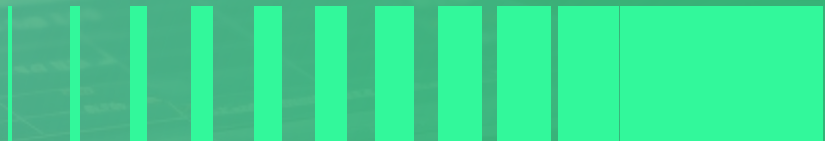




India Economic Monitor

August | 2025

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Executive summary



High-frequency indicators exhibited mixed trends in Jun-Jul'25 amid global headwinds and trade uncertainties. IIP declined in Jun'25, reflecting weaker mining activity and lower primary goods output. Steel consumption also softened, mainly due to subdued demand for alloy steel. Power consumption remained broadly unchanged in Jul'25 from Jun'25, tempered by higher-than-usual monsoons. The auto sector witnessed contrasting trends across segments in Jul'25. While passenger vehicle (PV) sales rebounded and 2W sales largely remained unchanged, tractor sales recorded a sharp seasonal downturn. In the energy domain, renewable energy generation surged to a new record in Jun'25, driven primarily by wind and small hydro sources.



On the trade front, merchandise trade deficit widened to an 8-month high of \$27.4 bn in Jul'25, reflecting stronger imports of petroleum products and gold amid ongoing global tariff uncertainties. In contrast, the services trade surplus remained broadly stable at \$15.6 bn, although imports contracted at a slightly faster pace than exports. Meanwhile, forex reserves edged lower in Jul'25, primarily due to a decline in foreign currency assets. FDI inflows rebounded in Jun'25 amid a surge in equity investments.



BFSI indicators reflected contrasting signals in Jun-Jul'25. Both aggregate credit and deposits continued to inch upwards in Jun'25. UPI transactions rebounded sharply, with volumes touching a record high in Jul'25. Insurance premiums also grew during the month, led by robust growth in the non-life segment. Similarly, mutual fund AUM rose to a new peak, supported by strong inflows into both debt and equity schemes. In contrast, trading activity on the NSE and BSE weakened in Jul'25. The market volatility index (VIX) also slipped further to close at a 22-month low, amid the absence of pronounced market swings.



On the macroeconomic front, WPI inflation fell to a 25-month low (−0.6%); CPI inflation eased to a 6-year low of 1.6% in Jul'25, led by softer food & beverage prices. Meanwhile, business activity indicators remained robust. Manufacturing PMI climbed to a 16-month high of 59.1, supported by stronger new orders, output, and inventories. Services PMI also rose to an 11-month high of 60.5, indicating sustained momentum across both sectors. Fiscal and revenue trends were more mixed in this period. GST collections increased in Jul'25, supported by higher gross import revenues. However, India's fiscal deficit widened sharply in Jun'25, reflecting weaker non-tax revenues and a surge in interest payments. Analysts project FY26 GDP growth at 6.2-7.0%.

High frequency indicators exhibited mixed trends in Jun-Jul'25 amid global headwinds and trade uncertainties (1/2)



Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
IIP (Index) *	153.3	2%	-3%	-
Daily Avg Power Consumption ('000 MUs)	4.96	2%	-1%	2%
Petroleum Consumption (MMT)	19.4	-4%	-4%	0%
Steel Consumption (MMT)	13.1	7%	0%	9%
Cement Production (MT) *	41.5	9%	4%	10%



Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
E-way Bills (Mn)	131.9	26%	10%	21%
JNPA Traffic ('000 TEUs)	668.3	11%	9%	15%
Air Passenger Bookings (Mn) *	34.0	4%	-4%	8%
Air Freight (K Tons) *	311.9	0%	-5%	4%



Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
Merchandise Exports (\$ Bn)	37.2	10%	6%	1%
Merchandise Imports (\$ Bn)	64.6	12%	20%	4%
Services Exports (\$ Bn)	31.0	9%	-6%	12%
Services Imports (\$ Bn)	15.4	6%	-12%	2%



Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth [#]
PV Sales ('000 Units)	340.8	-1%	9%	0%
2W Sales ('000 Units)	1,567.3	9%	0%	-1%
3W Registrations ('000 Units) (does not include e-rickshaws)	64.8	6%	11%	6%
EV Registrations ('000 Units) (does not include e-rickshaws and commercial vehicles)	141.6	10%	3%	20%

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

High frequency indicators exhibited mixed trends in Jun-Jul'25 amid global headwinds and trade uncertainties (2/2)



Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
UPI Value (INR Tn)	25.1	22%	4%	23%
Aggregate Deposits (INR Tn) *	239.2	10%	1%	-
Aggregate Credit (INR Tn) *	189.6	9%	1%	-
NSE & BSE Txns. (INR K Cr)	2,350.3	-29%	-8%	-16%
Insurance Premium (INR K Cr)	68.7	13%	6%	3%



Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
GST Collections (INR Tn)	1.96	8%	6%	11%
WPI (%)	-	-0.58	-	-
CPI (%)	-	1.55	-	-
Jan Dhan Deposits (INR Tn)	2.6	15%	1%	13%
MGNREGA Emp. Provided (HH)	13.9	-14%	-42%	2%



Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Manufacturing PMI (Index)	59.1	2%	1%	-
Services PMI (Index)	60.5	0%	0%	-
Current Situation Index (Urban)*	96.4	3%	1%	-
Future Expectations Index (Urban)*	124.7	3%	1%	-

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

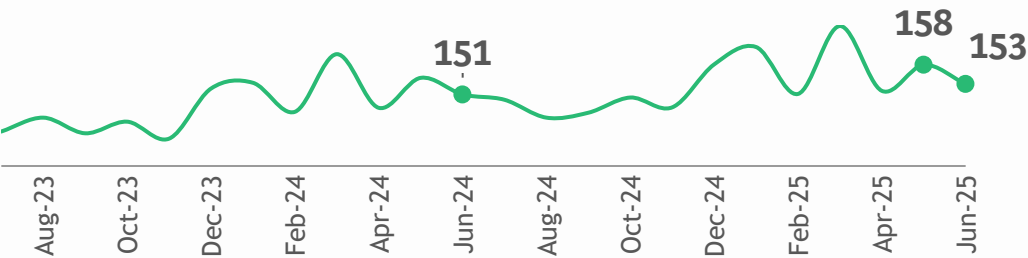
YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Jul and Jan-Jun for the * marked indicators).

IIP dipped in Jun'25; Cement production rose; Power and steel consumption edged down in Jul'25



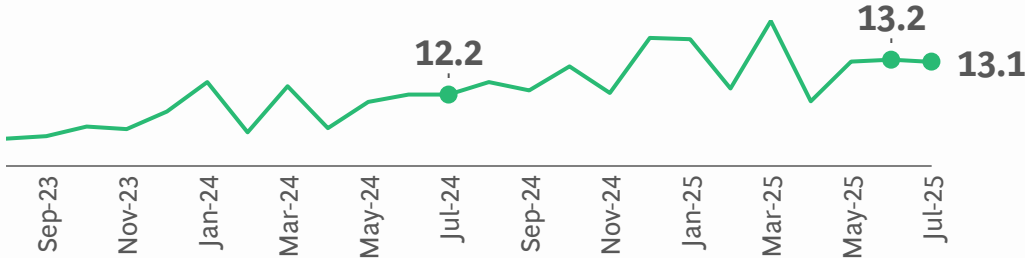
Index of Industrial Production (IIP)¹

IIP fell in Jun'25, due to a sharp slowdown in mining activity along with decreased primary goods production



