Analysis on GDP of India
November 2025

PHDCCI Research Bureau

Strong GDP growth (Q2 FY2026) by 8.2% over the growth rate of 5.6% during Q2 of FY 2024-25

Key Highlights:

➢ Real GDP has been estimated to grow by 8.2% in Q2 of FY 2025-26 against the growth rate of 5.6% during Q2 of FY 2024-25.

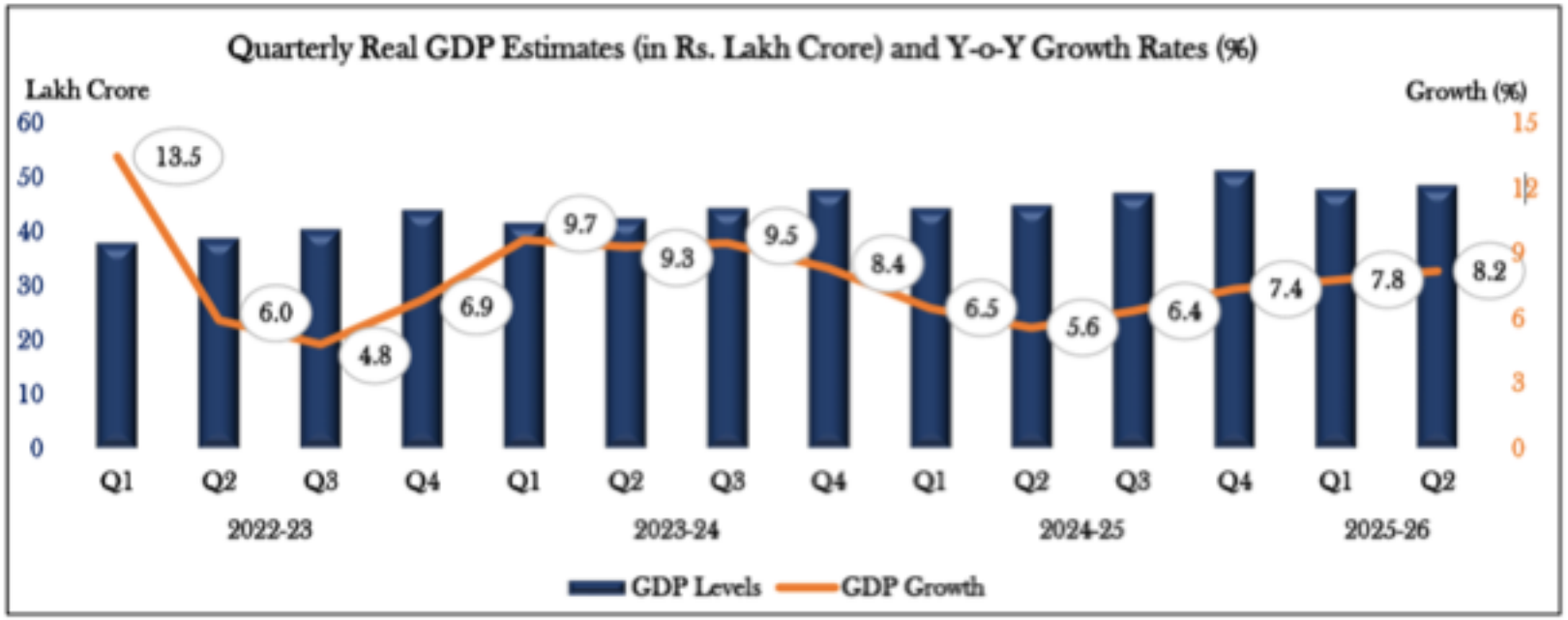
➢ Nominal GDP has witnessed a growth rate of 8.7% in Q2 of FY 2025-26.

➢ The Secondary (8.1%) and Tertiary Sector (9.2%) has boosted the Real GDP growth rate in Q2 of FY 2025-26 to rise above 8.0%.

