# Re-adjusting to minus 7.7%

Move follows GDP surprise in the second quarter, but we are not out of the woods yet

**December 2020**

**Research**

CRISIL
An S&P Global Company

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## Key takeaways

- CRISIL now sees India's fiscal 2021 real gross domestic product (GDP) contracting 7.7% compared with a contraction of 9% forecast in September
- A faster-than-expected revival in activity in the second quarter, which continues into the festive season, is one of the reasons for the revision. Consistent decline in the overall Covid-19 case load is the other
- Inadequate fiscal spending, however,remains a constraint, while the possibility of a second wave of afflictions, uncertainty regarding availability of vaccine, and hiccups in global economic revival due to resurgence of cases, call for caution
- In fiscal 2022, GDP growth is expected to spurt to 10%, led by a very weak base and some global 'rising tide' effect. We estimate a permanent loss to the economy at ~12% in real GDP terms

A faster-than-expected pick-up in economic activity, especially in the June-September quarter, has lent a positive bias to our previous GDP forecast for fiscal 2021.

Specifically, four factors have been considered:

a. Better-than-expected performance of the manufacturing sector in Q2

b. Fiscal policy support, which hitherto remains inadequate to revive demand, and could be forthcoming

c. A 'learning to live with the virus' attitude, which should entail lighter restrictions even in case of a second wave, and

d. Flattening of the national Covid-19 cases curve over time despite recent resurgence in some regions

This is not to say that we read a conclusive recovery from here. On the contrary, some indicators point to a moderating momentum of late. The rise in inflation is also a nagging source of concern constraining monetary policy action and recovery. And the pandemic is far from over. Our forecast for fiscal 2021, thus remains predicated on the pandemic's trajectory and importantly, what the government does to stimulate a well-rounded recovery in the coming months.

## What's changed since our September forecast

I. **Manufacturing surprises:** Factors supporting a revival in manufacturing lent a bigger-than-expected push. The sector stepped out of recession – expanding 0.6% on-year in the second quarter after contracting for four straight quarters, owing to:

- Pent-up demand, as restrictions reduced and the economy was gradually unlocked
- Better performance of exports in select sectors such as pharmaceuticals, engineering goods, iron and steel and textiles
- Better rural incomes (farm and non-farm) as well as social distancing norms boosting certain sectors (such as two-wheelers and small-to-mid sized passenger vehicles)
- A sharp cutback in operating costs for corporates due to job and salary cuts, employees exercising work from home option, and low input costs due to benign interest rates, crude and commodity prices

Some of these factors are expected to stay supportive in the coming months, while the benefit from others such as lower input costs and exports are showing signs of reversing.

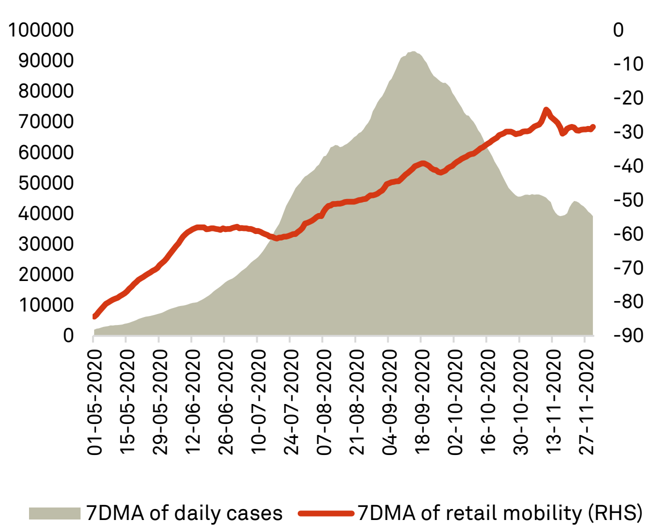
Early data for the third quarter suggests revival continued into the festive season, but there are pockets where momentum has somewhat softened (see section on high frequency indicators).

II. **Fiscal policy support not enough to revive demand, could expect more in coming months.** Direct fiscal spending support by the government has been inadequate to galvanise demand. The government estimates the total support package announced by it (including monetary measures by the RBI) at over 15% of GDP, but the direct spend in the current fiscal is much less at around 2% of GDP.

According to national accounts data, government consumption spending contracted in the first half of the current fiscal by 4% on-year. Capital spending by the central government slipped 2% and that by 12 major states plunged 28% on-year as of October. Given the lack of fiscal space, the central government appears to have designed its measures to do more with less. It has jacked up its borrowing programme to raise resources for spending (due to a hit to revenue) and redirected spending towards areas that need more attention. But direct government spending to boost demand in the current fiscal remains inadequate given the massive hit to the economy. Our outlook assumes that the central government will raise direct spending in the coming months to support the economy.

Meanwhile, monetary policy is trying to do the heavy lifting by overlooking inflation, which continues to remain above the RBI's comfort zone. However, there is some way to go until the easing percolates to the broader economy (see box: Financial conditions race ahead in recovery).

III. **India is now learning to live with the virus, which will help in case of a second wave.** Despite Covid-19 cases rising exponentially from ~422 per million in the first quarter on average to ~4,213 per million in the second quarter, people mobility has been heedlessly rising. Other than festive demand, fewer government restrictions in general (even in regions with recent resurgence in cases), better recovery rates and most importantly, loss of livelihoods has pushed up mobility – a proxy for how economic activity may be occuring. This phenomenon, we believe, will continue and even in case of a second wave, government restrictions could be lighter. Hence, unless the pandemic spins out of control, the hit to economic activity will not be as dramatic as earlier.

