Economic Division

MONTHLY ECONOMIC REVIEW

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आर्थिक कार्य विभाग
DEPARTMENT OF
ECONOMIC AFFAIRS

सत्यमेव जयते

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Abstract

India's economic momentum continues to grow, reflecting the country's ability to navigate complex global challenges while sustaining domestic growth drivers. In FY25, real GDP grew by 6.5 per cent, aligning with the Second Advance Estimates. This growth came amid a challenging global environment marked by geopolitical tensions and trade uncertainties. Robust domestic demand, particularly a rebound in rural consumption, steady investment activity, and a positive shift in net exports, underpinned the economy's resilience. The services sector continued to be the main driver of growth on the supply side. Industrial output also expanded, with strong growth in construction and a stable performance in manufacturing. The agriculture sector rebounded, bolstered by favourable monsoon conditions and record food grain production.

The positive trajectory appears to be continuing in FY26, with initial high-frequency indicators (HFI) indicating that economic activity has remained resilient. HFIs such as e-way bill generation, fuel consumption, and PMI indices point to continued resilience. Rural demand has strengthened further, supported by a healthy rabi harvest and a positive monsoon outlook. Urban consumption is being supported by increased leisure and business travel, as seen in the rise of air passenger traffic and hotel occupancy. However, there are signs of softening in areas like construction inputs and vehicle sales. Retail and food price inflation registered a sustained and broad-based decline in May 2025, driven by robust agricultural production and effective government interventions.

While domestic indicators have remained largely positive, financial markets experienced volatility as a result of external developments. The significant escalation of trade tensions in early 2025, followed by a partial de-escalation in the second quarter, contributed to considerable volatility in the financial markets. However, the Indian government bond market exhibited stability and certainty in May, driven by factors such as the announcement of a record surplus dividend by the RBI and a robust growth reading of Q4 FY25. Consequently, the risk premium on India's government bonds decreased to 182 basis points as of 30 May 2025.

On the external front, India's total exports (merchandise and services) recorded a YoY growth rate of 2.8 per cent in May 2025, reflecting the resilience of our exports amid tariff uncertainties and subdued global economic conditions. As of 13 June 2025, foreign exchange

reserves remain strong, standing at USD 699 billion, which provides an import cover of 11.5 months. Additionally, the Indian rupee has experienced moderate volatility, in contrast to the more pronounced adjustments observed in other economies.

The labour market indicators show signs of stability. White-collar hiring witnessed a rise in hiring with core sectors such as AI/ML professionals, Insurance, Real Estate, BPO/ITES, and Hospitality leading the hiring growth. The employment sub-indices of the PMI indicate strong employment growth, with the employment sub-indices reaching a high. Formal job creation is also on the rise, as indicated by the growing net payroll additions under the Employee Provident Fund Organisation.

Overall, the outlook for the Indian economy remains positive, demonstrating resilience amid a turbulent global environment, supported by robust domestic demand, easing inflationary pressures, a resilient external sector, and a steady employment situation. That said, global growth continues to face headwinds, with persistent trade frictions, heightened policy uncertainty, and ongoing geopolitical conflicts weighing on the broader economic outlook. These external challenges could potentially impact India's growth trajectory and warrant close and continuous monitoring.

Global economy: conflict and energy policy shifts

1. Global economic conditions are evolving swiftly and unpredictably, with complex shifts and turns. The ongoing geopolitical uncertainty has been further intensified by a dramatic escalation of hostilities in West Asia, particularly following direct military confrontations between Israel, Iran, and the United States. The conflict led to a global concern over maritime economic activities in the Strait of Hormuz, a key passage in the Persian Gulf, through which about 20 per cent of global oil as well as liquefied natural gas are transported.[1] At one point, Brent crude futures surged nearly 20 per cent month-over-month, reflecting market fears of a broader conflict and possible Iranian attempts to block the strait. However, following an apparent announcement of a ceasefire, tensions have eased. This has resulted in a rapid decline in oil prices, with Brent crude falling to USD 67 per barrel on 24 June 2025, erasing much of the earlier gains. For now, immediate fears of a blockade have been removed; however, it remains to be seen if peace will be sustained.

2. Alongside, uncertainty stemming from trade and tariff restrictions continues to affect the global economic outlook, prompting the World Bank to revise downward its global growth projections. In its *Global Economic Prospects - June 2025*, the World Bank pegs global gross domestic product (GDP) to grow by 2.3 per cent and 2.4 per cent, respectively, in 2025 and 2026, as compared to its January 2025 projections of 2.7 per cent for both years. It has also forecast a sharp slowdown in global trade growth from 3.4 per cent in 2024 to 1.8 per cent in 2025, with the forecast for 2025 being revised downward by 1.3 percentage points as compared to January 2025.

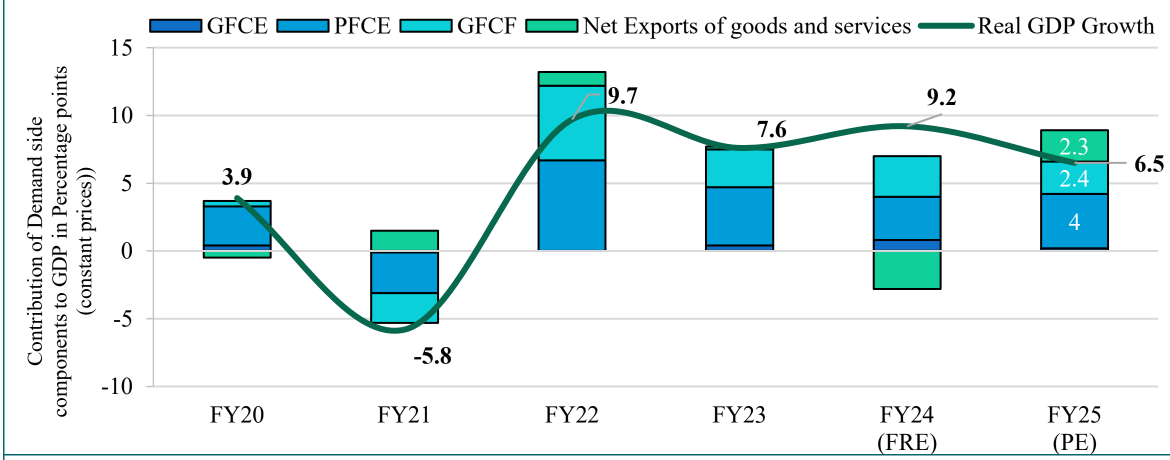
Economic performance remains resilient despite global uncertainties

3. As per the provisional estimate published by the Ministry of Statistics and Programme Implementation, the real gross domestic product (GDP) of India grew by 6.5 per cent, remaining consistent with the earlier second advance estimates (SAE). In current prices, GDP witnessed a growth of 9.8 per cent in 2024-25, slightly lower than the 9.9 per cent indicated in the SAE. Over this period, the gross value added (GVA) grew by 6.4 per cent, aligning with the SAE figures.

[1] https://www.eia.gov/international/analysis/special-topics/World_Oil_Transit_Chokepoints

4. On the demand side, the growth was supported by robust private consumption demand, stable investment activity and increased net exports. Private final consumption expenditure grew at a faster pace of 7.2 per cent compared to 5.6 per cent growth in FY24. This was mainly on account of a rebound in rural demand. Also, private consumption's share in nominal GDP increased from 60.2 per cent in FY24 to 61.4 per cent in FY25. This is the second-highest level in the past two decades, indicating sustained strength in consumption demand. On the investment side, gross fixed capital formation (GFCF) grew by 7.1 per cent compared to 8.8 per cent growth in FY24. In nominal terms, it comprises 29.9 per cent of the GDP, which is slightly lower than the previous two years. However, it remains at a higher level compared to the average pre-pandemic levels of 28.6 per cent (FY16-FY20). Growth received a significant boost from an increase in exports (at constant 2011-12 prices), which rose by 6.3 per cent in FY25, compared to 2.2 per cent in FY24. Meanwhile, imports (at constant 2011-12 prices) experienced a decline of 3.7 per cent, contrasting with a positive growth of 13.8 per cent in FY24. The fact that exports grew by 6.3 per cent despite increased global trade uncertainty demonstrates their resilience.

Private consumption drives real GDP growth in FY25.

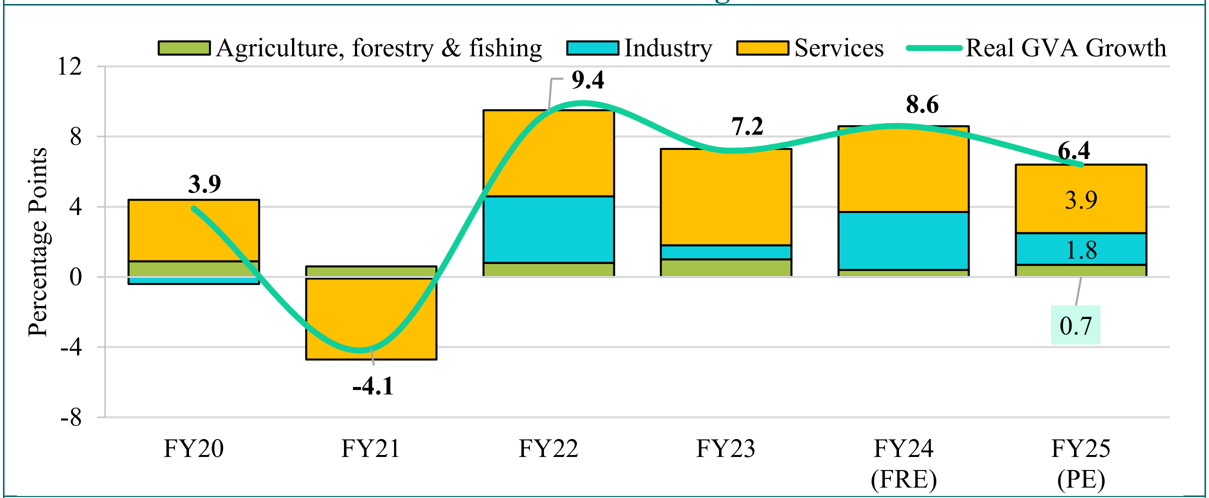


Source: MoSPI *(Note: The percentage point contribution of demand-side components to real GDP growth will not add up to real GDP growth as discrepancies reported in the NAS are not included.)*

5. On the supply side, driven by a healthy monsoon and record food grain production, the agriculture sector rebounded to a growth of 4.6 per cent in FY25. Within the industrial sector, the manufacturing segment has shown modest performance, growing by 4.5 per cent, while the construction segment continued to exhibit strong growth at 9.4 per cent. Growth in the services sector remains robust at 7.2 per cent, driven by healthy activity in financial, real estate, and professional services, and public administration, defence, and other services. In terms of point contribution to the growth, the services sector has contributed 3.9 percentage points to the

growth in real GVA, followed by the industrial sector with a contribution of 1.8 percentage points, and the agriculture sector with a contribution of 0.7 percentage points.

