



PHDCCI Economic Monitor

August 2025

PHD Research Bureau

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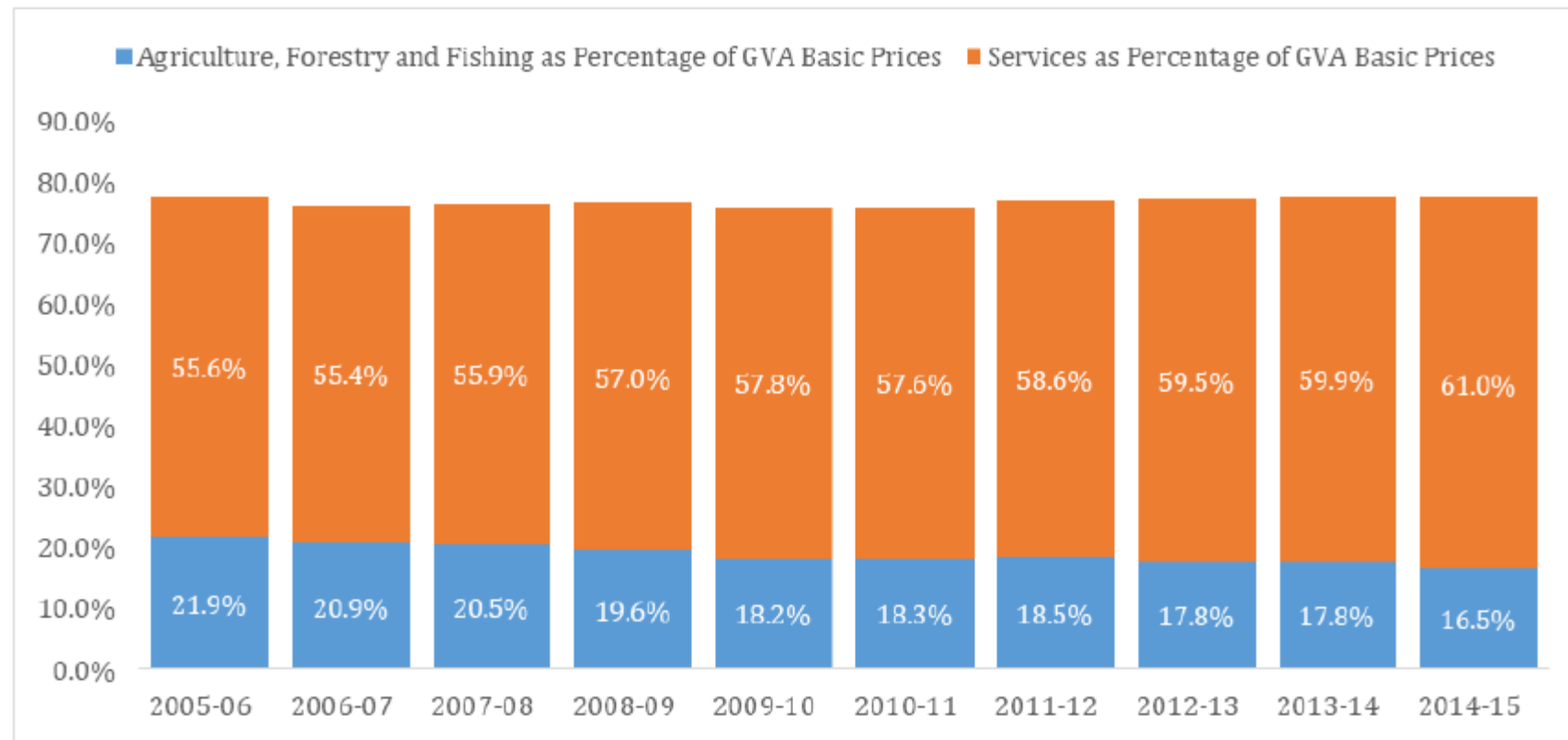
Key Highlights of the Month

- Gross Value Added (GVA) of agriculture and allied sectors at current prices registered a growth of about 225%, increasing from ₹1,502 thousand crore in 2011-12 to ₹4,878 thousand crore in 2023-24.
- Index of Industrial Production (IIP) recorded a 1.5% year-on-year increase in June 2025, driven by consistent growth in the manufacturing sector
- Direct Tax Collections for FY 2025-26 as on 19.06.2025 (Rs in crore)
- Gross GST revenue grows at 6.2 % Y-O-Y, to over Rs 1.84 lakh crore in June 2025
- Year-on-year CPI inflation for June 2025 has softened to 2.10%, marking lowest year-on-year inflation recorded since January 2019, providing a substantial boost to households, businesses, and India's growth
- WPI inflation has softened to (-)0.13% in June 2025 from 2.57% in December 2024, fostering optimistic business sentiment.
- The combined Index of Eight Core Industries (ICI) increased by 1.7% (provisional) in June, 2025 as compared to the Index in June, 2024.
- Gross Bank Credit grows at 10.4% in June 2025
- According to provisional estimates for FY 2024-25, total non-debt receipts stood at ₹30.78 lakh crore. Within these receipts of ₹24.99 lakh crore was collected as Tax Revenue (Net to Centre), ₹5.38 lakh crore of Non-Tax Revenue and ₹0.42 lakh crore of Non-Debt Capital Receipts.
- The gross fiscal deficit of the Central Government stands at 17.9% of the actuals to budget estimates (BEs) in June 2025.
- India's cumulative total exports (merchandise and services) registered a y-o-y growth of over 1.92%, increasing from USD 198.52 billion during April-June 2024 to USD 210.31 billion during April-June 2025.
- India's foreign exchange reserves stands at over USD 698.19 billion as on July 25, 2025; of which Foreign Currency Assets consist of over USD 588 billion, Gold reserves at USD 85 billion, SDRs at USD 1880 billion, and Reserve Position at USD 4.75 billion.
- The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%
- International Monetary Fund World Economic Outlook Update: Global growth is projected at 3% for 2025 and 3.1 percent in 2026. In India, growth is projected to be 6.4% in 2025 and 2026
- Asian Development Bank's Asian Development Outlook July 2025: The Indian economy is projected to grow 6.5% in FY2025, still one of the fastest growing major economies in the world.

1. Analysis on GVA of Agriculture sector and others



Share of GVA from Agriculture, Forestry and Fishing and GVA from Services at Basic Prices FY2006 to FY2015 (2011-12 Constant Prices)



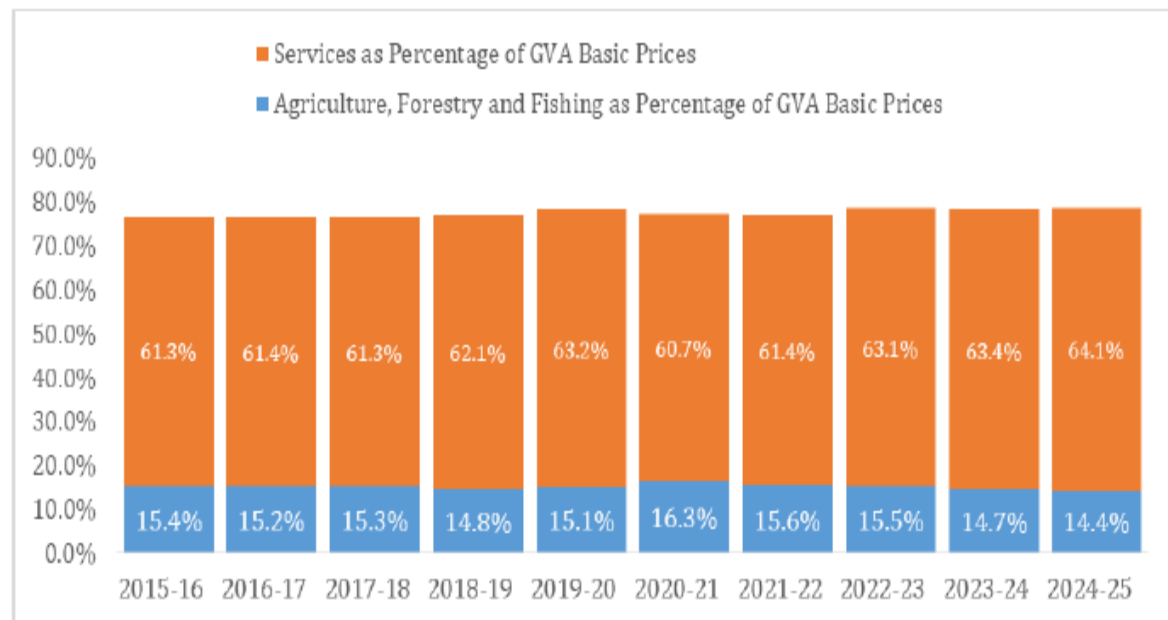
Source:

National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), Government of India

Analysis on GVA of Agriculture sector and others



Share of GVA from Agriculture, Forestry and Fishing and GVA from Services at Basic Prices FY2016 to FY2025 (2011-12 Constant Prices)



Source: National Statistics Office (NSO)

Notes:

1. Data for 2021-22 are Third Revised Estimates for 2022-23 are Second Revised Estimates and for 2023-24 are First Revised Estimates.
2. Data for 2024-25 are Provisional Estimates.
3. For the years prior to 2004-05, the additivity of detailed estimates with the aggregates will not be maintained since estimates for that period at detailed and Aggregate levels have been compiled by adopting the splicing method.

Gross Value Added (GVA) of agriculture and allied sectors at current prices registered a growth of about 225%, increasing from ₹1,502 thousand crore in 2011-12 to ₹4,878 thousand crore in 2023-24.

Gross Value of Output (GVO) from the agriculture and allied sector at constant prices has shown steady growth from ₹1,908 thousand crore in 2011-12 to ₹2,949 thousand crore in 2023-24, marking an overall increase of approximately 54.6%.

Crop sector with GVO at 1,595 thousand crore remains the largest contributor to total GVO (at constant prices) of agriculture and allied sectors with share of 54.1% in 2023-24. Cereals and fruits & vegetables together accounted for 52.5% of total crop GVO in 2023-24.

Five States namely Uttar Pradesh, Madhya Pradesh, Punjab, Telangana and Haryana contributed nearly 53% of GVO (at constant prices) of cereals in 2023-24.

Source: https://www.mospi.gov.in/sites/default/files/publication_reports/Brochure2025_r.pdf; <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2140160>

2. Analysis on the Index of Industrial Production in June, 2025



Overall IIP (Year-on-Year)

	June 2024	June 2025	Growth (%)
General index	151.0	153.3	1.5%
Sector-wise			
Mining	134.9	123.2	-8.7%
	146.6	152.3	3.9%
Electricity	222.8	217.1	-2.6%

Source: MOSPI, Government of India (www.mospi.gov.in/sites/default/files/press_release/IIP_PR_28july25.pdf)

Use Based Categories IIP (Year-on-Year)

Category	June 2024	June 2025	Growth (%)
Primary Goods	156.0	151.3	-3.0
Capital Goods	111.3	115.2	3.5
Intermediate Goods	159.1	167.9	5.5
Infrastructure/Construction Goods	184.9	198.3	7.2
Consumer Durables	127.1	130.8	2.9
Consumer Non-Durables	145.2	144.6	-0.4

Source: MOSPI, Government of India (www.mospi.gov.in/sites/default/files/press_release/IIP_PR_28july25.pdf)

Analysis on IIP (June 2025 vs June 2024)



Index of Industrial Production (IIP) recorded a 1.5% year-on-year increase in June 2025, driven by consistent growth in the manufacturing sector

The manufacturing sector expanded by 3.9% in June 2025, reflecting steady growth in the industrial sector

The rise in IIP was supported by growth in the intermediate goods at 5.5%, infrastructure/construction goods at 7.2%, and the consumer goods sector at 2.9% in June 2025

With the government's strong efforts to "Make in India" and a conducive policy environment, the industrial sector is expected to continue on its robust development path, helping India position itself as a global manufacturing hub

3. Analysis on Direct Tax Collections for FY 2024-25



Direct Tax Collections for FY 2025-26 as on 19.06.2025 (Rs in crore)

	FY 2024-25 (As on 19.06.2024)					FY 2025-26 (As on 19.06.2025)**					Percentage Growth
	Corporate Tax (CT)	Non-Corporate Tax (NCT)*	Securities Transaction Tax (STT)	Other Direct Tax	Total	Corporate Tax (CT)	Non-Corporate Tax (NCT)*	Securities Transaction Tax (STT)	Other Direct Tax	Total	Total growth
Gross Collection	2,28,109.92	2,79,506.59	11,605.34	714.36	5,19,936.21	2,49,672.09	2,82,262.41	13,013.04	259.61	5,45,207.15	4.86%
Refunds	45,927.22	8,727.28	-	12.29	54,660.79	76,832.08	9,551.11	-	2.12	86,385.31	58.04%
Net Collection	1,82,188.70	2,70,779.31	11,605.34	702.07	4,65,275.42	1,72,840.01	2,72,711	13,013	3257.49	4,58,821.84	-1.39%

Source:

Press Release CCA (Central Board of Direct Taxes)

Notes: * NCT includes taxes paid by individuals, HUFs, Firms, AOPs, Local Authorities, Artificial Juridical Person

**Provisional Figures

Gross Direct tax collections registered a 4.86% increase compared to the same period last year, indicating tax momentum remains strong

Net Direct tax collections recorded a slight decline of (1.39%), due to 58% increase in refunds.