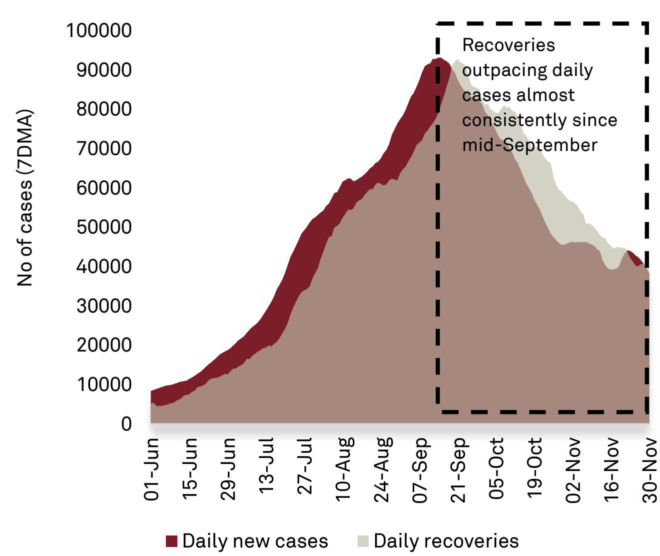



*Source: Google Community Reports",MoHFW, CEIC, CRISIL*

IV. **Overall Covid-19 cases are declining.** The consistent decline of daily new cases since mid-September is one of the factors providing an upside to our previous outlook of 9% contraction for the current fiscal. Daily cases have now dropped to below 40,000 per day, far lower than the peak of 95,000+ seen in early September. As of now, there has not been a sharp uptick in cases as feared during the ongoing festive season that started in October. However, concerns of a second wave, as seen in the US and Europe and parts of east Asia, persist.

Further, daily recoveries have almost consistently outpaced new cases since mid-September (see chart below); hence, the active case load stands at ~3.7 lakh as on December 10. Falling numbers of daily cases and recovery rates at ~95% has provided the government the confidence to open up the economy further in the second and third quarters since the first unlock phase in June. This has also led to increased mobility, both for essential (say trips to grocery and pharmacy, workplaces) and non-essential (retail and recreation spaces) purposes, as the nation is learning to live with the virus.

**7-day moving average of daily cases and recoveries since Unlock 1.0**

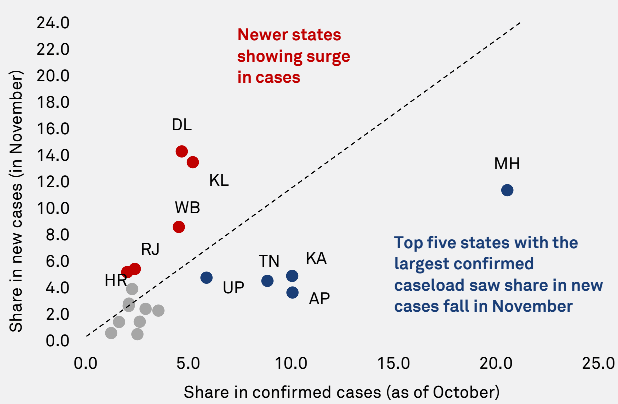



*Source: Ministry of Health and Family Welfare (MoHFW), CEIC, CRISIL*

## Covid-19 dynamics at the state level

The fall in daily addition to national cases is led by the five states with the highest confirmed caseloads: Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, and, Uttar Pradesh, which account for more than 55% share in total confirmed cases as of October 31, have seen their share in new cases dip to ~29% in November. These states also account for a significant share in GDP at 44%. On the other hand, a few states/union territories with a relatively lower share in GDP (~22%) are seeing a renewed surge: Delhi, Kerala, West Bengal, Rajasthan, and Haryana saw their share in new cases rise disproportionately to their share in total cases in November (see chart below: states above the 45-degree line)

**Share of states in confirmed cases vs in new cases**



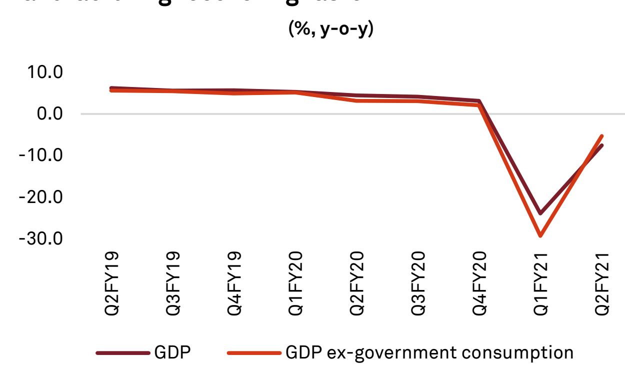

*Note: Blue colour shows top five states with highest share in confirmed cases, which have seen decline in their share in new cases in November; red shows top five states which saw their share in new cases increase disproportionately with respect to their share in confirmed cases. Grey denotes other states with smaller share in new cases*
*Source: covid19india.org, CRISIL*

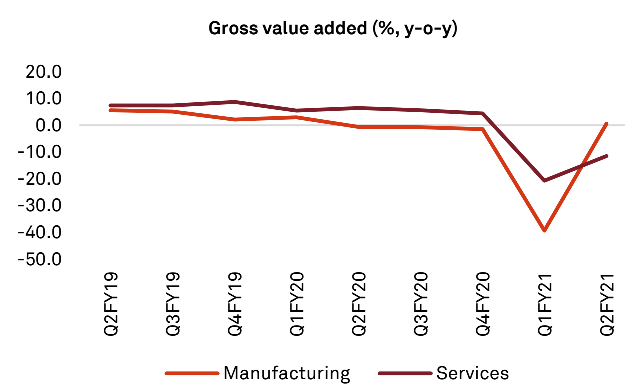
The surge in cases in states in November, which had a relatively smaller share in total cases in the past, highlights the concern of a possible second wave. Taking cue, a few state governments have re-imposed restrictions in the form of night curfew, increased testing at borders, etc.

# Behind the second-quarter GDP performance

GDP contracted 7.5% on-year in the second quarter – much better than the contraction of 23.9% in the first quarter, and our expectation of 12% contraction. Pent-up demand, support from agriculture and select export sectors, and cost savings for corporates, engineered this recovery.

