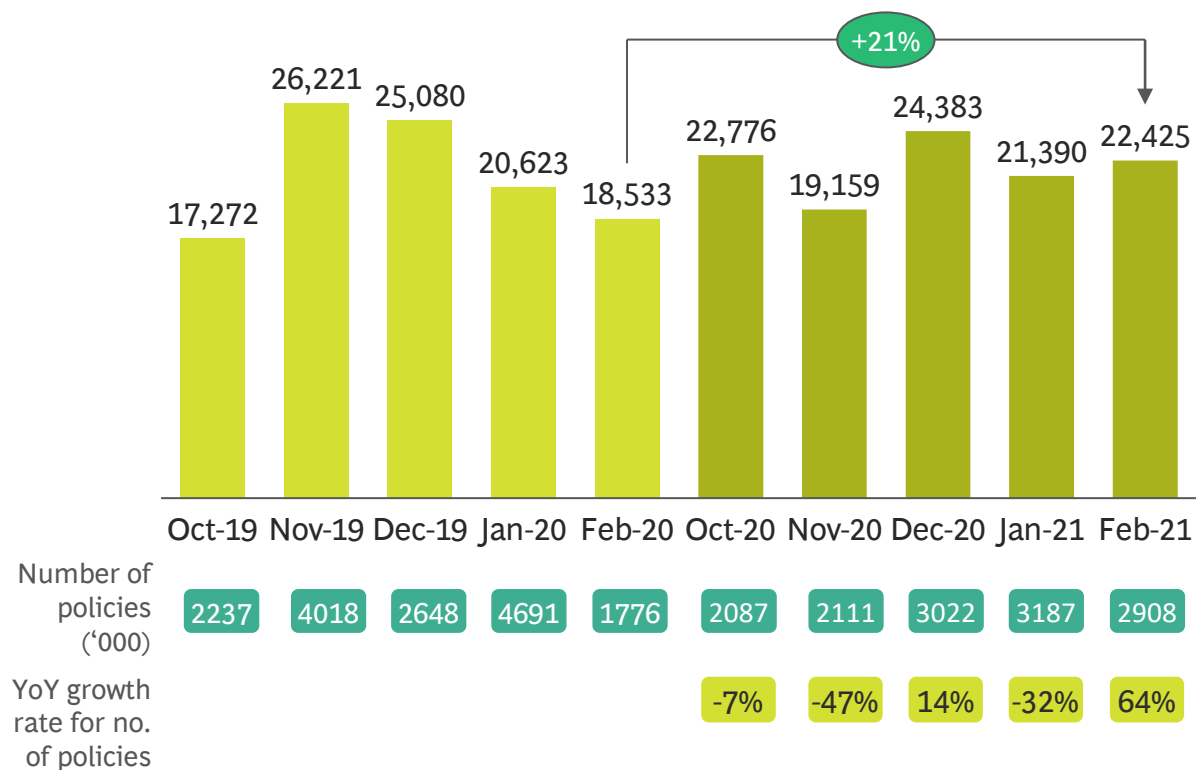


1. Indian Chemical Production Index refers to a 3-month moving average figure for chemicals production with figure for 2012 as base figure (100)  
Source: AIOCD (Annual Total MAT), American Chemistry Council, Mobile Based Fertilizer Management System (mFMS), Press search, BCG analysis

# Both Life and Non-life insurance premium observed a significant uptick vs. last year levels in Feb'21

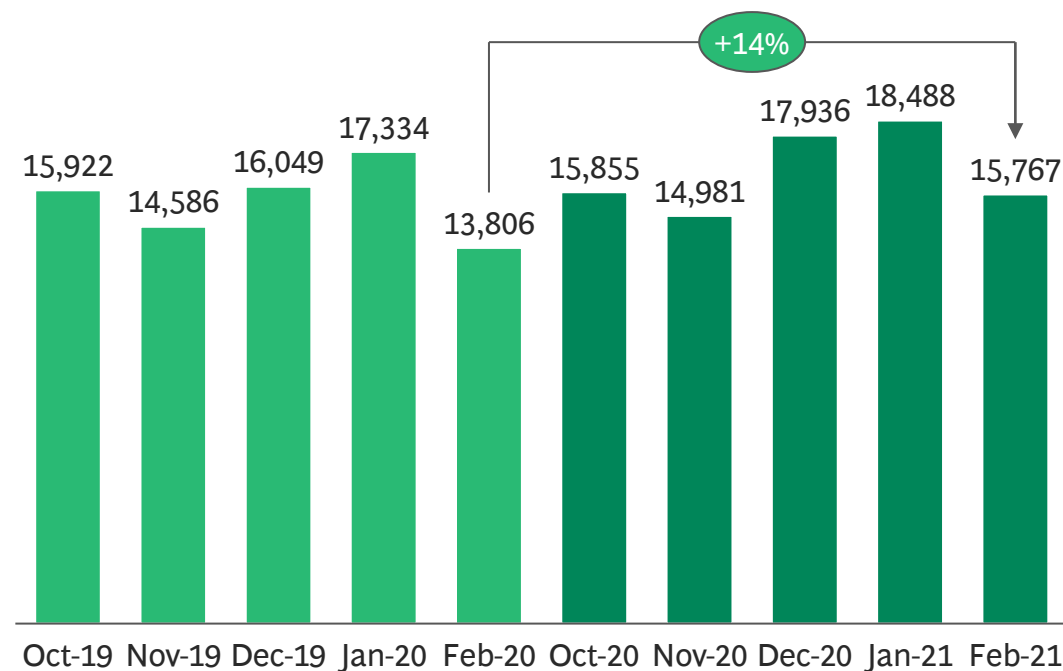
Life Insurance premium observed 21% YoY growth in Feb'21

Premium (INR Cr.)



Non-Life<sup>1</sup> Insurance premium grew 14% YoY in Feb'21

Premium (INR Cr.)

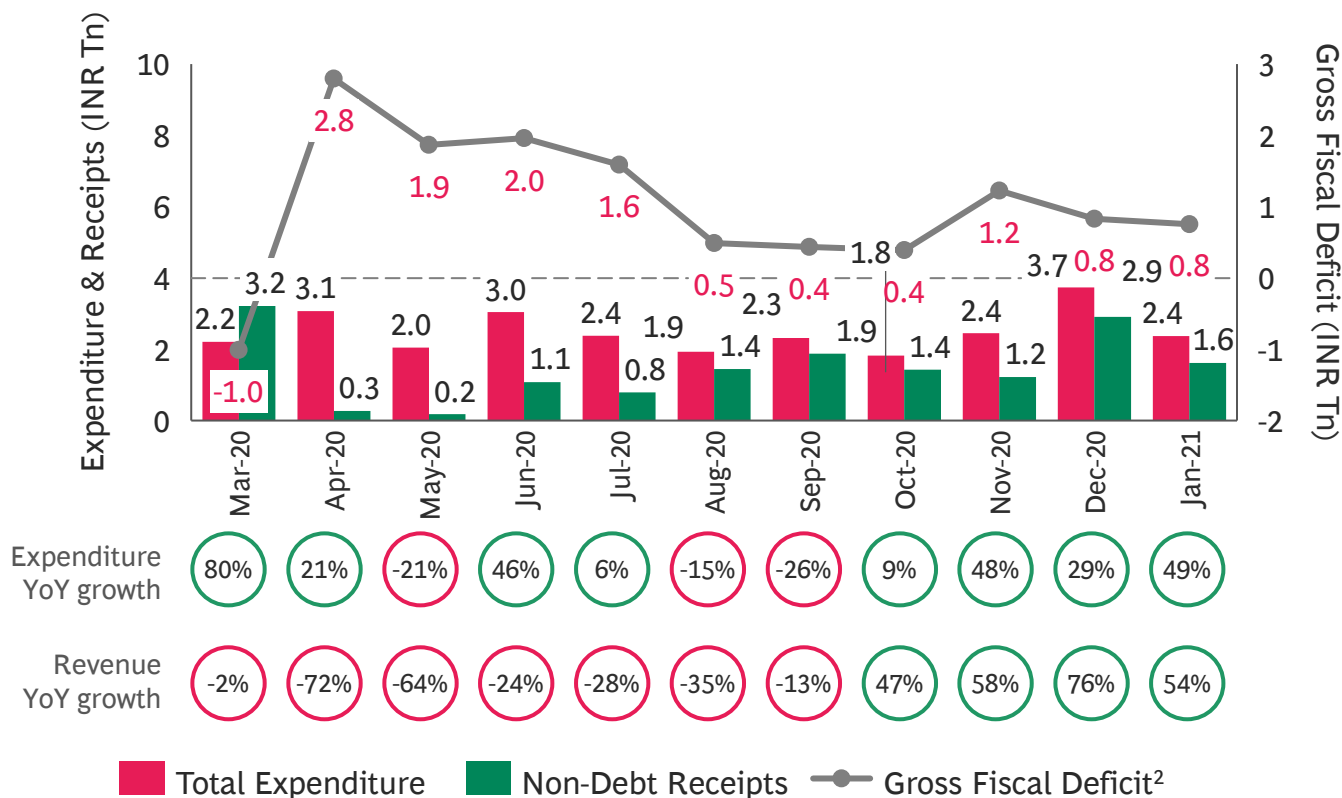


1. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous  
Source: IRDAI, BCG Analysis

# Central Govt.'s revenue & expenditure continued to increase YoY in Jan'21; GST collections continued to hit INR 1 Tn+ in Feb'21

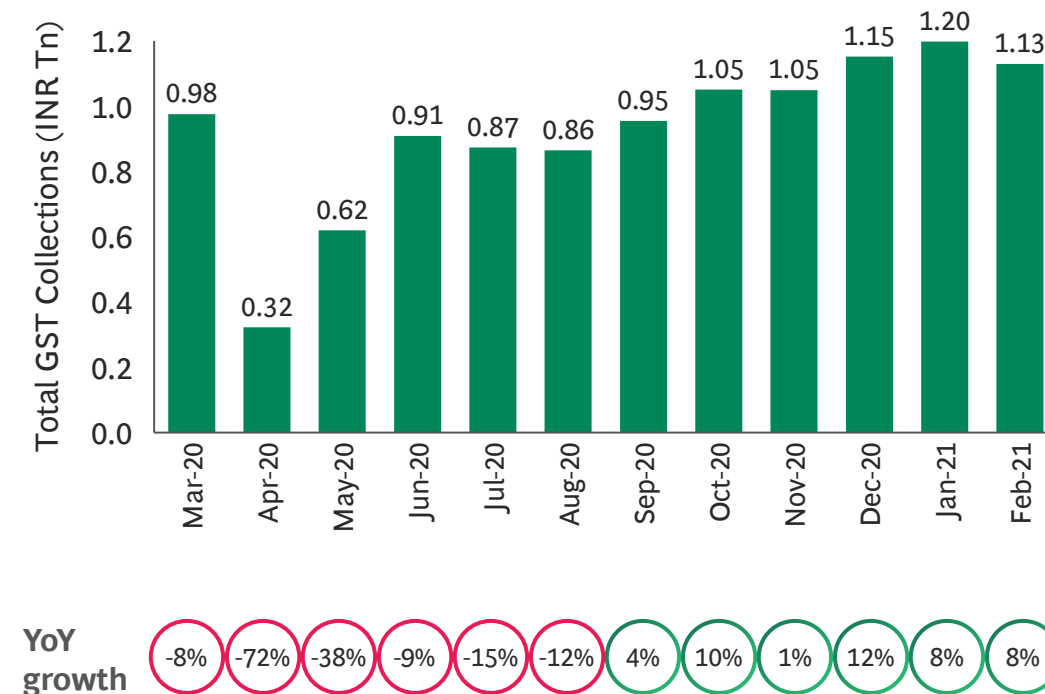
## Central Govt. Revenue & Expenditure (INR Tn)

