

TRENDS & TIDES

**FY25 GDP growth slows to
6.4% YoY as per first advance
estimates**



Manufacturing sector drags down GDP growth in FY25

Services sector also slows down marginally due to weak financial services+, while agriculture recovers

Sector	Share FY25	Real Growth YoY%					
		FY21	FY22	FY23	FY24	FY25	
Agriculture	14%	4.0%	4.6%	4.7%	1.4%	3.8%	← Agriculture growth recovers on account of healthy monsoon and robust kharif production
Industry	22%	1.1%	9.6%	(0.6%)	9.3%	5.2%	
Mining	2%	(8.2%)	6.3%	1.9%	7.1%	2.9%	
Manufacturing	17%	3.1%	10.0%	(2.2%)	9.9%	5.3%	← Manufacturing sector growth moderates due to a decline in the operating profit growth of listed manufacturing firms and weaker IIP manufacturing
Electricity	2%	(4.2%)	10.3%	9.4%	7.5%	6.8%	
Services	64%	(7.9%)	10.6%	9.9%	7.9%	7.4%	
Construction	9%	(4.6%)	19.9%	9.4%	9.9%	8.6%	← Construction sector growth slows in line with weakness in cement production and steel consumption
Trade, Hotels, Transport, Communication	19%	(19.9%)	15.2%	12.0%	6.4%	5.8%	
Financial services, Real estate, Professional Services	23%	1.9%	5.7%	9.1%	8.4%	7.3%	← Financial services impacted by fall in credit growth
Public Admin, Defence & Other Services	13%	(7.6%)	7.5%	8.9%	7.8%	9.1%	
Real GVA	100%	(4.1%)	9.4%	6.7%	7.2%	6.4%	
Real GDP		(5.8%)	9.7%	7.0%	8.2%	6.4%	← GDP growth prints lower than the RBI's projection of 6.6% YoY in the December 2024 policy

