

India's Q3 FY 2021-22 GDP growth rate stands at 5.4% and FY 2021-22 growth estimated at 8.9%

PHD Chamber Viewpoint

GDP growth rate at 5.4% in Q3 FY 2022 inspiring, 3rd wave impacts the economic activity:

PHD Chamber

GDP growth rate at 5.4% for Q3 FY 2021-22 is inspiring, as there was severe impact of the 3rd wave on the economic activity during October to December 2021 period. On the back of supportive policies of the Government, calibrated measures by RBI, rapid vaccination drive in the country and improved consumer and business sentiments, the economy has recovered from the severe contraction of FY 2020-21 and we look forward to the strong growth in the coming quarters.

The Q3 FY 2021-22 GDP growth rate stands at 5.4%, of which growth rate of Agriculture, forestry & fishing stands at 2.6%, Mining & quarrying at 8.8%, Manufacturing at 0.2%, Electricity, gas, water supply & other utility services at 3.7%, Construction at (-)2.8%, Trade, hotels, transport, communication & services related to broadcasting at 6.1%, Financial, real estate & professional services at 4.6% and Public administration, defence & other services at 16.8%.

Gross fixed capital formation (GFCF), which reflects the capital expenditure in the country has accelerated by 2% to Rs 11.5 lakh crore in Q3 FY 2021-22 as compared to Rs 11.3 lakh crore in Q3 FY 2020-21. Private final consumption expenditure (PFCE) has also increased by 7% to Rs 23.2 lakh crore in Q3 FY 2021-22 from Rs 21.7 lakh crore in Q3 FY 2020-21, while Government final consumption expenditure (GFCE) has increased by 3.4% to Rs 3.6 lakh crore in Q3 FY 2021-22 from Rs 3.4 lakh crore in Q3 FY 2020-21.

At this juncture, the pace of economic activity is expected to remain strong on the back of various structural reforms undertaken by the Government during the last 2 years. The recent budget announced by the Government for the FY 2022-23 looks into the future while keeping a close eye on the ground. The Budget is a step forward towards the vision of creating an Aatmanirbhar Bharat and reflects a consistency in government's approach in making India a Modern, Developed and Inclusive nation. Going ahead, 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.

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the Second Advance Estimates (SAE) of National Income, 2021-22 as well as Quarterly Estimates of GDP for the quarter October-December (Q3), 2021-22 along with the

corresponding quarterly estimates of expenditure components of GDP both at Constant (2011-12) and Current Prices, in accordance with the release calendar of National Accounts.

Q3 FY 2021-22 GDP Growth Figures

GDP at Constant (2011-12) Prices in Q3 of FY2021-22 stands at Rs 38.2 lakh crore, as against Rs 36.26 lakh crore in Q3 of 2020-21, showing a growth of 5.4%. Real GVA at Constant (2011-12) Prices in Q3 FY2022 has attained a level of Rs 35.2 lakh crore, as against Rs 33.7 lakh crore in Q3 of 2020-21.

GDP at Current Prices in the year Q3 2021-22 stands at Rs 63.03 lakh crore, as against Rs 54.5 lakh crore in Q3 2020-21, showing an increase of 15.7%. GVA at Basic Price at Current Prices in Q3 2021-22, stands at Rs 56.9 lakh crore, as against Rs 49.2 lakh crore in Q3 2020-21, showing an expansion of 15.6%.

Quarterly Estimates of GVA at Basic Prices in Q3 (Oct-Dec) of 2021-22 (at 2011-12 Prices)

	October-December (Q3) (Rs in Crore)							
Industry	2020-21		2021-22		Percentage Change Over the Previous Year			
					2020-21		2021-22	
	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3
Agriculture, forestry & fishing	3,93,424	6,46,278	4,08,000	6,63,037	3.2	4.1	3.7	2.6
Mining & quarrying	59,916	73,346	68,451	79,832	(-)7.9	(-)5.3	14.2	8.8
Manufacturing	5,91,929	5,90,504	6,24,964	5,91,475	5.2	8.4	5.6	0.2
Electricity, gas, water supply & other utility services	74,997	71,573	81,385	74,222	(-)3.2	1.5	8.5	3.7
Construction	2,24,897	2,74,752	2,43,242	2,66,947	(-)6.6	6.6	8.2	(-)2.8
Trade, hotels, transport, communication & services related to broadcasting	5,16,278	5,94,677	5,65,469	6,30,866	(-)18.8	(-)10.1	9.5	6.1
Financial, real estate & professional services	8,12,108	6,79,654	8,62,291	7,10,739	(-)5.2	10.3	6.2	4.6
Public administration, defence & other services	3,91,371	4,35,528	4,67,880	5,08,670	(-)10.2	(-)2.9	19.5	16.8
GVA at Basic Price	30,64,920	33,66,311	33,21,681	35,25,787	(-)5.9	2.1	8.4	4.7

GDP at Basic Price	33,10,930	36,26,220	35,91,649	38,22,159	(-)6.6	0.7	8.5	5.4
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Source: PHD Research Bureau, PHDCCI compiled from CSO and MOSPI

2nd Advance Estimates of National Income FY 2021-22

GDP at Constant (2011-12) Prices in FY2021-22 is **estimated** at Rs 147.72 lakh crore, as against Rs 135.58 lakh crore in **FY 2020-21**. The growth in GDP during 2021-22 is estimated at 8.9% as compared to a contraction of 6.6% in 2020-21. Nominal GDP or GDP at Current Prices in the year 2021-22 is likely to attain a level of Rs 236.4 lakh crore, as against the First Revised Estimate of GDP for the year 2020-21 of Rs 198.01 lakh crore. The growth in nominal GDP during 2021-22 is estimated at 19.4 per cent.