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



## Total GST Collections<sup>3</sup> (INR Tn)

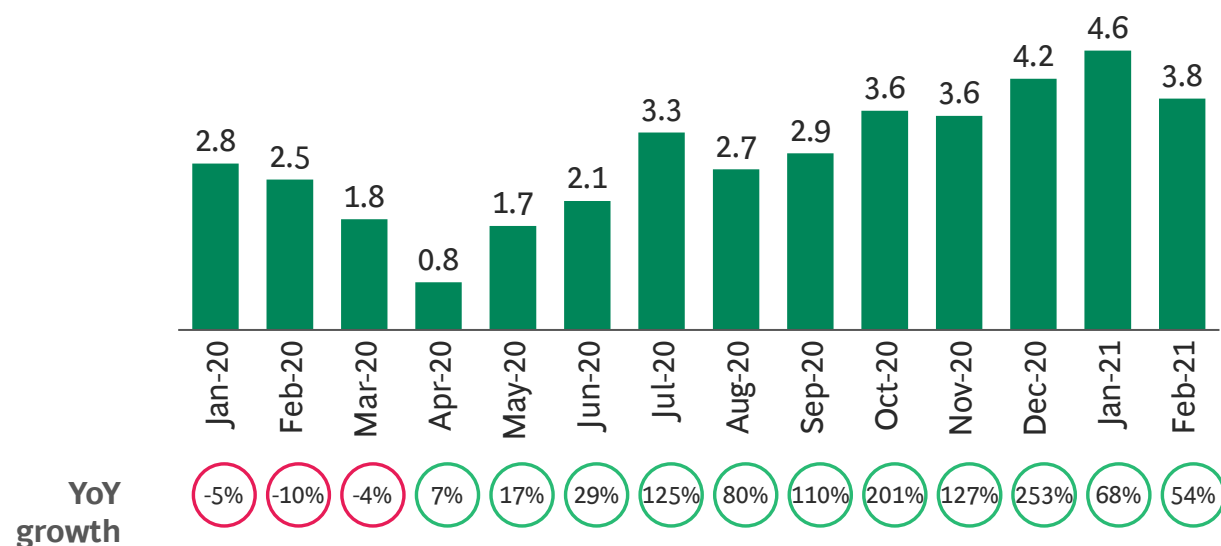
(based on data from GST Council)



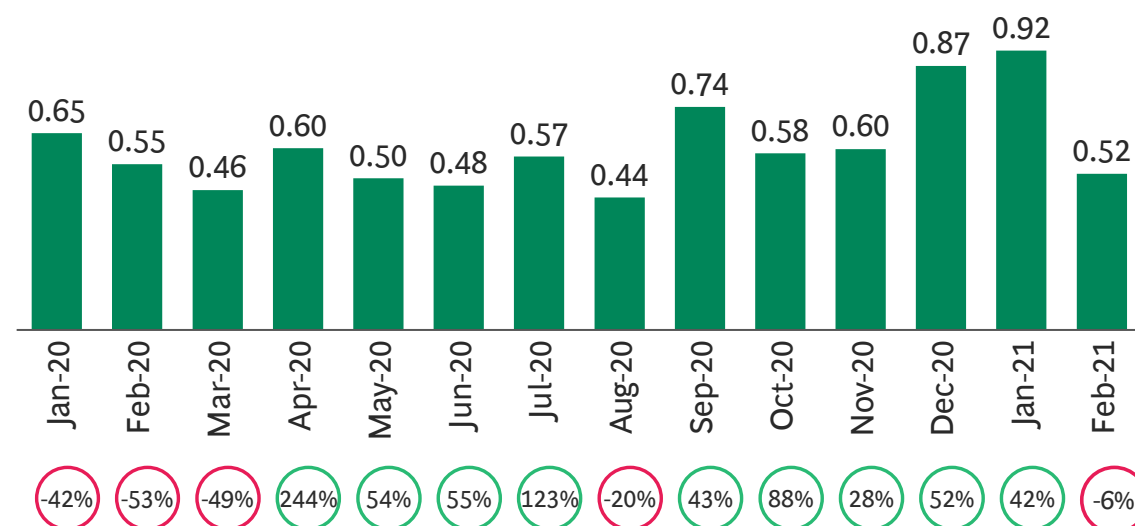
1. Bloomberg Quint 2. Gross Fiscal Deficit is the difference between the total Non-Debt Receipts of the government (revenue receipts and non-debt capital receipts) and Total expenditure 3. GST Collections include all components: CGST, SGST, IGST, Cess  
Source: Ministry of Finance, GST Council, BCG analysis

# Count of tenders announced by Central & State Govts. continued to grow YoY while the value of tenders dipped YoY in Feb'21

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



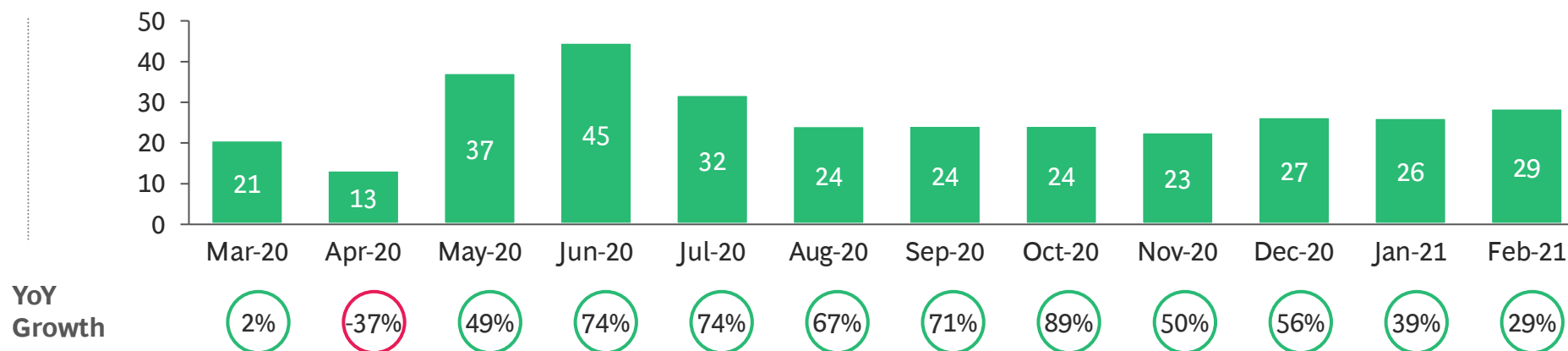
Value of tenders announced by central & state govts (INR Tn)



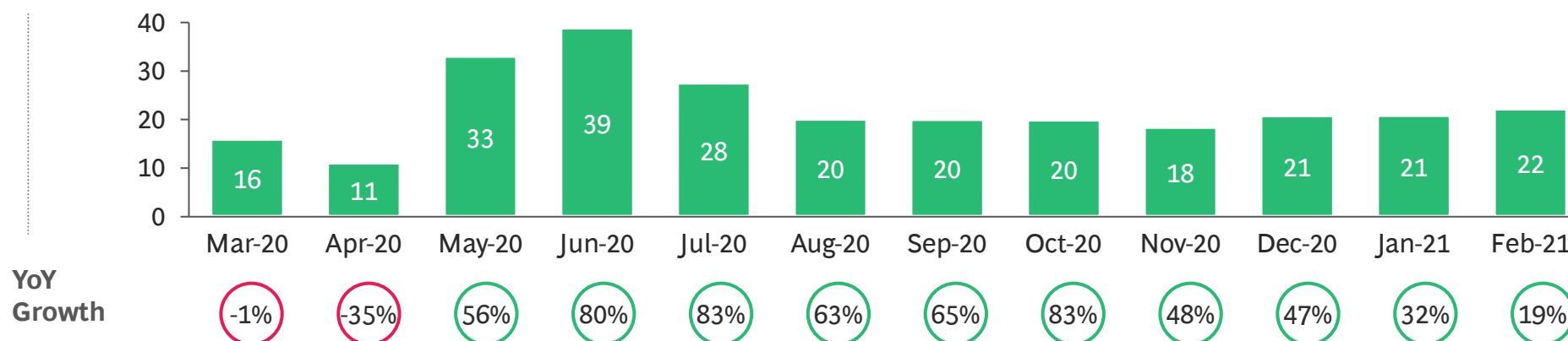


# MGNREGA work demand & employment YoY growth dipped in Feb'21 vs. previous months

Work Demand  
(households, in Mn)



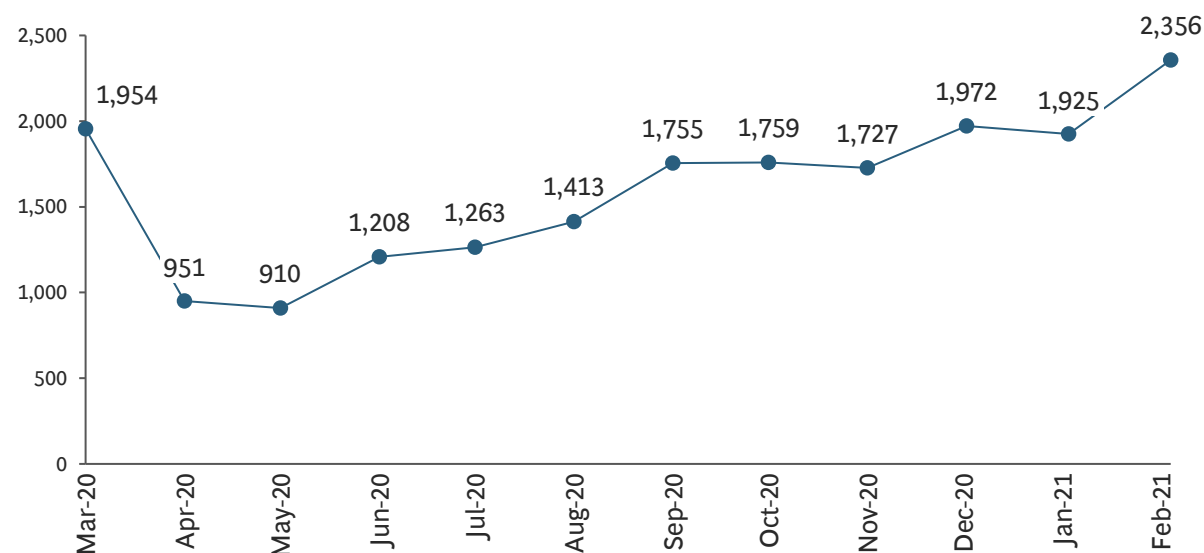
Employment Provided  
(households, in Mn)



# Organized sector hiring & joining activity improved in Jan-Feb'21 vs. Dec'20 (based on select indicators)

## Naukri Jobspeak Index improved in Feb'21

### 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

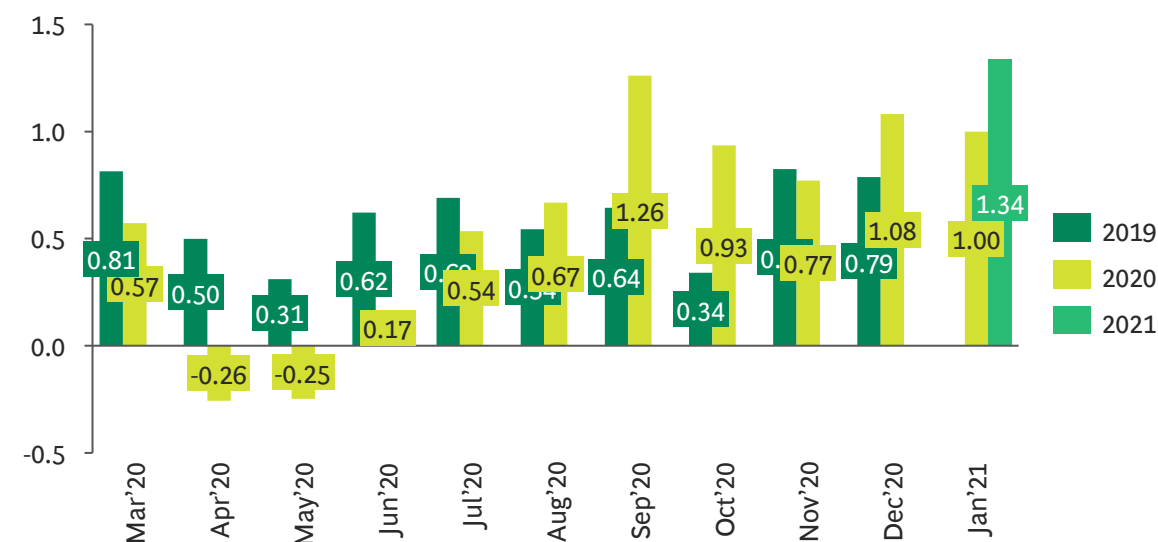
Jobs analyzed for the monthly index are qualified on the basis of *white-collar jobs belonging to the organized corporate sector*

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 ~1.3+ Mn in Jan'21, higher than last year & previous month levels

