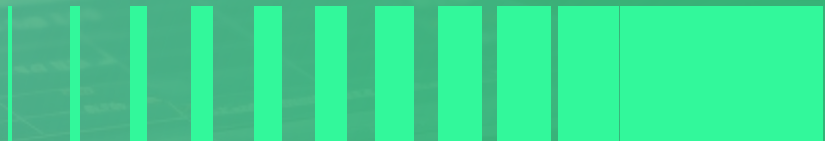




# India Economic Monitor

November | 2025

Copyright © 2025 by Boston Consulting Group. All rights reserved.



# Executive summary



High-frequency indicators displayed mixed trends in Sep–Oct'25 post-GST normalization and festive demand. IIP rose marginally in Sep'25, led by growth in the manufacturing sector and stronger capital and consumer goods output. In Oct'25, steel consumption inched up amid a rise in use of non-alloy steel. Power consumption slowed due to unseasonal rains and lower use of cooling appliances. The auto sector witnessed growth across all sectors fueled by festive offers and spending post GST rationalization in Oct'25. PV, 2W and tractor sales reached all-time highs alongside a strong growth in 3W registrations.



On the trade front, the merchandise trade deficit expanded to an all-time high of \$41.7 billion in Oct'25, driven by a spike in gold & silver imports while exports in jewelry, chemicals & engineering goods declined. The services trade surplus further widened to \$19.9 billion in Oct'25, as export volumes outpaced imports. Meanwhile, foreign-exchange reserves fell in Oct'25, mainly due to declines in foreign currency assets and gold reserves. FDI inflows inched up slightly in Sep'25 driven by equity inflows.



BFSI indicators also reflected varying trends in Oct'25. While aggregate deposits stagnated, aggregate credit inched up slightly in Sep'25. UPI transactions rose with transactions surging to new highs in Oct'25 owing to festive spending. Insurance premiums dipped as life insurance premiums fell sharply. Mutual fund AUM reached a new high, driven by debt and flexi-cap equity funds. However, BSE & NSE transactions slowed. VIX closed Oct'25 at a higher level, amid global economic uncertainties.



On the macroeconomic front, WPI inflation declined sharply to a 27-month low of -1.2% in Oct'25, due to a reduction in prices of food, crude petroleum & natural gas, mineral oils and electricity. CPI inflation eased further in Oct'25 to 0.25% – the lowest reading in the current series (since 2012) – driven by food and beverage deflation, the full-month impact of the GST cut, and a favourable base effect. Manufacturing PMI inched up in Oct'25 driven by improved technology investment, efficiency, and new clients. However, services PMI slowed as heightened competition and heavy monsoons weighed on expansion. On the fiscal front, India recorded a surplus in Sep'25, as tax revenue witnessed a cyclical jump. GST collections rose in Oct'25, driven by sustained festive spending and domestic trade. Overall employment rate declined in Oct'25, attributing to a sharp fall in rural non-agriculture jobs. Analysts project FY26 GDP growth at 6.5–6.8%.

# High frequency indicators exhibited mixed trends in Sep-Oct'25 amid festive-season demand and the effects of GST rate rationalization (1/2)



## Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
IIP (Index) *	152.8	4%	1%	-
Daily Avg Power Consumption ('000 MUs)	4.26	-6%	-12%	1%
Petroleum Consumption (MMT)	20.17	0%	8%	1%
Steel Consumption (MMT)	13.64	5%	2%	9%
Cement Production (MT) *	35.81	5%	0%	9%



## Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
E-way Bills (Mn)	126.9	8%	-4%	20%
JNPA Traffic ('000 TEUs)	680.2	11%	5%	13%
Air Passenger Bookings (Mn) *	32.0	-1%	-3%	6%
Air Freight (K Tons) *	330.8	3%	0%	4%



## Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Merchandise Exports (\$ Bn)	34.38	-12%	-5%	0%
Merchandise Imports (\$ Bn)	76.06	17%	11%	6%
Services Exports (\$ Bn)	38.52	12%	25%	11%
Services Imports (\$ Bn)	18.64	8%	22%	3%



## Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
PV Sales ('000 Units)	460.7	17%	24%	1%
2W Sales ('000 Units)	2,210.7	2%	2%	1%
3W Registrations ('000 Units) (does not include e-rickshaws)	85.4	17%	45%	7%
EV Registrations ('000 Units) (does not include e-rickshaws and commercial vehicles)	189.5	13%	34%	21%

\* Data available only up to Sep'25 as on 21st Nov'25 – hence growth comparisons are for September and not October. Sep'25 data has been compared with Sep'24 & Aug'25 data for the YoY & MoM growth comparisons.

# YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Oct and Jan-Sep for the \* marked indicators).

# High frequency indicators exhibited mixed trends in Sep-Oct'25 amid festive-season demand and the effects of GST rate rationalization (2/2)



## Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
UPI Value (INR Tn)	27.3	16%	10%	22%
Aggregate Deposits (INR Tn) *	242.8	9%	0%	-
Aggregate Credit (INR Tn) *	195.5	11%	2%	-
NSE & BSE Txns. (INR K Cr)	2,234.5	-11%	-4%	-17%
Insurance Premium (INR K Cr)	63.5	6%	-11%	4%



## Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
GST Collections (INR Tn)	1.96	5%	4%	9%
WPI (%)	-	-1.21%	-	-
CPI (%)	-	0.25%	-	-
Jan Dhan Deposits (INR Tn)	2.8	14%	1%	14%
MGNREGA Emp. Provided (HH)	9.02	-39%	-11%	-6%



## Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Manufacturing PMI (Index)	59.2	3%	3%	-
Services PMI (Index)	58.9	1%	-3%	-
Current Situation Index (Urban) *	96.9	2%	0%	-
Future Expectations Index (Urban) *	125	3%	0%	-

\* Data available only up to Sep'25 as on 21st Nov'25 – hence growth comparisons are for September and not October. Sep'25 data has been compared with Sep'24 & Aug'25 data for the YoY & MoM growth comparisons.

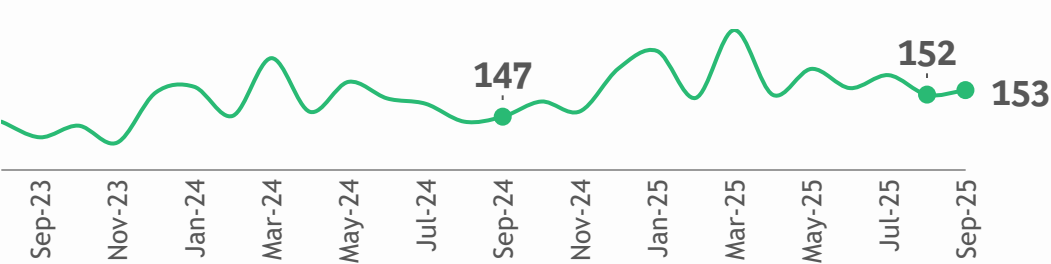
# YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Oct and Jan-Sep for the \* marked indicators).

# IIP, cement production and steel consumption rose slightly in Sep'25; Power consumption recorded a sharp cyclical dip in Oct'25



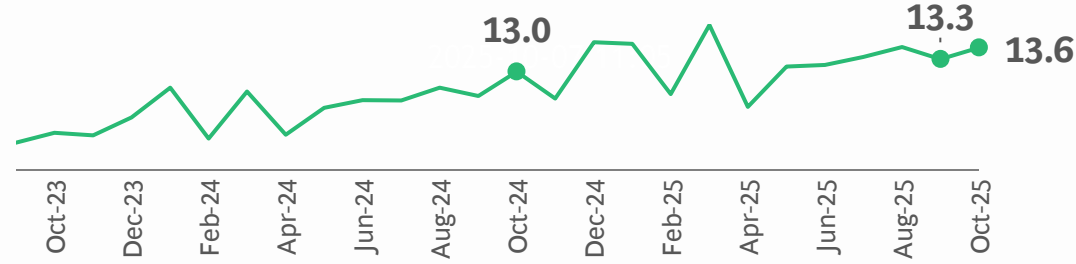
## Index of Industrial Production (IIP)<sup>1</sup>

IIP inched up marginally in Sep'25, amid growth in the manufacturing sector and stronger capital and consumer goods output