Source: MOSPI, 360 ONE Asset Research

Note: GDP = GVA + indirect taxes – subsidies

Private consumption recovers on strong rural demand

Weak government capital expenditure impacts fixed investment growth in FY25

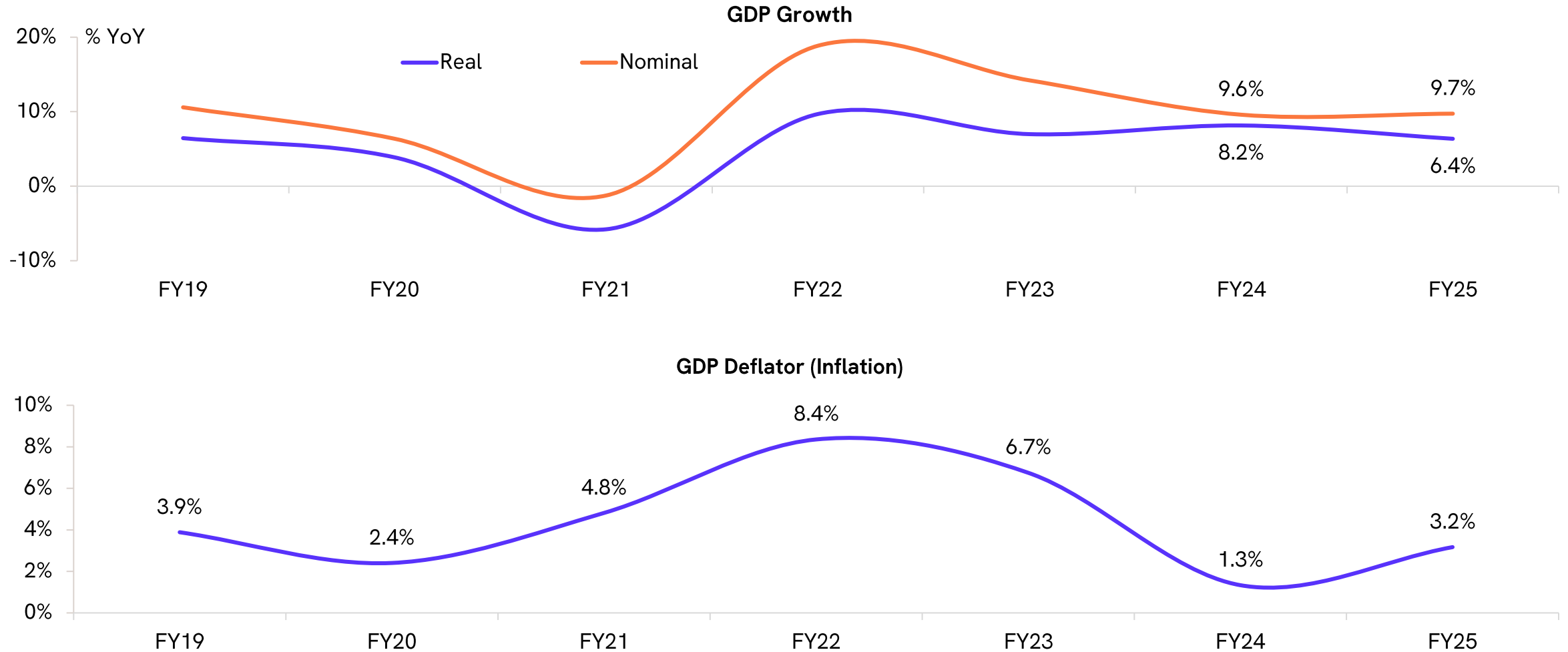
Real Growth YoY%	Share FY25	FY21	FY22	FY23	FY24	FY25	
Consumption Expenditure	66%	-4.6%	9.8%	7.1%	3.8%	6.8%	
Private Consumption	56%	-5.3%	11.7%	6.8%	4.0%	7.3%	← Private consumption growth recovers due to strong rural demand, while urban consumption remains subdued
Government Consumption	9%	-0.8%	0.0%	9.0%	2.5%	4.1%	
Gross Capital Formation	36%	-10.6%	25.4%	2.0%	12.2%	6.1%	
Fixed Investments	34%	-7.1%	17.5%	6.6%	9.0%	6.4%	← Fixed investment growth slows due to weak central government capital expenditure
Changes in Stocks	1%	-76.4%	525.4%	14.5%	5.9%	4.5%	
Valuables	2%	29.9%	32.5%	-19.1%	21.2%	1.1%	
Exports	23%	-7.0%	29.6%	13.4%	2.6%	5.9%	
Less Imports	23%	-12.6%	22.1%	10.6%	10.9%	-1.3%	← Net exports (exports minus imports) positively contribute to GDP as export growth outpaces import growth in real terms
Real GDP	100%	-5.8%	9.7%	7.0%	8.2%	6.4%	

Source: MOSPI, 360 ONE Asset Research

GCF: Gross Capital Formation = Fixed Investment + Change in stocks + Valuables

Nominal growth prints at 9.7% YoY, lower than the budget projection of 10.5%

GDP deflator (inflation) picks up in FY25 on account of a rise in Wholesale Price Index (WPI) inflation