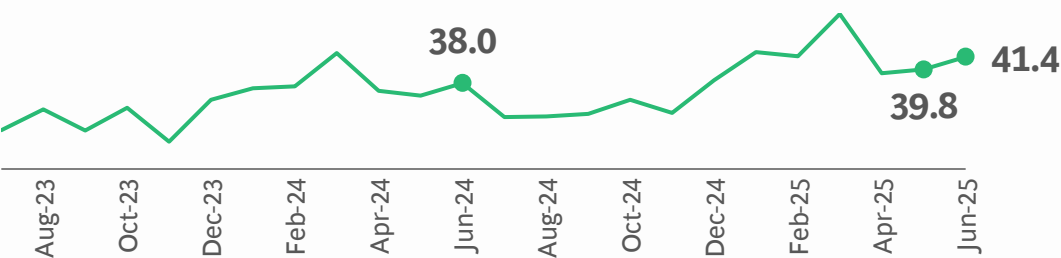
Steel Consumption (MMT)²

Steel consumption largely remained flat in Jul'25, due to subdued alloy-steel demand



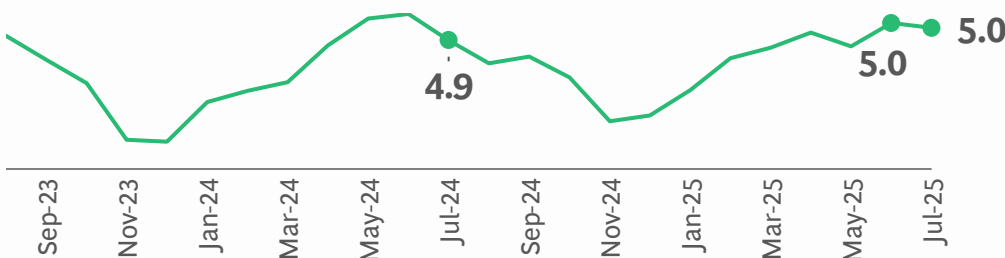
Cement Production (MT)

Cement production increased in Jun'25 driven by government-led investments in infrastructure projects



Daily Average Power Consumption ('000 MUs)

Average power consumption was broadly unchanged in Jul'25 amid monsoon-driven cooling



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 Jul'25

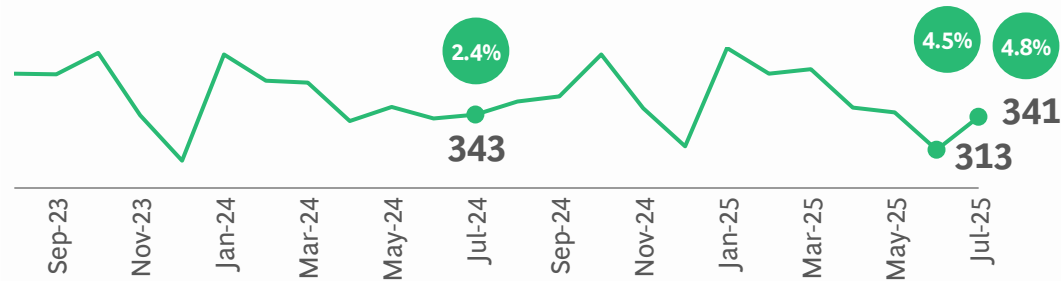
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

PV sales and 3W registrations inched up in Jul'25, while tractor sales witnessed a cyclical drop post harvest season



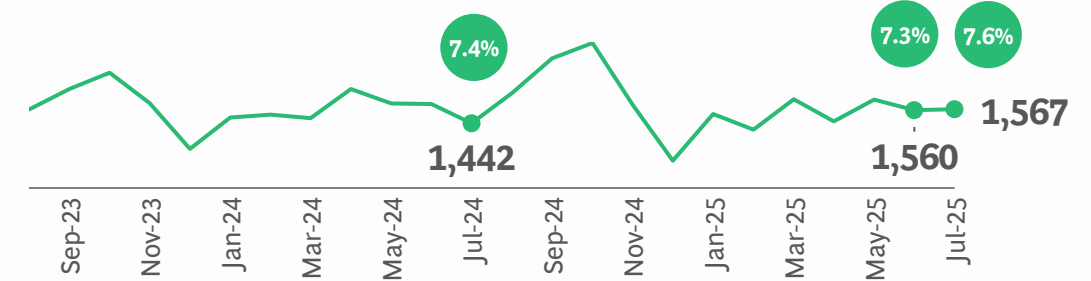
Passenger vehicles sales ('000 units)

PV sales rebounded in Jul'25 on easier financing, better availability, and pre-festive urban demand



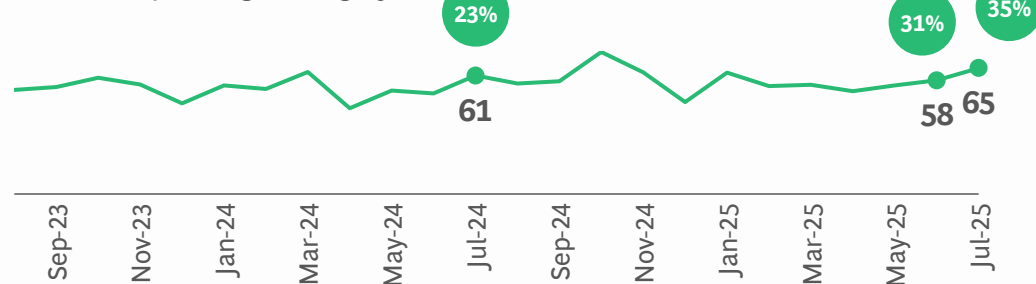
Two-wheeler sales ('000 units)

2W sales largely remained unchanged in Jul'25 as urban demand remained steady, while rural markets weakened amid delayed rains



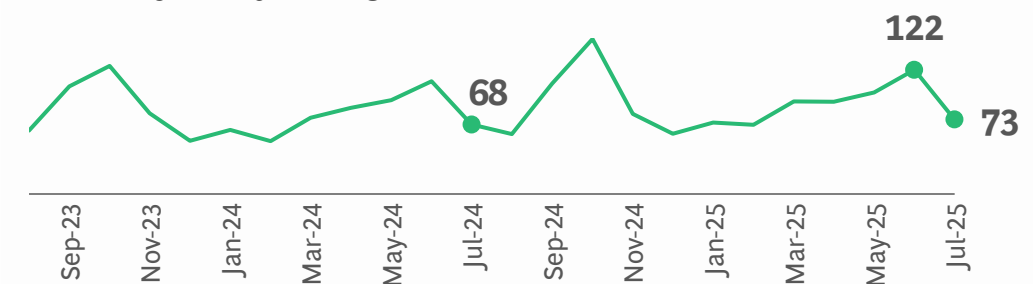
Three-wheeler Registrations¹ ('000 units)

3W registrations increased sharply in Jul'25, mainly driven by sales in the passenger category



Tractor sales ('000 units)

Tractor sales witnessed a cyclical downturn in Jul'25 after peaking in Jun'25, following the harvest season



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

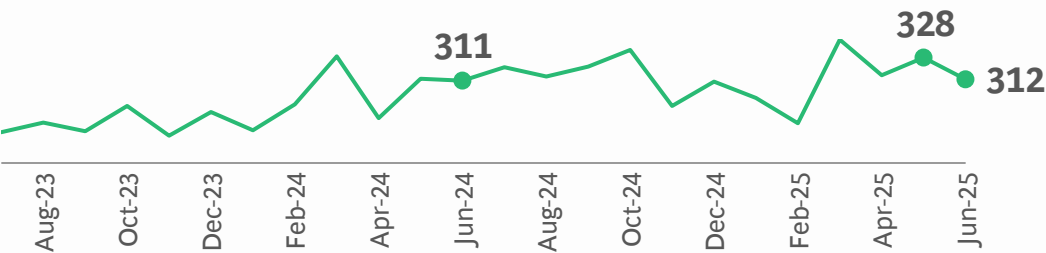
XX% = %EV Registrations²

E-way bills hit an all-time high in Jul'25; JNPA traffic rose; Air freight and air passenger bookings softened in Jun'25