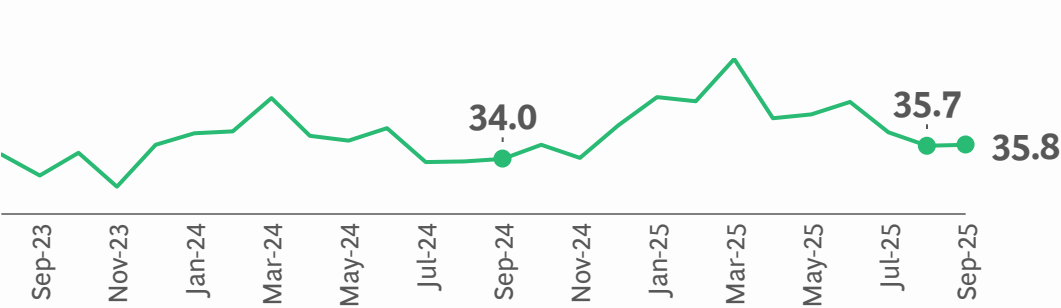
## Steel Consumption (MMT)<sup>2</sup>

Steel consumption increased slightly in Oct'25, due to a rise in consumption in the non-alloy steel category



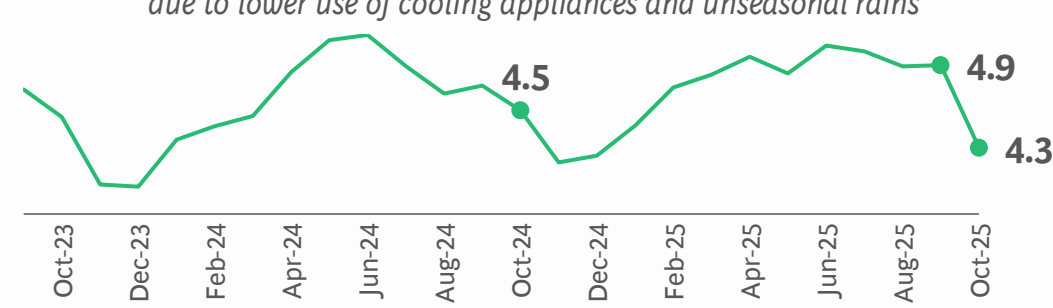
## Cement Production (MT)

Cement production marginally inched up in Sep'25 vs. Aug'25 levels



## Daily Average Power Consumption ('000 MUs)

Daily power consumption witnessed a sharp cyclical decline in Oct'25, due to lower use of cooling appliances and unseasonal rains



1. Index of Industrial Production (IIP) shows the growth rates in different industry groups (comprises of Mfg. (78% weightage), Mining (14%), Electricity (8%))

2. Steel consumption incl. long & flat steel, provisional figures for Oct'25

Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

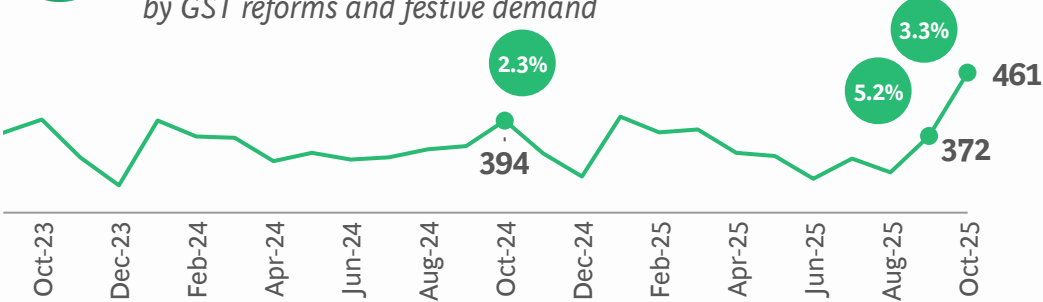


# Auto sector witnessed positive trends in Oct'25, with PV, 2W and tractor sales reaching record highs amid GST rate rationalization



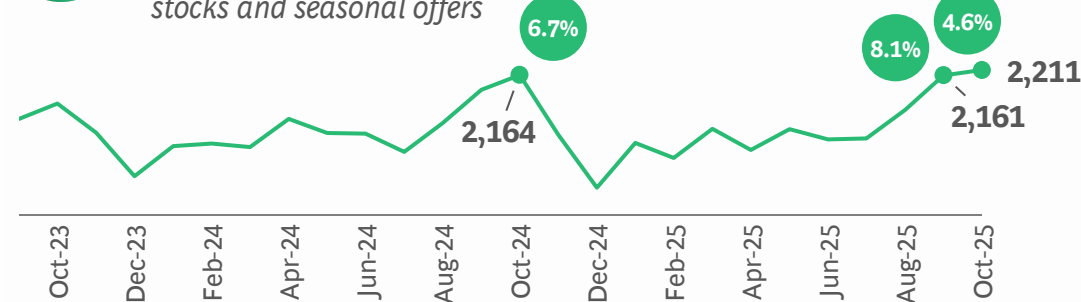
## Passenger vehicles sales ('000 units)

PV sales continued to soar reaching record-breaking highs in Oct'25, led by GST reforms and festive demand



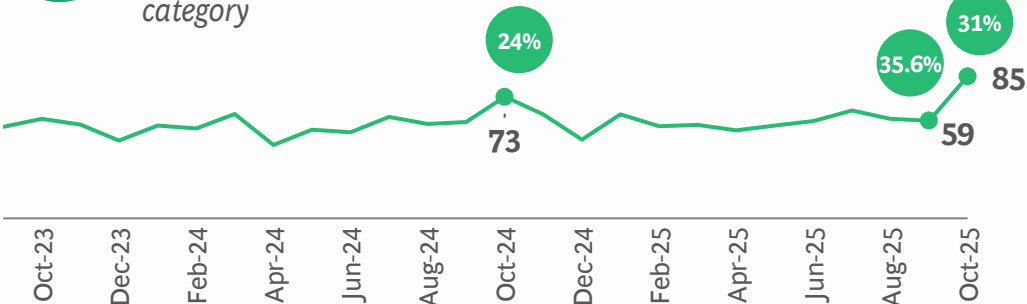
## Two-wheeler sales ('000 units)

2W sales improved to reach an all-time high in Oct'25, led by fresh stocks and seasonal offers



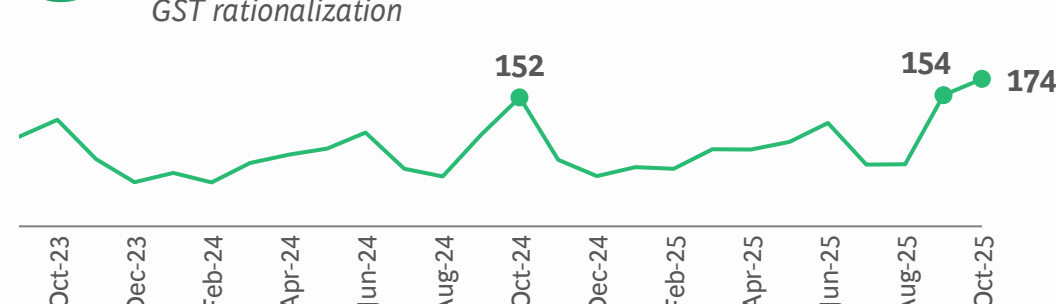
## Three-wheeler Registrations<sup>1</sup> ('000 units)

3W registrations surged in Oct'25, driven by both passenger and goods category



## Tractor sales ('000 units)

Tractor sales rose to a new high in Oct'25 due to favorable monsoons and GST rationalization



Figures represent wholesale numbers (including exports).; \*.BMW, Mercedes and Volvo Auto data are not available

1. 3W registrations does not include e-rickshaws

2. EV Penetration is calculated basis the Vahan (Registration Data). EV Registrations does not include e-rickshaws and commercial vehicles

Source: SIAM, CMIE, TMA, Vahan, Press search, BCG analysis

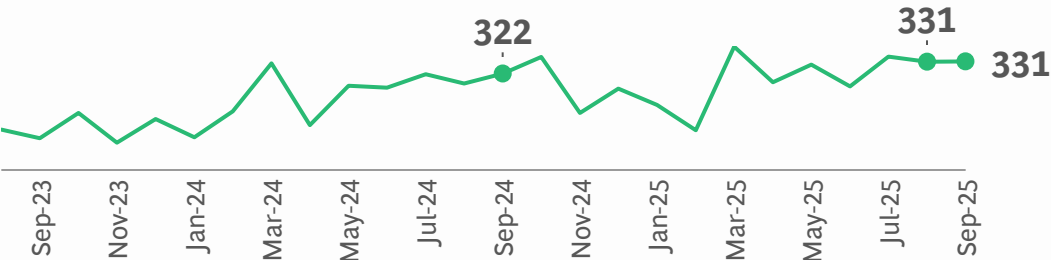
XX% = %EV Registrations<sup>2</sup>

# JNPA traffic surged as e-way bills declined in Oct'25; Air freight traffic remained steady while passenger bookings inched down in Sep'25