The steep rise in refunds highlights improved disbursal system, and tax friendly process.

Overall, there is increase in corporate and non corporate income tax, reflects steady profitability of corporates, and resilient economic activity, despite geopolitical uncertainties and trade frictions.

4. Analysis on GST Collections for June 2025



Gross GST revenue grows at 6.2 % Y-O-Y, to over Rs 1.84 lakh crore in June 2025

The gross Goods and Services Tax (GST) revenue for the month of June 2025 stood at ₹1.84 lakh crore. This represents a 6.2% year-on-year growth.

After accounting for refunds, the net GST revenue for June 2025 stands at ₹1.59 lakh crore, reflecting a growth of 3.3% compared to the same period last year.

The gross GST collections in FY 2025-26 till June 2025 stood at ₹6.2 lakh crore. This represents a double digit growth of 11.8% year-on-year basis.

After accounting for refunds, the net GST revenue for FY 2025-26 till June 2025 stands at ₹5.42 lakh crore, reflecting a growth of 10.7% compared to the same period last year.

The government collected gross Central Goods and Services Tax (CGST) of ₹34,558 crore; State Goods and Services Tax (SGST) of ₹43,268 crore; Integrated Goods and Services Tax (IGST) of ₹93,280 crore, and Cess of ₹13,491 crore, in the month of June 2025.

Gross GST collections grows to over Rs 1.84 lakh crore in June 2025

GST Gross and Net Collections as on 30/06/2025 (Amount in crores)						
GST Collections A	Monthly			Yearly		
	June 24 B	Jun-25 C	% Growth D = C/B-1	June 24 E	Jun-25 F	% Growth G = F/E-1
A.1. Domestic						
CGST	32,627	34,558		1,08,882	1,18,625	
SGST	40,715	43,268		1,34,518	1,46,542	
IGST	47,270	48,680		1,56,968	1,76,951	
CESS	12,188	12,400		35,648	36,376	
Gross Domestic Revenue	1,32,800	1,38,906	4.6%	4,36,016	4,78,494	9.7%
A.2. Imports						
IGST	40,040	44,600		1,17,746	1,40,424	
CESS	972	1,091		3,056	3,446	
Gross Import Revenue	41,012	45,690	11.4%	1,20,802	1,43,869	19.1%
A.3. Gross GST Revenue(A.1+A.2)						
CGST	32,627	34,558		1,08,882	1,18,625	
SGST	40,715	43,268		1,34,518	1,46,542	
IGST	87,310	93,280		2,74,714	3,17,375	
CESS	13,160	13,491		38,704	39,821	
Total Gross GST Revenue	1,73,813	1,84,597	6.2%	5,56,818	6,22,363	11.8%
B.1. Domestic Refunds						
CGST	2,809	3,194		8,699	10,648	
SGST	3,693	3,873		11,034	13,090	
IGST	4,335	5,372		13,420	19,425	
CESS	243	204		775	969	
Refund - Domestic	11,080	12,643	14.1%	33,929	44,132	30.1%
B.2. Export GST Refunds through ICEGATE						
IGST	8,604	12,688		32,248	35,198	
CESS	169	159		467	500	
Refund - Imports	8,773	12,848	46.4%	32,716	35,699	9.1%
B.3. Total Refund (B.1+B.2)						
CGST	2,809	3,194		8,699	10,648	
SGST	3,693	3,873		11,034	13,090	
IGST	12,938	18,061		45,669	54,623	
CESS	413	363		1,243	1,469	
Total Refund	19,853	25,491	28.4%	66,645	79,831	19.8%

Source:
Goods and Services Tax , Government of India

Net GST collections grows at over 20% to Rs 1.73 lakh crore in June 2025



GST Gross and Net Collections as on 30/06/2025 (Amount in crores)						
	Monthly			Yearly		
GST Collections	June 24	Jun-25	% Growth	June 24	Jun-25	% Growth
A	B	C	D = C/B-1	E	F	G = F/E-1
C.1 Net Revenue Domestic (A.1 - B.1)						
CGST	29,818	31,364		1,00,182	1,07,977	
SGST	37,022	39,395		1,23,484	1,33,452	
IGST	42,935	43,308		1,43,548	1,57,527	
CESS	11,945	12,197		34,872	35,407	
Net Domestic Revenue	1,21,720	1,26,263	3.7%	4,02,087	4,34,362	8.0%
C.2 Net Revenue Customs (GST) (A.2 - B.2)						
IGST	31,437	31,911		85,498	1,05,225	
CESS	803	932		2,589	2,945	
Net Customs Revenue	32,239	32,843	1.9%	88,087	1,08,171	22.8%
C.3 Net Revenue (C.1+C.2))						
CGST	29,818	31,364		1,00,182	1,07,977	
SGST	37,022	39,395		1,23,484	1,33,452	
IGST	74,372	75,219		2,29,046	2,62,752	
CESS	12,747	13,128		37,461	38,352	
Total Net GST Revenue	1,53,959	1,59,106	3.3%	4,90,174	5,42,533	10.7%

Source:
Goods and Services Tax , Government of India

5. Analysis on CPI Inflation in June 2025

All India sequential inflation rates (%) based on CPI (General) and CFPI: June 2025 over May 2025							
		May 2025 (Final)			June 2025 (Provisional)		
		Rural	Urban	Combd.	Rural	Urban	Combd.
Inflation	CPI (General)	2.59	3.12	2.82	1.72	2.56	2.10
	CFPI	0.95	1.01	0.99	-0.92	-1.22	-1.06

Source: Ministry of Statistics and Programme Implementation, GoI ([www.mospi.gov.in/sites/default/files/press_release/CPI PR 14Jun25.pdf](http://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_14Jun25.pdf))

Consumer Price Index – June 2025



All India year-on-year inflation rates (%) based on CPI (General) and CFPI: June 2025 over June 2024							
		June 2025 (Provisional)			June 2024		
		Rural	Urban	Combd.	Rural	Urban	Combd.
Inflation	CPI (General)	1.72	2.56	2.10	5.66	4.39	5.08
	CFPI	-0.92	-1.22	-1.06	9.15	9.60	9.36

Source: Ministry of Statistics and Programme Implementation, GoI ([www.mospi.gov.in/sites/default/files/press_release/CPI PR 14Jun25.pdf](http://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_14Jun25.pdf))

Consumer Price Index – June 2025



India Consumer Price Indices and year-on-year Inflation rates (%) for June 2025 (Provisional)			
Category	Rural	Urban	Combined
Food and Beverages	-0.36	-0.05	-0.20
Pan, tobacco and intoxicants	2.38	2.45	2.41
Clothing and Footwear	2.39	2.86	2.55
Housing	-	3.24	3.24
Fuel and Light	1.99	3.54	2.55
Miscellaneous	5.58	5.34	5.49
General Index (All Groups)	1.72	2.56	2.10
Consumer Food Price Index	-0.92	-1.22	-1.06

Source: Ministry of Statistics and Programme Implementation, GoI (www.mospi.gov.in/sites/default/files/press_release/CPI_PR_14Jun25.pdf)

Analysis

Year-on-year CPI inflation for June 2025 has softened to 2.10%, marking lowest year-on-year inflation recorded since January 2019, providing a substantial boost to households, businesses, and India's growth

The CPI inflation is following a continuously easing trajectory, from 6.2% in October 2024 to 5.4% in November 2024, to 5.2% in December 2024, 4.26% in January 2025, 2.82% in May 2025 and now 2.10% in June 2025, posing a decline of 72 basis points in headline inflation of June, 2025 in comparison to May, 2025

The significant decline in headline inflation and food inflation during the month of June, 2025, is mainly attributed to decline in inflation of Vegetables, Pulses and Products, Meat and Fish, Cereals and products, Sugar and confectionery, Milk and products and Spices

Moving ahead, assuming a normal monsoon, CPI inflation is expected to remain well within the RBI's target band

6. Analysis on WPI Inflation in June 2025

All Commodities\ Major Groups	April -25 (F)*		May-25 (P)*		June-25 (P)*	
	Index	Inflation (%)	Index	Inflation (%)	Index	Inflation (%)
All Commodities	154.2	0.85	154.1	0.39	153.8	-0.13
Primary Articles	185.4	-0.91	184.3	-2.02	185.8	-3.38
Fuel & Power	145.7	-3.76	146.7	-2.27	143.0	-2.65
Manufactured Products	144.9	2.62	144.9	2.04	144.8	1.97
Food Index	190.7	3.30	189.5	1.72	190.2	-0.26

Source:
Ministry of Commerce and Industry, GoI (https://eaindustry.nic.in/pdf_files/cmonthly.pdf)

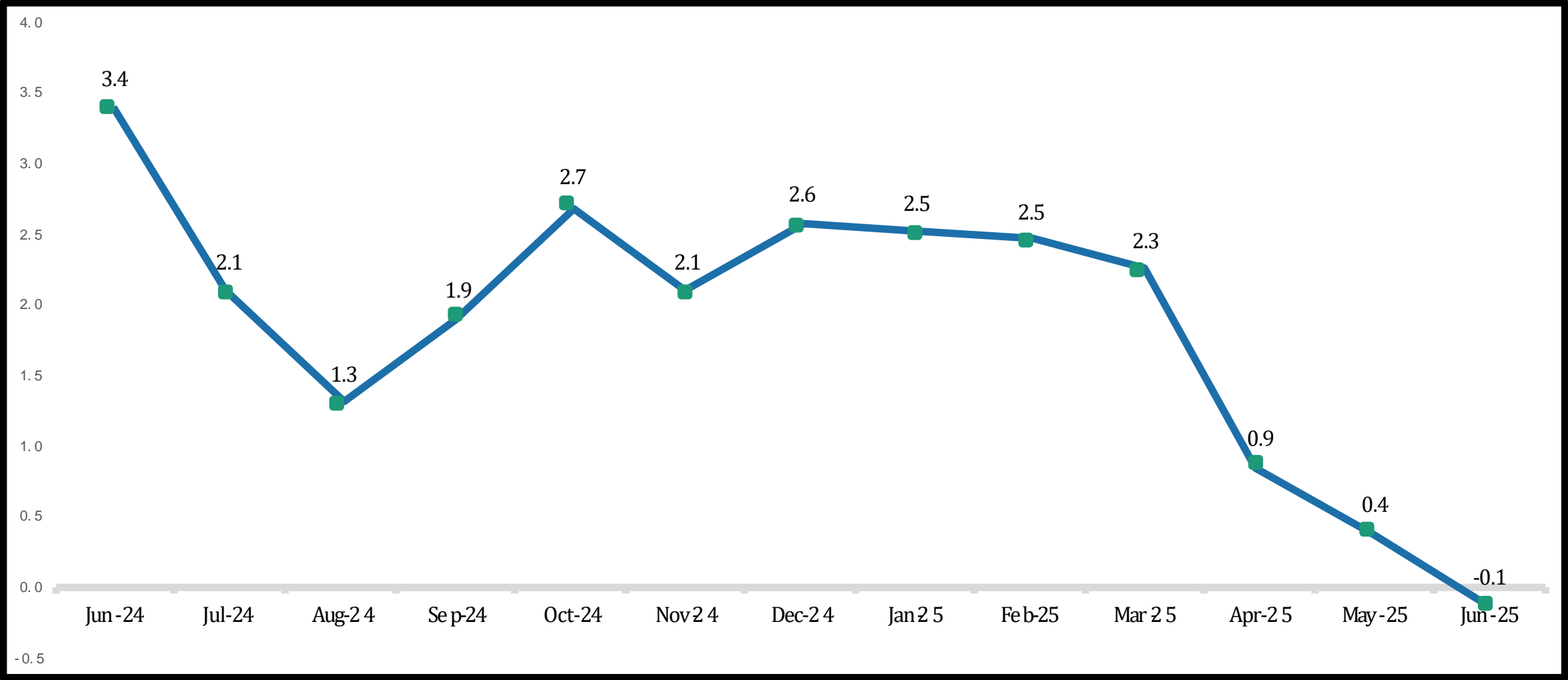
Notes:
(P)Provisional Figures; (F) Final Figures
*Annual rate of WPI inflation calculated over the corresponding month of previous year

The annual rate of inflation based on All India Wholesale Price Index (WPI) number is (-) 0.13% (provisional) for the month of June, 2025 (over June, 2024).

