



PHDCCI Economic Monitor – May 2025

PHD Research Bureau

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Key Highlights of the Month



- The U.S. government announced reciprocal tariffs vide Executive Order dated April 2, 2025, announcing a universal base rate of 10% on almost all goods entering into the U.S. India has been levied with 26% tariff, lowest amongst Asian peers. A 90-day relief period was announced on April 9, 2025.
- The Asian Development Bank released the ADB Economic Outlook 2025, indicating Asian economic growth to moderate to less than 5% for the next two years. However, Indian economic growth is indicated to lead the pack, maintain positive growth throughout uncertain times.
- The UNCTAD shows that the world economy is entering a recessionary phase. According to the UNCTAD, India will continue to see economic growth on the back of increased public spending and easing monetary policy.
- Indian exports continue to surge, reaching a high of US\$ 824.9 billion, including growth in export of services and non-petroleum merchandise.
- India sees a cumulative growth of the Index of Eight Core Industries (ICI), indicating economic growth spurt.
- Furthermore, India continues to emerge as a preferred destination for foreign investors, accumulating over US\$70 billion in the financial year 2023-24.
- New RBI Monetary Policy introduced more flexibility into the economy through reduced repo rate and linked policy rates, thus providing a cushion to the Indian economy from global economic uncertainty.
- GST collections in March 2025 have saw notable growth with respect to collections in March 2024, with net GST revenue increasing by 9.1%.
- Reducing CPI and WPI Inflation rates indicates a potential for increase in the final private consumer expenditure, and will continue due to reduction in global crude oil prices.
- Gross Bank Credit grows steadily at 12%, with industry credit growing at 8%. Credit slowed down for agriculture, services and personal loans.

Recent Announcements on Tariffs by the United States in March 2025

- The U.S. government announced reciprocal tariffs vide Executive Order dated April 2, 2025, specifying base rate of tariff and country specific tariffs.
- The U.S. government has announced that a universal base rate of 10% will apply to nearly all imports entering the U.S., effective April 5, 2025. India has been levied with a 26% tariff rate, effective from April 9, 2025.
- Major exports commodities from India to US on which tariff has been levied will see a moderately negative impact
- Lowest tariff was levied on India (26%) in comparison to its Asian peers. This provides tariff arbitrage which will keep India at a relative vantage point.

Sectoral impact of US tariff Order dated April 2, 2025

Product	India's Export to the US (in %)	Impact on Topline	Remarks
Precious/Semi-Precious Stones	9.93	Moderately Negative	Not Exempted
Electrical Machinery and Equipment	7.37	No Affect	Not Exempted
Pharmaceutical	7.07	Positive	Exempted
Petroleum Products	6.27	Positive	Exempted
Textiles/Apparels	3.72	Negative	Not Exempted
Marine Products	2.21	Moderately Negative	Not Exempted
Machinery and Mechanical Appliances	2.19	No Affect	Not Exempted
Vehicles, and parts and accessories thereof	1.52	Moderately Negative	25% Tariff under Separate Order
Articles of iron or steel	1.13	Moderately Negative	25% Tariff under Separate Order
Chemical Products	0.69	Negative	Not Exempted

Source: Executive Order dated April 2, 2025, analyzed by PHD Research Bureau

Recent Announcements on Tariffs by the United States in March 2025

Products Exempted from Reciprocal Tariffs

- Goods such as copper, pharmaceuticals, semiconductors, lumber, critical minerals, and energy products; etc.
- Goods on which additional tariffs have already been imposed / announced through other Executive Orders, i.e., steel, aluminum, automobiles and auto parts - a 25% additional tariff on these goods has already come into force, but for auto component (which is to be implemented no later than May 3, 2025).
- Goods imported from countries subject to higher tariff rates that do not have normal trade relations with the U.S. - Russia, North Korea, etc.
- Goods originating in Mexico and Canada, and traded with the U.S. under the USMCA - the trilateral FTA between the U.S., Canada, and Mexico.

Country	US Reciprocal Tariffs (in %)
China	34
Vietnam	46
India	26
Japan	24
Indonesia	32
Thailand	36
Malaysia	24
Cambodia	49
Singapore	10
Philippines	17
New Zealand	10
Myanmar	44

Source: Executive Order dated April 2, 2025

Recent Announcements on Tariffs by the United States in March 2025



- **PHDCCI's Opinion on the 90 Day Relief from the US Reciprocal Tariff**

- The current tariff war provides India with a golden opportunity to attract substantial investment in its manufacturing sector.
- As the global supply chain adjusts to new supply sources for its critical inputs/raw materials to mitigate supply disruptions, the Indian industry can exploit these disruptions as a low-cost producer.
- Indian industries need to be hubs of innovation that can churn out high margin innovative products which are price inelastic.
- Apart from greener pastures, opportunities should be exploited in existing markets where policy friction between two countries is minimal.

Effective Date	Event	Applicable Tariff
April 5, 2025	Goods shipped (exported) and in transit to the US	Existing Prevailing Tariff
April 5, 2025	Entered for consumption, or withdrawn from warehouse for consumption	10%
April 6, 2025 – April 8, 2025	Goods shipped (exported) and in transit to the US	10%
On or after April 9, 2025	Entered for consumption, or withdrawn from warehouse for consumption	26%

Source: Executive Order dated April 2, 2025

Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



ADB Economic Outlook 2025-26: Regional GDP and Inflation

- Regional forecasts show growth moderating to 4.9% in 2025 and 4.7% in 2026, due to heightened trade uncertainty and higher tariffs.
- Geopolitical Uncertainties worry remain.**
- Escalations in conflict and geopolitical tensions could hamper regional prospects. Although conflict and geopolitical tensions in the Middle East have eased, the outlook remains highly fragile.
- Disinflation in the region advanced further. Headline inflation in early 2025 fell below pre-pandemic levels.

GDP Growth Rate and Inflation, % per year

	GDP Growth				Inflation			
	2023	2024	2025	2026	2023	2024	2025	2026
Developing Asia	5.5	5.0	4.9	4.7	3.3	2.6	2.3	2.2
Developing Asia excluding the PRC	5.6	5.1	5.0	5.1	6.2	4.8	4.0	3.7
Caucasus and Central Asia	5.4	5.7	5.4	5.0	10.2	6.8	6.9	5.9
Armenia	8.3	5.9	5.0	4.7	2.0	0.3	3.0	2.8
Azerbaijan	1.1	4.1	3.4	3.3	8.8	2.2	4.2	3.5
Georgia	7.8	9.5	6.0	5.0	2.5	1.1	4.0	3.5
Kazakhstan	5.1	4.8	4.9	4.1	14.5	8.7	8.2	6.5
Kyrgyz Republic	9.0	9.0	8.5	8.6	10.8	5.0	6.0	7.8
Tajikistan	8.3	8.4	7.4	6.8	3.8	3.6	5.0	5.8
Turkmenistan	6.3	6.3	6.5	6.0	1.3	5.5	6.0	6.0
Uzbekistan	6.3	6.5	6.6	6.7	10.0	9.4	8.0	7.0
East Asia	4.8	4.7	4.4	4.0	0.6	0.5	0.6	0.9
People's Republic of China	5.4	5.0	4.7	4.3	0.2	0.2	0.4	0.7
Hong Kong, China	3.2	2.5	2.3	2.5	2.1	1.7	1.9	2.0
Republic of Korea	1.4	2.0	1.5	1.9	3.6	2.3	1.9	1.9
Mongolia	7.4	4.9	6.6	5.9	10.3	6.8	9.1	7.0
Taipei, China	1.1	4.6	3.3	3.0	2.5	2.2	2.0	1.8
South Asia	7.8	5.8	6.0	6.2	7.9	6.6	4.9	4.5
Afghanistan	-6.2	2.3	2.6	2.2	10.6	-7.7	-5.3	5.0
Bangladesh	5.8	4.2	3.9	5.1	9.0	9.7	10.2	8.0
Bhutan	4.9	5.5	8.5	6.0	4.2	2.8	3.4	3.5
India	9.2	6.4	6.7	6.8	5.4	4.7	4.3	4.0
Maldives	4.7	5.5	5.0	4.8	2.9	1.4	4.7	2.2
Nepal	2.0	3.9	4.4	5.1	7.7	5.4	5.2	5.0
Pakistan	-0.2	2.5	2.5	3.0	29.2	23.4	6.0	5.8
Sri Lanka	-2.3	5.0	3.9	3.4	17.4	1.2	3.1	4.5

Source: ADB Economic Outlook, 2025

Note:

Forecasts finalized before the new US tariffs were announced on 2nd April, 2025.

Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



ADB Economic Outlook 2025-26: Regional GDP and Inflation

- Declining global commodity prices, along with the delayed impact of tighter monetary policies and reduced supply-side pressures in some economies, lowered energy and core inflation.
- Food inflation also decreased despite a temporary spike during June to September 2024.
- Outlook:** Downside risks for the region could materialize if conflict escalates again, which could lead to supply chain disruptions, higher and more volatile food and energy prices, and elevated global economic uncertainty and risk aversion.

Southeast Asia	4.1	4.8	4.7	4.7	4.2	3.0	3.0	2.8
Brunei Darussalam	1.1	4.2	2.5	2.0	0.4	-0.4	0.5	-0.2
Cambodia	5.0	6.0	6.1	6.2	2.1	0.8	3.7	2.4
Indonesia	5.0	5.0	5.0	5.1	3.7	2.3	2.0	2.0
Lao People's Democratic Republic	3.7	4.0	3.9	4.0	31.2	23.3	13.5	10.4
Malaysia	3.6	5.1	4.9	4.8	2.5	1.8	2.5	2.5
Myanmar	0.8	-0.7	1.1	1.6	27.5	27.8	29.3	20.0
Philippines	5.5	5.6	6.0	6.1	6.0	3.2	3.0	3.0
Singapore	1.8	4.4	2.6	2.4	4.8	2.4	2.0	1.7
Thailand	2.0	2.5	2.8	2.9	1.2	0.4	1.0	1.1
Timor-Leste	2.4	3.3	4.0	3.8	8.4	2.1	2.9	2.6
Viet Nam	5.1	7.1	6.6	6.5	3.3	3.6	4.0	4.2
The Pacific	4.7	4.2	3.9	3.6	3.1	1.9	3.4	3.7
Cook Islands	14.0	16.0	8.1	2.9	13.2	4.6	2.3	2.0
Fiji	7.5	3.5	3.0	3.2	2.4	4.5	2.6	2.4
Kiribati	4.2	5.8	4.1	3.3	9.3	3.0	2.5	2.2
Marshall Islands	-3.9	0.4	2.5	3.0	7.4	4.7	3.6	3.0
Federated States of Micronesia	0.8	1.1	1.7	1.1	6.2	4.1	3.0	2.7
Nauru	1.6	2.0	2.5	2.5	5.2	5.0	3.5	2.5
Niue	8.9	3.8	3.4	3.0	5.1	5.4	3.7	3.2
Palau	1.5	6.6	9.5	4.5	12.4	3.7	2.5	2.6
Papua New Guinea	3.8	4.3	4.2	3.8	2.3	0.7	3.8	4.3
Samoa	8.6	10.0	5.5	3.0	12.0	3.6	3.0	2.7
Solomon Islands	3.0	2.5	2.9	3.2	5.1	4.1	2.7	2.5
Tonga	2.1	1.6	2.5	2.3	10.2	4.6	3.2	3.0
Tuvalu	3.7	3.1	2.7	2.5	7.2	1.2	2.5	2.0
Vanuatu	2.4	1.7	2.0	2.5	11.2	4.8	3.5	2.4

GDP = gross domestic product, PRC = People's Republic of China.

Notes: Forecasts do not incorporate the effects of the new US tariffs announced on 2 April 2025, which was beyond the report's cut-off date. See Box 1.2.2 of the main report for an analysis of how those tariffs would affect the region. ADB placed on hold its regular assistance in Afghanistan effective 15 August 2021. Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in Myanmar.

Source: Asian Development Outlook database.

Source: ADB Economic Outlook, 2025

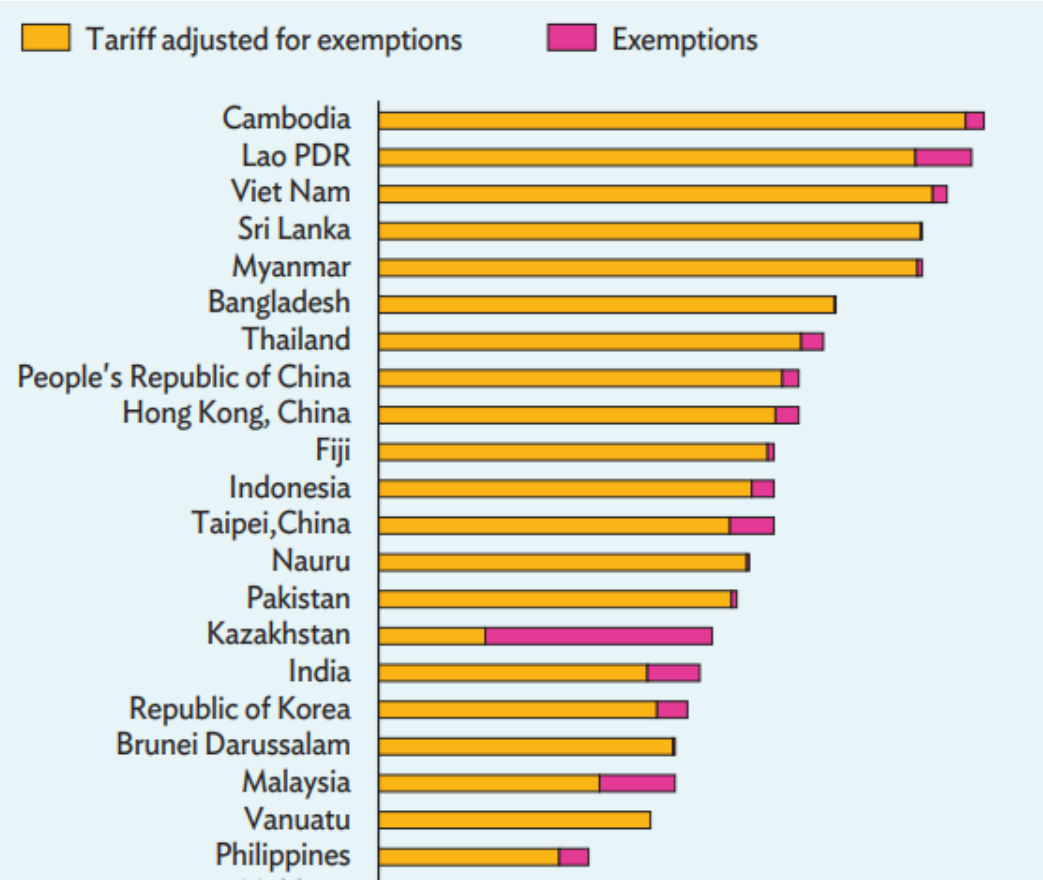
Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



ADB Economic Outlook 2025-26: Regional GDP and Inflation

- India is better placed relative to other Asian partners at a country level.
- Developing Asia will face significantly higher US tariffs. Of the top 10 highest tariffs globally, five are in developing Asia: Cambodia (49%), Lao PDR (48%), Viet Nam (46%), Sri Lanka (44%), and Myanmar (44%).
- Products in exemptions list:** Copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products.

