

## GDP Growth- Q3FY2022

India's GDP grows 5.4% in Q3 against 8.5% in the previous quarter



### ANALYSIS

The Indian economy grew 5.4% in the October-December quarter was 120 basis points lower than the Reserve Bank of India's forecast of 6.6%, made in December 2021 and is likely to grow at 8.9% in 2021-22, according to the latest estimates released by the government's statistical office. GDP at Constant (2011-12) Prices in Q3 of 2021-22 is estimated at Rs. 38.22 lakh crore, as against Rs. 36.26 lakh crore in Q3 of 2020-21.

The second advance estimates peg GDP growth at 8.9% for FY22 compared to the first advance estimate of 9.2%. One reason for the change is the recent revision in FY21 GDP estimates to a contraction of 6.6% from the earlier estimated 7.3%. GDP growth for FY20 had been revised to 3.7% from 4% earlier. GVA growth for FY22 is now pegged at 8.3% compared to 8.6% earlier.

Rising inflationary pressures and the effects of the war in Ukraine are also likely to impact the economic recovery underway in the months ahead. Slowing manufacturing and construction weighed on growth while the services sector, which accounts for over 50% of the country's gross domestic product, remained steady. Trade, hotels, transports, communication and services related to broadcasting were the only sectors which remained sluggish. The economy has been scripting a swift recovery after the bruising impact of the Covid-19 restrictions across the country.

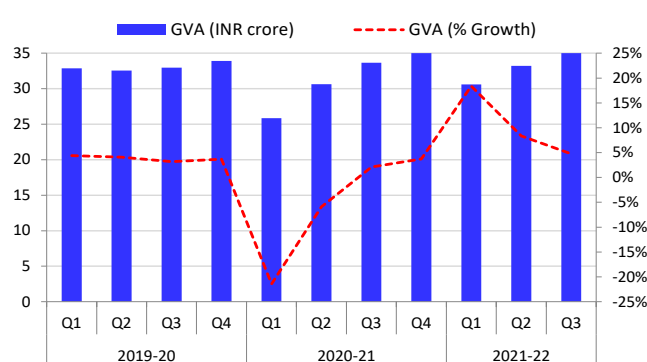
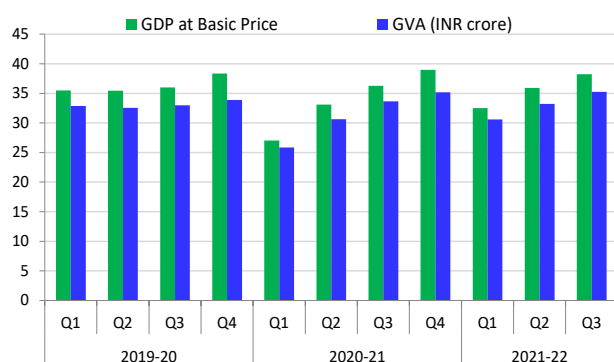
#### GDP Y-O-Y Growth Rate:

- 1) Agriculture, forestry & fishing grew at 2.6% in Q3 compared to 3.7% in Q2.
- 2) Mining and quarrying grew by 8.8% in Q3 compared to 14.2% in the last quarter.
- 3) Manufacturing grew 0.2% in Q3 compared to 5.6% in the preceding quarter.
- 4) Electricity, gas, water supply and other public utilities grew 3.7% against a growth of 8.5% in Q2.
- 5) Construction segment stood at -2.8% in Q3 compared to 8.2% in Q2.
- 6) Trade, hotel, transport, communication grew by 6.1% compared to 9.5% in the previous quarter.
- 7) The financial, real estate and professional services sector grew 4.6% compared to 6.2% in the last quarter.
- 8) The public administration, defence and other services segment grew 16.8% in Q3 compared to 19.5% in Q2.
- 9) Private Final Consumption Expenditure, grew 60.7% in Q3FY22 compared to 56.5% in Q2FY22.
- 10) Gross Fixed Capital Formation, grew 30.1% during the October-December period, compared to 33.3% in the previous quarter.
- 11) Government Final Consumption Expenditure rose 9.3%, compared to 9.8% in the previous quarter.