### Net new EPF Subscriber (in Mn)



### Net New EPF Subscriber Trend

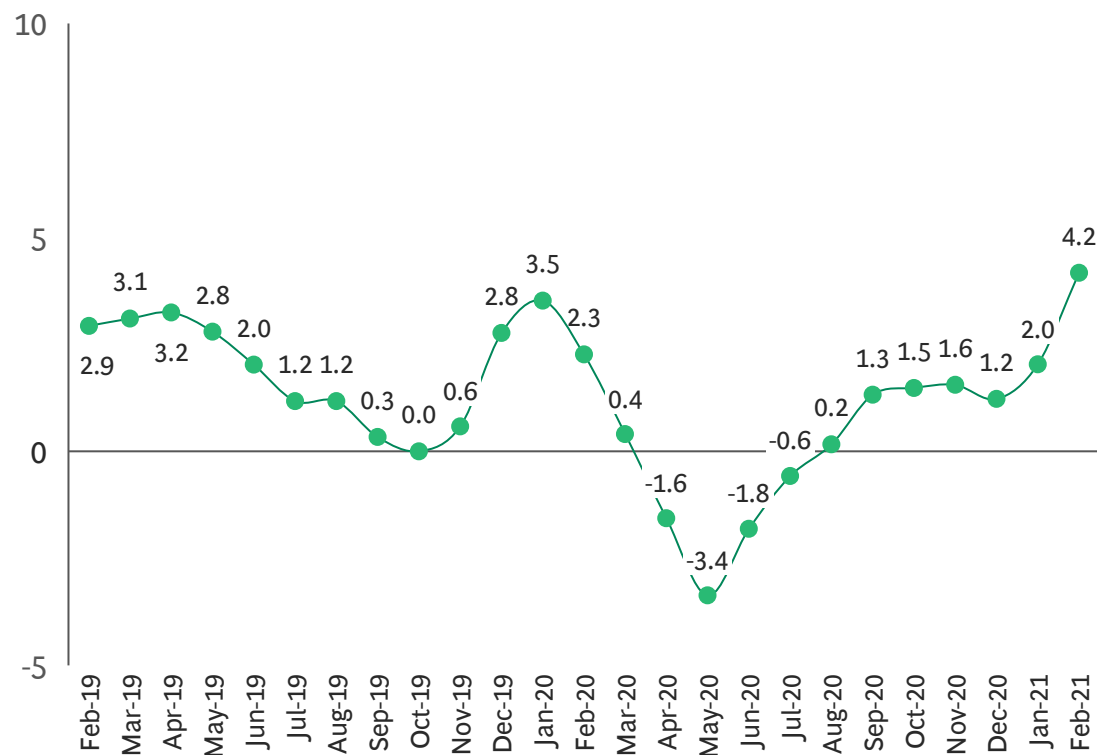
Net new EPF subscribers are net of the members newly enrolled, exited and rejoined during the month as per records of the EPFO

Employees in an establishment<sup>3</sup> drawing less than INR 15,000 per month are mandated to become members of the EPF upon joining

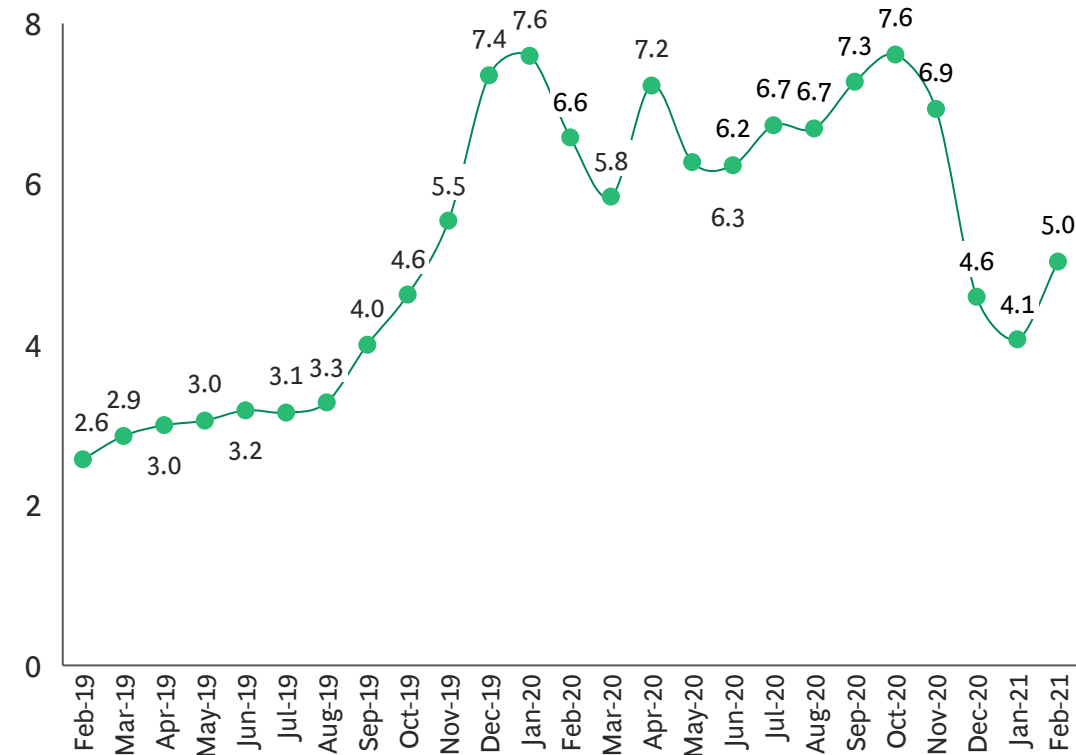
# WPI rose from 2.03% to 4.17% while CPI rose to 5.03% in Feb'21

## Monthly inflation rate (%)

### Wholesale Price Index (WPI)<sup>2</sup>



### Consumer Price Index (CPI)<sup>1</sup>



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

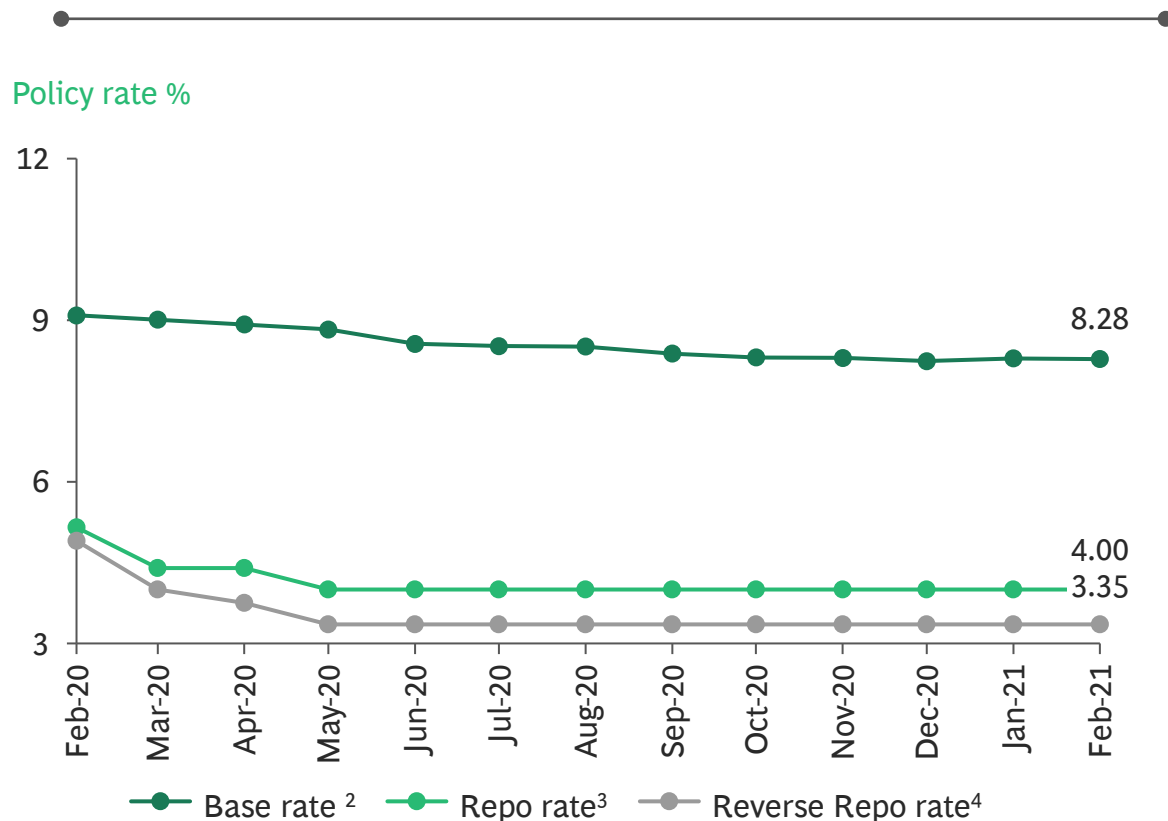
Note: In May 2016, the Reserve Bank of India (RBI) Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework.

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

# Feb'21 repo and reverse repo rate remained at the same levels; base rate marginally dipped vs. Jan'21

## Reserve bank's policy rates (%)

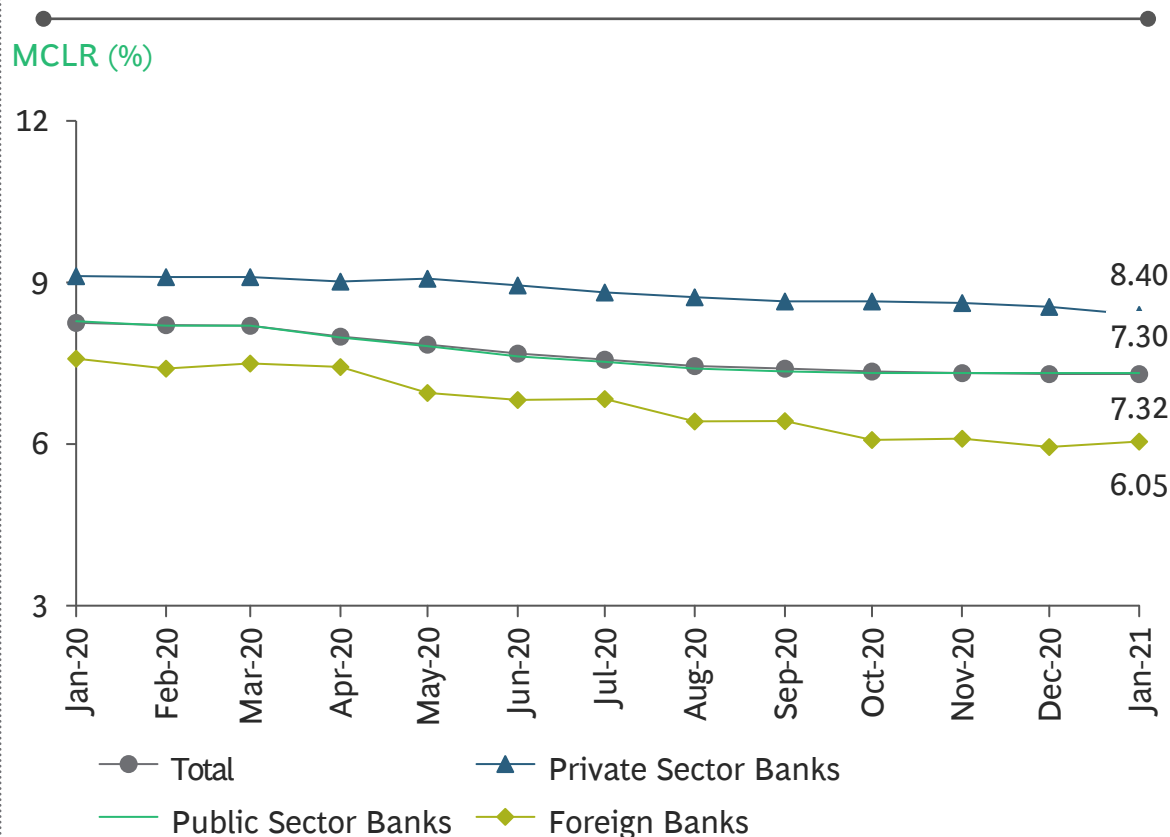
Policy rate %



## MCLR<sup>1</sup> of scheduled commercial banks

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

MCLR (%)