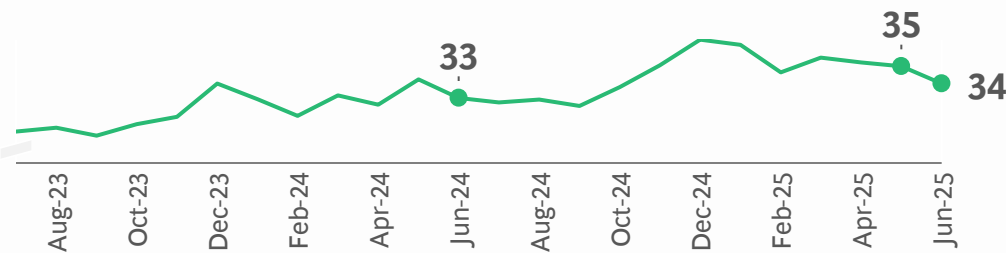
Air Freight Traffic (K tons)

Air freight traffic slumped in Jun'25 amid global tariff uncertainty



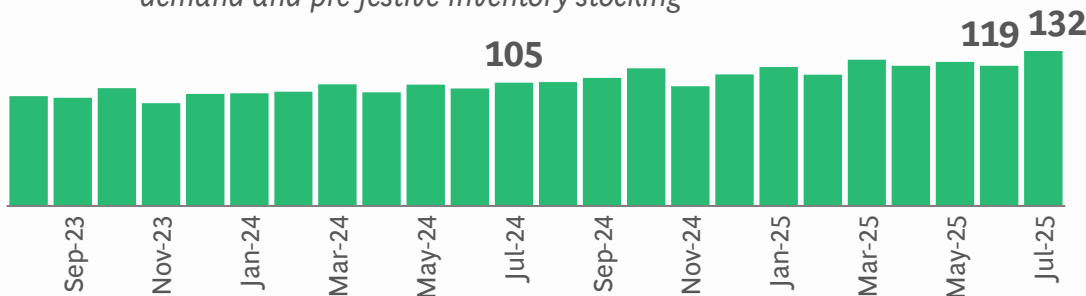
Air Passenger Bookings (Mn)

Air passenger bookings witnessed a cyclical decline in Jun'25, compounded by higher cancellations amid technical issues



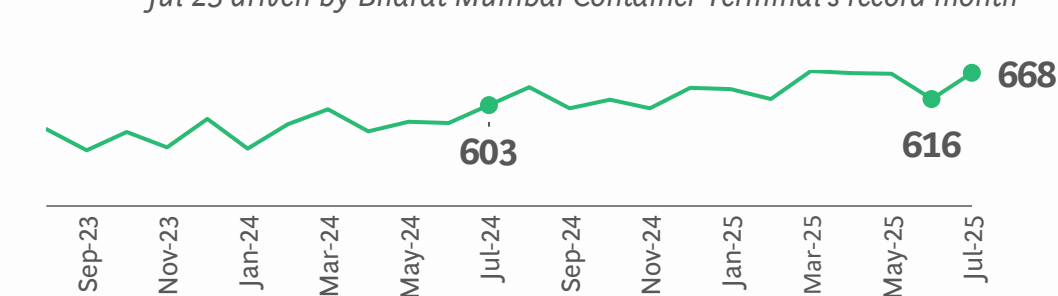
E-way Bills (Mn)¹

E-way bill generation surged to an all-time high in Jul'25, driven by rural demand and pre-festive inventory stocking



JNPA Container Traffic ('000 TEUs)²

JNPA traffic witnessed a significant jump to reach a 4-month high in Jul'25 driven by Bharat Mumbai Container Terminal's record month



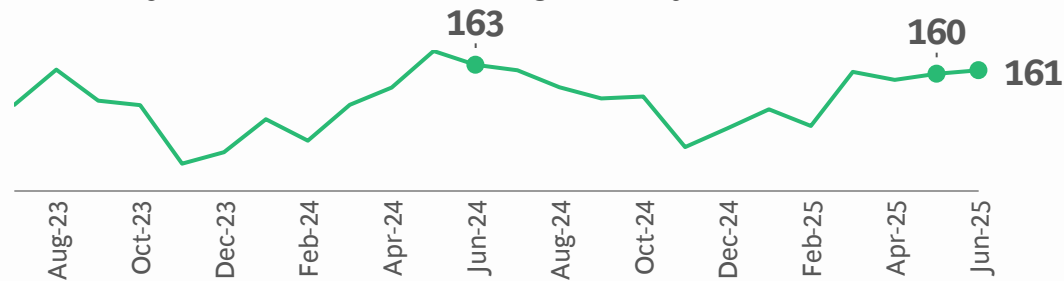
1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000.; 2.TEU refers to Twenty-foot equivalent unit (Shipping containers 20 feet long, 8 feet tall)
Source: Ministry of Railways, CMIE, Airport Authority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

Renewable energy generation reached an all-time high in Jun'25 driven by wind; Diesel consumption fell in Jul'25



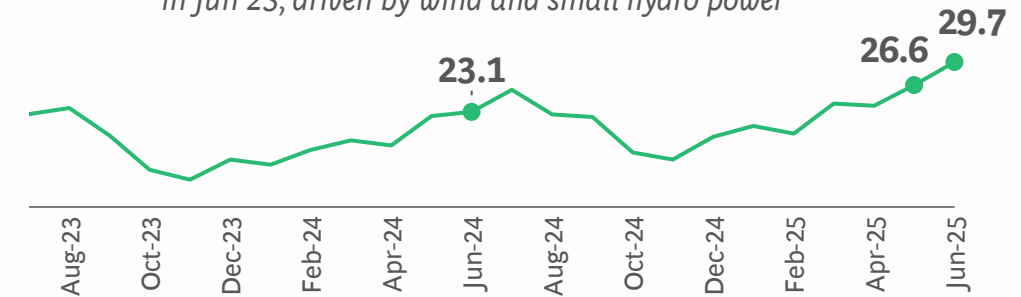
Total Electricity Generation (Billion KWh)

Electricity generation stayed nearly consistent with May'25 levels in Jun'25 amid a notable rise in generation from renewable sources



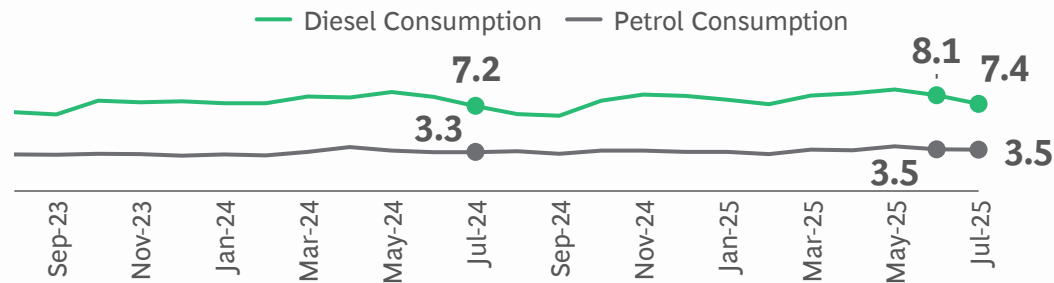
Renewable Energy Generation (Billion KWh)

Renewable energy generation continued to inch upwards to a record high in Jun'25, driven by wind and small hydro power



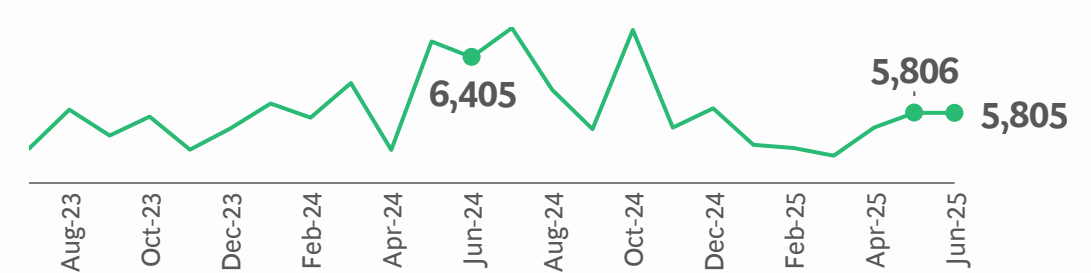
Diesel and Petrol Consumption (MMT)

