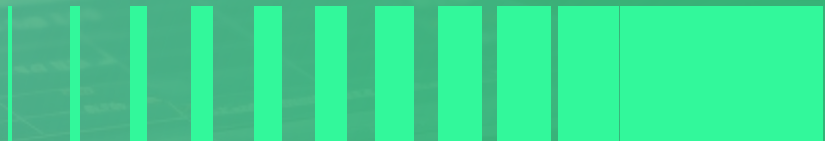




India Economic Monitor

December | 2025

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Executive summary



In Jul-Sep'25, India's real GDP grew 8.2% YoY, beating expectations and marking the fastest pace in six quarters. Services remained the principal growth engine, expanding 9.2% YoY, while industry strengthened to 7.7% YoY primarily on manufacturing- and construction-led gains; agriculture delivered a more moderate 3.5% YoY increase. On the demand side, private consumption was broadly flat versus Apr-Jun'25 but maintained a three-quarter-high YoY growth rate of 8.0%. Government consumption, by contrast, turned down cyclically, contracting 2.7% YoY amid subdued revenue spending, while gross capital formation rose 5.1% YoY, supported by higher public capex. Net exports continued to weigh on growth, with imports rising 12.8% YoY against 5.6% YoY growth in exports.



Among high-frequency indicators, IIP slipped marginally in Oct'25 as weaker electricity generation and manufacturing indices offset higher mining output. Cement production rose to a 4-month high in Oct'25, while steel consumption and daily power usage declined in Nov'25. E-way bill generation continued to rise in Nov'25, aided by GST rate cuts and resilient demand, while JNPA container traffic contracted. The auto sector softened in Nov'25, with all categories witnessing volume declines as post-festive demand normalized.



In the trade segment, the merchandise trade deficit narrowed to a five-month low of \$24.5 bn in Nov'25, led by a decline in imports of gold, crude oil, and petroleum products, while exports of engineering goods and electronics held up. The services trade surplus eased to \$17.9 bn, as services exports fell faster than imports compared with Oct'25. Forex reserves edged down in Nov'25, driven by lower foreign-currency assets. FDI inflows also softened in Oct'25 as fresh equity inflows slowed, while repatriation/disinvestment picked up.



BFSI indicators showed mixed trends in Oct-Nov'25. Aggregate deposits grew on stronger time-deposit mobilization, and aggregate credit rose as lending picked up in Oct'25. UPI transactions eased in Nov'25 as payments normalized after the festive period, even as mutual fund AUM continued to rise on steady inflows across fund categories. Overall insurance premiums fell in both life and non-life categories in Nov '25, led by weaker group single-premium life inflows. NSE and BSE transactions also dipped in Nov'25 amid foreign portfolio outflows, while India VIX stayed subdued - signaling expectations of contained volatility.



On the macro side, WPI inflation remained in negative territory at -0.3% in Nov'25, with deflation in primary articles and fuel & power partly offset by modest gains in manufactured products. CPI inflation edged up to 0.7% as food, fuel and the miscellaneous category firmed slightly from Oct'25 lows. Manufacturing PMI fell to a nine-month low on slower sales and softer output, while services PMI rebounded on stronger new business and export orders. GST collections eased to ₹1.75 tn in Nov '25 as inflows normalized from the October festive high and recent GST rationalization. FY26 GDP growth is now projected at 6.3–7.4% following upward revisions by analysts.

High frequency indicators moderated in Oct–Nov'25 amid GST rationalization, lingering global headwinds, and trade uncertainty (1/2)



Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
IIP (Index) *	150.9	0%	-1%	-
Daily Avg Power Consumption ('000 MUs)	4.12	-1%	-3%	1%
Petroleum Consumption (MMT)	21.27	3%	5%	1%
Steel Consumption (MMT)	12.97	6%	-3%	9%
Cement Production (MT) *	37.68	5%	5%	9%



Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
E-way Bills (Mn)	129.9	28%	2%	20%
JNPA Traffic ('000 TEUs)	665.02	11%	-2%	13%
Air Passenger Bookings (Mn) *	35.3	5%	10%	5%
Air Freight (K Tons) *	326	-2%	-1%	3%



Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Merchandise Exports (\$ Bn)	38.13	19%	11%	2%
Merchandise Imports (\$ Bn)	62.66	-2%	-18%	6%
Services Exports (\$ Bn)	35.86	12%	-7%	11%
Services Imports (\$ Bn)	17.96	4%	-4%	3%



Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
PV Sales ('000 Units)	412.4	18%	-10%	3%
2W Sales ('000 Units)	1944.5	21%	-12%	3%
3W Registrations ('000 Units) (does not include e-rickshaws)	76.8	23%	-10%	8%
EV Registrations ('000 Units) (does not include e-rickshaws and commercial vehicles)	159.4	9%	-16%	19%

* Data available only up to Oct'25 as on 22nd Dec'25 – hence growth comparisons are for October and not November. Oct'25 data has been compared with Oct'24 & Sep'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-Nov and Jan-Oct for the * marked indicators).

High frequency indicators moderated in Oct–Nov'25 amid GST rationalization, lingering global headwinds, and trade uncertainty (2/2)



Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
UPI Value (INR Tn)	26.3	22%	-4%	22%
Aggregate Deposits (INR Tn) *	246.8	11%	2%	-
Aggregate Credit (INR Tn) *	198.8	12%	2%	-
NSE & BSE Txns. (INR K Cr)	2,144.6	5%	-4%	-16%
Insurance Premium (INR K Cr)	58.02	24%	-9%	6%



Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
GST Collections (INR Tn)	1.75	-4%	-11%	8%
WPI (%)	-	-0.32%	-	-
CPI (%)	-	0.71%	-	-
Jan Dhan Deposits (INR Tn)	2.8	17%	0%	14%
MGNREGA Emp. Provided (HH)	10.4	-36%	9%	-8%



Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
Manufacturing PMI (Index)	56.6	0%	-4%	-
Services PMI (Index)	59.8	2%	2%	-
Current Situation Index (Urban)	98.4	5%	2%	-
Future Expectations Index (Urban)	125.6	3%	0%	-

* Data available only up to Oct'25 as on 22nd Dec'25 – hence growth comparisons are for October and not November. Oct'25 data has been compared with Oct'24 & Sep'25 data for the YoY & MoM growth comparisons.

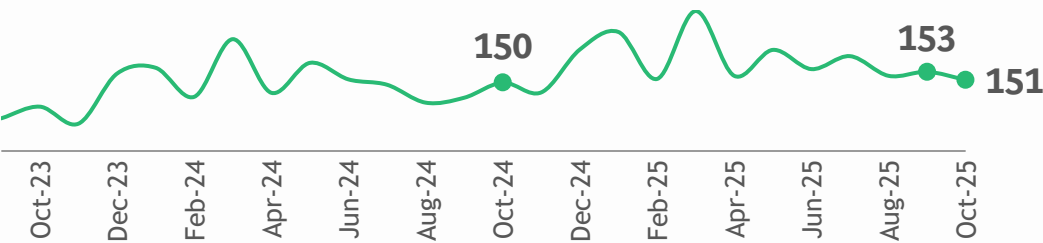
YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Nov and Jan-Oct for the * marked indicators).

IIP declined marginally, while cement production increased in Oct'25; Steel and daily average power consumption declined in Nov'25



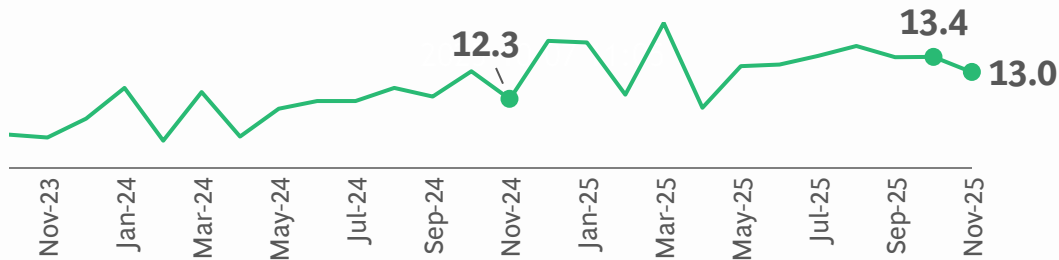
Index of Industrial Production (IIP)¹

IIP slipped in Oct'25, due to weaker electricity and manufacturing amid prolonged rains, and festive holidays that outweighed a mining uptick



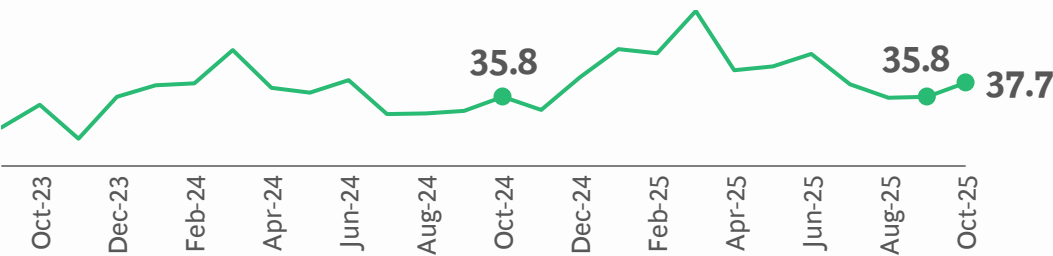
Steel Consumption (MMT)²

Steel consumption inched down in Nov'25, as both alloy and non-alloy categories witnessed a dip



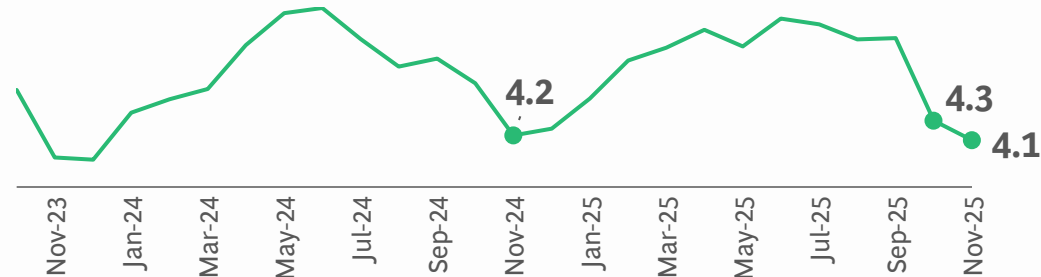
Cement Production (MT)

Cement production increased to a 4-month high in Oct'25 vs. Sep'25 levels amid increased construction activity post-monsoon



Daily Average Power Consumption ('000 MUs)

