



PHD Research Bureau
PHD Chamber of Commerce and Industry



India's Q1 FY 2021-22 GDP growth rate stands at 20.1%

July 2021 Core infra growth stands at 9.4%

PHD Chamber Viewpoint

GDP growth rate at 20.1% in Q1 FY 2022 encouraging, looking forward to a double digit growth in FY 2021-22: PHD Chamber

The sharp recovery in GDP growth in Q1 FY 2021-22 at 20.1% as compared with (-) 24.4% in Q1 FY 2020-21 is highly appreciable. The Q1 GDP could have been much better if the country was not impacted by the 2nd wave of pandemic coronavirus in the months of April and May 2021. Meaningful and proactive reforms undertaken by the Government in last many quarters has pulled the economy from the lows of Q1 FY 2020-21 and has resulted in the sharp recovery in Q1 FY 2021-22 despite the full and partial lockdowns in many parts of the country.

The Q1 FY 2021-22 GDP growth rate stands at 20.1%, of which growth rate of Agriculture, forestry & fishing stands at 4.5%, Mining & quarrying at 18.6%, Manufacturing at 49.6%, Electricity, gas, water supply & other utility services at 14.3%, Construction at 68.3%, Trade, hotels, transport, communication & services related to broadcasting at 34.3%, Financial, real estate & professional services at 3.7% and Public administration, defence & other services at 5.8%.

Gross fixed capital formation (GFCF), which reflects the capital expenditure in the country has accelerated by 55.3% to Rs 10.2 lakh crore in Q1 FY 2021-22 as compared to Rs 6.6 lakh crore in Q1 FY 2020-21. Private final consumption expenditure (PFCE) has also increased by 19.3% to Rs 17.8 lakh crore in Q1 FY 2021-22 from Rs 14.9 lakh crore in Q1 FY 2020-21, while Government final consumption expenditure (GFCE) has decreased marginally by (-)4.8% to Rs 4.2 lakh crore in Q1 FY 2021-22 from Rs 4.4 lakh crore in Q1 FY 2020-21.

GDP growth rate at 20.1% for Q1 FY 2021-22 is very much in line with our projections given in the PHDCCI Economic and Business Momentum (EBM) Index released on August 19, 2021, in which we had estimated that the GDP growth will be in the range of 15-20% for Q1 FY 2021-22. On the basis of recent movement of PHDCCI Economic & Business Momentum (EBM) Index, PHD Chamber projects the overall GDP growth in double digits

at 10.25% for FY 2021-22.

At this juncture, there is a need to further fuel the drivers of household consumption and private investments to enhance the aggregate demand in the economy as it will have an accelerated effect on expansion of capital investments in the country. The Government should frontload the National Infra Pipeline expenditure as increased spending on infrastructure will give a multiplier effect to rejuvenate the aggregate demand in the economy. Undoubtedly, robust growth of infrastructure is the key ingredient to realize the vision of Aatmanirbhar Bharat.

More and more direct benefit transfers needs to be considered for the urban and rural poor under the various welfare schemes in addition to the free distribution of dry rations till Diwali as already announced by the Hon'ble Prime Minister. Vaccination of population should be continued with a more faster pace, let's target to vaccinate at least half of the population with both the doses by end September 2021.

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the estimates of Gross Domestic Product (GDP) for the first quarter (April-June) Q1 of 2021-22, both at Constant (2011-12) and Current Prices, along with the corresponding quarterly estimates of expenditure components of the GDP.

With a view to contain the second wave of the Covid-19 pandemic, localized and calibrated lockdowns were imposed during the first quarter of 2021-22. Restrictions were imposed on the economic activities not deemed essential, as also on the movement of people. The lockdown instructions in various States were duly considered by the National Statistical Office. The impact on economic activities and the data collection mechanisms owing to COVID19 pandemic has an effect on the Quarterly GDP estimates also.

Q1 FY 2021-22 GDP Growth Figures

GDP at Constant (2011-12) Prices in Q1 of FY2021-22 stands at Rs 32.38 lakh crore, as against Rs 26.95 lakh crore in Q1 of 2020-21, showing an increase of 20.1%. Quarterly GVA at Constant (2011-12) Prices in Q1 FY2022 has attained a level of Rs 30.48 lakh crore, as against Rs 25.66 lakh crore in Q1 of 2020-21.