Diesel consumption declined in Jul'25 due to a drop in the agriculture sector's demand during monsoons



Natural Gas Consumption¹ ('00 MMSCM²)

Natural gas consumption remained nearly constant in Jun'25 amidst a drop in net production and a rise in LNG imports



1. Natural Gas Consumption= Net Production +LNG Imports

2. MMSCM: Million Standard Cubic Meter

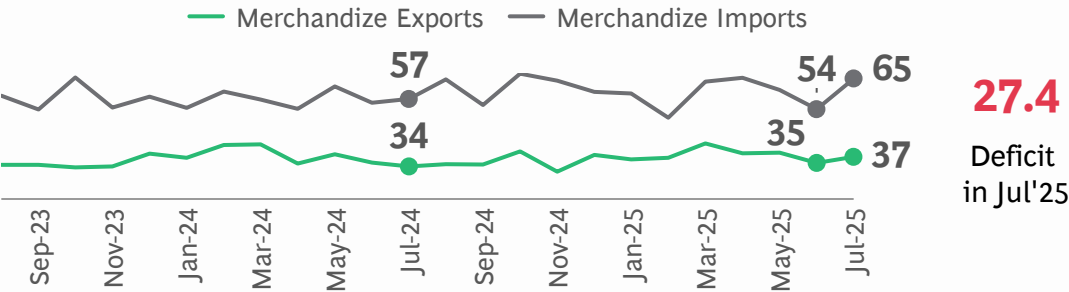
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

Merchandise trade deficit widened to an 8-month high in Jul'25; FDI inflows rebounded in Jun'25



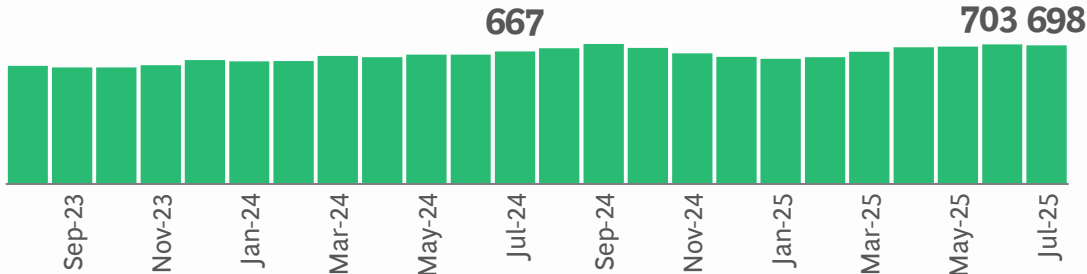
Merchandise Trade (\$ Bn)

Merchandise trade deficit climbed to an 8-month high in Jul'25 due to an increase in the import of petroleum products and gold



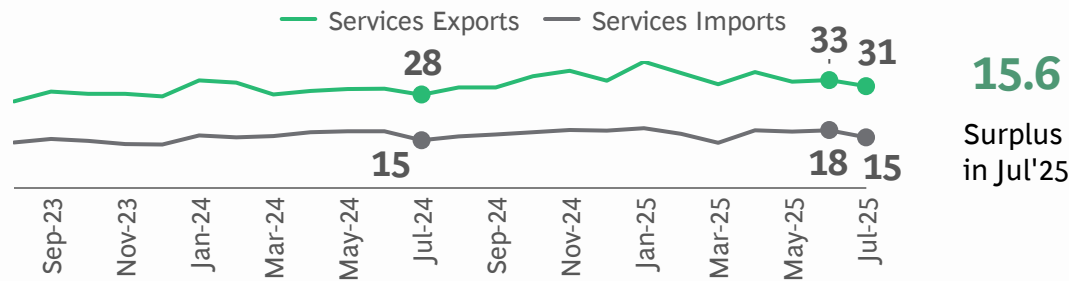
Forex Reserves (\$ Bn)

Forex reserves slightly declined in Jul'25 due to a fall in foreign currency assets



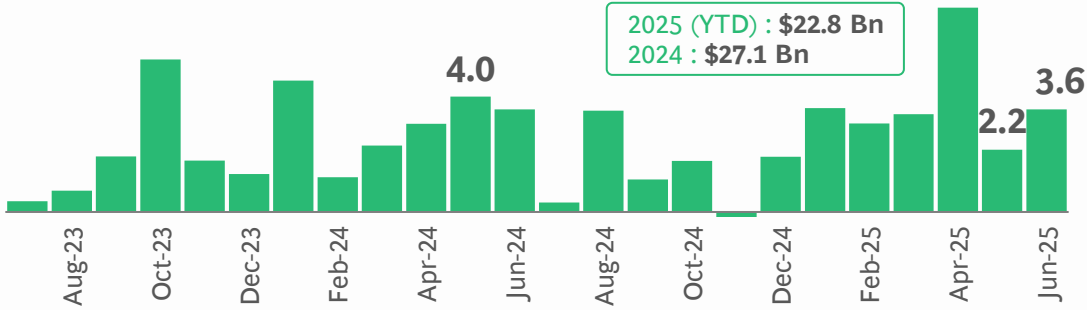
Services Trade (\$ Bn)

Services trade surplus was broadly unchanged in Jul'25 vs Jun'25, even as imports fell slightly faster than exports



FDI (\$ Bn)¹

FDI inflows rebounded in Jun'25 due to higher equity investments, especially via Government and RBI channels



Note: Jul'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.

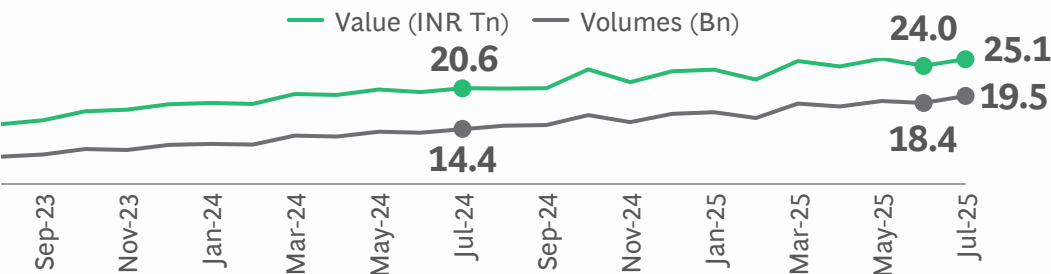
Source: Ministry of Commerce & Industry, CMIE, RBI, PIB

UPI transactions and mutual fund AUM reached record highs in Jul'25; Insurance premiums rose, led by non-life



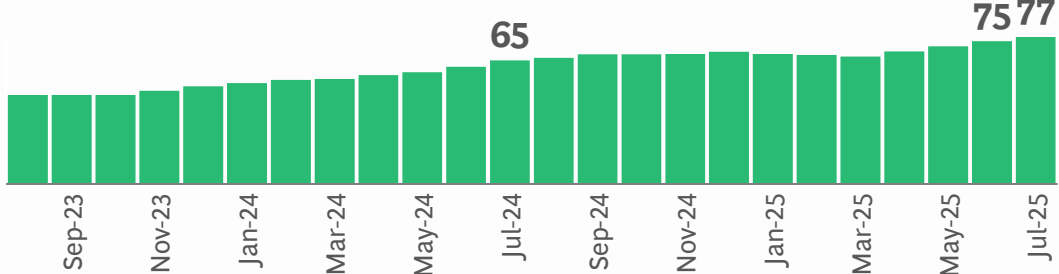
UPI

UPI volumes rebounded to a record high in Jul'25, reflecting the continued shift to digital payments