Daily power consumption further declined in Nov'25 as the onset of winter reduced the need for cooling appliances



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

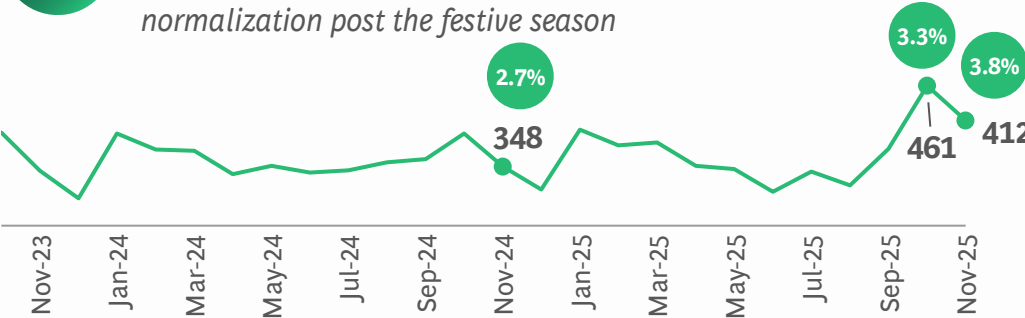
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

Auto sector performance softened in Nov'25, with sales declining as demand normalized after the festive period



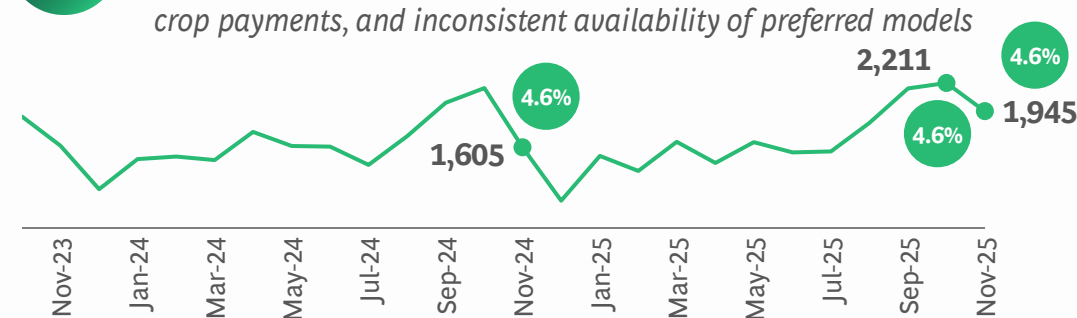
Passenger vehicles sales ('000 units)

PV sales declined significantly in Nov'25, amid cyclical demand normalization post the festive season



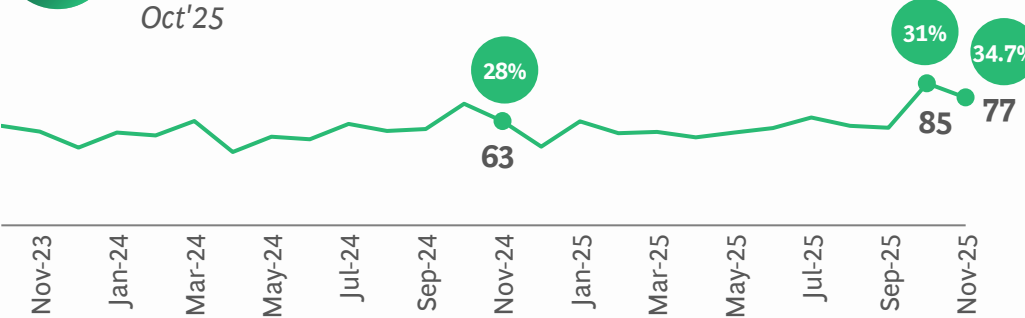
Two-wheeler sales ('000 units)

2W sales declined in Nov'25, driven by a post-festive lull, delayed rural crop payments, and inconsistent availability of preferred models



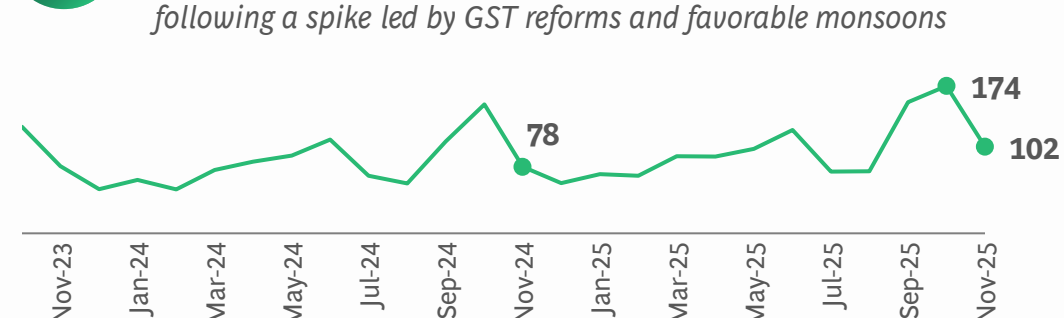
Three-wheeler Registrations¹ ('000 units)

3W registrations slowed in Nov'25 after reaching an annual peak in Oct'25



Tractor sales ('000 units)

Tractor sales slumped cyclically in Nov'25 as the market normalized following a spike led by GST reforms and favorable monsoons



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

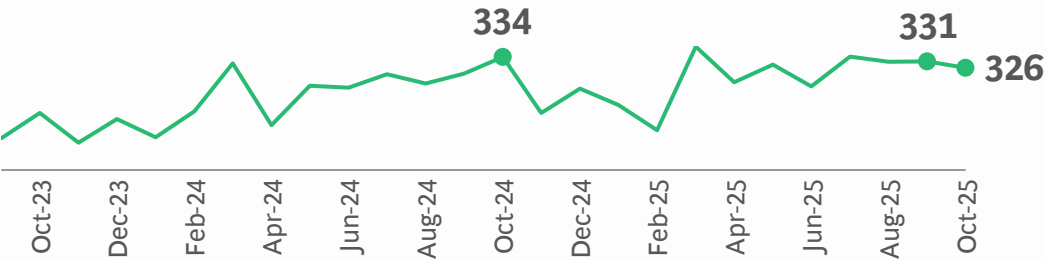
XX% = %EV Registrations²

E-way bills surged while JNPA container traffic declined in Nov'25; Air passenger bookings soared but freight traffic fell in Oct'25



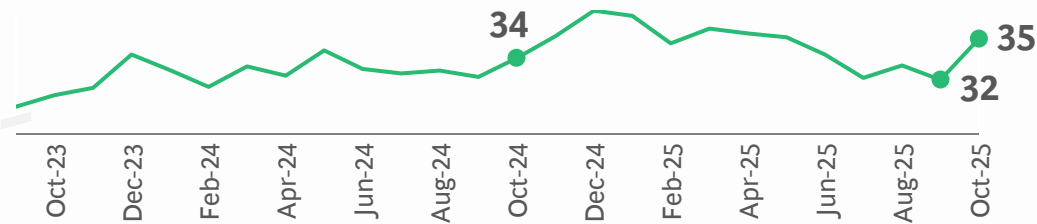
Air Freight Traffic (K tons)

Air freight traffic declined to a 4-month low in Oct'25 as outbound cargo softened



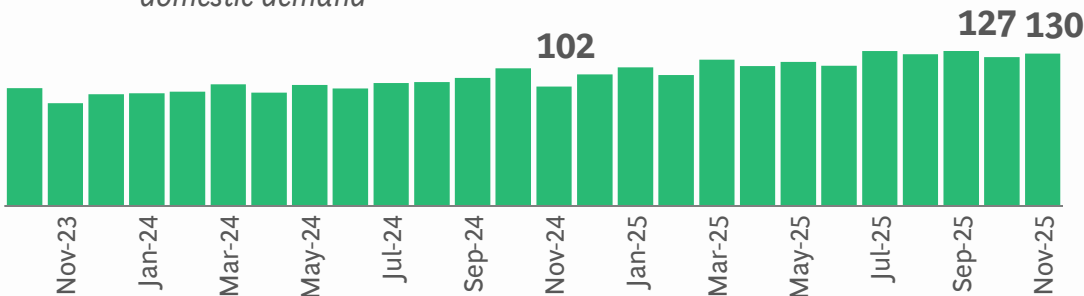
Air Passenger Bookings (Mn)

Air passenger traffic jumped in Oct'25 on festive demand, despite rising fares



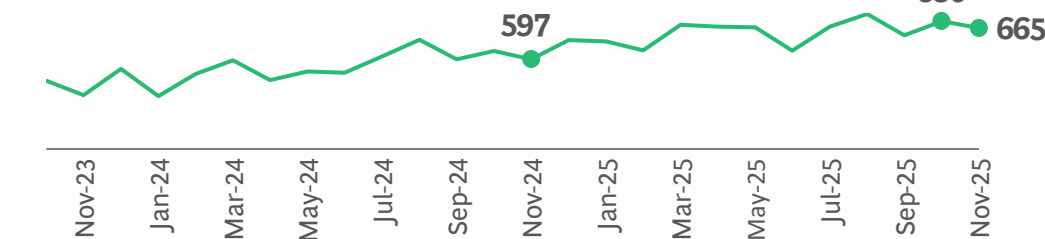
E-way Bills (Mn)¹

E-way bill generation rose in Nov'25, driven by GST cuts and strong domestic demand



JNPA Container Traffic ('000 TEUs)²

JNPA traffic declined in Nov'25, with Bharat Mumbai Container Terminals (BMCT) recording the sharpest fall



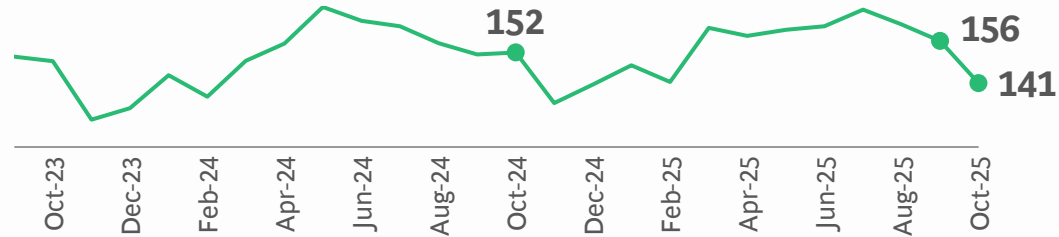
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000.; 2.TEU refers to Twenty-foot equivalent unit (Shipping containers 20 feet long, 8 feet tall)
Source: Ministry of Railways, CMIE, Airports Authority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