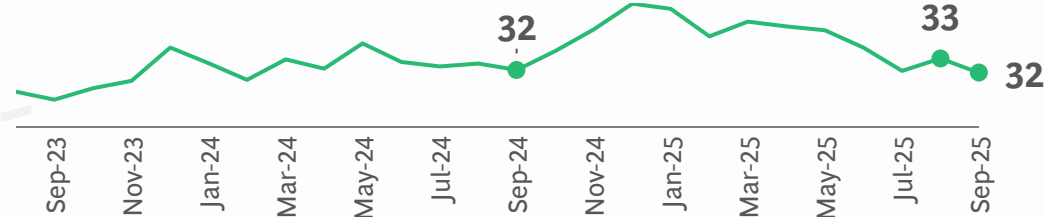
## Air Freight Traffic (K tons)

Air freight traffic stayed nearly consistent with Aug'25 levels in Sep'25



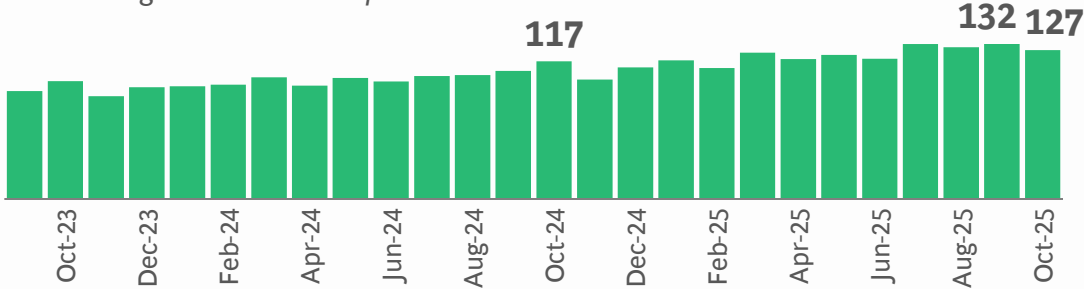
## Air Passenger Bookings (Mn)

Air passenger bookings dipped in Sep'25, driven by airlines operating fewer aircrafts and facing capacity constraints



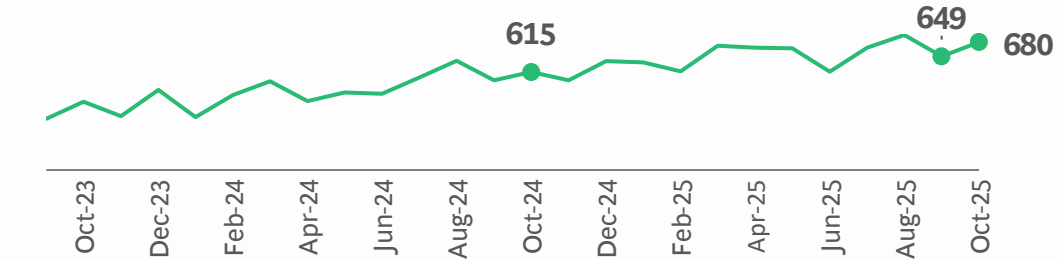
## E-way Bills (Mn)<sup>1</sup>

E-way bill generation fell in Oct'25, due to stabilization in trade and goods movement post GST rationalization



## JNPA Container Traffic ('000 TEUs)<sup>2</sup>

JNPA traffic recorded a sharp uptick in Oct'25, driven by the Bharat Mumbai Container Terminal Private Limited (BMCTPL)



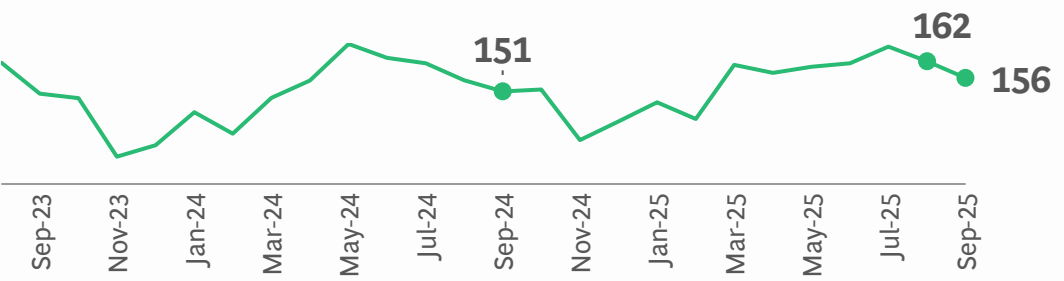
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000.; 2.TEU refers to Twenty-foot equivalent unit (Shipping containers 20 feet long, 8 feet tall)  
Source: Ministry of Railways, CMIE, Airports Authority of India, Jawaharlal Nehru Port Authority, GST Network, NHAI, NPCI, BCG analysis

# Electricity generation and natural gas consumption dipped in Sep'25; Diesel consumption climbed sharply in Oct'25



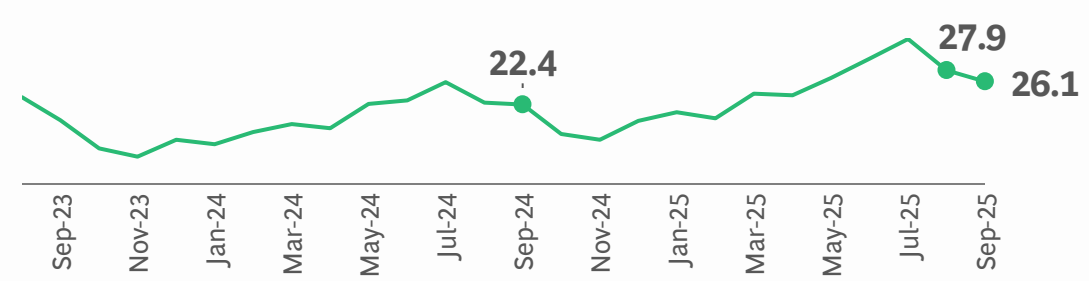
## Total Electricity Generation (Billion KWh)

Electricity generation slowed in Sep'25, due to prolonged monsoons and a fall in industrial activity



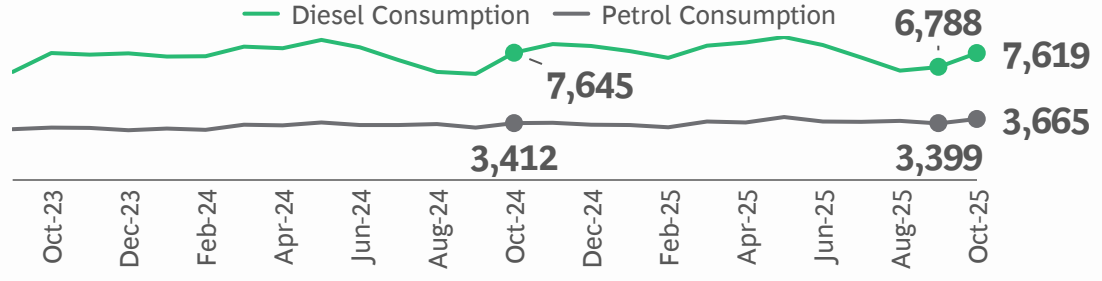
## Renewable Energy Generation (Billion KWh)

Renewable energy generation fell further in Sep'25, driven by wind and small hydro power



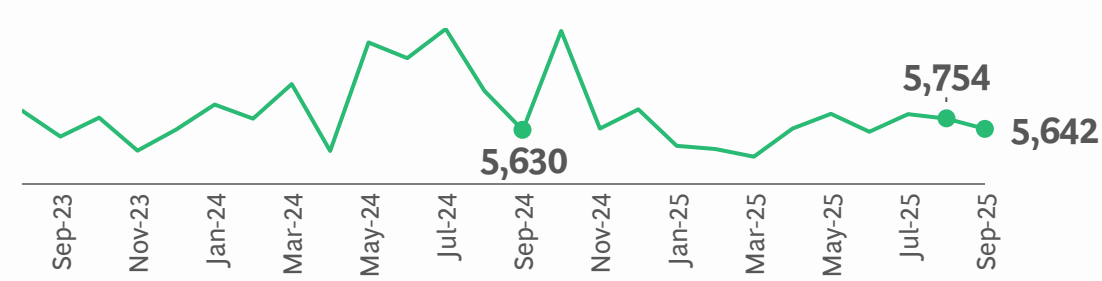
## Diesel and Petrol Consumption (MMT)

