



Analysis on GDP of India August 2025

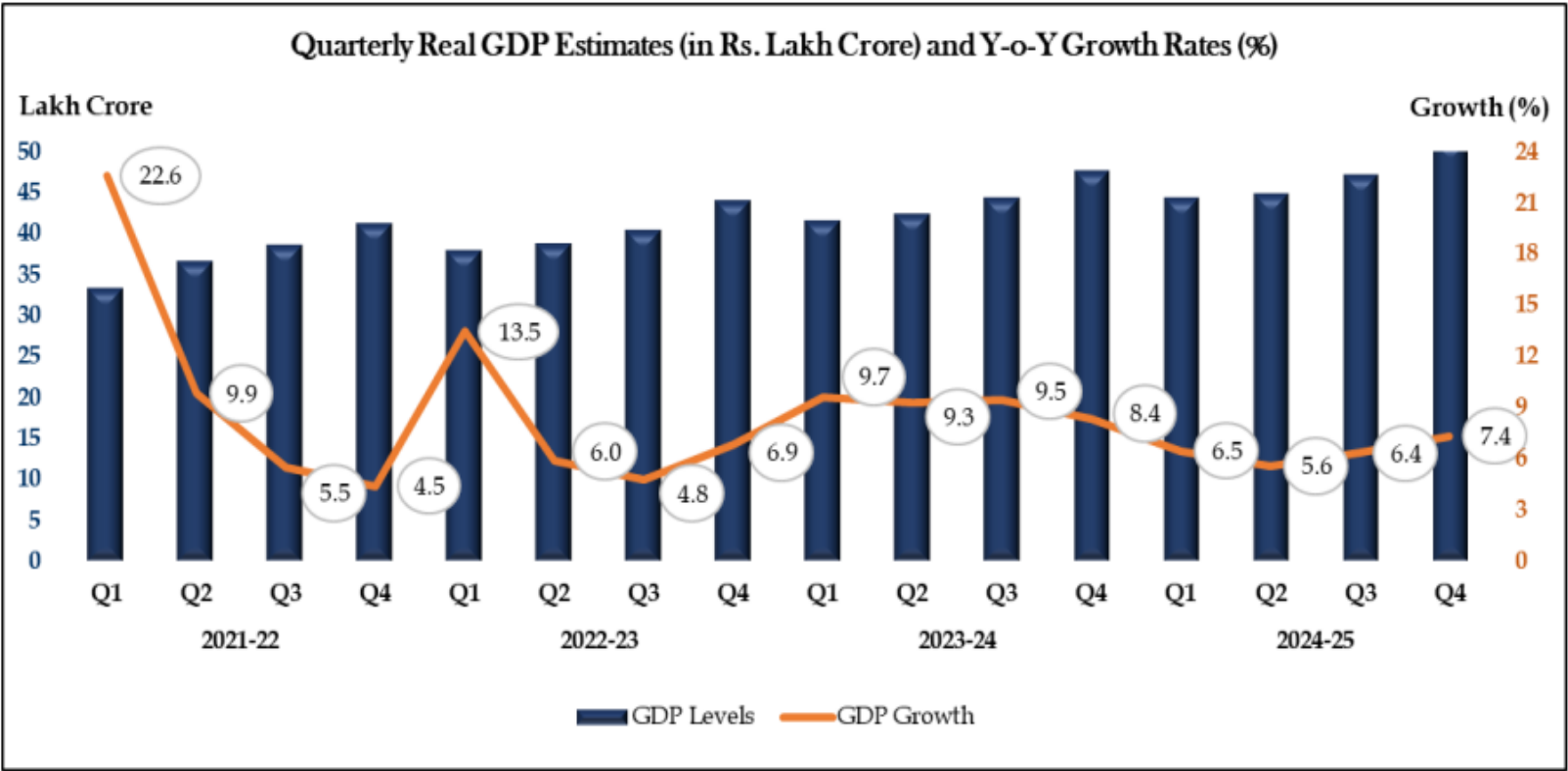
PHDCCI Research Bureau

Strong GDP growth (Q1 FY2026) by 7.8% over the growth rate of 6.5% during Q1 of FY 2024-25

Key Highlights:

- Real GDP has been estimated to grow by 7.8% in Q1 of FY 2025-26 over the growth rate of 6.5% during Q1 of FY 2024-25.
- Nominal GDP has witnessed a growth rate of 8.8% in Q1 of FY 2025-26.
- Agriculture and Allied Sector has observed the Real GVA growth rate of 3.7%, as compared to the growth rate of 1.5% registered in Q1 of last financial year.
- Secondary Sectors, prominently Manufacturing (7.7%) and Construction (7.6%) Sector has registered above 7.5% growth rate at Constant Prices in this quarter.
- Mining & Quarrying (-3.1%) and Electricity, Gas, Water Supply and Other Utility Services Sector (0.5%) has seen moderated Real growth rate during Q1 of FY 2025-26.

Fig: 1 Quarterly GDP along with Y-o-Y Growth Rates from Q1 FY 2023-24 to Q4 FY 2024-25 at Constant Prices

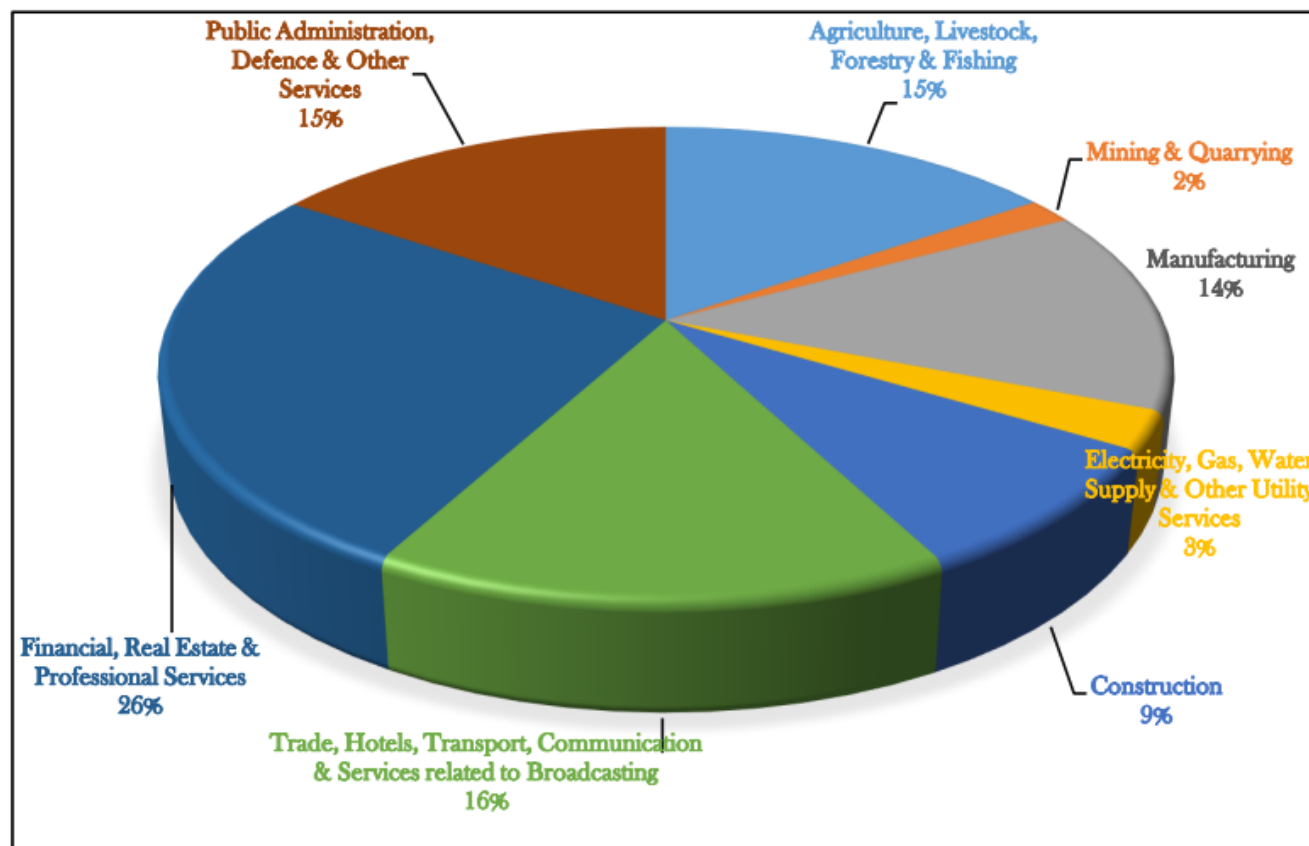


GDP Growth and its Components

Key Highlights:

- Tertiary Sector (9.3%) has recorded substantial growth rate at Constant Prices in Q1 of FY 2025-26, over the growth rate of 6.8% in Q1 of FY 2024-25.
- Government Final Consumption Expenditure (GFCE) has bounced back, registering 9.7% growth rate in Nominal terms during Q1 of FY 2025-26, over the growth rate of 4.0% in Q1 of FY 2024-25
- Real Private Final Consumption Expenditure (PFCE) has reported 7.0% growth rate during Q1 of FY 2025-26 as compared to the 8.3% growth rate in the corresponding period of previous financial year.
- Gross Fixed Capital Formation (GFCF) has recorded 7.8% growth rate at Constant Prices, over the growth rate of 6.7% in Q1 of FY 2024-25.

Fig: 2 Sectoral Composition of Nominal GVA in Q1 of FY 2025-26



GVA Growth and its Components



Quarterly Estimates of GVA at Basic Prices for Q1 (April-June) 2025-26 (at 2011-12 Prices)	Percentage Change Over Previous Year (%)	
	2024-25	2025-26
Agriculture, forestry & fishing	1.5	3.7
Mining & quarrying	6.6	-3.1
Manufacturing	7.6	7.7
Electricity, gas, water supply & other utility services	10.2	0.5
Construction	10.1	7.6
Trade, hotels, transport, communication & services related to broadcasting	5.4	8.6
Financial, real estate & professional services	6.6	9.5
Public administration, defense & other services	9.0	9.8
GVA at Basic Prices	6.5	7.6

Source: Ministry of Statistics and Programme Implementation, GoI (https://mospi.gov.in/sites/default/files/press_release/GDP_PR_Q1_2025-26_29082025.pdf)

Quarterly Estimates of Expenditure Components of GDP for Q1 (April-June) 2025-26 (at 2011-12 Prices)



Quarterly Estimates of Expenditure Components of GDP for Q1 (April-June) 2025-26 (at 2011-12 Prices)	Percentage Change Over Previous Year (%)	
	2024-25	2025-26
Private Final Consumption Expenditure (PFCE)	8.3	7.0
Government Final Consumption Expenditure (GFCE)	-0.3	7.4
Gross Fixed Capital Formation (GFCF)	6.7	7.8
Changes in Stocks (CIS)	7.5	5.9
Valuables	-23.1	-22.5
Exports	8.3	6.3
Imports	-1.6	10.9
Discrepancies	0.8	2.3
GDP	6.5	7.8

Source: Ministry of Statistics and Programme Implementation, GoI (https://mospi.gov.in/sites/default/files/press_release/GDP_PR_Q1_2025-26_29082025.pdf)

Analysis



India's economy has maintained a resilient growth trajectory, with real GDP increasing by 7.8% in Q1 FY 2025–26. In nominal terms, GDP grew by 8.8% highlighting India's steady pace towards Viksit Bharat@2047

This growth was largely driven by an increase in the tertiary sector followed by manufacturing and agriculture sectors. The Agriculture, Livestock, Forestry & Fishing has recorded a growth of 3.7% owing to the steady monsoon.

The manufacturing sector grew by 7.7%, accompanied with robust growth in the tertiary sector by 9.3%, for Q1 FY 2026. This points to the stable and strong development of India despite continuous global volatilities

The Gross Fixed Capital Formation (GFCF) rose by 7.8% in Q1FY2026, reflecting the investment momentum in the country

India's growth was boosted by growth in government final consumption expenditure growing by 7.4% during the same period

Additionally, structured reduction in MPC rates accompanied with a softening trend of CPI and WPI inflation; resilient rural consumption with revival of urban consumption and government CAPEX are supporting India's growth trajectory

Going forward, the government's continuous focus on enhancing ease of doing business, strengthening supply chains and structural reforms are expected to propel India's growth momentum in the coming times

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Thank You