US Tariff Hikes on Developing Asian Economies: US Reciprocal Tariffs, adjusted for exemptions



Source: ADB Economic Outlook, 2025

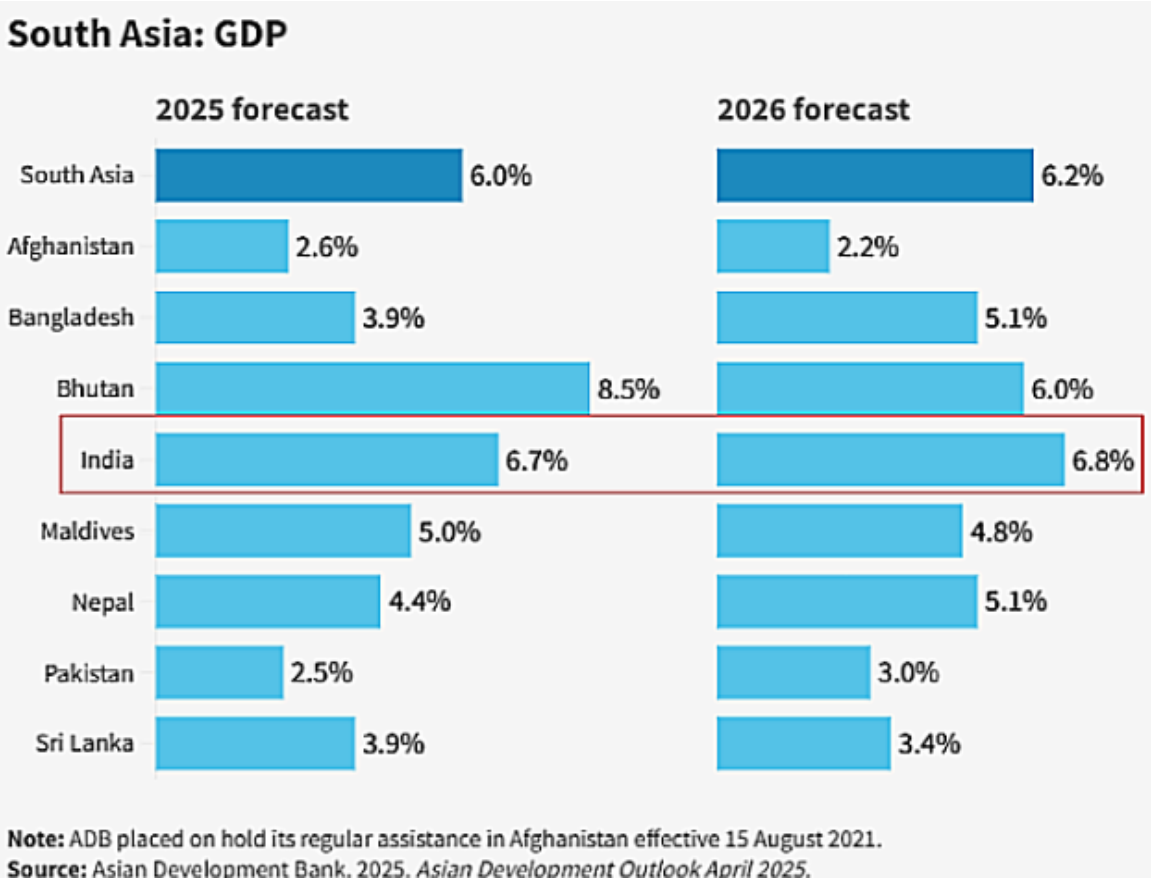
Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



ADB Economic Outlook 2025-26: Regional GDP and Inflation

- On the demand side, robust growth in private consumption and exports drove economic expansion in FY2024.
- Higher rural consumption, resulting from improved agricultural output, pushed private consumption growth.
- Net exports improved significantly, adding 1.8 percentage points to growth, helped by strong performance in exports
- **Outlook:** GDP growth for India is projected at 6.7% for FY 2025 and at 6.8% for FY 2026
- Consumption will be a major driver of growth, rising on the growth in rural incomes. Moderating inflation will boost consumer confidence, which had dipped slightly in recent months due to persistently high food prices.

India to Remain a Bright Spot Under Chaos



Source: ADB Economic Outlook, 2025

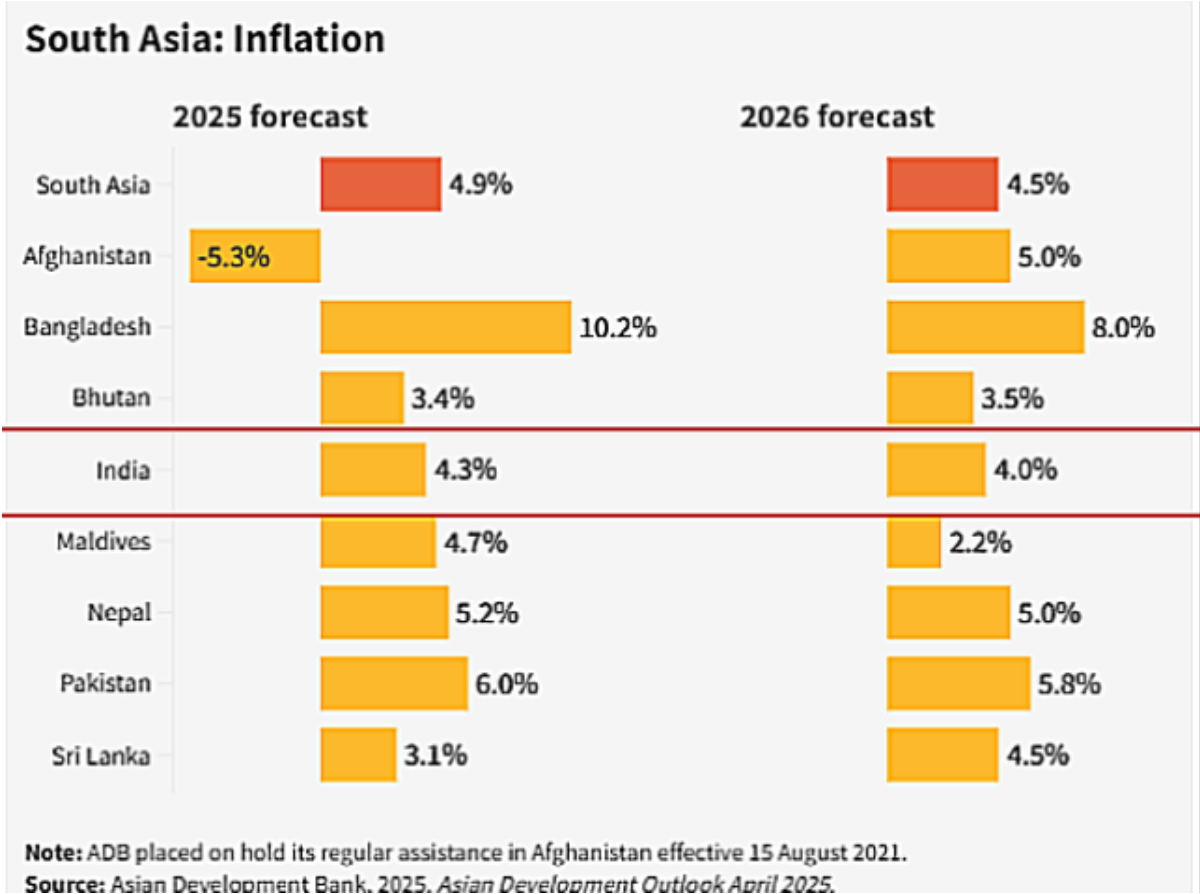
Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



ADB Economic Outlook 2025-26: Regional GDP and Inflation

- **Softening Inflation**
- Food prices started moderating in October 2024 on lagged impact from higher supply of rice, and on expectations of improved winter output.
- Report forecasts softening inflation at 4.3% for FY 2025 and at 4% for 2026.
- **Outlook:** Inflation will moderate in line with global trends and stronger agriculture output. Policy interventions around water, crop resilience and diversification, and expansion of processing and storage infrastructure will help mitigate volatility in food prices.