Services sector drives real GVA growth in FY25

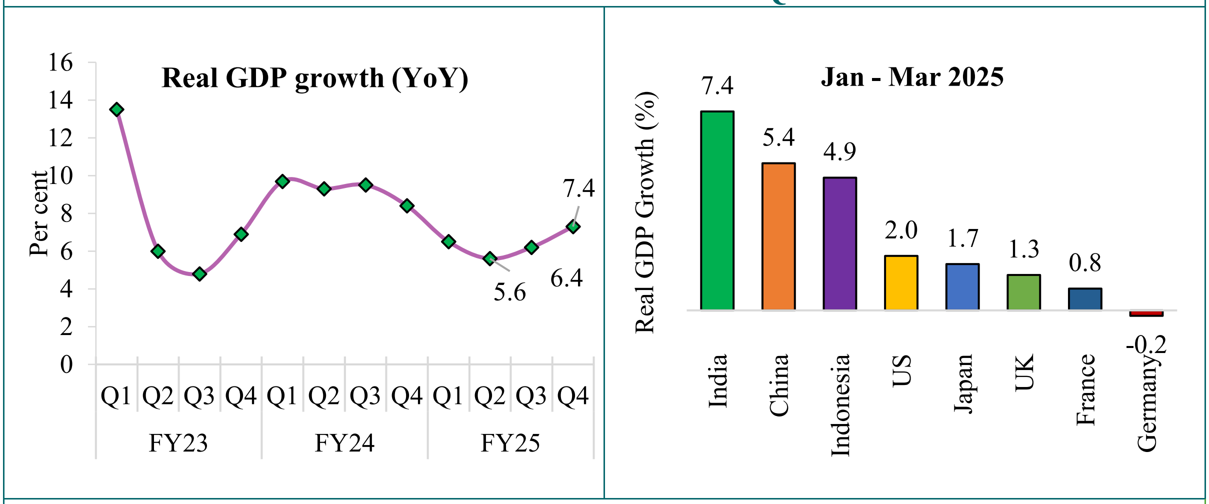


Source: MoSPI

Growth momentum sustained in Q4: FY25

6. The growth momentum gained since Q3 of FY25 strengthens further in Q4 with real GDP growing by 7.4 per cent on a year-on-year (YoY) basis compared to 6.4 per cent in Q3 FY25. During this period, India continued to be recognised as the fastest-growing economy globally.

Growth momentum continues in Q4: FY25

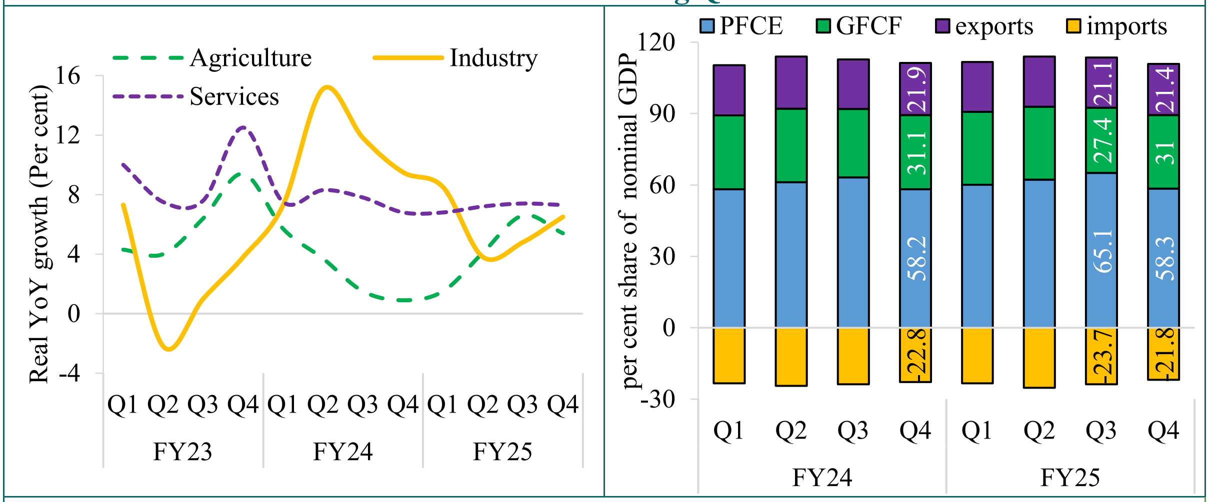


Source: MoSPI, Bloomberg

7. In Q4 of FY25, on the supply side, the growth has been driven by the construction sector (10.8 per cent) and services sector (7.3 per cent), with industry and agriculture growing at 6.5 per cent and 5.4 per cent, respectively. Sequential growth across all industrial segments points to a strengthening and broadening of recovery momentum. Complementing the industrial recovery, on the demand side, the growth was driven by real GFCF, which grew by

9.4 per cent in Q4 versus 5.2 per cent in Q3. Its share in nominal (real) GDP increased to 31 (33.9) per cent in Q4 of FY25 from 27.4 (31.7) per cent in Q3. On the other hand, real Private Final Consumption Expenditure (PFCE) growth eased to 6.0 per cent in the fourth quarter of FY25. This moderation was also seen in its share of GDP, which declined from 65.1 per cent (nominal) and 60.2 per cent (real) in Q3 to 58.3 per cent and 53 per cent in Q4, respectively. The share of exports in nominal GDP increased marginally and stood at 21.4 per cent in Q4 of FY25. On the other hand, imports as a percentage of GDP decreased from 23.7 per cent in Q3 of FY25 to 21.8 per cent in Q4 FY25, largely due to a softening of global commodity prices, particularly for crude oil during the period.

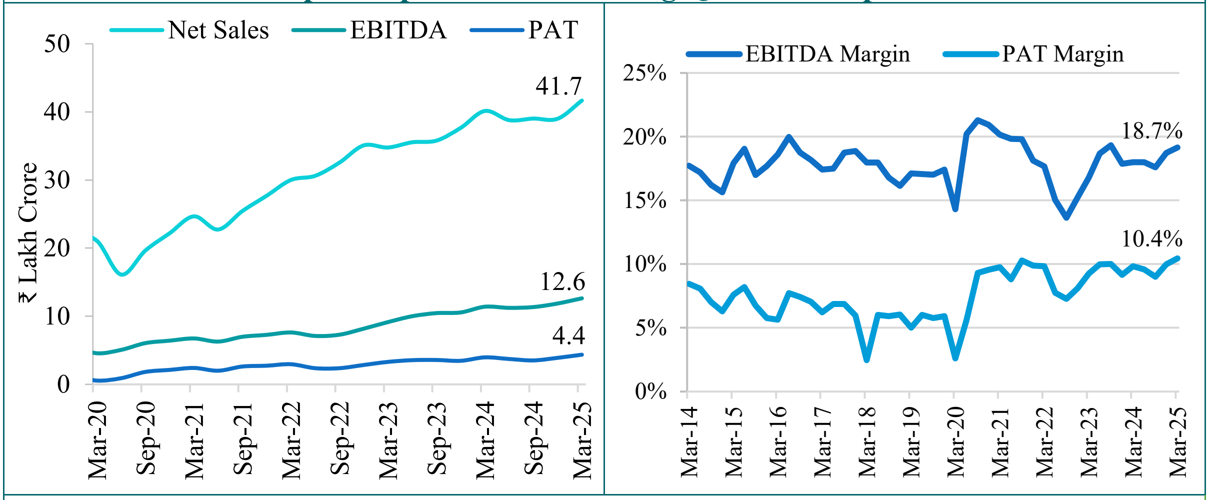
Growth drivers during Q4: FY25



Source: MoSPI

8. Corporate sector performance improved in Q4 of FY25. As informed by the National Stock Exchange (NSE), the net sales growth of Nifty 500 companies stood at 5.7 per cent YoY in Q4FY25. The PAT growth at 9.5 per cent was better than expected. EBITDA/PAT margins hit multi-quarter highs, driven by cost cuts and operational efficiencies, despite revenue pressure.

Corporate performance during Q4: FY25 improved

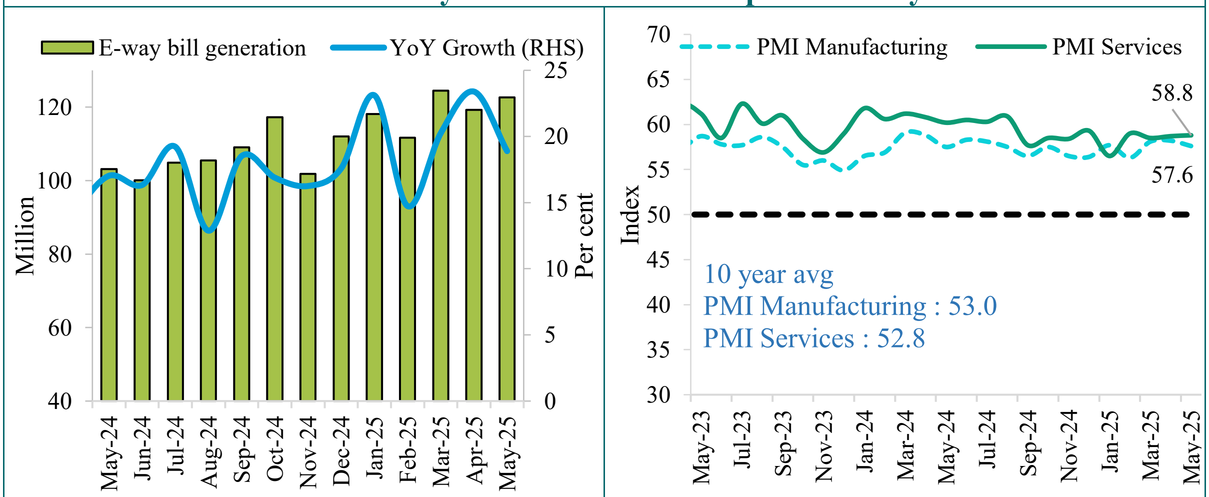


Source: NSE
Note: EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization, and PAT stands for Profit After Tax

Economic activity remains steady during the first two months of FY26

9. High-frequency indicators for the first two months of FY26 indicate resilient performance of the domestic economy amid the heightened geopolitical situation. E-way bill generation continues to climb, reaching a second all-time high level in May 2025, to 122.7 million. On a YoY basis, it continues to expand in double digits, signalling robust business activity. Furthermore, diesel and petrol consumption reached record-high levels in May 2025. This increase could primarily be attributed to increased leisure travel during the summer season, enhanced industrial activities boosting transport operations, and intensified agricultural irrigation efforts.