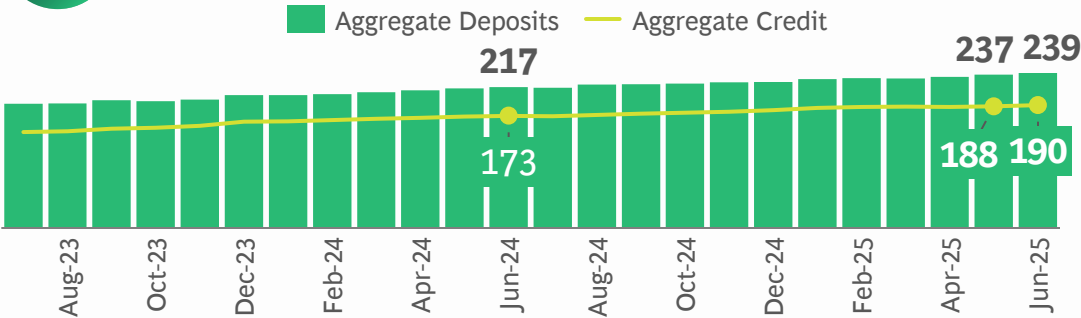
Mutual Funds AUM (INR Tn)¹

Mutual funds AUM continued to inch up to record highs in Jul'25, driven by both debt and equity schemes



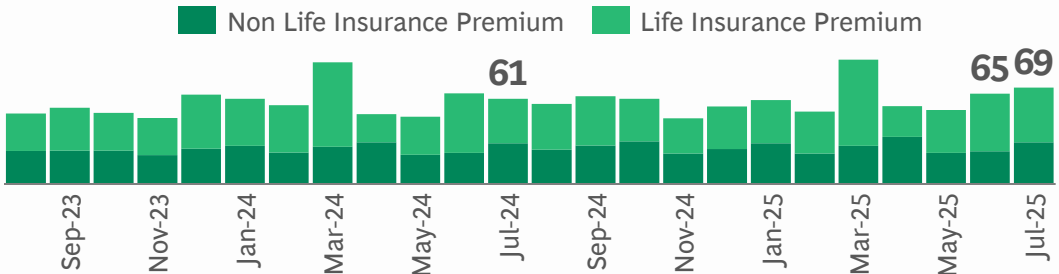
Aggregate deposits & credit (INR Tn)

Both aggregate deposits and credits continued to inch upwards in Jun'25



Insurance Premium (INR '000 Cr)²

Insurance premium rose in Jul'25 driven by a rise in non-life insurance premiums although overall momentum slowed



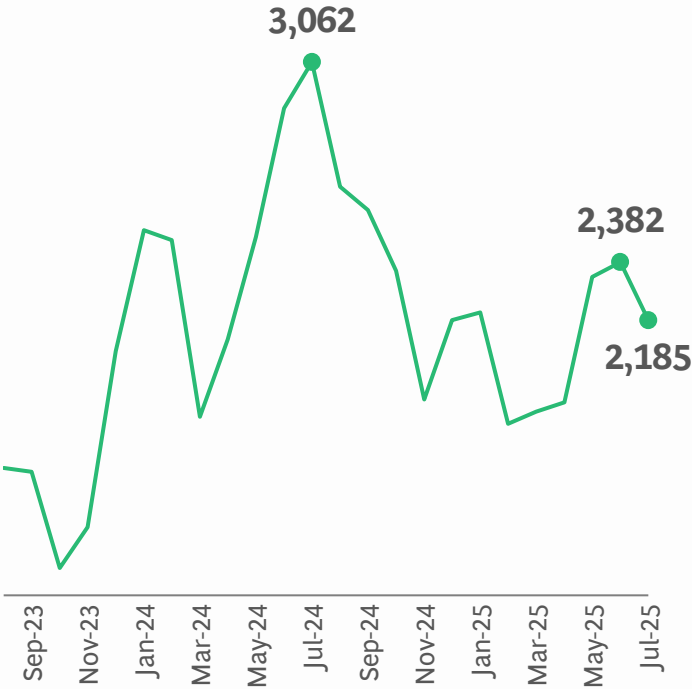
1.Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance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

NSE and BSE transactions fell in Jul'25; Market volatility index (VIX) closed at a 22-month low



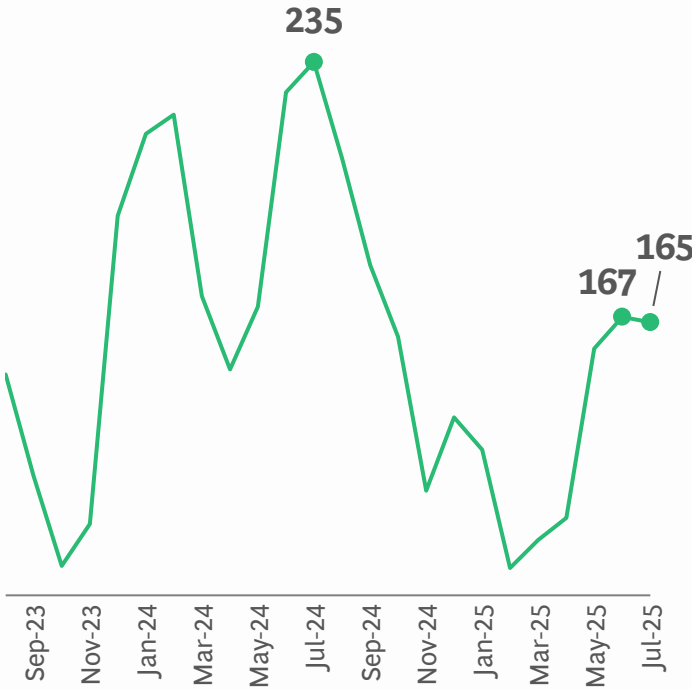
NSE transactions (INR Cr)

NSE transactions declined in Jul'25, amid regulatory curbs on key options traders



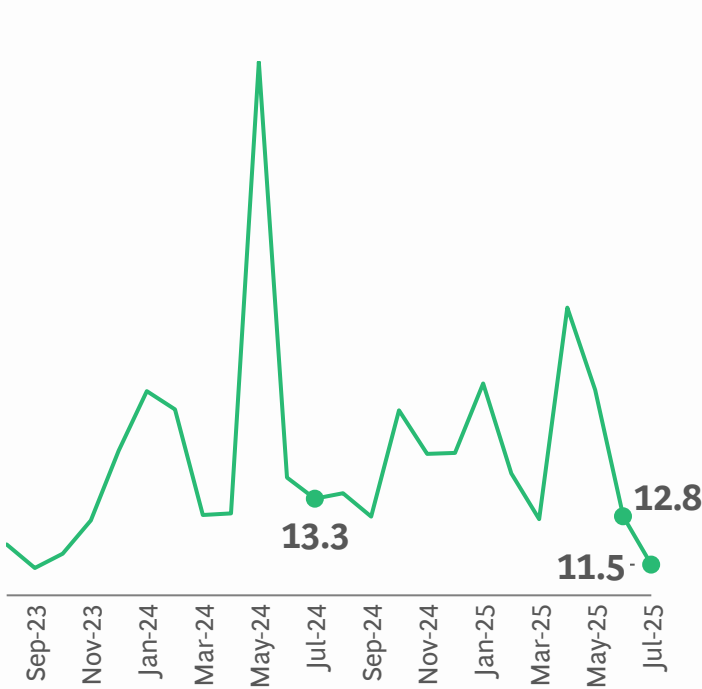
BSE transactions (INR Cr)

BSE transactions inched down slightly in Jul'25, driven by a fall in derivative volumes due to F&O regulatory actions



India VIX (Volatility Index)¹

VIX declined further to close at a 22-month low in Jul'25, in the absence of pronounced market swings



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

Fiscal deficit surged in Jun'25; GST collections inched up in Jul'25 amid a rise in gross import revenue



Govt. Receipts & Expenditures (INR Tn)

