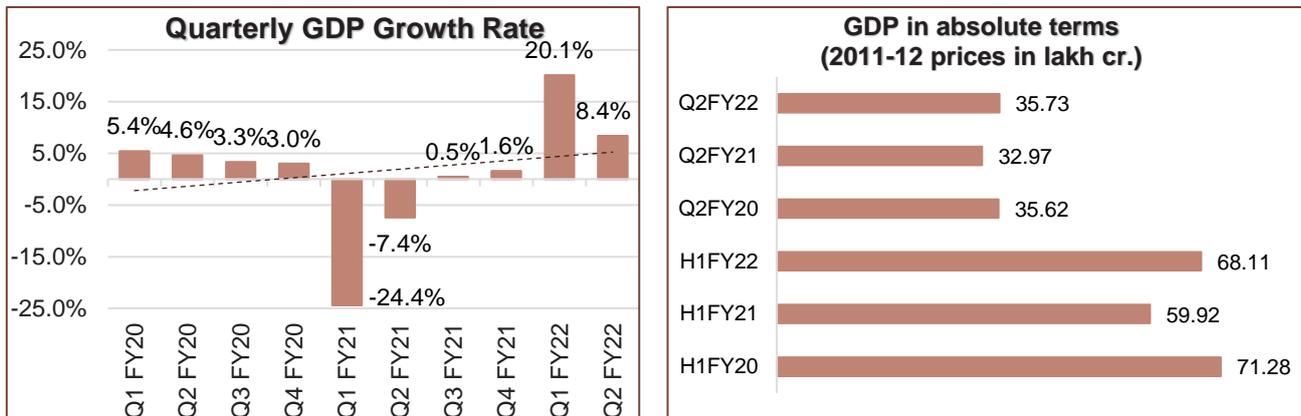


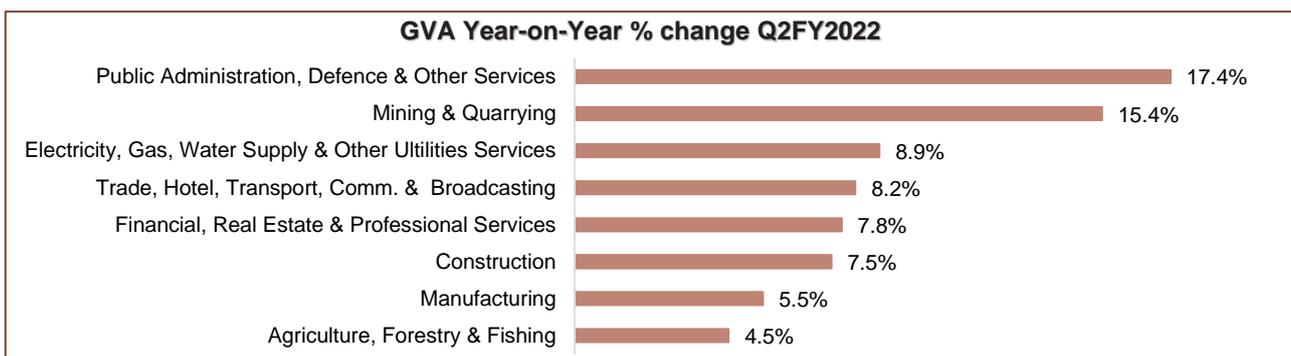
01 December 2021

Q2FY22 GDP in the positive territory for the fourth straight quarter



Source: MOSPI; News Articles

- Driven by a pandemic-driven plunge and then a low base effect rise, **economic growth soared to a record high of 8.4% in the July-September quarter** compared with a record contraction of 7.4% in the year-ago. In spite of a jump in growth, **in absolute terms the GDP just inched above the 2019-20 levels** of Rs. 35.62 lakh crore v/s 2021-22 levels of Rs. 35.73 lakh crore.
- Gross Value Added (GVA) in Q1FY22 grew at a stronger pace (8.5%)** as against a contraction of 7.3% during the same period last year
- Private Final Consumption Expenditure (PFCE)**, which is a significant component of overall Gross Domestic Product (GDP) numbers, rose by 8.61% over Q2FY21 number, and came in at Rs. 19.48 lakh crore. However, when calculated against Q2FY20, PFCE remained 3.53% lower.
- Government final consumption expenditure (GFCE)** rose by 8.73%, after the Centre announced a slew of schemes hoping to raise demand in the economy. At 3.61 lakh crore, GFCE constituted 10.1% of the GDP, down from 13.0% in Q1FY22. This too remained below the FY19-20 levels by 16.79%.
- Investments, as reflected by gross fixed capital formation (GFCF)**, rose 11.01% in second quarter y-o-y, compared to 8.55% contraction in the same quarter previous year. The GFCF is the marker of investments in the economy and high growth in investments suggests businesses are looking favourably at India's growth prospects. In fact, in absolute terms, the investments in Q2 are the highest of any Q2 in the past five years.
- Agriculture** chipped in on the back of a good monsoon, delivering back-to-back 4.5% growth.
- Manufacturing** posted a 5.5% increase, reflecting both a recovery in domestic demand and buoyant exports.
- The effect of unlocking was reflected in the 7% - 8% growth in **construction, trade, hotels, transport and financial services**.



Source: MOSPI; News Articles

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