**Manufacturing recovering faster**



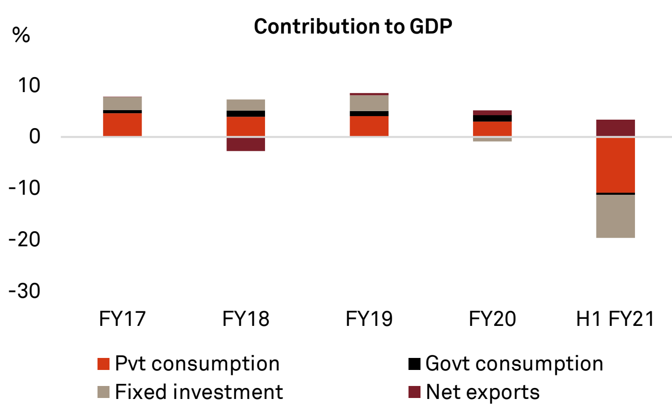




*Source: Ministry of Statistics and Programme Implementation (MoSPI), CRISIL*

**Manufacturing reviving faster than services:** Manufacturing showed faster improvement than services, with the latter lagging as a large chunk of services are contact-based where 'fear factor' has continued to dominate. This phenomenon, we believe, will continue as residual anxieties in consumption of contact-based services will continue till the time the population is effectively vaccinated or develops herd immunity.

**Stronger private sector play:** Economic activity in the second quarter was fired more by the private sector than government stimulus. Government consumption in fact fell 22.2% on-year (compared with 16.4% growth in first quarter). So excluding government consumption, GDP contracted only 5.4% in the second quarter. But the second half should look different. Other than higher spends by private sector, which gradually recovers, better revenue collections – as the economy revives – should also encourage higher government spending.

**Positive external sector contribution:** Exports came to the rescue of the economy in the first half of this fiscal.




*Source: MoSPI, CRISIL*

- External trade was the only demand component that contributed positively to GDP in the first half of this fiscal. The contribution of net exports (i.e., exports minus imports) of goods and services to GDP has not only been positive, but also higher on-year
- This has been a result of imports falling sharper (29.1% contraction on-year in the first half) than exports (10.7% contraction), resulting in a trade surplus. Domestic demand was hit harder than external demand as the initial lockdown was stringent and support from fiscal policy was lower relative to other economies. Lower crude oil prices on-year further reduced import growth
- As domestic demand normalises, imports are slowly catching up even as export recovery has been uneven. A resurgence in Covid-19 infections in the US and Europe is threatening the nascent recovery in external demand. But growth in Asia, particularly China, will provide some balance

**Past the worst, but a long climb up**

Real GDP compared with the immediate pre-Covid level

| | 2019-12 | 2020-03 | 2020-06 | 2020-09 |
|---|---|---|---|---|
| Australia | 0.0 | -0.3 | -7.3 | -4.2 |
| China | 0.0 | -10.0 | 0.5 | 3.2 |
| Hong Kong | 0.0 | -5.5 | -5.6 | -3.0 |
| India | 0.0 | 0.7 | -25.2 | -8.5 |
| Indonesia | 0.0 | -0.8 | -7.7 | -4.4 |
| Japan | 0.0 | -0.4 | -8.2 | -3.4 |
| Malaysia | 0.0 | -2.0 | -18.2 | -3.3 |
| New Zealand | 0.0 | -1.3 | -10.9 | |
| Philippines | 0.0 | -5.6 | -19.7 | -13.2 |
| Singapore | 0.0 | -0.8 | -13.9 | -5.9 |
| Korea | 0.0 | -1.3 | -4.4 | -2.4 |
| Taiwan | 0.0 | -0.5 | -1.2 | 2.7 |
| Thailand | 0.0 | -2.2 | -11.9 | -6.1 |
| Vietnam | 0.0 | -1.0 | -2.2 | 0.2 |
| European Union | 0.0 | -3.3 | -14.3 | -4.4 |
| United States | 0.0 | -1.3 | -10.1 | -3.5 |
| G20 EMs | 0.0 | -0.9 | -12.8 | |

**% compared to Q4 2019**

Note: All data are seasonally adjusted and calculated as the difference from the level in 2019-Q4. G20 EMs refers to the unweighted average of Brazil, Mexico, Russia, South Africa, and Turkey.

Source: National statistical authorities, CEIC and S&P Global Economics.



Economic activity may be looking up, but India's speed of recovery relative to other economies remains slow (see chart above). Stringent restrictions, weak initial conditions and smaller fiscal impulse have constrained a faster pick-up. Even as caseloads reduce and activity revives, recovery will only be gradual.

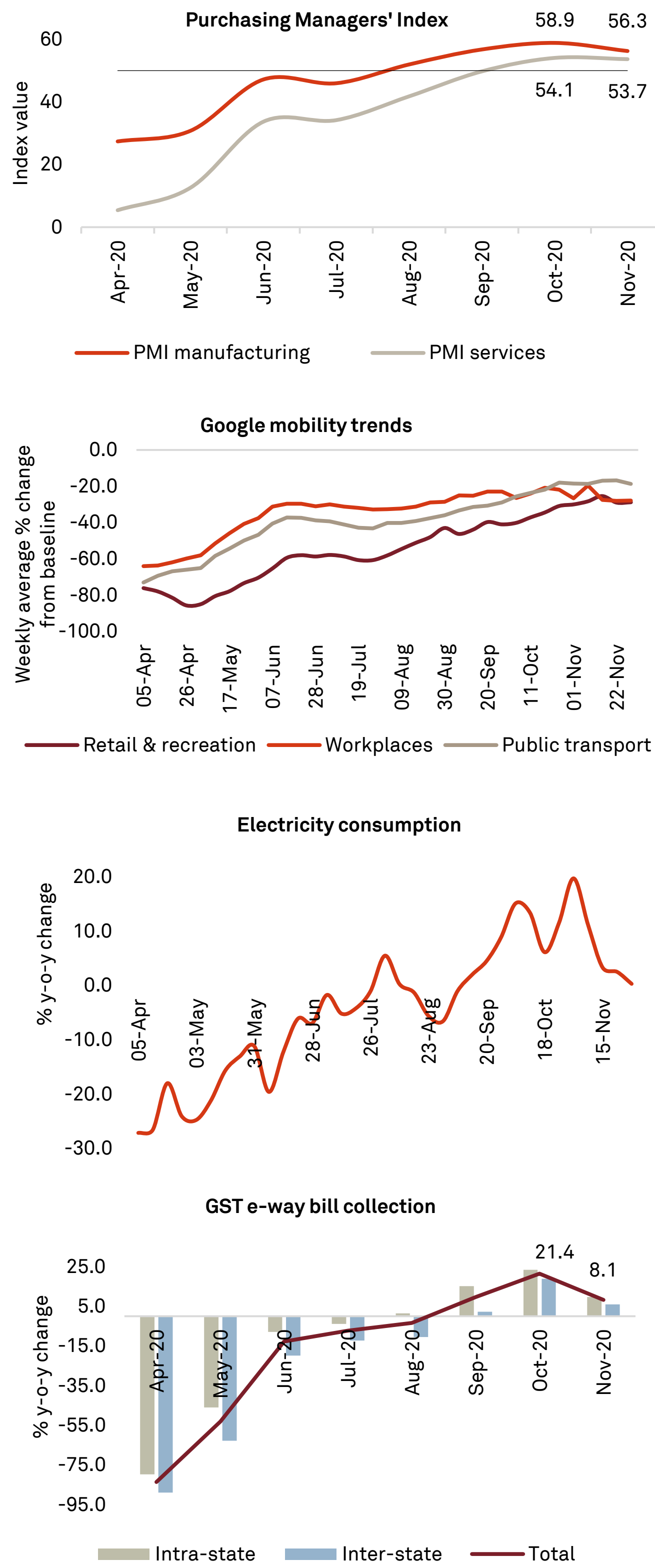
## What do high-frequency indicators suggest for the second half of this fiscal?

