

A series of vertical bars of varying heights and widths, colored in a gradient from light green to dark green, are located in the top left corner.

# India Economic Monitor

May | 2026

Copyright © 2026 by Boston Consulting Group. All rights reserved.



# Executive summary



High-frequency indicators broadly signalled resilience in Apr'26, though external uncertainties weighed on select sectors. Industrial activity strengthened, supported by higher cement production in Mar'26, even as steel consumption moderated in Apr'26. Auto sales saw a cyclical post-year-end dip across most categories, while tractor sales edged up. Fuel demand also softened, with petrol and diesel consumption declining in Apr'26. Natural gas consumption fell sharply in Mar'26, driven by lower LNG imports amid rising stress from the West Asia crisis. On the logistics front, JNPA container traffic touched a record high in Apr'26, while e-way bill generation eased after March's record volumes.



Merchandise trade deficit widened further in Apr'26, as imports grew faster than exports, driven mainly by higher gold, petroleum & crude products, and electronic goods imports. Petroleum product exports improved, partly offsetting the pressure. Meanwhile, the services trade surplus rose only marginally, with exports growing faster than imports. Forex reserves increased in Apr'26, driven mainly by gold and a recovery in foreign currency assets. FDI inflows dipped in Mar'26, weighed down by lower RBI-route equity and other capital inflows, and higher repatriation.



BFSI indicators showed mixed trends in Mar-Apr'26. Aggregate deposits and credit picked up in Mar'26, supported by year-end seasonality and comfortable system liquidity. UPI transaction volumes and values moderated in Apr'26 after elevated fiscal year-end activity in Mar'26. Mutual fund AUM rose sharply in Apr'26 to an all-time high, driven by strong debt and hybrid fund inflows, while insurance premiums declined sequentially as activity normalised after the year-end surge. NSE and BSE transactions rose sharply in Apr'26 while volatility index ended the month lower amid moderately improved investor sentiment.



On the macro front, GST collections reached a record high in Apr'26, supported by higher import-linked revenues and seasonal year-end business activity. Inflation firmed, with WPI rising to a 42-month high of 8.3% and CPI increasing to 3.5% due to higher food and services costs. The rupee weakened in Apr'26, but India's real effective exchange rate appreciated on a broader trade-partner basis. Labour market conditions improved in Apr'26, led by stronger rural and self-employment activity, while MGNREGA work demand and provision declined. Business sentiment strengthened, with both manufacturing and services PMI improving despite softer consumer sentiment. Analysts project FY27 GDP growth in the range of 6.0–6.9%.

# High-frequency indicators signalled resilient but mixed domestic momentum in Apr'26, despite external headwinds (1/2)



## Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
IIP (Index) *	173.2	4%	9%	-
Daily Avg Power Consumption ('000 MUs)	5.1	4%	6%	2%
Petroleum Consumption (MMT)	19.3	-5%	-10%	1%
Steel Consumption (MMT)	13.0	8%	-20%	10%
Cement Production (MT) *	49.0	4%	8%	8%



## Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
E-way Bills (Mn)	133.4	12%	-5%	15%
JNPA Traffic ('000 TEUs)	771.4	15%	3%	13%
Air Passenger Bookings (Mn) *	34.5	-4%	-2%	0%
Air Freight (K Tons) *	343.4	0%	5%	8%



## Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Merchandise Exports (\$ Bn)	43.6	14%	12%	1%
Merchandise Imports (\$ Bn)	71.9	10%	21%	11%
Services Exports (\$ Bn)	37.2	13%	6%	12%
Services Imports (\$ Bn)	16.7	-1%	-2%	4%



## Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
PV Sales ('000 Units)	437.3	25%	-1%	16%
2W Sales ('000 Units)	1,872.7	28%	-5%	27%
3W Registrations ('000 Units) <small>(does not include e-rickshaws)</small>	70.2	33%	-4%	29%
EV Registrations ('000 Units) <small>(does not include e-rickshaws and commercial vehicles)</small>	208.2	72%	-14%	52%

\* Data available only up to Mar'26 as on 22<sup>nd</sup> May'26 – hence growth comparisons are for March and not April. Mar'26 data has been compared against Mar'25 & Feb'26 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-Apr and Jan-Mar for the \* marked indicators).

# High-frequency indicators signalled resilient but mixed domestic momentum in Apr'26, despite external headwinds (2/2)



## Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
UPI Value (INR Tn)	29	21%	-2%	21%
Aggregate Deposits (INR Tn) *	267.8	16%	4%	-
Aggregate Credit (INR Tn) *	218.8	17%	3%	-
NSE & BSE Txns. (INR K Cr)	2,880.6	43%	13%	28%
Insurance Premium (INR K Cr)	67	21%	-36%	18%



## Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
GST Collections (INR Tn)	2.4	3%	21%	2%
WPI (%)	-	8.3%	-	-
CPI (%)	-	3.5%	-	-
Jan Dhan Deposits (INR Tn)	3	17%	-3%	18%
MGNREGA Emp. Provided (HH in mn)	9.2	-45%	-5%	-32%



## Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Manufacturing PMI (Index)	54.7	-6%	1%	-
Services PMI (Index)	58.8	0%	2%	-
Current Situation Index (Urban)	95.7	0%	-2%	-
Future Expectations Index (Urban)	120.2	-2%	-3%	-

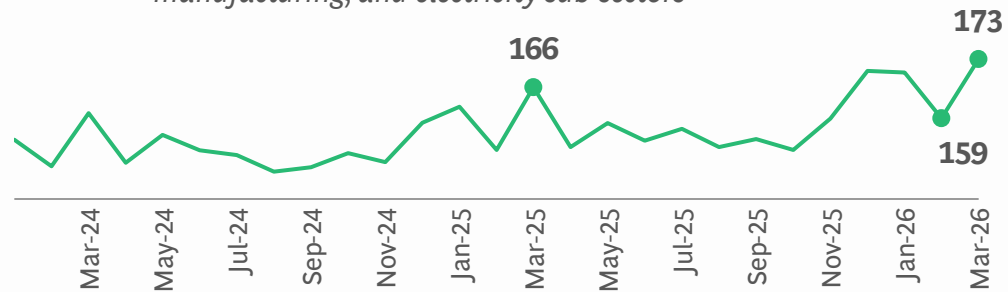
\* Data available only up to Mar'26 as on 22<sup>nd</sup> May'26 – hence growth comparisons are for March and not April. Mar'26 data has been compared against Mar'25 & Feb'26 data for the YoY & MoM growth comparisons.  
 # YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Apr and Jan-Mar for the \* marked indicators).

# Industrial activity strengthened in Mar'26, led by cement production, while steel consumption moderated in Apr'26



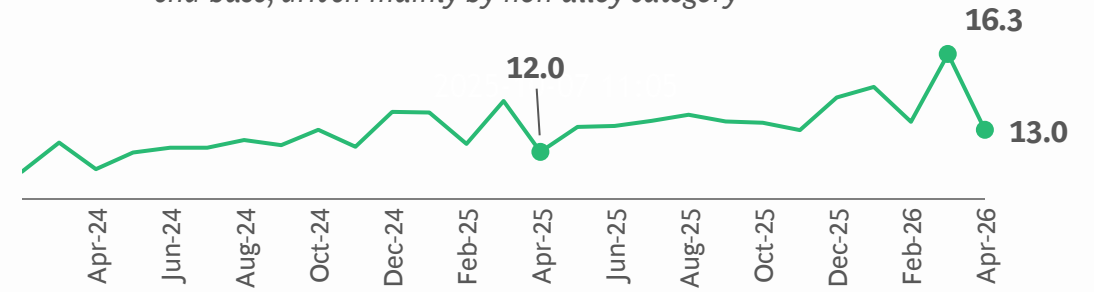
## Index of Industrial Production (IIP)<sup>1</sup>

IIP increased sharply in Mar'26 with improvements across mining, manufacturing, and electricity sub-sectors



