

RESEARCH**BOB ECONOMICS RESEARCH | PRE-GDP Q3FY25**

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SUMMARY**INDIA ECONOMICS: PRE-GDP Q3FY25**

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18 February 2025

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Jahnvi Prabhakar
Economist**Q3FY25 GDP**

India's GDP is expected to moderate by 6.6% in Q3FY25 against an increase of 8.6% in Q3FY24. Growth in Q3 continues to remain slower than last year; however it is uneven across sectors with few of them registering better growth than others.

- Agriculture growth is expected at 4.5% in Q3FY25 against a growth of 0.4% in Q3FY24. The improvement is on account of higher growth than was initially anticipated after the first advance estimates for kharif crops noted the total food grain production will be higher this year when compared with last year. Even for the next quarter improvement is expected in the agriculture growth given robust rabi acreage (already surpassed the last year levels and up by 1.5%).
- Industrial sector will register some moderation with 5.9% growth in Q3FY25 compared with a growth of 10.2% in Q3FY24. Mining and manufacturing growth will register a growth of 3% and 6% in Q3FY25 respectively. This is partly attributable to higher base effect and slower growth as reflected in IIP. This deceleration is also on account of moderation noted in corporate earnings particularly for crude oil, steel and auto sector. However, higher profit margins of firms were visible in the corporate performance of certain industries.
- Furthermore, construction sector is also expected to grow at a slower pace on the back of slowdown in affordable housing and lower growth noted in steel sector compared with last year. Sustained thrust on government capex (47.7% in Q3 from 24.4% in Q3FY24) bodes well for this sector.



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