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DEPARTMENT OF
ECONOMIC AFFAIRS

सत्यमेव जयते

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Abstract

Economic activity worldwide has remained steady over the past few months, despite adverse trade policy disruptions. As a result, global economic growth this year is now expected to fare better than initially feared. This is reflected in the International Monetary Fund's (IMF) upward revision of the global growth forecast for 2025 to 3.2 per cent in October 2025, compared to 3 per cent in July 2025 and 2.8 per cent in April 2025. Several transitory factors, such as a lower effective tariff rate in the US and frontloading of trade, have contributed to propping up growth. However, this resilience masks underlying structural weaknesses which are coming to the fore, leaving projections for global growth in 2026 broadly unchanged since July 2025.

Amidst this uncertain global outlook, India's economy continues to gain momentum. Demand conditions across rural and urban India strengthened with the implementation of the GST reforms and the festive season, coinciding with industry reports signalling robust growth in sales, particularly in sectors such as automobiles. On the supply side, the manufacturing and services sectors expanded healthily. Taking into account the higher-than-anticipated growth in Q1 FY26 and steady upward trends visible in Q2 FY26, India's growth forecasts for FY26 have been upgraded. The IMF now forecasts real GDP growth of 6.6 per cent, while the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) expects real GDP to increase by 6.8 per cent, indicating upward revisions of 20 and 30 basis points, respectively.

Inflation has remained well under control, supported by deflation in food categories. Continued deflation in the food category has led to a slowdown in retail headline inflation to 1.54 per cent in September 2025, resulting in a retail headline inflation rate of 1.7 per cent in Q2 FY26. The prices of non-food and non-fuel items remained stable, with core inflation coming in at 4.6 per cent in September 2025. Barring shocks stemming from adverse weather events and supply chain disruptions, price stability is expected to prevail. The RBI forecasts inflation at 1.8 per cent in Q3 FY26 and anticipates an uptick in Q4 FY26 and Q1 FY27 as base effects fade.

Moreover, the RBI's efforts to maintain adequate liquidity within the banking system have played a crucial role in ensuring the availability of resources for strengthening economic activities. Further, the transmission mechanism in both money and credit markets continues to operate smoothly, reflecting the effectiveness of these measures. The RBI's recent regulatory

and development policy reflects a calibrated response to the evolving macroeconomic conditions, combining prudence with comprehensive structural reforms. These measures are aimed at strengthening the banking sector, improving credit flow, promoting ease of doing business, simplifying foreign exchange management, and internationalising the Indian Rupee.

In terms of external trade, India's external economic activity has remained resilient with a steady trade performance in H1 FY26, amidst the dynamic global trade landscape. The country's total exports (goods & services) have registered a growth of 4.4 per cent YoY in H1 FY26, reaching USD 413.3 billion. While merchandise exports have grown by 3 per cent (YoY), services exports grew by 6.1 per cent (YoY). During the same period, core merchandise exports continued to grow strongly by 7.5 per cent (YoY).

The government has been focused on making the Indian economy resilient to external vulnerabilities through structural reforms. The emphasis on skill development and employment generation has led to a stable labour market in H1 FY26, characterised by an increase in labour force participation, employment growth in both industry and services, and strong hiring sentiments in the economy. In addition, the introduction of GST 2.0 is expected to stimulate consumption and investment across sectors, which in turn fosters employment generation. The government is also introducing initiatives to promote research and innovation, aiming to enhance the global competitiveness of Indian industries. The Promotion of Research & Innovation in Pharma-MedTech Sector (PRIP) scheme of the Department of Pharmaceuticals is a landmark policy that supports approximately ₹11,000 crore in Pharma-MedTech research and innovation projects, aiming to transform the sector into a globally competitive, innovation-driven one. This scheme provides enhanced support for early-stage projects, flexible collaboration pathways, and a focus on public health priorities, aiming to accelerate the development of ideas into market-ready solutions.[1]

Together, these initiatives and the government's continued efforts in deregulation are expected to have a positive multiplier effect on economic activity, supporting domestic demand and sustaining growth momentum.

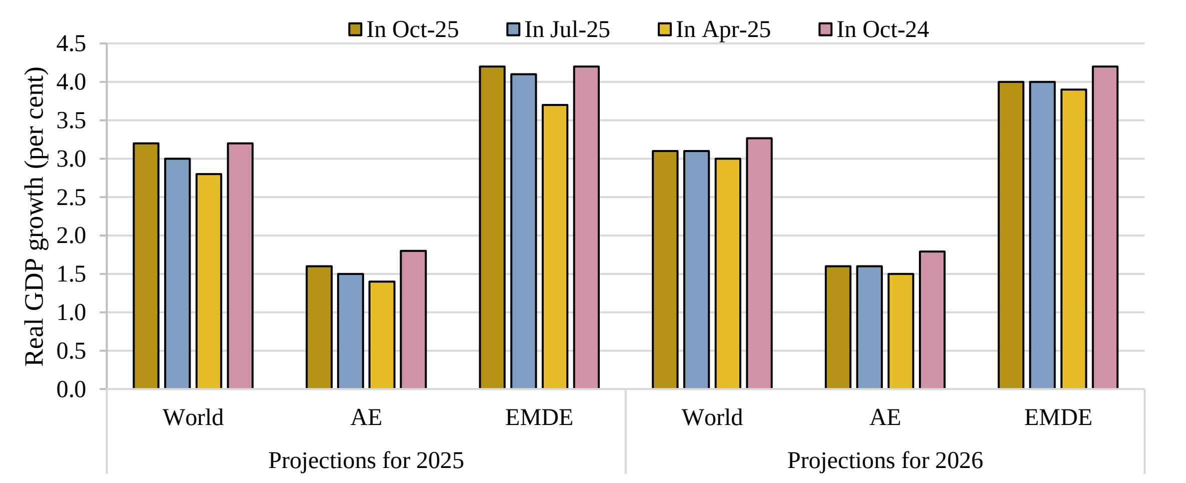
[1] PIB release of the M/o Chemicals and Fertilisers dated 1 October 2025: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2173970

Temporary developments prop up global growth amid structural weaknesses.