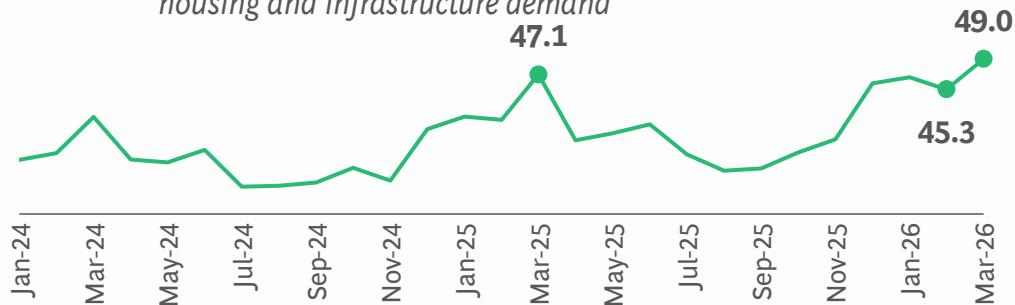
## Steel Consumption (MMT)<sup>2</sup>

Steel consumption dipped cyclically in Apr'26 off a high March year-end base, driven mainly by non-alloy category



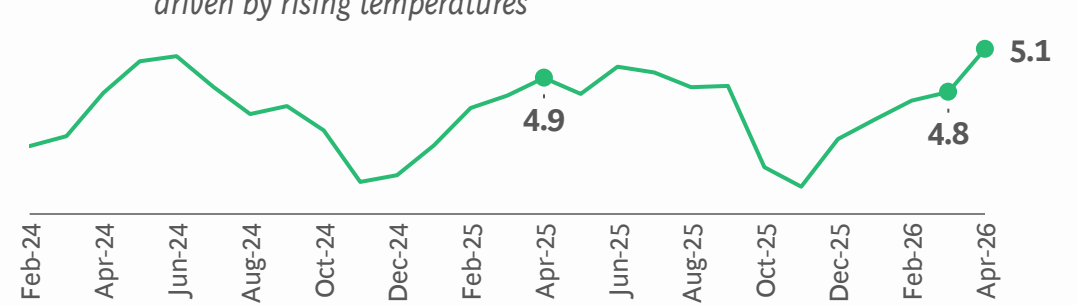
## Cement Production (MT)

Cement production witnessed a cyclical uptick in Mar'26 amid continued housing and infrastructure demand



## Daily Average Power Consumption ('000 MUs)

Daily average power consumption increased cyclically in Apr'26, driven by rising temperatures



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 Apr'26

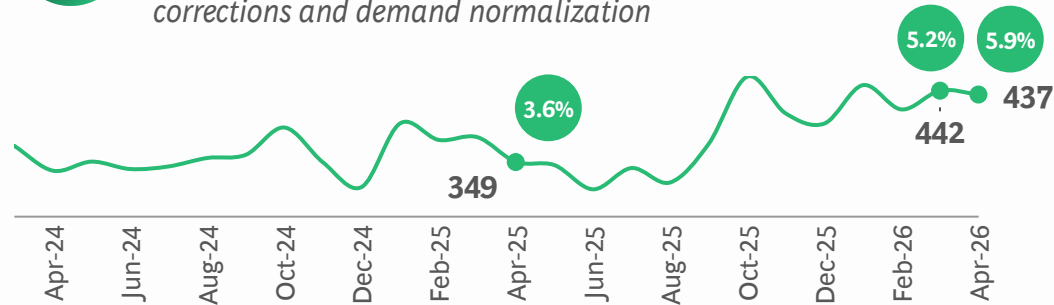
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

# Auto demand moderated sequentially in Apr'26 across most categories, while tractor sales inched up marginally



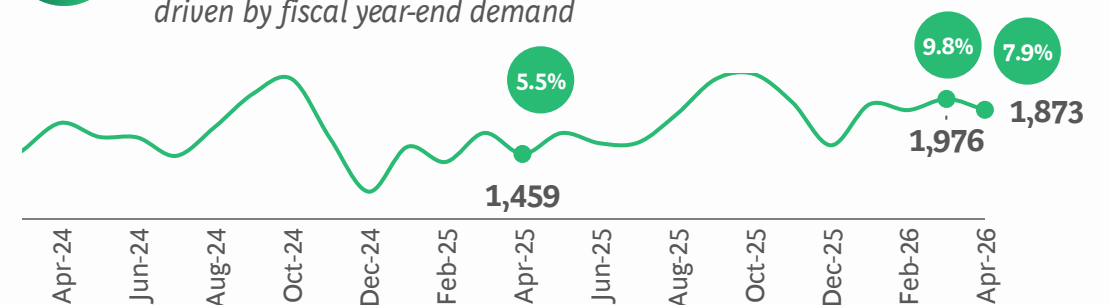
## Passenger vehicles sales ('000 units)

Passenger vehicle sales moderated cyclically in Apr'26 amid inventory corrections and demand normalization



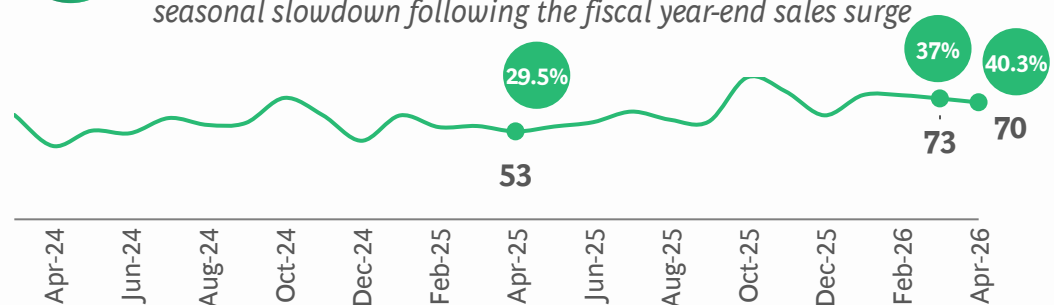
## Two-wheeler sales ('000 units)

Two-wheeler sales moderated marginally in Apr'26 due to a high base driven by fiscal year-end demand



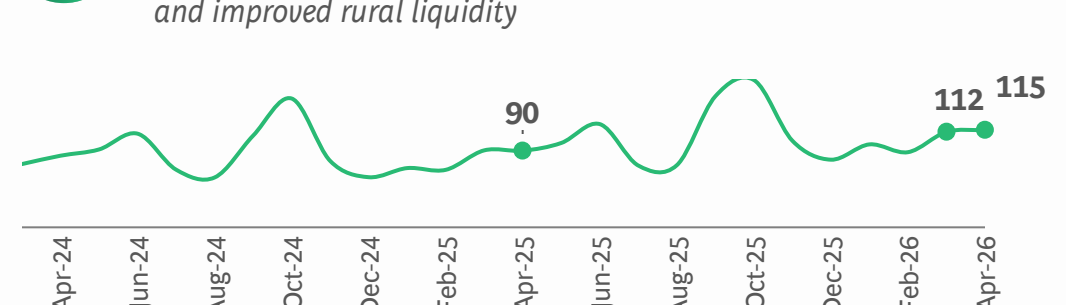
## Three-wheeler Registrations<sup>1</sup> ('000 units)

Three-wheeler registrations dipped sequentially in Apr'26 due to the seasonal slowdown following the fiscal year-end sales surge



## Tractor sales ('000 units)

Tractor sales increased slightly in Apr'26, supported by festive buying and improved rural liquidity



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

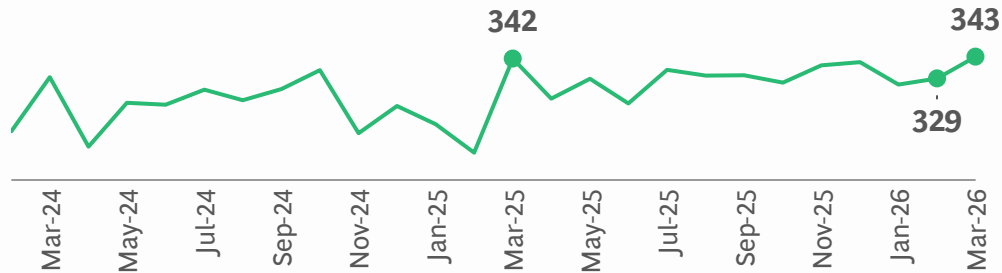
Source: SIAM, CMIE, TMA, Vahan, Press search, BCG analysis