Inflation Worries Die Down for India



Source: ADB Economic Outlook, 2025

Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26

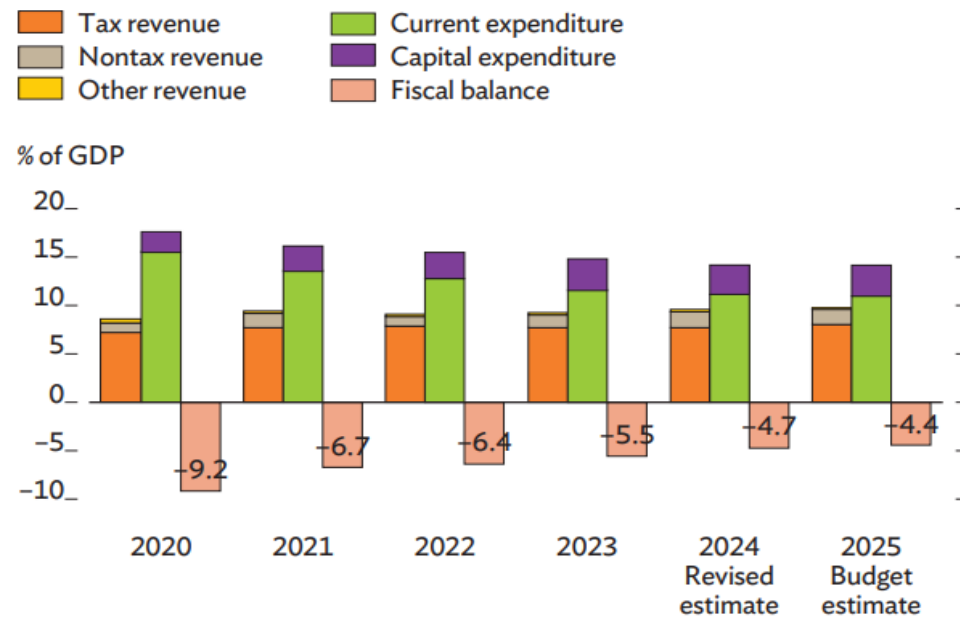


ADB Economic Outlook 2025-26: Regional GDP and Inflation

- India's healthy fiscal indicators are a boon for credit growth within the country at cheaper rates.
- Revenue grew by 13.2% in FY2024, while expenditure growth lagged at only 6.1%.
- The central government fiscal deficit shrank from 5.5% of GDP in FY2023 to an estimated 4.7%.
- Outlook:** Fiscal deficit narrowed in FY2024 and is projected to be lower in FY2025 than it was before the pandemic.

Central Government Fiscal Indicators

The fiscal deficit narrowed in FY2024 and is projected to be lower in FY2025 than it was before the pandemic.



GDP = gross domestic product.

Note: Years are fiscal years ending on 31 March of the next year.

Source: [Ministry of Finance Union Budget](#).

Source: ADB Economic Outlook, 2025

Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26

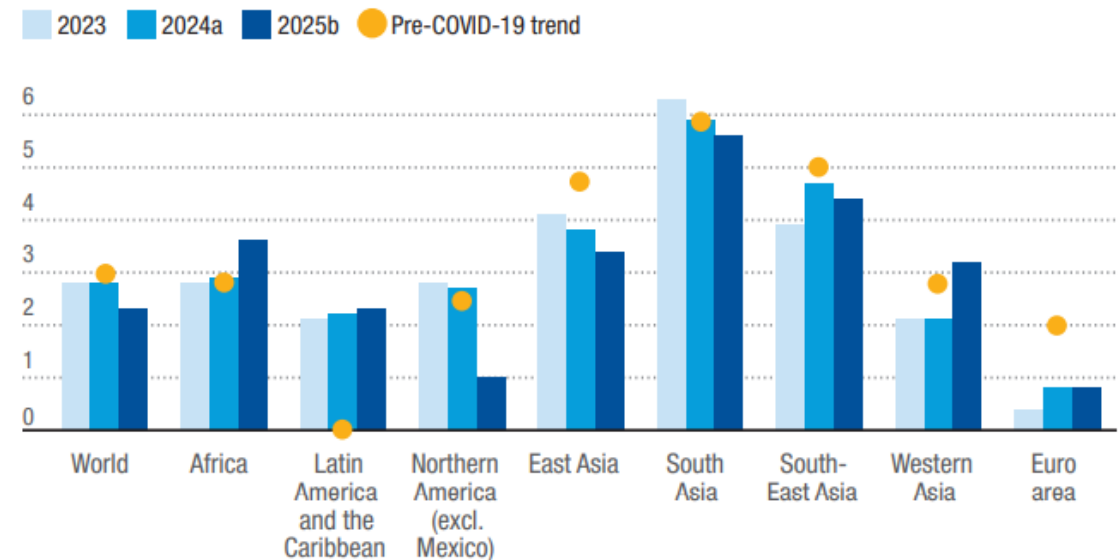


UNCTAD Economic Outlook 2025 – Global Outlook 2025

- In early 2025, the Economic Policy Uncertainty Index reached its highest levels this century. Therefore, the outlook is clouded by uncertainty.
- In April 2025, growing concerns over global economic outlook and shifting trade policies triggered major financial turbulence.
- Markets saw sharp corrections and significant losses after weeks of volatility. The so-called financial “fear index” – a gauge of US stock market volatility – reached its third-highest level on record, behind only the peaks during the COVID-19 pandemic in 2020 and the global financial crisis of 2008.
- **Outlook:** World gross product to expand by only 2.3 per cent in 2025, below threshold of 2.5 per cent recession marker.

Global Economy is entering a Recessionary Phase

Real GDP growth, world and selected regions (Percentage)



Source: UNCTAD, 2025

Note:

a. Estimates | b. Projections

Analysis of the ADB and UNCTAD Report on Asia and Global Economic Outlook for 2025-26



UNCTAD Economic Outlook 2025 – Global Outlook 2025

- **North America:** UNCTAD expects a sharp deceleration of the economy of the United States (1 per cent) and Canada (0.7 per cent) on account of policy uncertainty of the USA and Canada's large reliance on the external sector in 2025. Thus, there exists a considerable risk of recession in the Northern America region.
- **Euro Area:** UNCTAD estimates that growth in the Euro area will remain subdued, at 0.8 per cent in 2025, due to sluggish demand, elevated commodity prices and slow growth in the manufacturing sector.
- **United Kingdom:** Estimates show marginal growth to 1.0 per cent in 2025. Private consumption will provide the main impetus, while overall investment will continue to lag, despite an expected boost from public capital expenditures.
- **East Asia:** Growth in the developing East Asia is expected to decline to 3.4 per cent in 2025 amid an increasingly challenging external environment.
- **South Asia:** The South Asian region is projected to expand by 5.6 per cent in 2025, as declining inflation opens the way for monetary loosening across most of the region.
- **Latin America:** The region is estimated to register a marginal uptick in growth to 2.3 per cent in 2025, as a rebound of the Argentine economy compensates slowdowns in Brazil and Mexico.

UNCTAD Economic Outlook 2025 – India Outlook 2025

- The decision of the central bank to cut the interest rate by 25 basis points for the first time in five years in early February will support household consumption as well as provide a boost to private investment plans.
- Further, the structure of public spending is also expected to change by reduction in the net government borrowing.
- **Outlook:** India's gross product is anticipated to grow by 6.5 per cent in 2025 on the back of continued robust public spending and ongoing monetary easing.