Economic activity shows resilience in April and May 2025



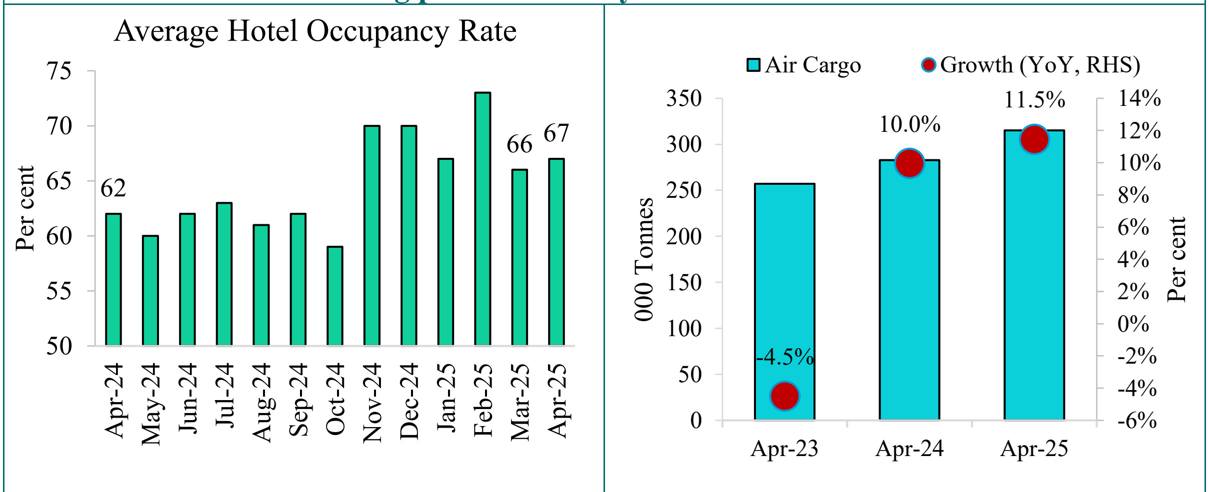
Source: GSTN
Source: IHS Markit

10. The data for Manufacturing PMI in May 2025 signalled another month of improvement in business conditions in the sector. Although the rate of expansion in output and new orders eased from the previous month, it remains above the long-run averages. Healthy demand conditions continue to support sales and production. Furthermore, new export orders rose at one of the strongest rates recorded in three years.

11. Construction activity, proxied by steel consumption and cement production, witnessed moderation in momentum. Steel consumption grew by 7.0 per cent during April-May 2025, while cement production rose by 6.7 per cent during April 2025, remaining lower than the last quarter of FY25.

12. Services activity remained healthy in May 2025, with Services PMI at 58.8 compared to 58.7 in April 2025. Strong international demand, as evidenced by the near record improvement in the new export business index, continued to fuel services activity. Air cargo volume experienced strong double-digit growth in April 2025, achieving the highest growth rate in the last five months. Also, port traffic activity continued to expand in May compared to April and grew by 4.4 per cent on a YoY basis. This growth was driven by containerised cargo, petroleum, oil and lubricants, and miscellaneous cargo.

Strong performance by the services sector



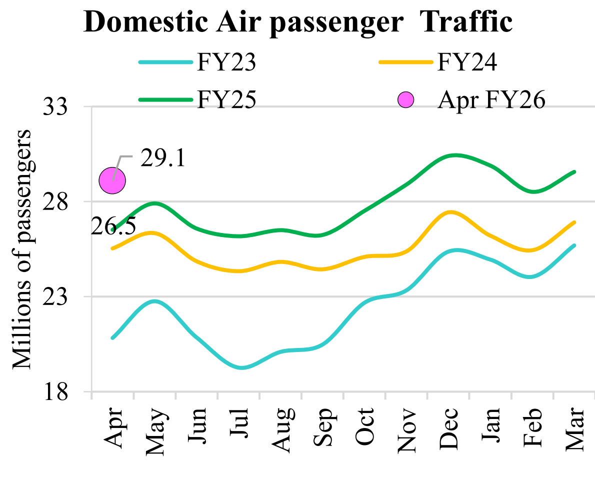
Source: HVS Anarock | Source: AAI

13. The growth in business and leisure travel boosted the hospitality sector in April 2025. Average hotel occupancy rose by 5 percentage points to 67 per cent in April 2025 compared to the corresponding period the previous year, with a slight increase from March 2025.

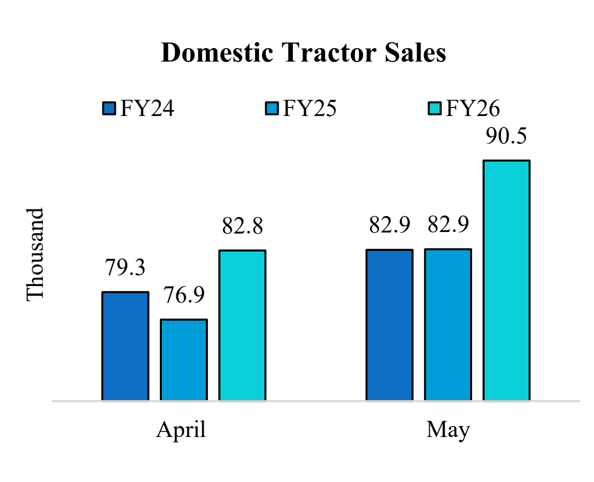
14. Demand conditions in May remained largely favourable, as indicated by the steady performance of high-frequency indicators. Domestic air passenger growth was 9.7 per cent in

April 2025 compared to the same month last year, reflecting robust demand from urban travellers. However, retail passenger vehicle sales remained low in May 2025, due to subdued consumer sentiments, particularly for entry-level models, according to the Federation of Automobile Dealers Association.

Demand conditions remain favourable



Source: AAI



Source: TMA

15. Rural demand remains robust, gaining further momentum in May 2025. Tractor sales rose by 9.1 per cent, and retail sales of two-wheelers rose by 7.3 per cent in May 2025 (YoY). The growth was bolstered by a healthy rabi harvest and a favourable monsoon forecast, which bodes well for the upcoming kharif sowing season.

Retail Inflation Hits Lowest Level since February 2019

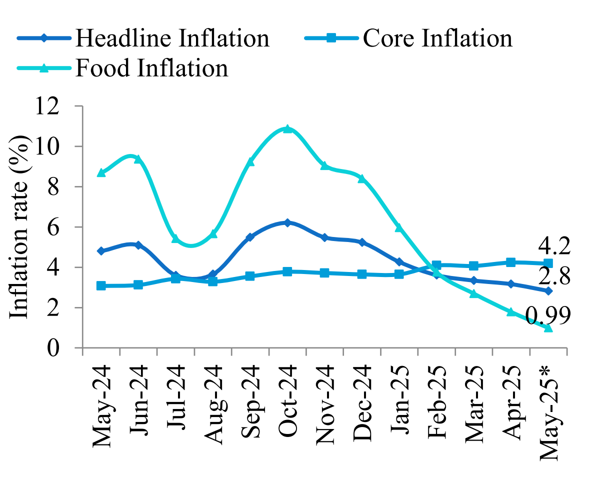
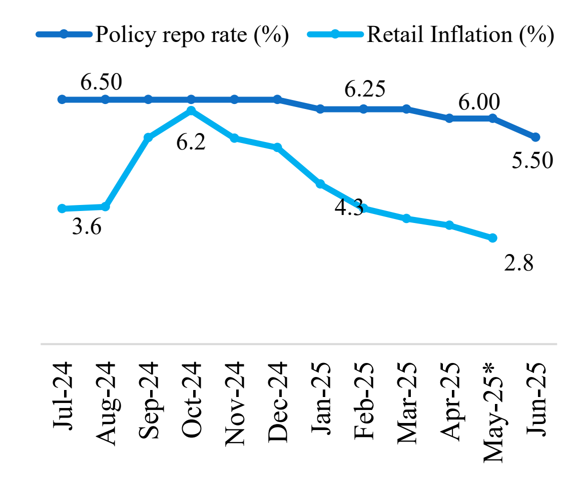
Headline inflation continues downward trajectory

16. Retail inflation, measured by Consumer Price Index (CPI), experienced a sustained decline in May 2025, reaching 2.8 per cent, marking the seventh consecutive month of falling retail inflation. The observed moderation in the inflation rate is broad-based, indicating a sustained trend. The fall is driven by robust wheat production, increased pulse output, and favourable monsoon forecasts for the upcoming kharif season, which could also augur well for the rabi season from the perspective of better reservoir storage and groundwater recharge.

Significant decline in food inflation

17. Food inflation mirrored the headline trend, dropping to a little less than 1 per cent in May 2025 from 1.8 per cent in April 2025. This is the lowest level since October 2021. This is primarily attributable to a decrease in inflation across cereals, eggs, meat, vegetables, pulses,

and sugar. Government initiatives such as Bharat dal, Bharat Atta, and Bharat Rice, coupled with open market sales of wheat and rice, have been instrumental in managing cereal and pulse prices. Further, increased production of kharif cereals and pulses in 2024-25 contributed to this positive development. Pulses and vegetables notably remained in the deflationary zone in May 2025.

Downward-trending inflation rate	Policy rate cuts amidst cooling inflation
	
Source: MoSPI Note: *May 2025 inflation numbers are provisional	Source: MoSPI & RBI Note: *May 2025 inflation numbers are provisional

Duty down, relief up: Government move to soften edible oil prices

18. Despite a broader easing of inflation, the 'oils and fats' group continued to exhibit a rising inflationary trend. In response, the Union Government has halved the basic customs duty on crude edible oils - sunflower, soybean, and palm - from 20 per cent to 10 per cent. This move is intended to lower the landed cost and retail prices of these essential commodities, thereby providing relief to consumers and supporting the broader disinflationary trend. To ensure the benefits are fully realised at the consumer level, the government has also issued an advisory to edible oil associations and industry stakeholders, urging them to pass the full benefit of the reduced duty to consumers. Transmission of this policy move throughout the supply chain is crucial for achieving a tangible dip in retail prices.