# JNPA container traffic inched up in Apr'26, while e-way bill generation moderated following year-end spikes



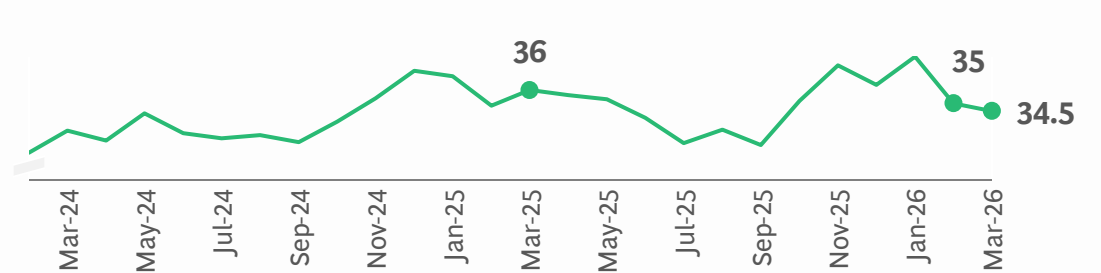
## Air Freight Traffic (K tons)

India's air freight traffic edged up in Mar'26 on resilient cargo movement, driven by higher domestic cargo volumes



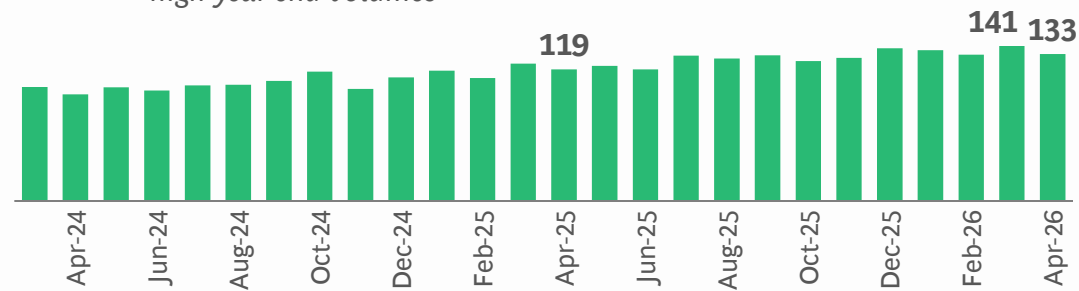
## Air Passenger Bookings (Mn)

Air passenger traffic fell marginally in Mar'26 as international passenger traffic dropped sharply despite a pickup in domestic traffic



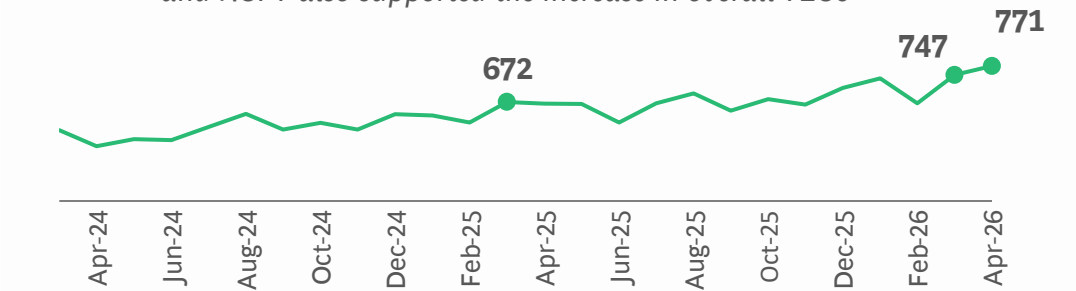
## E-way Bills (Mn)<sup>1</sup>

E-way bill generation moderated cyclically in Apr'26 following record-high year-end volumes



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

JNPA's April 2026 traffic growth was largely led by APMT, while NSDT and NSFT also supported the increase in overall TEUs



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)

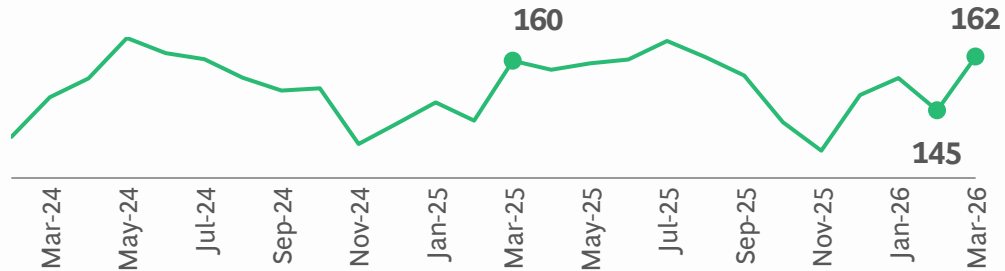
Source: Ministry of Railways, CMIE, Airports Authority of India, Jawaharlal Nehru Port Authority, GST Network, NHAI, NPCI, BCG analysis

# Petrol and diesel consumption dipped in Apr'26, while natural gas consumption also fell sharply in Mar'26 on lower LNG imports



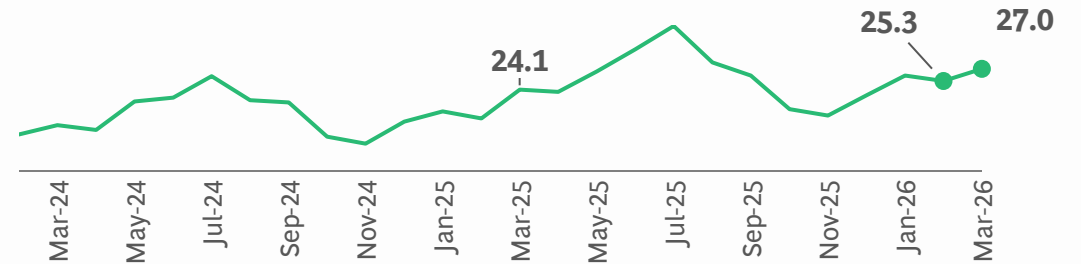
## Total Electricity Generation (Billion KWh)

Electricity generation increased materially in Mar'26, driven by higher thermal and hydro generation



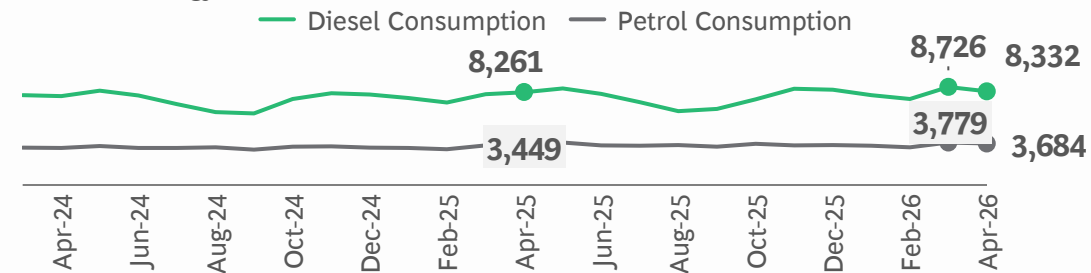
## Renewable Energy Generation (Billion KWh)

Renewable energy generation rose in Mar'26 on the back of increased solar power generation



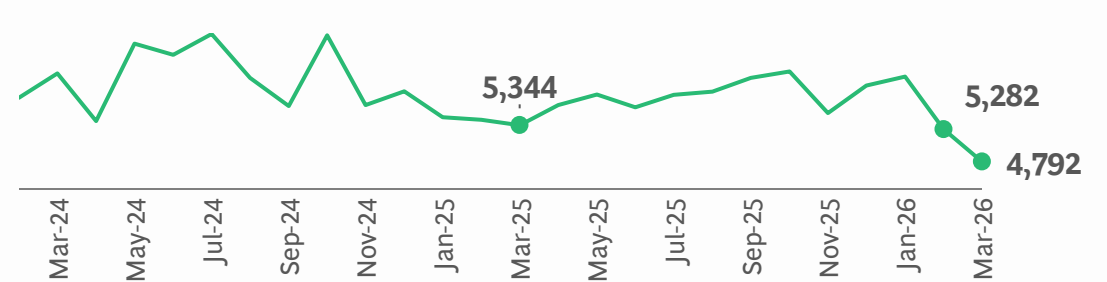
## Diesel and Petrol Consumption (TMT)

Petrol and diesel consumption dipped in Apr'26 amid a growing stress in energy demand due to the West Asia crisis



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

Natural gas consumption witnessed a decline in Mar'26 amid a sharp drop in LNG imports, despite an increase in net production