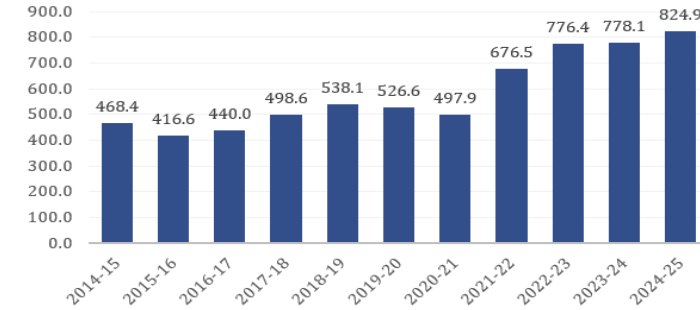
India's total exports surge through uncertain geopolitical conditions

- India's cumulative merchandise exports registered a y-o-y growth of 0.8%, increasing from USD 437.07 billion during FY 2023-24 to USD 437.42 billion during FY 2024-25. This resilient growth is driven by double-digit growth in exports of products like coffee, pharmaceuticals, electronic goods, marine products and jute products, among others.
- Remarkably, India cumulative services exports registered a high growth of 12.45%, during FY 2024-25 over FY 2023-24, accelerating the overall exports growth.
- Outlook:** Given the significant initiatives undertaken by the government including the announcement of the Export Promotion Mission in the Budget 2025-26, diversification of export destinations and actively negotiating free trade agreements, we expect continued momentum in exports trajectory.

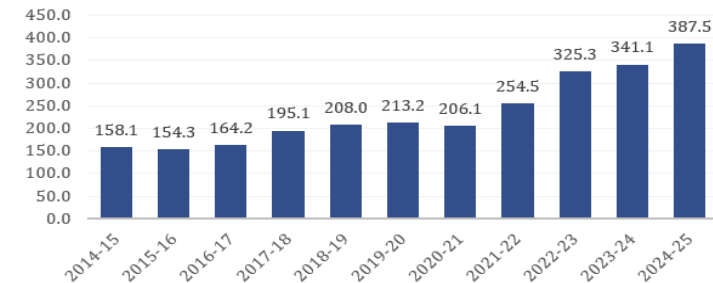
Source: PIB, 2025, as visualized by PHD Research Bureau

(<https://pib.gov.in/PressReleasePage.aspx?PRID=2126119#:~:text=India's%20total%20exports%20have%20touched,services%20trade%20for%20March%202025>)

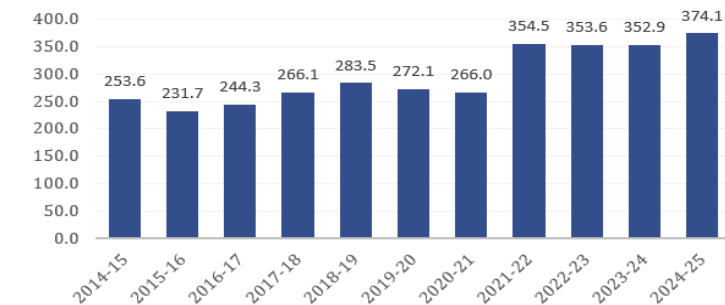
Total Export Value (in US\$ Billions)



Indian Service Export Value (in US\$ Billions)



Indian Non-Petroleum Merchandise Export Value (in US\$ Billions)



Changes in the Foreign Direct Investment to India



- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India has attracted a total FDI inflow of USD 70.9 billion in the financial year 2023-24.
- October 2023 saw the highest inflows at USD 6 billion followed by USD 5.9 billion in January 2024. Out of total FDI flows, FDI equity inflow received during FY 2023-24 is USD 44.4 billion. The equity inflows for the quarter April 2024- December 2024 stood at USD 40 billion registering a 27% year on year growth.
- **Outlook:** India is rapidly emerging as a preferred country for foreign investments. Among the sectors, FDI inflow in construction (infrastructure activities), construction Development and power sectors more than doubled in 2023-24.

Sr. No.	Period of Assessment	FDI Equity Inflow (US\$ Billions)
i.	April 2024 – December 2024	40
ii.	April 2023 – March 2024	44

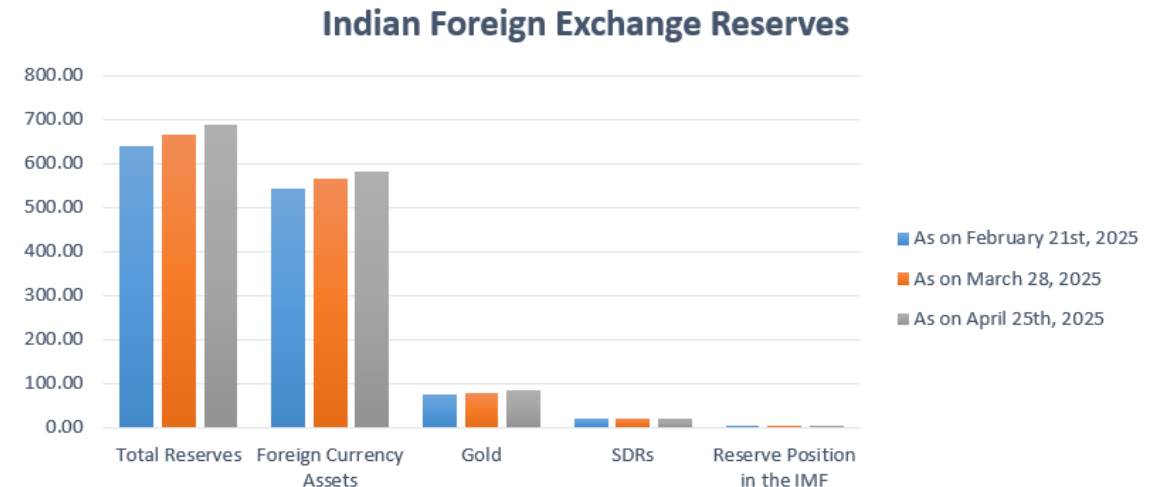
Source: PHD Research Bureau; Compiled from Department for Promotion of Industry and Internal Trade (DPIIT)

A Breakdown of the Foreign Exchange Reserves of India

- India's foreign exchange reserves stands at over USD 688 billion as on February 21st, 2025; of which Foreign Currency Assets consist of over USD 580 billion, Gold reserves at USD 84 billion, SDRs at USD 18 billion, and Reserve Position at USD 4 billion.
- There has been a steady increase in the foreign exchange reserves of India in the early months of 2025, notably through increased holdings of foreign currency assets and gold.
- Increase in the value of gold as well as a weaker US dollar have significantly boosted the value of India's foreign exchange reserves. However, the growth of foreign exchange reserves can be a result of strong capital inflows into India as well as currency stabilization procedures.
- Outlook:** India's rising forex reserves indicates buffers against global uncertainties and a more stable rupee outlook. Increasing trends will result in more room for monetary policy flexibility as well as resilience to external price shocks.