Both conventional and unconventional high-frequency indicators are broadly in sync with GDP trends (see table in annexure). Towards the end of the second quarter, economic activity picked up after plateauing in June and July. The Index of Industrial Production (IIP) and consumption of industrial inputs such as cement, steel, petroleum showed improvement in terms of slower contraction (or positive growth in case of few) on-year. Services indicators such as PMI and air passenger traffic also inched up, but the pace was slower relative to industry-related indicators.

In the third quarter, available high-frequency indicators show the uptick in economic activity continued in October, but the momentum has slowed somewhat in November (see chart below). Overall, we expect 1% GDP contraction on-year this quarter, on the basis of high-frequency data and a flattish Covid-19 curve:

- **Manufacturing PMI** slowed in November (at 56.3) after reaching a decadal high in October (58.9). Manufacturing activity, however, remains in expansion mode. Similar is the case with services PMI reading, which was lower than that in October
- **Google mobility data** shows that mobility to retail and recreation spaces has improved significantly (attributable to the festive period of October-November); however, workplace mobility has stagnated, and movement to public transport has improved only marginally in November. Broadly, though, mobility remains constrained and below the pre-pandemic levels of January-February
- **Power consumption,** too, slowed on-year, from the double-digit growth seen in October
- **GST e-way bill collections** data shows moderation in activity, with sequential slowdown in growth from the October highs.
- **Electronic toll collection** data shows 1.6% decline in collections in November on-month, after double digit on-month growth in September and October

**Pick-up in September-October, slowdown in November**




*Source: IHS Markit, Google Community Mobility Reports, GSTN, POSOCO, CRISIL*

A few other indicators also point towards some slowdown in momentum:

- **Auto sector sales have lost buoyancy -** Tractor sales growth, after rising during the peak agriculture season, has slowed in October. Two-wheeler sales have also been affected by a recent slowdown in rural construction
- **Cost savings on account of lower commodity prices will reduce as prices firm up,** though the price rise would be capped by a spike in Covid-19 cases globally
- **Deeper demand-based revival still absent –** Private consumption and investments were already weak when the pandemic hit, and fiscal stimulus has not been enough to pump it up on a sustainable basis
- **Recent surge in Covid-19 cases in some of the larger economies weighing on India's exports-** India's non-oil merchandise exports (in nominal terms) had contracted 32.9% in the first quarter, and de-grew 1.9% in the second quarter. It improved to a bare 1% growth in October-November.

# Inflation and its discontents

One of the biggest surprises as well as policy challenges this year has been the unfettered uptrend in inflation, while the economy negotiates a deep recession. It was hoped that as the nationwide lockdown was lifted, supply disruptions would start easing and along with a slack in demand, overall inflation (which shot up to 7.59% in April) would trend downwards. On the contrary, inflation has continued to surprise on the upside, reaching a 77-month high of 7.61% in October. And it is not just high food inflation,but also firmer core inflatiaon that is behind the rising inflation trajectory.

## Food inflation

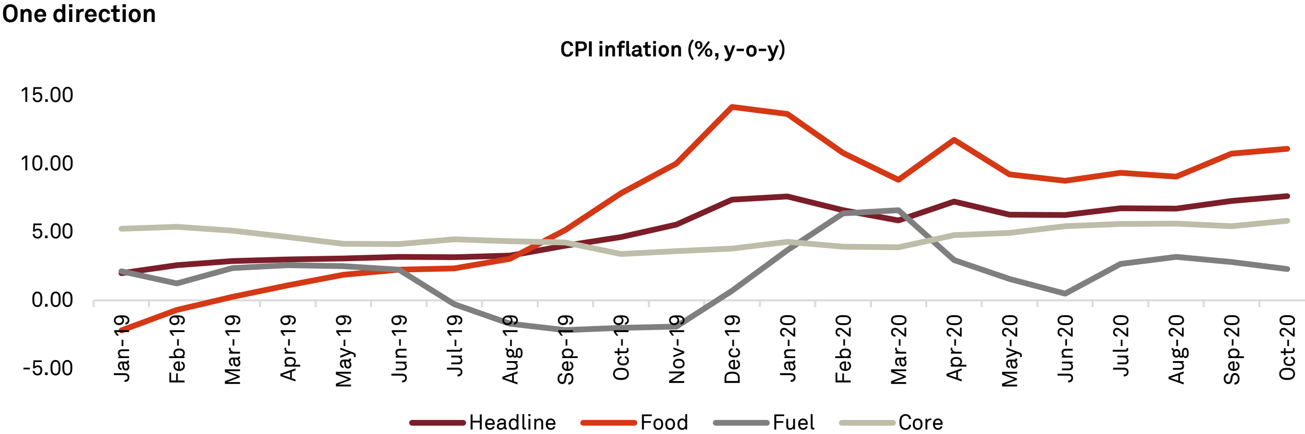
Food has been the biggest contributor to the rise in headline consumer price index (CPI) inflation and recently recorded two consecutive months of double-digit inflation (10.7% in September and 11.1% in October). High food inflation has been on account of vegetables (chiefly, onion and potatoes) and protein – both plant (pulses) and animal-based (eggs, meat and fish). While initially, the lockdown led to supply disruptions, more recently, heavy rains in certain parts of the country impacted supplies even as demand started to firm up in the 'unlocked' economy. This supply-demand mismatch has kept food prices firm.