1. Natural Gas Consumption= Net Production +LNG Imports

2. MMSCM: Million Standard Cubic Meter

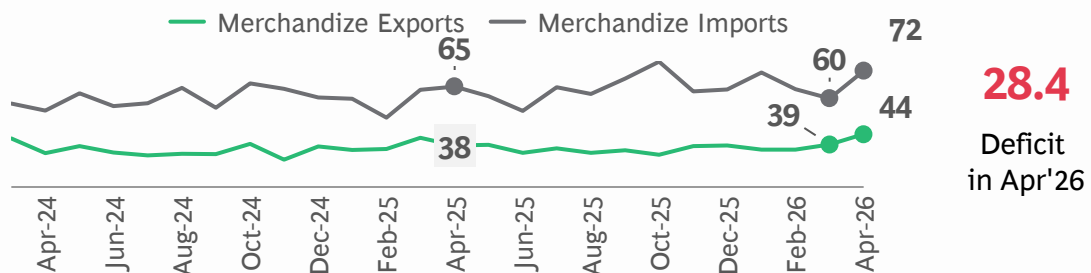
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

# Merchandise trade deficit widened further in Apr'26 on increased imports; FDI inflows dipped amid higher repatriation



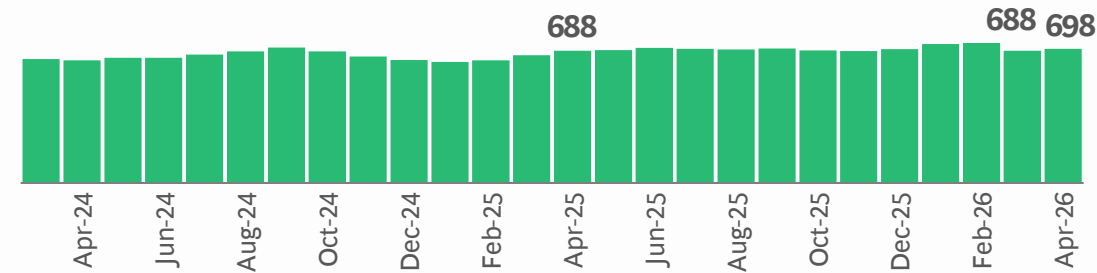
## Merchandise Trade (\$ Bn)

Merchandise exports rose on higher petroleum product exports, while imports increase was led by petroleum, crude products, gold, and electronics



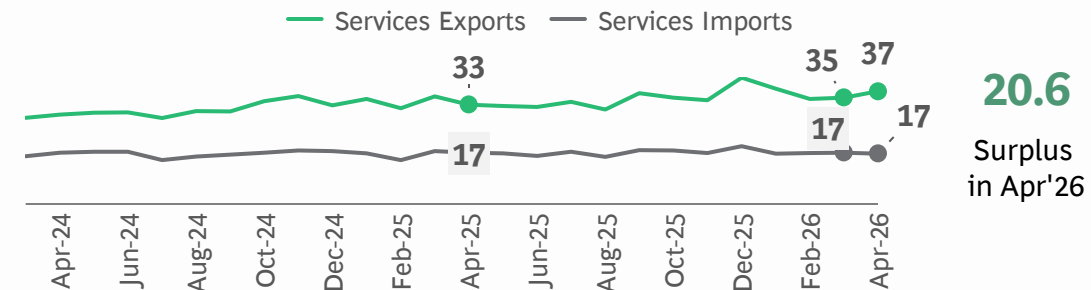
## Forex Reserves (\$ Bn)

Forex reserves increased in Apr'26, driven primarily by gold and foreign currency assets



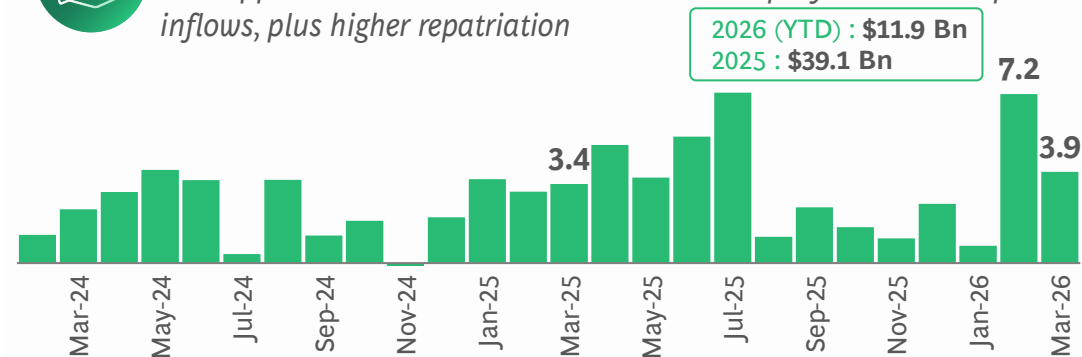
## Services Trade (\$ Bn)

Services trade surplus expanded marginally in Apr'26, due to a higher increase in exports than imports



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

FDI dipped in Mar'26 due to lower RBI-route equity and other capital inflows, plus higher repatriation



Note: Apr'26 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 2025 & 2026 values.

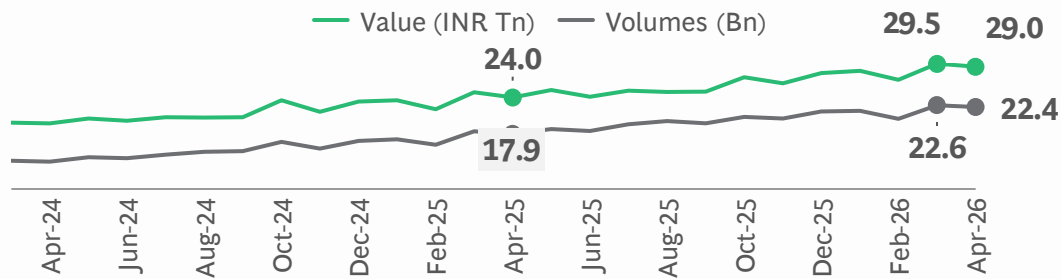
Source: Ministry of Commerce & Industry, CMIE, RBI, PIB

# UPI transactions moderated in Apr'26, while mutual fund AUMs scaled; Both aggregate deposits & credits inched up in Mar'26



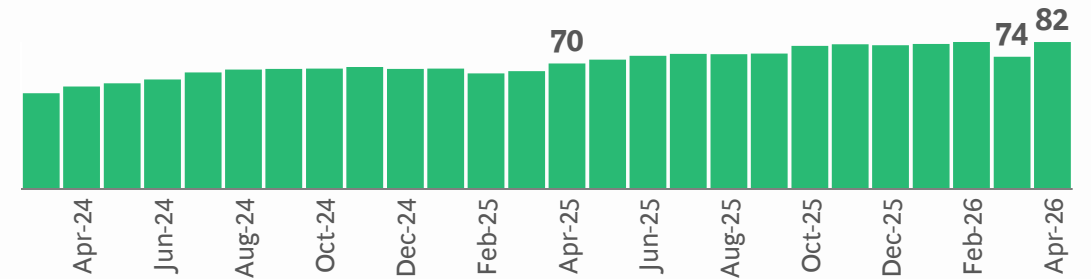
## UPI Transactions

UPI transactions moderated in Apr'26, following a higher base of financial year-end transaction volumes in Mar'26



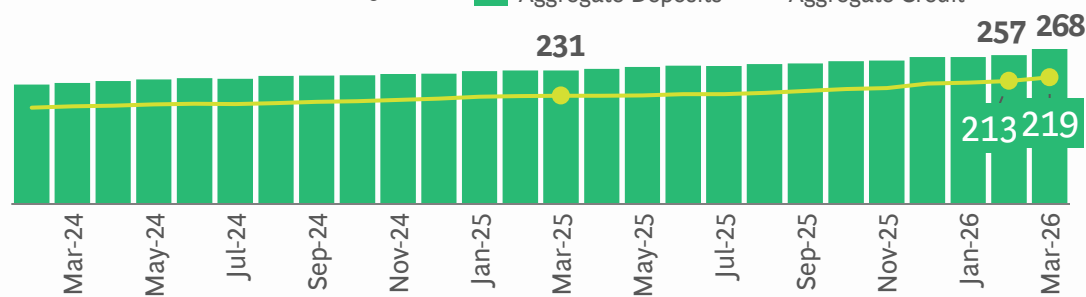
## Mutual Funds AUM (INR Tn)<sup>1</sup>