RBI unleashes rate cuts and liquidity boost amid cooling Inflation

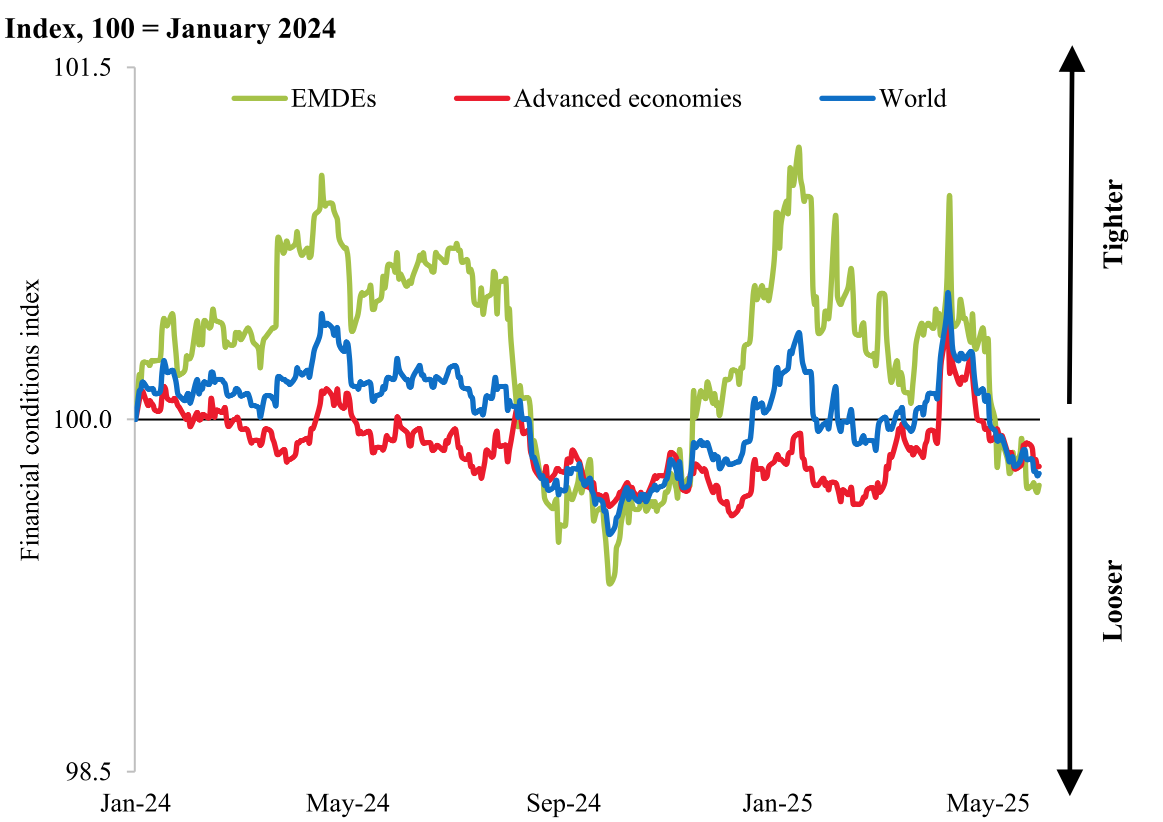
19. In a significant move, the RBI's Monetary Policy Committee (MPC) reduced the repo rate by 50 basis points from 6 per cent to 5.5 per cent in June 2025. This represents the largest cut since March 2020, bringing the total rate reductions to 100 bps since February 2025, driven by a broad-based decline in inflation. The MPC's policy stance has shifted from ‘accommodative’ to ‘neutral,’ suggesting a more balanced approach, moving forward.

Additionally, a 100-basis-point Cash Reserve Ratio cut, to be implemented in tranches from September-November 2025, is projected to inject about ₹2.5 lakh crore of durable liquidity into the system. These decisive actions by the MPC aim to ease funding costs, release loanable funds for the banking sector and thus support credit growth.

Monetary and financial sector developments

20. Global financial conditions have generally been tighter this year compared to late 2024. This phenomenon can be attributed to heightened volatility in financial markets and a decline in risk appetite under the significant influence of heightened uncertainty surrounding trade policies. The notable escalation of trade tensions, in early 2025, followed by a partial de-escalation in the second quarter, contributed to considerable turbulence in financial markets.[2]

Financial conditions index



Note: EMDEs = emerging market and developing economies.
Higher index values represent tighter financial conditions.
The last observation is May 30, 2025.

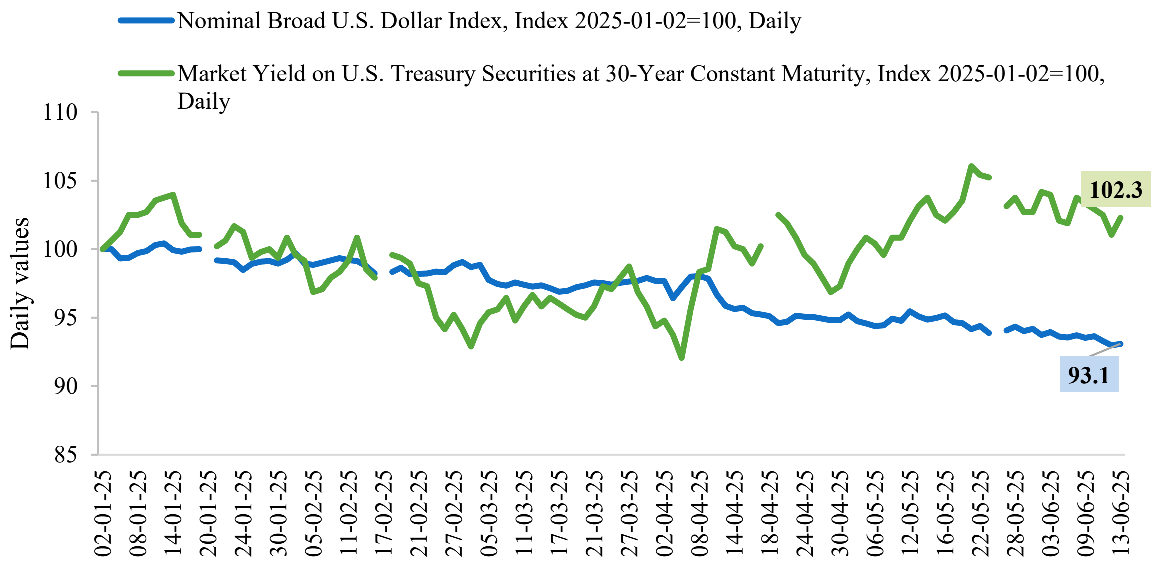
Source: Bloomberg, Goldman Sachs, World Bank

[2] World Bank's Global Economic Prospects, June 2025: https://tinyurl.com/5fdn7csm

21. Recent developments in global trade, geopolitics, and evolving investor priorities are creating conditions where traditional safe-haven assets are increasingly being viewed as sources of risk rather than stability. However, gold has consistently maintained its position as a reliable safe haven.

22. Traditionally, the US Dollar Index and Treasury yields have maintained a positive correlation, reflecting a fundamental economic relationship where higher yields attract foreign capital inflows, thereby strengthening the dollar. However, between January 2025 and mid-June 2025, the US Dollar Index has declined by approximately 7 per cent, while the yield on the 30-year US Treasury securities has increased by 11 basis points. Further, this divergence has progressively increased in 2025[3]. This decoupling between the two is an interesting departure from the expected positive relationship.

Weakening dollar and rising bond yields have reversed the usual safe asset behaviour



Note: Daily values rebased (Index 2025-01-02=100), not seasonally adjusted. Lower values on the dollar index indicate a weaker currency (There are gaps in the data for certain days where information has not been reported).

Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

23. Even as global financial markets tightened, the Indian government bond market signalled stability and certainty in the month of May. The Indian G-Sec yield declined by nine basis points over the course of the month.[4] This decline was largely driven by the announcement of a record surplus dividend of ₹2.69 lakh crore by the RBI, which signalled a favourable fiscal position. The downward trend of Indian G-Sec yields and an upward pressure

[3] Calculations based on the data from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis https://fred.stlouisfed.org/graph/?g=yTHS
[4] Database on Indian Economy, RBI

on US Treasury yields meant that the risk premium on India's government bonds reduced to 182 basis points (6.23 per cent for the Indian 10-year G-Sec vis-à-vis 4.41 per cent for US 10-year G-Sec, as of May 30, 2025).[5]

Banking sector performance

24. The central banks of many emerging market economies face difficulties in stabilising their economies with constrained policy space, volatile capital flows and exchange rates. In contrast, liquidity conditions in the Indian economy have improved as a result of the RBI's measures to enhance liquidity *(discussed in para 19 above)*. The banking system experienced an average liquidity deficit of ₹ 1.2 lakh crore from February to April 2025 (as of April 6, 2025). However, during the period from April to June 2025 (up to June 4, 2025), it has demonstrated an average surplus of ₹ 1.6 lakh crore.

25. The improvement in the liquidity conditions has led to the weighted average call rate (WACR) to trade at 16 bps below the policy repo rate during April-June (up to June 04, 2025), whereas it traded 6 bps above the policy repo rate in March. The net durable liquidity surplus stands at ₹ 5.85 lakh crore as on May 30, 2025.[6] The reduction in the CRR by 100 bps to 3 per cent of the net demand and time liabilities is also expected to aid monetary policy transmission to the credit market while it also safeguards, to some extent, the profitability of banks in the wake of a potential decline in net interest margins associated with rate cuts.[7]

26. As of 30 May 2025, the YoY credit growth of the scheduled commercial banks has moderated to 9.9 per cent, a decrease from 16.1 per cent recorded a year ago. Concurrently, the deposit growth has also moderated to 10.1 per cent YoY, down from 12.2 per cent a year ago; This has resulted in the credit-deposit ratio of 78.9 per cent, which is similar to what was observed in May 2024. [8]

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[5] Analysis is based on the following article:- Union Bank of India, May 31, 2025 https://www.unionbankofindia.co.in/pdf/India-FI-Monthly-Indian-bonds-unaffected-to-global-spike-in-yields-with-support-from-RBI-dividend.pdf

[6] RBI's Press release on Money Market Operations, dated June 19, 2025 https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60676

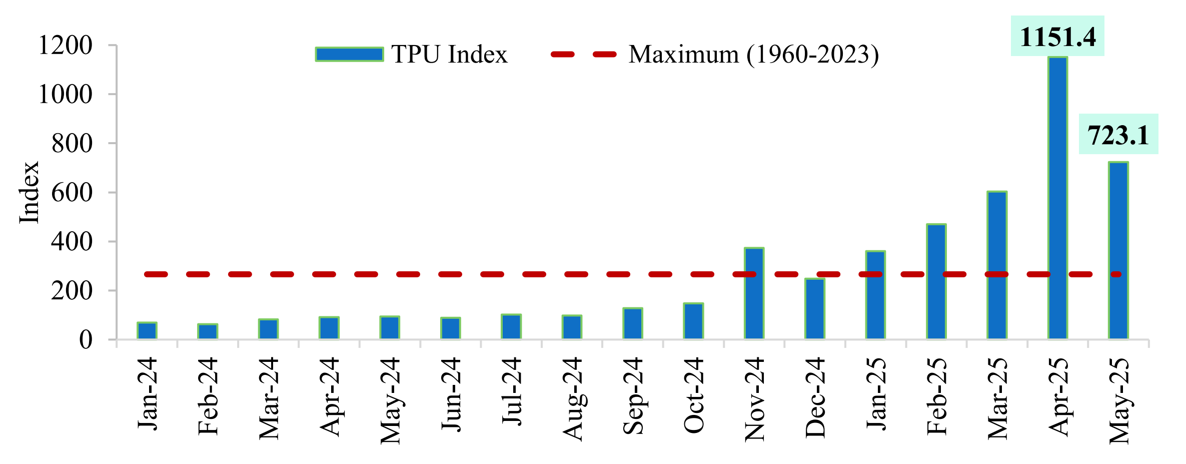
[7] Press release of the RBI's Governor's Statement, dated June 06, 2025. http://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60605