Item (in US\$ Billions)	As on February 21, 2025	As on March 28, 2025	As on April 25, 2025
Total Reserves	640.00	665.40	688.13
Foreign Currency Assets	543.00	565.01	580.66
Gold	74.50	77.79	84.37
SDRs	17.90	18.18	18.59
Reserve Position in the IMF	4.00	4.41	4.51

Source: PHD Research Bureau; Compiled from the RBI Weekly Statistical Supplement



Analysis on the Reserve Bank of India (RBI) Monetary Policy, April 2025

Policy Summary and Impact Analysis

Sr. No.	Announcement Type	Previous Rate (in %)	Previous Rate (in %)	New Rate (in %)
1.	Repo Rate	6.5	6.25	6
2.	Standing Deposit Facility (SDF) under liquidity adjustment facility (LAF)	6.25	6	5.75
3.	Marginal Standing Facility (MSF) Rate	6.75	6.5	6.25
4.	Bank Rate	6.75	6.5	6.25

PHDCCI Impact Analysis

- Reduction in repo rate and the linked policy rates will provide a cushion to Indian economy from adverse effects of global economic uncertainty, while at the same time boost economic growth.
- This reduction along with relaxation in income taxes will improve consumer sentiment which will accelerate GDP growth via uptick in private final consumption expenditure.
- On the industry front, reduction of policy rates will lower debt servicing costs providing extra cushion to the industry to absorb the external shocks such as the US tariff announcements recently and kick start private capital expenditure.

Source: RBI Governor's Statement: April 9, 2025, analyzed by PHD Research Bureau, PHDCCI
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60177

Analysis on the Reserve Bank of India (RBI) Monetary Policy, April 2025



Macroeconomic Projections

Sr. No.	Macroeconomic Indicator	2024-25 (in %)	2025-26 (in %)
1.	Real GDP	6.5	FY2026: 6.5 Q1 at 6.5 Q2 at 6.7 Q3 at 6.6 Q4 at 6.3
2.	Consumer Price Index (CPI) Inflation	4.26*	FY2026: 4.0 Q1 at 3.6 Q2 at 3.9 Q3 at 3.8 Q4 at 4.4

Source: RBI Governor’s Statement: April 9, 2025, analyzed by PHD Research Bureau, PHDCCI
(https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60177)

Note: * Sourced from Ministry of Statistics and Program Implementation (MoSPI)
[https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_12Mar25.pdf]

Analysis on the Reserve Bank of India (RBI) Monetary Policy, April 2025



Liquidity

Impact Analysis

Increase in money supply will bring down interest rates in the call money markets resulting in reduction of interest rates for working capital loans.

Guidance for FY2026

“RBI is committed to provide sufficient system liquidity. We will continue to monitor the evolving liquidity and financial market conditions and proactively take appropriate measures to ensure adequate liquidity.”

RBI Open Market Operations

Nature of Auctions		Number of Auctions	Amount (Rs. Crores)
Existing Auctions	OMO Purchase Auctions	8	2.85 Lakh
	VRR Auctions	3	1.83 Lakh
	USD/INR Buy/Sell Swaps Auctions	3	2.18 Lakh

Source: RBI Governor's Statement: April 9, 2025

(https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60177)

Analysis on the Reserve Bank of India (RBI) Monetary Policy, April 2025



Banking Regulatory Announcements

Sr. No.	Regulation Announced
1.	Guideline on securitization of stressed assets through market-based mechanism, in addition to the existing ARC route under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.
2.	Guideline on extending all extant guidelines on co-lending to all regulated entities and to all loans – priority sector or otherwise.
3.	Comprehensive regulations on prudential norms and conduct related aspects for Loans against the collateral of gold jewelry and ornaments
4.	Comprehensive guidelines for regulating non-fund-based facilities across regulated entities and revision of instructions related to partial credit enhancement (PCE) by regulated entities

Source: RBI Governor's Statement: April 9, 2025

(https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60177)

Analysis and Outlook on Index of Industrial Production of India in March 2025



Year-on-Year Growth Trends (March 2025 vs March 2024)

Overall IIP		
	March 2024 (in %)	March 2025 (in %)
General Index	5.5	3.0
Sector-Wise (Month-on-Month)		
Mining	1.3	0.4
Manufacturing	5.9	3.0
Electricity	8.6	6.3

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI (<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2124850>)

Use-Based Categories IIP		
Category	March 2024 (in %)	March 2025 (in %)
Primary Goods	3.0	3.1
Capital Goods	7.0	2.4
Intermediate Goods	6.1	2.3
Infrastructure or Construction Goods	7.4	8.8
Consumer Durables	9.5	6.6
Consumer Non-Durables	5.2	4.7

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI (<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2124850>)

Analysis and Outlook on Index of Industrial Production of India in March 2025



Month-on-Month Growth Trends (March 2025 vs February 2025)

Overall IIP

	February 2025 (in %)	March 2025 (in %)	Growth
General Index	151.1	164.8	9.1%
Sector-Wise (Month-on-Month)			
Mining	141.9	156.8	10.5%
Manufacturing	148.4	160.9	8.4%
Electricity	194.0	217.1	11.9%

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI

Use-Based Categories IIP

Category	February 2025 (in %)	March 2025 (in %)	Growth
Primary Goods	152.3	168.2	10.5%
Capital Goods	115.4	134.8	16.8%
Intermediate Goods	159.1	173.1	8.8%
Infrastructure or Construction Goods	191.7	212.3	10.7%
Consumer Durables	126.4	138.5	9.6%
Consumer Non-Durables	146.7	147.9	0.8%

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI

Analysis and Outlook on Index of Industrial Production of India in March 2025



Year-on-Year Growth Trends (FY2025 vs FY2024)

Overall IIP		
	FY 2024 (in %)	FY 2025 (in %)
General Index	5.9	4.0
Sector-Wise (Month-on-Month)		
Mining	7.5	2.9
Manufacturing	5.5	3.9
Electricity	7.1	5.1

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI

Use-Based Categories IIP		
Category	FY 2024 (in %)	FY 2025 (in %)
Primary Goods	6.1	3.9
Capital Goods	6.3	5.5
Intermediate Goods	5.3	4.1
Infrastructure or Construction Goods	9.7	6.6
Consumer Durables	3.6	7.9
Consumer Non-Durables	4.1	(1.6)

Source: Ministry of Statistics and Programme Implementation (MoSPI), April 28, 2025, refined by PHD Research Bureau, PHDCCI

Analysis on the GST Collections for April, 2025

The gross Goods and Services Tax (GST) revenue for the month of April 2025 stood at Rs. 2.36 lakh crore. This represents a 12.6% year-on-year growth.

After accounting for refunds, the net GST revenue for April 2025 stands at Rs. 2.09 lakh crore, reflecting a growth of 9.1% compared to the same period last year.

The government collected Central Goods and Services Tax (CGST) of Rs. 48,634 crore; State Goods and Services Tax (SGST) of Rs. 59,372 crore; Integrated Goods and Services Tax (IGST) of Rs. 1.15 lakh crore; and Cess of Rs. 13,451 crore in the month of April 2025.

Analysis on the GST Collections for April, 2025

Gross GST Revenue collected for April 2025 stands at Rs. 2.36 lakh crore, registering a Y-o-Y growth of 12.6%.

GST Gross and Net Collection as on 30/04/2025 (Amount in Rs. Crores)						
GST Collections	Monthly			Yearly		
	Apr-24	Apr-25	% Growth	Apr-24	Apr-25	% Growth
A	B	C	D	E	F	G
A.1. Domestic	B	C	D = C/B-1	E	F	G = F/E-1
CGST	43,846	48,634		43,846	48,634	
SGST	53,538	59,372		53,538	59,372	
IGST	61,797	69,504		61,797	69,504	
CESS	12,252	12,293		12,252	12,293	
Gross Domestic Revenue	1,71,433	1,89,803	10.7%	1,71,433	1,89,803	10.7%
A.2. Imports						
IGST	37,827	45,754		37,827	45,754	
CESS	1,008	1,159		1,008	1,159	
Gross Import Revenue	38,835	46,913	20.8%	38,835	46,913	20.8%
A.3. Gross GST Revenue (A.1 + A.2)						
CGST	43,846	48,634		43,846	48,634	
SGST	53,538	59,372		53,538	59,372	
IGST	99,623	1,15,258		99,623	1,15,258	
CESS	13,260	13,452		13,260	13,452	
Total Gross GST Revenue	2,10,267	2,36,716	12.6%	2,10,267	2,36,716	12.6%

Source: Goods and Services Tax, Government of India

(https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_apr_2025.pdf)

Analysis on the GST Collections for April, 2025

Net GST Revenue for April 2025 stands at Rs. 2.09 lakh crore, registering a Y-o-Y growth of 9.1%.