The month over month change in WPI for the month of June, 2025 stood at (-) 0.19% as compared to May, 2025.

Negative rate of inflation in June, 2025 is primarily due to decrease in prices of food articles, mineral oils, manufacture of basic metals, crude petroleum & natural gas etc.

Trend of Wholesale Price Inflation(June 2024 to June 2025) (%)



Source: Ministry of Commerce and Industry, Govt of India (https://eaindustry.nic.in/pdf_files/cmonthly.pdf)

Notes: Provisional Figures for month of May and June 2025

Figures have been rounded off to one decimal for pictorial purpose only

WPI inflation in Select Commodities (Base year: 2011-12)

S. No.	Commodity	WPI Inflation Y-o-Y % growth			Change in June 2025 as Compared to Previous Month
		Apr-25	May-25*	June-25*	
1	All Commodities	0.85	0.39	-0.13	↓
2	Primary Articles	-0.91	-2.02	-3.38	↓
2.1	Food Articles	0.30	-1.56	-3.75	↓
2.1.1	Cereals	3.86	2.56	1.44	↓
2.1.2	Pulses	-5.57	-10.41	-14.09	↓
2.1.3	Vegetables	-17.16	-21.62	-22.65	↓
2.2	Non-food Articles	1.52	1.53	2.29	↑
3	Fuel & Power	-3.76	-2.27	-2.65	↓
3.1	LPG	-0.41	0.25	2.68	↑
3.2	Petrol	-7.70	-8.49	-6.57	↑
4	Manufactured Products	2.62	2.04	1.97	↓

Source: Ministry of Commerce and Industry, GoI (https://eaindustry.nic.in/pdf_files/cmonthly.pdf)

Notes: Provisional Figures for month of April and May 2025

Analysis



The persistent decline in Wholesale Price Index (WPI) inflation since December 2024 is a positive sign for higher economic growth in India

WPI inflation has softened to (-)0.13% in June 2025 from 2.57% in December 2024, fostering optimistic business sentiment. This trend is expected to reduce operational costs for companies, boost domestic demand, and support economic growth

The fall in prices of primary articles from (-)2.02% in May 2025 to (-)3.38% in June 2025, fuel and power from (-)2.27% in May 2025 to (-)2.65% in June 2025, and manufactured products from 2.04% in May 2025 to 1.97% in June 2025 has contributed to the decline in WPI

Food inflation has eased from 5.83% in January 2025 to (-)3.75% in June 2025, driven by falling prices of cereals, vegetables, pulses, fruits, eggs, meat & fish, and milk

Looking ahead, considering the rise in domestic demand, expectations of a normal monsoon, and strong overall economic activity in the country, we anticipate WPI inflation to remain moderate in the coming months despite ongoing geopolitical uncertainties

7. Analysis on the Index of Eight Core Industries (ICI) for June, 2025



- The combined Index of Eight Core Industries (ICI) increased by 1.7 per cent (provisional) in June, 2025 as compared to the Index in June, 2024.
- The final growth rate of Index of Eight Core Industries for May 2025 was observed at 1.2 per cent.
- The cumulative growth rate of ICI during April to June, 2025-26 is 1.3 per cent (provisional) as compared to the corresponding period of last year.
- The production of Steel, Cement and Refinery Products recorded positive growth in June, 2025.

Industry Coverage

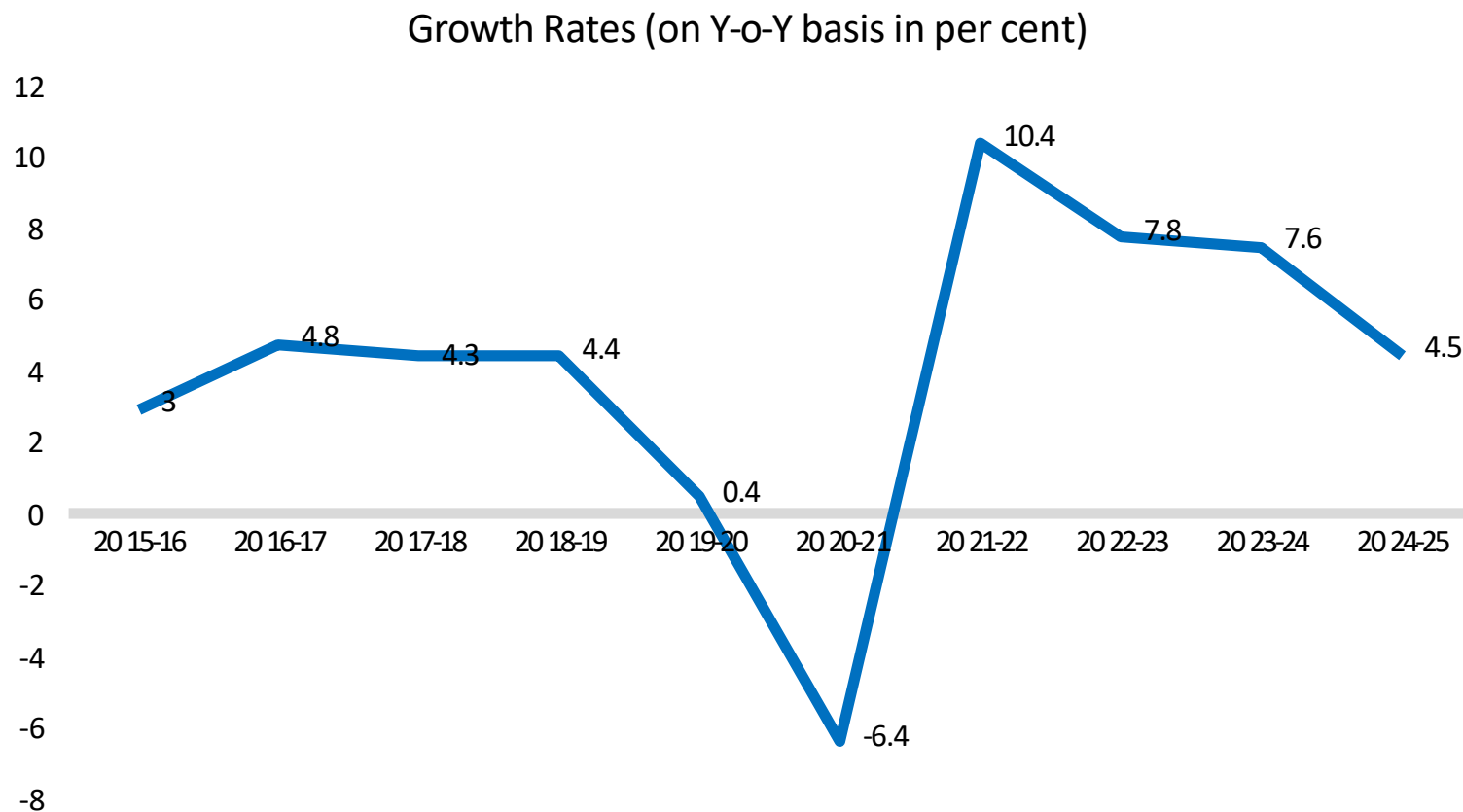
- Coal
- Crude Oil
- Natural Gas
- Refinery Products
- Fertilizers
- Steel
- Cement
- Electricity

Performance of Eight Core Industries Yearly Growth Rate

(Base Year: 2011-12=100)



S.No	Core Industries	Apr-Jun 2025-26*(%)
1.	Overall	1.3
2.	Coal	-0.3
3.	Crude Oil	-2.0
4.	Natural Gas	-2.5
5.	Refinery Products	0.0
6.	Fertilizers	-3.8
7.	Steel	7.0
8.	Cement	8.4
9.	Electricity	-2.0



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)

Note: * means Provisional

Performance of Eight Core Industries Monthly Growth Rate

(Base Year: 2011-12=100)



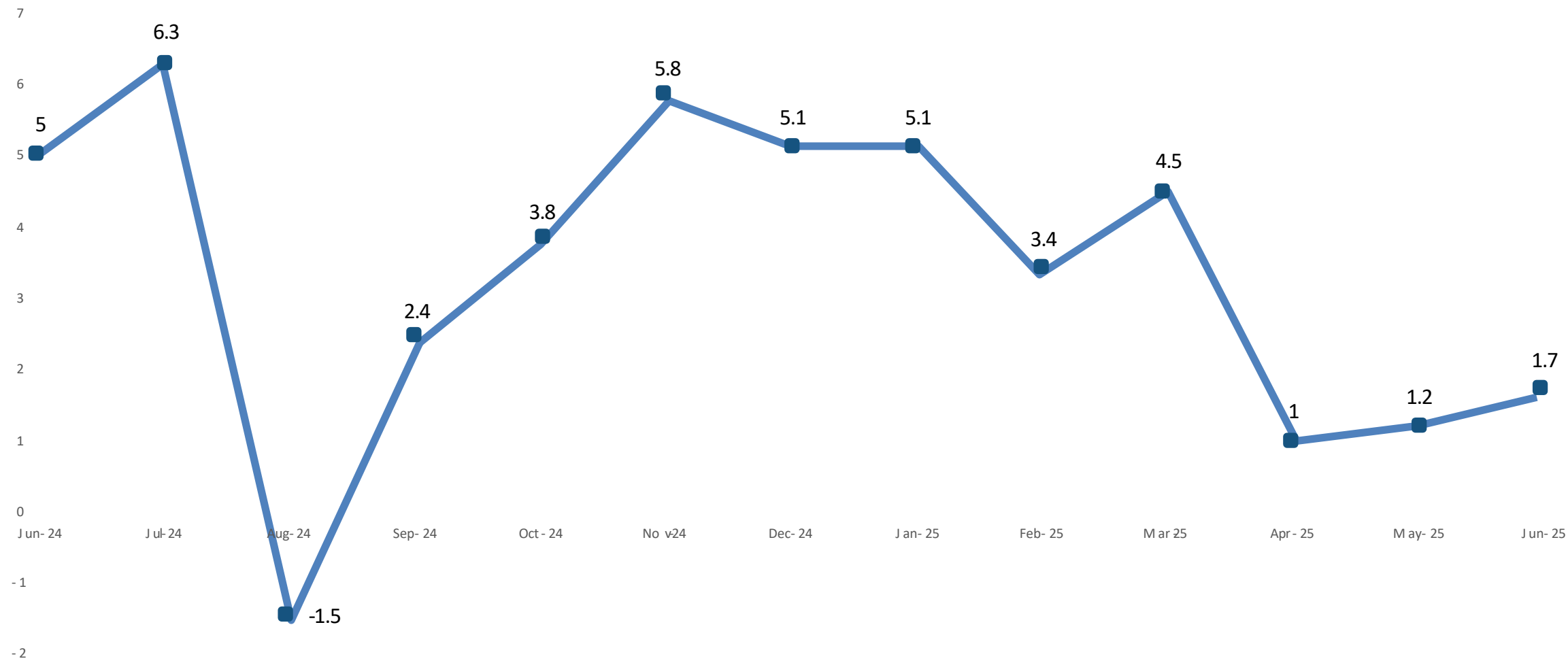
S.No	Core Industries	June 2024 (%)	May 2025 (%)	June 2025 (%)*
1.	Overall	5.0	1.2	1.7
2.	Coal	14.8	2.8	-6.8
3.	Crude Oil	-2.6	-1.8	-1.2
4.	Natural Gas	3.3	-3.6	-2.8
5.	Petroleum Refinery Products	-1.5	1.1	3.4
6.	Fertilizers	2.4	-5.9	-1.2
7.	Steel	6.3	7.4	9.3
8.	Cement	1.8	9.7	9.2
9.	Electricity	8.6	-4.7	-2.8

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)

Note: * means Provisional

Performance of Eight Core Industries Monthly Growth Rate

(Base Year: 2011-12=100)



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)
Figures for June 2025 are provisional

8. Analysis on the Deployment of Gross Bank Credit by Major Sectors for June, 2025



	June 2024 (%)	June 2025 (%)
Non Food Bank Credit	13.9	10.4
Sector-wise (Month-on-Month)		
Agriculture and Allied Activities	17.4	6.8
Industry (Micro and Small, Medium and Large)	7.7	5.5
Services	15.1	9.6
Personal Loans	13.1	9.1

Deployment of Gross Bank Credit by Major Sectors

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

Gross Bank Credit grows at 10.4% in June 2025

Credit growth slowed to agriculture, industry, services and personal loans

Among industries, credit to micro, small and medium industries expanded significantly from 11% and 12.6% in June 2024 to 19.3% and 13.1% in June 2025, respectively.