Mutual fund AUM increased sharply to an all-time high in Apr'26, driven by debt and hybrid fund inflows



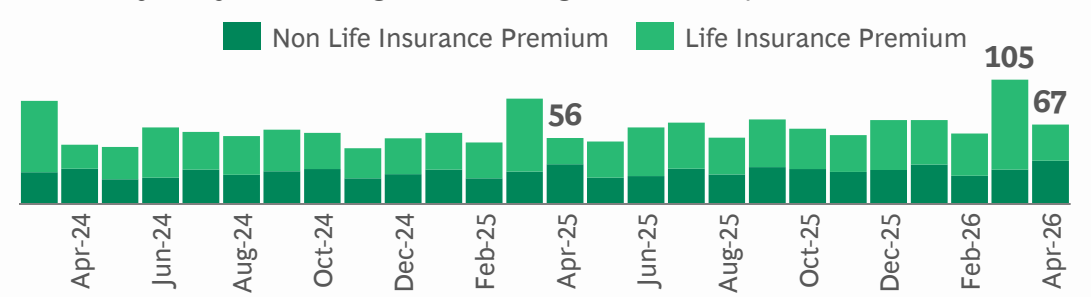
## Aggregate deposits & credit (INR Tn)

Both aggregate deposit and credit increased in Mar'26 due to higher deposits and loans/overdrafts



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

Insurance premiums fell in Apr'26 due to normalization after March's fiscal year-end surge in tax-saving and renewal purchases



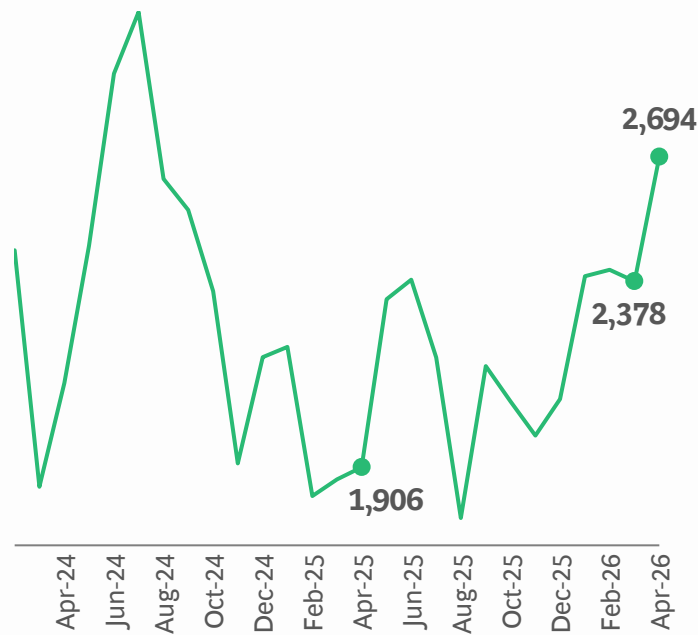
1. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance as on 22<sup>nd</sup> May'26; 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Crop Insurance, Credit Guarantee, Aviation, Personal accident and Miscellaneous 10  
 Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

# NSE and BSE transactions rose in Apr'26, while volatility index (VIX) declined amid modestly improved sentiment



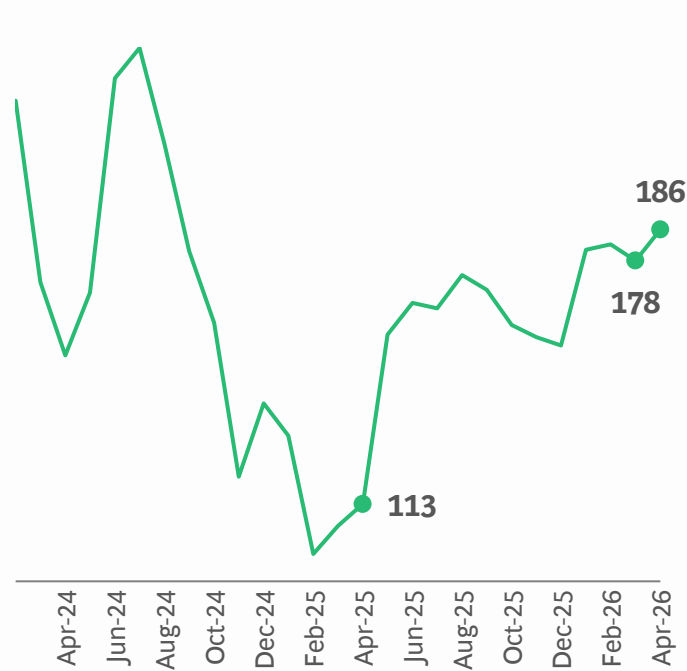
## NSE transactions (INR K Cr)

NSE transactions increased sharply in Apr'26 supported by a market rebound after the March correction and stronger investor participation across segments



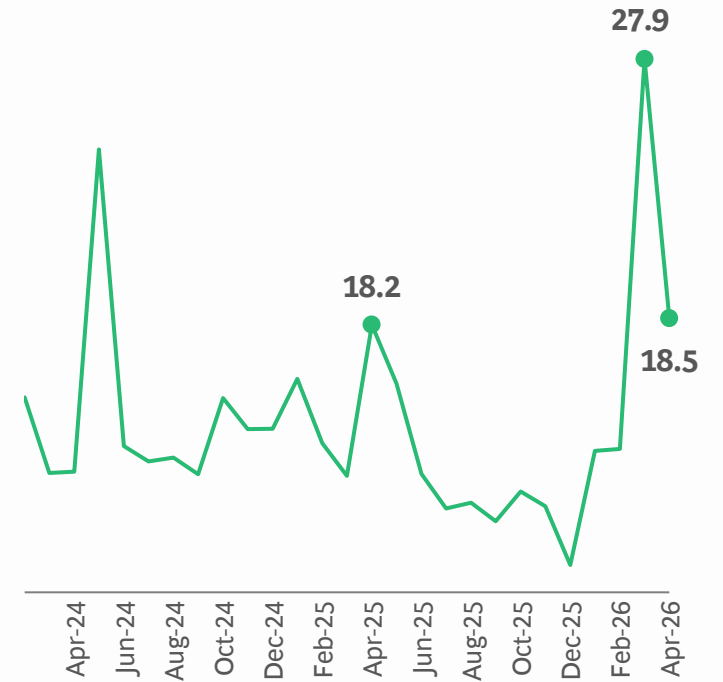
## BSE transactions (INR K Cr)

BSE transactions rose in Apr'26 driven by lower transaction charges and a favourable expiry-day schedule



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

India VIX eased in Apr'26 as temporary West Asia de-escalation cooled risk aversion, while post-correction buying supported equities



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 hit a record high in Apr'26, while nominal exchange rate continued to weaken further



## Govt. Receipts & Expenditures (INR Tn)

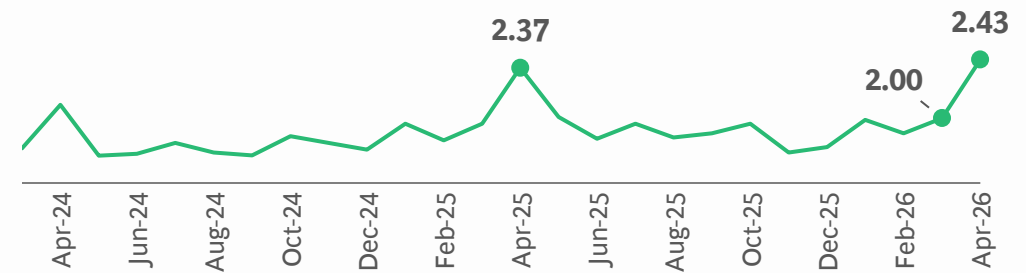
A fiscal deficit was recorded in Feb'26, due to a sharp decline in revenue and non-debt capital receipts as capital expenditure grew

	Dec'25	Jan'26	Feb'26
Govt. Expenditure (INR Tn)	4.6	3.1	3.5
Govt. Receipts (INR Tn)	5.8	1.8	0.8
Fiscal Deficit (INR Tn)	-1.2	1.3	2.7