**Components of food inflation**

| CPI inflation (%) | Q1 FY21 | Q2 FY21 | October 2020 |
|---|---|---|---|
| Food | 9.9 | 9.7 | 11.1 |
| Cereals | 7.6 | 5.8 | 3.4 |
| Vegetables | 11.0 | 14.5 | 22.5 |
| Pulses | 20.5 | 14.9 | 18.3 |
| Eggs | 9.2 | 11.1 | 21.8 |
| Meat and fish | 14.7 | 17.1 | 18.7 |

*Source: MoSPI, CRISIL*

**One direction**




*Note: Fuel here refers to fuel and light, core is headline sans food and beverages and fuel*
*Source: MoSPI, CRISIL*

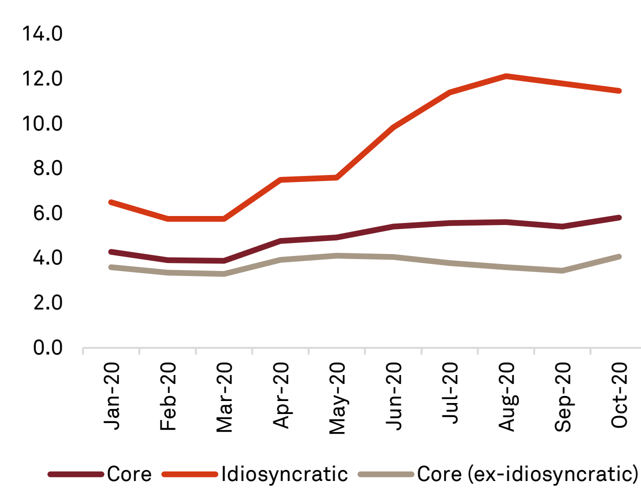
While vegetable prices, especially of onion, have started correcting with government intervention (in terms of banning exports and easing imports, amongst others), price pressures remain in pulses and eggs (as demand continues to rise but restoring supplies takes time), and more recently, in edible oil categories due to dearer imports. Also, global food prices continue to rise. The World Bank food price index rose an average 13% on-year for September-November period, as opposed to just 0.1% rise in April-June. All this suggests food inflation is likely to remain firm in the near term.

## Core inflation

Core inflation has been firming up despite the slack in the economy, reflecting idiosyncrasies such as a sharp rise in gold prices (reflected in personal care and effects inflation) during the pandemic, and increase in transportation and communication prices (see chart below). More recently, health inflation, too, has been going up, on account of rising healthcare costs. Barring these, other core components have remained range-bound.

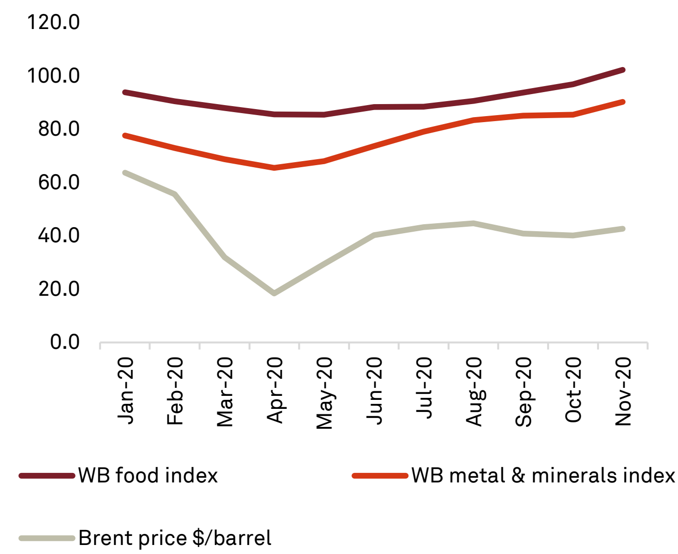
However, with the restoration of economic activity and, therefore, some improvement in demand conditions on the one hand, and rising input/commodity prices (iron ore prices, for instance, are at a 7-year high) and sporadic supply disruptions on the other, core inflation is likely to remain firm going ahead.

**Rise in core inflation is mostly idiosyncratic**




*Note: Core = Headline - food & beverage - fuel & light inflation, Idiosyncratic = Personal care & effects + transport & communication*

