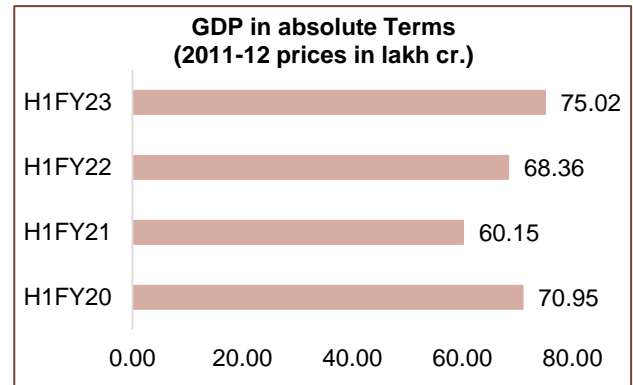
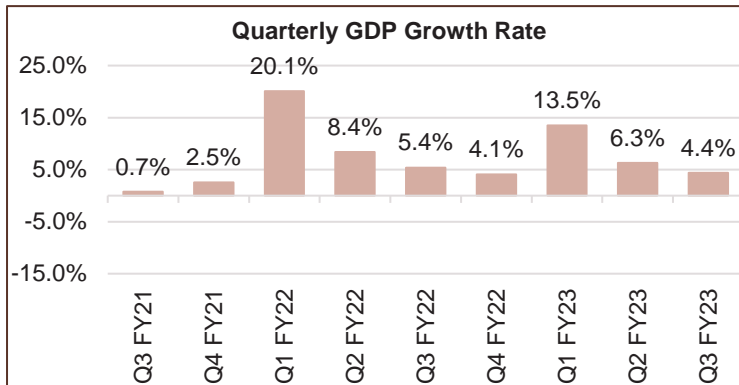


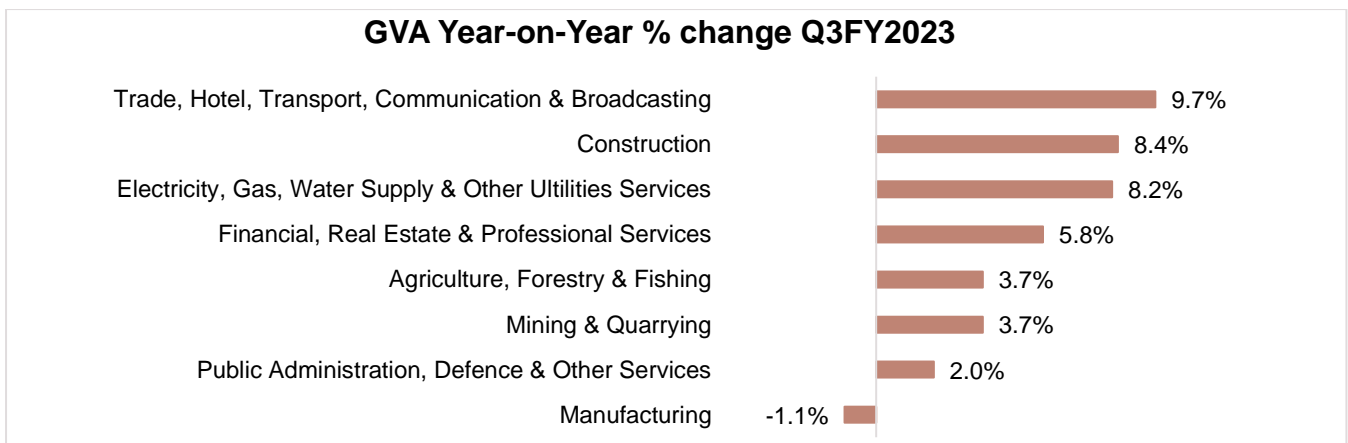
01 March 2023

## India's GDP slows to 4.4% in Q3FY23



Source: MOSPI; News Articles

- **India's Gross Domestic Product (GDP) for the October- December quarter (Q3) of the ongoing financial year 2022-23 fell 4.4%.** The FY23 growth rate is estimated at 7.0% as compared to that of 9.1% in FY22. Real GDP at Constant (2011-12) Prices in the year 2022-23 is estimated to attain a level of Rs 159.71 lakh crore, as against the First Revised Estimate of GDP for the year 2021-22 of Rs 149.26 lakh crore.
- **Gross Value Added (GVA) in Q3FY23 grew at a slower pace (4.6%)** down from 5.5% in Q2 with manufacturing continuing to shrink for the second quarter, albeit to a slower pace of 1.1% compared to 3.6% in Q2.
- The **Private Final Consumption Expenditure (PFCE)**, a proxy for household consumption, accounted for 63.3% in nominal GDP for the Q3FY23 compared with 65.1% in Q3FY22. .
- **Investments, as reflected by Gross Fixed Capital Formation (GFCF)**, which is a proxy for investment demand, remained robust at 8.3% in the December quarter, reflecting higher capex push by the government.
- The **Trade, Hotel, Transport, Communication & Services Related to Broadcasting** declined in the third quarter of FY23 to 9.7% as against 14.7% in Q2. Construction GVA growth surged to 8.4% in Q3 from 5.8% in Q2 (revised lower from earlier estimate of 6.6%), as did Electricity, Gas, Water Supply and other Utility Services (up 8.2% in Q3 from 6% in Q2. Due to the revisions, Q3 Mining and Quarrying GVA recovered from a 0.4% contraction in Q2 to grow 3.7% in Q3, while Agriculture, Forestry and Fishing GVA accelerated to 3.7%, the fastest pace of growth this year. The unexpected contraction in manufacturing, seems to reflect the impact of high input prices on margins in certain sectors. Public Administration, Defence & Other Services' GVA growth faltered from 5.6% in Q2 to just 2% in Q3, while Financial, Real Estate & Professional Services slowed from 7.1% in Q2 to 5.8% in Q3.



Source: MOSPI; News Articles

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