Among Priority sectors, Credit to micro, small medium enterprises increased in June 2024.

Renewable Energy sector saw robust expansion to over 100% in June 2025 from 37.3% in June 2024.

Credit to Export sector also grows by positively 11.3% in June 2025.



This suggests a strengthening of the MSME ecosystem, reflecting improved investor confidence and potential for sustained industrial growth

Stronger government push towards sustainable business practices

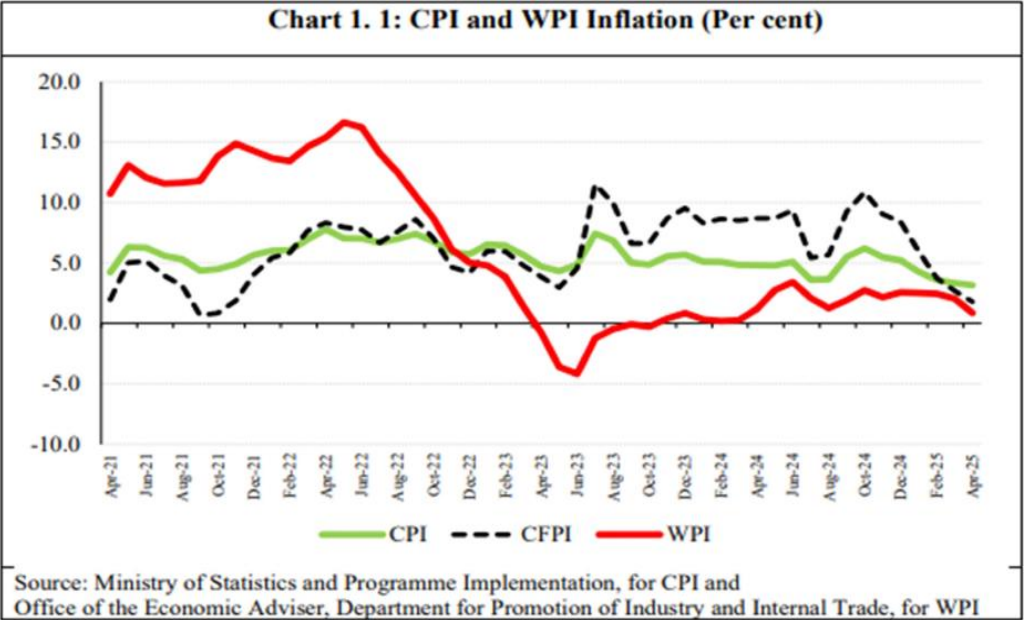
Despite tariff policy volatility, there is an expansion of exports demand supported by government continued support for external sector

9. Analysis Quarterly Report on Public Debt Management, January-March, 2025



The World Bank has reduced its global growth forecast for 2025 to 2.3 per cent, down from an earlier estimate of 2.7 per cent. This would represent the slowest expansion rate since the 2008 financial crisis, excluding recession years. The downward revision reflects rising trade tensions and geopolitical unrest.

India's real GDP grew by 7.4 per cent in the last quarter of FY 2024-25. For the whole year 2024- 25, real GDP growth is estimated at 6.5 per cent. India's industrial output, measured by the Index of Industrial Production (IIP), grew by 3.9 per cent (y-o-y) in March 2025 relative to 3.7 per cent at the end of December 2024. Retail inflation measured by Headline Consumer Price Index (CPI) eased to 3.34 per cent (y-o-y basis) in March 2025, lowest since August 2019.



Analysis Quarterly Report on Public Debt Management, January-March, 2025



According to provisional estimates for FY 2024-25, total non-debt receipts stood at ₹30.78 lakh crore. Within these receipts of ₹24.99 lakh crore was collected as Tax Revenue (Net to Centre), ₹5.38 lakh crore of Non-Tax Revenue and ₹0.42 lakh crore of Non-Debt Capital Receipts.

On the expenditure side, total expenditure stood at ₹46.56 lakh crore, with revenue expenditure recorded at ₹36.04 lakh crore, while capital expenditure surged to ₹10.52 lakh crore, compared to ₹10.18 lakh crore in the revised estimates for FY 2024-2025.

Table 2. 1: Fiscal Outcome for FY 2024-25

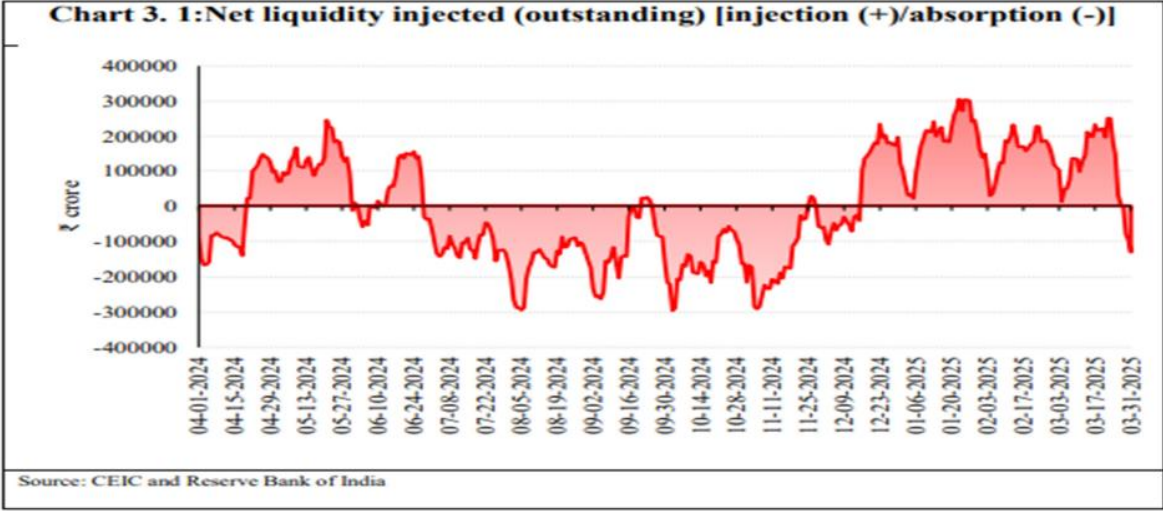
Items	Revised Estimate 2024-25	Provisional 2024-25	(Amount in ₹ crore)	
			Percentage of Actual to Revised Estimate	
			Current	2023-24 (COPPY)**
Revenue Receipts	3087960	3036429	98.30%	101.10%
Tax Revenue (Net)	2556960	2498885	97.70%	100.10%
Non-Tax Revenue	531000	537544	101.20%	106.90%
Non-Debt Capital Receipts	59000	41818	70.90%	106.70%
Total Expenditure	4716487	4655517	98.70%	99.00%
Revenue Expenditure	3698058	3603510	97.40%	98.70%
Capital Expenditure	1018429	1052007	103.30%	99.90%
Revenue Deficit	610098	567081	92.90%	91.00%
Primary Deficit	431587	460927	106.80%	87.00%
Fiscal Deficit	1569527	1577270	100.50%	95.40%
Note- COPPY: Corresponding Period of the Previous Year. Figures are provisional.				

Analysis Quarterly Report on Public Debt Management, January-March, 2025



Government's cash account is maintained with the Reserve Bank of India (RBI). The temporary cash flow mismatches, in case of deficit in the cash account of the Central Government, are largely managed through a combination of issuance of Treasury Bills, Cash Management Bills (CMBs) and access to the Ways and Means Advances (WMA) facility from RBI.

During Q4: FY 2024-25, the Central Government's cash balance was in surplus, and it did not avail of the WMA facility. No CMBs were issued during the quarter.



Analysis Quarterly Report on Public Debt Management, January-March, 2025



Total gross liabilities of the Government, as per provisional data, increased to ₹185.94 lakh crore at end March 2025 relative to ₹179.99 lakh crore at end December 2024. Public debt accounted for 88.9 per cent of total gross liabilities during the quarter.

Components	End March 2025- Provisional	End Dec 2024- Provisional	Variation March 2025 over December 2024 (%)
<i>I. Securities issued by States to NSSF</i>	278830	296961	-6.1
<i>II NSSF Loans to other Public Agencies</i>	35000	55000	-36.4
<i>III. Post Office Insurance Funds with Fund Managers</i>	146083	143953	1.5
I. Net Adjusted Liabilities (I-II-III)	18133893	17502610	3.6
Source: Ministry of Finance and RBI. #: The numbers are provisional. Net Adjusted Liabilities includes External Debt at Current Exchange Rate \$: Includes Gold Monetisation Scheme and Sovereign Gold Bond Note: EBR - Liabilities on account of Govt. Fully Serviced Bonds			

Analysis Quarterly Report on Public Debt Management, January- March, 2025

Components	End March 2025- Provisional	End Dec 2024- Provisional	Variation March 2025 over December 2024 (%)
A. Public Debt (A1+A2)	16530393	16176153	2.2
A1. Internal Debt (a+b)	15656093	15334473	2.1
a. Marketable Securities (i+ii)	12007233	11748668	2.2
(i) Dated Securities	11216852	10988624	2.1
(ii) Treasury Bills	790381	760045	4.0
(iii) Cash Management Bills	0	0	
b. Non-marketable Securities (i to vii)	3648860	3585805	1.8
(i) 14 Day Intermediate T-Bills	188644	157826	19.5
(ii) Compensation & Other Bonds \$	146697	142278	3.1
(iii) Securities issued to Intl. Fin. Institutions	108830	110632	-1.6
(iv) Securities against small savings	2892847	2863228	1.0
(v) Special Sec. against POLIF	20894	20894	0.0
(vi) Special Securities issued to PSB/ EXIM Bank/ IDBI Bank/ IIFCL	290948	290948	-
(vii) Ways & Means Advances	0	0	-
A2. External Debt (Current Rate of Exchange - CR)	874300	841680	3.9
B. Public Account - Other Liabilities (a to d)	2009288	1864634	7.8
(a) National Small Savings Fund	593829	456697	30.0
(b) State Provident Fund	272335	261398	4.2
(c) Other Accounts	356032	354626	0.4
(d) Reserve Funds and Deposit (i+ii)	787091	791913	-0.6
(i) Bearing Interest	292018	270477	8.0
(ii) Not bearing interest	495074	521436	-5.1
C. Pakistan pre-partition debt (approx)	300	300	-
D. Total (net) Liabilities as reported in the Union Budget (A1+B-C+E)	18296813	17799553	2.8
E. External Debt -Historical Rate of Exchange (HR)	631733	600746	5.2
F. Extra-Budgetary Resources (EBRs)	137869	137869	0.0
G. Cash Balance	83443	179831	-53.6
H. Gross Liabilities as per FRBM Act (A+B-C+F-G)	18593806	17998524	3.3
<i>Memo Items</i>			

¹ Includes total liabilities under the 'Public Account' and external debt valued at current exchange rates.

10. Analysis on the Fiscal Deficit for June, 2025

- The gross fiscal deficit of the Central Government stands at 17.9% of the actuals to budget estimates (BEs) in June 2025.
- The primary deficit and revenue deficit stand at -36.0% and 6.4% respectively, of the actuals to revised estimates in June 2025.

