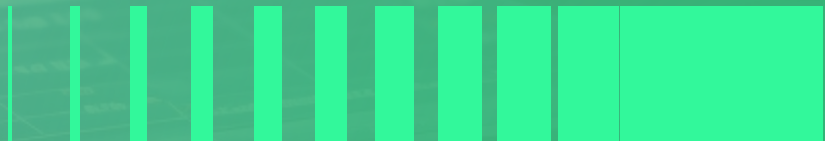




India Economic Monitor

July | 2025

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Executive summary



In May–Jun'25, high-frequency indicators exhibited mixed trends amid geopolitical conflicts and trade uncertainties. The Index of Industrial Production (IIP) rebounded in May'25, led by the manufacturing and mining sector indices, along with increased capital goods production. Steel consumption inched up slightly as flat-steel demand rose amid moderating prices. Cement production increased despite rising prices in May'25. Power consumption rose to a cyclical high in Jun'25, driven by increased seasonal demand and industrial activity. The auto sector witnessed divergent trends across most categories in Jun'25. Passenger vehicle (PV) sales declined due to weak buyer sentiment in urban markets. Tractor sales were boosted by revived rural sentiment and early monsoon rains. In the energy sector, renewable energy generation increased significantly, primarily due to wind power.



In the trade segment, the merchandise trade deficit narrowed further to \$18.8 Bn in Jun'25, led by declines in imports of electronic goods, crude oil, and bullion. The services trade surplus held nearly steady at \$15.3 Bn in Jun'25, although imports grew at a slightly faster rate than exports. Forex reserves grew in Jun'25, driven by a \$10.6 Bn rise in foreign-currency assets. On the other hand, FDI plummeted to its lowest level of the year in May'25, due to declining gross inflows and a surge in repatriation.



BFSI indicators also exhibited mixed trends in May–Jun'25. Aggregate credit and deposits edged up in May'25. UPI transactions witnessed a seasonal dip in Jun'25, in the absence of major events or festivals, after reaching record highs in May'25. Insurance premiums climbed sharply in Jun'25, powered largely by a surge in the group single-premium life category. Mutual fund AUMs reached a record high, boosted by increasing retail participation and rising SIP inflows in Jun'25. Furthermore, both NSE and BSE transactions increased in Jun'25, reaching a 9-month high. The market volatility index (VIX) continued its downward trend in Jun'25, indicating a positive outlook for future market conditions.



On the macroeconomic front, WPI inflation continued to fall, reaching a 15-month low of -0.1% in Jun'25, driven by a decline in food and fuel prices. CPI inflation eased to a 6-year low of 2.1% in Jun'25, led by deflation in food and beverage prices. Manufacturing PMI grew to 58.4, supported by increased export orders across all categories. Similarly, Services PMI rose to 60.4, buoyed by a surge in new business orders. GST collections dropped to a 4-month low in Jun'25, due to a decline in IGST collections and lower import revenue. India also recorded a fiscal surplus in May'25, driven by a higher-than-budgeted RBI dividend, amid a cyclical drop in capital expenditure. To cushion growth amid a shaky global backdrop, the RBI cut the repo rate by 50 basis points, bringing it down to 5.5% in Jun'25. Analysts forecast GDP growth between 6.2–6.7% for FY26.

High frequency indicators exhibited mixed trends in May-Jun'25, amid trade uncertainties and geopolitical conflicts (1/2)



Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
IIP (Index) *	156.6	1%	3%	-
Power Consumption ('000 MUs)	5.0	-2%	4%	2%
Petroleum Consumption (MMT)	20.3	2%	-5%	0%
Steel Consumption (MMT)	13.2	8%	0%	10%
Cement Production (MT) *	39.8	9%	1%	10%



Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
E-way Bills (Mn)	119.5	19%	-3%	20%
JNPT Traffic ('000 TEUs)	615.5	8%	-8%	15%
Air Passenger Bookings (Mn) *	35.4	3%	-1%	9%
Air Freight (K Tons) *	328.4	5%	4%	5%



Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
Merchandise Exports (\$ Bn)	35.1	0%	-9%	0%
Merchandise Imports (\$ Bn)	53.9	-4%	-11%	3%
Services Exports (\$ Bn)	32.8	8%	1%	12%
Services Imports (\$ Bn)	17.6	2%	3%	2%



Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
PV Sales ('000 Units)	312.9	-8%	-9%	0%
2W Sales ('000 Units)	1,559.9	-3%	-6%	-3%
3W Registrations ('000 Units) (does not include e-rickshaws)	58.4	13%	5%	6%
EV Registrations ('000 Units) (does not include e-rickshaws and commercial vehicles)	137.8	43%	5%	21%

* Data available only up to May'25 as on 25th Jul'25 – hence growth comparisons are for April and not May. May'25 data has been compared with May'24 & Apr'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-Jun and Jan-May for the * marked indicators).

High frequency indicators exhibited mixed trends in May-Jun'25, amid trade uncertainties and geopolitical conflicts (2/2)



Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
UPI Value (INR Tn)	24.0	20%	-4%	23%
Aggregate Deposits (INR Tn) *	236.6	10%	1%	-
Aggregate Credit (INR Tn) *	187.5	9%	0%	-
NSE & BSE Txns. (INR K Cr)	2,549.1	-19%	2%	-14%
Insurance Premium (INR K Cr)	64.54	0%	22%	2%



Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
GST Collections (INR Tn)	1.85	6%	-8%	11%
WPI (%)	-	-0.13	-	-
CPI (%)	-	2.1	-	-
Jan Dhan Deposits (INR Tn)	2.6	14%	1%	13%
MGNREGA Emp. Provided (HH)	22.9	0%	-8%	4%



Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Manufacturing PMI (Index)	58.4	0%	1%	-
Services PMI (Index)	60.4	0%	3%	-
Current Situation Index *	95.4	-2%	0%	-
Future Expectations Index *	123.4	-1%	0%	-

* Data available only up to May'25 as on 25th Jul'25 – hence growth comparisons are for April and not May. May'25 data has been compared with May'24 & Apr'25 data for the YoY & MoM growth comparisons.

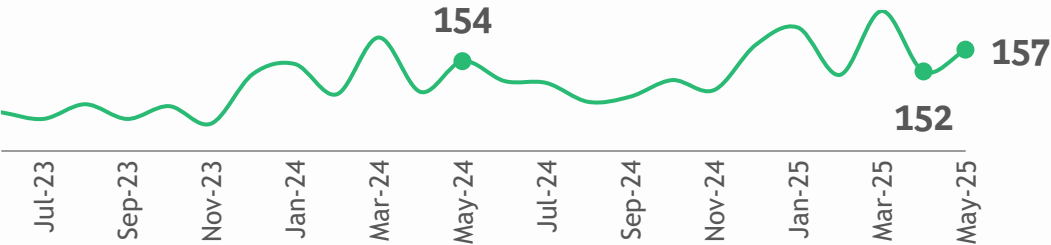
YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Jun and Jan-May for the * marked indicators).