GST Gross and Net Collection as on 30/04/2025 (Amount in Rs. Crores)						
GST Collections	Monthly			Yearly		
	Apr-24	Apr-25	% Growth	Apr-24	Apr-25	% Growth
A	B	C	D	E	F	G
C.1. Net Domestic Revenue (A.1 - B.1)						
CGST	41,131	45,401		41,131	45,401	
SGST	50,266	55,525		50,266	55,525	
IGST	57,069	63,650		57,069	63,650	
CESS	12,029	11,842		12,029	11,842	
Net Domestic Revenue	1,60,495	1,76,418	9.9%	1,60,496	1,76,418	9.9%
C.2 Net Revenue Customs (GST) (A.2 - B.2)						
IGST	30,397	32,038		30,397	32,038	
CESS	941	920		941	920	
Net Customs Revenue	31,338	32,958	5.2%	31,337	32,958	5.2%
C.3. Net Revenue						
CGST	41,131	45,401		41,131	45,401	
SGST	50,266	55,525		50,266	55,525	
IGST	87,465	95,688		87,465	95,688	
CESS	12,970	12,762		12,970	12,762	
Total Net GST Revenue	1,91,832	2,09,376	9.1%	1,91,833	2,09,376	9.1%

Source: Goods and Services Tax, Government of India

(https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_apr_2025.pdf)

Analysis on the continuous downtrend of CPI Inflation

Softening of CPI inflation will boost India's private final consumption expenditure, the largest component of GDP. It will further give comfort to RBI to reduce interest rates in the next bi-monthly MPC meeting, which will reduce industries debt burden.

The CPI inflation is trending downward with Y-O-Y change of 3.34% in March 2025 compared to March 2024. Vegetables, Eggs, Pulses & products, Meat & fish, Cereals & Products and Milk & products were contributors to the decline.

CPI inflation is expected to remain within the RBI's target band due to predicted normal monsoon and decreasing crude oil prices. The crude prices are expected to be range bound to US\$60-\$65 per barrel in the short to medium term, further boosting private final consumption expenditure.

Analysis on the continuous downtrend of WPI Inflation

Softening of Wholesale Price Index (WPI) inflation is largely driven by significant reduction in prices of primary articles, followed by fuel and power. This downtrend is indicative of a softening wholesale inflation which augurs well for businesses as it will result in lower cost of production.

WPI inflation has decreased from 2.38% in February 2025 to 2.05% in March 2025 due to the decrease in prices of primary articles by 1.07%, from 2.81% in February 2025 to 0.76% in March 2025. Fuel and power inflation softened by 0.91% in March 2025, from 0.71 in February 2025 to 0.20% in March 2025 have led to a decline in WPI.

We expect WPI inflation to remain benign as oil prices are anticipated to remain range bound between USD 60-65/bbl in the short term. This will boost domestic demand and economic activity in the country.

Index of Eight Core Industries (ICI) grows in March, 2025

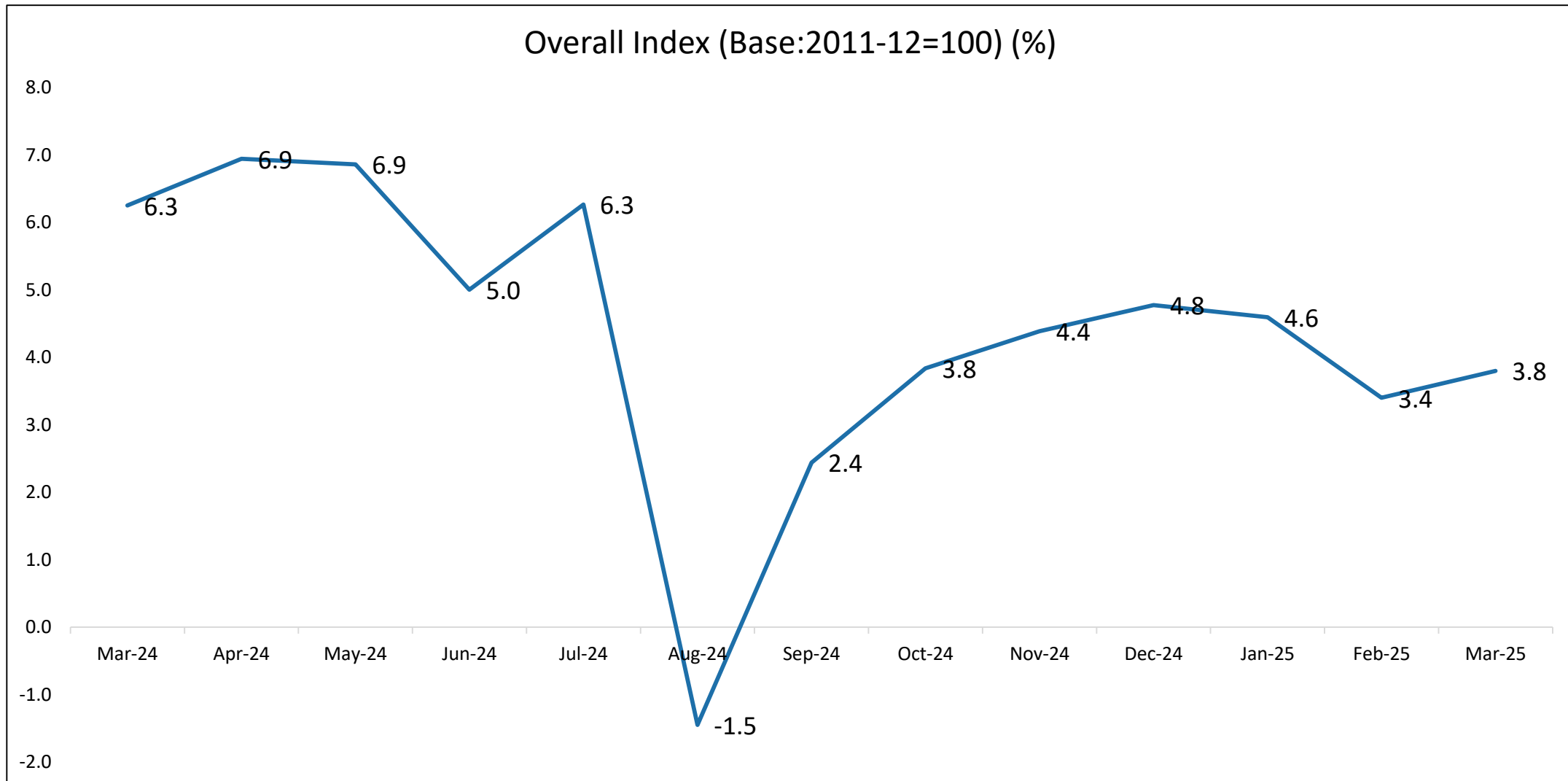


- The combined Index of Eight Core Industries (ICI) increased by 3.8% (provisional) in March, 2025 as compared to the Index in March, 2024.
- The production of Cement, Fertilizers, Steel, Electricity, Coal and Refinery Products recorded positive growth in March, 2025.
- The cumulative growth rate of ICI during April to March, 2024-25 is 4.4% (provisional) as compared to the corresponding period of last year.