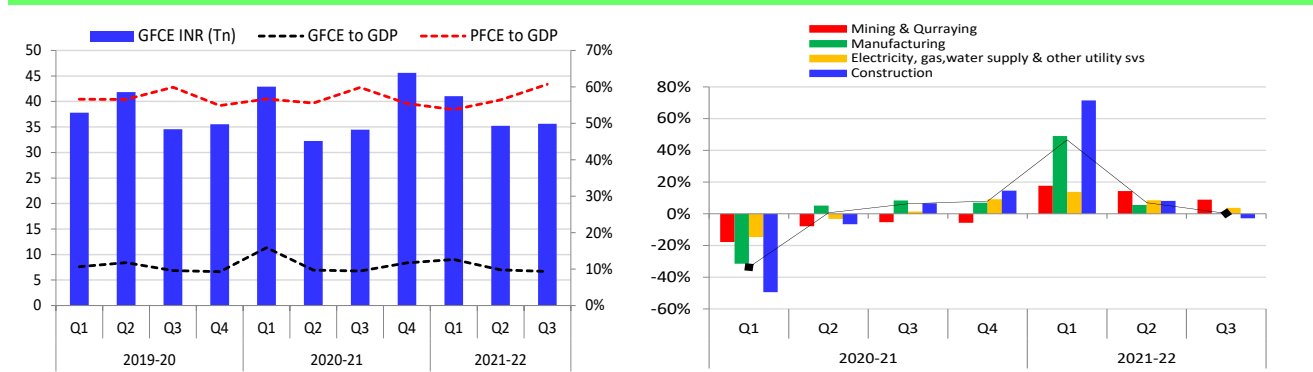
#### GDP Growth

#### GVA at Basic Price with Base 2011-12 (INR Tn)

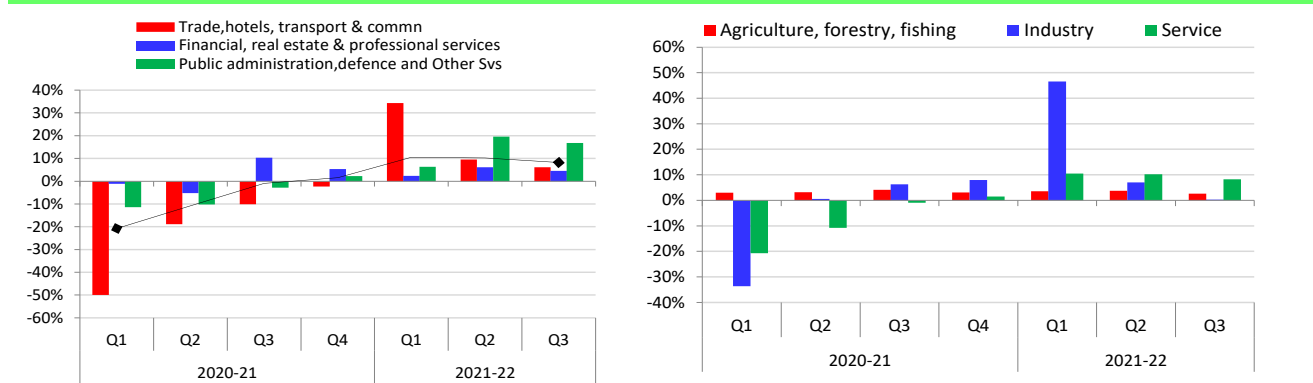
#### GDP Growth, GVA Growth



**PFCE & GFCE - Final Consumption** **Industry Sector Growth**



**Service Sector Growth** **Growth Rate - Sectoral Breakup**



Y-O-Y Growth (%)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
<b>GVA (INR crore)</b>	2583801	3064920	3366311	3515963	3059219	3321681	3525787
<b>GVA (% Growth)</b>	-21.41%	-5.88%	2.09%	3.72%	18.40%	8.38%	4.74%
<b>GDP (% Growth)</b>	-23.82%	-6.64%	0.74%	1.64%	20.33%	8.48%	5.40%

<b>Sectoral Growth Rates</b>							
Agriculture, forestry, fishing	2.96%	3.15%	4.09%	3.10%	3.53%	3.70%	2.59%
Mining & Quarrying	-17.77%	-7.92%	-5.31%	-5.75%	17.62%	14.24%	8.84%
Manufacturing	-31.49%	5.17%	8.41%	6.93%	49.00%	5.58%	0.16%
Electricity, gas, water supply & other utility svcs	-14.74%	-3.24%	1.46%	9.14%	13.84%	8.52%	3.70%
Construction	-49.39%	-6.61%	6.61%	14.53%	71.44%	8.17%	-2.84%
Trade, hotels, transport & commn	-49.94%	-18.85%	-10.08%	-2.31%	34.31%	9.53%	6.09%
Financial, real estate & professional services	-1.12%	-5.24%	10.27%	5.38%	2.31%	6.17%	4.57%
Public administration, defence and Other Svcs	-11.44%	-10.17%	-2.88%	2.27%	6.32%	19.55%	16.79%

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