IIP rebounded and cement production inched up marginally in May'25; Steel and electricity consumption edged higher in Jun'25



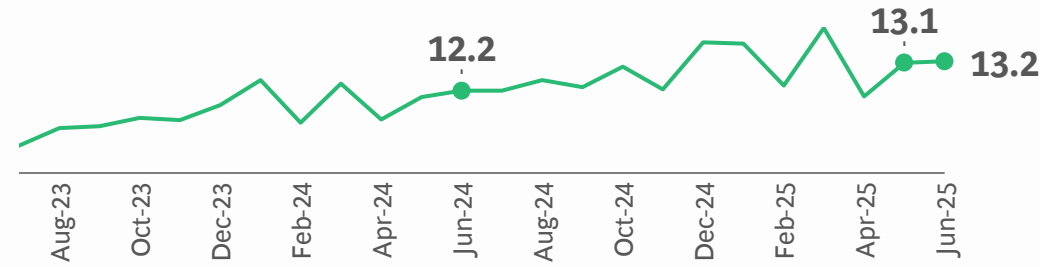
Index of Industrial Production (IIP)¹

IIP rebounded in May'25, driven by growth in manufacturing and mining sector indices along with increased capital goods production



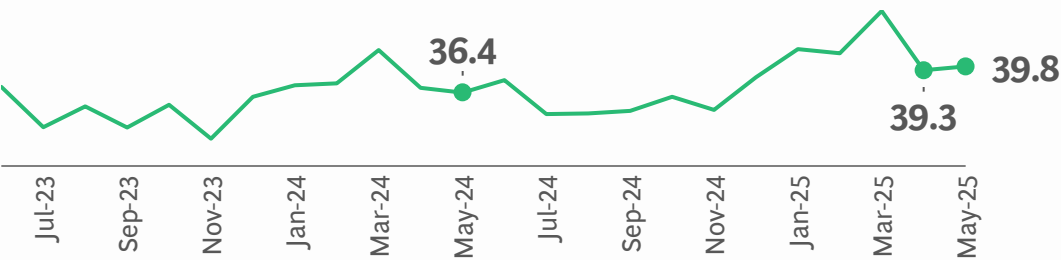
Steel Consumption (MMT)²

Steel consumption edged up slightly in Jun'25, led by flat-steel demand amid price moderations



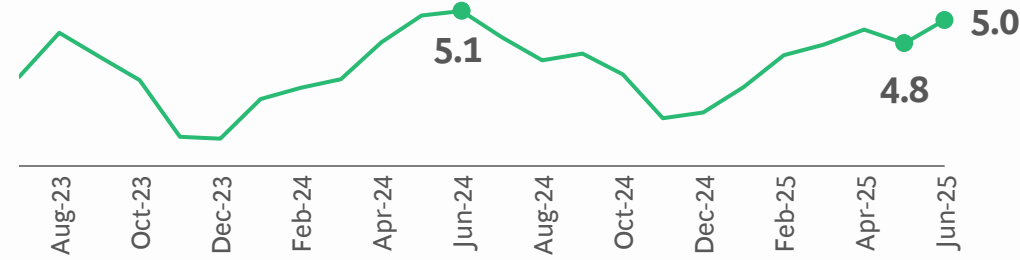
Cement Production (MT)

Cement production inched up slightly in May'25 despite an increase in cement prices



Daily Average Power Consumption ('000s MUs)

Average power consumption climbed to a cyclical high in Jun'25 driven by increased seasonal needs and industrial activity



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 Jun'25

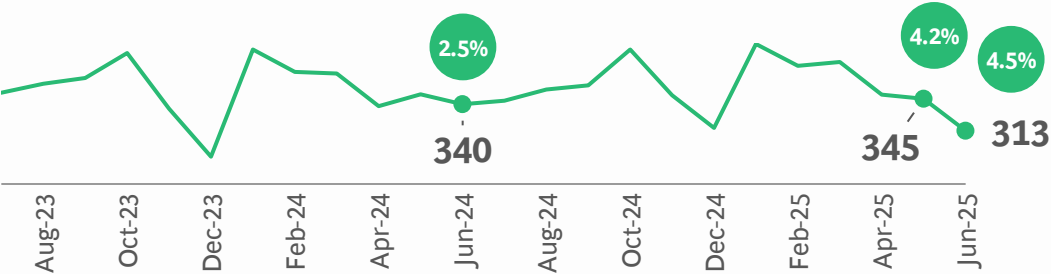
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

PV and 2W sales declined sharply in Jun'25, while tractor sales witnessed a steady growth from May'25



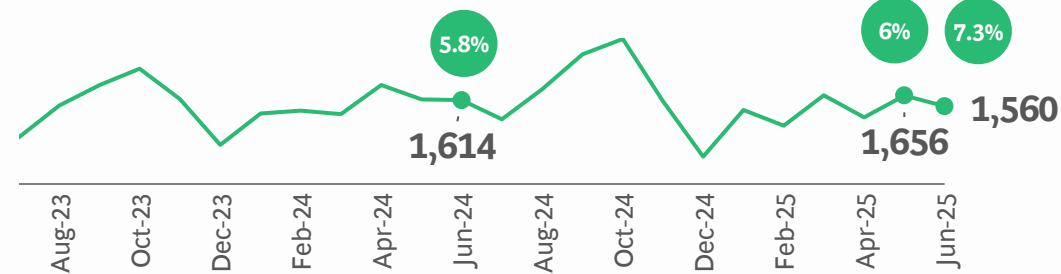
Passenger vehicles sales ('000 units)

PV sales fell to an 18-month low in Jun'25 amid weak buyer sentiments, especially in urban markets



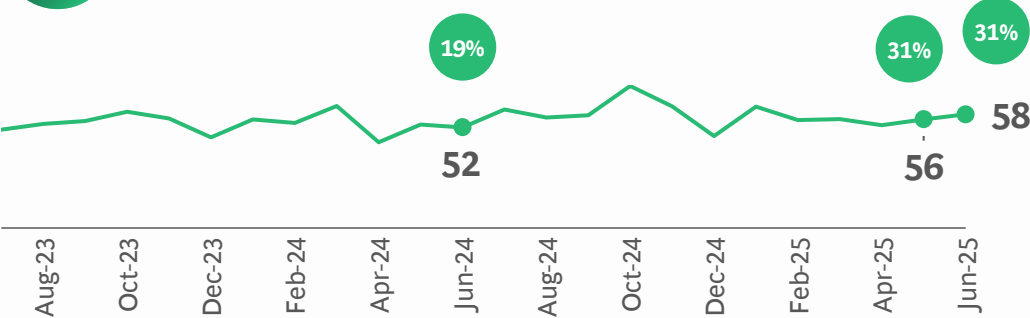
Two-wheeler sales ('000 units)

2W sales dipped again in Jun'25 after rebounding in May'25, amid softer rural demand and supply chain challenges



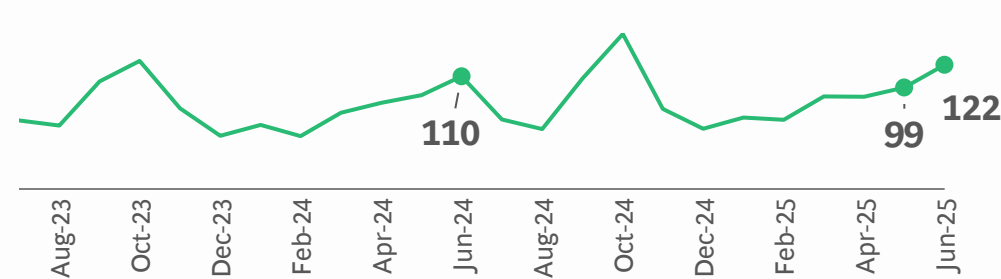
Three-wheeler Registrations¹ ('000 units)

3W registrations increased by 5% in Jun'25 vs. May'25



Tractor sales ('000 units)

Tractor sales continued to grow in Jun'25, led by revived sentiments in the rural market, alongside early monsoon and kharif sowing practices



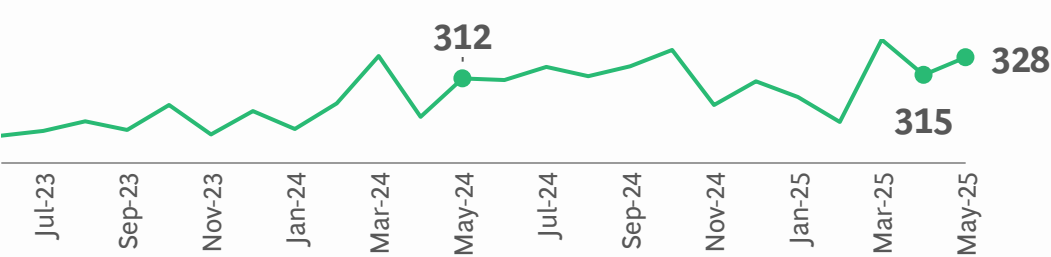
Figures represent wholesale numbers (including exports).; *.BMW, Mercedes and Volvo Auto data is not available
 1. 3W registrations does not include e-rickshaws
 2. EV Penetration is calculated basis the Vahan (Registration Data). EV Registrations does not include e—rickshaws and commercial vehicles
 Source: SIAM, CMIE, TMA, Vaahan, Press search, BCG analysis