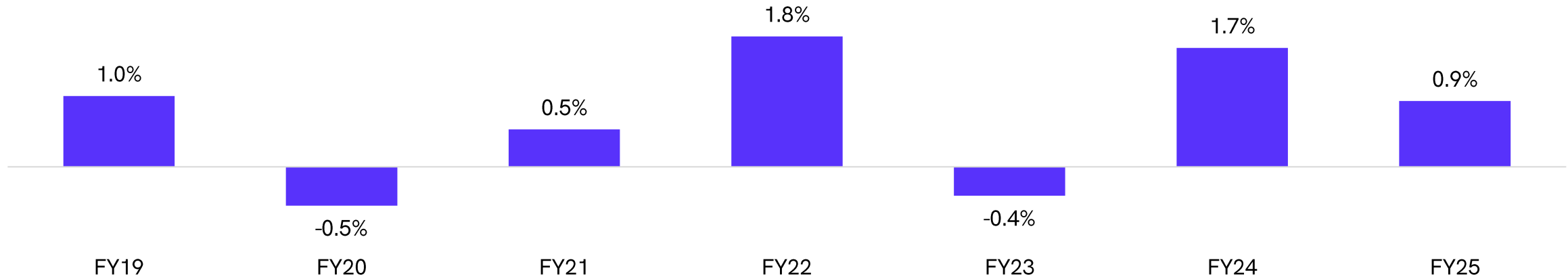


Source: MOSPI, 360 ONE Asset Research

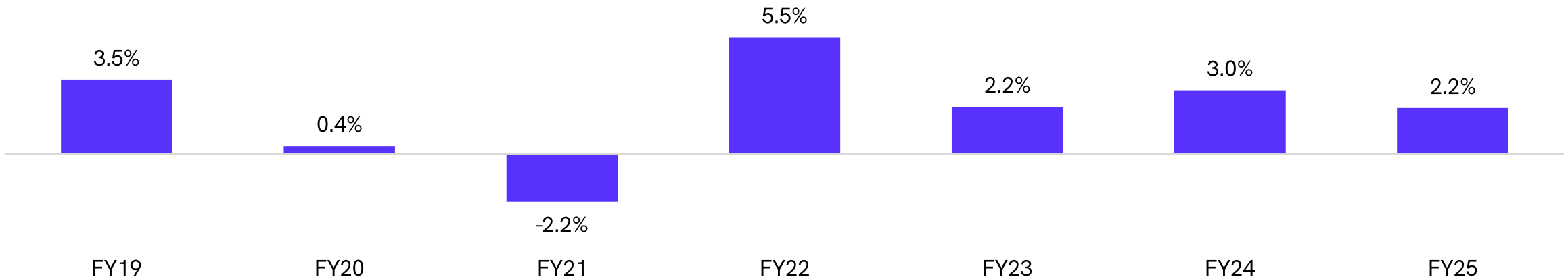
Manufacturing sector's contribution declines to 0.9% from 1.7% in FY24

On the expenditure side, fixed investment contribution declines to 2.2% in FY25 from 3.0% in FY24