[8] RBI's weekly statistical supplement dated June 20, 2025 https://rbidocs.rbi.org.in/rdocs/Wss/PDFs/WSS20062025_E5D86C8EA852440D38AF656D1F75EDEEC.PDF; The data does not include the impact of merger of a bank with the non-bank

Trends in global trade

27. Recent shifts in trade policy have intensified global trade uncertainty, raising concerns about likely levels of US tariff rates, their implementation, and the potential timing of retaliatory actions. Retaliation by other countries and regions may escalate trade tensions and have spillover effects on third countries. Consequently, the trade policy uncertainty has increased significantly in recent months, as evident from elevated levels of the Trade Policy Uncertainty Index.[9,10]

Trade Policy Uncertainty Index



Source: Caldara, Dario, Matteo Iacoviello, Patrick Molligo, Andrea Prestipino, and Andrea Raffo, "The Economic Effects of Trade Policy Uncertainty"

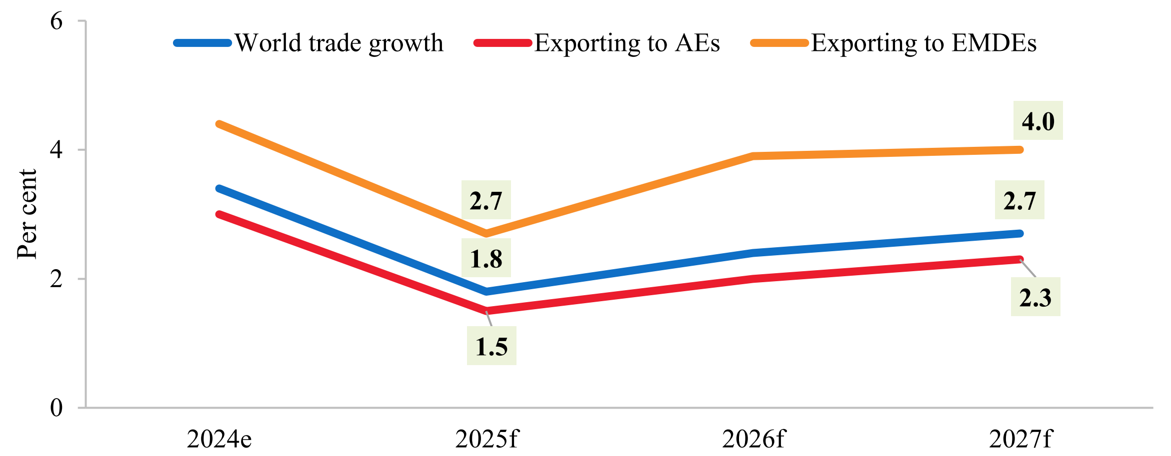
28. Given the evolving global trade environment, the World Bank anticipates a slowdown in the growth of global trade (goods and services), projecting a decrease to 1.8 per cent in 2025, down from 3.4 per cent in 2024. While a recovery is anticipated, with global trade growth forecasted by the World Bank to increase to 2.7 per cent by 2027, it is pertinent to note that it remains below the pre-pandemic average of 4.6 per cent. Furthermore, there is a diverse pattern of recovery across different countries. Those with a higher exposure to emerging markets and

[9] The Trade Policy Uncertainty index is based on automated text searches of the electronic archives of seven newspapers: Boston Globe, Chicago Tribune, Guardian, Los Angeles Times, New York Times, Wall Street Journal, and Washington Post. The measure is calculated by counting the monthly frequency of articles discussing trade policy uncertainty (as a share of the total number of news articles) for each newspaper. The index is then normalised to a value of 100 for a one per cent article share. The TPU Index starts in 1960. Caldara, Dario, Matteo Iacoviello, Patrick Molligo, Andrea Prestipino, and Andrea Raffo (2020), "The Economic Effects of Trade Policy Uncertainty," Journal of Monetary Economics, 109, pp.38-59.

[10] https://www.matteoiacoviello.com/tpu.htm

developing economies are anticipated to experience a more rapid recovery compared to those that are more connected to advanced economies.[11]

Global Trade Growth



Note: e = estimate; f = forecast. AEs = advanced economies; EMDEs = emerging market and developing economies. Trade in goods and services is measured as the average of export and import volumes.
The panel shows the growth of global trade volume in goods and services. "Exporting to AEs" refers to trade growth for countries with over 50 per cent of exports to advanced economies during the 2015-19 period; "Exporting to EMDEs" refers to trade growth for countries with over 50 per cent of exports to EMDEs during the 2015-19 period.

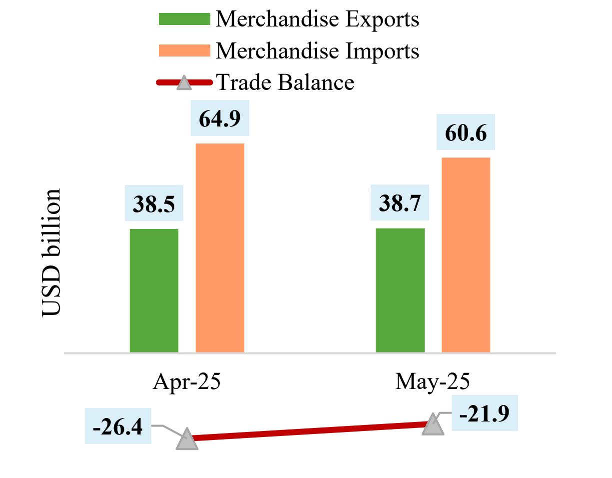
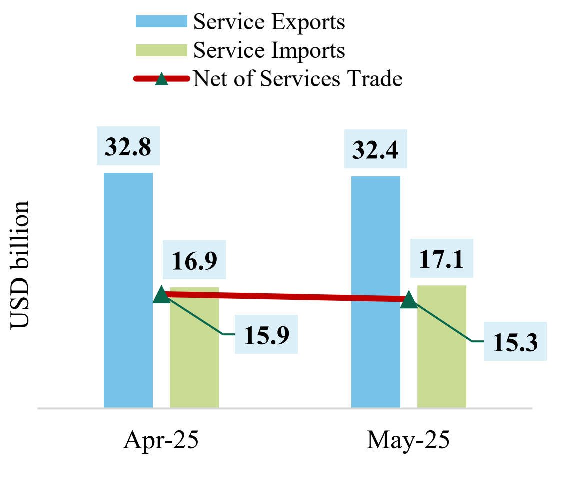
Source: World Bank

India's external sector performance during May 2025

29. India's total exports (merchandise & services) for May 2025[12] have registered a growth rate of 2.8 per cent (YoY) to an estimate of USD 71.1 billion from USD 69.2 billion in May 2024. This increase underscores the resilience of our exports in the face of tariff uncertainties and subdued global economic conditions. The merchandise trade deficit has narrowed to USD 21.9 billion in May 2025 from USD 26.4 billion in April 2025, as goods exports have remained broadly stable. The services exports in May 2025 were estimated to be USD 32.4 billion. As a result, the combined goods and services trade deficit narrowed to USD 6.6 billion compared to USD 10.5 billion in April 2025.

[11] World Bank's Global Economic Prospects, June 2025 https://openknowledge.worldbank.org/server/api/core/bitstreams/8912c157-f0e7-4d9e-b6f3-94ae0940e458/content

[12] The latest data for services sector released by RBI is for April 2025. The data for May 2025 is an estimation, which will be revised based on RBI's subsequent release.

Merchandise Trade	Services Trade
	
Source: Department of Commerce	Source: Department of Commerce

30. India's oil imports have fallen by 28.5 per cent on a month-on-month basis in May 2025 as the average price of the Indian crude oil basket dropped from USD 67.7 per barrel in April 2025 to USD 64 per barrel in May 2025. Further, the Indian crude oil basket price reached USD 68.8 per barrel as of 24 June 2025.[13,14]

Capital Flows

Shifting Tides in Capital Markets: Foreign Portfolio Investment

31. FY26 began on a mixed note for foreign portfolio investment (FPI) flows. In April 2025, cumulative net FPI outflows amounted to USD 2.3 billion across asset classes, followed by a reversal in May, with net inflows of USD 3.6 billion. On a cumulative basis, net FPI inflows into Indian equities stood at USD 2.9 billion during April–May 2025, in contrast to net outflows of USD 4.1 billion recorded during the same period in the previous year. However, the debt segment witnessed net FPI outflows of USD 1.4 billion, indicating cautious investor sentiment. A possible contributing factor has been the narrowing yield differential between Indian and U.S. government bonds, which has reduced the relative attractiveness of Indian debt instruments. Over time, investors will get used to the lower risk premium on Indian debt, as it underscores the improvement in the relative fiscal policy stance of India.

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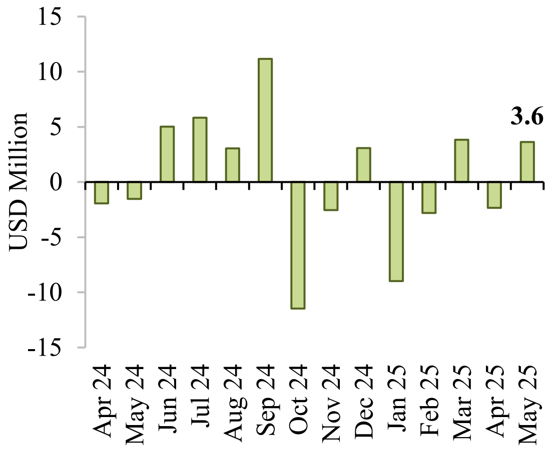
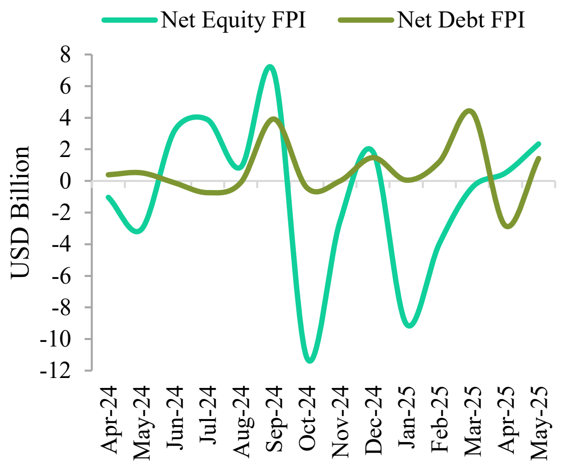
[13] Based on calculations from the Department of Commerce database
[14] PPAC
https://ppac.gov.in/prices/international-prices-of-crude-oil

Trends in Net FPI	Debt and Equity FPI
	
Source: NSDL	Source: NSDL

Box I: India's FDI performance amidst global contraction

- The global FDI landscape remained subdued in CY24, continuing the broader slowdown in cross-border investment seen in recent years. According to UNCTAD's *World Investment Report* (2025), global FDI flows declined by 11 per cent (YoY)[15], marking the second consecutive year of contraction. A large part of the decline stemmed from a 58 per cent fall in FDI to Europe alongside a 29 per cent decline in China.