Note :- 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 non-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"*

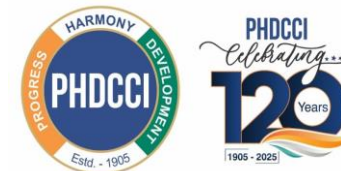
***COPPY : Corresponding Period of the Previous Year*

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

Source: <https://cga.gov.in/MonthlyReport/Published/6/2025-2026.aspx>

**GOVERNMENT OF INDIA
UNION GOVERNMENT ACCOUNTS
AT A GLANCE
AS AT THE END OF JUNE 2025**



(Rs. in Crore) @@

			Budget Estimates 2025-2026*	Actuals@ upto June 2025	% of Actuals to Budget Estimates	
			Rs.	Rs.	Current	COPPY**
1	Revenue Receipts		3420409	913377	26.7%	(26.5%)
2	Tax Revenue (Net)	(Details)	2837409	540316	19.0%	(21.3%)
3	Non-Tax Revenue	(Details)	583000	373061	64.0%	(51.3%)
4	Non-Debt Capital Receipts	(Details)	76000	28018	36.9%	(5.8%)
5	Recovery of Loans		29000	5395	18.6%	(16.1%)
6	Other Receipts		47000	22623	48.1%	(0.0%)

6	Other Receipts		47000	22623	48.1%	(0.0%)
7	Total Receipts (1+4)		3496409	941395	26.9%	(26.0%)
8	Revenue Expenditure		3944255	946995	24.0%	(21.3%)
9	<i>of which</i> Interest Payments		1276338	386037	30.2%	(22.7%)
10	Capital Expenditure		1121090	275132	24.5%	(16.3%)
11	<i>of which</i> Loans disbursed		225844	69832	30.9%	(15.6%)
12	Total Expenditure (8+10)	(Details)	5065345	1222127	24.1%	(20.1%)
13	Fiscal Deficit (12-7)		1568936	280732	17.9%	(8.4%)
14	Revenue Deficit (8-1)		523846	33618	6.4%	(-7.0%)
15	Primary Deficit (13-9)		292598	-105305	-36.0%	(-28.5%)

Note :- 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 non-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

SOURCES OF FINANCING THE DEFICIT AS AT THE END OF JUNE 2025

(Rs. in Crore) @@

		Budget Estimates 2025-2026	Actuals@ upto June 2025	% of Actuals to Budget Estimates	
		Rs.	Rs.	Current	COPPY**
1	<u>External Financing</u>	23490.39	-2498.95	-11%	(0%)
2	<u>Domestic Financing</u>	1545445.76	283230.65	18%	(8%)
	(a) <u>Market Borrowings</u>	1153833.94	237158.17	21%	(13%)
	(b) <u>Securities against Small Savings</u>	343382.46	-59396.01	-17%	(6%)
	(c) <u>State Provident Funds</u>	5000.00	-3165.67	-63%	(-39%)
	(d) <u>Special Deposits</u>	0.00	1467.05		
	(e) <u>National Small Saving Fund</u>	0.00	162513.32		

	- i- Savings Deposit and Certificates	200848.53	71927.39	36%	(23%)
	- ii- Public Provident Funds	104814.02	-2555.12	-2%	(8%)
	-iii- Investment In Securities	-304075.68	68907.55	-23%	(5%)
	- iv- Income/Expenditure of NSSF	-1586.87	24233.50	-1527%	(-213%)
	(f) Others	40744.98	86176.95	212%	(-27%)
	(g) Cash Balance {Decrease(+)/Increase(-)}	2484.38	4582.84	184%	(3%)
	(h) Investment (-) / Redemption (+) of Surplus Cash		-146106.00		
	(i) Ways & Means Advances		0.00		
3	TOTAL FINANCING	1568936.15	280731.70	18%	(8%)

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

Source: <https://cga.gov.in/MonthlyReport/Published/6/2025-2026.aspx>

MAJOR SUBSIDIES AS AT THE END OF JUNE 2025



(Rs in Crore) @@

		Budget Estimates 2025-2026*	Actuals@ upto June, 2025	COPPY	% of Actuals to Budget Estimates	
		Rs.	Rs.	Rs.	Current	COPPY**
1	Food Subsidy	203420.00	42277.09	61968.97	21%	(30%)
2	Nutrient Based Fertilizers Subsidy	49000.00	9498.73	7914.17	19%	(18%)
3	Urea Subsidy	118887.20	31523.37	19910.75	27%	(17%)
4	Petroleum	12100.01	255.03	380.13	2%	(3%)
	Total Major Subsidies	383407.21	83554.22	90174.02	22%	(24%)

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

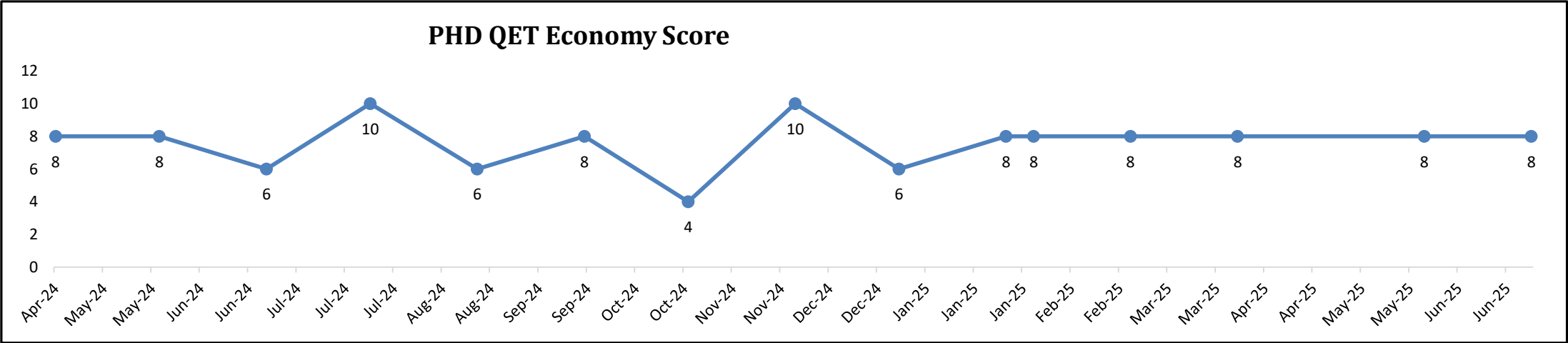
Source: <https://cga.gov.in/MonthlyReport/Published/6/2025-2026.aspx>

11. PHD Quick Economic Trends: Trends and Scores for Selected Indicators for April, May and June 2025



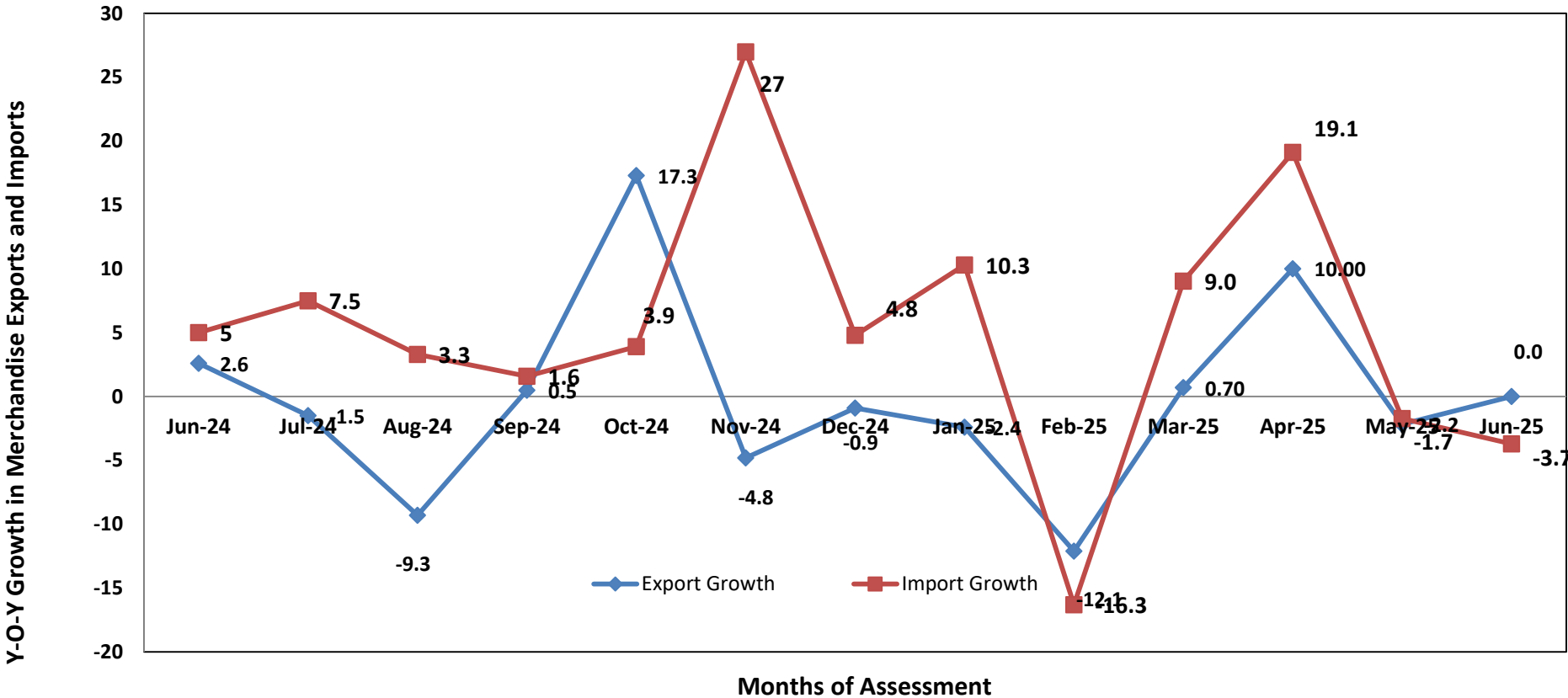
S. No.	Economic and Business Indicators	Apr-25	Growth	May-25	Growth	Jun-25	Growth
Indicators with Y-o-Y growth							
1	GST Collection (in Rs crore)	236716	12.6% ↑	437767	14.30% ↑	622363	11.80% ↑
2	Total Exports (Merchandise + Services)(US\$ Billion)	73.8	12.7% ↑	71.12	2.77 ↑	67.98	6.5 ↑
3	CPI Inflation (in %)	3.16	↓	2.82	↓	2.1	↓
Indicators with sequential M-o-M growth							
4	Unemployment Rate (in %) (Sign Changed)	7.7	↑	7.0	↓	9.2	↑
5	Stock Market (SENSEX monthly average)	80242	3.7% ↑	81451	1.5% ↓	83606	2.6% ↑
Overall Score		8/10		8/10		8/10	

Sources: PHD Research Bureau, PHDCCI, Unemployment data for May and June 2025 is from CMIE AND April data is from Monthly PLFS release.
Ministry of Finance , ministry of Commerce and Industry, MoSPI -Centre for Monitoring Indian Economy and BSE India (<https://www.bseindia.com/indices/IndexArchiveData.html>)



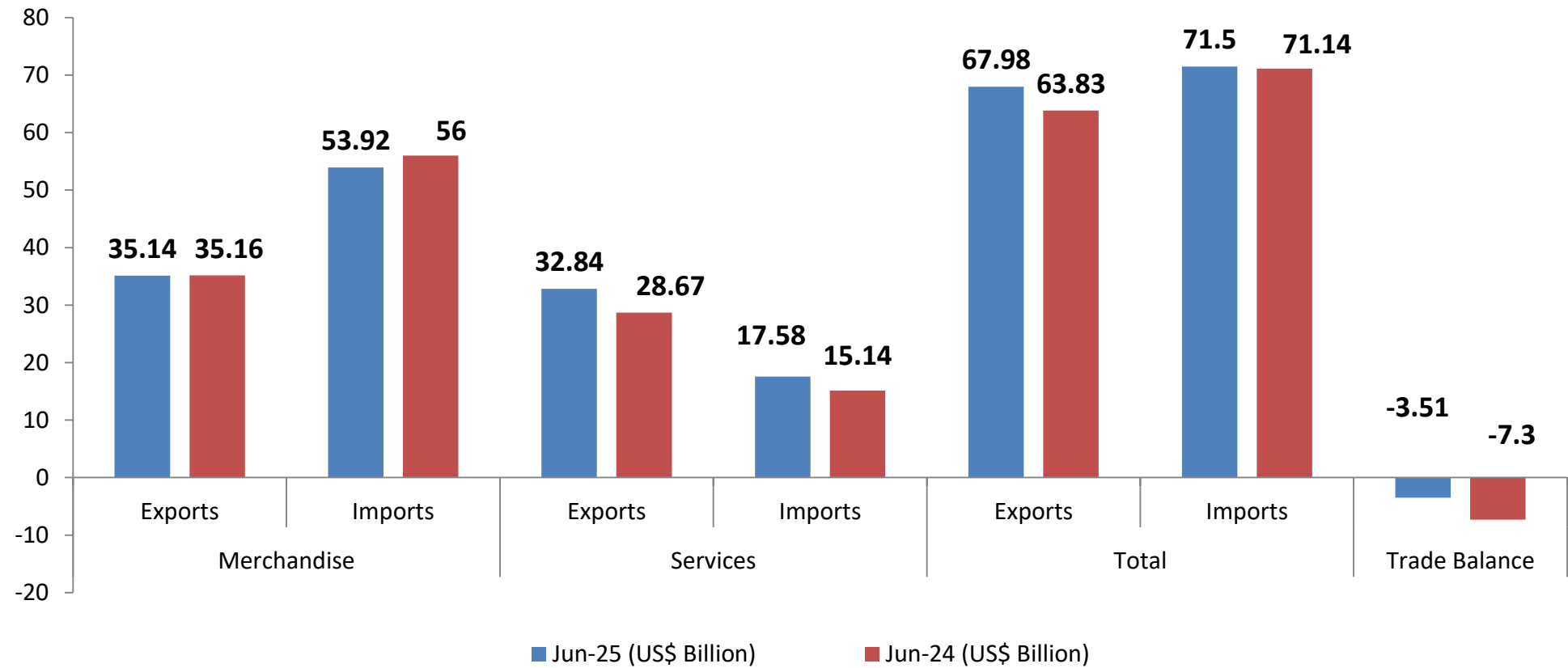
12. Analysis on Trade Data for June, 2025

Growth in India's Merchandise Exports and Imports (%) (June 2024-June 2025)



Source: PHD Research Bureau, PHDCCI, based on Ministry of Commerce and Industry, GOI

India's Total Trade Trajectory (Merchandise + Services) (June 2024-June 2025) (USD billion)



Source: PHD Research Bureau, PHDCCI, based on Ministry of Commerce and Industry, GOI

Analysis



- India's cumulative total exports (merchandise and services) registered a y-o-y growth of over 1.92%, increasing from USD 198.52 billion during April-June 2024 to USD 210.31 billion during April-June 2025.
- This resilient exports growth is driven by steady growth in merchandise and positive momentum of 8% in services exports during the same period.
- In June 2025, India's overall exports (merchandise and services combined) accelerated to USD 67.98 billion, marking a 6.50% increase compared to the same month last year.
- This growth is driven by positive growth of merchandise exports of electronic goods (46.93%), tea (32.64%), jute mfg. including floor covering (23.44%), meat, dairy & poultry products (19.7%), other cereals (13.39%), marine products (13.33%), among others.
- On the import side, declines were seen in categories such as pulses, newsprint, gold, transport equipment, Coal, Coke & Briquettes, Pearls, Precious & Semi-Precious Stones, among others.
- Going ahead, we anticipate exports to grow robustly and resiliently supported by government continuous efforts to diversify the export market.