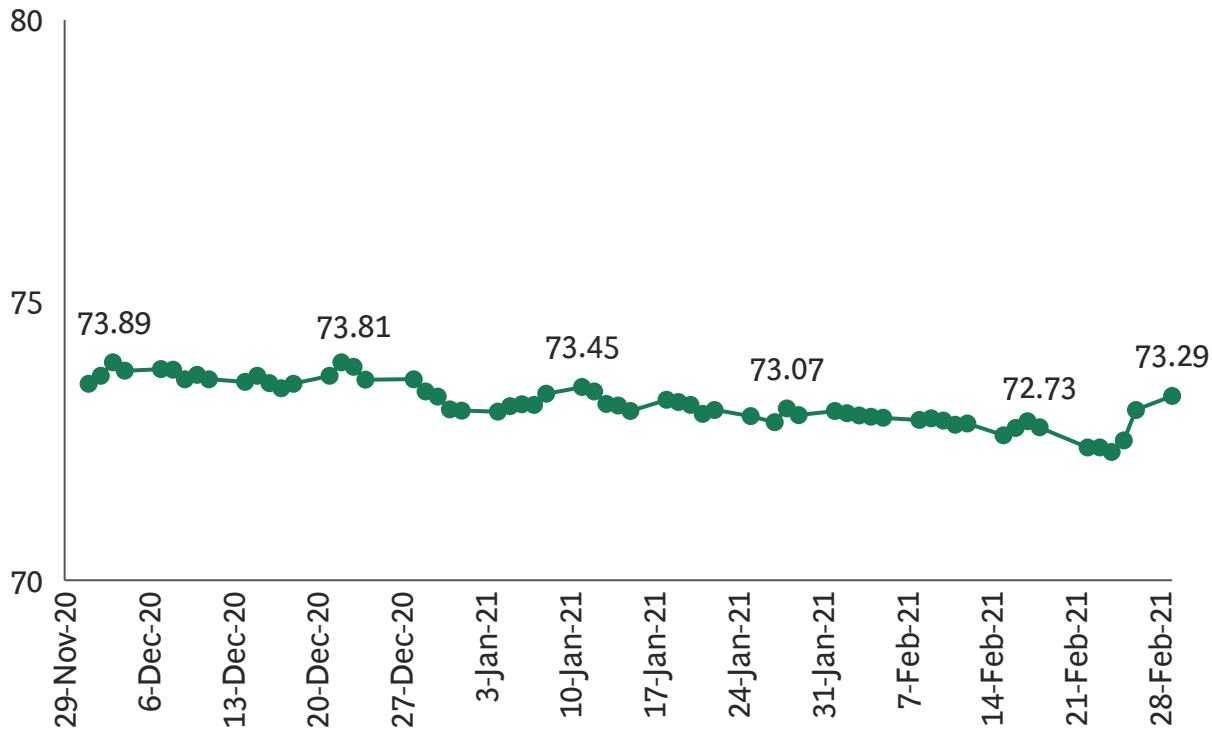
Note: Feb'21 MCLR data has not been released.

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

INR remained rangebound at ~73/dollar; Forex reserves reached ~585 USD Bn in the last week of Feb'21, after attaining ~590 Bn USD in Jan'21

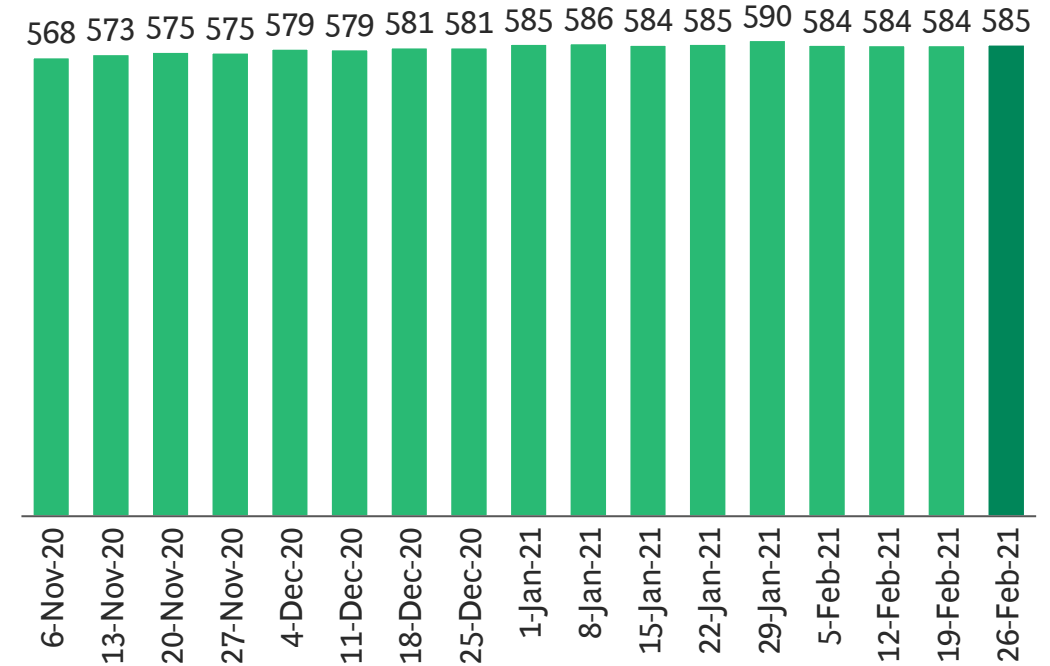
Exchange Rate (INR/USD)

Exchange Rate (INR/USD)



Forex reserves (USD Billion)

Forex reserves (USD Billion)

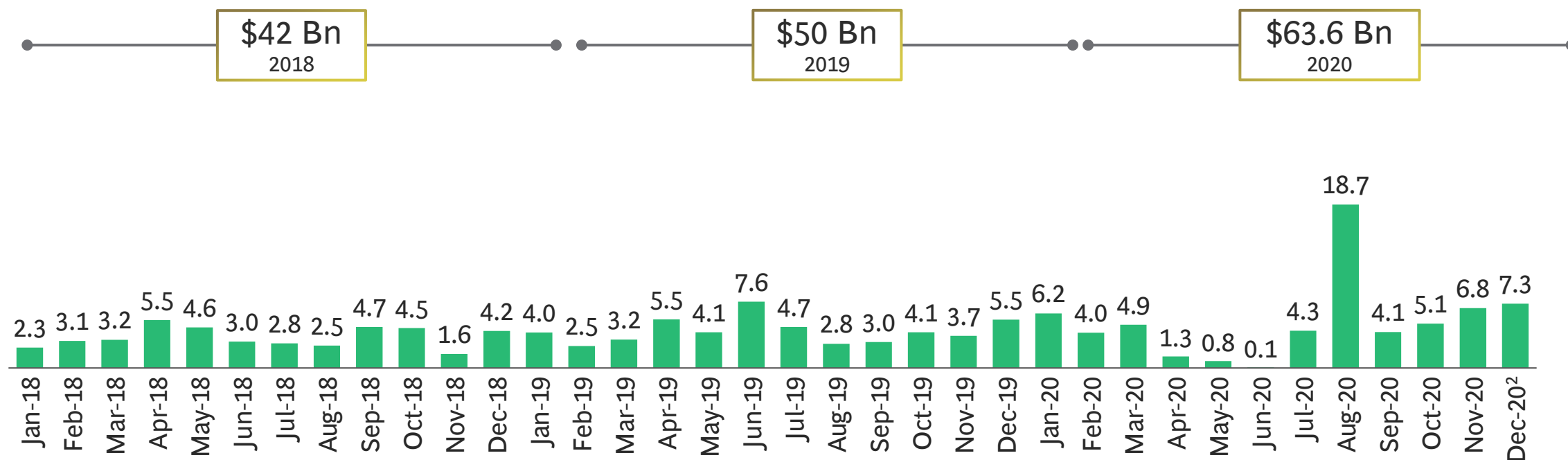




# India witnessed significant FDI in Jan-Dec'20

## Foreign Direct Investments<sup>1</sup> (\$ Bn)

xx Annual (Calendar Year) FDI Inflows



*Including Reliance-Jio Deals*

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

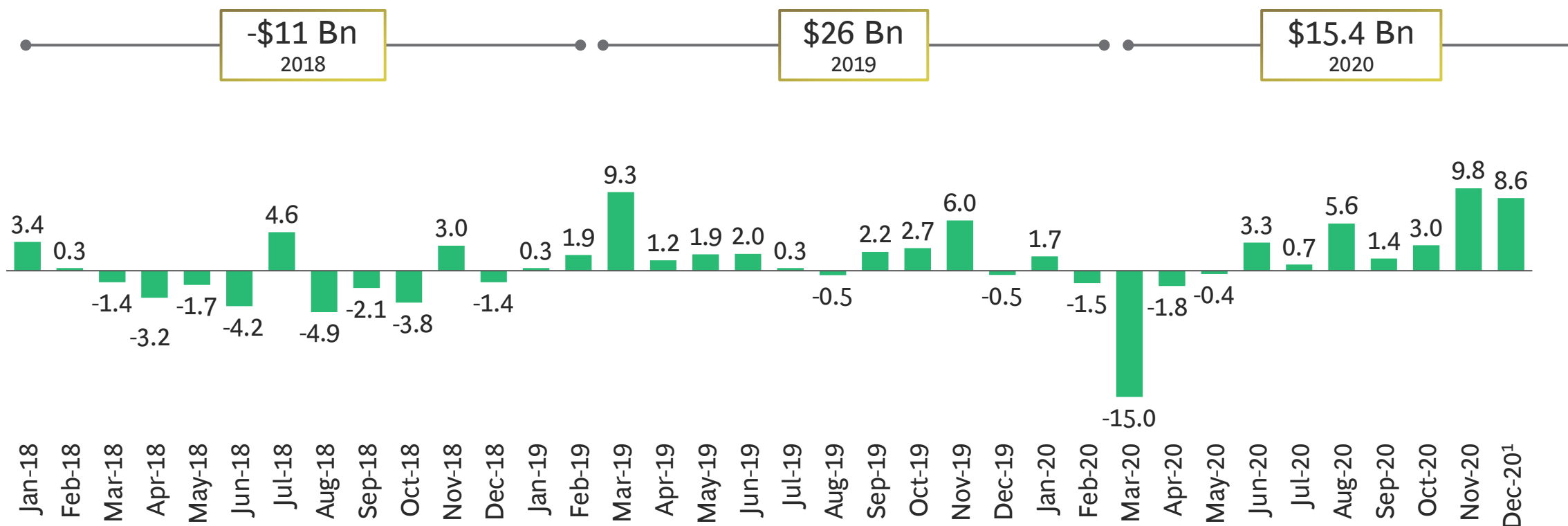
Source: CMIE

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 improved in Jun-Dec'20 albeit remained somber in 2020 vs. 2019

## Foreign Institutional Investments (\$ Bn)

xx Annual (Calendar Year) FII's



1. Dec'20 figures are provisional

Source: CMIE

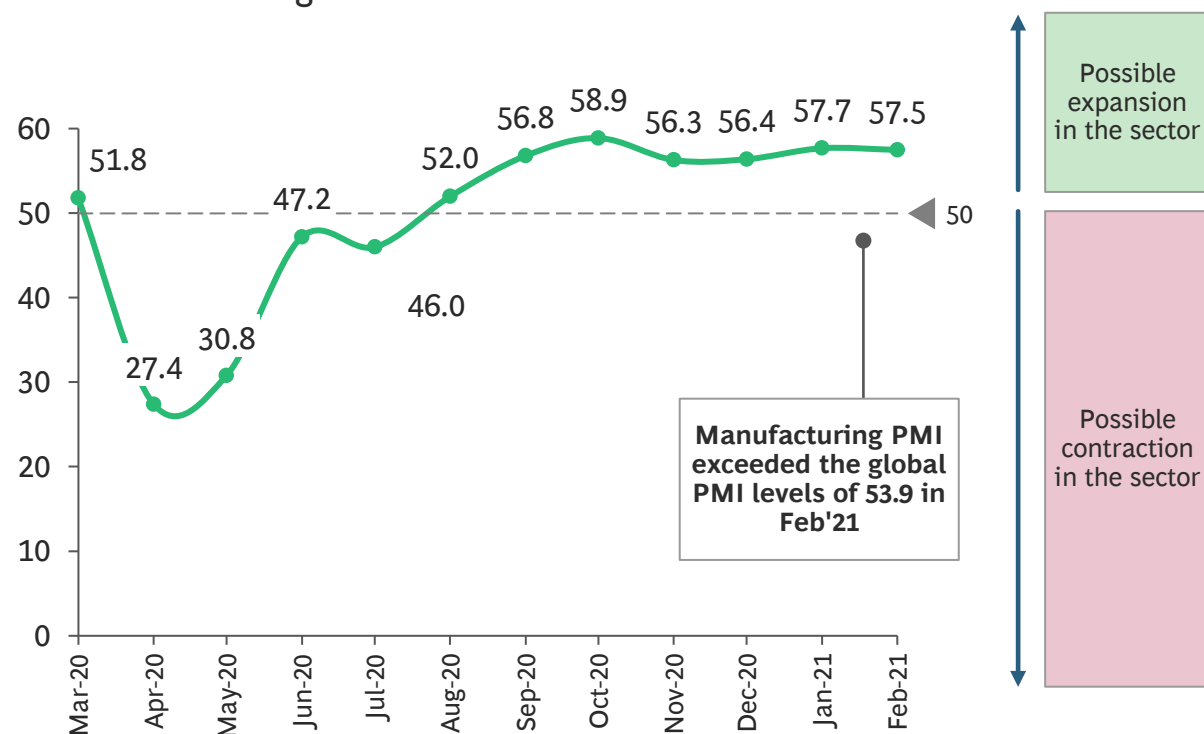
Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

