



PHD Research Bureau
PHD Chamber of Commerce and Industry



India's Q2 FY 2021-22 GDP growth rate stands at 8.4%

PHD Chamber Viewpoint

GDP growth rate at 8.4% in Q2 FY 2022 encouraging, looking forward to a double digit growth in FY 2021-22: PHD Chamber

The 8.4% GDP growth in Q2 FY 2021-22 as compared with (-)7.4% in Q2 FY 2020-21 is highly appreciable. On the back of meaningful and proactive reforms undertaken by the Government, calibrated measures by RBI, rapid vaccination drive in the country, improved consumer and business sentiments and low base effect, the economy has recovered from the severe contraction of FY 2020-21.

The Q2 FY 2021-22 GDP growth rate stands at 8.4%, of which growth rate of Agriculture, forestry & fishing stands at 4.5%, Mining & quarrying at 15.4%, Manufacturing at 5.5%, Electricity, gas, water supply & other utility services at 8.9%, Construction at 7.5%, Trade, hotels, transport, communication & services related to broadcasting at 8.2%, Financial, real estate & professional services at 7.8% and Public administration, defence & other services at 17.4%.

Gross fixed capital formation (GFCF), which reflects the capital expenditure in the country has accelerated by 11% to Rs 11.4 lakh crore in Q2 FY 2021-22 as compared to Rs 10.3 lakh crore in Q2 FY 2020-21. Private final consumption expenditure (PFCE) has also increased by 8.6% to Rs 19.5 lakh crore in Q2 FY 2021-22 from Rs 17.9 lakh crore in Q2 FY 2020-21, while Government final consumption expenditure (GFCE) has increased by 8.7% to Rs 3.6 lakh crore in Q2 FY 2021-22 from Rs 3.3 lakh crore in Q2 FY 2020-21.

GDP growth rate at 8.4% for Q2 FY 2021-22 is very much in line with our projections given in the PHDCCI Economic and Business Momentum (EBM) Index released on November 18, 2021, in which we had estimated that the GDP growth will be in the range of 8-10% for Q2 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 address the high commodity prices and shortages of raw material to support the consumption and private investments in the country. The drivers of household consumption need to be further strengthened to enhance the

aggregate demand as it will have an accelerated effect on expansion of capital investments. More and more direct benefit transfers needs to be enhanced for the urban and rural poor under the various welfare schemes of the Government to strengthen and sustain the recovery in the economic growth.

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the estimates of Gross Domestic Product (GDP) for the second quarter (July-September) of 2021-22 (Q2 2021-22), both at Constant (2011-12) and Current Prices, along with the corresponding quarterly estimates of expenditure components of the GDP.

Q2 FY 2021-22 GDP Growth Figures

GDP at Constant (2011-12) Prices in Q2 of FY2021-22 stands at Rs 35.73 lakh crore, as against Rs 32.97 lakh crore in Q2 of 2020-21, showing an increase of 8.4%. Quarterly GVA at Constant (2011-12) Prices in Q2 FY2022 has attained a level of Rs 32.89 lakh crore, as against Rs 30.32 lakh crore in Q2 of 2020-21.

GDP at Current Prices in the year Q2 2021-22 stands at Rs 55.54 lakh crore, as against Rs 47.26 lakh crore in Q2 2020-21, showing an increase of 17.5%. GVA at Basic Price at Current Prices in Q2 2021-22, stands at Rs 49.7 lakh crore, as against Rs 42.54 lakh crore in Q2 2020-21, showing an expansion of 16.8%

Quarterly Growth Estimates at Basic Prices in Q2 (July-September) of 2021-22 (at 2011-12 Prices)

Industry	Absolute Value (in Rs Crore)		Percentage Change Over Previous year	
	Q2 2020-21	Q2 2021-22	Q2 2020-21	Q2 2021-22
Agriculture, forestry & fishing	3,90,106	4,07,641	3.0	4.5
Mining & quarrying	60,671	70,022	(-)6.5	15.4
Manufacturing	5,56,233	5,86,775	(-)1.5	5.5
Electricity, gas, water supply & other utility services	79,242	86,330	2.3	8.9
Construction	2,23,773	2,40,528	(-)7.2	7.5
Trade, hotels, transport, communication & services related to broadcasting	5,35,234	5,79,113	(-)16.1	8.2
Financial, real estate & professional services	7,84,329	8,45,468	(-)9.1	7.8
Public administration, defence & other services	4,02,697	4,72,861	(-)9.2	17.4
GVA at Basic Price	30,32,285	32,88,736	(-)7.3	8.5
GDP at Basic Price	32,96,718	35,73,451	(-)7.4	8.4