13. International Position: Changes in the Foreign Direct Investment and Foreign Exchange Reserves



Foreign Exchange Reserves (USD billion)	As on May 30, 2025	As on June 27, 2025	As on July 25, 2025
Total Reserves	691.48	702.78	698.19
Foreign Currency Assets	584.21	594.82	588.92
Gold	84.30	84.50	85.70
SDRs	18.56	18.83	18.80
Reserve Position in the IMF	4.39	4.62	4.75

Source: PHD Research Bureau, RBI Weekly Statistical Supplement (<https://website.rbi.org.in/en/web/rbi/publications/weekly-statistical-supplement-extract>)

Foreign Direct Investment			
Sr. No.	FDI	FY 2023-24 (US\$ Bn)	FY 2024-25 (US\$ Bn, P)
i.	FDI Equity Inflow	44.4	50
ii.	Total FDI Inflow	71.2	81

Source: PHD Research Bureau, PHDCCI, Quarterly Factsheet, Department for Promotion of Industry and Internal Trade (DPIIT), GOI, P is for Provisional figures ([https://dpiit.gov.in/sites/default/files/FDI%20Factsheet%20March 2025.pdf](https://dpiit.gov.in/sites/default/files/FDI%20Factsheet%20March%2025.pdf))

- India’s *foreign exchange reserves* stands at over USD 698.19 billion as on July 25, 2025; of which Foreign Currency Assets consist of over USD 588 billion, Gold reserves at USD 85 billion, SDRs at USD 1880 billion, and Reserve Position at USD 4.75 billion.
- Outlook:** India’s forex reserves indicates robust external sector stability and enhanced resilience against global financial volatility.
- FDI inflows* have increased by 14% from FY 2024 to FY 2025.
- The services sector has emerged as the top recipient of FDI equity in FY 2025.
- India is also becoming a hub for manufacturing FDI, which grew by 18%.
- August 2024 saw the highest inflows at USD 6.3 billion followed by USD 5.8 billion in May 2024.
- Outlook:** India has emerged as a preferred country for foreign investments. Among the sectors, FDI inflow for construction development (107.45%) and services sector (40.75%) grew rapidly between FY 2023-24 and FY 2024-25.

14. Analysis of Federal Reserve's FOMC Announcement

The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%



Although swings in net exports continue to affect the data, recent indicators suggest that growth of economic activity moderated in the first half of the year.

The unemployment rate remains low, and labor market conditions remain solid. Inflation remains somewhat elevated.

The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%



Federal Reserve has decided to maintain status quo

A diagram consisting of three white circles with blue outlines, arranged vertically and connected by a blue line. Each circle is positioned to the left of a blue rectangular text box.

The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

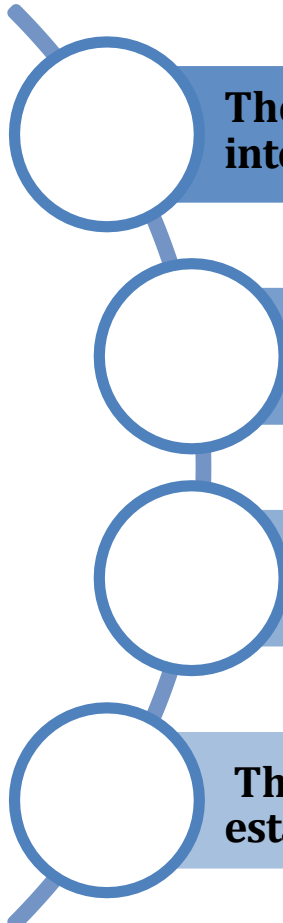
In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook.

The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals.

The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%



Federal Reserve has decided to maintain status quo



The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate paid on reserve balances at 4.4 percent, effective July 31, 2025.

Conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.5 percent and with an aggregate operation limit of \$500 billion.

Conduct standing overnight reverse repurchase agreement operations at an offering rate of 4.25 percent and with a per-counterparty limit of \$160 billion per day.

The Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 4.5 percent.

15. International Monetary Fund World Economic Outlook Update



Global Economy: Tenuous Resilience amid Persistent Uncertainty

Key Highlights:

- **Global growth** is projected at 3.0 percent for 2025 and 3.1 percent in 2026.
- This reflects stronger-than-expected front-loading in anticipation of higher tariffs; lower average effective US tariff rates than announced in April; an improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major jurisdictions.
- Growth in **advanced economies** is projected to be 1.5 percent in 2025 and 1.6 percent in 2026.
- **In India**, growth is projected to be 6.4 percent in 2025 and 2026, with both numbers revised slightly upward, reflecting a more benign external environment than assumed in the April reference forecast.
- In **emerging market** and developing economies, growth is expected to be 4.1 percent in 2025 and 4.0 percent in 2026.
- **World trade volume** is revised upward by 0.9 percentage point for 2025 and downward by 0.6 percentage point for 2026.
- **Global headline inflation** is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026, a path similar to the one projected in April.
- **Downside risks** include; a rebound in effective tariff rates could lead to weaker growth; Elevated uncertainty could start weighing more heavily on activity, also as deadlines for additional tariffs expire without progress on substantial, permanent agreements; Geopolitical tensions could disrupt global supply chains and push commodity prices up; and larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions; combined with fragmentation concerns, this could reignite volatility in financial markets.
- **On the upside**, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs. Policies need to bring confidence, predictability, and sustainability by calming tensions, preserving price and financial stability, restoring fiscal buffers, and implementing much-needed structural reforms.

Global Economy: Tenuous Resilience amid Persistent Uncertainty



Overview of the World Economic Outlook Projections (Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
World Output	3.5	3.3	3.0	3.1
Advanced Economies	1.8	1.8	1.5	1.6
United States	2.9	2.8	1.9	2.0
Euro Area	0.5	0.9	1.0	1.2
- Germany	-0.3	-0.2	0.8	0.9
- France	1.6	1.1	0.6	0.6
- Italy	0.7	0.7	0.7	0.7
- Spain	2.7	3.2	2.5	1.8
Japan	1.4	0.2	0.7	0.5
United Kingdom	0.4	1.1	1.2	1.4
Canada	1.5	1.6	1.6	1.9
Other Advanced Economies 3/	1.9	2.2	1.6	2.1

Source: World Economic Outlook Update, July 2025 (<https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>)

Global Economy: Tenuous Resilience amid Persistent Uncertainty



Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
Emerging Market and Developing Economies	4.7	4.3	4.1	4.0
Emerging and Developing Asia	6.1	5.3	5.1	4.7
- China	5.4	5.0	4.5	4.0
- India 4/	9.2	6.5	6.4	6.4
Emerging and Developing Europe	3.6	3.5	1.8	2.2
- Russia	4.1	4.3	2.6	2.1
Latin America and the Caribbean	2.4	2.4	2.3	2.4
- Brazil	3.2	3.4	2.0	2.1
- Mexico	3.4	1.4	1.2	2.2
Middle East and Central Asia	2.4	2.4	3.4	3.5
- Saudi Arabia	0.5	2.0	6.0	5.5
Sub-Saharan Africa	3.6	3.8	4.0	4.3
- Nigeria	2.9	3.4	3.1	3.2
- South Africa	0.8	0.5	1.0	1.3
World Trade Volume (goods and services)	1.0	3.5	2.6	1.9

Source: World Economic Outlook Update, July 2025 ([https://www.imf.org/en/Publications/WEO/Issues/2025/07/20/wEO-july-2025](#))

Global Economy: Tenuous Resilience amid Persistent Uncertainty



Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
Inflation (Consumer Prices)				
Advanced Economies	0.2	2.0	1.8	1.2
Emerging Market and Developing Economies	2.3	5.8	3.8	3.2
Commodity Prices				
Oil 7/	-16.4	-1.8	-13.9	-5.7
Nonfuel (average based on world commodity import weights)	-5.7	3.7	7.9	2.0
World Consumer Prices 8/	6.6	5.6	4.2	3.6
- Advanced Economies 9/	4.6	2.6	2.5	2.1
- Emerging Market and Developing Economies	8.0	7.7	5.4	4.5

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 23-June 20, 2025. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. "..." indicates that data are not available or not applicable. WEO = *World Economic Outlook*.

1/ Difference based on rounded figures for the current and April 2025 WEO forecasts. Countries for which forecasts have been updated relative to April 2025 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing power parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing power parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.7 percent for 2025 and 6.4 percent for 2026 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand. ASEAN = Association of Southeast Asian Nations.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of June 26, 2025), is \$68.18 for 2025 and \$64.33 for 2026.

8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.0 percent for 2025 and 1.8 percent for 2026, that for Japan is 3.3 percent for 2025 and 2.1 percent for 2026, and that for the United States is 2.8 percent for 2025 and 2.5 percent for 2026.

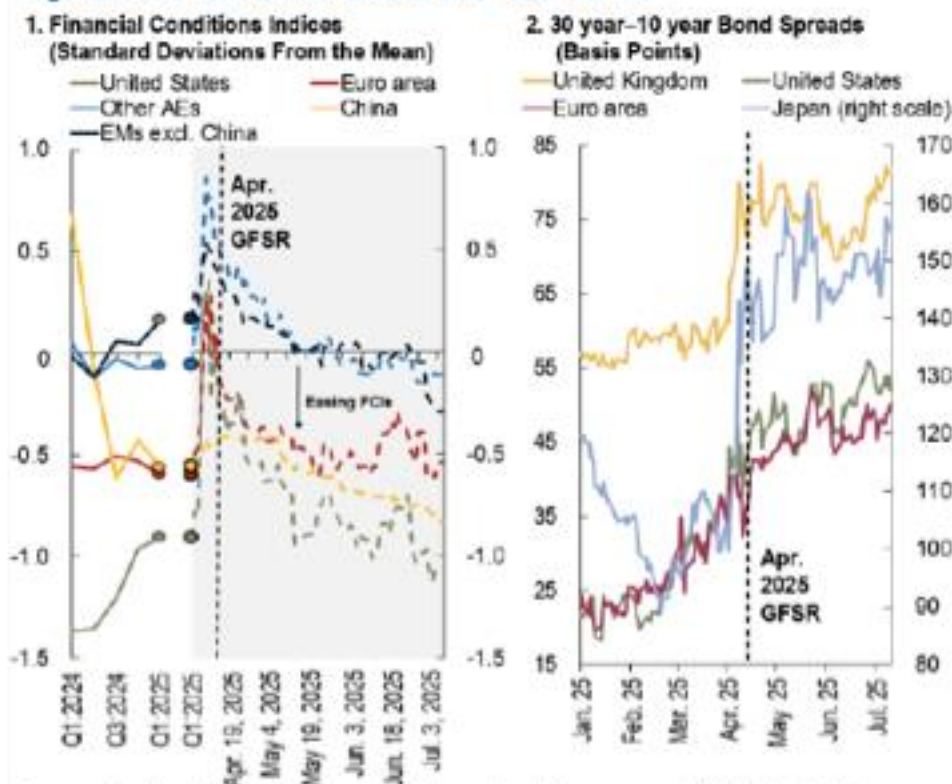
Source: World Economic Outlook Update, July 2025 (<https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>)

Global financial conditions have eased since the April *Global Financial Stability Report*, reverting toward accommodative conditions by historical standards (Figure 1.1, panel 1). Equity valuations have returned to lofty levels, and corporate credit spreads have tightened to the lows attained at the beginning of the year, whereas market volatility has declined, despite still-elevated uncertainty regarding trade policy. Market participants remain attentive to any lagged impact from tariffs on economic data, which so far remain largely resilient. A rebound of tariffs to meaningfully higher levels following the end of the pauses in effect could weigh on market sentiment, potentially triggering again a sharp repricing in risk assets.