Petrol consumption increased in Oct'25, driven by festive travel, while diesel consumption grew relatively faster



## Natural Gas Consumption<sup>1</sup> ('00 MMSCM<sup>2</sup>)

Natural gas consumption further slowed in Sep'25 amid prolonged monsoons and reduced demand



1. Natural Gas Consumption= Net Production +LNG Imports  
2. MMSCM: Million Standard Cubic Meter  
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

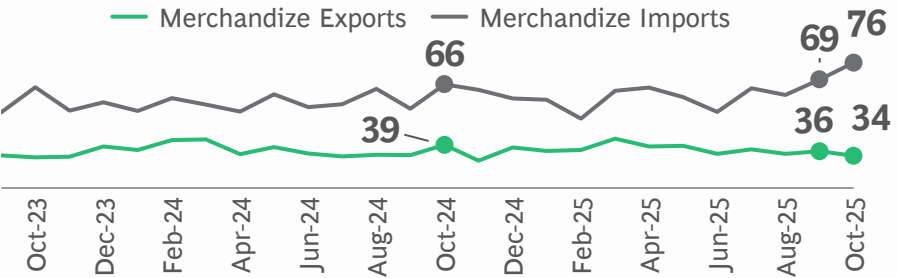


# Merchandise trade deficit widened sharply in Oct'25, while forex reserves dipped; FDI inflows, however, rose marginally in Sep'25



## Merchandise Trade (\$ Bn)

Trade deficit widened in Oct'25, driven by a spike in bullion imports and a decline in jewelry, chemicals & engineering goods exports



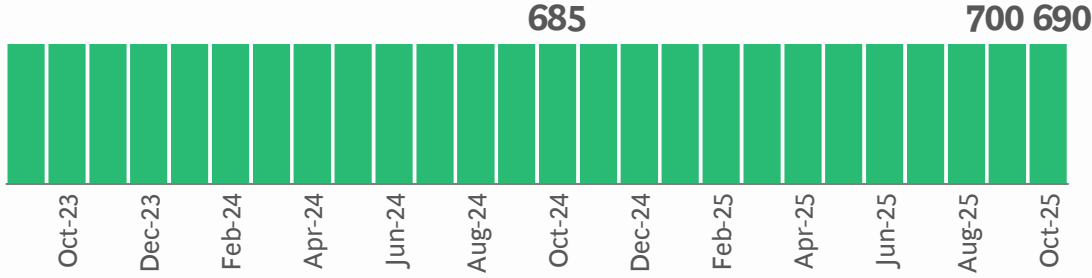
41.7

Deficit in Oct'25



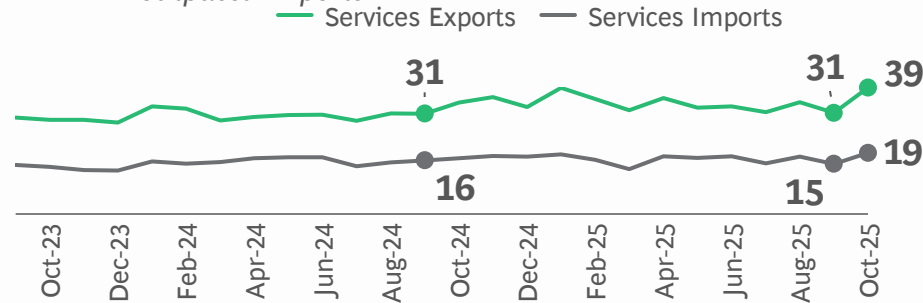
## Forex Reserves (\$ Bn)

Forex reserves fell slightly in Oct'25, due to a decline in foreign currency assets, gold reserves and special drawing rights



## Services Trade (\$ Bn)

Services trade surplus widened in Oct'25, as export growth sharply outpaced imports



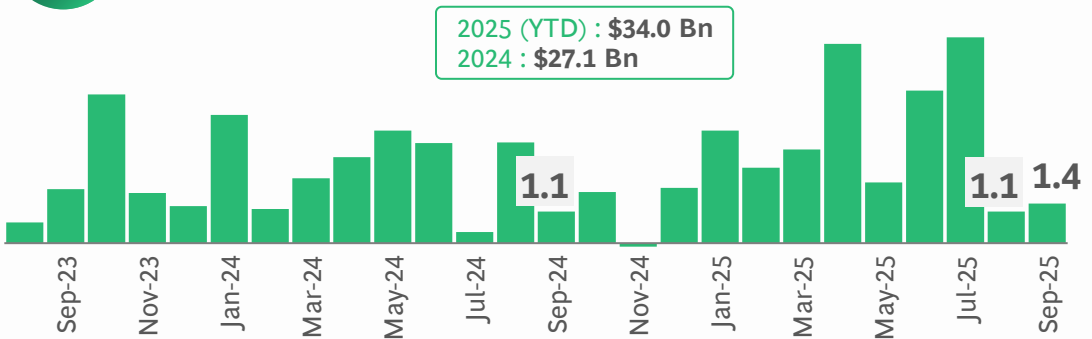
19.9

Surplus in Oct'25



## FDI (\$ Bn)<sup>1</sup>

FDI inflows increased slightly in Sep'25 due to a rise in equity inflows



2025 (YTD) : \$34.0 Bn  
2024 : \$27.1 Bn

Note: Oct'25 Merchandise Import and Export numbers & Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry

Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

1. Denotes total inward FDI to India; Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies; Calendar year considered for FDI 2024 & 2025 values.

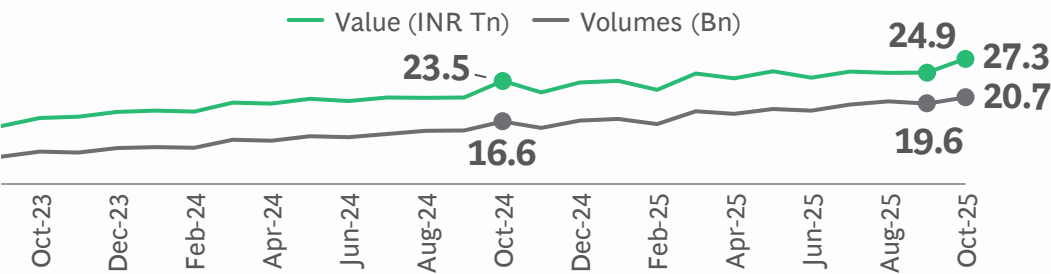
Source: Ministry of Commerce & Industry, CMIE, RBI, PIB

# Mutual Funds AUM peaked while insurance premiums declined in; UPI transactions reached new highs in Oct'25



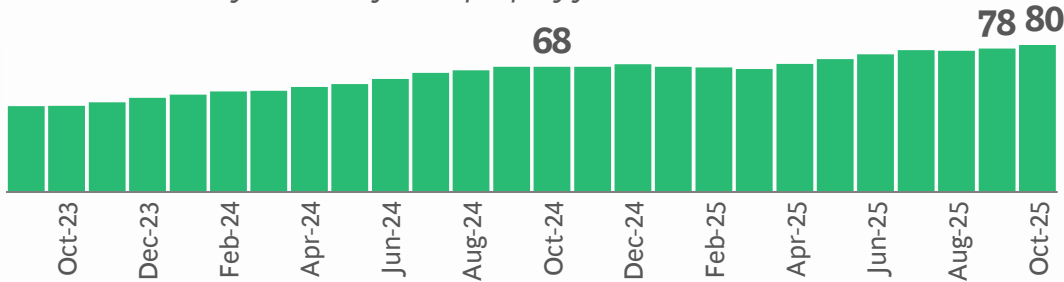
## UPI Transactions

UPI transactions reached record highs in Oct'25, owing to increased spending during festive season