- Despite tighter financing conditions and heightened geopolitical uncertainty, FDI inflows to developing economies remained broadly stable at USD 867 billion (57 per cent of global FDI) in CY24. Asia continued to be the largest recipient region, although it recorded a modest 3 per cent decline in inflows.

- India recorded a marginal decline of 2 per cent in FDI inflows in CY24. Nevertheless, it remained the largest recipient in South Asia and surpassed major Asian peers such as Indonesia and Vietnam in total FDI received. India's relative resilience was supported by robust new project announcements, particularly in the manufacturing sector (such as semiconductors and basic metals).

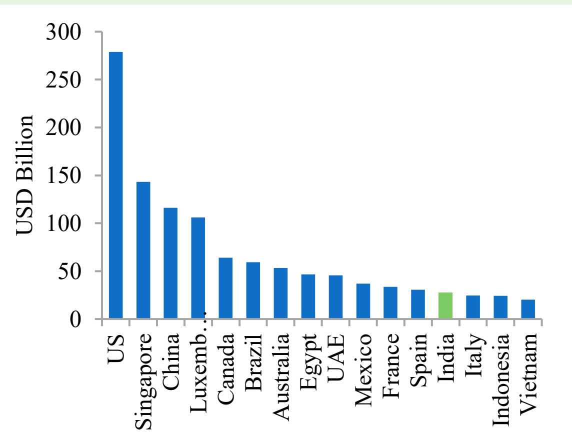
[15] Global FDI declined after excluding distortions from financial flows routed through European conduit economies, which often serve as transfer points for investment before they reach their final destination.

- In 2024, India attracted significant greenfield investments, ranking fourth globally with 1,080 projects announced. While several countries saw an increase in project count, only a few experienced a meaningful rise in value. India stood out, with projected capital expenditure rising by over 25 per cent to USD 110 billion, accounting for nearly one-third of total greenfield project values in Asia.

- The digital economy was a key driver of global FDI, with investments rising by 14 per cent to USD 531 billion in 2024. **India emerged as the single largest destination for greenfield digital economy investments between 2020 and 2024, attracting USD 114 billion**. This was significantly higher than the next largest recipient, Malaysia (USD 74 billion). Other major destinations included Singapore, Indonesia, Vietnam, Mexico, and China.

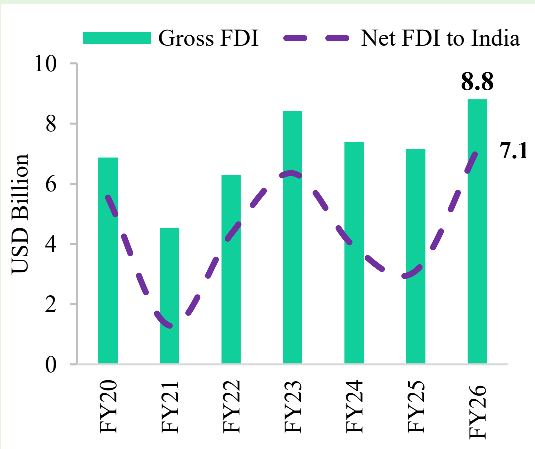
- Based on UNCTAD's assessment, the outlook for global FDI in 2025 has turned negative, due to rising trade tensions, geopolitical fragmentation, and economic volatility. The report calls for coordinated action to steer investment towards sustainable and inclusive development, with a focus on bridging gaps in digital, infrastructure, and sustainable finance sectors.

Global FDI inflows (2024)[16]



Source: World Investment Report, UNCTAD

India's FDI inflows in April



Source: RBI

[16] Hong-Kong (China) is not listed as major FDI recipients, because it is thought that these economies are not the ultimate destinations or sources of a significant amount of their flows; instead, these flows pass through on their way to and from other economies.

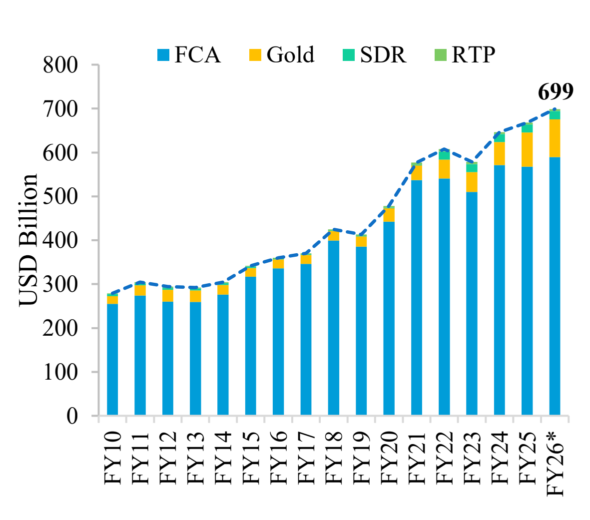
- For FY25, gross FDI inflows into India stood at USD 81.0 billion. Of this, equity inflows accounted for USD 50.0 billion, reflecting a 13 per cent YoY increase from USD 44.4 billion in FY24[17]. The inflows remained concentrated in key sectors, with around 60 per cent directed towards services, computer software and hardware, trading, non-conventional energy, construction, and the automobile industry.[18]

- This positive momentum appears to have extended into FY26. Gross FDI inflows stood at USD 8.8 billion in April FY26 from USD 7.2 billion in April FY25, indicating sustained investor confidence despite global headwinds.

Foreign Exchange Reserves and Exchange Rate

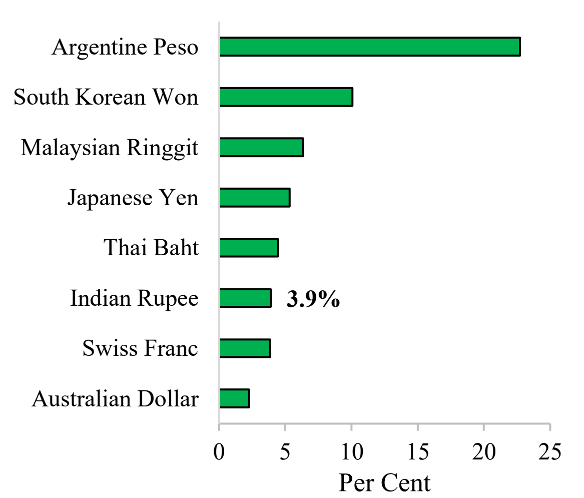
32. India's foreign exchange reserves remain strong, standing at USD 699 billion as of 13 June 2025. These reserves provide coverage for over 11.5 months of imports and 97.4 per cent of the country's external debt outstanding (as of end-December 2024).

India's Foreign Exchange Reserves



Source: RBI
FCA: Foreign Currency Assets
RTP: Reserve Position in the IMF
*FY26 till June 6, 2025

INR shows a lower increase in currency volatility[19]



Source: Bloomberg
*Exchange rate is per USD

[17] RBI
[18] FDI Statistics, DPIIT
[19] The chart ranks currencies based on the absolute change in their historical volatility between March 31 and May 30, 2025. Volatility on both dates has been computed using a rolling 1-month window.

33. In May 2025, the rupee appreciated by 0.4 per cent M-o-M to ₹85.2 per USD, up from ₹85.6 in April 2025[20]. Between end-March and end-May 2025, the absolute increase in historical volatility of the INR was contained at 3.9 percentage points, significantly lower than that of several other major Asian currencies, including South Korea (10.1 pp), Malaysia (6.4 pp), and Japan (5.2 pp). The relatively moderate volatility in the Indian rupee stands in contrast to the sharper adjustments seen in some other economies. This indicates a comparatively stable adjustment in the rupee, even as external uncertainties continue to influence currency markets across the region.

The Race for Rare Earths: Geopolitics and Green Transitions

34. A concerning phenomenon amidst the tariff and trade developments was the imposition of restrictions on the export of rare earth elements (REEs)[21] by China. Minerals such as lithium, cobalt, nickel, and rare earth elements are vital for solar panels, wind turbines, electric vehicles, and energy storage systems. Hence, such restrictions are bound to hamper the development of industries such as electric vehicles, defence and renewable energy.

35. On the domestic front, India has also been taking a series of steps to mitigate possible disruptions. A list of 30 critical minerals was identified, with 24 brought under the exclusive auction authority of the Central Government through August 2023 amendments in the Mines and Minerals (Development and Regulation) Act, 1957. The Government of India had also launched the National Critical Mineral Mission (NCMM) in January 2025, a seven-year initiative (2024-25 to 2030-31), to build a self-reliant and resilient framework for securing critical minerals essential to India's clean energy transition and strategic sectors. The NCMM would play a pivotal role in helping India meet its climate goals, reducing emissions intensity and achieving net-zero by 2070, by ensuring a reliable and secure supply of strategic minerals. The Mission targets 1,200 domestic exploration projects and supports overseas acquisitions by both PSUs and private entities. It also aims to strengthen the entire value chain through patents, skill development, mineral processing parks, and recycling of secondary sources. India is expanding offshore exploration and forging international partnerships, including with Argentina and Australia, to diversify supply sources. The country joined the US-led Minerals

[20] RBI average monthly exchange rate data.
[21] Rare-earth elements (REE) refer to a group of seventeen chemical elements, comprising the fifteen lanthanides, along with yttrium and scandium, as defined by the International Union of Pure and Applied Chemistry (IUPAC). Yttrium and scandium are included in this group because they are commonly found in the same ore deposits as lanthanides and share similar chemical characteristics. While all REEs occur naturally, they are not found in their pure metallic form in nature. (Source: sustainabledevelopment.un.org)

Security Partnership (MSP) that aims to strengthen critical mineral supply chains through public and private sector investment. India is the only developing country member in the 14-member MSP. Further, India is investing abroad in exploring and acquiring critical mineral assets in resource-rich countries. A Joint Venture, Khanij Bidesh India Ltd. (KABIL), has been incorporated with the objective of acquiring critical mineral assets abroad. Under the NCMM mission, the Geological Survey of India (GSI) has intensified its exploration programmes. In the 2024-25 field season, GSI had taken up 195 projects, focused on identifying and assessing critical mineral deposits. The guidelines for setting up Centres of Excellence (CoE) under the NCMM were issued in April 2025. CoEs will identify, develop and implement extraction processes and beneficiation technologies for a host of critical minerals from multiple sources and conduct directed R&D to reach Technology Readiness Levels.[22] Institutions like IREL (India) Ltd are central to processing and R&D. With a processing capacity of 6 lakh tonnes per annum, IREL produces key minerals like ilmenite, rutile, zircon, sillimanite, and garnet.[23] IREL is also the channelising agency for the export of atomic minerals.