While air freight traffic rebounded, air passenger bookings dipped slightly in May'25; E-way bills and JNPT traffic contracted in Jun'25



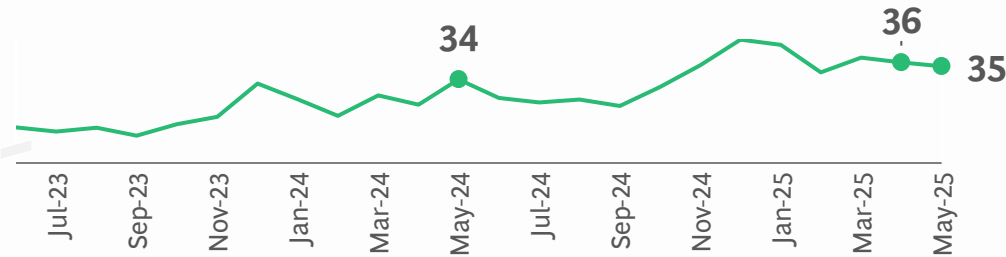
Air Freight Traffic (K. tons)

Air freight traffic witnessed a cyclical growth in May'25 amid high mango export demand



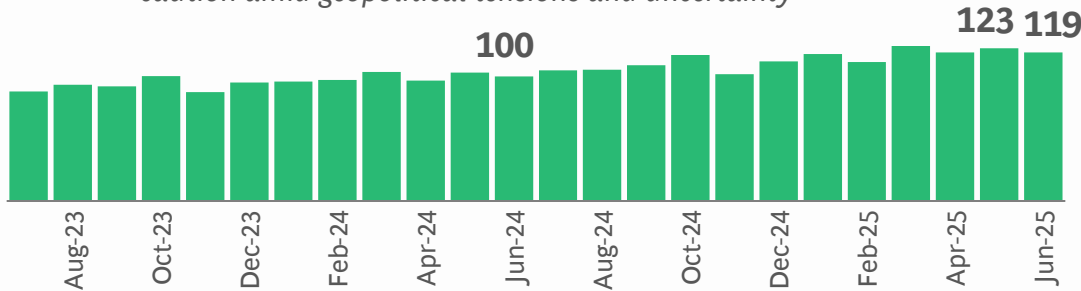
Air Passenger Bookings (Mn)

Air passenger bookings nearly stagnated in May'25 amid heightened geopolitical tensions



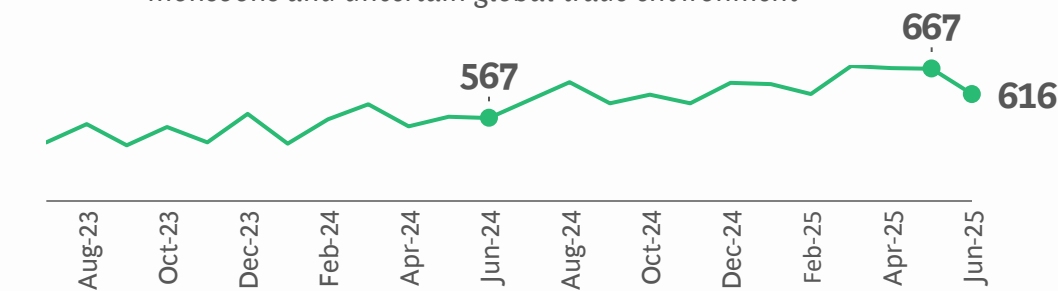
E-way Bills (Mn)¹

E-way bill generation dipped marginally in Jun'25, reflecting consumer caution amid geopolitical tensions and uncertainty



JNPT Container Traffic ('000 TEUs)²

JNPT traffic witnessed a significant decline in Jun'25 amid early monsoons and uncertain global trade environment



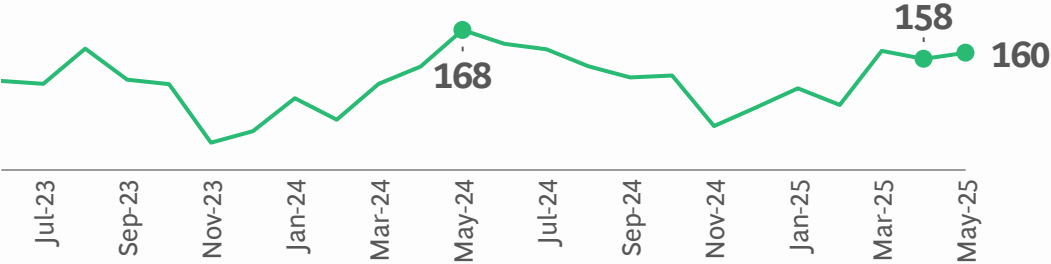
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000.; 2.TEU refers to Twenty-foot equivalent unit equivalent to 20 shipping containers (20 feet long, 8 feet tall)
Source: Ministry of Railways, CMIE,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

Renewable energy generation surged in May'25 driven by wind; Diesel and petrol consumption declined in Jun'25



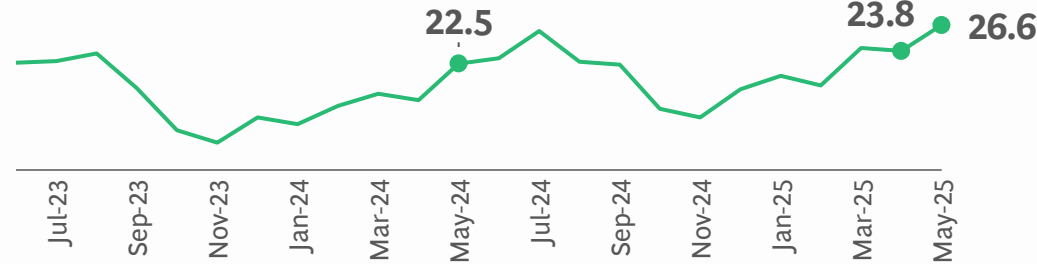
Total Electricity Generation (Billion KWh)

Electricity generation witnessed an uptick in May'25 led by record high clean energy generation



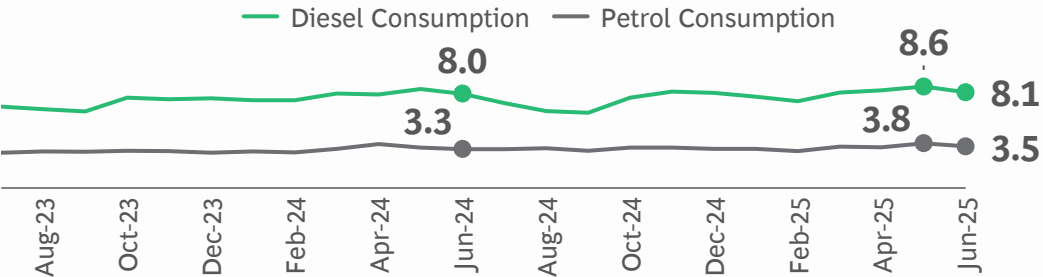
Renewable Energy Generation (Billion KWh)

Renewable energy generation increased in May'25, majorly driven by wind power



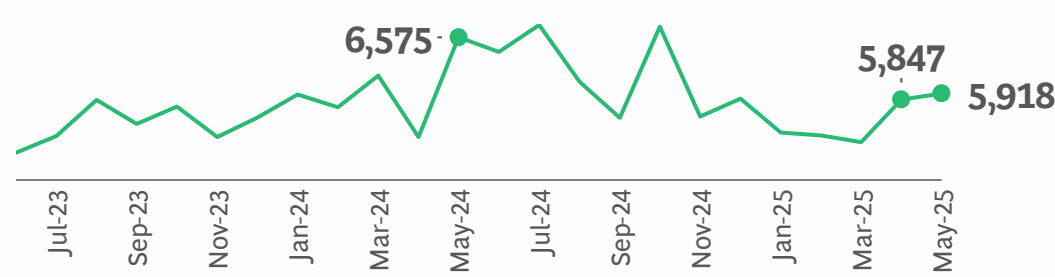
Diesel and Petrol Consumption (MMT)