# Services PMI saw an uptick vs. previous months, Manufacturing PMI saw a marginal dip vs. Jan'21 levels in Feb'21

SENTIMENT –  
MFG. & SERVICES  
PMI

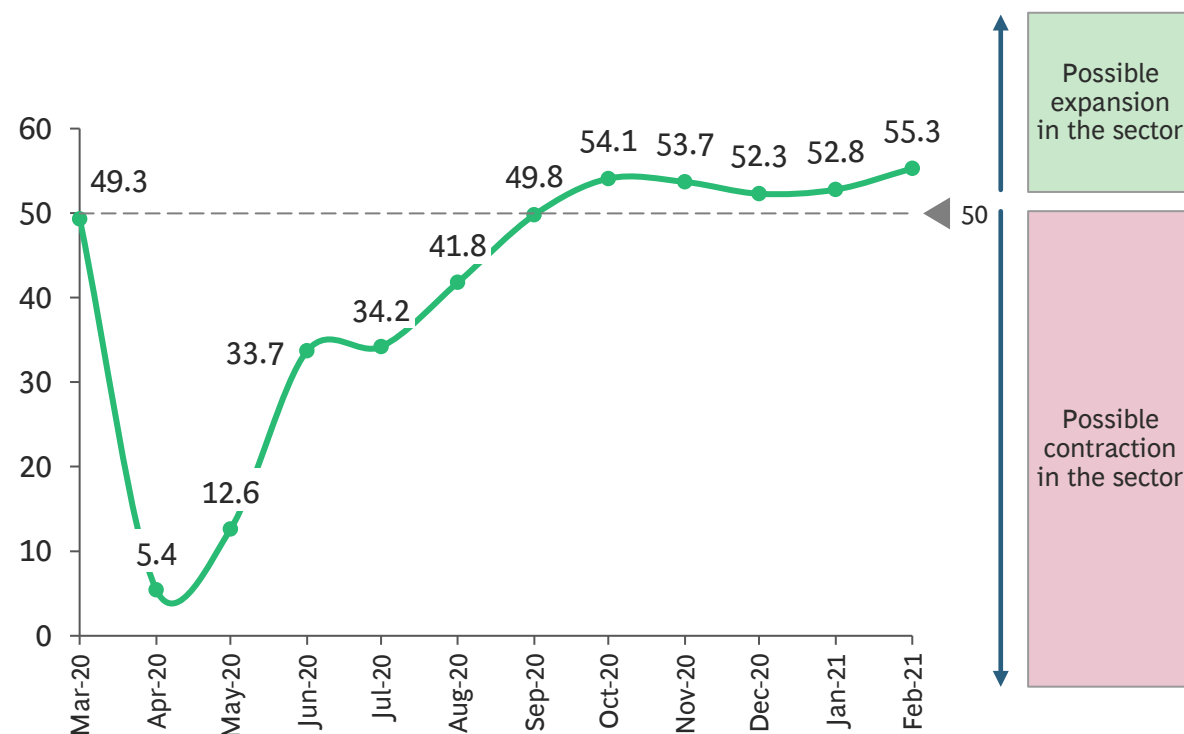
Manufacturing PMI reached 57.5 in Feb'21, a slight dip from the Jan'21 mark, though exceeding the global level

Manufacturing PMI



Services PMI improved to 55.3 in Feb'21, compared to the 52.8 mark in Jan'21

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 still below pre-COVID levels; Rural sentiment remained better than urban sentiment in Feb'21

## CMIE Consumer Sentiment Survey

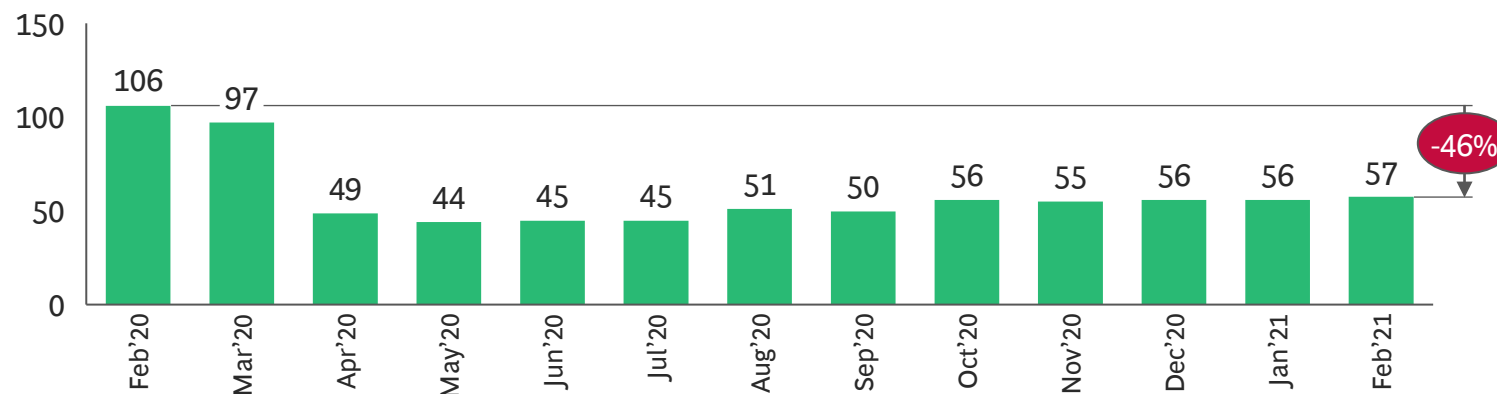
### Sample Size

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

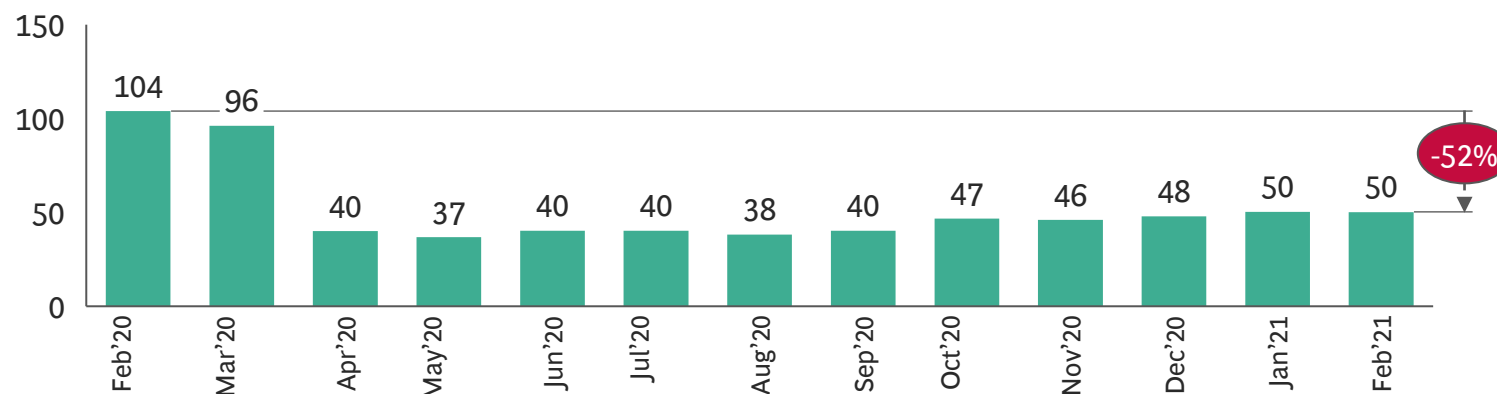
### Methodology

- 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

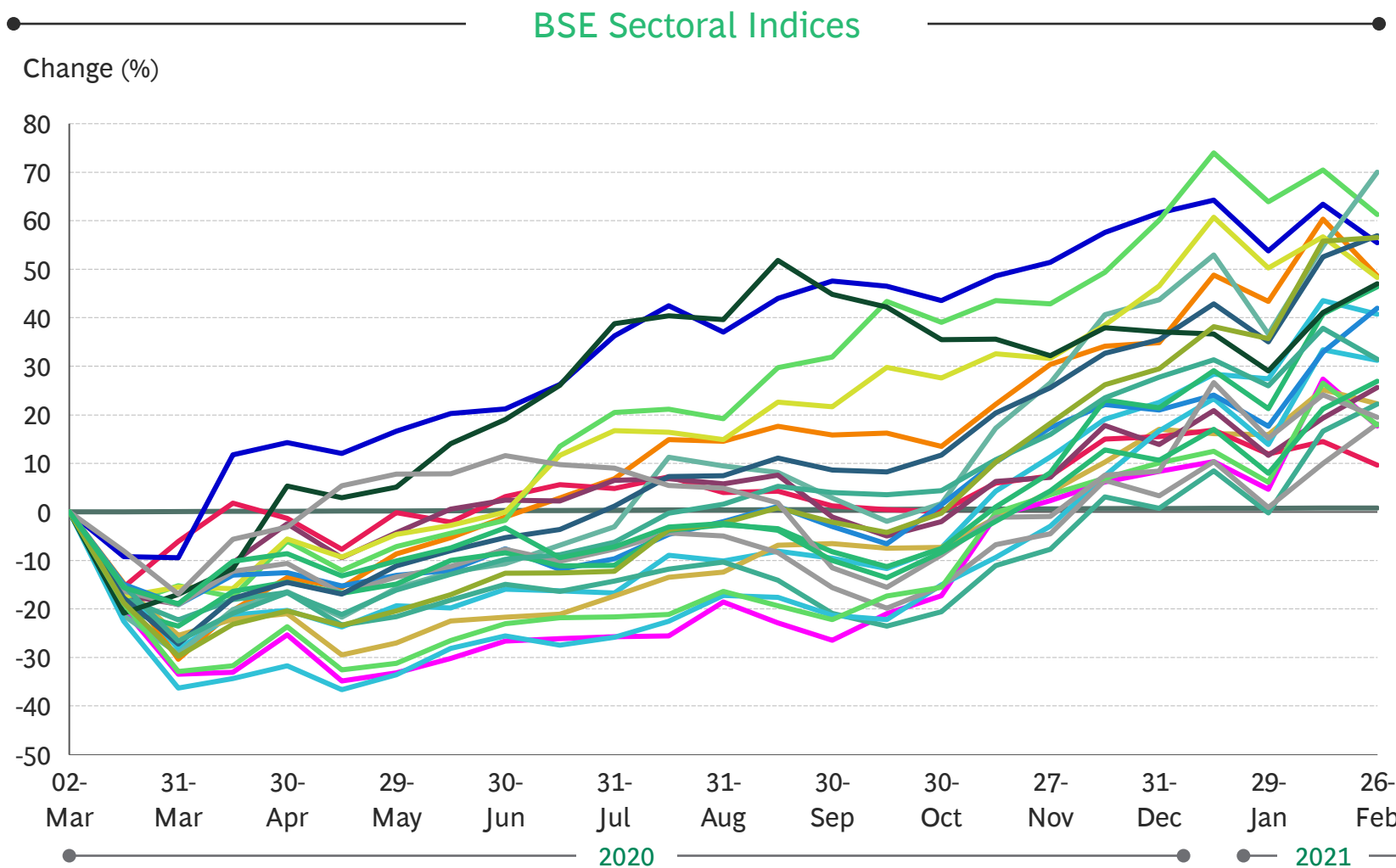
## Rural Consumer Sentiment Index



## Urban Consumer Sentiment Index



# Majority of the sectors, especially Oil & Gas, telecom and consumer discretionary grew in Feb'21 vs. Mar'20 growth rates



Descending order of performance<sup>1</sup>

Sector	% Change
Oil and Gas	69.97%
Metal	61.25%
Consumer discretionary	56.93%
Telecom	56.51%
IT	55.44%
Bankex	48.61%
Power	48.30%
Finance	46.98%
Basic Materials	46.37%
CPSE	41.94%
Consumer Durables	40.72%
Energy	31.43%
TecK	31.22%
BSE 500	26.90%
PSU	25.65%
FMCG	22.27%
Realty	22.24%
Utilities	19.47%
Infra	18.16%
Industrials	17.92%
Capital Goods	17.71%
Healthcare	9.62%
BSEAUTO Index	0.82%