➢ Manufacturing (9.1%) and Construction (7.2%) in the Secondary Sector, has registered above 7.0% growth rate at Constant Prices in this quarter.

➢ Financial, Real Estate & Professional Services (10.2%) in the Tertiary Sector has sustained a substantial growth rate at Constant Prices in Q2 of FY 2025-26

Fig: 1 Quarterly GDP Estimates along with Y-o-Y Growth Rates from Q1 FY 2022-23 to Q2 FY 2025-26 at Constant Prices



Source: Ministry of Statistics and Programme Implementation, GoI (https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251128710201.pdf)

GDP Growth and its Components

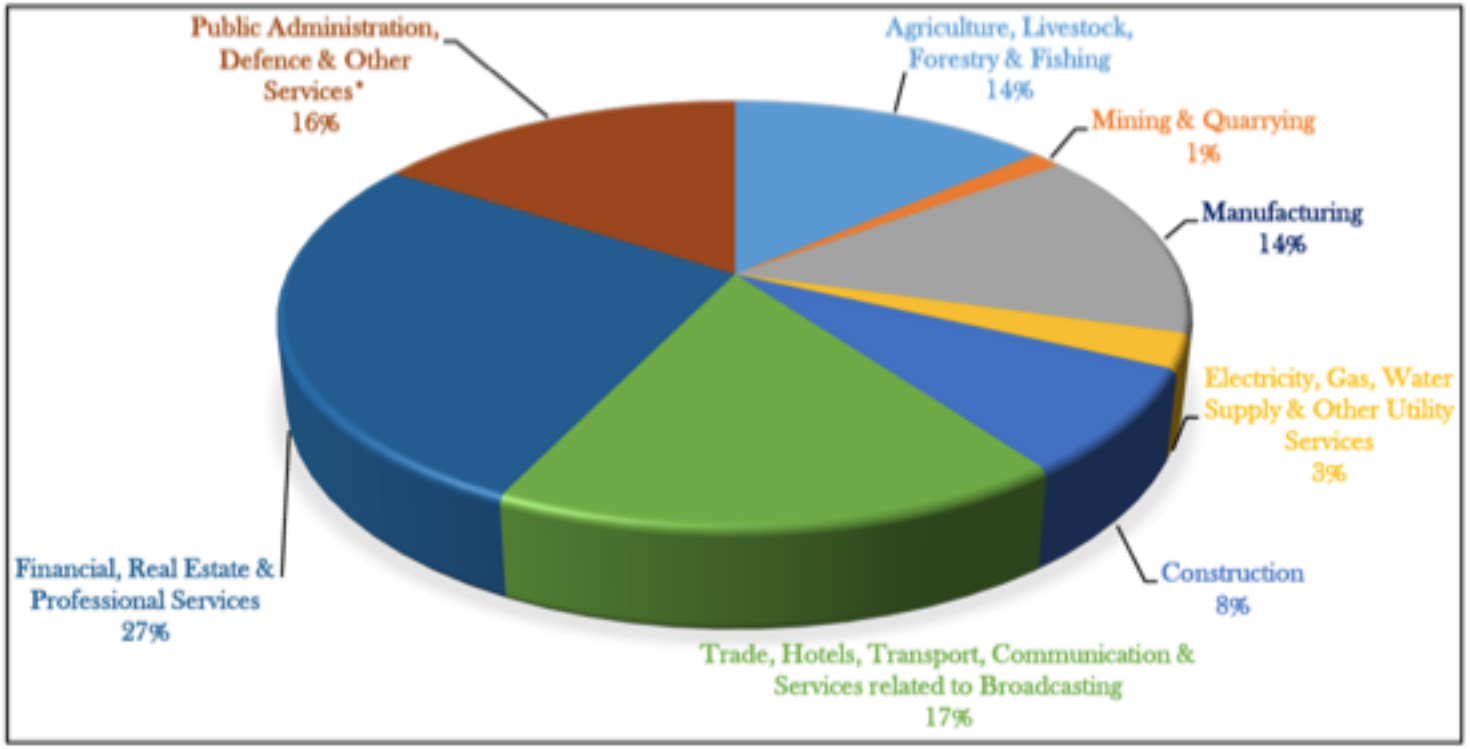
Key Highlights:

➢ Agriculture and Allied (3.5%) and Electricity, Gas, Water Supply and Other Utility Services Sector (4.4%) has seen moderated Real growth rate during Q2 of FY 202526.