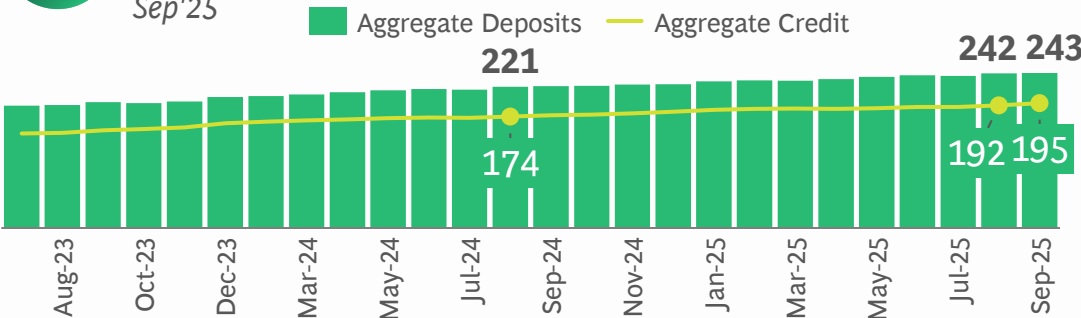
## Mutual Funds AUM (INR Tn)<sup>1</sup>

Mutual fund AUM increased slightly to reach an all-time high in Oct'25, driven by debt and flexi-cap equity funds



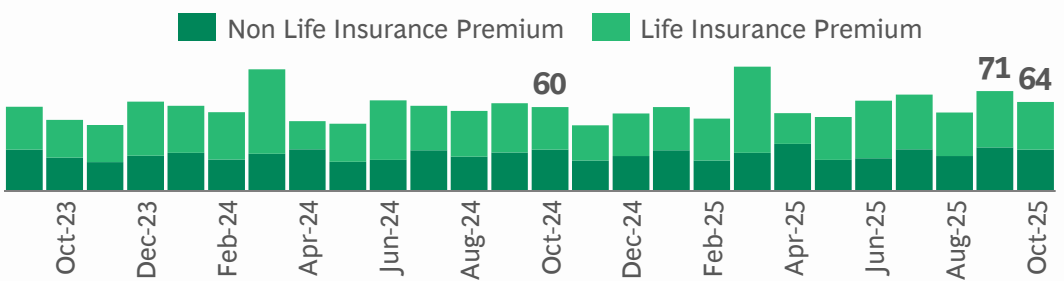
## Aggregate deposits & credit (INR Tn)

While aggregate deposits stagnated, aggregate credit inched up slightly in Sep'25



## Insurance Premium (INR '000 Cr)<sup>2</sup>

Insurance premiums declined in October 2025, led by life insurance - particularly individual non-single and group single segments



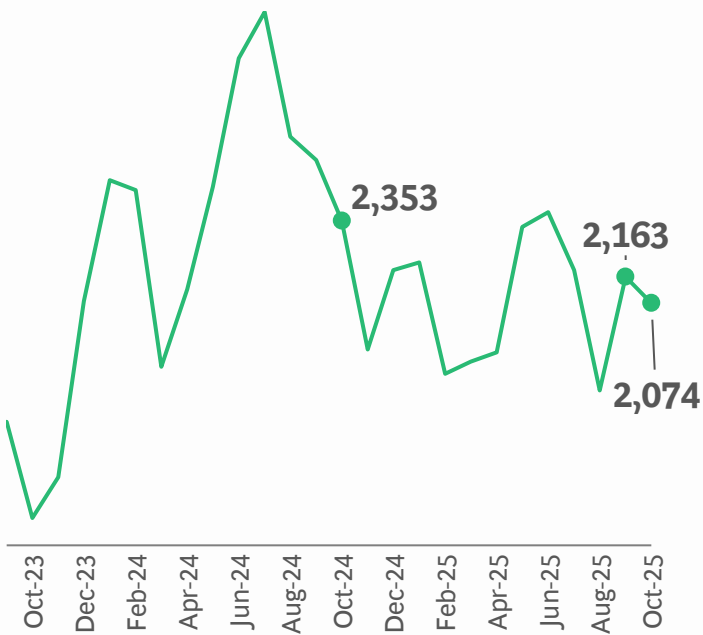
1.Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance as on 21 Nov'25; 2.Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Crop Insurance, Credit Guarantee, Aviation, Personal accident and Miscellaneous  
Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

# NSE and BSE transactions declined in Oct'25; Market volatility index (VIX) rose amid cautious investor sentiments



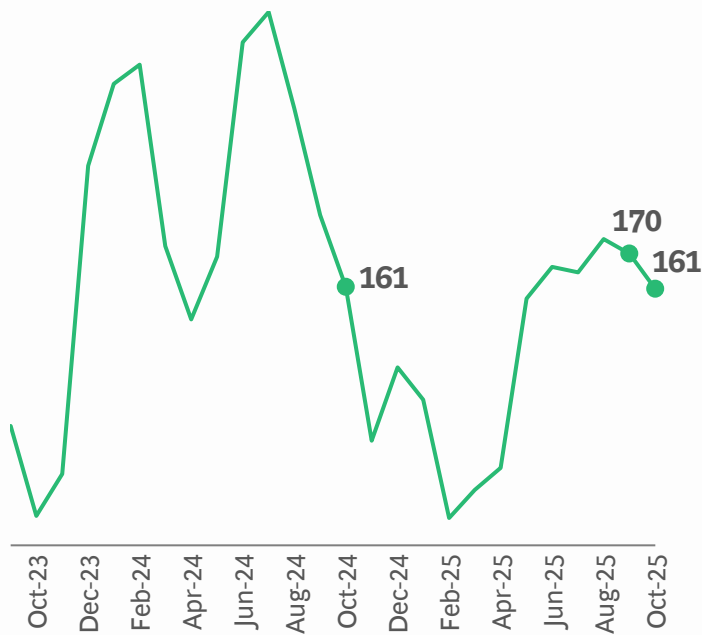
## NSE transactions (INR Cr)

NSE transactions dipped in Oct'25 amid uncertainty over SEBI rule changes and US interest-rate outlook



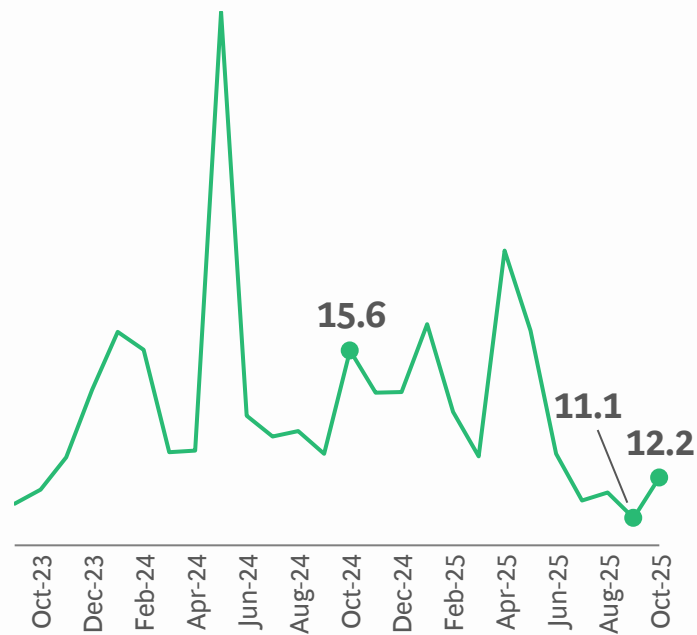
## BSE transactions (INR Cr)

BSE trading volumes also fell in Oct'25, broadly mirroring the slowdown seen on the NSE



## India VIX (Volatility Index)<sup>1</sup>

VIX rose in Oct'25, amid global economic uncertainties indicating cautious investor sentiments



Source: NSE, BSE, CMIE, BCG analysis  
 1. India VIX (Volatility Index): NSE's measure of expected market volatility over the next 30 calendar days.