Diesel and petrol consumption declined in Jun'25 as early monsoon impacted mobility



Natural Gas Consumption¹ ('00 MMSCM²)

Natural gas consumption inched up in May'25, with fertilisers, city gas distribution, and power sectors being the major consumers



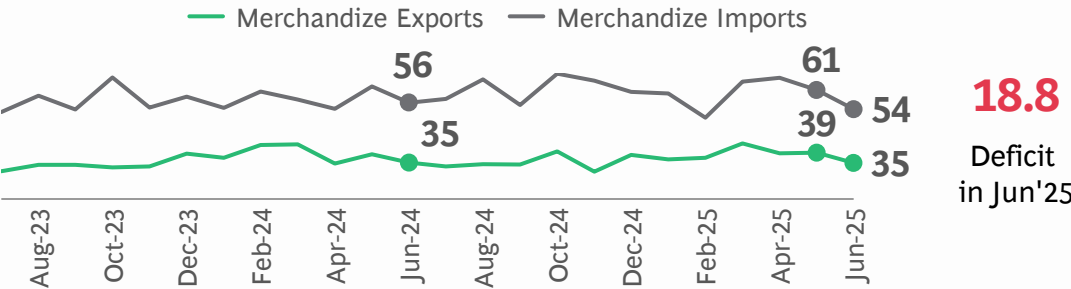
1. Natural Gas Consumption= Net Production +LNG Imports
2. MMSCM: Million Standard Cubic Meter
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

Merchandise trade deficit narrowed, services trade surplus remained nearly consistent in Jun'25; FDI plummeted sharply in May'25



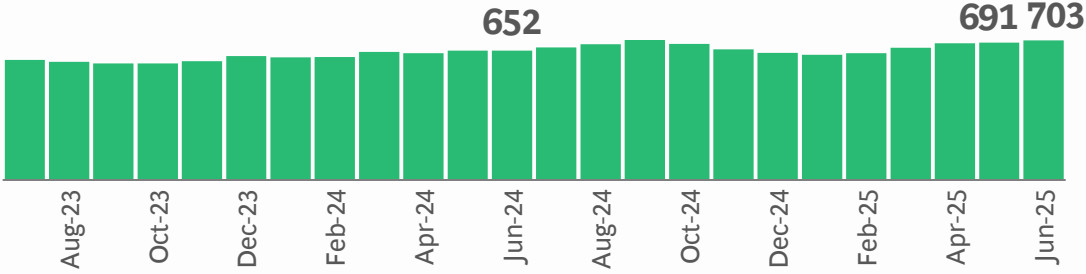
Merchandise Trade (\$ Bn)

Merchandise trade deficit narrowed in Jun'25 as crude oil, electronics, and bullion imports fell; exports softened with cheaper crude oil prices



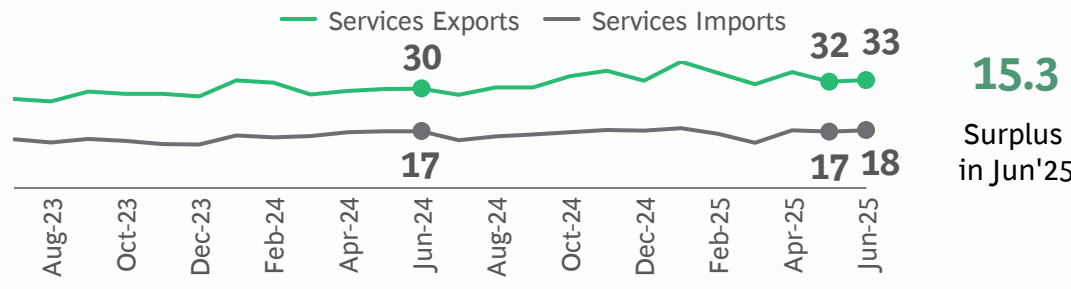
Forex Reserves (\$ Bn)

Forex reserves rose in Jun'25 driven by a sharp increase in foreign currency assets



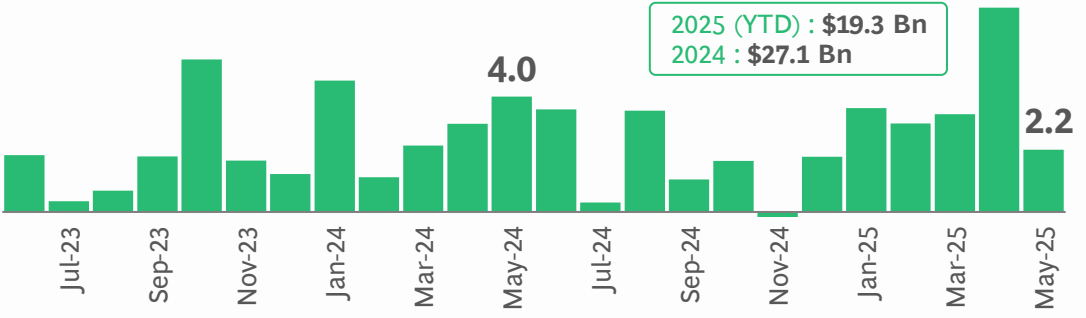
Services trade (\$ Bn)

Services trade surplus remained nearly consistent in Jun'25 vs. May'25 levels although imports grew at a slightly faster rate than exports



FDI (\$ Bn)¹

FDI plummeted to a 5-month low in May'25 owing to a surge in repatriation by overseas investors while gross inflows declined



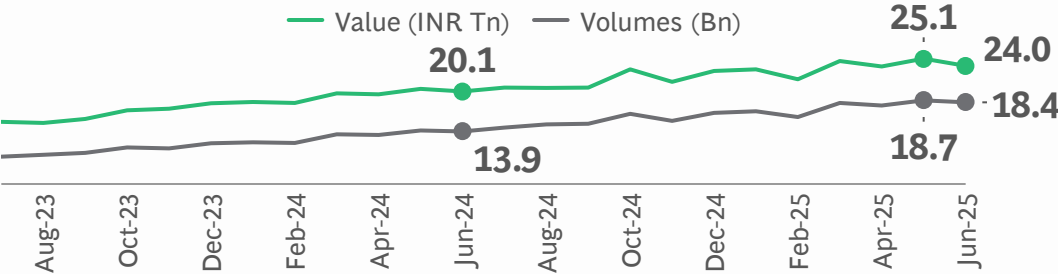
Note: Apr'25 Merchandise Import and Export numbers & Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry
Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting 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

While insurance premiums surged, UPI transactions witnessed a seasonal dip; Mutual Funds AUM reached record highs in Jun'25



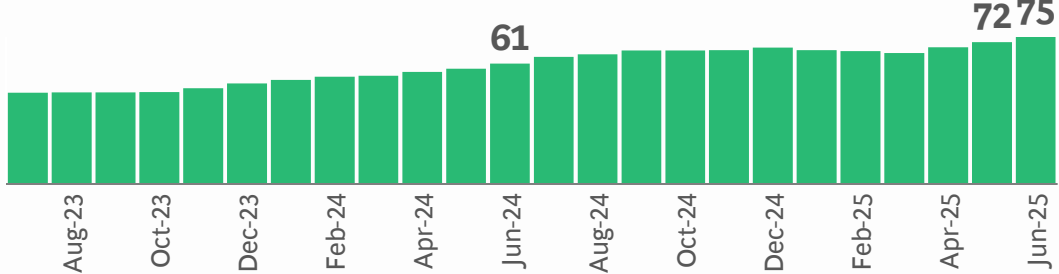
UPI

UPI transactions value and volumes both witnessed a seasonal dip in Jun'25 after reaching record highs in May'25