Energy generation dipped cyclically, alongside a dip in natural gas consumption in Oct'25; Diesel consumption hit a 6-month high in Nov'25



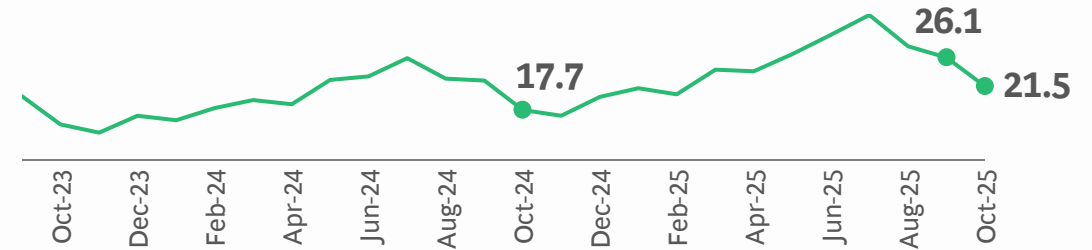
Total Electricity Generation (Billion KWh)

Electricity generation dropped sharply in Oct'25, amid decreased industrial activity and unseasonal rains



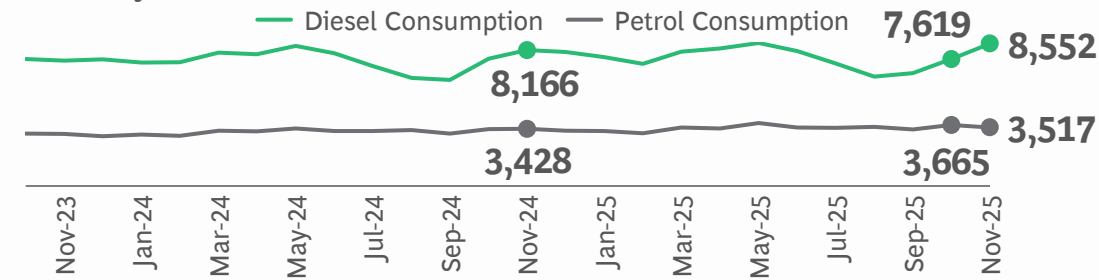
Renewable Energy Generation (Billion KWh)

Renewable energy generation continued to fall in Oct'25, as wind and small hydro power generation fell



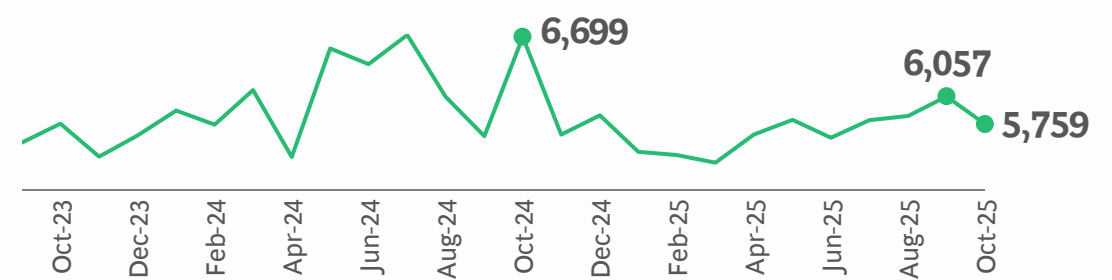
Diesel and Petrol Consumption (MMT)

Diesel consumption soared to a 6-month high in Nov'25, fueled by the festive season and GST rationalization



Natural Gas Consumption¹ ('00 MMSCM²)

Natural gas consumption slumped in Oct'25, amid a sharp drop in LNG imports



1. Natural Gas Consumption= Net Production +LNG Imports

2. MMSCM: Million Standard Cubic Meter

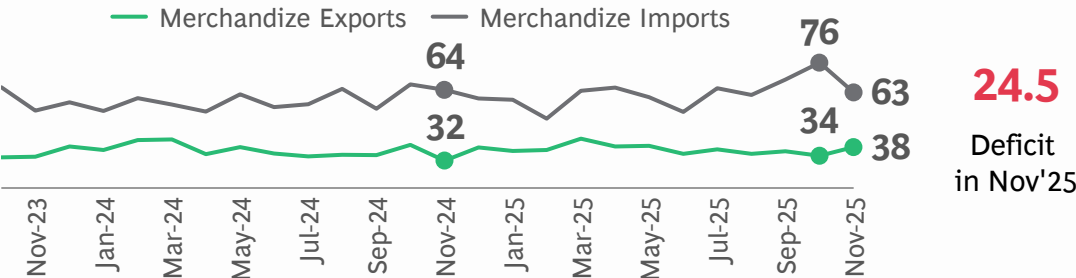
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

Merchandise trade deficit hit a 5-month low in Nov'25, while forex reserves fell; FDI dipped as equity inflows weakened in Oct'25



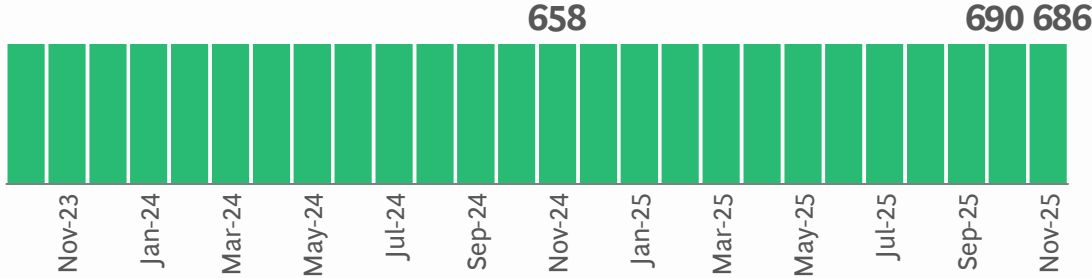
Merchandise Trade (\$ Bn)

Trade deficit fell to a 5-month low in Nov'25, owing to a decline in gold, oil and petroleum imports & rising exports of engineering goods and electronics



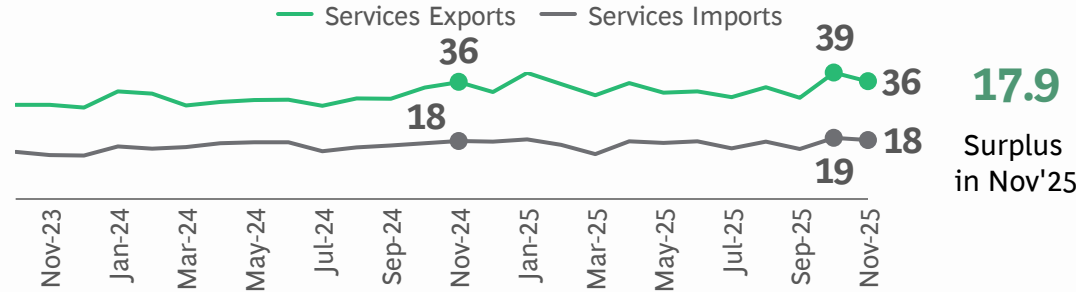
Forex Reserves (\$ Bn)

Forex reserves dipped slightly in Nov'25, due to a decrease in foreign currency assets



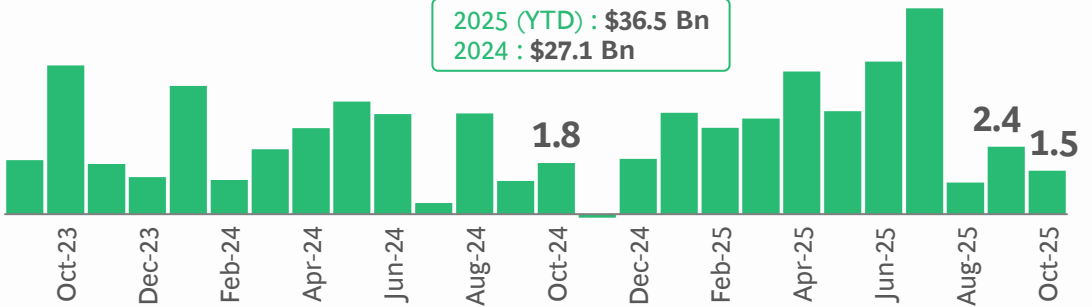
Services Trade (\$ Bn)

Services trade surplus narrowed in Nov'25 vs. Oct'25 as exports declined at a faster rate than imports



FDI (\$ Bn)¹

FDI inflows dipped in Oct'25 as fresh equity inflows slowed, while repatriation/disinvestment picked up



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.

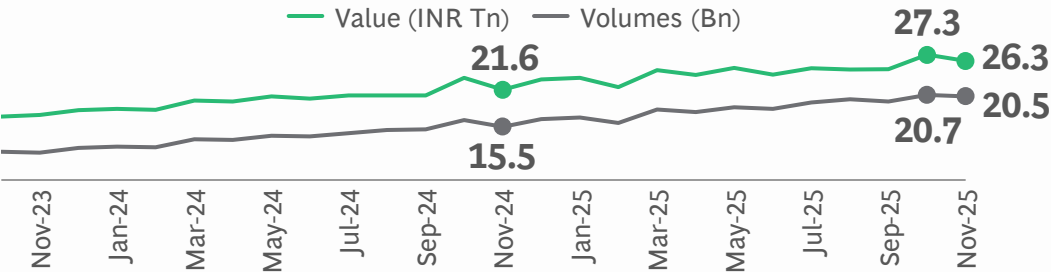
Source: Ministry of Commerce & Industry, CMIE, RBI, PIB

Mutual Funds AUM inched up while insurance premiums further declined; UPI volumes dipped marginally in Nov'25



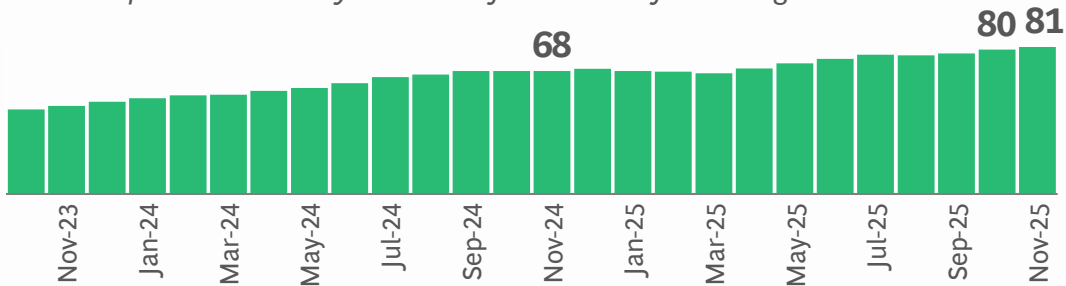
UPI Transactions

UPI transaction volumes inched down marginally in Nov'25, with levels normalizing post the festive season