➢Real Private Final Consumption Expenditure (PFCE) has reported 7.9% growth rate during Q2 of FY 2025-26 as compared to the 6.4% growth rate in the corresponding period of previous financial year.

➢Real GDP has registered 8.0% growth rate in H1 (April-September) of FY 2025-26, as compared to the growth rate of 6.1% in H1 of FY 2024-25.

Fig: 2 Sectoral Composition of Nominal GVA in Q2 of FY 2025-26



Source: Ministry of Statistics and Programme Implementation, GoI (https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251128710201.pdf)

GVA Growth and its Components

Quarterly Estimates of GVA at Basic Prices for Q2 (July-September) 2025-26 (at 2011-12 Prices)	Percentage Change Over Previous Year (%)	
	2024-25	2025-26
Agriculture, forestry & fishing	4.1	3.5
Mining & quarrying	-0.4	-0.04
Manufacturing	2.2	9.1
Electricity, gas, water supply & other utility services	3.0	4.4
Construction	8.4	7.2
Trade, hotels, transport, communication & services related to broadcasting	6.1	7.4
Financial, real estate & professional services	7.2	10.2
Public administration, defense & other services	8.9	9.7
GVA at Basic Prices	**5.8**	**8.1**

Source: Ministry of Statistics and Programme Implementation, GoI (https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251128710201.pdf)

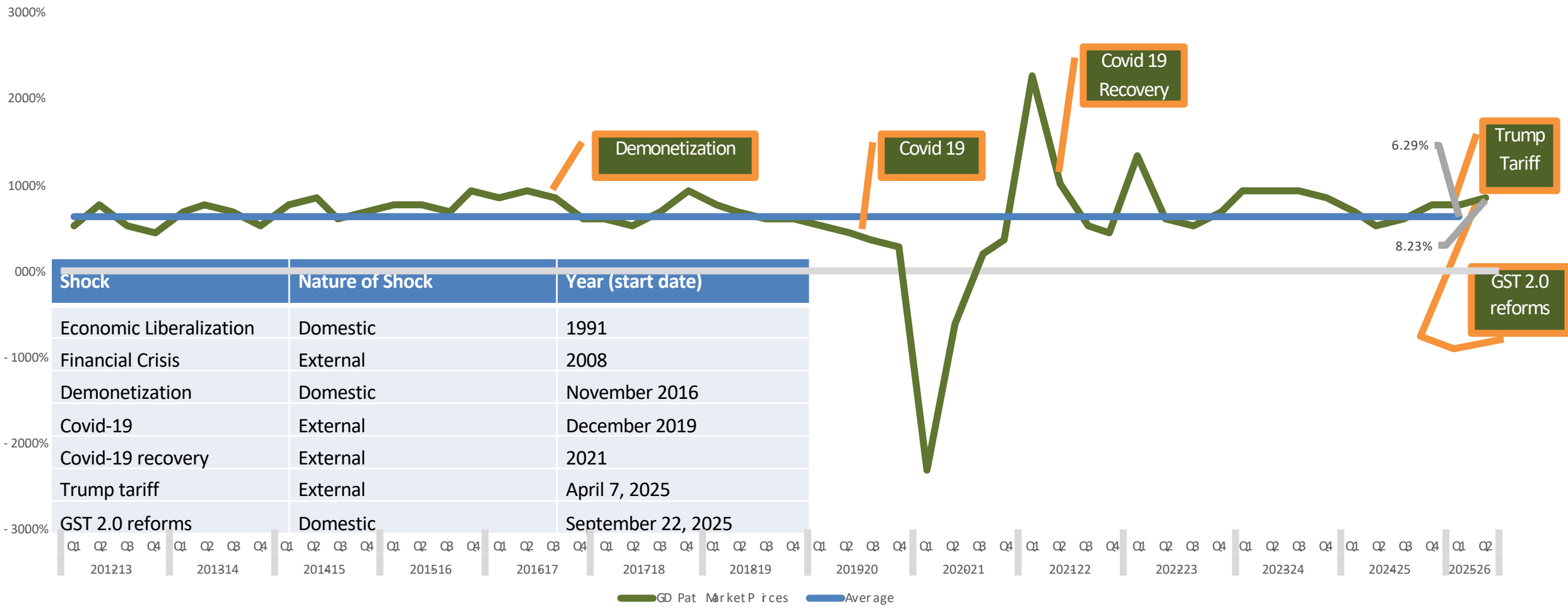
Quarterly Estimates of Expenditure Components of GDP for Q2 (April-June) 2025-26 (at 2011-12 Prices)