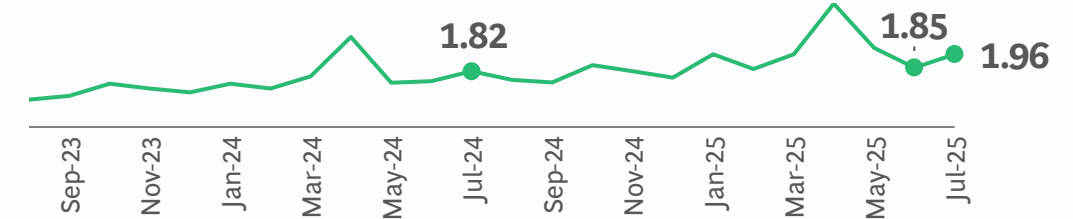
Fiscal deficit surged in Jun'25 from a surplus in May'25 due to a steep decline in non-tax revenue and a sharp uptick in interest payments

	Apr'25	May'25	Jun'25
Govt. Expenditure (INR Tn)	4.7	2.8	4.8
Govt. Receipts (INR Tn)	2.8	4.5	2.1
Fiscal Deficit (INR Tn)	1.9	-1.7	2.7



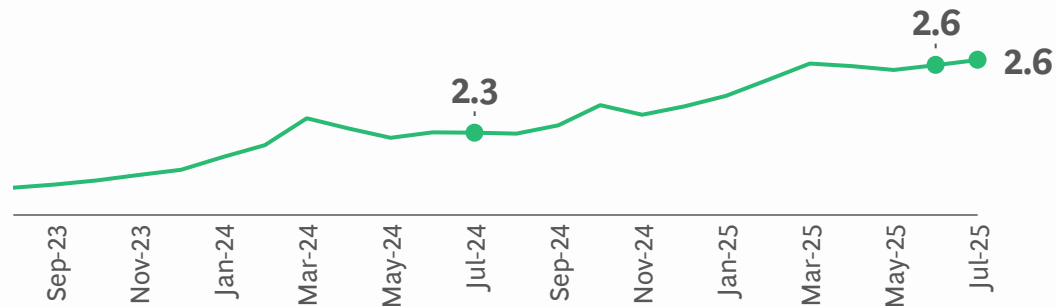
GST Collections¹ (INR Tn)

GST collections rebounded in Jul'25, driven by a sharp rise in gross import revenue



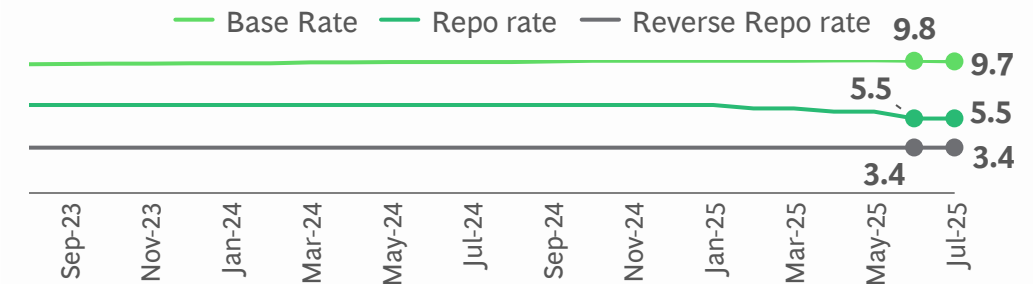
Jan Dhan Deposits (INR Tn)

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



RBI's policy rates (%)

RBI held repo rate at 5.5% in Jul'25

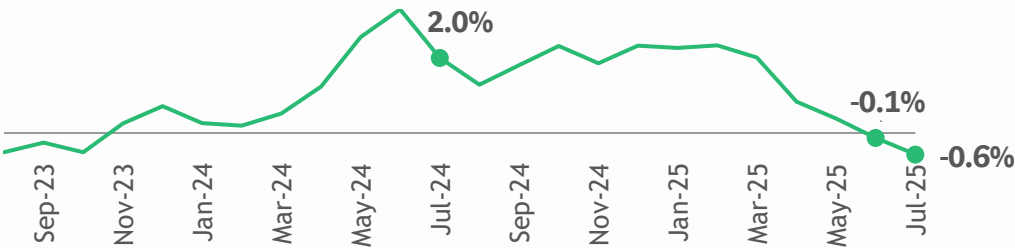


WPI inflation fell to a 25-month low of -0.6%; CPI inflation further fell to 1.6% in Jul'25

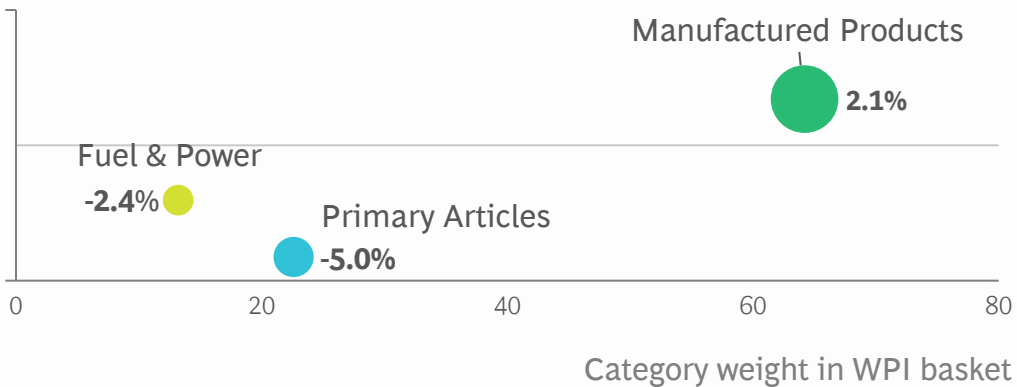


Wholesale Price Index (WPI)¹

WPI inflation further declined to over a 2-year low in Jul'25, driven primarily by deflation in the primary articles basket

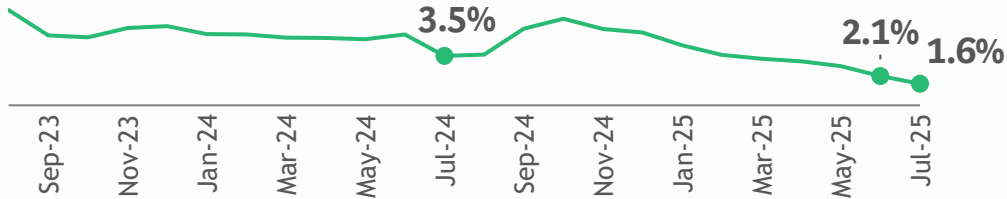


WPI inflation rate for Jul'25

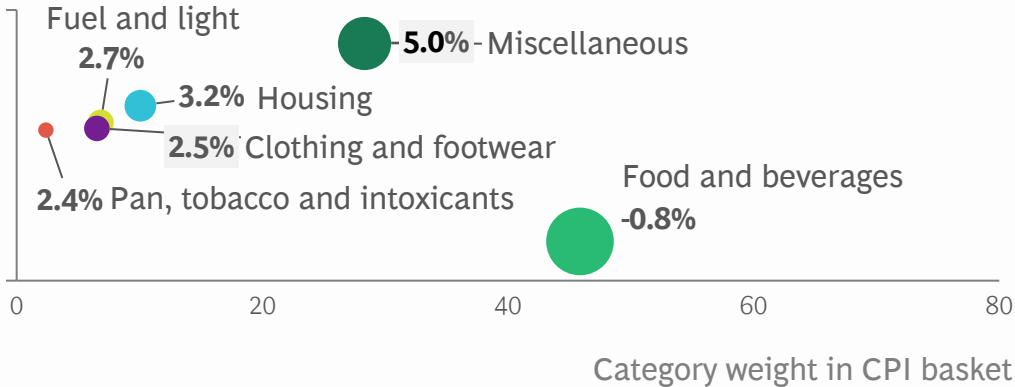


Consumer Price Index (CPI)²

CPI inflation fell to a 6-year low in Jul'25 led by a contraction in food & beverage prices