Manufacturing Sector - Contribution to GVA Growth



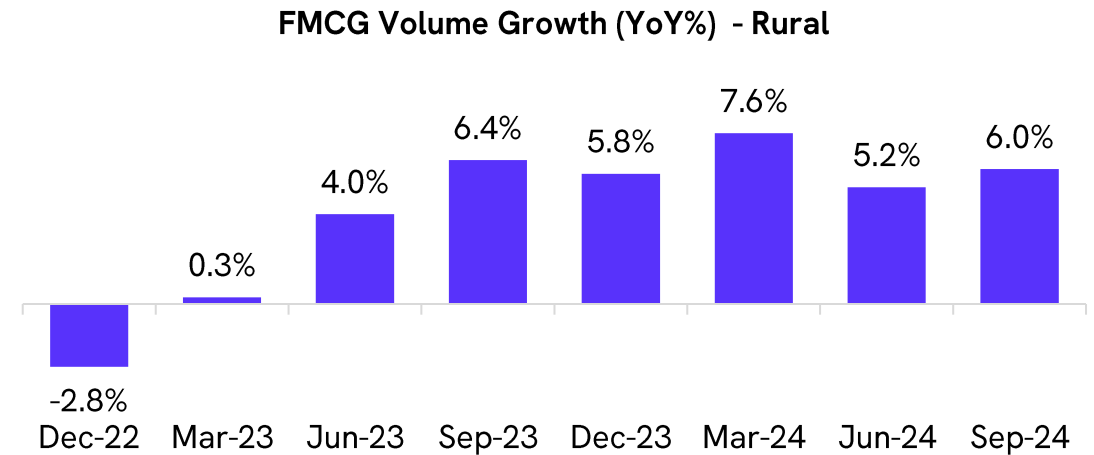
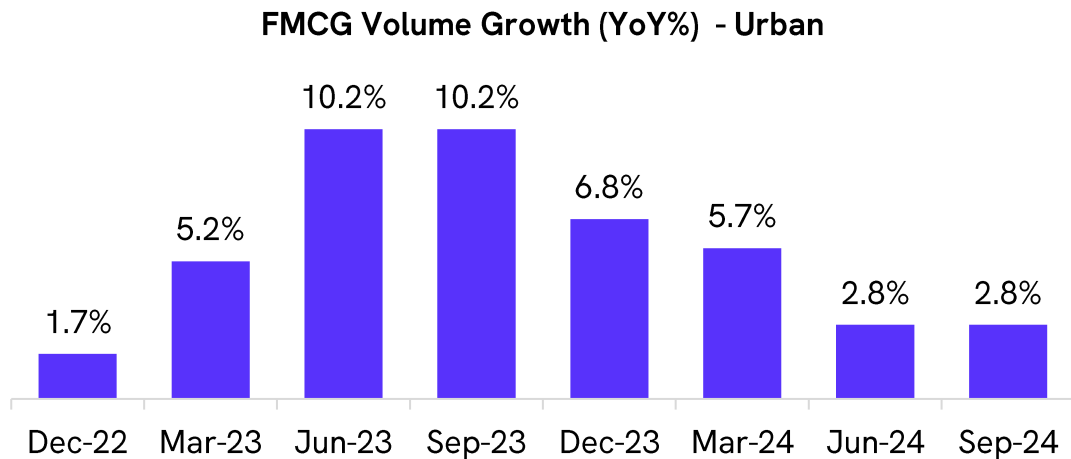
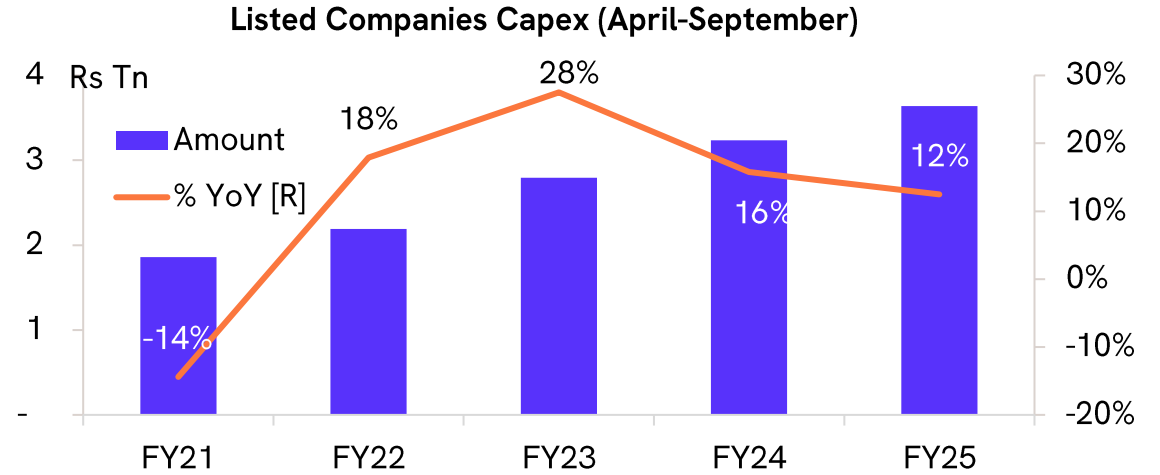
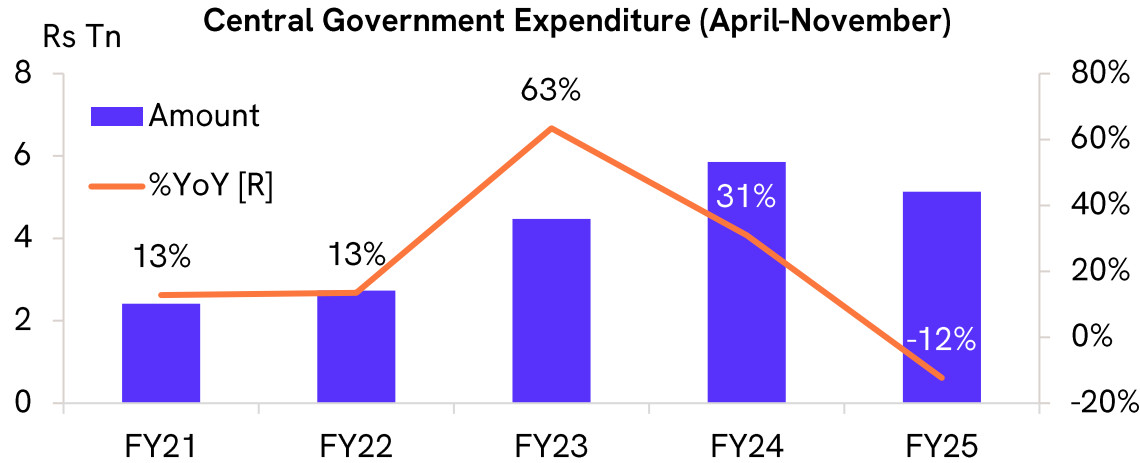
Fixed Investment - Contribution to GDP Growth



Source: MOSPI, 360 ONE Asset Research

Outlook: FY26 GDP growth is expected to be around 6.5% YoY

Subdued urban consumption and weak government capex pose risks to the outlook



Source: NielsenIQ, News Reports, Ace Equity, CGA, 360 ONE Asset Research

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