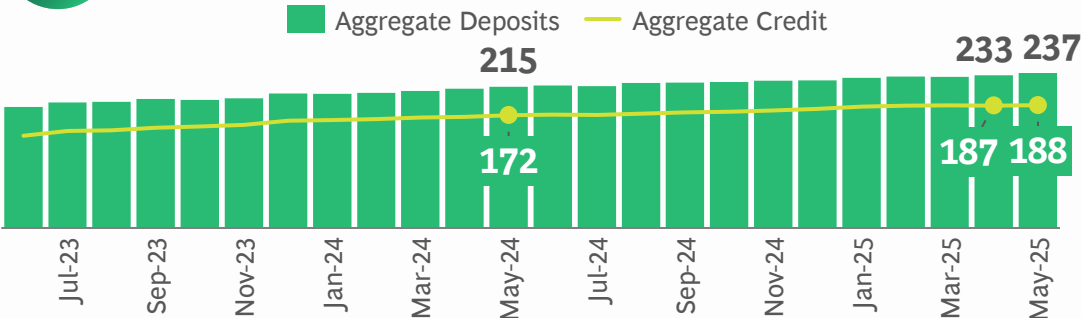
Mutual Funds AUM (INR Tn)¹

Mutual funds AUM reached a record high in Jun'25, driven by increasing retail participation and rising SIP inflows



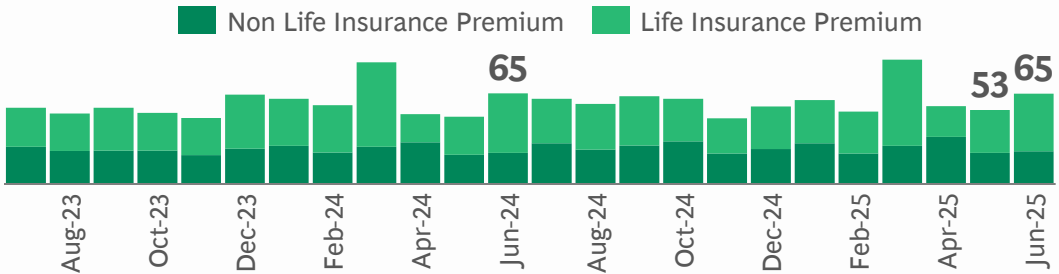
Aggregate deposits & credit (INR Tn)

Both aggregate deposits and credits increased slightly in May'25



Insurance Premium (INR '000 Cr)²

Insurance premium grew significantly in Jun'25; life insurance witnessing a surge in the group single premium category



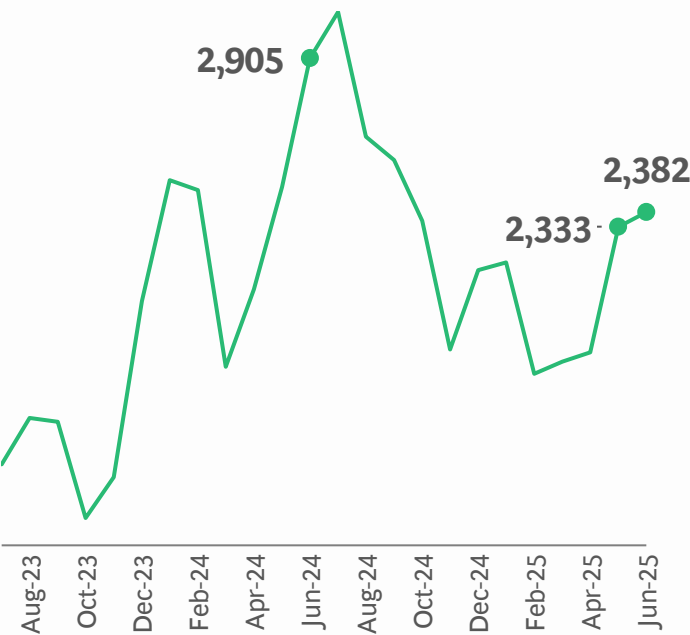
1. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures data used for life & non-life insurance as on 20th Jun'25; 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous 9 Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

Market volatility index (VIX) closed lower as NSE and BSE transactions grew, reaching a 9-month high in Jun'25



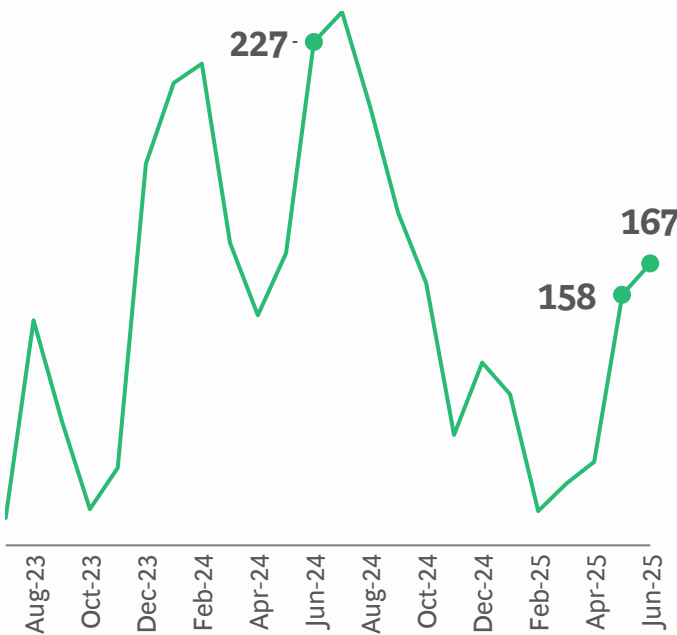
NSE transactions (INR Cr)

NSE transactions grew marginally in Jun'25 amid renewed global investor interest



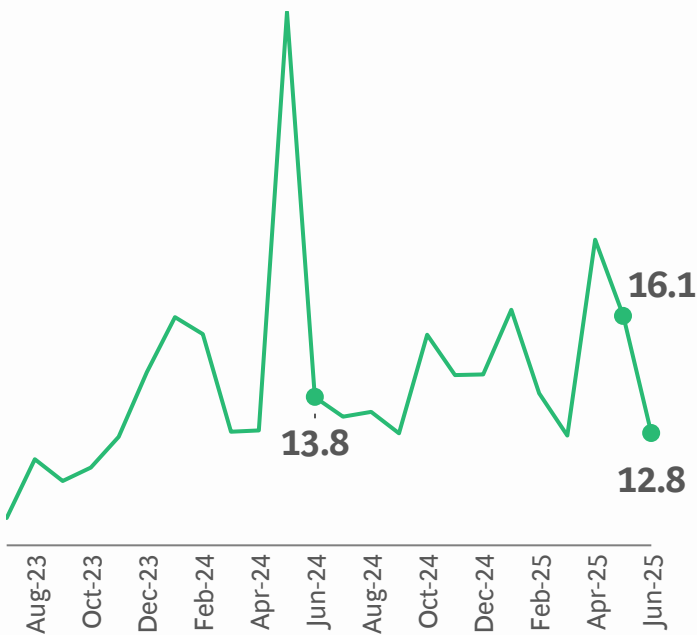
BSE transactions (INR Cr)

BSE transactions reached a 9-month high in Jun'25 driven by easing crude oil prices and strengthening metal stocks



India VIX (Volatility Index)¹

VIX continued to close lower in Jun'25, as lower volatility signals calmer market conditions



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

India recorded a fiscal surplus in May'25; GST collections dropped amid lower import revenues and increased refunds



Govt. Receipts & Expenditures (INR Tn)

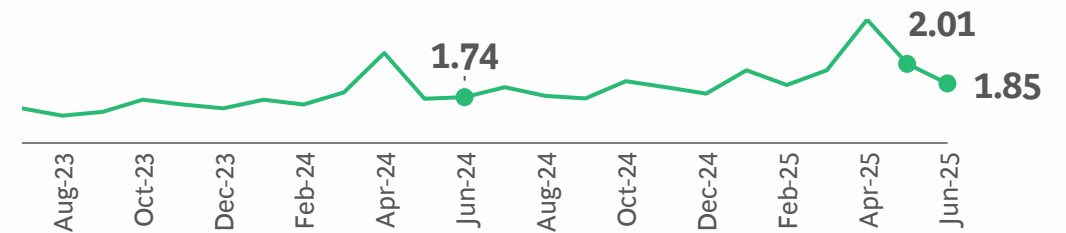
In May'25, India recorded a fiscal surplus due to a higher-than-budgeted RBI dividend amid a cyclical drop in capital expenditure