CPI inflation rate for Jul'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

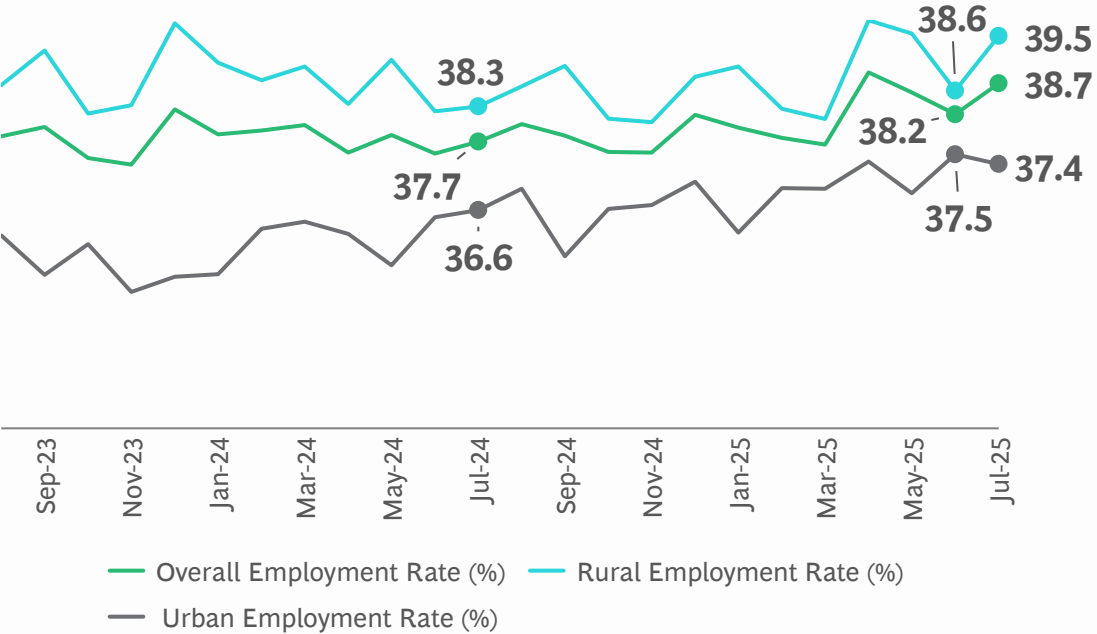
While rural employment rate increased, MGNREGA employment demand dipped to a 10-month low in Jul'25



CMIE Employment rate (%)¹

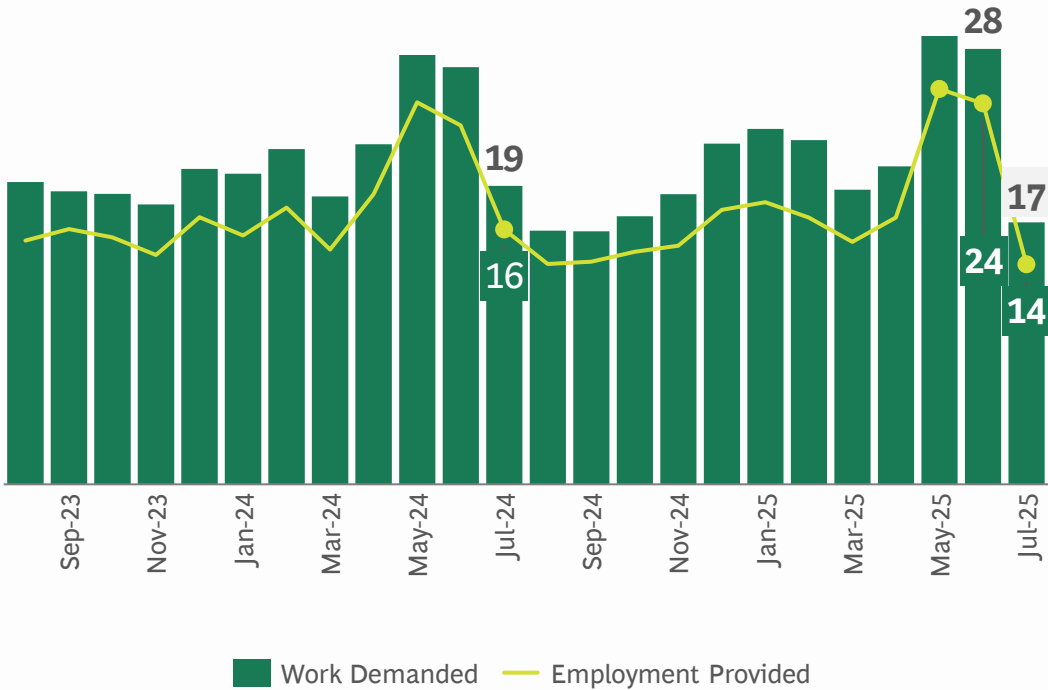
Overall employment rate increased as rural areas witnessed an uptick in participation rates while urban employment rate dropped marginally

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 demand and employment provided fell seasonally in Jul'25 as monsoons drew workers back to agriculture



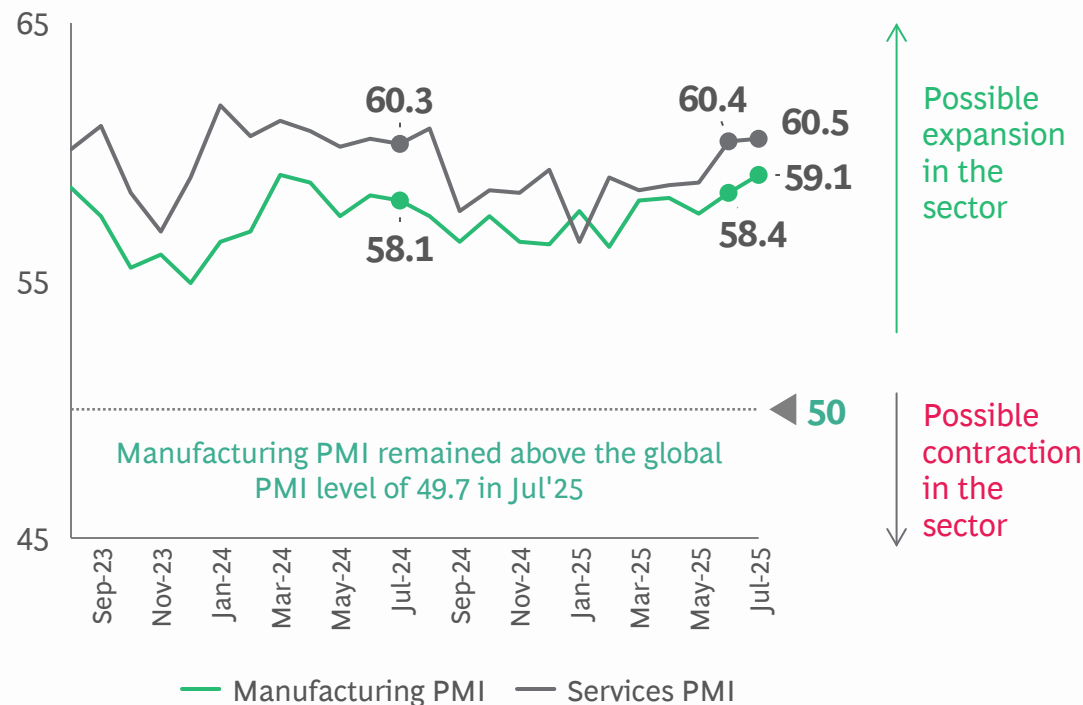
1.CMIE's Consumer Pyramids panel of households contains over 178,677 households and these include over 522,000 members who are over 15 years old
2.MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.
Source: CMIE Consumer Pyramids survey, Ministry of Labor & Employment, Ministry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

Manufacturing PMI rose to a 16-month high in Jul'25; Consumer confidence remained positive