# A fiscal surplus was recorded in Sep'25; GST collections climbed, supported by festive-season demand in Oct'25



## Govt. Receipts & Expenditures (INR Tn)

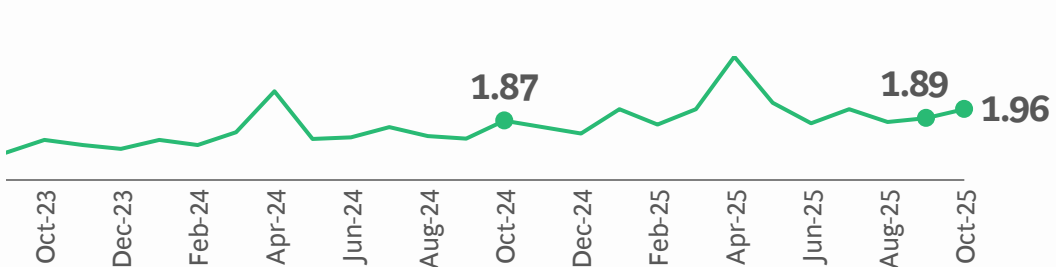
A fiscal surplus was recorded in Sep'25, boosted by a significant cyclical growth in tax revenue

	Jul'25	Aug'25	Sep'25
Govt. Expenditure (INR Tn)	3.4	3.2	4.2
Govt. Receipts (INR Tn)	1.5	1.9	4.5
Fiscal Deficit (INR Tn)	1.9	1.3	-0.3



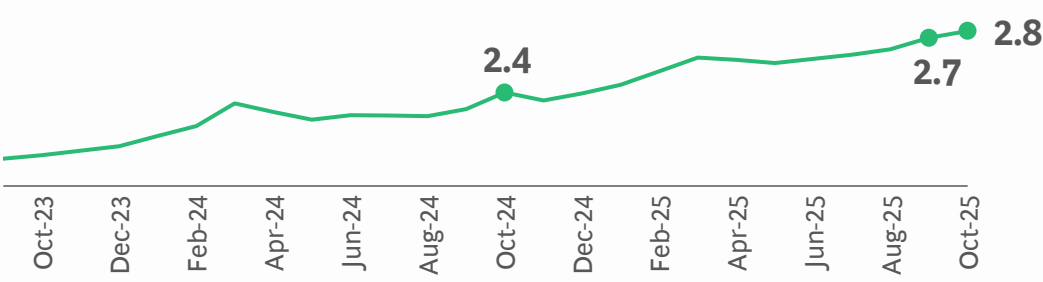
## GST Collections<sup>1</sup> (INR Tn)

GST collections increased in Oct'25, driven by sustained consumer demand during the festive season driving sales alongside strong domestic trade



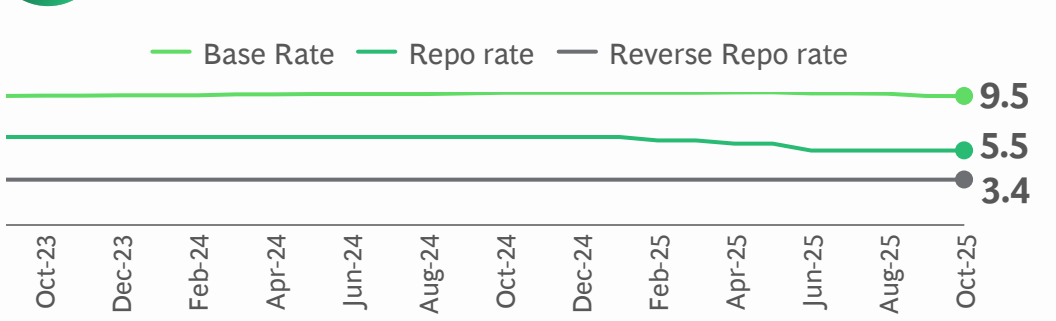
## Jan Dhan Deposits (INR Tn)

Jan Dhan deposits inched up in Oct'25 vs. Sep'25 levels amid the government's drive to deepen financial inclusion



## RBI's policy rates (%)

RBI maintained repo rate constant in Oct'25



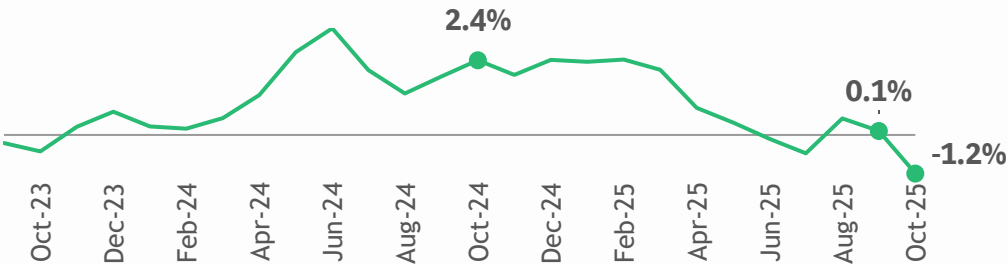
1.GST Collections include all components: CGST, SGST, IGST, Cess  
Source: CMIE, Ministry of Finance, GST Council, GST Network , RBI, Jan Dhan Yojana, BCG analysis

# WPI inflation fell sharply to -1.2% in Oct'25; CPI inflation fell to over an 8-year low of 0.3%

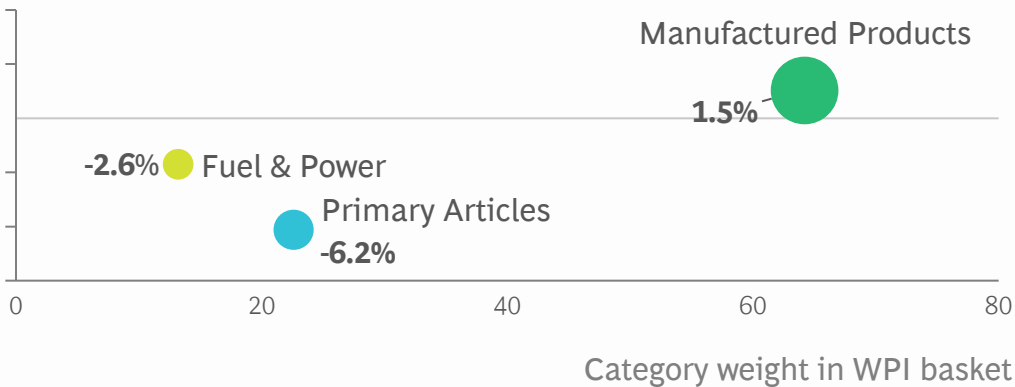


## Wholesale Price Index (WPI)<sup>1</sup>

WPI inflation dropped in Oct'25, driven primarily by reduction in prices of food, crude petroleum & natural gas

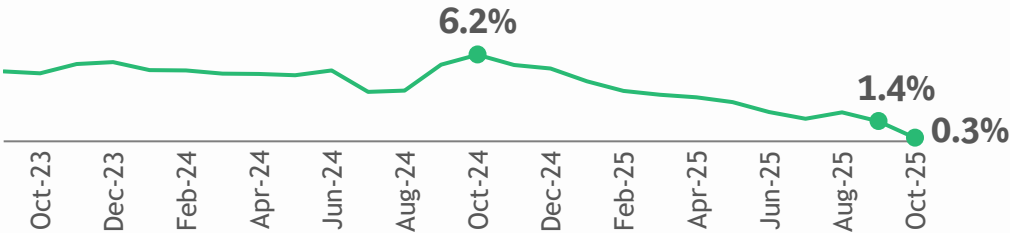


WPI inflation rate for Oct'25

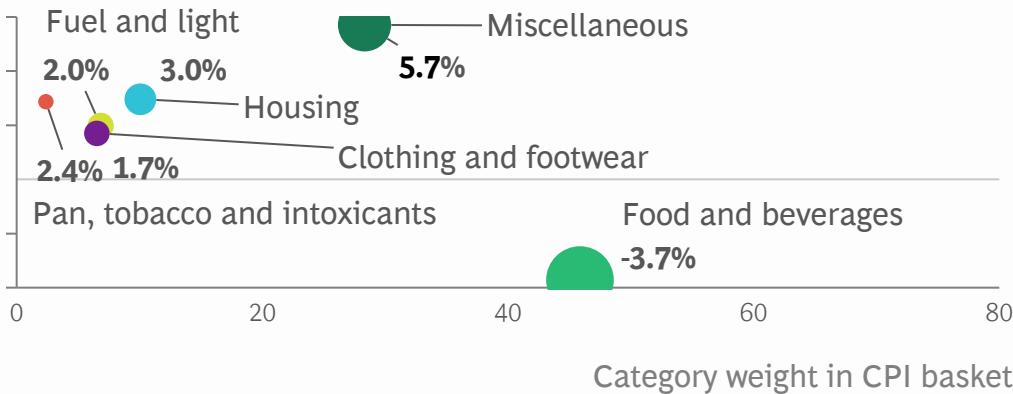


## Consumer Price Index (CPI)<sup>2</sup>

CPI inflation eased further in Oct'25, driven by lower food and beverage prices, the full-month impact of the GST cut, and a favourable base effect



CPI inflation rate for Oct'25



1. WPI measures and tracks the changes in the price of goods in the stages before the retail level – that is, goods that are sold in bulk and traded between entities or businesses instead of consumers. It is calculated as YoY increase in prices of the commodities; Primary articles incl. food, non-food, minerals, crude petroleum & natural gas; Fuel & power incl. coal & mineral oils; 2. CPI is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated as YoY increase in prices of the commodities.  
Source: MOSPI, CMIE, BCG Analysis