	Mar'25	Apr'25	May'25
Govt. Expenditure (INR Tn)	7.6	4.7	2.8
Govt. Receipts (INR Tn)	5.3	2.8	4.5
Fiscal Deficit (INR Tn)	2.3	1.9	-1.7



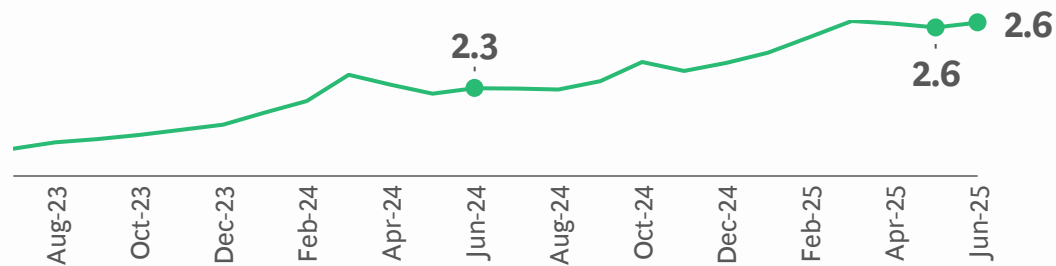
GST Collections¹ (INR Tn)

GST collections continued to decline in Jun'25, reaching a 4-month low, with a sharp drop in IGST collections and lower import revenue



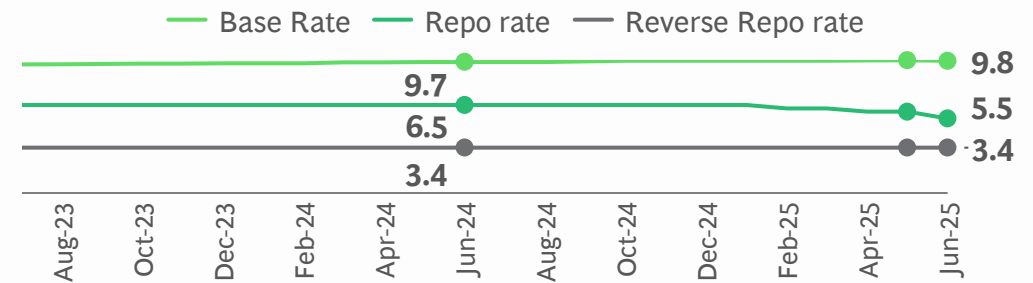
Jan Dhan Deposits (INR Tn)

Jan Dhan deposits stayed nearly consistent in Jun'25 vs. May'25 levels



RBI's policy rates (%)

RBI reduced the repo rate further by 50 basis points in Jun'25 to boost economic growth

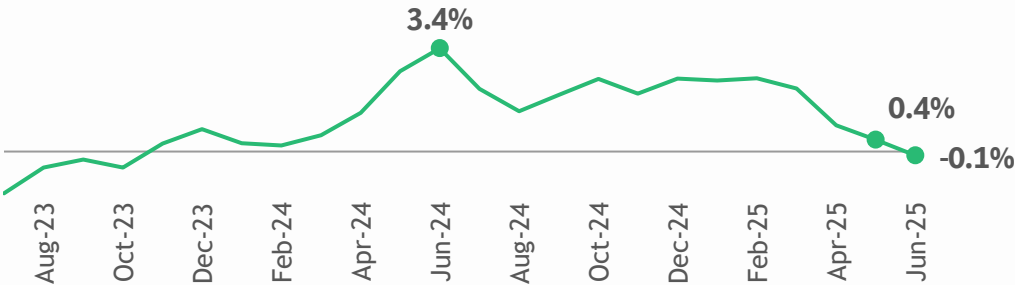


WPI inflation fell to a 15-month low of -0.1%; CPI inflation declined further to 2.1% in Jun'25 due to a fall in food & beverage prices

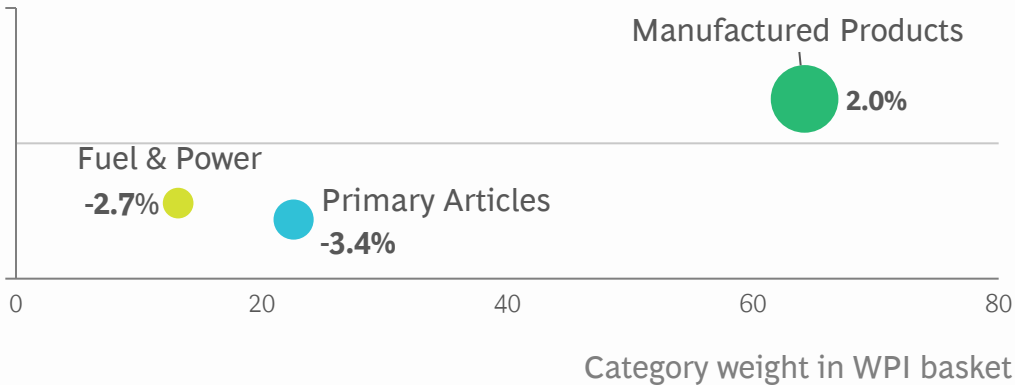


Wholesale Price Index (WPI)¹

WPI inflation continued to decline in Jun'25, driven primarily by deflation in food and fuel prices

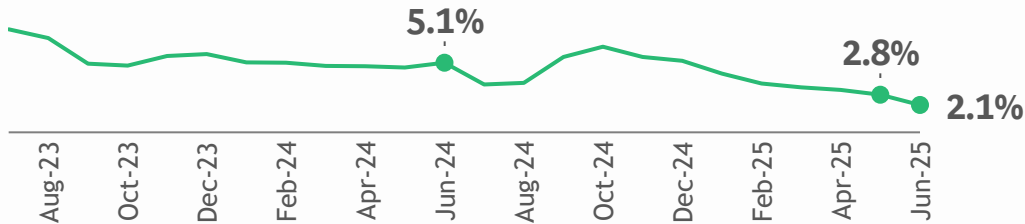


WPI inflation rate for Jun'25

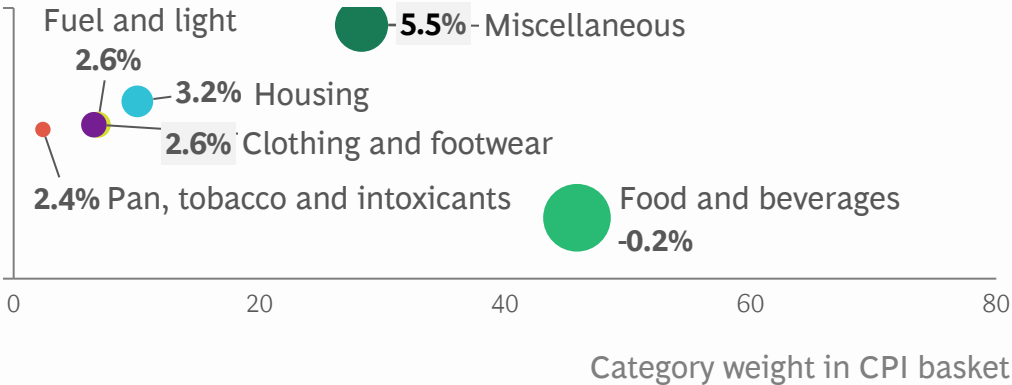


Consumer Price Index (CPI)²

CPI inflation fell to a 6-year low led by easing inflation in food & beverages category