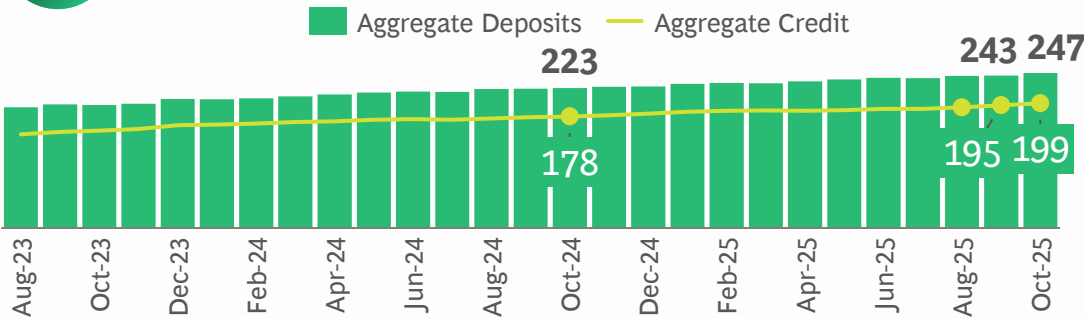
Mutual Funds AUM (INR Tn)¹

Mutual fund AUM increased further in Nov'25, driven by a rise in market prices and steady investor inflows across fund categories



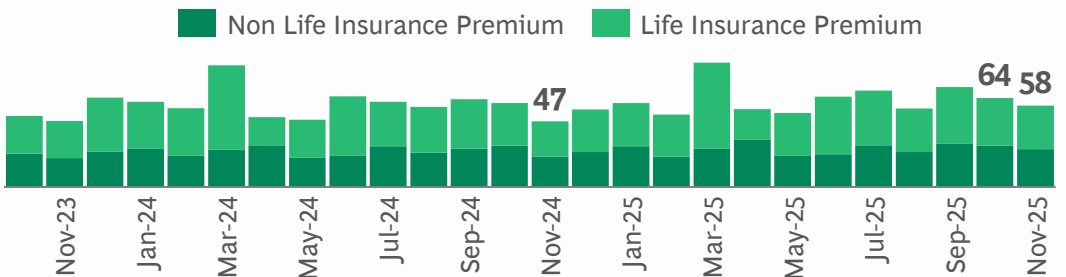
Aggregate deposits & credit (INR Tn)

Both aggregate deposit and credit inched up in Oct'25 vs. Sep'25



Insurance Premium (INR '000 Cr)²

Insurance premiums fell in Nov'25, driven primarily by group single premiums in the life insurance category



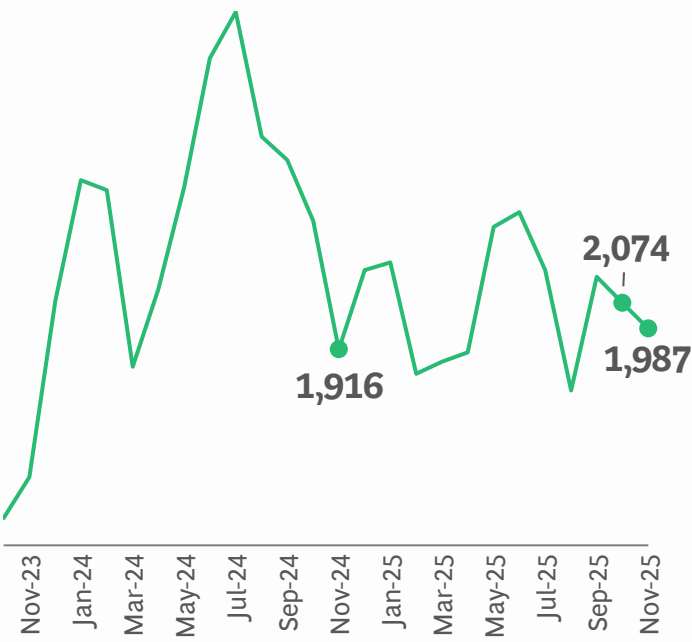
1.Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance as on 20 Dec'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 transaction activity dipped in Nov'25, while the VIX closed the month at a lower level vs. Oct'25



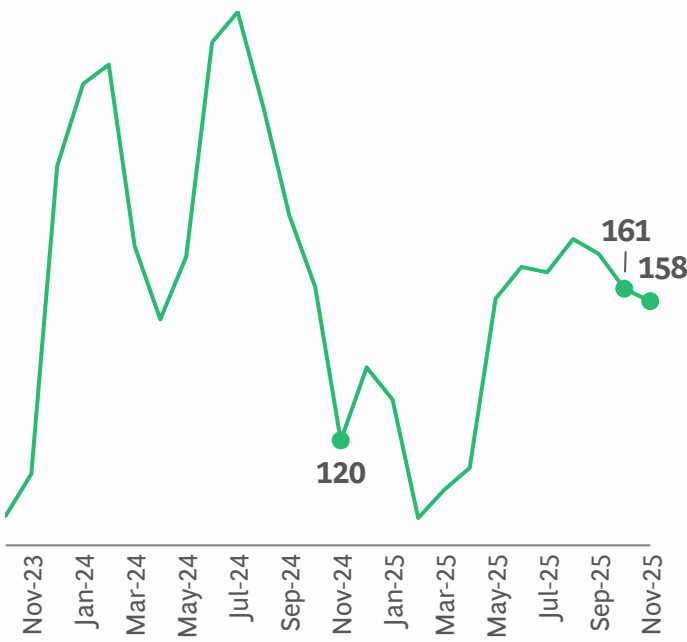
NSE transactions (INR Cr)

NSE transactions declined in Nov'25 amid foreign fund outflows, cautionary disinvestments, and a trading holiday



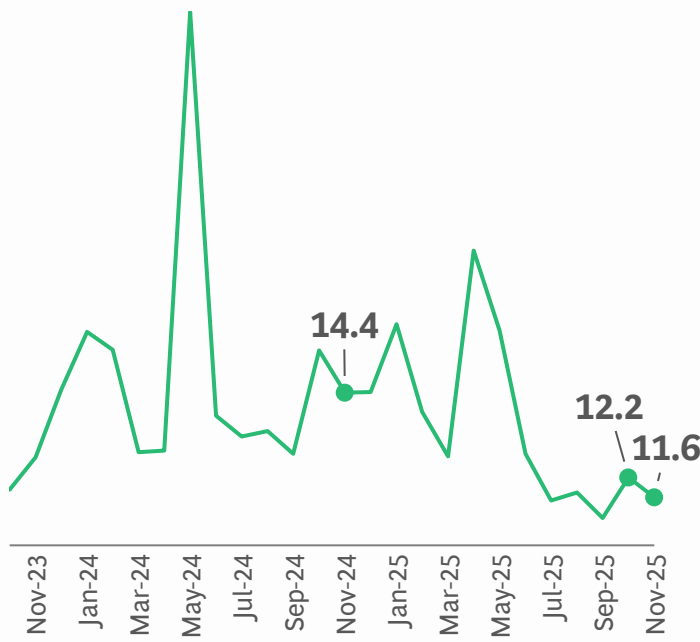
BSE transactions (INR Cr)

BSE trading volumes also inched down in Nov'25, driven by a market holiday and weak global investor sentiments



India VIX (Volatility Index)¹

India VIX ended Nov'25 at a relatively subdued level, after mid-month spikes amid bouts of global uncertainty



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

GST collections eased in Nov'25 after festive peak; Govt. receipts fell in Oct'25 as inflows normalized after September advance-tax payments



Govt. Receipts & Expenditures (INR Tn)

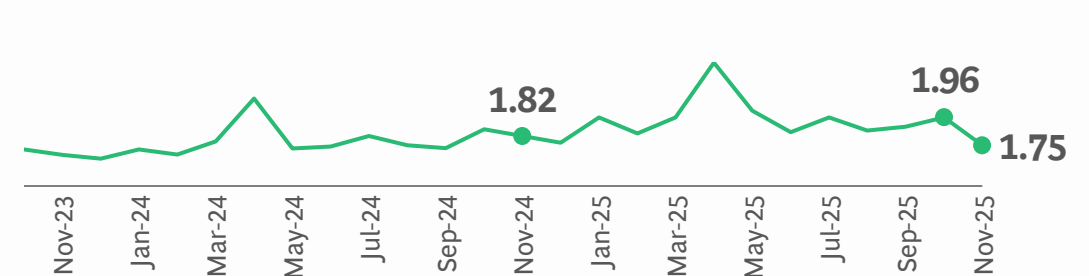
A fiscal deficit was recorded in Oct'25 as govt. receipts fell as inflows normalized after advance-tax collections in Sep'25

	Aug'25	Sep'25	Oct'25
Govt. Expenditure (INR Tn)	3.2	4.2	3.2
Govt. Receipts (INR Tn)	1.9	4.5	0.7
Fiscal Deficit (INR Tn)	1.3	-0.3	2.5



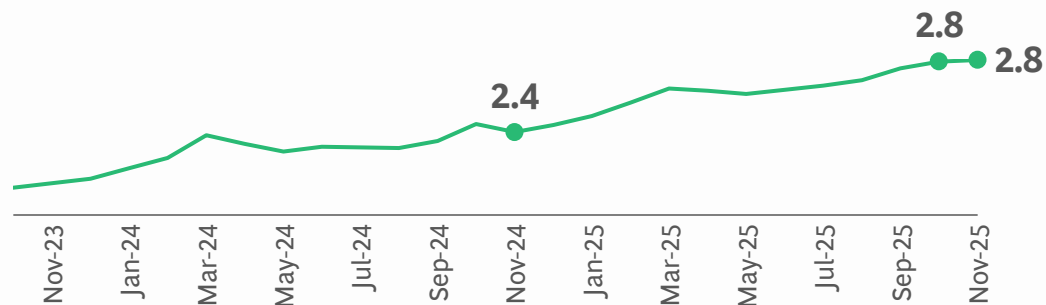
GST Collections¹ (INR Tn)

GST collections softened in Nov'25 as inflows normalized after the Oct'25 festive peak and lower tax rates from recent rationalization