**International commodity prices on the rise**




*Source: MoSPI, CRISIL, World Bank*

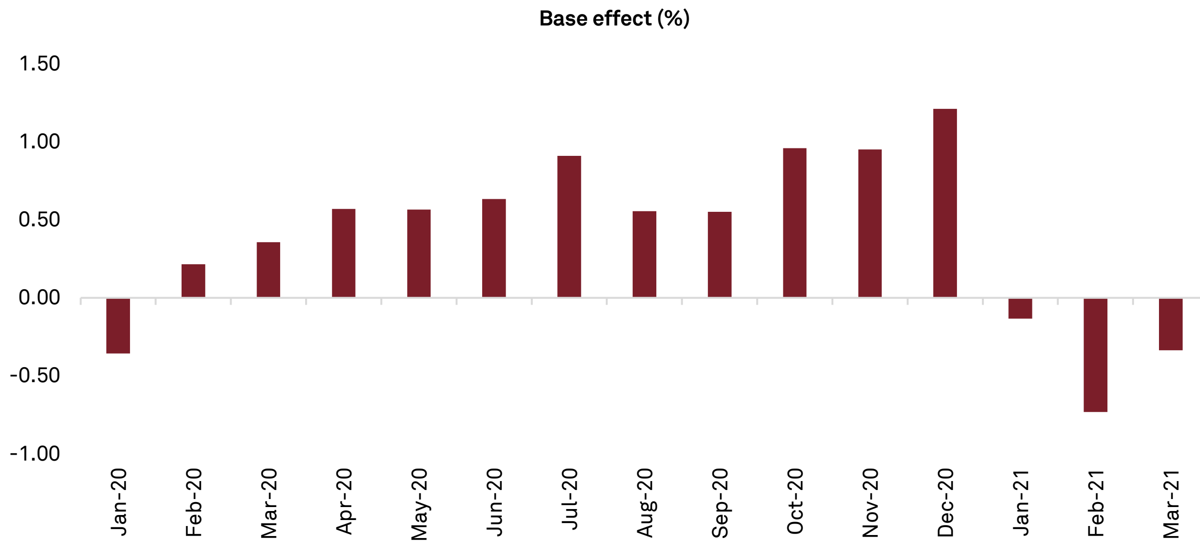
## Fuel inflation

Supported by a sharp cut in crude oil supplies by the Organization of the Petroleum Exporting Countries and allies (OPEC+), and gradually improvement in industrial activity across the world, crude oil prices have started to move up. In November, Brent spot averaged $42.7 per barrel, up from $40.2 per barrel in October and the lows of $18.4 per barrel in April. While they still remain below the pre-pandemic levels, oil prices are expected to gradually move up going ahead. This would mean higher transportation costs, which could also impact prices of transported goods and therefore lead to rising generalised inflation.

Based on these factors, we revise our CPI inflation call for the current fiscal to 6.4% (with risks tilted to the upside) from 5.6% earlier.

It is also worth highlighting that the favourable base effect is expected to peak by December and starting January, positively add to the inflation print (see chart below).

Base effect advantage to end this December




*Source: MoSPI, CRISIL*

## Implications of high inflation

1. **Lowers disposable income:** In fiscal 2020, private final consumption expenditure (PFCE) stood at Rs 123 lakh crore (in nominal terms). If we assume retail inflation goes up by 1 percentage point, overall private final consumption expenditure has to increase Rs 1.23 lakh crore for Indians to consume the same basket of goods and services. Similarly, one percentage point increase in food inflation pushes up the food bill by ~Rs 33,000 crore. So sustenance of high inflation does not augur well for sustainability of consumption demand.

2. **Hits the poor most:** High inflation premised on high food prices hurts the poorest sections of the society disproportionately as food forms a larger part of their consumption basket. For instance, as per National Sample Survey on consumption expenditure in India, people in the 0-5 fractile class in rural India tend to spend 62.4% of their consumption expenditure on food as opposed to just 28.1% in the 95-100 fractile class. Government programmes to distribute food grains, therefore, provided a buffer for the poor.

3. **Raises uncertainty in the economy:** Low and stable inflation is an important source of economic stability. High inflation increases uncertainty in the bond market and leads to higher long-term interest rates. It also impacts business decisions and investments. Inflation uncertainty reduces the roductive use of resources as businesses are often forced to spend resources in order to avoid the associated risks.

4. **Limits ability of the central bank to support growth:** We have seen how the Monetary Policy Committee or MPC, had to halt its rate easing cycle because of high inflation.

## Macroeconomic outlook for the current fiscal

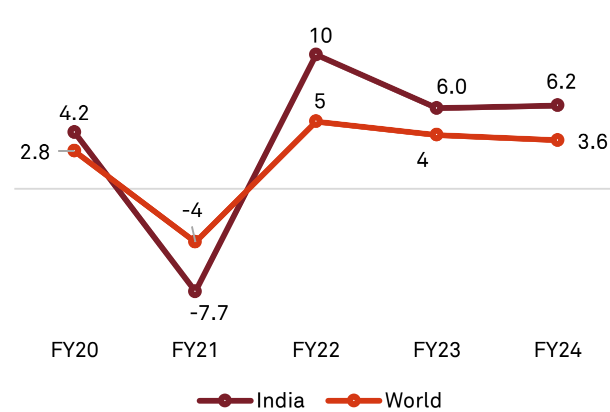
| Macro variable | FY19 | FY20 | FY21F | Rationale for outlook |
|---|---|---|---|---|
| Real GDP (%, y-o-y) | 6.1 | 4.2 | -7.7 | Faster-than-expected revival of activity in the second quarter, which continued into the festive season, and a consistent decline in Covid-19 cases has led CRISIL to revise its fiscal 2021 growth outlook |
| CPI inflation (%, y-o-y) | 3.4 | 4.8 | 6.4 | Inflation has continued to surprise on the upside, with not only food inflation reaching double digits but core also firming up. Stubbornly high food prices in some categories and recent rise in commodity prices suggest inflationary pressures to remain. CRISIL therefore revises its fiscal 2021 forecast from 5.6% to 6.4%, with risks tilted to the upside |
| 10-year G-sec yield (%,March-end) | 7.5 | 6.2 | 6.2 | The fundamental pressure of a large borrowing programme remains high, and yields continue to face upside risks from fiscal slippage. However, RBI's commitment to stay accommodative, provide liquidity to the system and use of open market operations will cap the upside to yields |
| Current account balance/ GDP (%) | -2.1 | -0.9 | 0.8 | A steeper decline in imports than exports is expected to keep trade deficit subdued this fiscal. Domestic demand has been hit harder than external demand, given that India has seen a higher Covid-19 caseload so far and support from fiscal policy has been lower compared with other economies. Lower crude prices on-year would also ease import growth |
| Rs/$ (March average) | 69.5 | 74.4 | 74.0 | Rupee is expected to recover moderately this fiscal. Global interest rates remain low, with major central banks pulling out all stops to boost growth. This may support the rupee, with FPIs returning to emerging markets, where rates are relatively in addition to surplus current account. Hence, the impact of any rise in crude will be muted |

*Source: CRISIL*

## Looking beyond the current fiscal

**In the next 3 fiscals, India's GDP growth to be above the world's but below its own trend**

(%, y-o-y)




*Note: Forecasts for World GDP are for calendar year; FY20 = 2019*
*Source: S&P Global Ratings, CRISIL*

For fiscal 2022, we expect GDP growth to shoot up to 10.0% supported by a very weak base and some benefit as the global economy fares better and provides a lift to India's exports. Services will take longer to recover than manufacturing. Beyond that, growth is seen averaging at ~6.2% annually between fiscals 2023 and 2025. In this scenario, a catch-up to trend GDP is unlikely in the next three fiscals. We estimate the permanent loss on account of this at ~12% in real GDP terms. Even with that, India is seen growing faster than the world beyond fiscal 2022 (please refer to our report 'Minus Nine Now', published in September 2020 for a discussion of factors that could drive India's growth over the medium run).