Monetary policy paths in major advanced economies are expected to be shallower compared with what was expected in April and remain uneven across countries

reflecting different stages of cycles amid varying paces of disinflation. Market pricing implies the European Central Bank, after having cut sequentially, may cut rates once more this year before ending its current easing cycle, and that the Federal Reserve and Bank of England will continue easing, with each cutting rates around twice more this year after pausing to assess incoming data. Japan remains an outlier, with markets pricing in a modest, though declining, likelihood of another rate hike this year.

Figure 1.1. Financial Conditions and Yield Curves



Sources: Bloomberg Finance L.P., Haver Analytics, national data sources, and IMF staff calculations. Note: The IMF Financial Conditions Indices (FCIs) are designed to capture the pricing of risk. They incorporate various pricing indicators, including real house prices, Balance sheet or credit growth metrics are not included. In panel 1, the shaded area on the right side shows the daily FCIs starting April 1, 2025. These daily FCIs are approximate values that are estimated using available high-frequency market data. AEs = advanced economies, EMs = emerging markets, GFSR = Global Financial Stability Report.

Sovereign yield curves for major advanced economies have steepened since April as bond issuance has continued to rise. This has coincided with widening fiscal deficits and reduced demand for duration by liability-driven investors as well as quantitative tightening, pushing up longer-term yields (Figure 1.1, panel 2). Despite bouts of upward yield pressures in advanced economies, local currency yields in emerging markets have generally declined, aided by a weaker dollar.

The US dollar has weakened considerably since April, although yields in the United States are higher than those in other advanced economies such as the euro area (Figure 1.2, panel 1).

Some investors point out structural factors driving dollar depreciation, including shifts away from US securities, though current data on cross-border capital flows does not suggest a broad-based pullback. Increased hedging against dollar weakness resulting from investor concerns about changes in the historical hedging properties of the dollar has contributed to its depreciation in part. However, whether such a switch in the currencies' perceived risk-hedging properties is temporary or proves longer-lasting remains uncertain at this juncture. Meanwhile, many emerging market currencies have appreciated (Figure 1.2, panel 2), and capital inflows have resumed since April, with investors seeing space for some emerging market central banks to ease.

This box was prepared by the Monetary and Capital Markets Department's Global Markets Analysis division. It provides an update on market developments since the April 2025 *Global Financial Stability Report*.

Figure 1.2. Dollar Performance



Sources: Bloomberg Finance L.P. and Federal Reserve Board of Governors.
 Note: The broad dollar and emerging markets dollar indices are calculated by the Federal Reserve Board as trade-weighted averages of the nominal foreign exchange value of the dollar against the currencies of, respectively, a broad group of US trading partners and a subset of emerging market economies as classified by the Federal Reserve. EA = euro area; EUR = euro; US = United States; USD = US dollar.

16. Asian Development Bank's Asian Development Outlook July 2025



Developing Asia's outlook has worsened since the April 2025 Asian Development Outlook (ADO), as trade and other risks loom large

Key Highlights:

- Developing Asia's growth forecasts have been downgraded from projections in April to 4.7% in 2025 and 4.6% in 2026.
- Growth in the region accelerated in the first quarter of 2025 thanks to solid domestic demand and pre-tariff front-loading of exports, but higher tariffs and global trade uncertainty are expected to dampen momentum going forward.
- Rising trade uncertainty also weighs on Southeast Asia's growth outlook, prompting the largest downward revisions among subregions to 4.2% for 2025 and 4.3% for 2026.
- The growth forecast for East Asia in 2025 is revised down, to 4.3%, and to 5.9% in South Asia, amid weaker trade prospects due to the US tariff hikes, while the 2026 growth forecasts remain 4.0% and 6.2%, respectively.
- Growth for the Pacific is still forecast at 3.9% for 2025 but revised down to 3.5% for 2026, reflecting expected softening in visitor arrivals.
- The growth forecast for the Caucasus and Central Asia is raised to 5.5% for 2025 and 5.1% for 2026, from 5.4% and 5.0%, reflecting stronger activity in Kazakhstan, supported by robust oil production.
- Disinflation in developing Asia is expected to continue, with headline inflation forecast to ease to 2.0% in 2025 and 2.1% in 2026, amid stronger agricultural output and lower oil prices.
- Higher US tariffs and trade uncertainty are the main risks for the region's outlook. Renewed geopolitical tensions and a faster deterioration in the PRC's property market could also weaken regional growth.

Developing Asia's growth is expected to ease in 2025 and 2026.



Subregion/Economy	GDP Growth					Inflation				
	2024	2025		2026		2024	2025		2026	
		April	July	April	July		April	July	April	July
Developing Asia	5.1	4.9	4.7	4.7	4.6	2.6	2.3	2.0	2.2	2.1
Developing Asia excluding the PRC	5.1	5.0	4.8	5.1	4.9	4.8	4.0	3.6	3.7	3.7
Caucasus and Central Asia	5.7	5.4	5.5	5.0	5.1	6.8	6.9	7.8	5.9	6.7
Kazakhstan	4.8	4.9	5.1	4.1	4.3	8.7	8.2	10.2	6.5	8.4
East Asia	4.7	4.4	4.3	4.0	4.0	0.5	0.6	0.4	0.9	0.6
People's Republic of China	5.0	4.7	4.7	4.3	4.3	0.2	0.4	0.2	0.7	0.4
Hong Kong, China	2.5	2.3	2.0	2.5	2.1	1.7	1.9	1.6	2.0	1.6
Republic of Korea	2.0	1.5	0.8	1.9	1.6	2.3	1.9	1.9	1.9	1.9
Taipei,China	4.8	3.3	3.5	3.0	3.0	2.2	2.0	1.8	1.8	1.5
South Asia	5.9	6.0	5.9	6.2	6.2	6.5	4.9	4.4	4.5	4.5
India	6.5	6.7	6.5	6.8	6.7	4.6	4.3	3.8	4.0	4.0
Southeast Asia	4.8	4.7	4.2	4.7	4.3	3.0	3.0	2.6	2.8	2.7
Indonesia	5.0	5.0	5.0	5.1	5.1	2.3	2.0	1.5	2.0	2.0
Malaysia	5.1	4.9	4.3	4.8	4.2	1.8	2.5	2.4	2.5	2.4
Philippines	5.6	6.0	5.6	6.1	5.8	3.2	3.0	2.2	3.0	3.0
Singapore	4.4	2.6	1.6	2.4	1.5	2.4	2.0	1.0	1.7	1.2
Thailand	2.5	2.8	1.8	2.9	1.6	0.4	1.0	0.5	1.1	0.8
Viet Nam	7.1	6.6	6.3	6.5	6.0	3.6	4.0	3.9	4.2	3.8
The Pacific	4.1	3.9	3.9	3.6	3.5	2.0	3.4	3.4	3.7	3.7

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

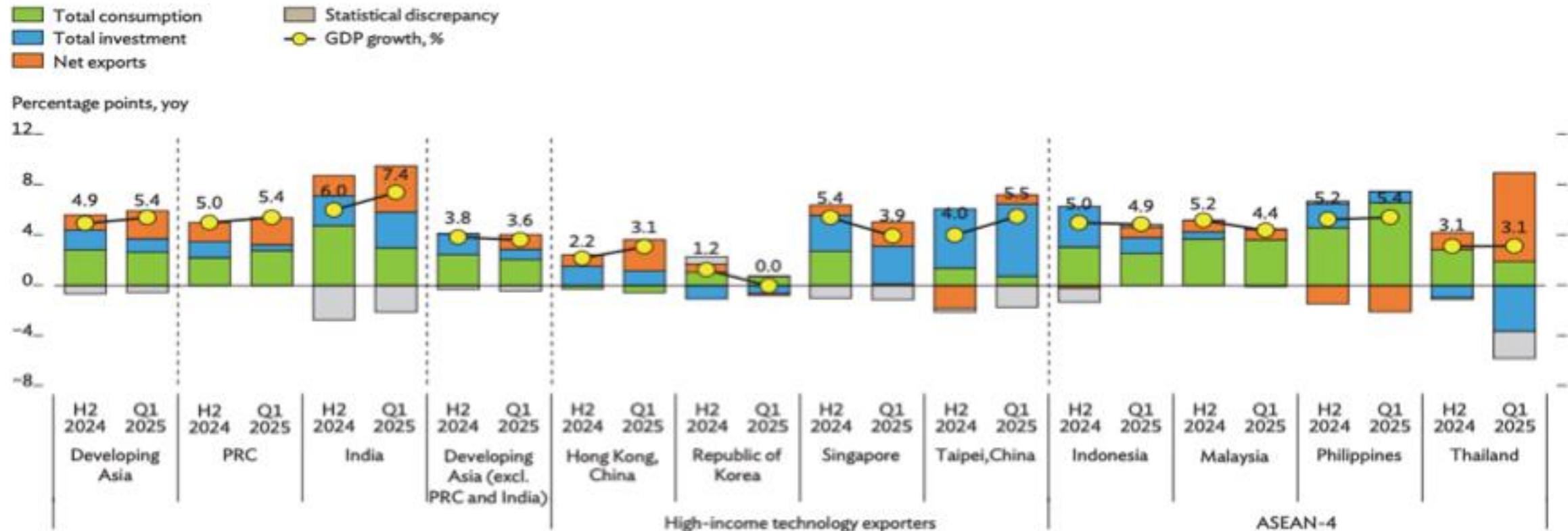
Note: **Developing Asia** refers to the following 46 members of the Asian Development Bank. The **Caucasus and Central Asia** comprises Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. **East Asia** comprises People's Republic of China; Hong Kong, China; Republic of Korea, Mongolia, and Taipei,China. **South Asia** comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. **Southeast Asia** comprises Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam. **The Pacific** comprises Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

ADB Economic Outlook 2025-26 – Regional GDP and Inflation



- Growth in major advanced economies diverged in Q1 2025 amid mounting trade tensions and tariff-related disruptions.
- Developing Asia’s growth picked up early this year, fueled by surging exports and resilient consumption.

Growth in developing Asia accelerated in Q1 2025, driven largely by exports and consumption.



Source: Asian Development Outlook, July 2025 (<https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf>)

Leading indicators suggest growth slowed in Q2 and will weaken further.



Manufacturing Purchasing Managers' Indexes (PMIs) indicate that activity worsened in June for 5 of the 10 regional economies with available data.

Economy	2024						2025					
	Q3			Q4			Q1			Q2		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Manufacturing PMI, seasonally adjusted												
India	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4
Thailand	52.8	52.0	50.4	50.0	50.2	51.4	49.6	50.6	49.9	49.5	51.2	51.7
Philippines	51.2	51.2	53.7	52.9	53.8	54.3	52.3	51.0	49.4	53.0	50.1	50.7
PRC	49.8	50.4	49.3	50.3	51.5	50.5	50.1	50.8	51.2	50.4	48.3	50.4
Singapore, nsa	50.7	50.9	51.0	50.8	51.0	51.1	50.9	50.7	50.6	49.6	49.7	50.0
Malaysia	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3
Viet Nam	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5	45.6	49.8	48.9
Republic of Korea	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7
Taipei, China	52.9	51.5	50.8	50.2	51.5	52.7	51.1	51.5	49.8	47.8	48.6	47.2
Indonesia	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9
Services PMI, seasonally adjusted												
India	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7	58.8	60.4
PRC	52.1	51.6	50.3	52.0	51.5	52.2	51.0	51.4	51.9	50.7	51.1	50.6
Philippines, nsa	48.5	49.0	51.3	52.5	52.4	54.5	51.3	50.9	52.4	55.6	50.9	...
Sri Lanka, nsa	71.1	65.2	53.4	60.3	60.5	71.1	58.5	56.5	69.8	60.6	57.0	...
... = data not available, PRC = People's Republic of China, nsa = non seasonally adjusted, Q = quarter. Notes: Pink to red indicates deterioration (<50) and white to green indicates improvement (>50). Source: CEIC Data Company.												