1. Growth rate vs. 02-Mar-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

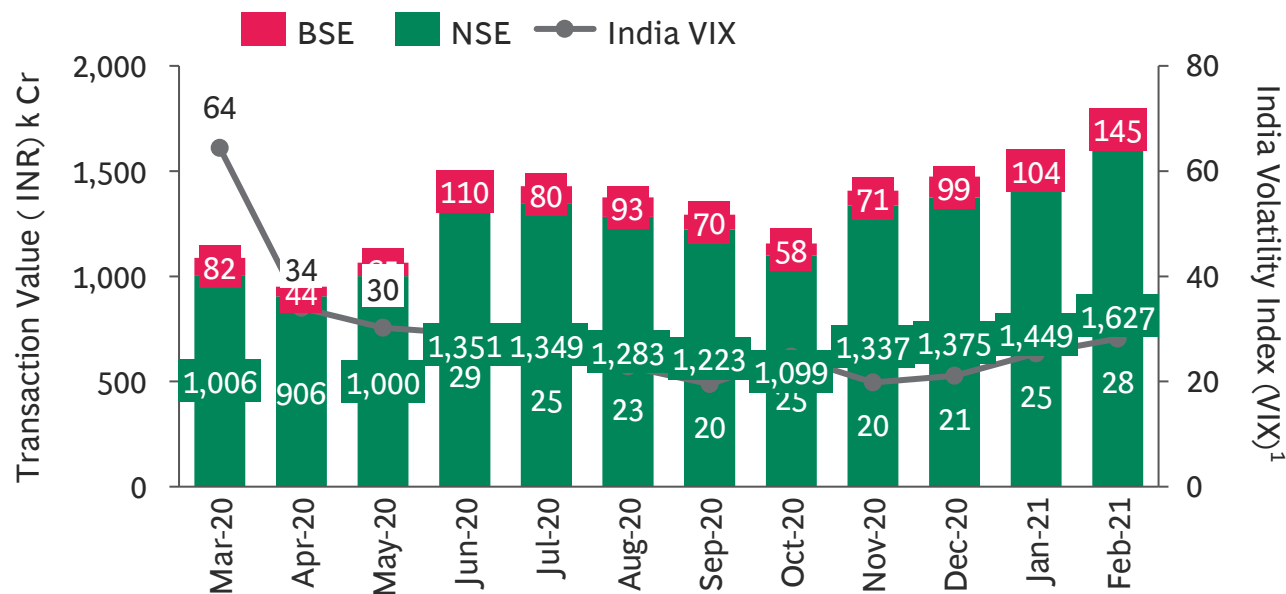
3. CPSE- Central Public Sector Enterprises

Source : BSE, Bloomberg, BCG analysis

Value of stock market transactions grew by 100%+ in Feb'21 vs. last year;  
Mutual fund AUM grew by 16% YoY in Feb'21

SENTIMENT –  
STOCK MKT.  
TRANSACTIONS

## Stock Market Transactions (INR k Cr)



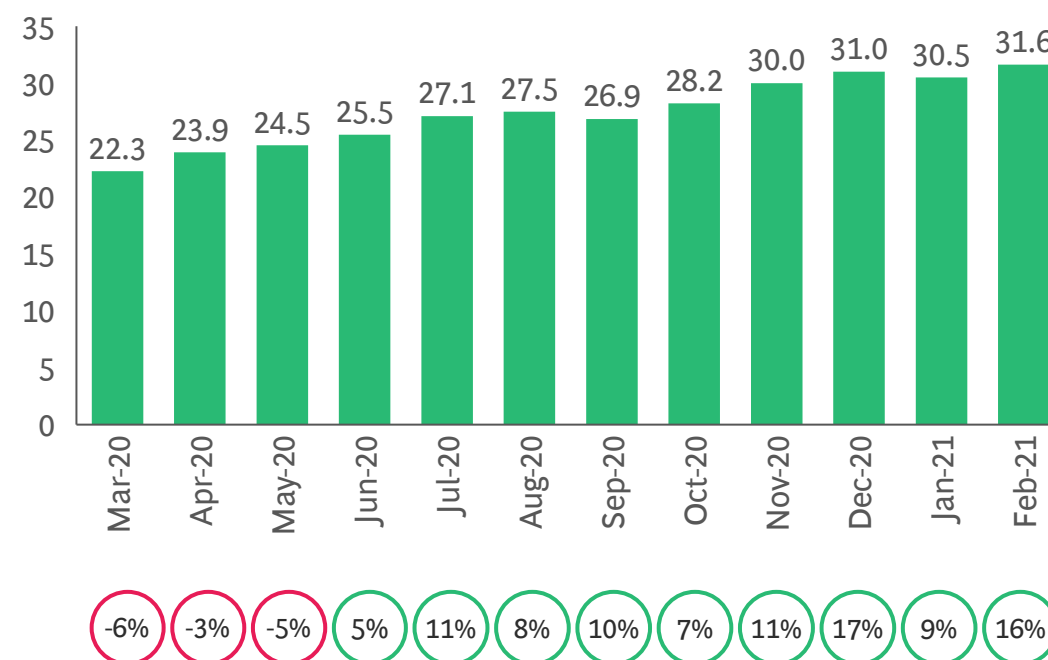
BSE YoY



NSE YoY



## Mutual Funds AUM<sup>2</sup> (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

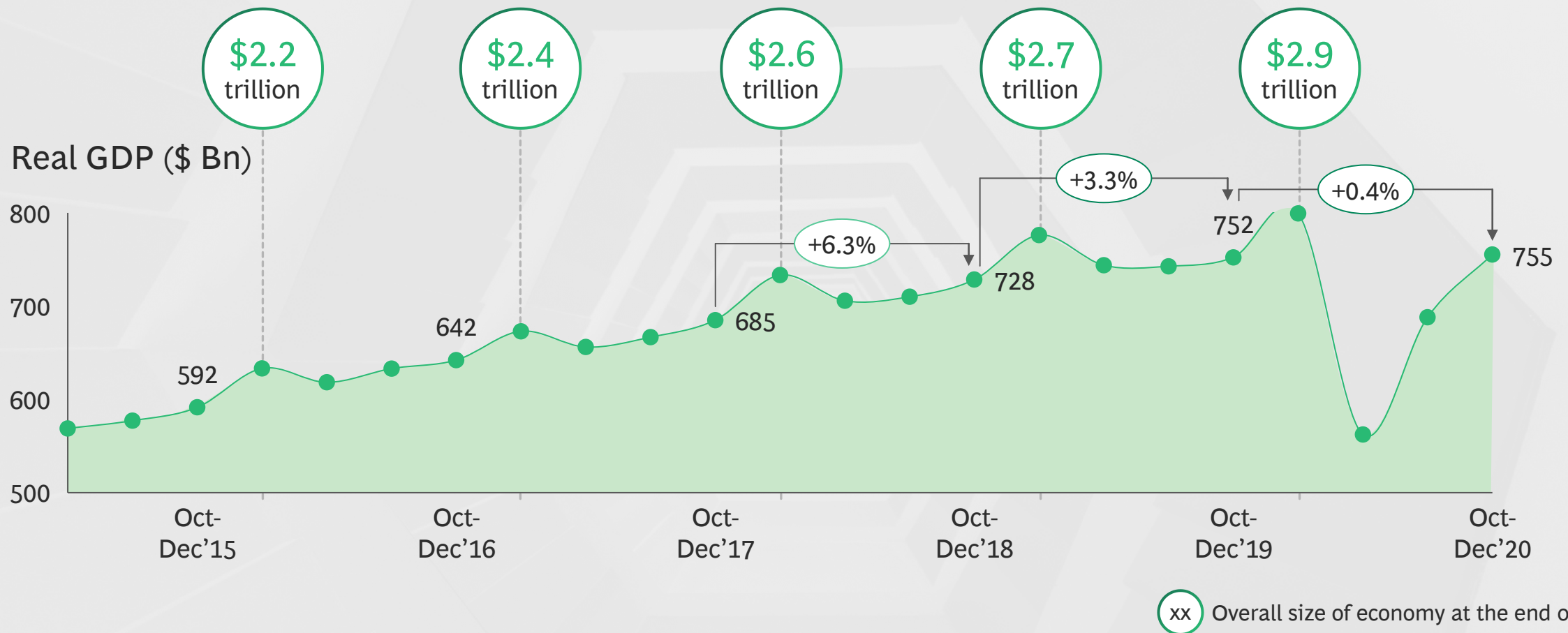
2

GDP Deep-Dive



# Economy grew by 0.4% YoY in Oct-Dec'20, after two consecutive quarters of YoY contraction

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

# Growth in gross investment and exports in Oct-Dec'20 improved vs. Oct-Dec'19 levels

GDP  
DEEP-DIVE

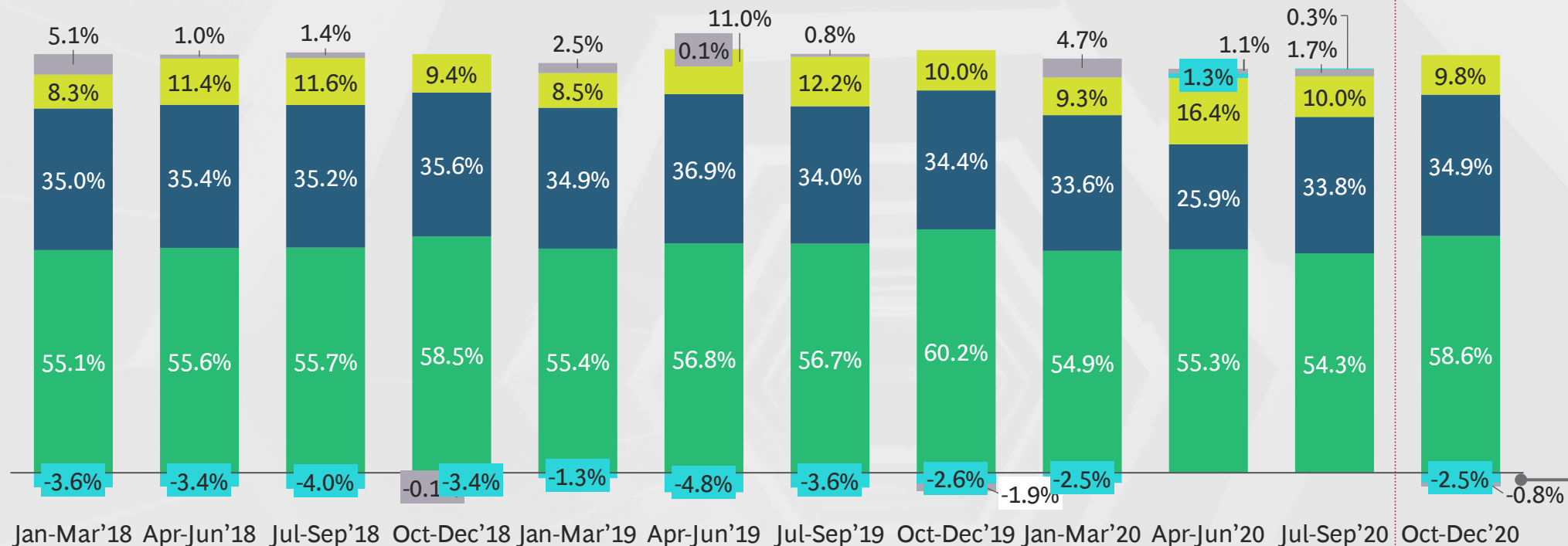
Quarterly growth % change YoY	Y GDP	=	C Pvt. Consumption	+	G Govt. Consumption	+	I Gross Investment	+	X Exports	-	M Imports
Oct-Dec 2019	3.3%		6.4%		8.9%		-0.4%		-5.4%		-7.5%
Jan-Mar 2020	3.0%		2.0%		12.1%		-0.7%		-8.8%		-2.7%
Apr-Jun 2020	-24.4%		-26.3%		12.8%		-46.9%		-22.0%		-41.1%
Jul-Sep 2020	-7.4%		-11.3%		-24.0%		-7.8%		-2.1%		-18.2%
Oct-Dec 2020	0.4%		-2.4%		-1.1%		2.1%		-4.6%		-4.6%

Source: CMIE, BCG Analysis

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

# Share of private consumption and investments in GDP increased in the Oct-Dec'20 quarter vs. previous quarter

GDP  
DEEP-DIVE



After witnessing growth in the first two quarters of FY21, net exports slipped into negative territory

■ Private final consumption expenditure   
 ■ Investments   
 ■ Discrepancies<sup>1</sup>  
■ Government final consumption expenditure   
 ■ Net exports