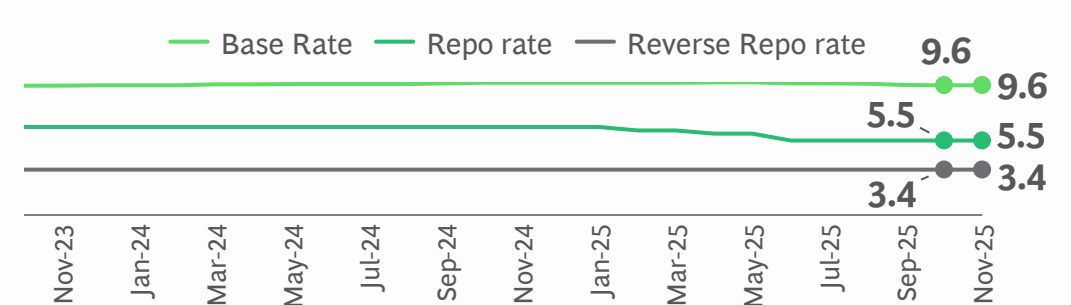
Jan Dhan Deposits (INR Tn)

Jan Dhan deposits inched up marginally in Nov'25 vs. Oct'25 levels



RBI's policy rates (%)

RBI maintained repo rate unchanged in Nov'25

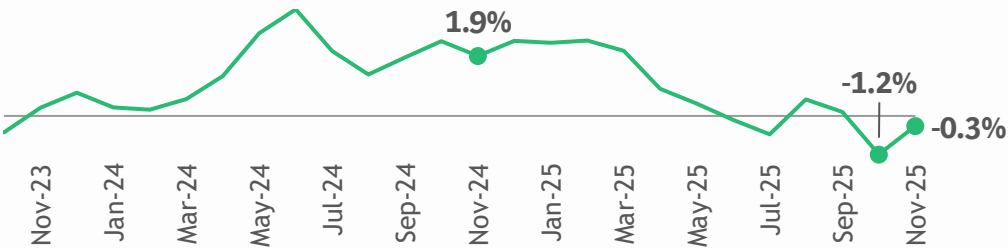


WPI inflation remained in negative territory at -0.3%, while CPI inflation edged up to 0.7% in Nov'25

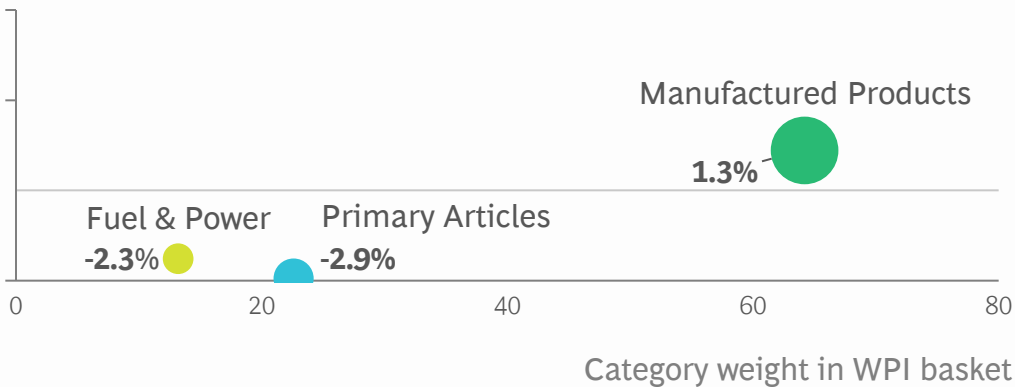


Wholesale Price Index (WPI)¹

WPI inflation stayed negative in Nov'25 due to lower prices of food, fuel, metals and electricity

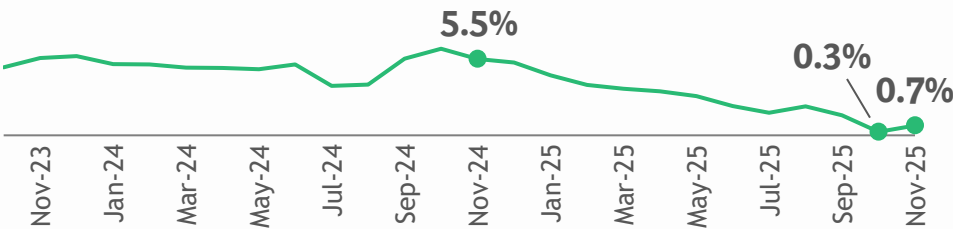


WPI inflation rate for Nov'25

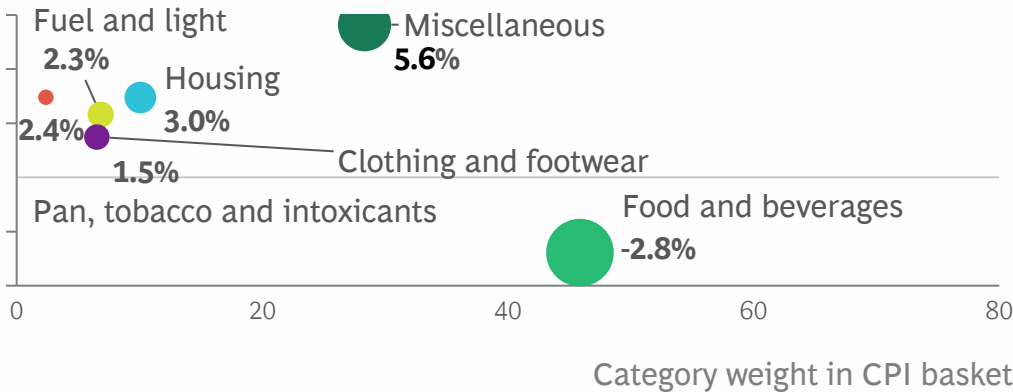


Consumer Price Index (CPI)²

CPI inflation inched up in Nov'25, due to rising prices in food & beverages, fuel, and light categories



CPI inflation rate for Nov'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

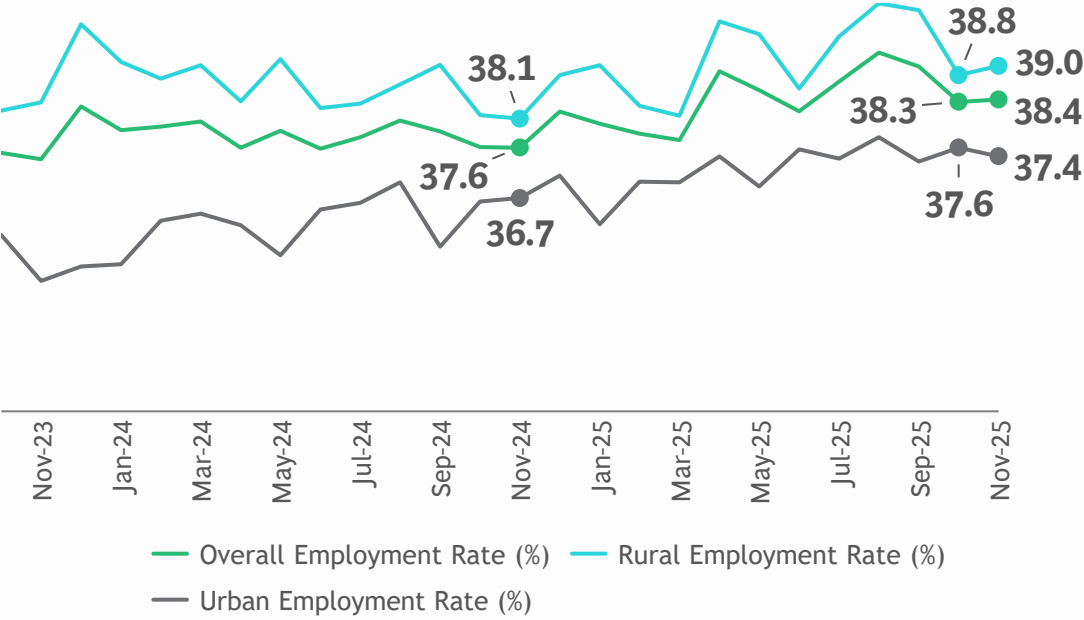
While urban employment declined, rural employment improved in Nov'25; MGNREGA employment inched up in Nov'25



CMIE Employment rate (%)¹

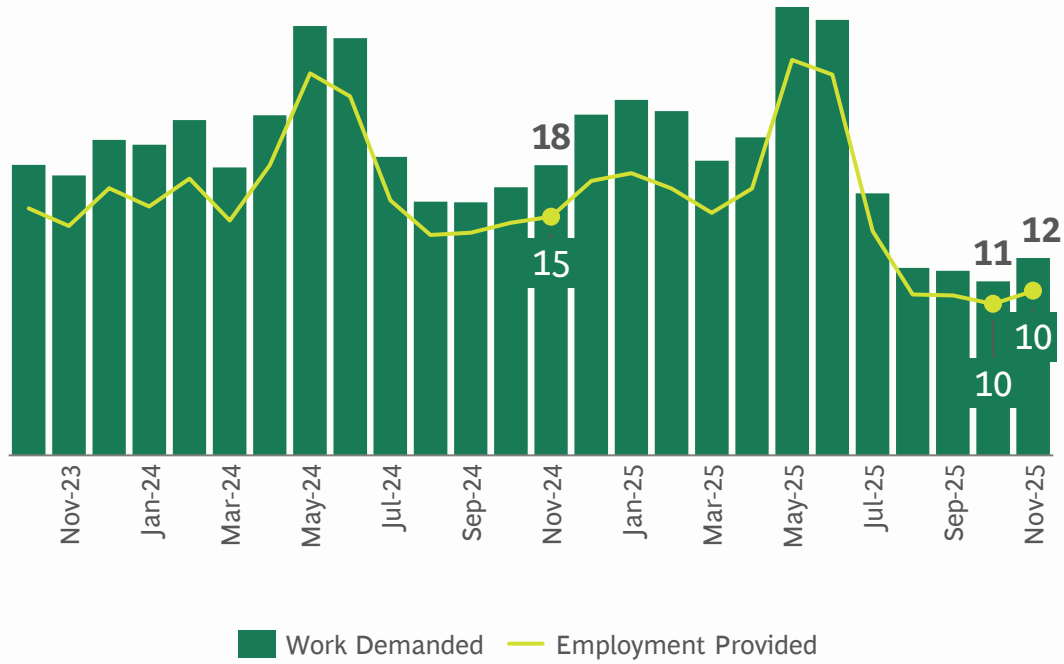
The overall employment rate maintained steady in Nov'25, with rural employment improving while urban employment inched down slightly

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)²

MGNREGA employment inched up in Nov'25 to a 4-month high, but remained sharply lower YoY amid e-KYC rollouts