36. The Minerals (Evidence of Mineral Contents) Amendment Rules, 2025, were notified by the Ministry of Mines on June 12, 2025, to revise the exploration norms for establishing "evidence of mineral contents" in respect of REEs in a mineral block. This is crucial for determining when a mineral block is ready to be auctioned for mining or composite licenses, for rare earth elements. The nature of mineralisation of REE in pegmatites, reefs, veins or pipes is different from its mineralisation in carbonatite or igneous rocks. However, previous rules provided common exploration norms for both types of mineralisation. Thus, the 2025 amendment in the exploration norms refined the classification and exploration stages—G4 (reconnaissance), G3 (prospecting), G2 (general exploration), and G1 (detailed exploration) — thereby providing separate exploration norms for both types of mineralisation of REEs.

37. A notable policy shift has been announced by the World Bank, when the multilateral lending agency lifted a decades-long ban on financing nuclear energy with the objective of accelerating the development of low-emission technology to meet surging electricity demand across the world.[24] It stated that it will support efforts to extend the operational lives of existing reactors and also work towards accelerating the potential of small modular reactors. The Government of India (GoI) had announced its intention in the Union Budget 2025-26 to

[22] https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2122219
[23] https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2120525
[24] https://www.ft.com/content/d80b68ec-3da8-42ea-82ee-4cab22b31a69

establish a dedicated Nuclear Energy Mission for research and development of Small Modular Reactors (SMRs), with a total outlay of ₹20,000 crore. The target is to operationalise at least five indigenously developed SMRs by 2033.

Seasonal trends in the Labour Market

38. The monthly Periodic Labour Force Survey (PLFS) bulletin for May 2025 informs that the Labour Force Participation Rate (LFPR)[25] as per the current weekly status (CWS)[26] among persons aged 15 years and above was 54.8 per cent. Concurrently, the unemployment rate (UR)[27] was 5.6 per cent against 5.1 per cent in April 2025. These changes in the monthly indicators may be attributed to a combination of seasonal, academic, and labour market-related factors. [28] In rural areas, employment shifted away from agriculture, with the employment share falling from 45.9 per cent in April to 43.5 per cent in May 2025. This decline may be attributed to the end of the Rabi harvest season, leading to a downward shift in the number of workers. The report also highlights that the decline in LFPR and the rise in UR were driven largely by seasonal agricultural patterns. Higher summer temperatures experienced in May restrict physical outdoor work and lead to movement of some unpaid helpers to domestic chores, especially in the higher-income rural households.[29]

39. According to the Naukri JobSpeak May 2025 report, the white-collar hiring remained stable, with 0.3 per cent YoY growth during the month. The data revealed notable growth in a few key sectors such as AI/ML professionals (+25 per cent YoY), Insurance (+6 per cent YoY), Real Estate (+5 per cent YoY), BPO/ITES (+4 per cent YoY), and Hospitality (+4 per cent YoY). Another notable trend observed was that jobs for senior professionals with over 16 years of experience witnessed a 6 per cent increase. Job creation in India's manufacturing and services sectors was high, with the PMI Employment sub-index rising to 54.9 for manufacturing and 57.1 for services, their highest level in recent times, indicating strong hiring activity across the manufacturing and services sectors.

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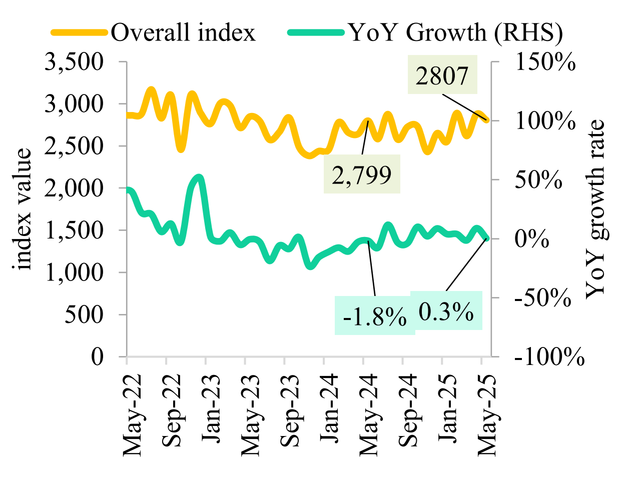
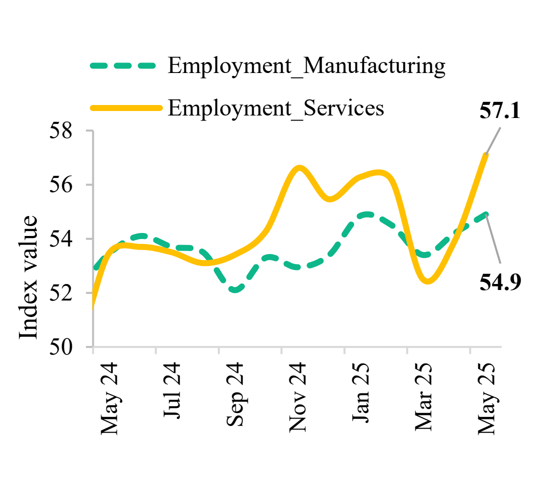
[25] LFPR is defined as the percentage of persons in the labour force (i.e. working or seeking or available for work) in the population.
[26] The activity status determined on the basis of a reference period of the last 7 days preceding the date of the survey is known as the current weekly status (CWS) of the person.
[27] UR is defined as the percentage of persons unemployed among the persons in the labour force.
[28] PLFS Monthly Bulletin for May 2025: https://tinyurl.com/572fv2xy
[29] PIB release of the Ministry of Statistics & Programme Implementation dated 16 June 2025: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2136692

Trends in Naukri JobSpeak index	PMI employment sub-index reached a record high
	
Source: Naukri JobSpeak	Source: HSBC PMI

Positive outlook for the job market

40. Going forward, the outlook for hiring and employment appears steady. The TeamLease Employment Outlook Report has estimated a net employment growth of 2.8 per cent in H1 (April-September) of FY26. The report states that 47 per cent of employers intend to expand their workforce in H1 FY26, indicating sustained talent acquisition momentum. The report also emphasises a shift in hiring from quantity expansion to quality expansion with emphasis on skill density, retention over replacement, and AI-driven productivity. Sectors such as EV & EV Infra, automotive, e-commerce and tech start-ups are expected to lead this growth, with the highest positive change estimated in workforce size.[30]

41. Similarly, the ManpowerGroup Employment Outlook Survey presents a positive hiring outlook for India, with the labour market maintaining a strong hiring momentum.[31] According to the survey, India has the second strongest hiring sentiment globally, with a net employment outlook (NEO)[32] of 42 per cent for the quarter ending September 2025. The NEO is 18

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30 The TeamLease Employment Outlook Report for H1 of FY26 is based on extensive research, including input from over 1,263 employers across 23 industries and 20 cities. (https://tinyurl.com/amns6uje)

31 The ManpowerGroup Employment Outlook Survey measures employers' intentions to increase or decrease the number of employees in their workforce during the upcoming quarter. It interviewed nearly 40,671 employers across 42 countries on hiring intentions for the July-September 2025 quarter. 3146 employers across India were asked about their third quarter hiring intentions and the reasoning behind their decisions. (https://www.manpowergroup.co.in/manpowergroup-employment-outlook-survey.aspx)

32 The NEO is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in

percentage points higher than the global average[33] and marks a 12-percentage point YoY improvement.[34] Across the sectors, Energy & Utilities emerged as the strongest with a NEO of 50 per cent, followed by Information Technology (46 per cent), and Industrials & Materials (45 per cent). Further, the Reserve Bank of India's latest Consumer Confidence Survey, May 2025 round, shows that consumers have an optimistic view of the future employment situation.[35,36]

Formalisation of the job market

42. The net payroll data of the Employees Provident Fund Organisation (EPFO) is a strong indicator of formalisation of the workforce, highlighting that the workforce is becoming more organised and secure. The EPFO had a net addition of 19.1 lakh members in April 2025. An analysis of new subscriber data reveals that 57.7 per cent of the new members added in April 2025 were in the 18-25 age group, while 23.8 per cent were in the 26-35 age group, and 17.3 per cent were over 35 years old. This distribution indicates that the majority of individuals entering the organised workforce are young adults, primarily first-time job seekers.

43. Further, to recognise and support the unorganised workers, the government launched the e-Shram portal in 2021 for the creation of a comprehensive national database of unorganised workers to register and provide them a Universal Account Number (UAN). As of 24 June 2025, the portal registered over 30.9 crore unorganised workers.[37] The portal enables registered workers to access social security schemes and see benefits availed by them so far through e-Shram.

Notable improvements in India's Human Development Index[38,39]

44. While India's economic outlook remains positive, the benefits of this growth are increasingly reaching the average Indian, leading to notable improvements in socio-economic

the next quarter. A positive NEO figure means that, on balance, there are more employers who expect to add to their headcount in the following three months than those who intend to reduce staff.

[33] The higher NEO compared to the global average shows that a larger percentage of employers in India are anticipating an increase in hiring activity in the next quarter compared to their global counterparts.

[34] The rise in sentiments reflected through the NEO reflects the rise in the percentage of employers anticipating an increase in hiring activity in the next quarter.

[35] Urban Consumer Confidence Survey May 2025: https://rbi.org.in/scripts/PublicationsView.aspx?id=23156

[36] RBI Rural Consumer Confidence Survey May 2025: https://rbi.org.in/scripts/PublicationsView.aspx?id=23158

[37] https://eshram.gov.in/indexmain

[38] United Nations Development Programme. (2025). *Human development report 2025: A matter of choice: People and possibilities in the age of AI*. New York, NY: United Nations Development Programme. https://www.undp.org/india/publications/human-development-report-2025

[39] India Statement: https://www.undp.org/india/press-releases/indias-human-development-continues-make-progress-ranks-130-out-193-countries

conditions. These advancements have gained global recognition, as reflected in the recently released UNDP Human Development Index (HDI).

45. India's HDI value increased from 0.676 in 2022 to 0.685 in 2023, placing the country in the medium human development category and moving it closer to the threshold for high human development (HDI $\geq$ 0.700).[40] Notably, India's life expectancy is the highest since the inception of the index, rising from 58.6 years in 1990 to 72 years in 2023, signalling a strong recovery from the pandemic and its impact on life expectancy. UNDP highlighted that the government initiatives, such as the National Rural Health Mission, Ayushman Bharat, Janani Suraksha Yojana, and Poshan Abhiyaan, have contributed significantly to this achievement. The report findings indicate that children are expected to stay in school for 13 years (2023) on average, up from 8.2 years in 1990. UNDP attributes this achievement to initiatives such as the Right to Education Act, Samagra Shiksha Abhiyan, and the National Education Policy 2020, which have collectively enhanced educational access and outcomes.

