

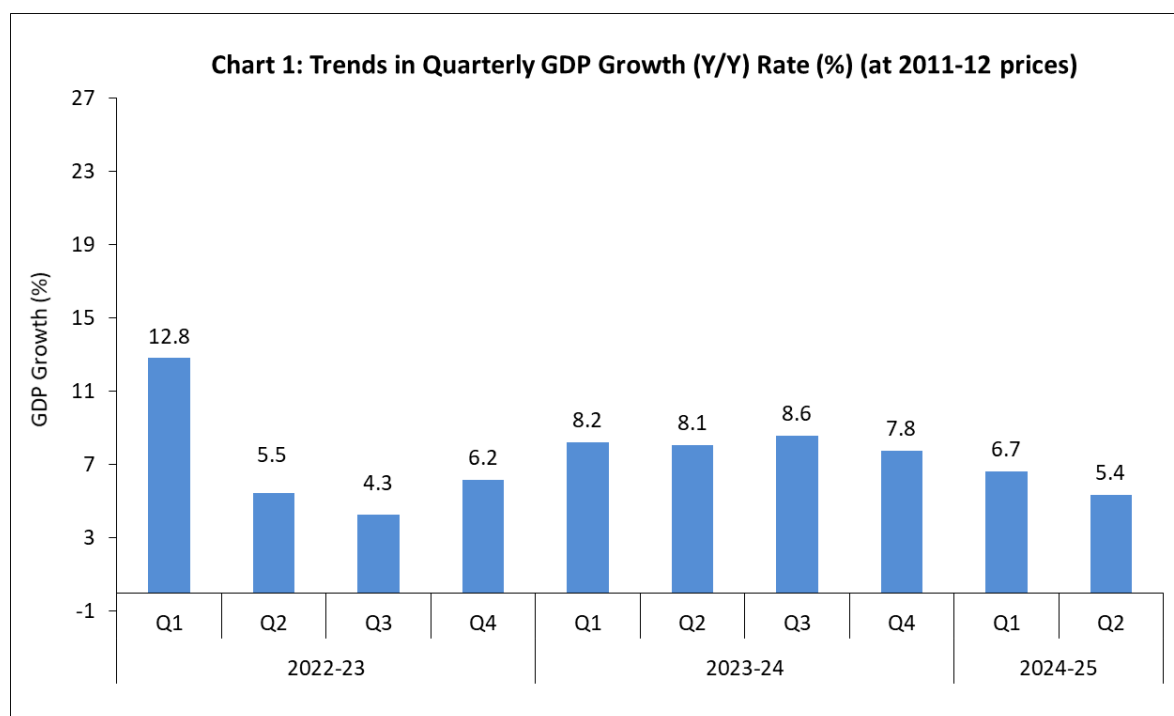


GDP rises by 5.4% in Q2, slowest growth in seven quarters

- India's GDP growth rose 5.4% in July-September quarter of FY2024-25, as compared to 6.7% growth observed in Q1 FY25.
- Activity in agriculture and allied sectors picked up, rising by 3.5% in Q2 FY25, from 2% rise in Q1 FY25 and 0.6% growth registered in Q4 FY24. Industrial segment witnessed slowdown in growth as it grew by 3.6% in Q2 FY25 as compared to 8.3% growth in Q1 FY25 and 8.4% growth in Q4 FY24. Within the industrial segment, the construction segment grew the fastest at 7.7% in Q2 FY25 as compared to 10.5% in Q1 FY25. Electricity, gas, water supply & other utility services segment also witnessed slowdown with a 3.3% rise in Q2 FY25 versus 10.4% in Q1 FY25.
- Services sector registered growth of 7.1% in Q2 FY25 as against 7.2% growth posted in Q1 FY25. Public administration, defence and other services grew 9.2% in Q2 FY25 as against 9.5% in Q1 FY25. Trade, hotels, transport, communication & broadcasting related services grew by 6% in Q2 FY25 as compared to 5.7% in Q1 FY25. Financial, real estate & professional services rose 6.7% in Q2 FY25 as compared to previous quarter growth of 7.1%.
- Gross fixed capital formation rose at 5.4% in Q2 FY25 versus 7.5% in Q1 FY25. Private consumption rose marginally by 6% in Q2 FY25 as compared to 7.4% growth registered in Q1 FY25. Export activity slowed down rising 2.8% in Q2 FY25 as compared to 8.7% rise in Q1 FY25.

Outlook: India's GDP growth fell to a seven-quarter low of 5.4% in Q2 FY25, with sharp declines in mining, manufacturing, and utilities, while agriculture grew by 3.5%. GVA growth also slowed to 5.6%, reflecting broad economic deceleration except in agriculture and services.

India's GDP growth is expected to rebound in the second half of the year, driven by festive spending, increased government capital expenditure, healthy agricultural output, and moderating food inflation, boosting rural and overall consumption.



Source: Ministry of Statistics & Programme Implementation (MOSPI) and CCIL Research

Table 1: Trends in GVA Growth Estimate at Factor Cost (at 2011 – 12 Prices)	Share (%)	GVA (Q2 2024-25) @ Rs Crore	Quarterly GVA Growth (Y/Y) Rate (%)				
			2023-24 Q2	2023-24 Q3	2023-24 Q4	2024-25 Q1	2024-25 Q2
1. Agriculture, Forestry & Fishing	11	456279	1.74	0.40	0.57	2.00	3.47
2. Industry	30	1216384	13.58	10.45	8.43	8.33	3.62
Mining & Quarrying	2	68861	11.07	7.50	4.25	7.18	-0.11
Manufacturing	17	701961	14.30	11.54	8.94	7.05	2.15
Electricity, Gas, Water Supply & Other Utility Services	2	100922	10.53	8.97	7.69	10.39	3.31
Construction	8	344640	13.55	9.58	8.70	10.51	7.68
3. Services	59	2385035	6.02	7.10	6.68	7.21	7.07
Trade, Hotels, Transport, Communication and Services related to Broadcasting	18	750198	4.51	6.95	5.13	5.72	6.01
Financial, Real Estate & Professional Services	27	1080051	6.24	6.98	7.58	7.09	6.74
Public Administration, Defense and Other Services	14	554786	7.75	7.51	7.77	9.52	9.19
GVA at Basic Price	100	4057697	7.69	6.79	6.27	6.84	5.60
GDP @ 2011-12		4410323	8.08	8.57	7.76	6.65	5.36

Source: Ministry of Statistics & Programme Implementation (MOSPI) and CCIL Research

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