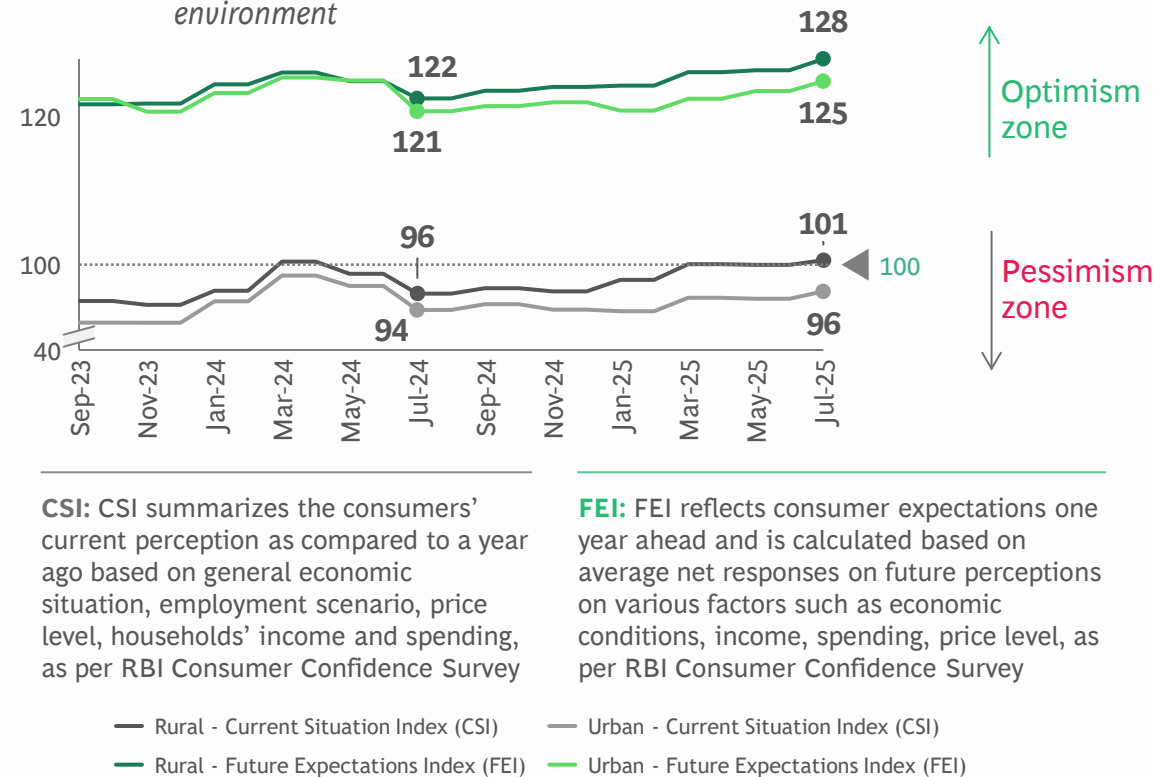
Manufacturing and services PMI¹

While manufacturing PMI reached a 16-month high in Jul'25 led by sharp gains in new orders, output, and stocks of purchases, services PMI inched up slightly to an 11-month high



Consumer Confidence Survey (RBI)²

In both rural and urban segments, FEI and CSI improved in Jul'25 driven by positive perceptions of income, spending, and overall economic environment

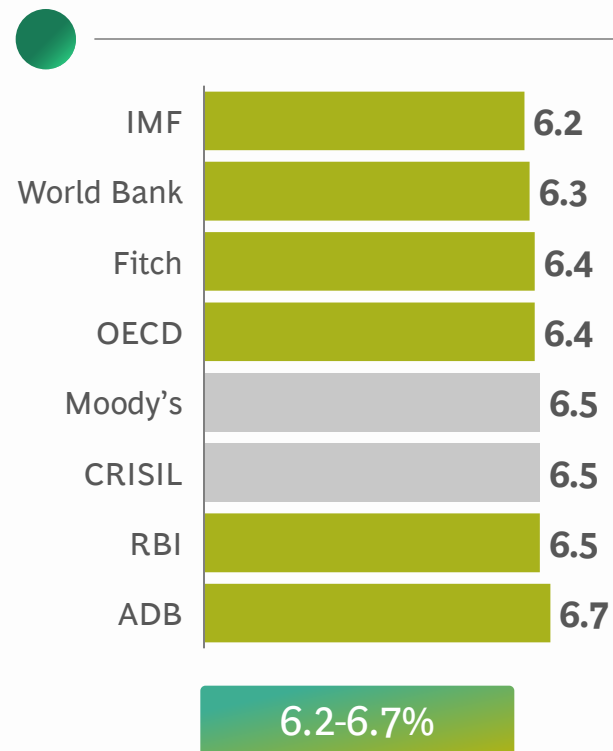


1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity; 2.Sample size: 7,924 and 5,592 responses for rural and urban (across 19 major cities) respectively surveyed during 1-12th July, 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.

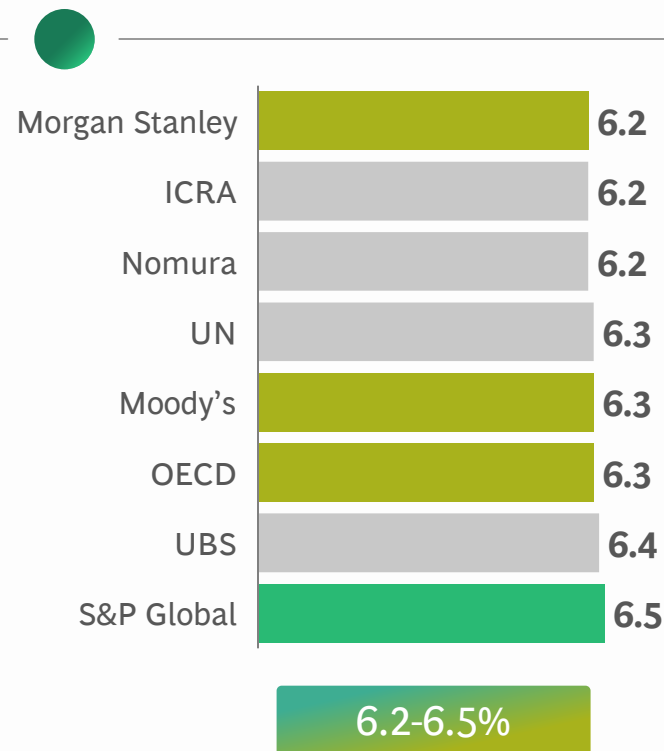
FY26 GDP projected to grow between 6.2–7.0%; IMF and ICRA increased forecasts in Jul-Aug'25

India GDP growth forecast for FY26 (YoY %)

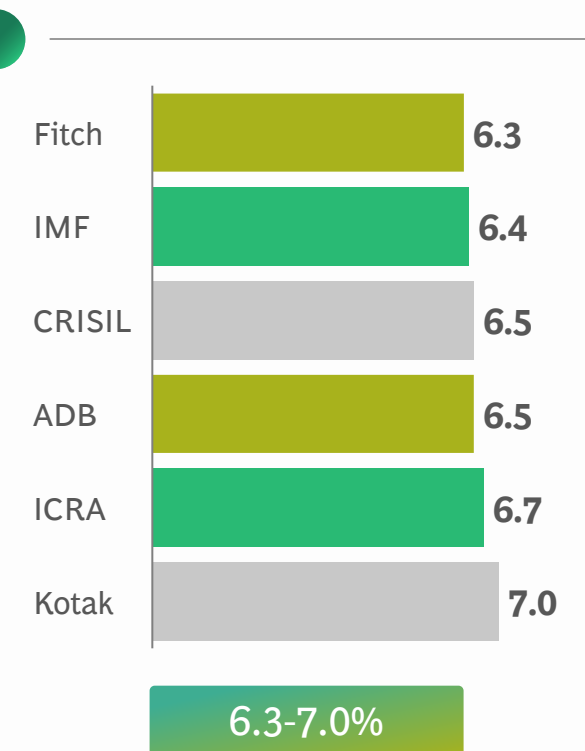
Mar-Apr'25



May-Jun'25



Jul-Aug'25



Data as of 20th Aug'25; Estimates likely to be revised further

No change
 Downward revision
 Upward revision



BCG