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

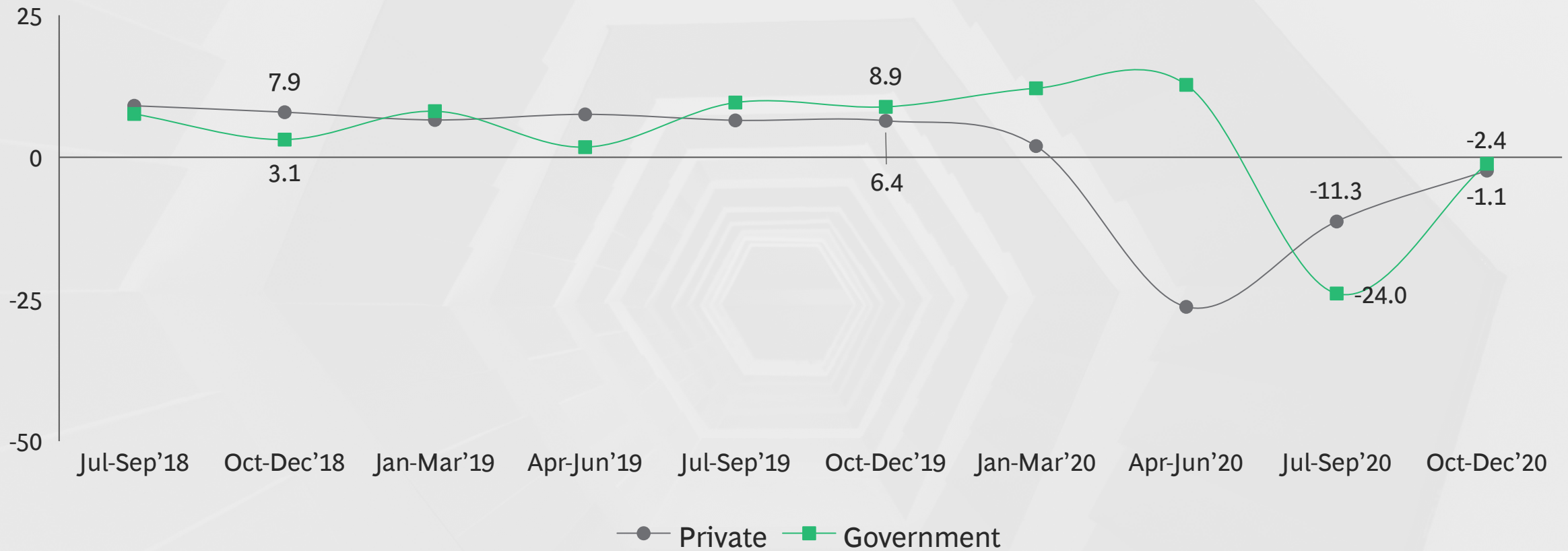
Source: CMIE, BCG Analysis, MOSPI



Both private and government consumption improved in Oct-Dec'20 vs. previous quarter; YoY growth remained in the negative territory

GDP  
DEEP-DIVE

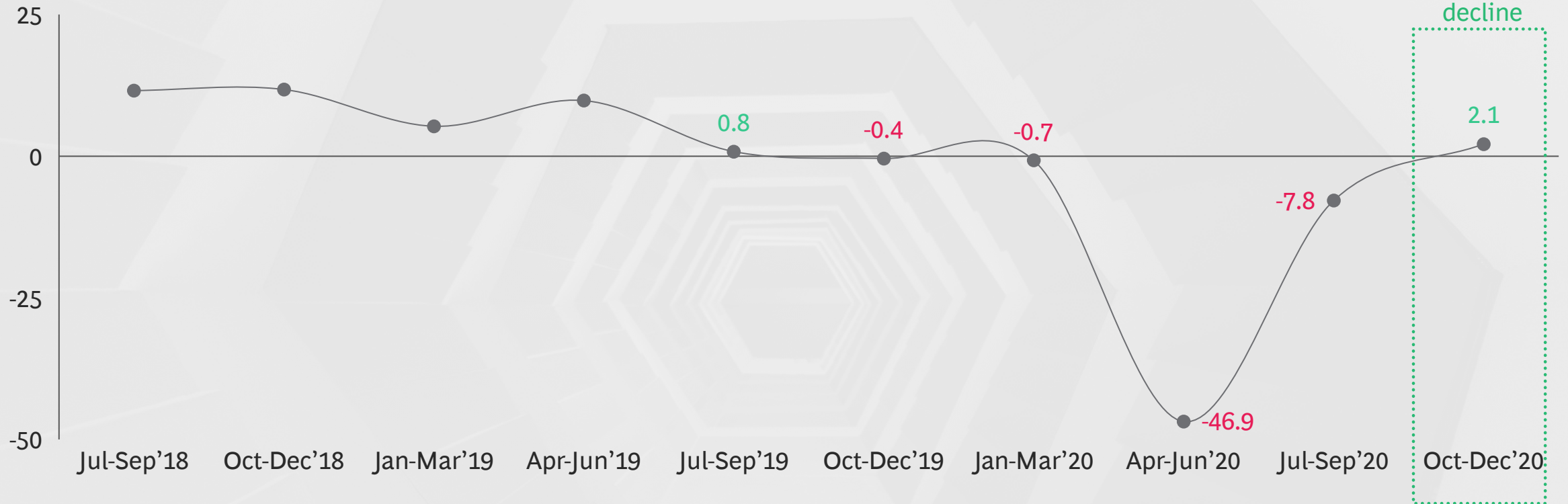
Final Consumption Expenditure, % change YoY



# Gross capital formation ventured into positive territory in Oct-Dec'20, growing at 2.1% compared to Oct-Dec'19 levels

GDP  
DEEP-DIVE

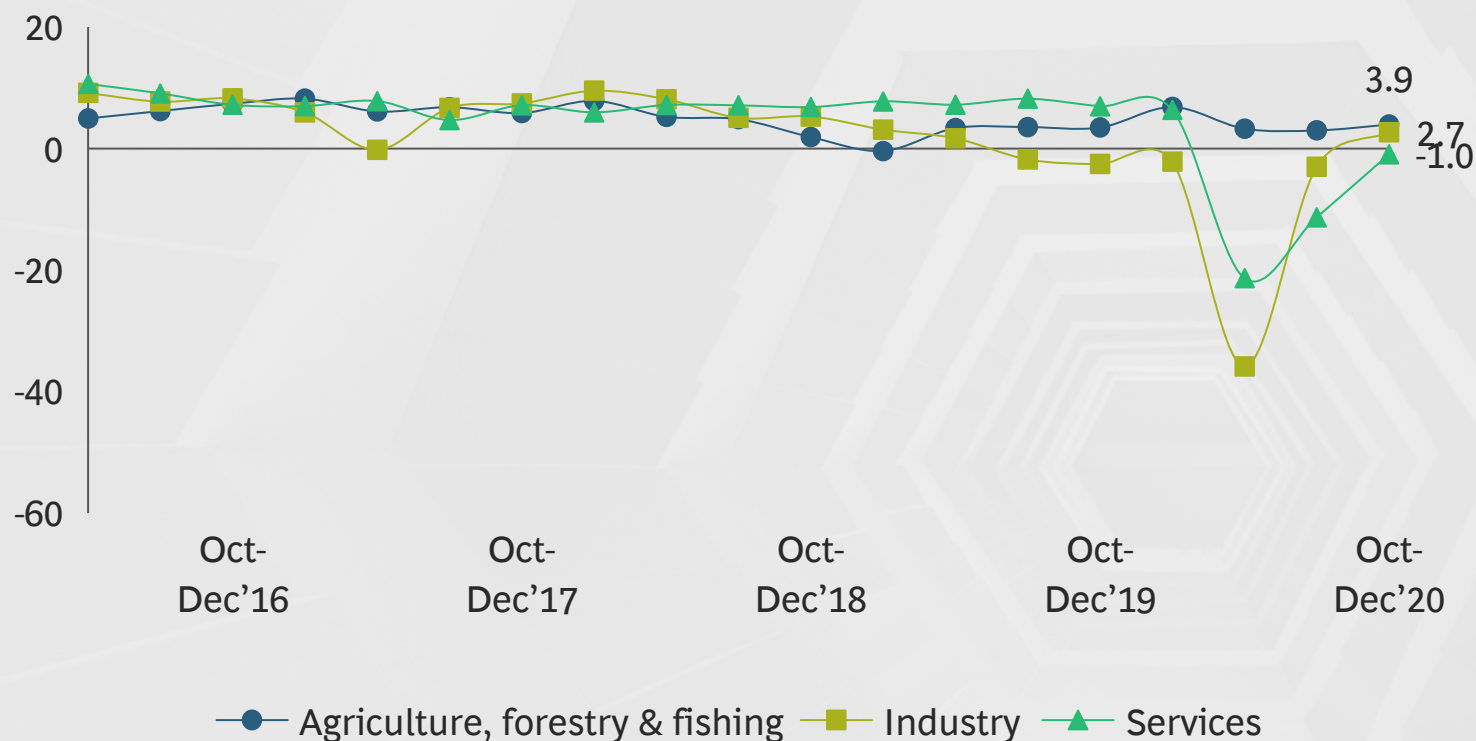
Gross Capital Formation, % change YoY



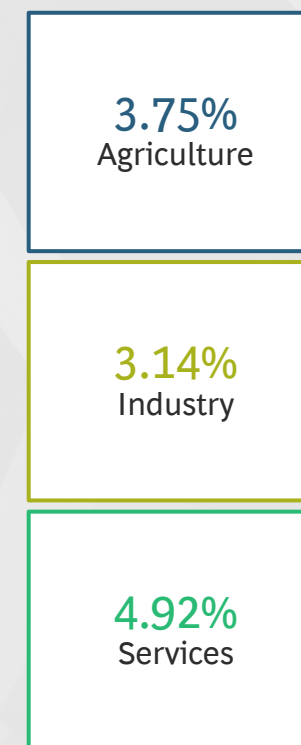
# Growth in industrial sector turned positive after five quarters; agriculture activities continued to grow in the Oct-Dec'20 quarter

GDP  
DEEP-DIVE

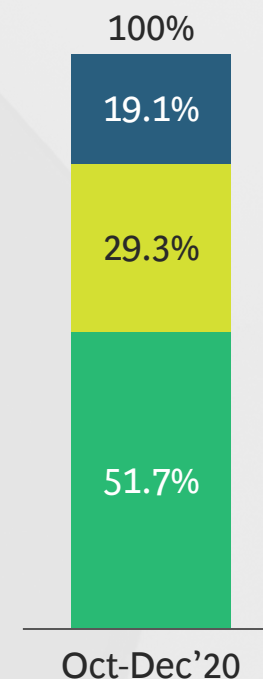
GVA Quarterly growth, % change YoY



Oct-Dec Qtr. CAGR<sup>1</sup>  
over 2016-20



Share in  
Industry GVA



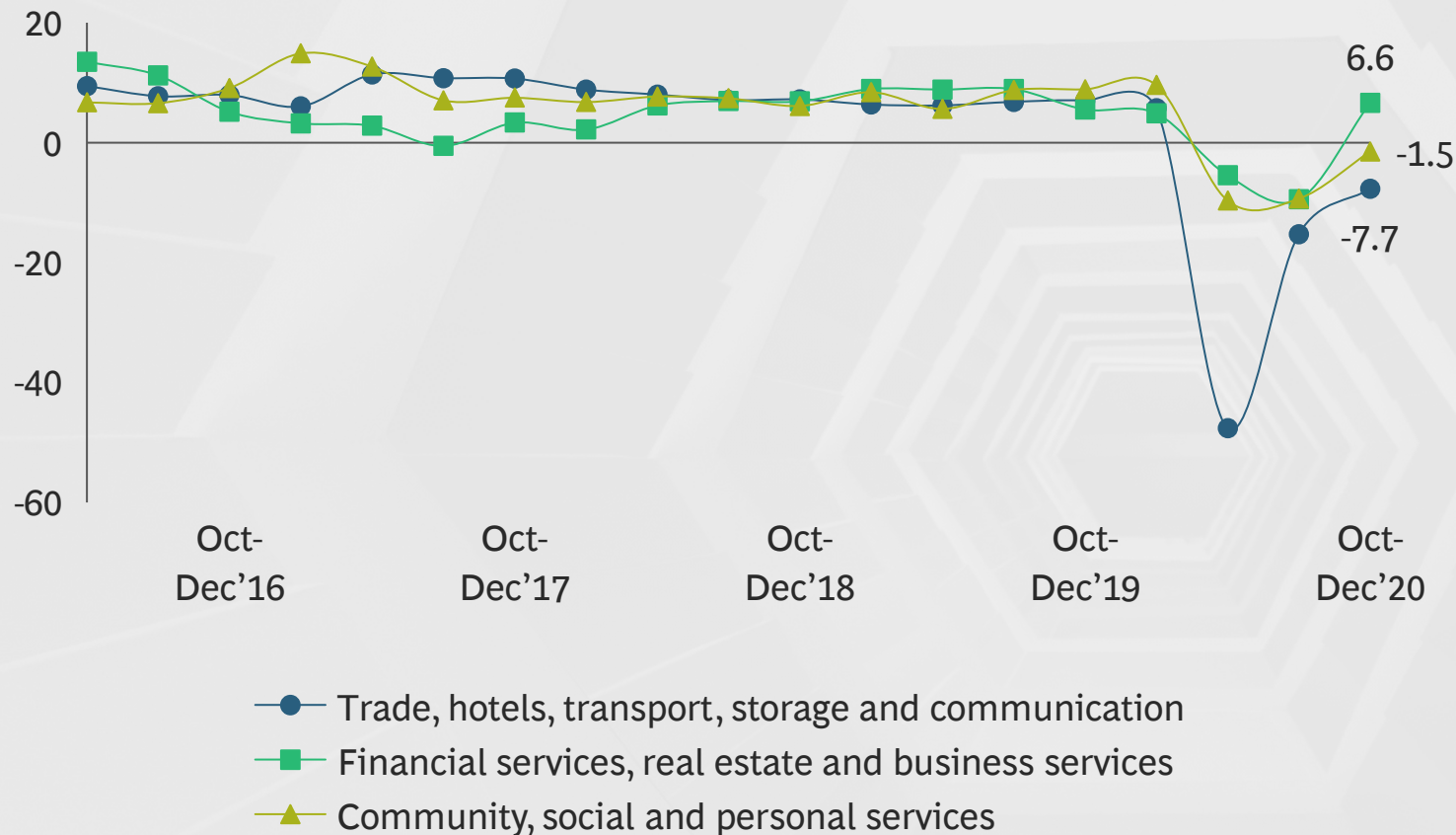
1. CAGR= [(Value of GVA in INR Mn in Oct-Dec'20/Value of GVA in INR Mn in Oct-Dec'16)^(1/4)]-1  
Source: CMIE, BCG Analysis