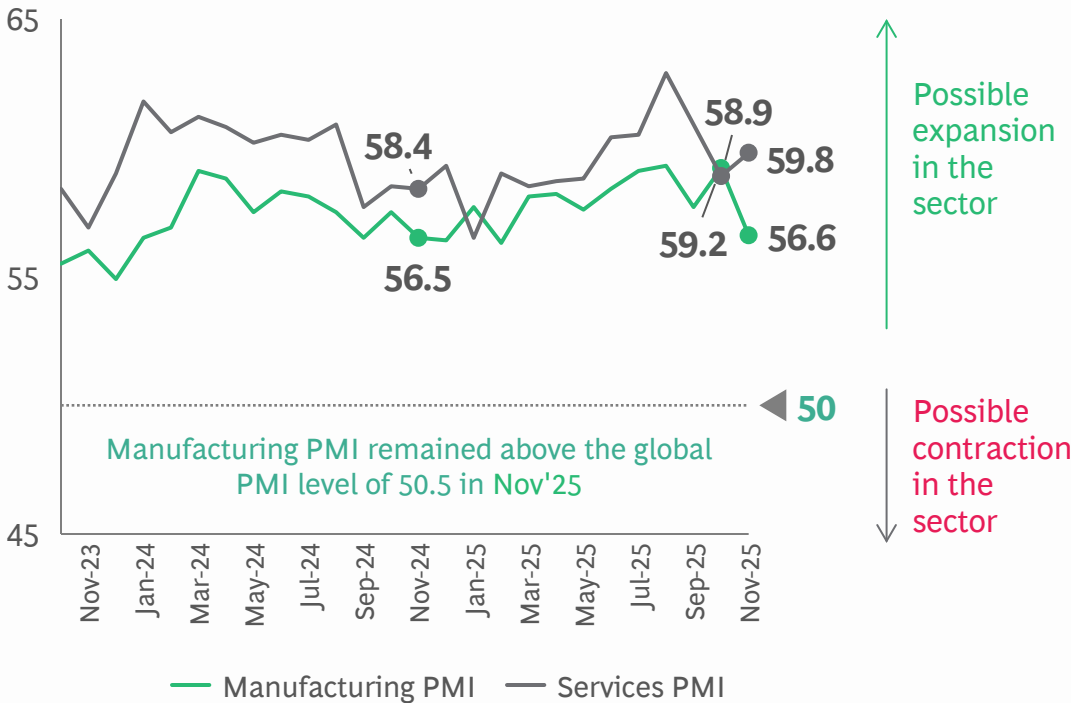
1.CMIE's Consumer Pyramids panel of households contains over 178,677 households and these include over 522,000 members who are over 15 years old
 2.MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.
 Source: CMIE Consumer Pyramids survey, Ministry of Labour & Employment, Ministry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

Manufacturing PMI fell sharply while services PMI rebounded in Nov'25; Rural and urban consumer sentiments improved in Nov'25



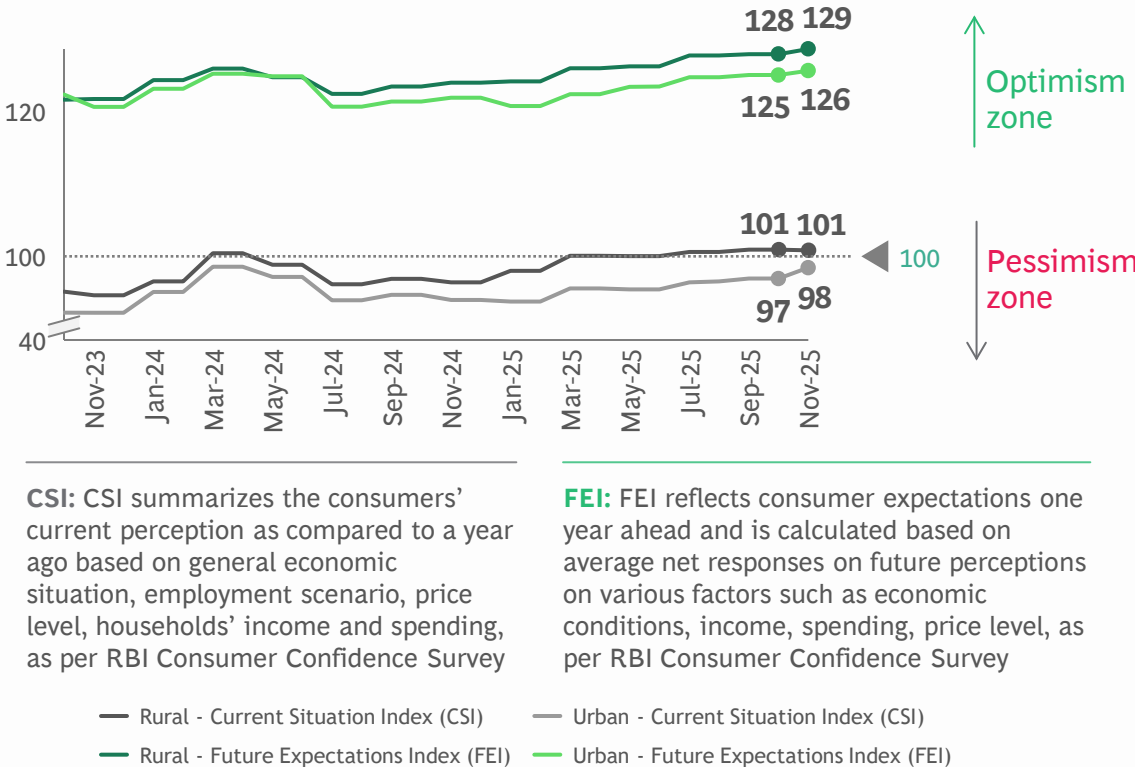
Manufacturing and services PMI¹

Manufacturing PMI fell to a 9-month low in Nov'25, due to slower sales and production amid challenging market conditions; Services PMI rose in Nov'25 driven by new business orders



Consumer Confidence Survey (RBI)²

Consumer sentiments improved in both rural and urban segments in Nov'25, amid easing inflation expectations



CSI: CSI summarizes the consumers' current perception as compared to a year ago based on general economic situation, employment scenario, price level, households' income and spending, as per RBI Consumer Confidence Survey

FEI: FEI reflects consumer expectations one year ahead and is calculated based on average net responses on future perceptions on various factors such as economic conditions, income, spending, price level, as per RBI Consumer Confidence Survey

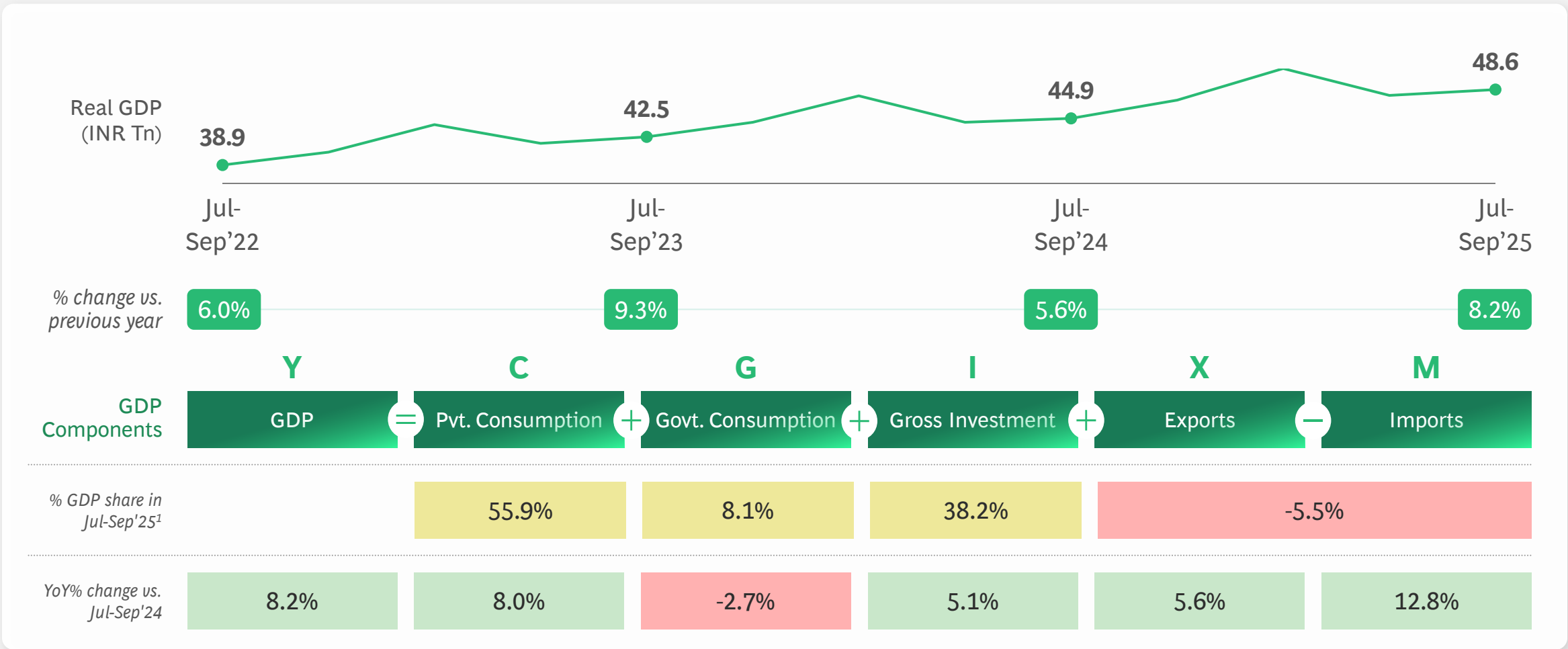
1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers covering both upstream and downstream activity; 2.Sample size: 8,754 and 6,060 responses for rural and urban (across 19 major cities) respectively surveyed during November 1-10, 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 December 2025. For each survey round, the final figures as available in the latest web release covering the same have been considered.