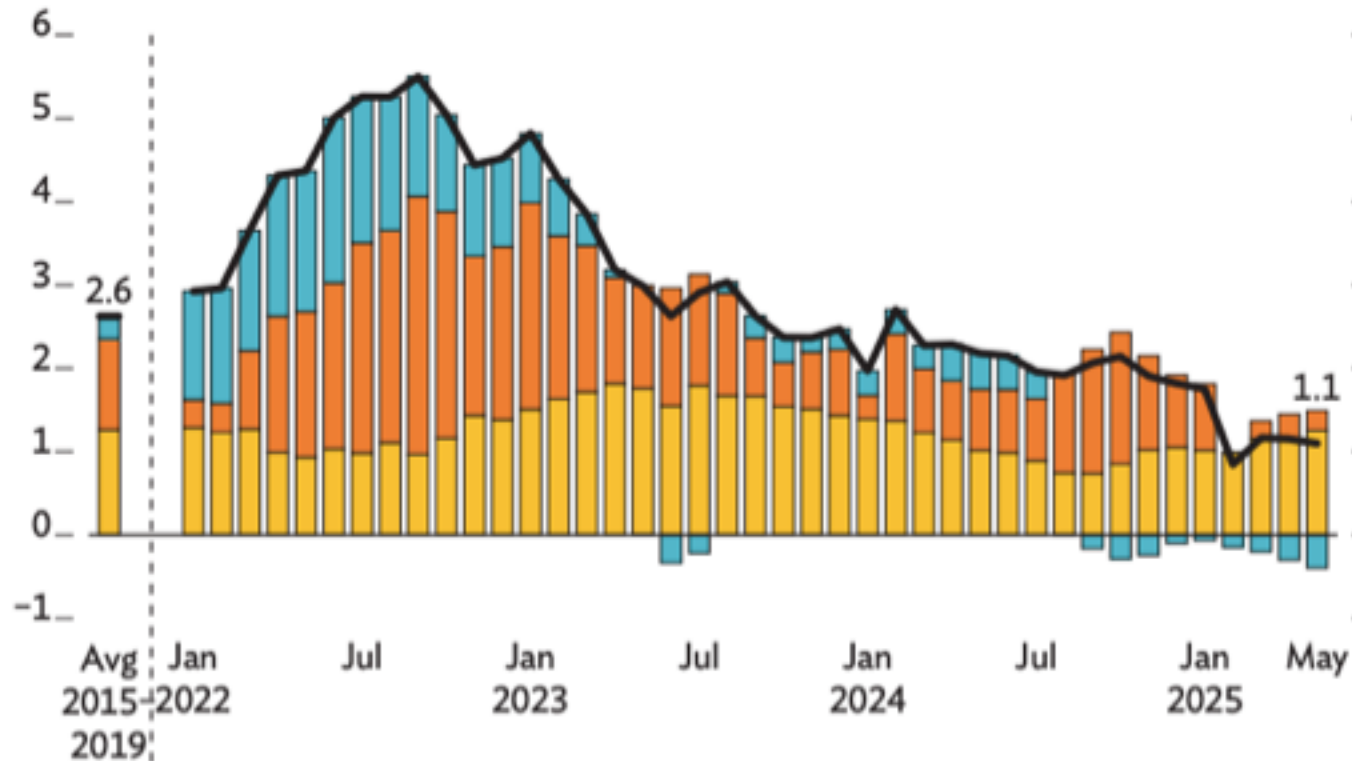
Disinflation continued across the region as global food prices eased and the recent volatility in oil prices proved to be transitory



Inflation is trending downward across developing Asia.

■ Energy-related
■ Food
■ Core
— Headline inflation

Percentage points



- Headline inflation moderated to 1.1% in May, less than half the pre-pandemic average of 2.6%.
- The fall was largely driven by the PRC, where inflation turned to deflation from February to May 2025, reflecting subdued domestic demand, oversupply of pork, and intensified price competition among producers and retailers.
- Excluding the PRC, headline inflation also remained below the pre-pandemic average and decreased gradually.

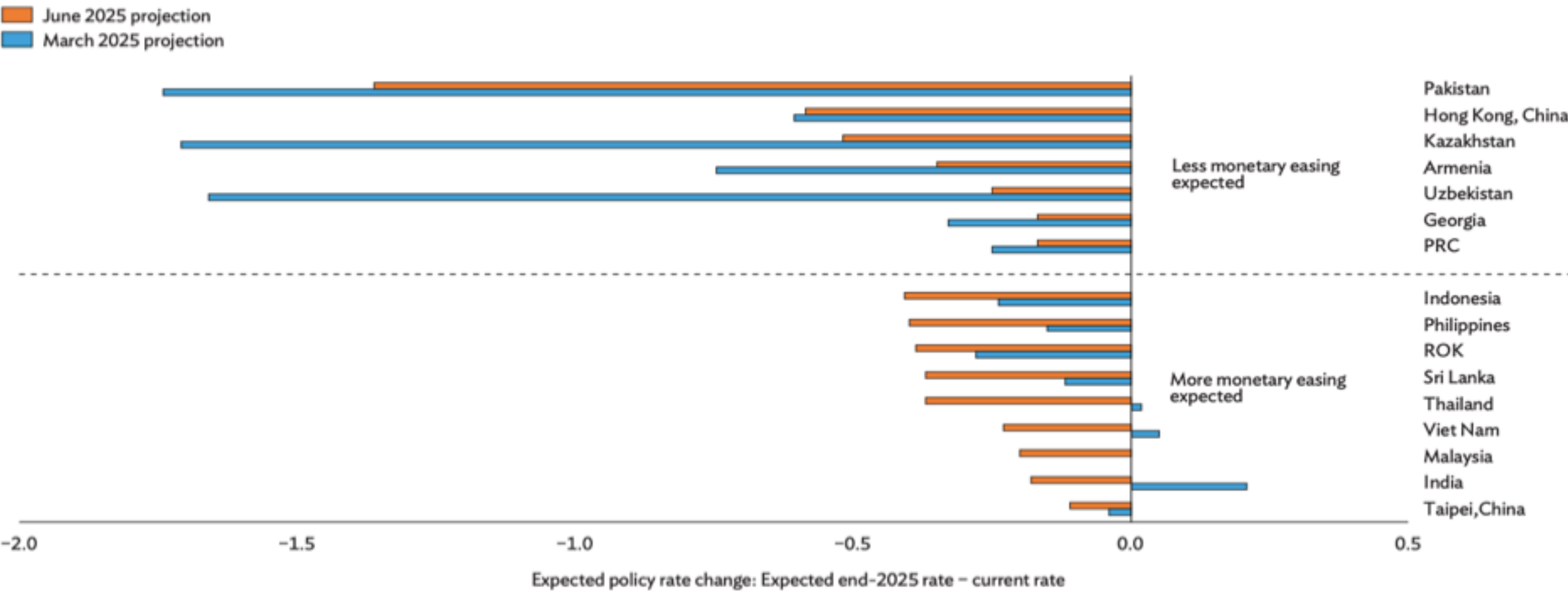
Avg = average. Notes: Core inflation excludes food and energy sectors. For some economies, core is estimated as the residual between overall inflation and the sum of food and non-alcoholic beverages and energy-related items. For lack of a more disaggregated breakdown, energy-related consumer prices for most economies includes housing, water, and non-fuel transport. The regional average is calculated using GDP Purchasing Power Parity shares as weights, for 23 economies. Source: Asian Development Bank calculations using data from Haver Analytics; CEIC Data Company; national sources.

Source: Asian Development Outlook, July 2025 (<https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf>)

Monetary policy easing will continue but, reflecting increasing uncertainty about the effects of trade and other shocks, its pace is expected to shift.



Monetary policy loosening is projected to continue, but the expected pace has shifted compared to March.



PRC = People's Republic of China, ROK = Republic of Korea. Note: The projected policy rates are simple averages of end-2025 forecasts from surveyed banks and investment banks, independent economic research firms and consultancies, and financial institutions. Source: Focus Economics; Haver Analytics

Source: Asian Development Outlook, July 2025 (<https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf>)

Financial markets remained resilient despite market uncertainty and increased volatility in April.



The region's market-weighted equity index rebounded following the announcement of a 90-day pause in tariffs amid easing market volatility.



CBOE VIX = Chicago Board Options Exchange Volatility Index. Note: Developing Asia comprises Bangladesh; People's Republic of China; Hong Kong, China; India; Indonesia; Kazakhstan; Republic of Korea; Malaysia; Pakistan; Philippines; Singapore; Sri Lanka; Taipei,China; Thailand; and Viet Nam. The S&P 500 index is used for United States. Source: Bloomberg

Source: Asian Development Outlook, July 2025 (<https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf>)

Indian Economy



- India's GDP grew 7.4%, boosted by higher net exports and a sharp rise in investment spurred by surging public spending. In contrast, total consumption eased even as rural demand remained firm.
- PMIs indicate that, in June, activity in services continued to grow strongly in India
- The slight downward revisions for GDP growth in India in 2025 are primarily due to the effects of US tariff policies
- The Indian economy is projected to grow 6.5% in FY2025, lower than the 6.7% forecast in the April 2025 ADO but still **one of the fastest growing major economies in the world.**
- This revision is primarily due to the impact of US baseline tariffs and associated policy uncertainty.
- In addition to the effects of lower global growth and the direct impact of additional US tariffs on Indian exports, heightened policy uncertainty may affect investment flows.
- Despite this, economic activity remains robust, with domestic consumption set to grow strongly on the back of revival of rural demand.
- Services and agriculture sectors are expected to be key drivers of growth, the latter supported by a forecast of above-normal monsoon rains.
- The central government's fiscal position remains strong, with higher-than-expected dividends from the Reserve Bank of India, and it is on track to meet the targeted reduction in its fiscal deficit.
- In FY2026, growth is forecast to improve to 6.7% on account of rising investments, under the assumption of reduced policy uncertainty and favorable financial conditions backed by recent reductions of the repo rate and the cash reserve ratio by the monetary authorities.
- The baseline expectations of lower crude oil prices will also support economic activity in FY2025 and FY2026.
- India's inflation forecast for FY2025 has been revised downward to 3.8%, reflecting faster-than-expected decline in food prices due to better agricultural production, while the FY2026 forecast remains unchanged.

17. Latest Economic Developments in July, 2025

Industry

The Ministry of Heavy Industries has initiated the Automotive Mission Plan 2047 (AMP 2047), a strategic roadmap aligned with the 'Viksit Bharat @2047' vision to advance India's automotive sector

The Union Cabinet has approved the launch of National Critical Mineral Mission (NCMM) on 29th January, 2025, for a period of seven years from 2024-25 to 2030-31, with a proposed expenditure of Rs.16,300 crore and an expected investment of Rs.18,000 crore by PSUs and other stakeholders.

Union Minister of Steel, Shri H.D. Kumaraswamy met with H.E. Abdulla Bin Touq Al Marri, UAE's Minister of Economy, as part of a high-level engagement to advance India-UAE industrial cooperation under the India-UAE CEPA framework.

MSME sector accounts for 30.1% of India's GDP, 35.4% of manufacturing and 45.73% of exports in the country: Union Minister for MSME

Agriculture

The government has employed Artificial Intelligence (AI) methods and IoT-enabled systems to improve crop productivity, sustainability and farmer livelihoods, and to address various challenges in the agricultural sector to aid farmers, etc.

The Government has adopted the vision of Doubling Farmers Income. An inter-ministerial committee was constituted on 13th April, 2016 to recommend comprehensive strategies for achieving the goal.

The National Mission on Natural Farming (NMNF) is implemented in 15,000 natural farming clusters covering 7.5 Lakh Ha area across the country. Each cluster is of contiguous areas of about 50 Ha and with approximately 125 farmers.

Infrastructure

World's Largest Grain Storage Plan in Cooperative

Setting up of Cold Chain projects under Scheme for Cold Chain and Value Addition Infrastructure

Cold Chain Infrastructure and Value Addition through PMKSY

PM E-Drive Scheme, Launched with ₹2,000 Crore Outlay, to Establish 72,000 EV Public Charging Stations Nationwide

Latest Economic Developments in June, 2025



Cabinet Approvals

Cabinet approves total outlay of Rs.6520 crore including additional outlay of Rs.1920 crore for ongoing Central Sector Scheme “Pradhan Mantri Kisan Sampada Yojana” (PMKSY) during 15th Finance Commission Cycle (2021-22 to 2025-26)

Cabinet Approves Research Development and Innovation (RDI) Scheme to scale up Research, Development and Innovation in Strategic and Sunrise Domains

Cabinet Approves Employment Linked Incentive (ELI) Scheme

International Trade

India and UK Sign Comprehensive Economic and Trade Agreement (CETA)

Second Round of India-New Zealand Free Trade Agreement Negotiations Concludes in New Delhi

Commerce Ministry to issue new guidelines to promote first-time exporters and new markets under ODOP: Union Minister of Commerce and Industry Shri Piyush Goyal



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