# All components of the services sector improved vs. previous quarter; Financial services recorded significant growth over the previous year

GDP  
DEEP-DIVE

Services GVA Quarterly growth, % change YoY



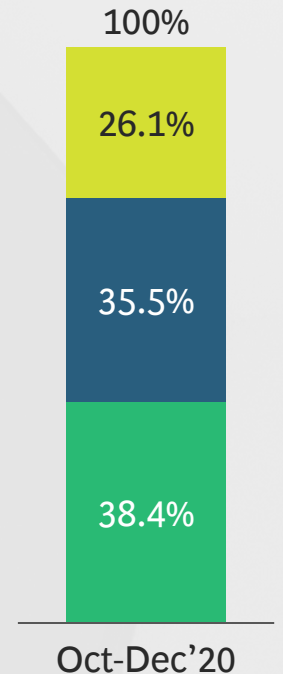
Oct-Dec Qtr. CAGR<sup>1</sup>  
over 2016-20

**5.18%**  
Community, social  
and personal  
services

**4.03%**  
Trade, hotels,  
transport, storage  
and communication

**5.60%**  
Financial services,  
real estate and  
business services

Share in  
Industry GVA

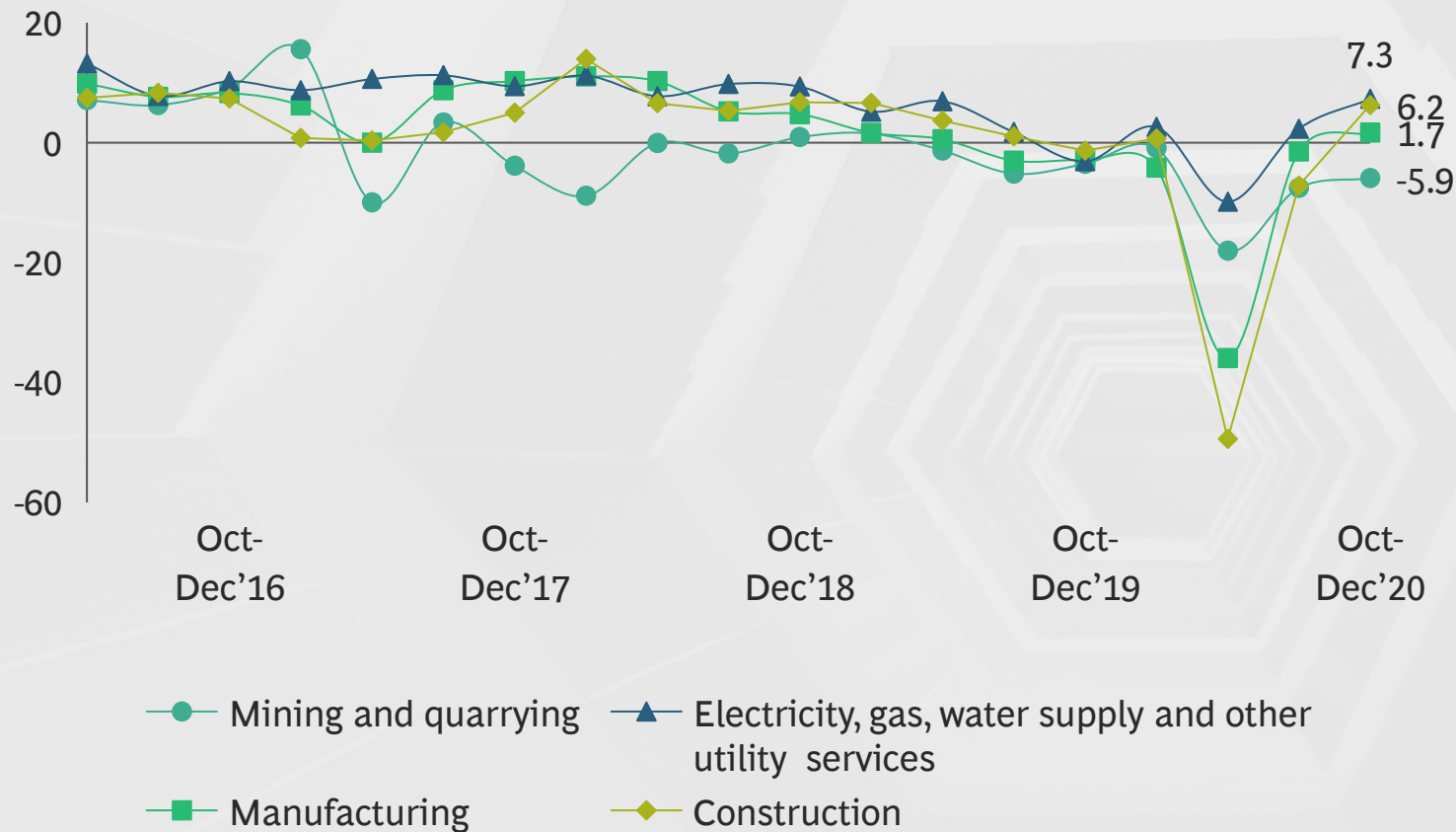


1. CAGR= [(Value of GVA in INR Mn in Oct-Dec'20/Value of GVA in INR Mn in Oct-Dec'16)^(1/4)]-1  
Source: CMIE, BCG Analysis

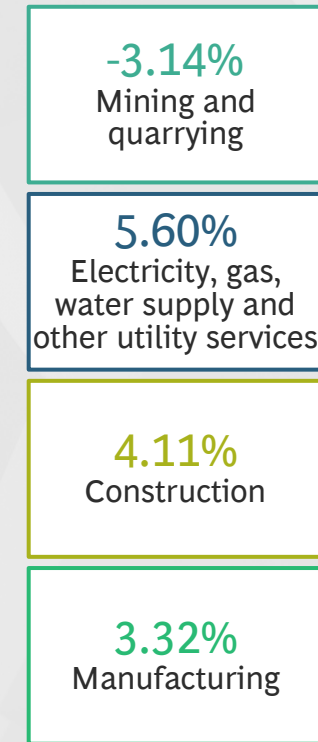
# Barring mining & quarrying, all other major components of industry witnessed positive YoY growth in Oct-Dec'20

GDP  
DEEP-DIVE

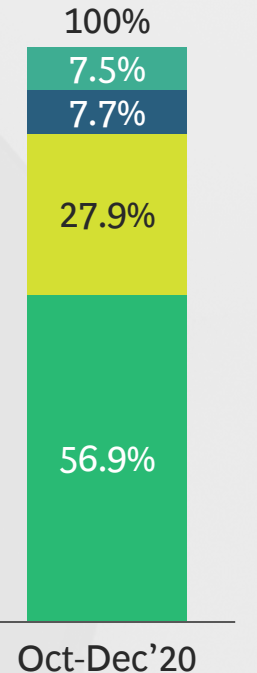
Industry GVA Quarterly growth, % change YoY



Oct-Dec Qtr. CAGR<sup>1</sup>  
over 2016-20



Share in  
Industry GVA



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



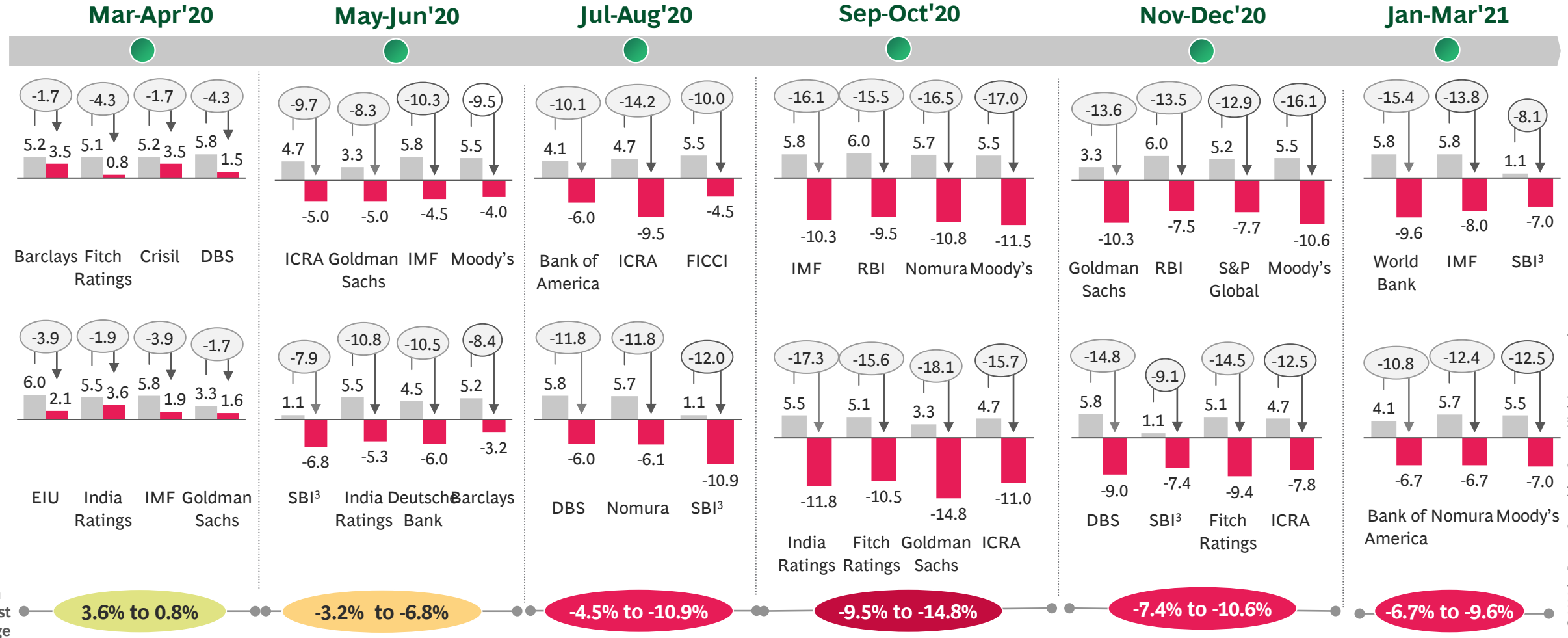
# Indian GDP growth forecasts revised upwards to 6.7-9.6% contraction in the financial year

## GDP FORECASTS

Data as of 21 Mar'21; 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 forecasts<sup>1</sup>

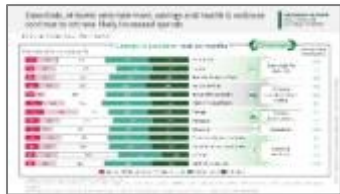
Post-lockdown forecasts<sup>2</sup>

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Consumer Sentiments & Insights



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

Demand Sentinel



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End-to-end Digital Customer Journeys



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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