GDP and National Income Update - Q2 FY26



India's real GDP accelerated to 8.2% YoY in Q2 FY26, exceeding market expectations and at a six-quarter high



Note: Real GDP at 2011-12 base prices; The numbers would likely differ from estimates from World Bank, IMF, etc. due to difference in the base year (2011-12 has been used as the base year)
 1. Discrepancies account for 3.4% share in GDP; 2. Statistical Discrepancy: taking the GDP from the production approach as the control total, gives the measure of the overall difference between the production approach and the expenditure approach followed for estimation.
 Source: MoSPI, CMIE, BCG Analysis

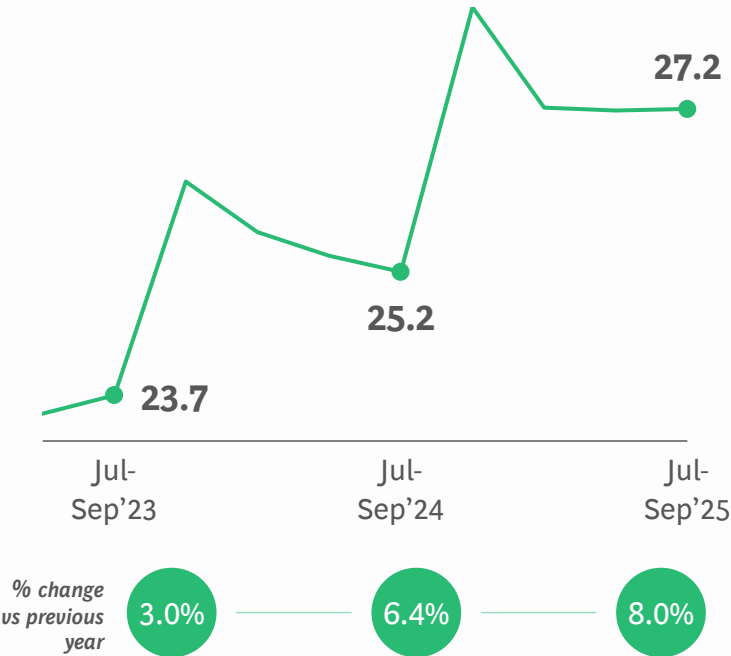
Private consumption remained steady, while government spending declined and gross capital formation surged cyclically in Jul–Sep’25



Private Consumption

Private consumption remained stable in Jul-Sep’25 vs. Apr-Jun’25, while YoY growth accelerated to a 3-quarter high

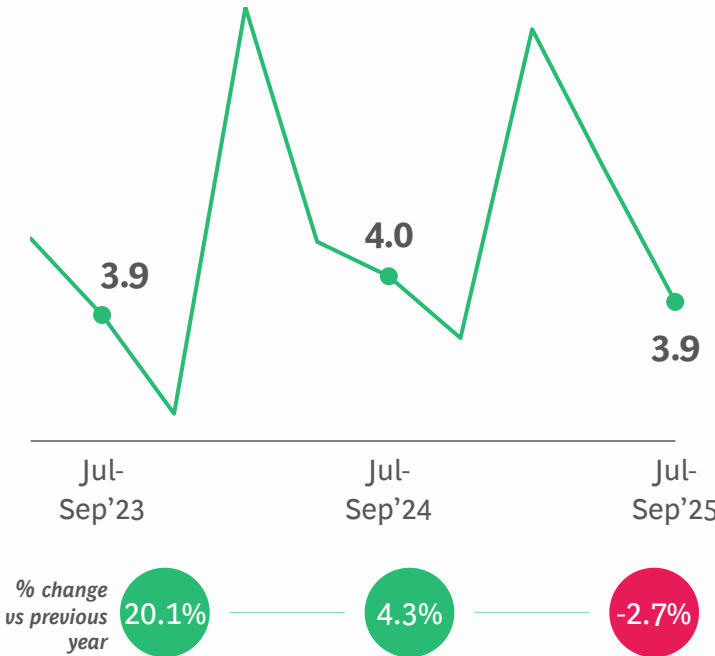
INR Tn



Government Consumption

Govt consumption registered a cyclical decline in Jul–Sep’25 vs. Apr–Jun’25 amid subdued revenue spending

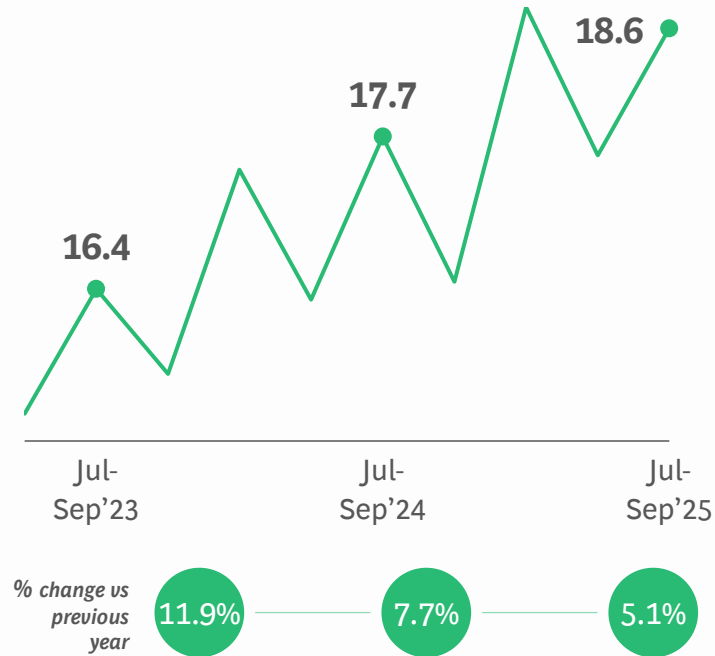
INR Tn



Gross capital formation (GCF)¹

Gross capital formation grew cyclically in Jul–Sep’25, driven by a rise in government capex spend

INR Tn

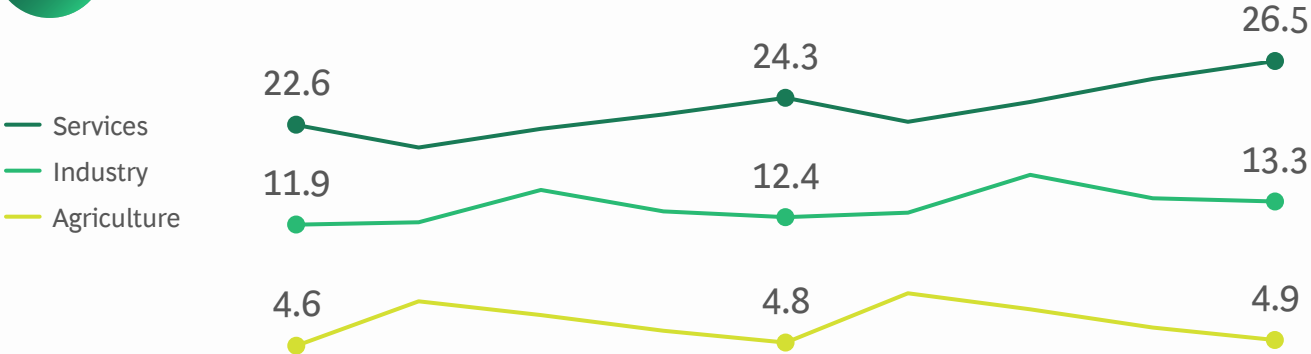


1. Gross capital formation is measured by acquisition of produced assets (including purchases of second-hand assets), including the production of such assets by producers for their own use, minus disposals. The relevant assets relate to assets that are intended for use in the production of other goods & services for a period of more than a year;
Source: RBI, CMIE, BCG Analysis

While the industrial sector recorded stronger YoY growth in Jul–Sep’25 vs. Jul–Sep’24, services remained the primary growth driver



Sectoral Gross Value Added¹ (at constant prices in INR Tn)



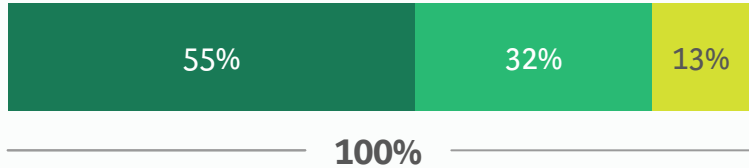
YoY %

	Jul-Sep'23	Jul-Sep'24	Jul-Sep'25
Services	7.5%	7.2%	9.2%
Industry	15.1%	3.8%	7.7%
Agriculture	3.7%	4.1%	3.5%

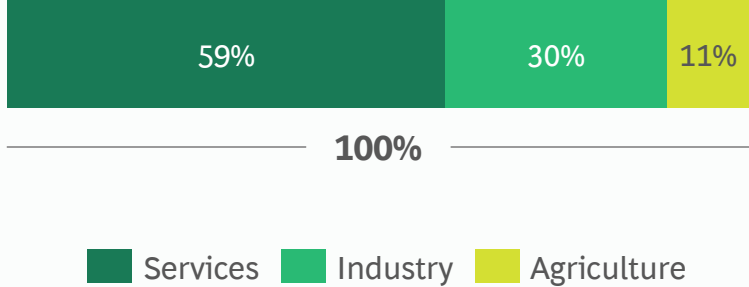


Sectoral share in GVA %

Jul-Sep'20



Jul-Sep'25



1. GVA shows the production contribution of a particular sector, GDP = GVA + product taxes – product subsidies; Source: CMIE, BCG Analysis

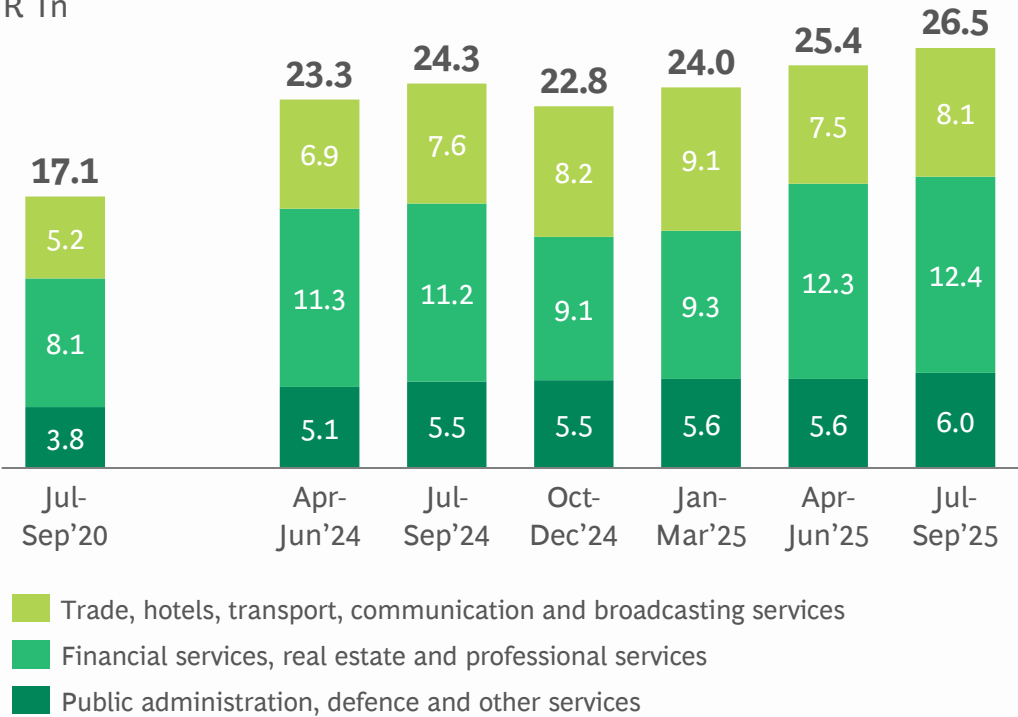
Services sub-sectors expanded in Jul-Sep'25 vs. Apr-Jun'25, while industrial GVA declined, dragged down by mining and construction