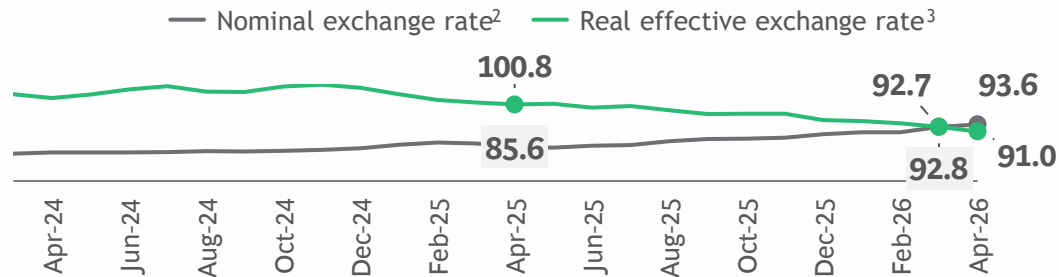
## GST Collections<sup>1</sup> (INR Tn)

GST collections increased sharply to a record high in Apr'26, driven by higher import-linked revenues and seasonal year-end business activity



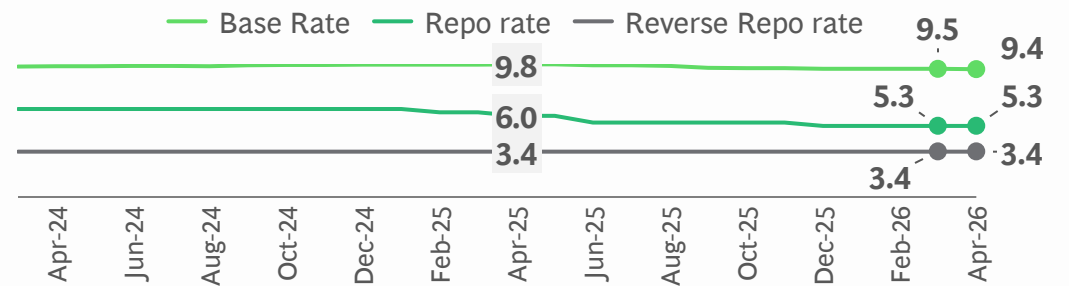
## Exchange Rate (INR to USD)

In Apr'26, INR continued to weaken against the USD, while REER rose as domestic inflation outpaced trading partners



## RBI's policy rates (%)

The RBI maintained the repo rate in Apr'26



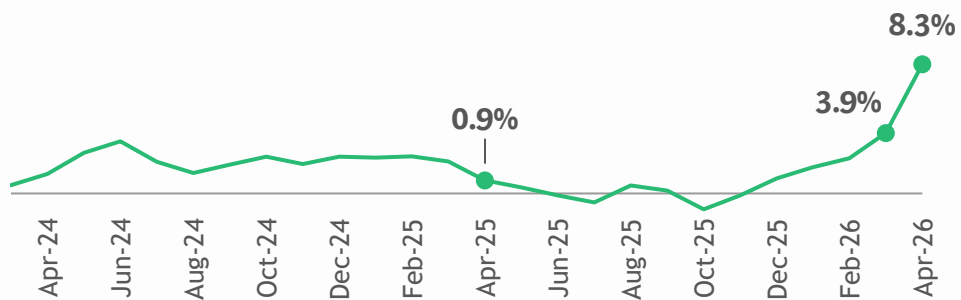
1. GST Collections include all components: CGST, SGST, IGST, Cess  
 2. RBI Reference Exchange Rate of Indian Rupee against US Dollar presented as a monthly average  
 3. Real Effective Exchange Rate Based On Consumer Price Index: Base year 2015-16, Trade weights, 40 currency  
 Source: CMIE, Ministry of Finance, GST Council, GST Network, RBI, Jan Dhan Yojana, BCG analysis

# WPI inflation climbed to a 42-month high in Apr'26, while CPI inflation also edged up to a 13-month high

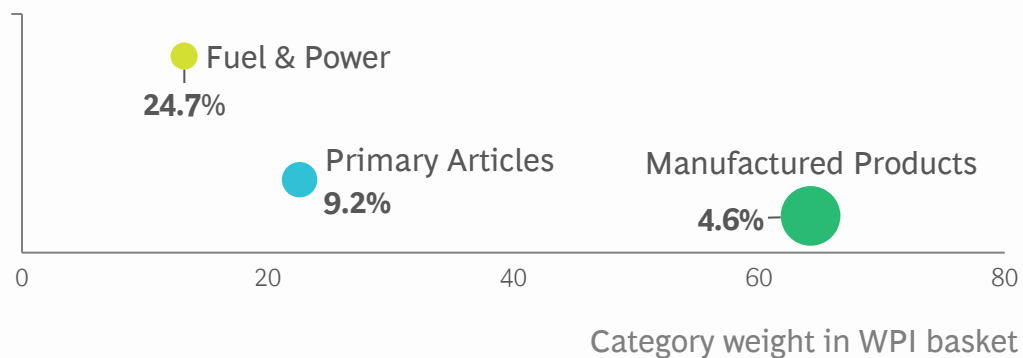


## Wholesale Price Index (WPI)<sup>1</sup>

India's WPI inflation surged to a 42-month high in Apr'26, driven by soaring fuel, crude oil, and industrial input prices

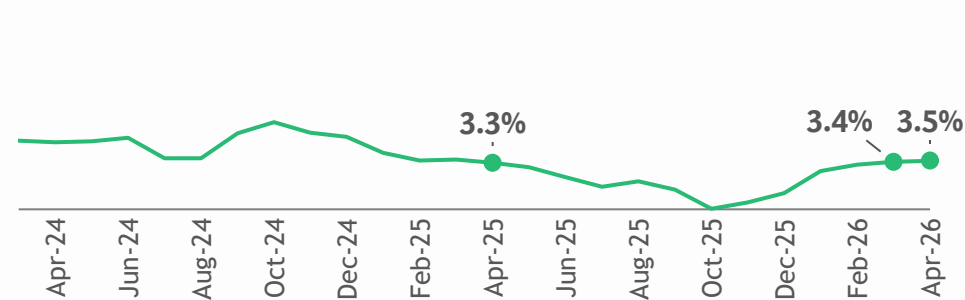


WPI inflation rate for Apr'26

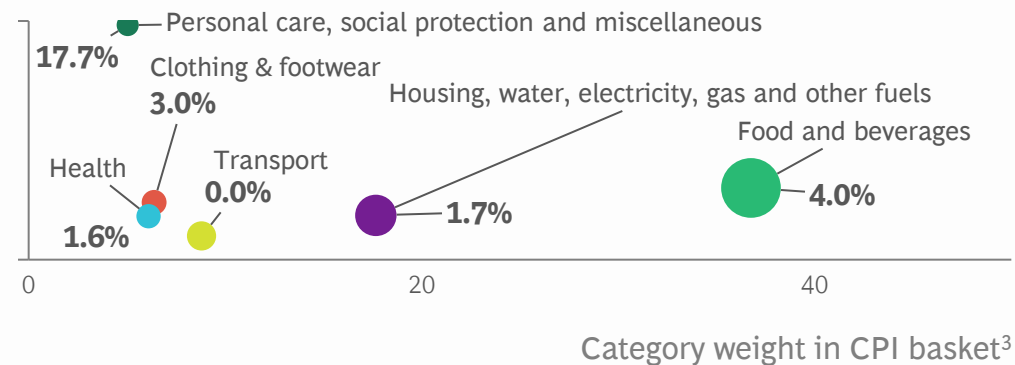


## Consumer Price Index (CPI)<sup>2</sup>

CPI inflation increased to a 13-month high, driven by higher food prices, rising core service costs, and elevated precious metal prices



CPI inflation rate for Apr'26



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. 3. Six categories with the highest weights in the CPI basket are shown. The CPI basket also includes excluded categories: 'Pan, Tobacco & intoxicants', 'Furnishings, household equipment and routine household maintenance', 'Information and communication', 'Recreation, sport and culture', 'Education services', and 'Restaurants and accommodation services'. Source: MOSPI, CMIE, BCG Analysis