## Financial conditions race ahead in recovery

Financial conditions in India have gone from a sharp tightening in the beginning of the pandemic to a swift easing. CRISIL's Financial Conditions Index (FCI) shows that in contrast to March, when conditions were the tightest in a decade, they are currently easier than in the past 3 years.

The extraordinary monetary support with continued forward guidance of accommodative stance (in the face of rising inflation) by the RBI has been key in driving this recovery.

The RBI's real policy rate (implied by repo rate adjusted for CPI inflation) remains negative. Unconventional liquidity-enhancing measures have further eased interest rates across most market segments. Rates for money market instruments have fallen well below the repo rate amid surplus liquidity.

Further, the RBI's open market purchases of government securities (G-secs) have kept the benchmark 10-year G-sec yield below 6%, despite an 80% rise in central government borrowing projected for this fiscal. This has also facilitated easing in corporate yields, though higher rated bonds benefited more than lower-rated ones.

Bank lending rates have also eased to some extent, though their spreads over repo rate remain higher than the long-term averages.

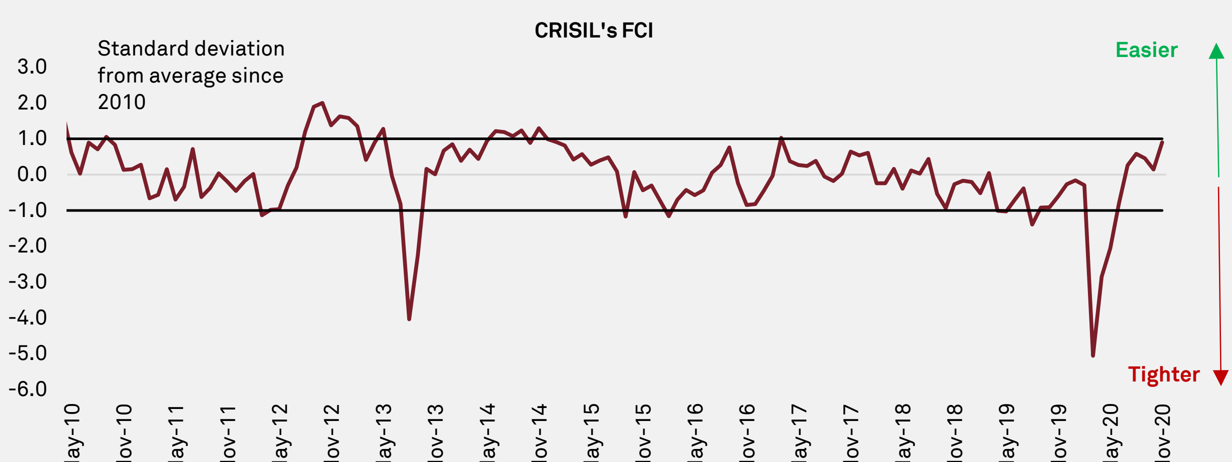
Ultra-accommodative stance of other major central banks have further helped by improving global risk appetite and reviving capital inflows to emerging markets.

Good progress on vaccines has accelerated this trend. Foreign portfolio inflows over the past month have been the highest since 2017. Domestic equities benefited the most, with the Sensex reaching an all-time high.

Given a surplus current account, these capital inflows have also translated to record high foreign exchange reserves, as the RBI is actively intervening to stabilise the rupee. This is further boosting domestic liquidity.

However, there is some way to go until the easing reaches the broader economy. Bank credit growth remains below pre-pandemic levels due to lower demand for credit from creditworthy borrowers and risk aversion by banks in lending to others.

**Financial conditions are now the easiest since 2017**




*Source: CRISIL*

## Global outlook

S&P Global expects global GDP to contract 4% in calendar year 2020, and grow at 5% in 2021. Uncertainty regarding the evolution of the pandemic remains high, but there have been positive developments - particularly, the probability of a vaccine rollout in 2021 earlier than expected has increased.

| Country/region | Real GDP growth rate forecast (%) | |
|---|---|---|
| | 2020 | 2021 |
| **World** | **-4.0** | **5.0** |
| US | -3.9 | 4.2 |
| Eurozone | -7.2 | 4.8 |
| United Kingdom | -11.0 | 6.0 |
| China | 2.1 | 7.0 |
| Japan | -5.5 | 2.7 |

*Source: S&P Global*

Globally, the pandemic is still not under control, as evident in the surge in cases in Europe and the US, followed by fresh lockdowns. Signs of second wave of infections are being seen in a few countries in East Asia too.

The renewed lockdowns in western countries due to surge in covid-19 cases have resulted in loss of momentum in economic activity. Mobility trends initially plateaued and then fell in November with social distancing restrictions and as households and firms cut back their spending. Just as in India, the sectoral performance is uneven, with services remaining weak and manufacturing sector expanding, as corroborated by PMI data.

That said, S&P Global states that the second wave of Covid-19 is unlikely to be as disruptive to the global economy as the first, given that governments are better prepared in terms of health infrastructure, and the containment measures are not as tight as was the case in March.

Monetary and fiscal policy are expected to remain accommodative throughout next year as well. In Europe, deficit and debt rules have been suspended till 2022, while in the US, S&P expects another round of fiscal support. On monetary policy, major central banks have committed to keep policy rates at or near zero and will continue to undertake measures to ease financial conditions.