CPI inflation rate for Jun'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

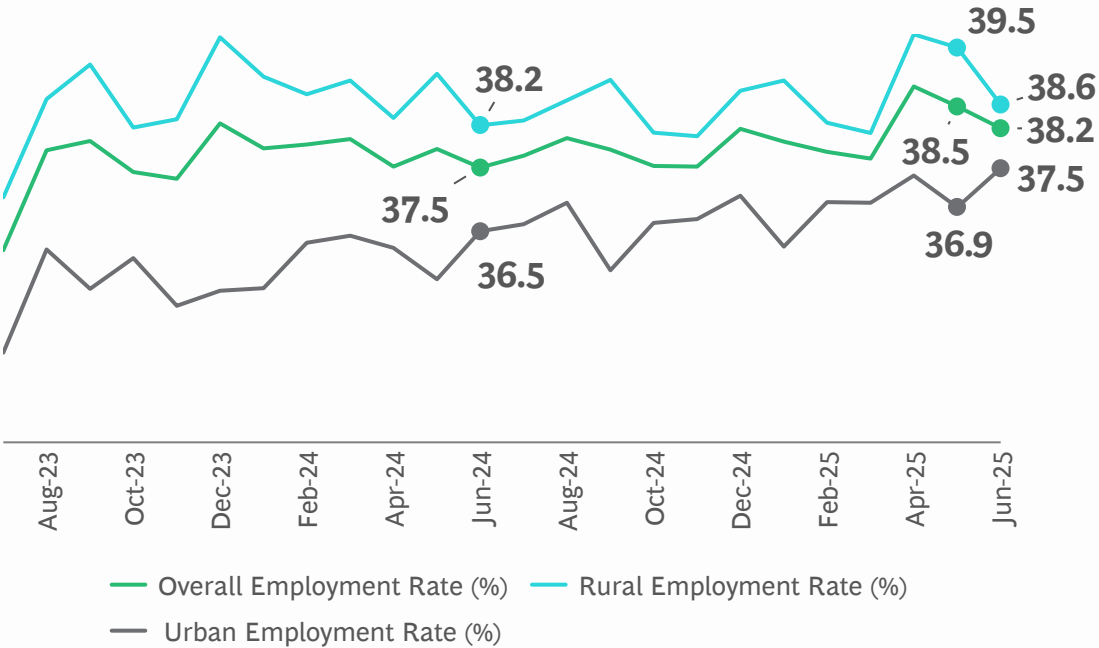
Rural employment rate declined sharply in Jun'25; MGNREGA work demanded, and employment provided inched down from May'25 levels



CMIE Employment rate (%)¹

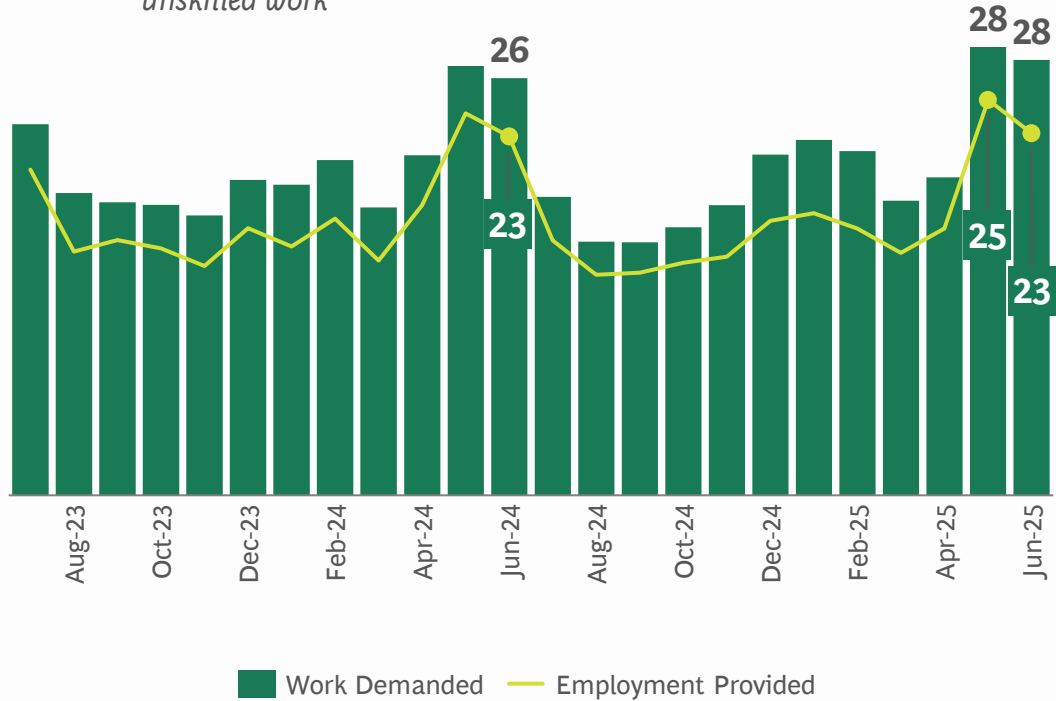
Overall employment rates declined in Jun'25, due to a moderate dip in rural employment even as urban employment grew

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 work demanded and employment provided witnessed a cyclical decline in Jun'25 despite early June witnessing high demand for unskilled work



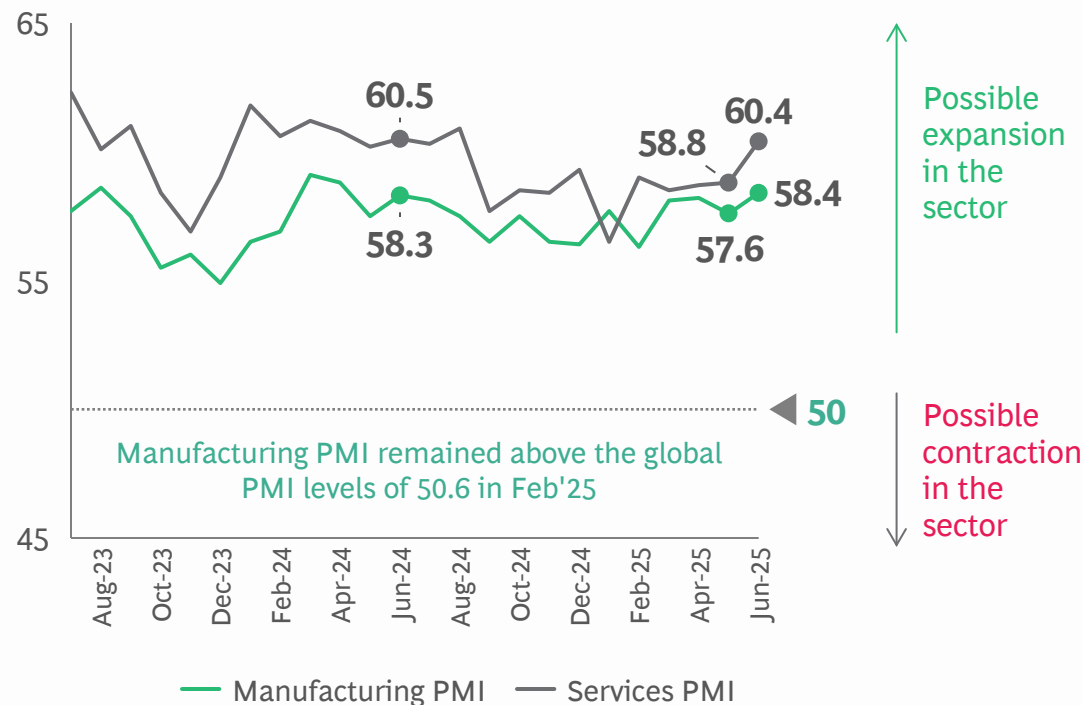
1.CMIE's Consumer Pyramids panel of households contains over 178,677 households and these include over 522,000 members who are over 15 years old
 2.MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.
 Source: CMIE Consumer Pyramids survey, Ministry of Labor & Employment, Ministry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

Manufacturing PMI surged to a 14-month high in Jun'25; Consumer sentiments continued to show an uptick on future economic outlook