GVA of services sub-sectors

Services GVA grew across all sub-sectors in Jul-Sep'25 vs. Apr-Jun'25, led especially by the trade, hotels, transport, communication sub-sector

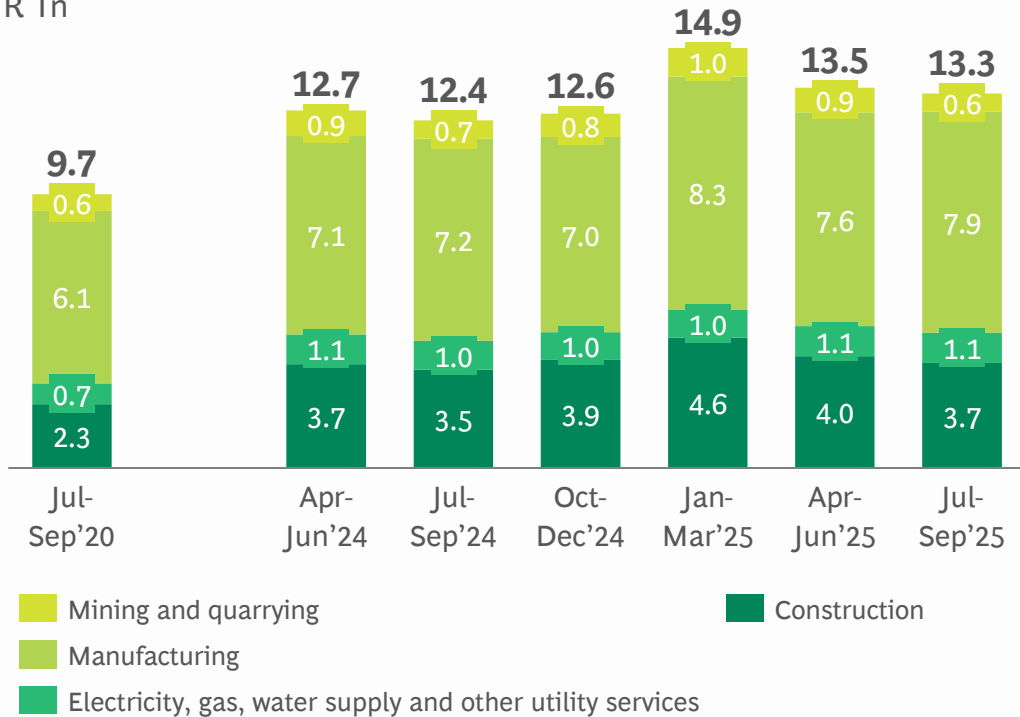
INR Tn



GVA of industrial sub-sectors

Industrial GVA declined in Jul-Sep'25 vs. Apr-Jun'25, driven by the downturns in construction and mining sub-sectors

INR Tn



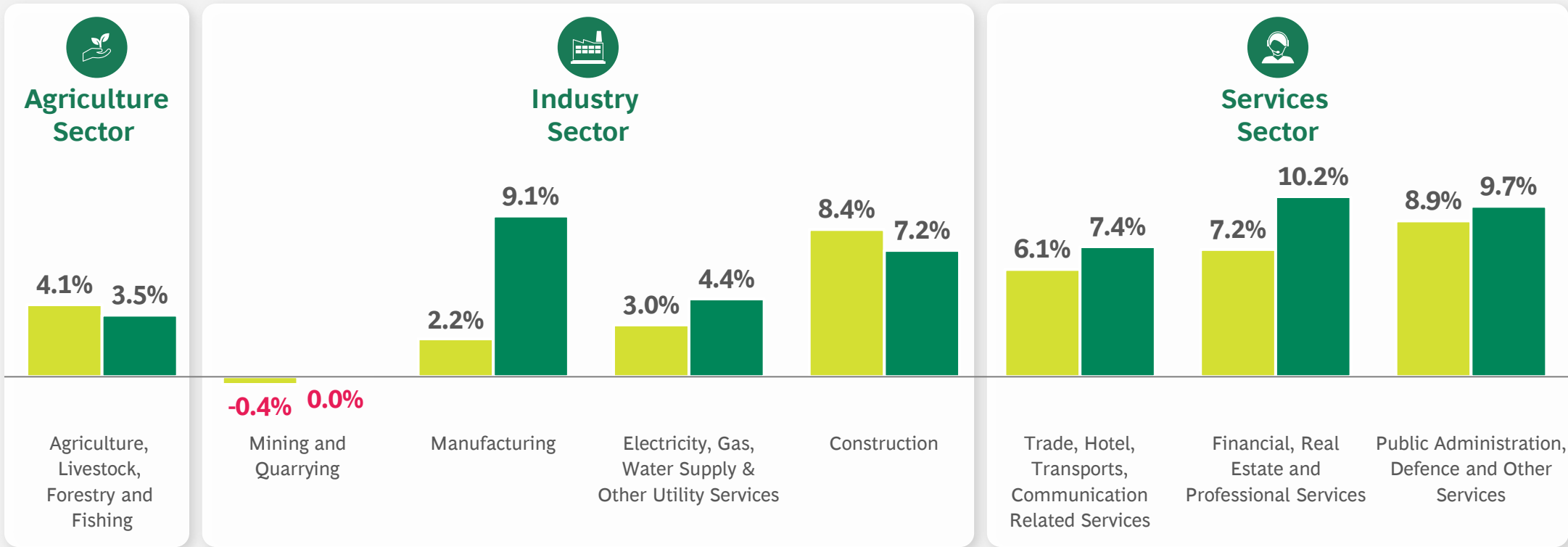
All services sub-sectors posted stronger YoY growth in Jul-Sep'25 vs. Jul-Sep'24, while industrial growth was led by manufacturing



Sectoral GVA growth rates (%) of sub-sectors for Jul-Sep'24 and Jul-Sep'25 (YoY)

In Q2 FY26, services were driven by financial, real estate and professional services, even as mining and quarrying remained flat

Growth %

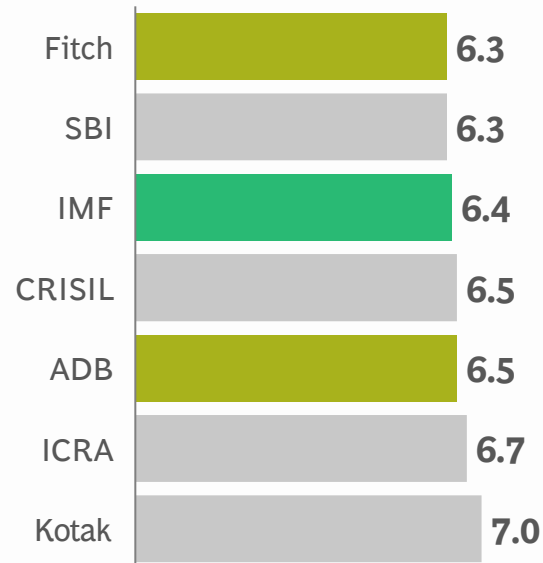


■ YoY Growth (%) for Q2 FY25 ■ YoY Growth (%) for Q2 FY26

FY26 GDP projected to grow between 6.3–7.4%; RBI, CRISIL, ADB, and Fitch raised forecasts in Nov-Dec'25

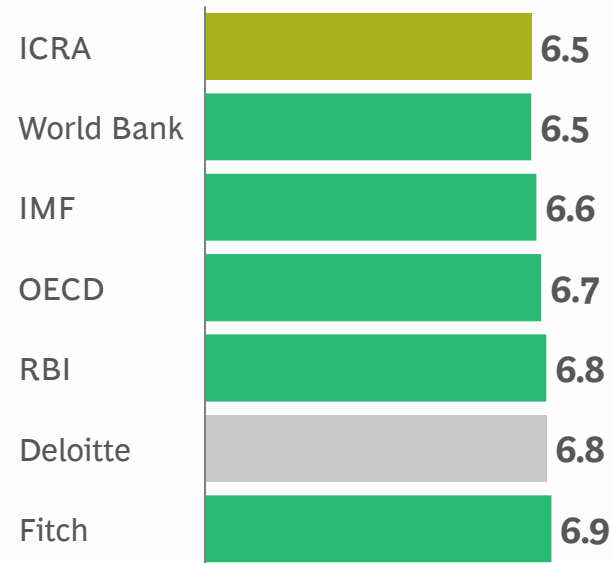
India GDP growth forecast for FY26 (YoY %)

Jul-Aug'25



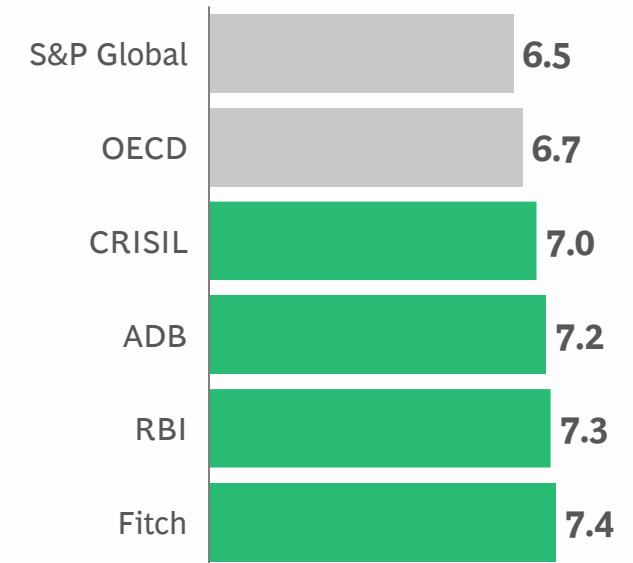
6.3-7.0%

Sep-Oct'25



6.5-6.9%

Nov-Dec'25



6.5-7.4%

Data as of 22nd Dec'25; Estimates likely to be revised further

No change
 Downward revision
 Upward revision



BCG