Industries Coverage

- Coal
- Crude Oil
- Natural Gas
- Refinery Products
- Fertilizers
- Steel
- Cement
- Electricity

Index of Eight Core Industries (ICI) grows in March, 2025



Source: Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade, Government of India
(https://eaindustry.nic.in/eight_core_infra/Eight_Infra.pdf)

Index of Eight Core Industries (ICI) grows in March, 2025

Sr. No.	Core Industries	March 2024 (%)	February 2025 (%)	March 2025 (%)
1.	Overall	6.3	3.4	3.8
2.	Coal	8.7	1.7	1.6
3.	Crude Oil	2.1	-5.2	-1.9
4.	Natural Gas	6.3	-6.0	-12.7
5.	Petroleum Refinery Products	1.6	0.8	0.2
6.	Fertilizers	-1.3	10.2	8.8
7.	Steel	7.5	6.9	7.1
8.	Cement	10.6	10.8	11.6
9.	Electricity	8.6	3.6	6.2

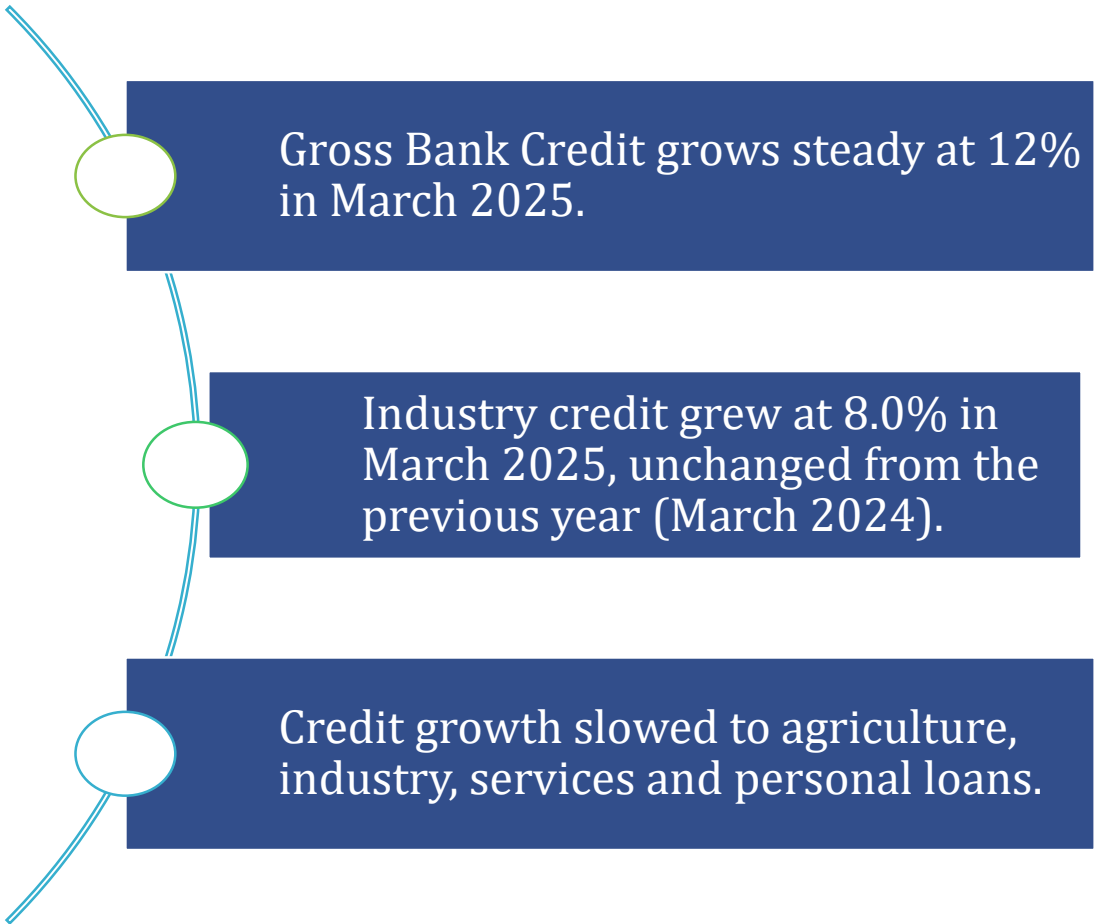
Source: Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade, Government of India
https://eaindustry.nic.in/eight_core_infra/Eight_Infra.pdf

Analysis of Deployment of Gross Bank Credit by Major Sectors



Year-on-Year Growth Trends (March 2025 vs March 2024)

	March 2024 (%)	March 2025 (%)
Non-Food Bank Credit	16.3	12.0
Sector-wise (Month-on-Month)		
Agriculture and Allied Activities	20	10.4
Industry (Micro and Small, Medium and Large)	8.0	8.0
Services	20.8	13.4
Personal Loans	17.6	14.0



Source: Reserve Bank of India (RBI)

Analysis of Deployment of Gross Bank Credit by Major Sectors



Among industries, credit to medium industries grows expanded significantly to 18.6% in March 2025 from 13.3% in March 2024

Among Priority sectors, Credit to medium enterprises advanced to 22.6% in March 2025 from 15.9% in March 2024.

Renewable Energy sector saw robust expansion to 73.3% in March 2025 from 29.7% in March 2024

Credit to Export sector also grows by 5% in March 2025 from (28.7%) in March 2024.



This suggests greater business confidence, boosting industrial growth, increased job creation and thus accelerating inclusive growth.

Stronger government push towards sustainable business practices aligned with net-zero commitments .

Despite global headwinds, there is a expansion of exports demand supported by recovery in global demand and trade facilitation by government.

PHD Quick Economic Trends: Economic Indicators, Growth Rates and Snapshot



Trends and Scores for Selected Indicators for January, February and March 2025

Sr. No.	Economic and Business Indicators	Jan-25	Growth			Feb-25	Growth		Mar-25	Growth	
Indicators with Y-o-Y Growth											
1	GST Collection (in Rs crore)	195506	12.3%	↑	183646	9.1%	↑	196141	9.9%	↑	
2	Total Exports (Merchandise + Services)(US\$ Billion)	74.9	9.7%	↑	74.9	9.7%	↑	73.61	2.7%	↑	
3	CPI Inflation (in %)*	4.3		↓	4.3		↓	3.34		↓	
Indicators with sequential M-o-M Growth											
4	Unemployment Rate (in %) (Sign Changed)*	8.1		↓	7.9		↓	7.6		↓	
5	Stock Market (SENSEX monthly average)	77500	-0.8%	↓	77500	0.0%	↓	77414	-0.1%	↓	

Sources: Ministry of Finance (https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_apr_2025.pdf, https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_mar_2025.pdf); PIB (<https://pib.gov.in/PressReleasePage.aspx?PRID=2122016>, <https://pib.gov.in/PressReleasePage.aspx?PRID=2121843>); Centre for Monitoring Indian Economy and BSE India (<https://www.bseindia.com/indices/IndexArchiveData.html>)

PHD Quick Economic Trends: Economic Indicators, Growth Rates and Snapshot



Trends and Scores for Selected Indicators for January, February and March 2025

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3	CPI Inflation (in %)*	4.3		↓	4.3		↓	3.34		↓
Indicators with sequential M-o-M Growth										
4	Unemployment Rate (in %) (Sign Changed)*	8.1		↓	7.9		↓	7.6		↓
5	Stock Market (SENSEX monthly average)	77500	-0.8%	↓	77500	0.0%	↓	77414	-0.1%	↓

Sources: Ministry of Finance (https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_apr_2025.pdf, https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_mar_2025.pdf); PIB (<https://pib.gov.in/PressReleasePage.aspx?PRID=2122016>, <https://pib.gov.in/PressReleasePage.aspx?PRID=2121843>); Centre for Monitoring Indian Economy and BSE India (<https://www.bseindia.com/indices/IndexArchiveData.html>)

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Thank You