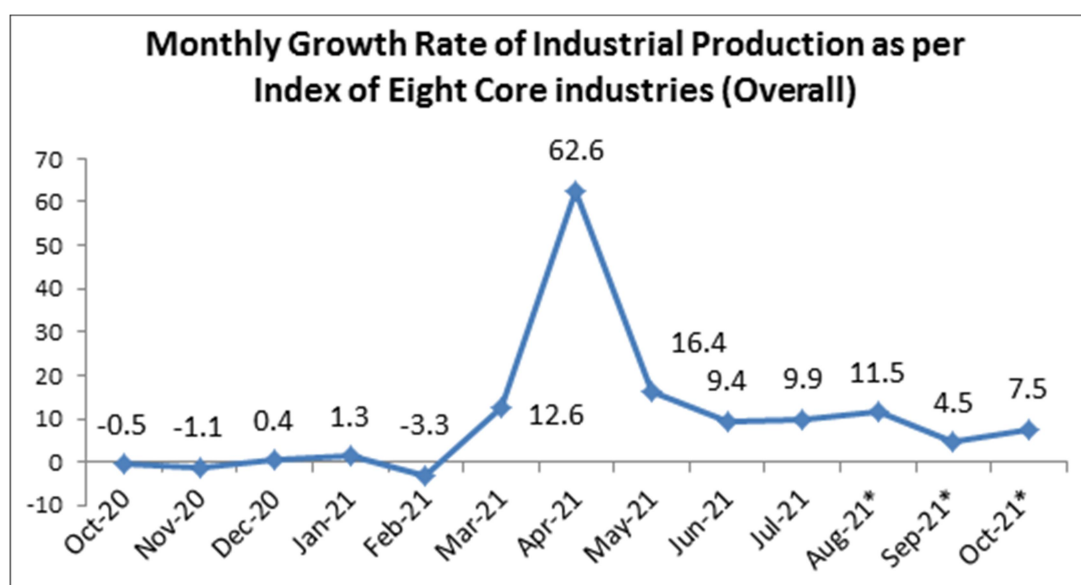
Source: PHD Research Bureau, PHDCCI, compiled from CSO and MOSPI

Please find enclosed MOSPI's detailed Press Release on Quarterly Estimates Of Gross Domestic Product For The Second Quarter (Q2) Of 2021-22 for your kind reference.

October 2021 Core infra growth stands at 7.5%

The core infrastructure growth stands at 7.5% in October 2021 as compared to 4.5% in September 2021, 11.5% in August 2021, 9.9% in July 2021, 9.4% in June 2021, 16.4% in May 2021, 62.6% in April 2021, 12.6% in March 2021, (-)3.3% in February 2021 and 1.3% in January 2021. The core infrastructure growth stood at (-) 0.5% in October 2020. The cumulative growth of core infrastructure during April-October 2021-22 stands at 15.1% as compared to (-)12.6% in April-October 2020-21.

The y-o-y growth rate of Coal stands at 14.6%, crude oil at (-)2.2%, Natural Gas at 25.8%, Refinery Products at 14.4%, Fertilizers at 0.04%, Steel at 0.9%, Cement at 14.5% and Electricity at 2.8% in October 2021 as compared to August 2021 y-o-y figures of Coal at 8.0%, crude oil at (-)1.7%, Natural Gas at 27.5%, Refinery Products at 6.0%, Fertilizers at 0.04%, Steel at 2.8%, Cement at 11.3% and Electricity at 0.9%.



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

October 2021 Fiscal Deficit stands at 36.3% of actuals to BEs

The gross fiscal deficit of the Central Government stands at 36.3% of the actuals to budget estimates (BEs) in October 2021 as compared to 119.7% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit and revenue deficit stands at 21.1% and 27.5% respectively, of the actuals to budget estimates in October 2021 as compared to 703.1% and 126.7% respectively, of the actuals to budget estimates in the corresponding period of the previous year.

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Warm Regards,

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