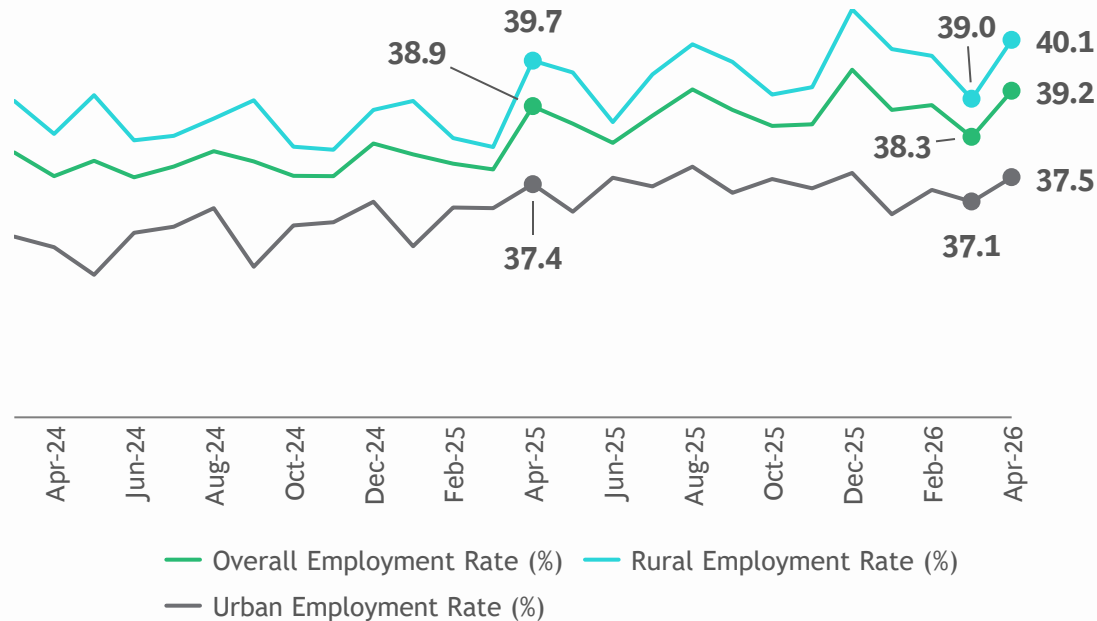
# Employment rates improved in Apr'26 driven by the rural segment, while MGNREGA employment softened amid transition uncertainty



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

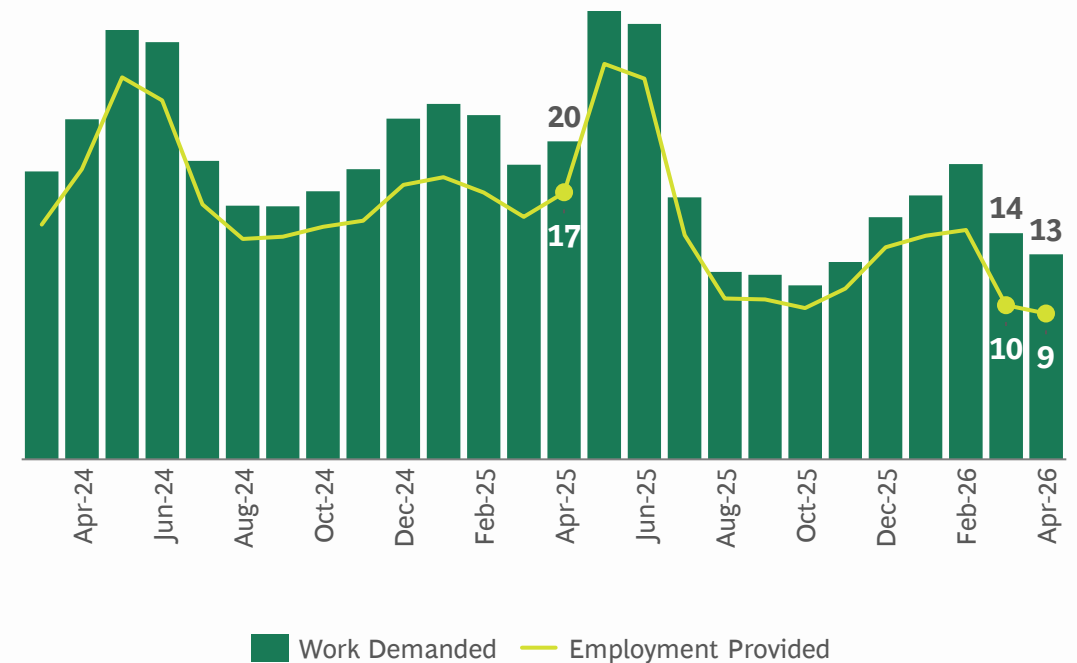
Employment rates inched up to a 4-month high across rural and urban areas in Apr'26, driven by higher rural construction and daily-wage activity

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 softened further in Apr'26 amid on-ground uncertainties and transition-related implementation adjustments



1. CMIE's national employment survey contains 40,000 households and these include an average of 1,80,000 members across all age groups.

2. MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.

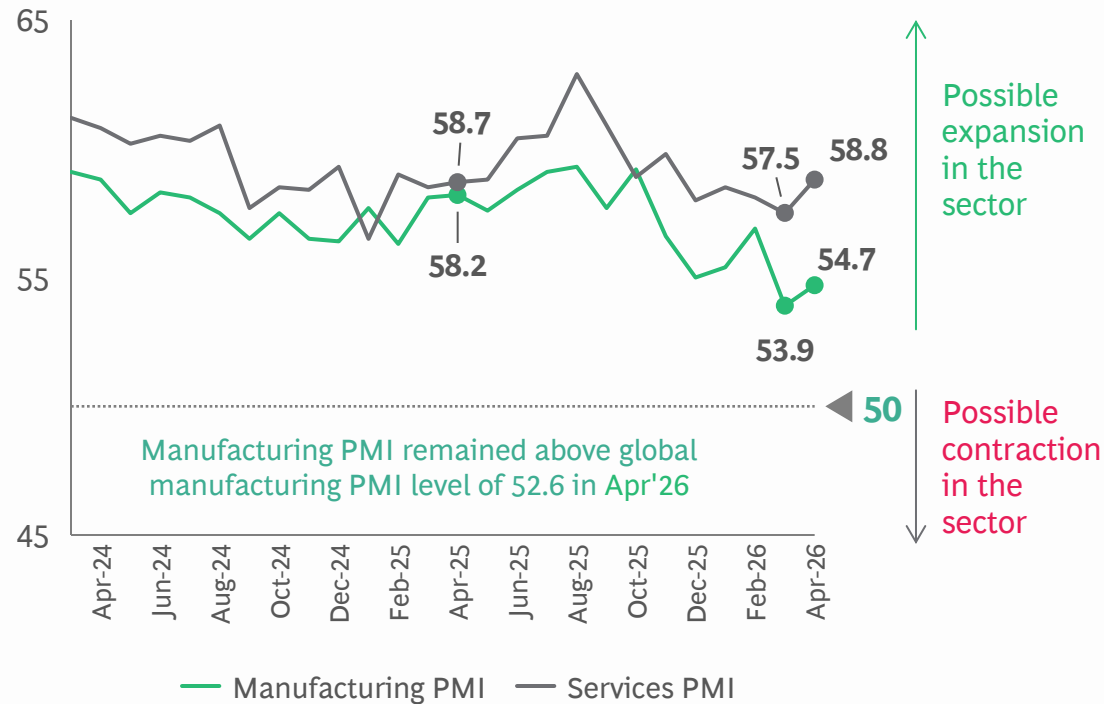
Source: CMIE Employment survey, Ministry of Labour & Employment, Ministry of Rural Development, CMIE, BCG Analysis