*Source: 'Global Economic Outlook: Limping Into A Brighter 2021' ; 'Asia-Pacific Forecasts Stabilize, Risks Now Balanced'; and 'The Eurozone Can Still Rebound In 2021 After Lighter Lockdowns', S&P Global, November and December 2020*

# Annexure

## High-frequency indicators and GDP data

| Sector | Growth (y-o-y %) | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 | Oct-20 | Nov-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | GDP | 7.1 | 6.2 | 5.6 | 5.7 | 5.2 | 4.4 | 4.1 | 3.1 | -23.9 | -7.5 | | |
| | Industry GVA | 7.5 | 4.8 | 5 | 2.6 | 4.2 | 0.5 | -0.3 | -0.6 | -38.1 | -2.1 | | |
| | IIP | 5.1 | 5.3 | 3.7 | 1.5 | 3 | -0.4 | -1.3 | -3.8 | -35.7 | -5.8 | 3.6 | |
| | Manufacturing IIP | 5.1 | 5.7 | 3.5 | 1.4 | 2.4 | -0.4 | -1 | -5.8 | -40.5 | -6.5 | 3.5 | |
| | Capital goods IIP | 8.6 | 6.5 | 5.7 | -7.4 | -3.5 | -16.2 | -16.5 | -17.6 | -65.3 | -12.6 | 3.3 | |
| | Consumer durables IIP | 8.1 | 8.3 | 6.2 | 0 | -2.6 | -7.5 | -8.6 | -15.6 | -66.9 | -10.0 | 17.6 | |
| | Cement production | 16.4 | 12.5 | 13 | 11.6 | 1.1 | 0.2 | 0.7 | -4.1 | -37.8 | -10.5 | 2.8 | |
| Industry | Coal production | 12.9 | 6.2 | 5.3 | 6.2 | 2.6 | -10.2 | -5 | 7.7 | -15 | 6.4 | 11.5 | |
| | Electricity production | 4.9 | 7.5 | 6.8 | 1.4 | 7.3 | 0.6 | -5.7 | 2.2 | -15.9 | 0.2 | 10.5 | |
| | Consumption of petroleum products (transport and industry) | 2 | -3 | -2.5 | 2.6 | -0.4 | 2 | 1.2 | -4.9 | -25.8 | -12.3 | 6.8 | |
| | Steel consumption | 9.7 | 10.6 | 9.3 | 9.2 | 3.2 | 5.8 | 1.1 | -7.2 | -57.1 | -14.3 | -2 | |
| | PMI - manufacturing | 52 | 52.1 | 53.4 | 53.6 | 52.2 | 51.8 | 51.5 | 53.9 | 35.1 | 51.6 | 58.9 | 56.3 |
| | Tractors sales | 22.9 | 2.9 | 17.7 | -6.3 | -14.4 | -11.5 | -5.3 | -5.8 | -59.2 | 47.2 | 7.7 | |
| | Two wheelers sales | 16.2 | 5.1 | 7.4 | -8.9 | -11.6 | -20.4 | -15.1 | -25.2 | -61.2 | -0.2 | 16.9 | |
| | Cars sales | 19.6 | -2.3 | -0.8 | -4.6 | -25.4 | -37.9 | -8.5 | -23 | -74 | 10.3 | 9.7 | |
| | Services GVA | 7.4 | 7.4 | 7.4 | 8.7 | 5.5 | 6.5 | 5.7 | 4.4 | -20.6 | -11.4 | | |
| | PMI - services | 51.2 | 52.2 | 53 | 52.2 | 50.3 | 51.6 | 51.7 | 54.1 | 17.2 | 41.9 | 54.1 | 53.7 |
| | Domestic airline passenger traffic | 19.6 | 18.8 | 11.9 | 3.9 | -0.7 | 1.6 | 5 | -7.2 | -93.6 | -74.5 | -56.8 | |
| Services | Railway freight cargo | 6.4 | 4.4 | 6 | 4.5 | 2.7 | -3.7 | -1 | -1.5 | -21.4 | 5 | 15.4 | |
| | Consumption of petroleum products (Services) | 4.6 | 3.7 | 2.7 | 3.7 | 1.6 | -0.4 | 0.6 | -6.8 | -37 | -19.4 | 2.2 | |
| | Credit cards transactions | 22.8 | 26.2 | 28.1 | 24.4 | 23.8 | 25.7 | 26.7 | 20.7 | -39.3 | -21.2 | | |
| | Debit cards transactions | 15.2 | 13.1 | 18.9 | 17.1 | 9.8 | 5.3 | -10.9 | -20.7 | -48.7 | -35.2 | | |
| | GST e-way bill | | | | | | 10.5 | 9.4 | 0 | -49.8 | -0.4 | 21.4 | 8.1 |
| | - Intra state | | | | | | 12.5 | 10.6 | 1.3 | -44.6 | 4.2 | 23.3 | 9.6 |
| | -Inter state | | | | | | 7.9 | 7.8 | -1.9 | -57.2 | -6.8 | 18.8 | 6 |
| Unconventional high frequency indicators | Electricity consumption | | | | | | 1.2 | -6.5 | 0.4 | -16.6 | -0.1 | 12.1 | 4.5 |
| | Retail mobility* | | | | | | | | -17.2 | -72.7 | -50.9 | -33.8 | -28.1 |
| | Grocery mobility* | | | | | | | | -11.6 | -25.8 | -8.4 | 6.6 | 10.8 |
| | Workplaces mobility* | | | | | | | | -12.6 | -45 | -28.2 | -23.9 | -23.9 |
| | Transit stations mobility* | | | | | | | | -14.9 | -52.6 | -36.5 | -21 | -17.4 |
| | Traffic congestion (3-city average) | | | | | | | | -11.6 | -76.7 | -45.5 | -31.5 | -32.5 |

*Note: Monthly and daily data averaged for the quarter; green cells indicate highest value for the period presented, red cells indicate lowest value; *indicates percentage change from baseline of Jan-Feb 2020*
*Source: NSO, Society for Indian Automobile Manufacturers (SIAM), IHS Markit, Office of Economic Advisor, RBI, Ministry of Commerce and Industry, Railway Board, GSTN, Google Community Mobility Reports, TomTom Traffic Index, CEIC, CRISIL*

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