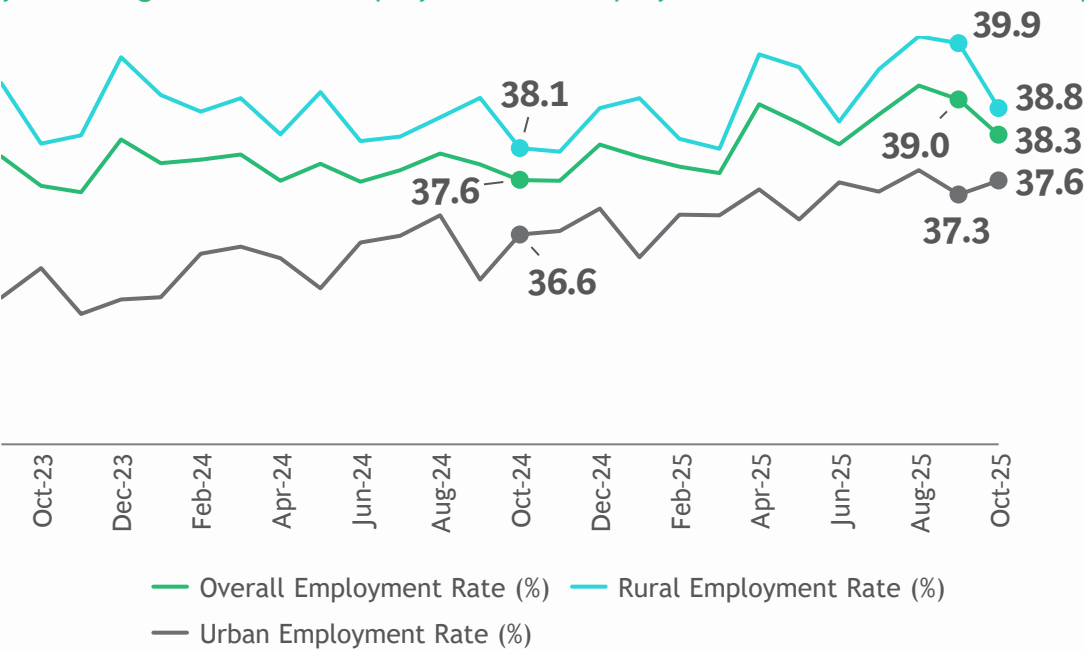
# While rural employment rate fell, urban climbed in Oct'25; MGNREGA employment declined amid prolonged rains in rural areas in Oct'25



## CMIE Employment rate (%)<sup>1</sup>

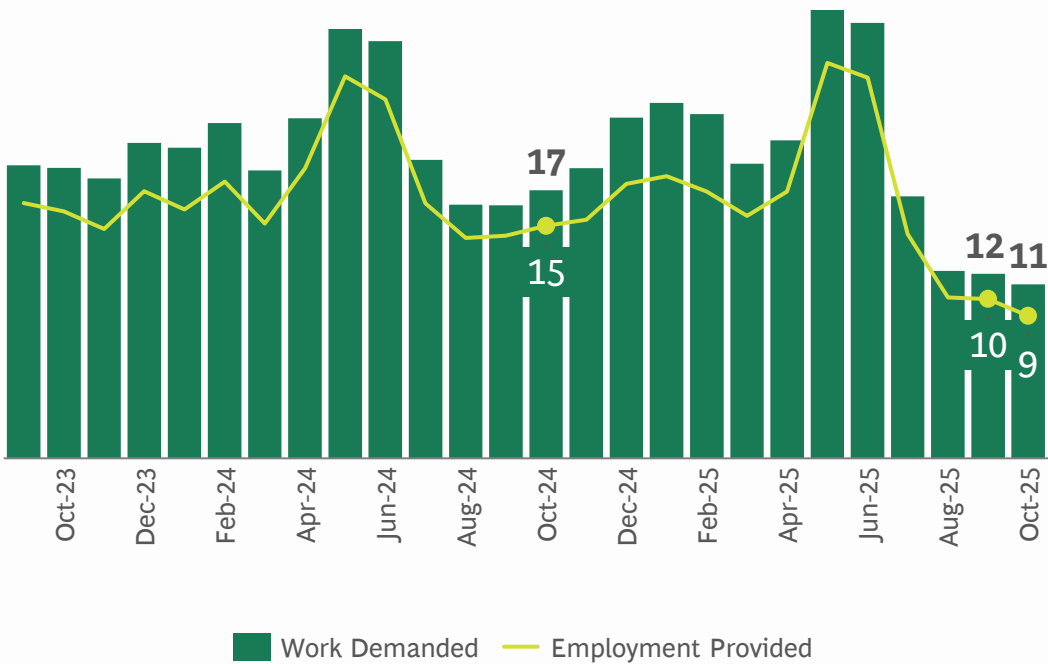
The overall employment rate continued to decline in Oct'25, amid a sharp dip in rural non-agriculture employment

Employment status indicates whether a member of a household who is 15 years of age or more is employed or not employed as of the date of the survey



## MGNREGA Employment Progress (Households in Mn)<sup>2</sup>

MGNREGA employment further inched down in Oct'25 as prolonged rains in rural areas disrupted work sites



1.CMIE's Consumer Pyramids panel of households contains over 178,677 households and these include over 522,000 members who are over 15 years old  
2.MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.  
Source: CMIE Consumer Pyramids survey, Ministry of Labour & Employment, Ministry of Rural Development, CMIE, BCG Analysis

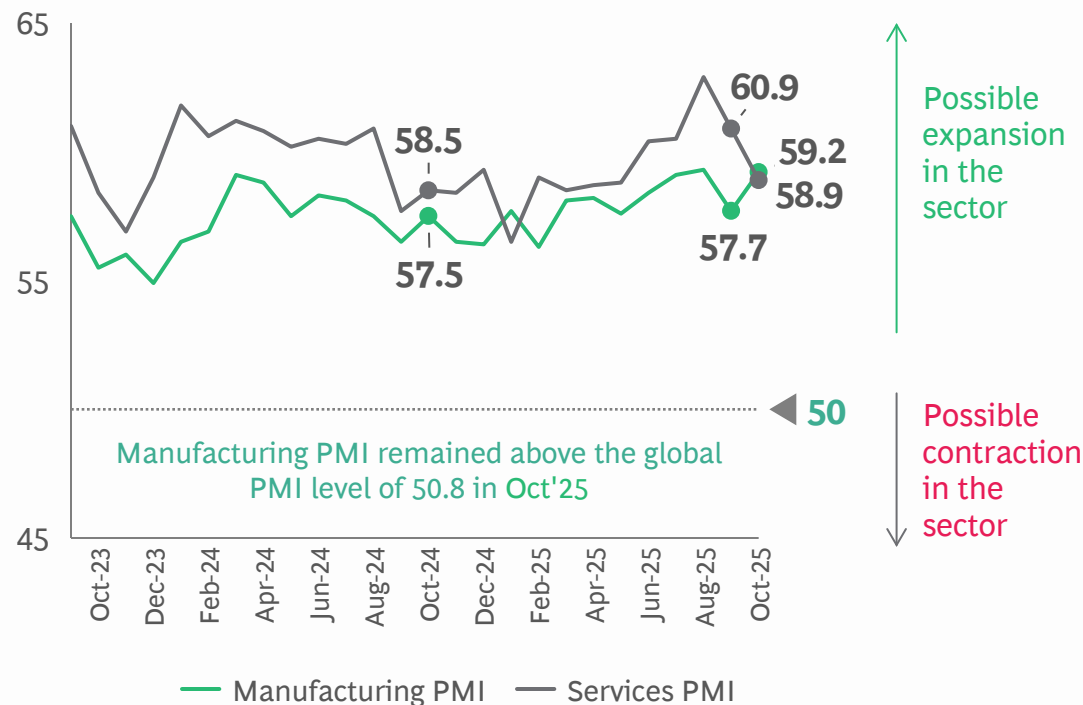


# Manufacturing PMI increased while Services PMI fell in Oct'25; Consumer confidence improved amid easing inflation sentiments