46. Additionally, the report underscores India's unique status on the global stage as a rising AI powerhouse. It notes that the country has the highest penetration of AI skills and an increasing retention of domestic talent. As of 2023, 20 per cent of AI researchers in India choose to stay in the country, a significant increase from nearly zero in 2019. Further, UNDP highlights that India's robust economic growth and targeted investments in programmes like MGNREGA, Jan Dhan Yojana, and digital inclusion have contributed to a substantial reduction in multidimensional poverty.

Outlook

47. Steady economic performance in FY25 underscores the resilience of domestic growth drivers amid a challenging global environment. Robust private consumption and resilient services sector activity were key contributors to overall economic expansion. The positive momentum has been extended into the early months of FY26, as reflected in the performance of high-frequency indicators such as e-way bill generation, fuel consumption and PMI indices among others.

[40] The HDI is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life measured through life expectancy at birth; knowledge measured through expected and mean years of schooling; and a decent standard of living measured through gross per capita national income. An increase in the HDI value shows improvement in the overall human development through all three dimensions.

48. While domestic HFIs remain robust, the global economic outlook has become increasingly subdued. Growth forecasts for all major economies have seen a downgrade in 2025. The latest forecast from the World Bank saw growth downgrades, led by the Euro Area (90bps), the US (50bps) and Japan (30bps). For China, the growth estimate has been kept unchanged at 4.5 per cent. The World Bank had retained India's real GDP growth forecast for 2025-26 at 6.3 per cent in its latest Global Economic Prospects report, citing global trade tensions and policy uncertainty. This follows a 40 basis points cut in April 2025, when the World Bank lowered its January forecast of 6.7 per cent to 6.3 per cent. Despite the cut, India is expected to remain the fastest-growing large economy. The World Bank sees growth improving to 6.5 per cent in 2026-27 and 6.7 per cent in 2027-28, supported in part by strong services exports.

49. The disinflationary outlook is bolstered by improved agricultural production estimates and a forecast of an above-normal monsoon. The RBI has revised its retail inflation projection for FY26 downward to 3.7 per cent. The southwest monsoon arrived on 24 May 2025 - its earliest onset since 2009 and well ahead of the typical June 1 schedule - boosting prospects for kharif sowing and improving reservoir levels. However, monsoon progress stalled around May 29, resulting in below-average rainfall across much of the country. However, conditions improved, and as of 25 June 2025, the country's cumulative rainfall was 7 per cent higher than the normal. Encouragingly, reservoir levels continue to improve, offering optimism for adequate irrigation in the upcoming kharif season. Still, there may be some upside risk to inflation stemming from global commodity price volatility, particularly a surge in crude oil prices, trade-tariff issues, geopolitical conflicts and potential weather-related disruptions.

50. In this context, India's relative monetary and financial stability stands out as a key strength, bolstering its attractiveness to investors. In light of evolving global trade alignments and shifts in industrial policy, the country has prioritised bilateral Free Trade Agreements and Comprehensive Economic Cooperation Agreements to diversify its exports, enhance domestic manufacturing, and integrate more fully into global value chains. Furthermore, the labour market in India has remained stable, with multiple surveys and reports indicating a positive employment outlook.

51. The global economic outlook remains clouded by uncertainty, shaped by shifting policies, geopolitical conflicts and persistent vulnerabilities, and as a result, global growth in FY26 is expected to stay subdued. In contrast, the Indian economy continues to demonstrate

resilience in the face of these headwinds, supported by policy stability, easing inflation, a stable job market and a resilient external sector. Amidst these global uncertainties, the outlook for India is one of cautious optimism.

52. With no major imbalances in the macro aggregates, a subdued inflation rate combined with a growth-supportive monetary policy stance, India's macroeconomic health is in a relative goldilocks situation. The brief Israel-Iran war, followed by the U.S. intervention, pushed the price of crude oil sharply higher. Its persistence would have threatened India's growth and fiscal outlook in the current financial year. Thankfully, there is a ceasefire, and oil prices have retreated sharply. There is an ample global supply of oil, but insurance costs and the perceived risk of potential closure of choke points might cause the landed price to rise. Therein lies the risk to India. For now, the risk has receded. But, it is too soon to sound the "all clear" for the rest of the year. But, then, we have to get used to doing the balancing act or the high-wire act for some time to come. In this, India is on a better footing than many other nations. We seek to build on it through critical agriculture, manufacturing, resources and technology missions and deregulation initiatives that unleash productivity. These may be nervous but exciting times for the Indian economy. Geopolitics may offer us opportunities that appeared remote previously. It is up to us to be flexible enough to ride the tide.

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Performance of High-Frequency Indicators

Data Title	Unit	YTD Period/ As at the end of	Year to Date			Year to Date (YoY Growth)		
			2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Agriculture								
Fertiliser Sales	Mn Tonnes	Apr-May	48.94	51.3	58.32	-1.6	4.8	13.7
Domestic Tractor Sales	Lakh	Apr-May	1.6	1.6	1.7	-5.2	-1.4	8.2
Foodgrain Production	Mn Tonnes	3rd AE	328.9	354.0	-	-0.5	7.6	
Reservoir Level	Bn Cu. Metres	12-June	48	38.5	55.5	-6.1	-19.8	44.2
Wheat Procurement (RMS)	LMT	18-June	260.7	265.9	300.7	39.1	2.0	13.1
Rice Procurement (KMS)	LMT	18-June	481.9	514.0	-	-6.5	6.7	-
Kharif Sowing (Foodgrain)	Mn Hectare	13 Jun	2.0	1.3	1.3	8.5	-36.1	7.9
Rainfall	Millimeters	17 Jun	43.2	59.4	61.8	-17.9	16.2	2.4
Credit to Agriculture and allied activities	₹ Lakh crore	April	17.7	21.2	23.1	16.8	19.7	9.2
Industry								
IIP	Index	April	140.7	148	152	4.6	5.2	2.7
8-Core Industries	Index	Apr - May	154.3	165	166.4	4.9	6.9	0.8
Domestic Auto sales	Lakh	Apr - May	34.7	40.7	38.2	16.8	17.3	-6.1
PMI Manufacturing	Index	Apr - May	58	58.2	57.9	3.3	0.2	-0.3
Power consumption	Billion kWh	Apr - May	268.5	299.4	296.9	0.7	11.5	-0.8
Natural gas production	Bn Cu. Metres	Apr - May	5.7	6.1	5.9	-1.5	7.2	-2.9
Cement production	Index	Apr - May	191.9	191.5	206.4	14.1	-0.2	7.8
Steel consumption	Mn Tonnes	Apr - May	20.9	23.5	25.1	10.8	12.6	6.9
Inflation								
CPI-C	Index	Apr-May	178.6	187.2	192.8	4.5	4.8	3.0
WPI	Index	Apr-May	150.3	153.2	154.2	-2.2	2.0	0.6
CFPI	Index	Apr-May	176.6	191.9	194.6	3.4	8.7	1.4

Data Title	Unit	YTD Period/ As at the end of	Year to Date			Year to Date (YoY Growth)		
			2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
CPI-Core	Index	Apr-May	178.2	183.7	191.5	5.2	3.1	4.2
Services								
Domestic Air Passenger Traffic	Lakh	April	255.3	265.2	290.9	22.6	3.8	9.7
Port Cargo Traffic	Million tonnes	April	66.4	67.3	72.0	2.1	1.3	7.0
PMI Services	Index	April-May	61.6	60.5	58.7	5.5	-1.8	-2.9
Fuel Consumption	Million tonnes	April-May	39.4	41.2	41.5	7.0	4.7	0.6
UPI (Volume)	Crore	April-May	1831.3	2,734.0	3657.1	58.7	49.3	33.8
E-Way Bill Volume	Crore	April-May	17.3	20	24.2	15.9	15.8	21.1
Fiscal Indicators								
Gross tax revenue (Central Govt)	₹ Lakh crore	April	2.2	2.6	2.7	-6.1	16.9	6.5
Revenue Expenditure	₹ Lakh crore	April	2.3	3.2	3.1	15.2	43.7	-5.7
Capital Expenditure	₹ Lakh crore	April	0.8	1.0	1.6	-0.6	26.5	61.0
Fiscal Deficit	₹ Lakh crore	April	1.3	2.1	1.9	78.5	57.3	-11.3
Revenue Deficit	₹ Lakh crore	April	0.6	1.1	0.5	-9538.2	100.7	-56.2
Primary Deficit	₹ Lakh crore	April	0.9	0.8	0.9	155.3	-4.4	13.4
GST Collection	₹ Lakh crore	Apr-May	3.4	3.8	4.4	11.6	11.3	14.3
External Sector								
Merchandise exports	USD Billion	Apr-May	69.6	74.9	77.2	-11.6	7.6	3.1
Non-petroleum exports	USD Billion	Apr-May	57.3	59.8	64.3	-8.1	4.3	7.5
Merchandise imports	USD Billion	Apr-May	106.5	116.2	125.5	-10.6	9.0	8.1
Non-oil imports	USD Billion	Apr-May	77.3	79.7	90.1	-9	3.1	13.0
Non-oil non-gold/silver imports	USD Billion	Apr-May	72.4	73.6	83.7	-5.5	1.7	13.7
Net FDI	USD Billion	April	2.8	1.9	3.9	-48.2	-30.5	105.8
Exchange Rate (Average)	INR/USD	May	82.3	83.4	85.2	-6.1	-1.3	-2.1

Data Title	Unit	YTD Period/ As at the end of	Year to Date			Year to Date (YoY Growth)		
			2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Foreign Exchange Reserves	USD Billion	May	590.7	651.5	691.3	-2.1	10.3	6.1
Import Cover	Months	May	10.1	11.4	11.4	-	-	-
Monetary and Financial								
Total Bank Credit	₹ Lakh crore	30 May	140.1	167.8	182.9	15.4	19.8	9.0
Non-Food Credit	₹ Lakh crore	2 May	139.7	167.4	182.2	15.5	19.8	8.8
10-Year Bond Yields	Per cent	May	7.0	7.1	6.3	-0.3	0.1	-0.8
Repo Rate	Per cent	13 Jun	6.5	6.5	5.5	1.6	0.0	-1.0
Currency in Circulation	₹ Lakh crore	13 Jun	33.9	35.9	38.5	4.6	5.9	7.3
M0	₹ Lakh crore	13 Jun	43.7	47.2	49.5	6.4	8.1	4.8
Employment								
Net payroll additions under EPFO	Lakh	Apr	11.3	10.8	19.1	-5.2	-4.4	7.7
Number of persons demanded employment under MGNREGA	Crore	Apr-May	7.437	6.763	6.514	-2.6	-9.1	-3.7
Urban Unemployment Rate	Per cent	Oct-Dec	6.5	6.4	-	-0.7	-0.1	-
Subscriber Additions: National Pension Scheme (NPS)	Lakh	Apr-Feb	8.4	7.1	-	24.7	-16.0	-

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