GDP at Current Prices in the year Q1 2021-22 stands at Rs 51.23 lakh crore, as against Rs 38.89 lakh crore in Q1 2020-21, showing an increase of 31.7%. GVA at Basic Price at Current Prices in Q1 2021-22, stands at Rs 46.2 lakh crore, as against Rs 36.53 lakh crore in Q1 2020-21, showing an expansion of 26.5%

Quarterly Growth Estimates at Basic Prices in Q1 (April-July) of 2021-22 (at 2011-12 Prices)

Industry	Absolute Value (in Rs Crore)		Percentage Change Over Previous year	
	2020-21	2021-22	2020-21	2021-22
Agriculture, forestry & fishing	465280	486292	3.5	4.5
Mining & quarrying	68680	81444	(-)17.2	18.6
Manufacturing	363448	543821	(-)36	49.6

Electricity, gas, water supply & other utility services	71800	82042	(-)9.9	14.3
Construction	131439	221256	(-)49.5	68.3
Trade, hotels, transport, communication & services related to broadcasting	345099	463525	(-)48.1	34.3
Financial, real estate & professional services	761791	789929	(-)5.0	3.7
Public administration, defence & other services	358373	379205	(-)10.2	5.8
GVA at Basic Price	2565909	3047516	(-)22.4	18.8
GDP at Basic Price	2695421	3238020	(-)24.4	20.1

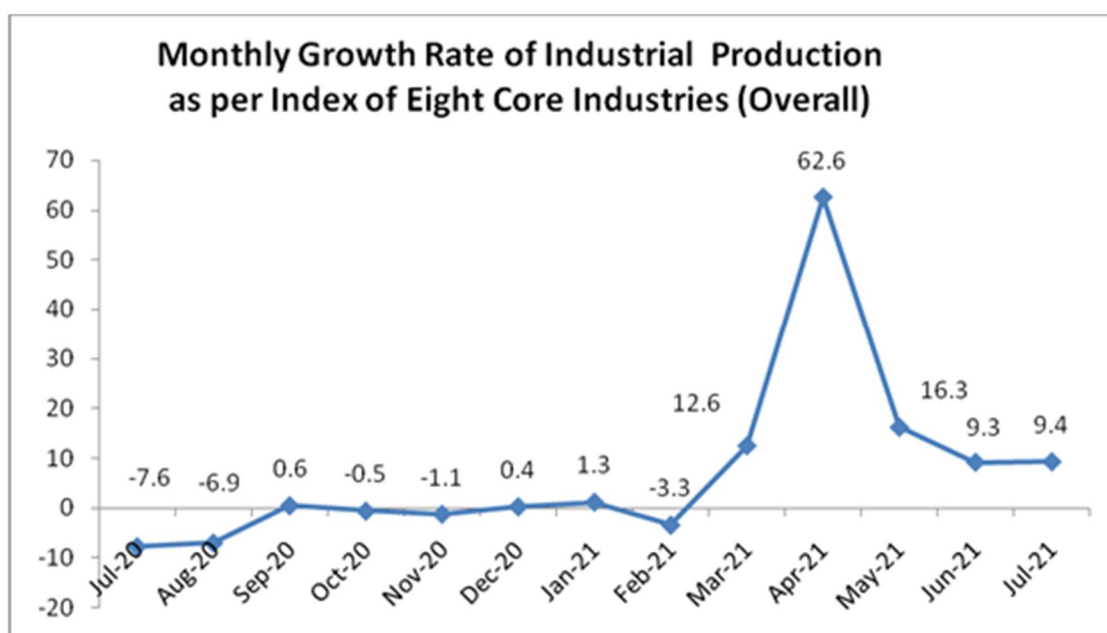
Source: PHD Research Bureau, PHDCCI compiled from CSO and MOSPI

Please find enclosed MOSPI's detailed Press Release on Quarterly Estimates Of Gross Domestic Product For The First Quarter (Q1) Of 2021-22 for your kind reference.

July 2021 Core infra growth stands at 9.4%

The core infrastructure growth stands at 9.4% in July 2021 as compared to 9.3% in June 2021, 16.3% in May 2021, 62.6% in April 2021, 12.6% in March 2021, (-)3.3% in February 2021, 1.3% in January 2021 and 0.4% in December 2020. The core infrastructure growth stood at (-)7.6% in July 2020. The cumulative growth of core infrastructure during April-July 2021-22 stands at 21.2% as compared to (-)19.8% in April-July 2020-21.

The y-o-y growth rate of Coal stands at 18.7%, crude oil at (-)3.2%, Natural Gas at 18.9%, Refinery Products at 6.7%, Fertilizers at 0.5%, Steel at 9.3%, Cement at 21.8% and Electricity at 9.0% in July 2021 as compared to June 2021 y-o-y figures of Coal at 7.4%, crude oil at (-)1.8%, Natural Gas at 20.6%, Refinery Products at 2.4%, Fertilizers at 2.0%, Steel at 24.9%, Cement at 7.5% and Electricity at 8.2%.



Source: PHD Research Bureau, PHDCCI, compiled from Ministry of Commerce & Industry (Note: Figures are in %)

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Warm Regards,

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