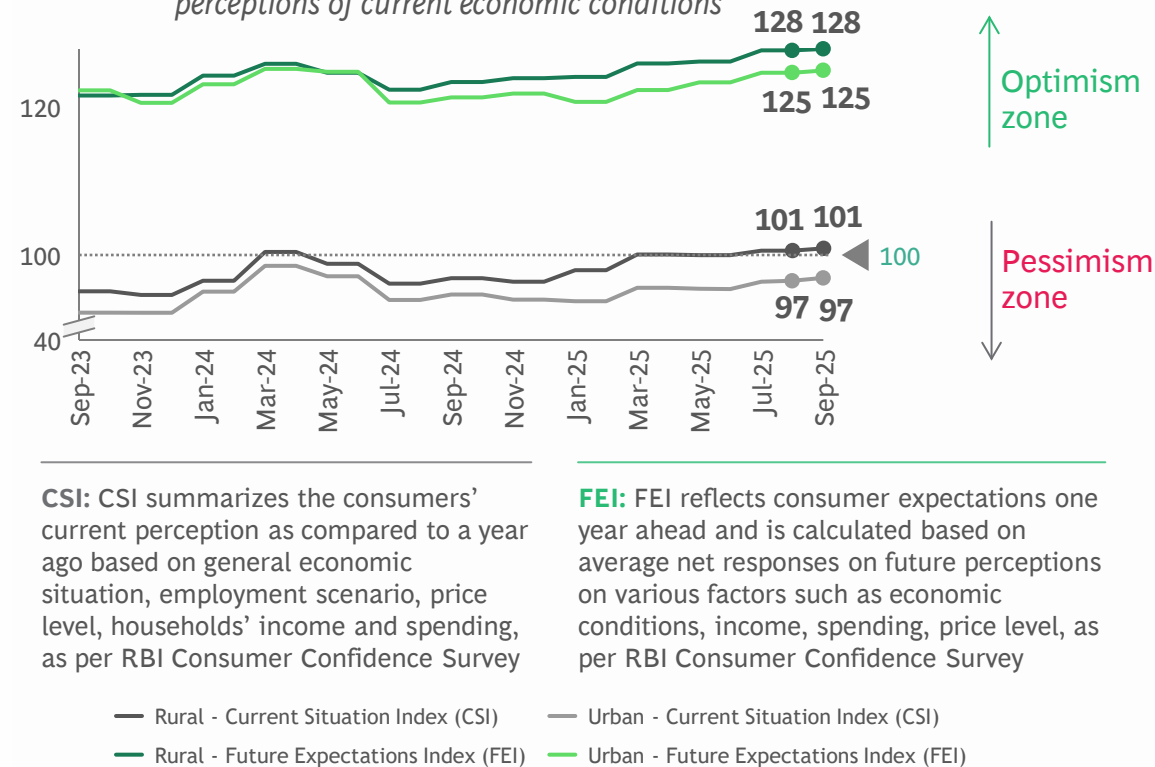
## Manufacturing and services PMI<sup>1</sup>

Manufacturing PMI increased in Oct'25 driven by improved technology investment, efficiency, and new clients; Services PMI slowed as heightened competition and heavy monsoons weighed on expansion



## Consumer Confidence Survey (RBI)<sup>2</sup>

Consumer sentiments improved in Sep'25 across both urban and rural areas, driven by easing inflation expectations and a marginal uptick in perceptions of current economic conditions

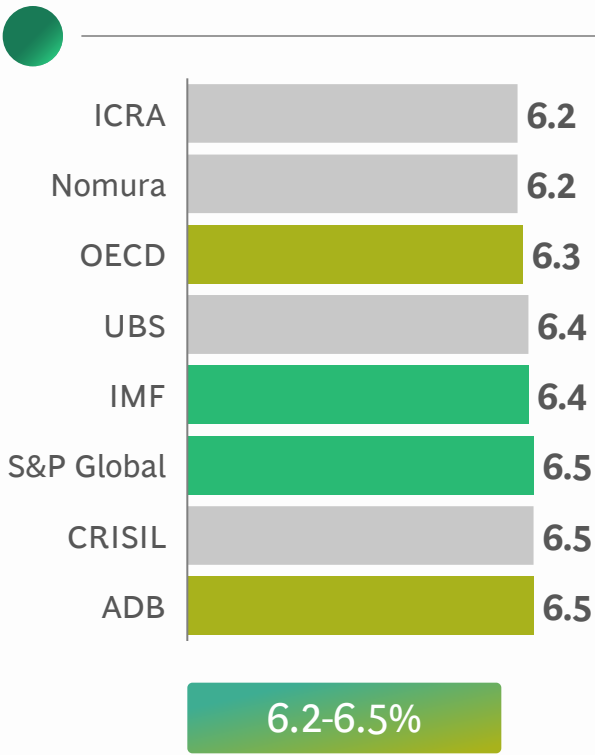


1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers covering both upstream and downstream activity; 2.Sample size: 8,848 and 6,068 responses for rural and urban (across 19 major cities) respectively surveyed during August 28 to September 07, 2025; CSI/FEI = 100 + Average of Net Responses of (General Economic Situation, Employment Scenario, Price Level, Household income and Overall Spending). Data are based on web releases made in August 2025. For each survey round, the final figures as available in the latest web release covering the same have been considered.

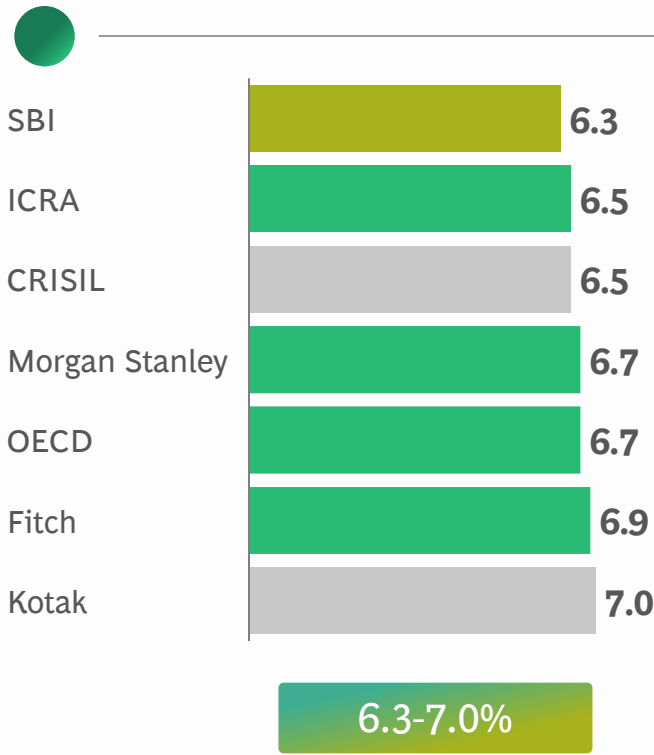
# FY26 GDP projected to grow between 6.5–6.8%; IMF, RBI and World Bank raised forecasts in Oct-Nov'25

India GDP growth forecast for FY26 (YoY %)

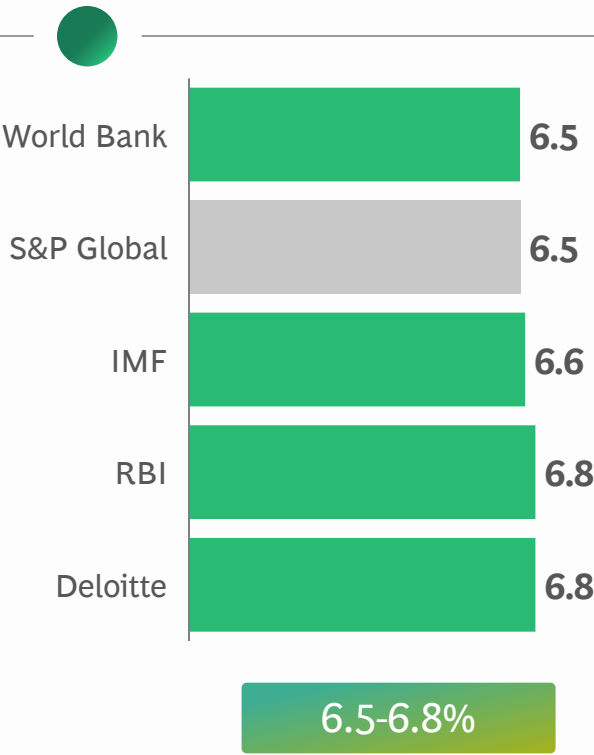
Jun-Jul'25



Aug-Sep'25



Oct-Nov'25



Data as of 25<sup>th</sup> Nov'25; Estimates likely to be revised further

No change   Downward revision   Upward revision

Note: Upper-limit has been included where agencies reported forecast range. Latest forecasts considered in case of revision by agency within same month  
Source: Analyst reports, BCG analysis



BCG