Second Advance Estimates of GDP at Basic Prices by Economic Activity (at 2011-12 Prices)

Industry	Absolute Value (in Rs Crore)		Percentage Change Over Previous year	
	2020-21 (1 st RE)	2021-22 (2 nd AE)	2020-21	2021-22
Agriculture, forestry & fishing	20,48,032	21,15,040	3.3	3.3
Mining & quarrying	2,94,024	3,30,945	(-)8.6	12.6
Manufacturing	22,47,740	24,83,143	(-)0.6	10.5
Electricity, gas, water supply & other utility services	2,89,771	3,12,264	(-)3.6	7.8
Construction	9,62,835	10,58,642	(-)7.3	10.0
Trade, hotels, transport, communication & services related to broadcasting	21,47,679	23,97,525	(-)20.2	11.6
Financial, real estate & professional services	29,61,910	30,89,768	2.2	4.3
Public administration, defence & other services	16,33,081	18,37,372	(-)5.5	12.5
GVA at Basic Price	1,25,85,074	1,36,24,699	(-)4.8	8.3
GDP at Basic Price	1,35,58,473	1,47,71,681	(-)6.6	8.9

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

(Note: RE: Revised Estimates; AE: Advance Estimates)

January 2022 Fiscal Deficit stands at 58.9% of actuals to REs

The gross fiscal deficit of the Central Government stands at 58.9% of the actuals to revised estimates (REs) in January 2022 as compared to 66.8% of the actuals to revised estimates in the corresponding period of the previous year. The primary deficit and revenue deficit stands at 41.6% and 48.6% respectively, of the actuals to revised estimates in January 2022 as compared to 61.8% and 62.6% respectively, of the actuals to revised estimates in the corresponding period of the previous year.

**GOVERNMENT OF INDIA
UNION GOVERNMENT ACCOUNTS
AT A GLANCE
AS AT THE END OF NOVEMBER 2021**

(Rs. in Crore) @@

			Revised Estimates 2021-2022*	Actuals@ upto January 2022	% of Actuals to Revised Estimates	
			Rs.	Rs.	Current	COPPY**
1	Revenue Receipts		2078936	1838921	88.5%	(79.9%)
2	Tax Revenue (Net)	(Details)	1765145	1547436	87.7%	(82.0%)
3	Non-Tax Revenue	(Details)	313791	291485	92.9%	(67.0%)
4	Non-Debt Capital Receipts	(Details)	99975	32595	32.6%	(86.8%)
5	Recovery of Loans		21975	20527	93.4%	109.0%)
6	Other Receipts		78000	12068	15.5%	(76.7%)
7	Total Receipts (1+4)		2178911	1871516	85.9%	(80.1%)
8	Revenue Expenditure		3168067	2367698	74.7%	(71.6%)
9	of which Interest Payments		813791	614626	75.5%	(75.0%)
10	Capital Expenditure		601933	441686	73.4%	(82.6%)
11	of which Loans disbursed		55255	37970	68.7%	(102.0%)
12	Total Expenditure (8+10)	(Details)	3770000	2809384	74.5%	(73.0%)
13	Fiscal Deficit (12- 7)		1591089	937868	58.9%	(66.8%)
14	Revenue Deficit (8- 1)		1089131	528777	48.6%	(62.6%)
15	Primary Deficit (13-9)		777298	323242	41.6%	(61.8%)

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance

Fiscal deficit figure shown in monthly accounts during a financial year is not necessarily an indicator of fiscal deficit for the year as it gets impacted by temporal mismatch between flow of not-debt receipts and expenditure up to that month on account of various transitional factors both on receipt and expenditure side, which may get substantially offset by the end of the financial year.

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

January 2022 Core infra stands at 3.7%

The core infrastructure growth stands at 3.7% in January 2022. The production of Coal, Natural Gas, Refinery Products, Steel, Cement and Electricity industries increased in January 2022 over the corresponding period of last year. The cumulative growth of core infrastructure during April-January 2021-22 stands at 11.6% as compared to (-)8.6% in the corresponding period of last FY.

The growth rate of Coal stands at 8.2%, crude oil at (-)2.4%, Natural Gas at 11.7%, Refinery Products at 3.7%, Fertilizers at (-)2.0%, Steel at 2.8%, Cement at 13.6% and Electricity at 0.5% as compared to December 2021 figures of Coal 5.2%, Crude Oil at (-)1.8%, Natural Gas at 19.5%, Refinery Products at 5.9%, Fertilizers at 3.5%, Steel at (-)0.7%, Cement at 13.9% and Electricity at 2.9%.

Please find enclosed MOSPI's detailed Press Release on Second Advance Estimates of National Income, FY2021 and Quarterly Estimates Of Gross Domestic Product For The Third Quarter (Q3) Of 2020-21 for your kind reference.

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Warm Regards,

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