# Both manufacturing and services PMI improved in Apr'26; Consumer sentiments declined across rural and urban categories



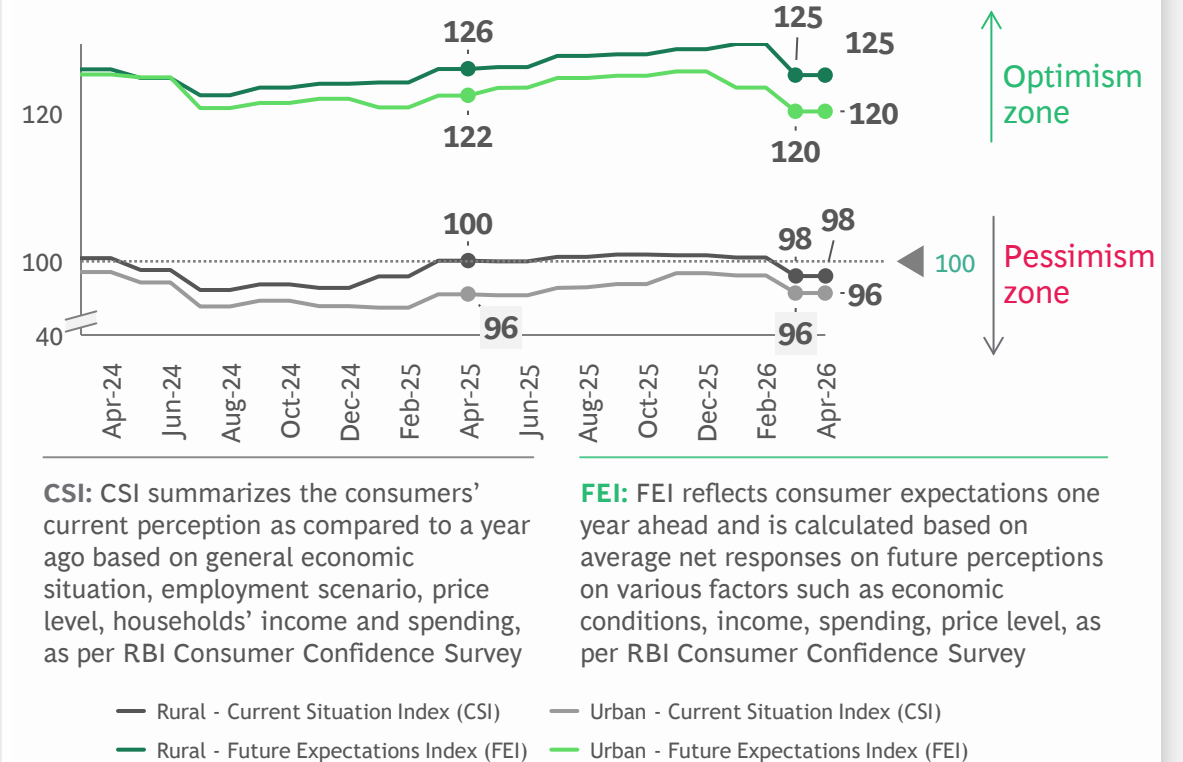
## Manufacturing and services PMI<sup>1</sup>

Manufacturing PMI improved in Apr'26 on new orders, export demand, and higher production; Services PMI rose on stronger domestic demand, higher new orders, and robust e-commerce activity



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

Both current and future expectations declined across urban and rural regions in Apr'26, led by weaker optimism on income and spending

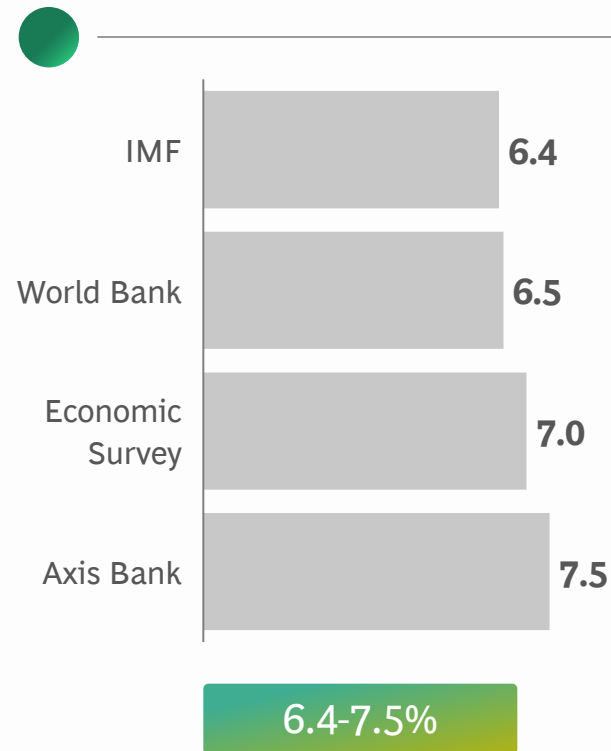


1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers covering both upstream and downstream activity; 2.Sample size: 8,928 and 6,069 responses for rural & semi-urban, and urban (across 19 major cities) respectively surveyed during February 25 to March 10, 2026; 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 April 2026. For each survey round, the final figures as available in the latest web release covering the same have been considered.

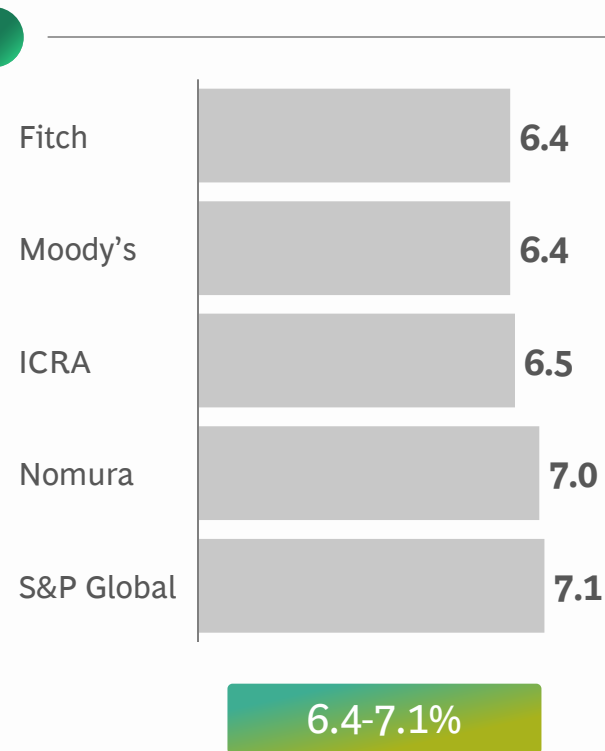
# FY27 GDP projected to grow between 6.0–7.5%; IMF and World Bank revised their estimates upward in Apr'26

## India GDP growth forecast for FY27 (YoY %)

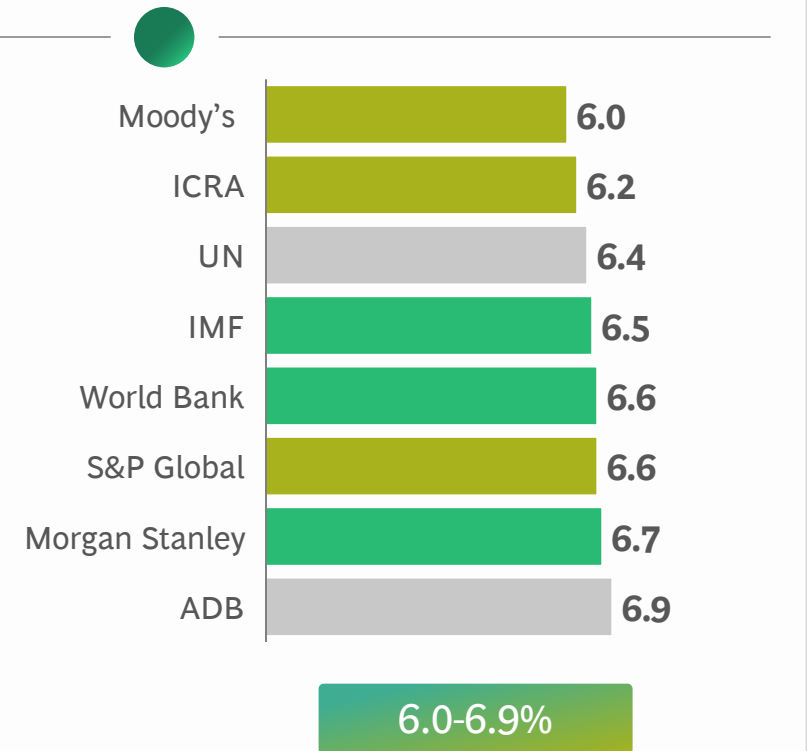
### Dec'25-Jan'26



### Feb-Mar'26



### Apr-May'26



Data as of 22<sup>nd</sup> May'26; Estimates likely to be revised further

No change
  Downward revision
  Upward revision



BCG