Quarterly Estimates of Expenditure at constant prices for Q2 (July-September) 2025-26 (at 2011-12 Prices)	Percentage Change Over Previous Year (%)	
	2024-25	2025-26
Private Final Consumption Expenditure (PFCE)	6.4	7.9
Government Final Consumption Expenditure (GFCE)	4.3	-2.7
Gross Fixed Capital Formation (GFCF)	6.7	7.3
Changes in Stocks (CIS)	2.1	7.4
Valuables	25.8	-22.7
Exports	3.0	5.6
Imports	1.0	12.8
Discrepancies	-0.5	3.3
GDP	**5.6**	**8.2**

Source: Ministry of Statistics and Programme Implementation, GoI (https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251128710201.pdf)

Drivers of India growth story

Real Gross domestic product (GDP), Year on Year Growth



Shock	Nature of Shock	Year (start date)
Economic Liberalization	Domestic	1991
Financial Crisis	External	2008
Demonetization	Domestic	November 2016
Covid-19	External	December 2019
Covid-19 recovery	External	2021
Trump tariff	External	April 7, 2025
GST 2.0 reforms	Domestic	September 22, 2025

Analysis

- India's economy has continued to develop steadily; in the second quarter of FY 2025–2026, real GDP increased by 8.2%. The nominal GDP growth of 8.7% demonstrates India's consistent progress towards Viksit Bharat@2047
- The tertiary sector's rise was the main driver of this expansion, followed by the secondary sector. For Q2 FY 2026, the manufacturing sector expanded by 9.1% (Y-o-Y), while the tertiary sector had strong growth of 9.2%. Within the tertiary sector, the financial, real estate & professional services grew at 10.2% (Y-o-Y) for the same period. This trend points towards India's steady and robust development, boosted by structural policy reforms by the government
- The continuous rise in Gross Fixed Capital Formation (GFCF), which increased by 7.3% in Q2 FY2026, indicates the government's CAPEX expenditure impetus, giving a positive push to productive capacity. Private final consumption spending increased by 7.9% during the same period, indicating that strong domestic demand and consumption led the push for economic growth
- The persistent and consistent GDP growth of India reflects significant policy steps undertaken by the government towards Viksit Bharat@2047. Y-oY growth is showing a consistent uptrend in GDP at market prices for last four consecutive quarters.
- It increased from 6.37% in Q3 FY 2024-2025 to 8.23% in Q2 FY 2025-2026. Based on sequential quarter-on-quarter growth, GDP growth after a dip in Q1 FY2025-26 (-6.7%) is moving towards its long-term mean reversion growth rate of 1.7%.
- India's GDP trajectory is also being supported by robust consumption, and a planned decrease in MPC rates along with a softening trend of CPI and WPI inflation. The government's ongoing focus on improving ease of doing business, bolstering supply chains, and structural reforms is anticipated to accelerate India's development momentum.

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Thank You