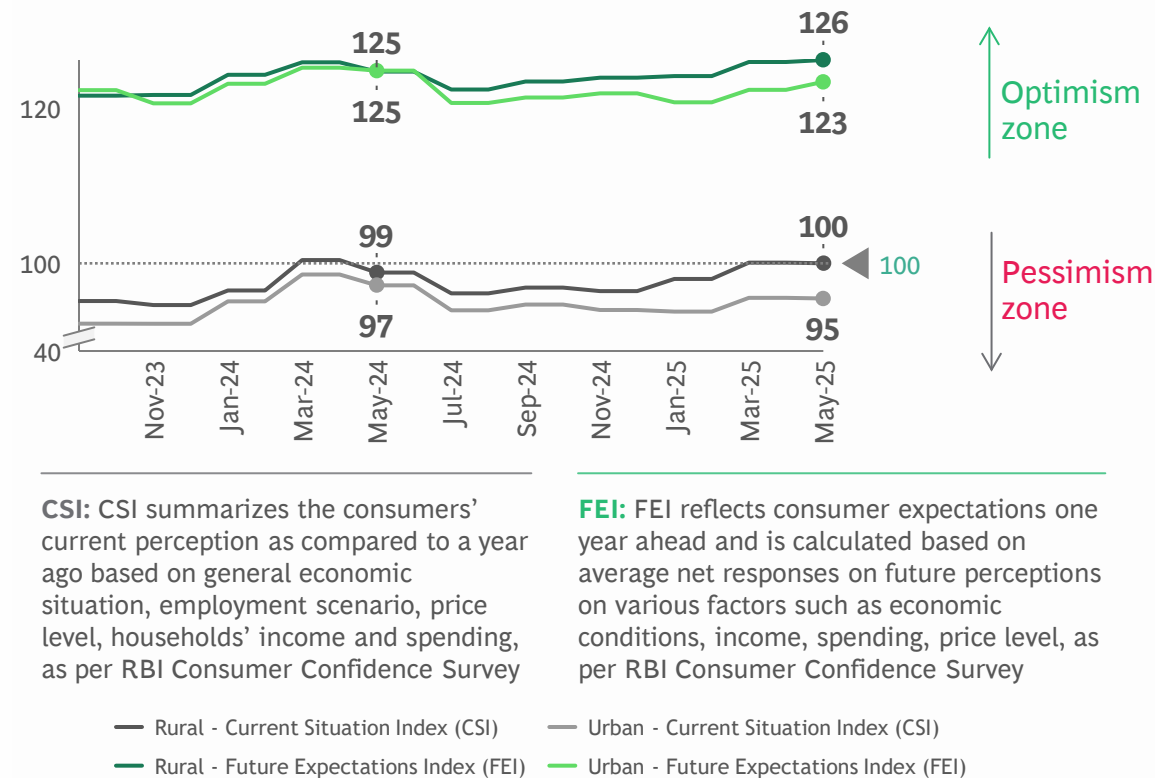
Manufacturing and services PMI¹

Manufacturing PMI reached a 14-month high driven by export order growth across all categories; Services PMI surged due to strong new business demand in Jun'25



Consumer Confidence Survey (RBI)²

FEI climbed modestly, while CSI marginally fell due to urban-household pessimism around economic activities in May'25

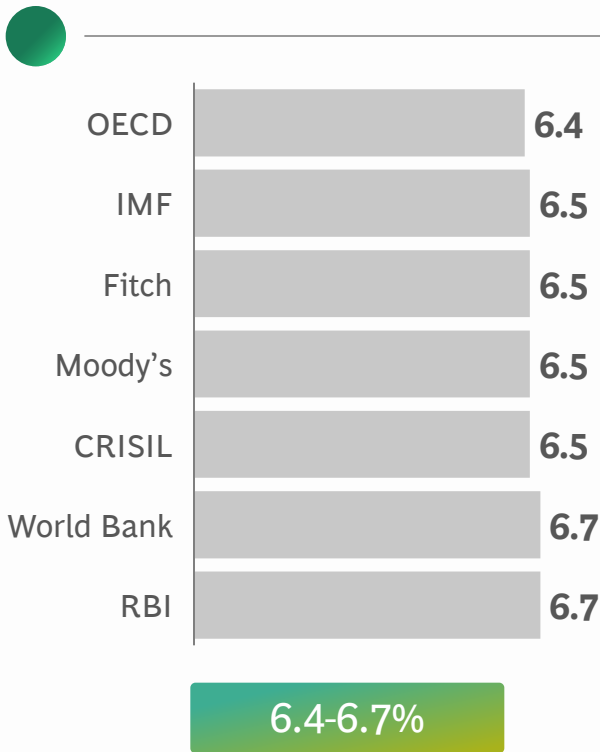


1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity; 2.Sample size: 8,969 and 6,090 responses for rural and urban (across 19 major cities) respectively surveyed during 2-11th May,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 since May 2025. For each survey round, the final figures as available in the latest web release covering the same have been considered.

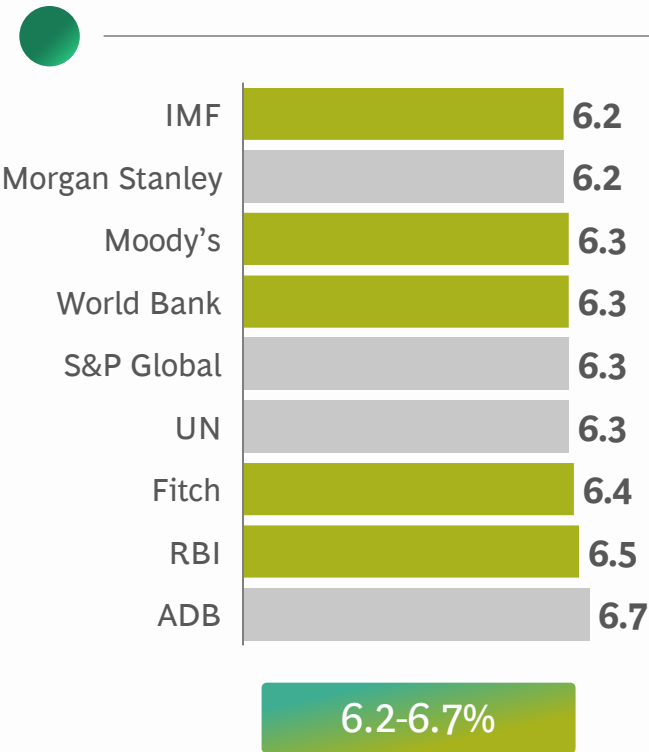
FY26 GDP projected to grow between 6.2–6.7%; S&P Global and OECD revised forecasts in Jun-Jul'25 amid global economic headwinds

India GDP growth forecast for FY26 (YoY %)

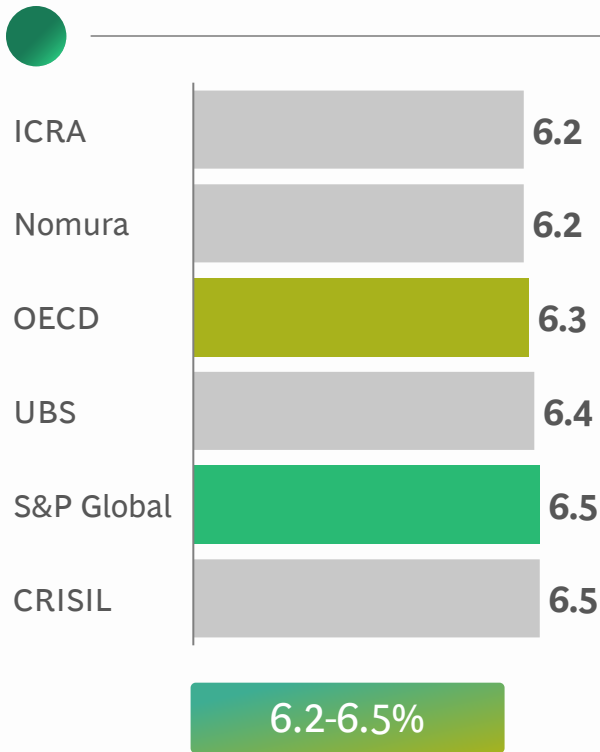
Jan'24-Mar'25



Apr-May'25



Jun-Jul'25



Data as of 22nd Jul'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

