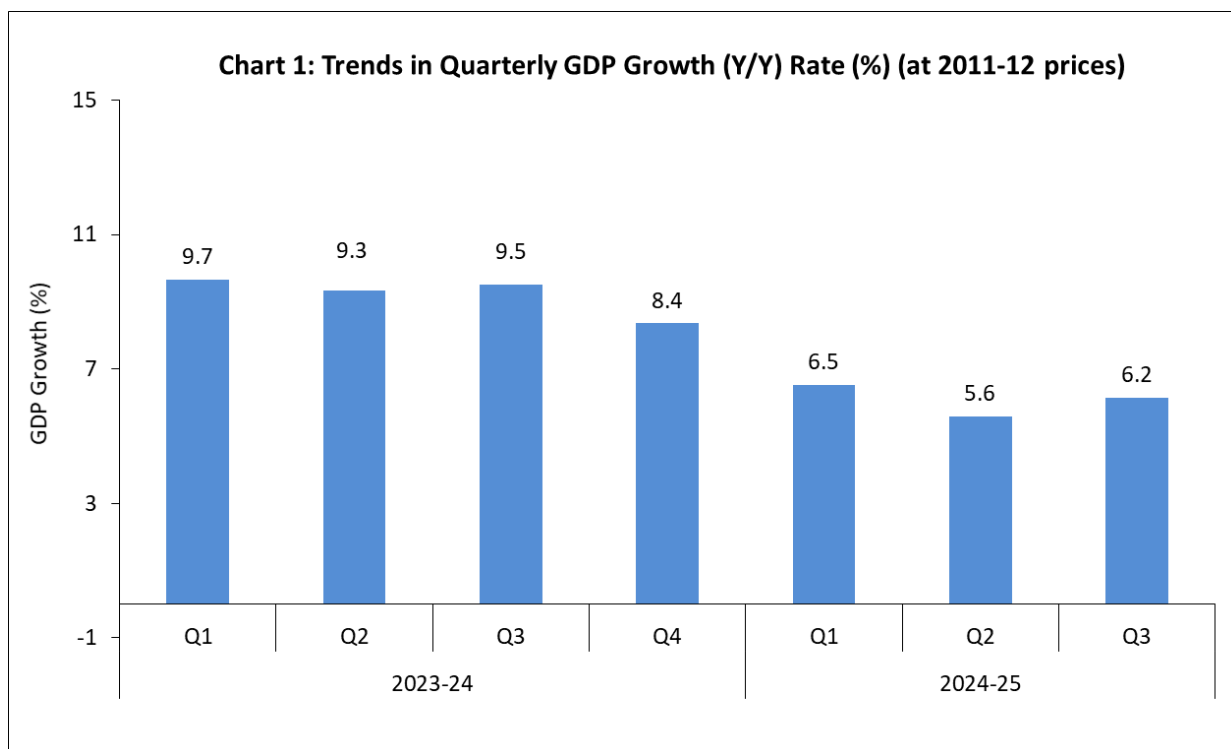




GDP rises by 6.2% in Q3-FY25

- India's GDP growth rose **6.2% in October-December quarter of FY2024-25**, reflecting a significant improvement compared to 5.6% growth observed in Q2 FY25. The resurgence in growth momentum during Q3 was widely expected, as reflected in various high-frequency macroeconomic indicators such as higher GST collections, increased public spending, greater electricity generation, and stronger export performance.
- The growth for Q2 FY25 was also revised upwards by 20 bps in the second advance estimate (SAE).
- For the full-year FY25, the second advance estimate puts the GDP growth at 6.5%, marginally higher than the 6.4% growth estimated earlier.
- The Ministry of Statistics and Programme Implementation (**MoSPI**) released the **final estimates for FY23**, the **first revised estimates for FY24**, and the **second advance estimates for FY25**. Growth projections for both **FY23 and FY24** were revised upward to **7.6% year-on-year (YoY) and 9.2% YoY**, respectively, from the previous estimates of **7% YoY and 8.2% YoY**.
- Across sectors, agriculture continued its recovery, expanding by **5.6% YoY** in Q3, up from 4.1% in the previous quarter. This growth was supported by strong Kharif output and solid Rabi sowing progress.
- The services sector sustained its overall momentum, recording a **7.4% YoY growth** in Q3, up from **7.2% in Q2**. This improvement was driven by stronger growth in **trade, hotels, transport, communication, and broadcasting services**, which rose from **6.1% in Q2 to 6.7% in Q3**.
- Industrial activity picked up in Q3 but remained subdued, raising concerns. The sector's growth was affected by a slowdown in construction, which declined to **7% in Q3** from **8.7% in the previous quarter**.
- Manufacturing sector growth improved but remained below its potential, registering **3.5% in Q3**.
- Likewise, mining activity saw only **1.4% growth**, staying subdued despite the absence of significant weather-related disruptions during the quarter.
- Growth in gross fixed capital formation rebounded sharply in Q3 to 8.3% from 3.8% in Q2. Exports grew by 10.4% in Q3, higher than 2.5% in Q2, largely on the account of robust services exports.

Outlook: India's Q3FY25 GDP and GVA both grew by 6.2% respectively, with agriculture and services sectors showing improvement. Industrial growth accelerated, except for construction. Private consumption, driven by strong rural demand, along with government spending and exports, contributed significantly to growth. Looking ahead, economic momentum is expected to strengthen, supported by rising demand and positive high-frequency indicators.



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 Q3	2023-24 Q4	2024-25 Q1	2024-25 Q2	2024-25 Q3
1. Agriculture, Forestry & Fishing	18	768351	1.5	0.9	1.7	4.1	5.6
2. Industry	30	1261026	11.8	9.5	8.4	3.8	4.5
Mining & Quarrying	2	82604	4.7	0.8	6.8	-0.3	1.4
Manufacturing	17	695366	14.0	11.3	7.5	2.1	3.5
Electricity, Gas, Water Supply & Other Utility Services	2	96301	10.1	8.8	10.2	3.0	5.1
Construction	9	386755	10.0	8.7	10.1	8.7	7.0
3. Services	52	2283208	8.3	7.8	6.8	7.2	7.4
Trade, Hotels, Transport, Communication and Services related to Broadcasting	19	823895	8.0	6.2	5.4	6.1	6.7
Financial, Real Estate & Professional Services	21	905185	8.4	9.0	6.6	7.2	7.2
Public Administration, Defense and Other Services	13	554127	8.4	8.7	9.0	8.8	8.8
GVA at Basic Price	100	4312585	8.0	7.3	6.5	5.8	6.2
GDP @ 2011-12		4716992	9.5	8.4	6.5	5.6	6.2

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

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