1. A fog of uncertainty continues to shroud the global economy. Economic activity over the past few months has remained robust despite a deteriorating trade outlook. The International Monetary Fund (IMF), in its World Economic Outlook for October 2025, revised the global growth estimate for 2025 upward from 3 per cent in July 2025 to 3.2 per cent. This is a sharper improvement compared to the projections in the April 2025 WEO. However, interpreting this growth as durable resilience may be incorrect.

2. The global economy witnessed short-term resilience in the aftermath of trade policy disruptions. Following the tariff announcements in April 2025, deals between the US and some of its trading partners significantly reduced the US's effective tariff rate. The IMF notes that US households and businesses frontloaded their consumption in anticipation of higher tariffs. In some cases, delays in implementing tariffs also enabled businesses to defer price hikes. Additionally, unlike previous episodes of trade tensions, the US dollar depreciated over this period, thereby supporting global trade. These factors combined to keep the global economic engine humming. This is visible in the chart below. After a cycle of downward revisions, global growth forecasts for 2025 are back to levels previously projected in October 2024.

Global growth dynamics – short-term positives expected to push up growth in 2025, subdued sentiments in 2026



Source: Various editions of the IMF WEO;
Note – AE: advanced economies; EMDE: emerging market and developing economies

3. However, this resilience seems to be fading. Core inflation and unemployment in the US have inched up. Momentum in China is slowing due to a moderation in export growth, following the front-loading of exports and a struggling property market. Growth impulse in the Eurozone remains muted. This is reflected in unchanged growth forecasts for 2026.

Domestic Economic activity strengthens, bolstered by the festival demand and GST reforms.

4. In September 2025, e-way bill generation, a key indicator of domestic economic activity, reached a new record level as businesses stepped up production and inventory ahead of the festive season demand, bolstered by the rationalisation of GST rates. Additionally, the increase in freight movement and personal mobility contributed to a rise in petrol and diesel consumption, which grew by 8.0 per cent and 6.7 per cent, respectively, on a year-on-year basis.

5. On the supply side, manufacturing activity continued along its expansionary trajectory, as gauged by PMI manufacturing, which, despite receding from a 17-year high of 59.3 in August 2025 to 57.7 in September 2025, indicated healthy trends in the sector. A sub-index of the PMI manufacturing signalled higher new export orders, thereby suggesting demand outside of the US might be offsetting any decline in demand from the US as a result of tariffs.

6. Industrial output, as measured by the index of industrial production, increased by 4.1 per cent in August 2025, and on a year-to-date basis (YTD), is higher by 2.8 per cent YoY in April-August 2025, primarily led by increases in manufacturing output. Mining and quarrying output, and electricity generation saw softer growth on a YTD basis due to early rains and lower temperatures in April - June 2025, but have since recovered smartly in July and August.

7. Service activity continued to expand robustly. The PMI services in September 2025, at 60.9, remained well above the 50-mark separating expansion from contraction. Road traffic, rail cargo and port cargo traffic continue to climb. The value and volume of electronic toll collection in April - September 2025 are higher by 18.6 per cent and 13.5 per cent, respectively. Cargo traffic at major ports and railway freight volume have increased by 4.7 per cent and 3.1 per cent, respectively, YoY over this period.

8. Demand conditions in the second quarter show improvement, as reflected in the performance of high-frequency indicators. Consumer durables output grew by 5.4 per cent in

July and August 2025, up from 2.6 per cent in the first quarter of FY26. Urban sales of fast-moving consumer goods (FMCG) remained steady at 4.1 per cent in July and August 2025. However, reduced capacity and weather disruptions led to a moderation in domestic air passenger traffic during July and August 2025. The positive effects of GST reforms are becoming evident in several indicators. For instance, the average daily UPI volume and value of transactions increased significantly in October compared to the previous month, reflecting stronger festive demand bolstered by the GST reforms.

9. The convergence of Navratri festivities in late September with the implementation of lower GST rates has boosted customer sentiment and spending. Consequently, as reported by the Federation of Automobile Dealers Association, retail sales of passenger vehicles expanded by 34.8 per cent year-on-year during the Navratri period, driven by both new buyers and upgrades to premium variants.

10. Rural demand conditions remained resilient during the period, supported by strong festive-season sales. Two- three-wheeler retail sales recorded a strong growth of 35.3 per cent[2] during the Navratri period, while tractor sales in September reached an all-time high, underpinned by favourable monsoon conditions, lower GST rates, and sustained rural purchasing power. In addition, rural FMCG sales continued to expand robustly, recording growth of 8.4 per cent in July–August 2025, reflecting steady consumption momentum in the hinterlands.[3]

11. RBI's forward-looking survey on urban and rural consumer confidence conditions reveals that households remain optimistic about their one-year-ahead economic conditions, employment prospects, personal income and spending habits. Furthermore, consumer confidence has improved marginally, driven by positive sentiments across key parameters for the current period, and it continues to remain in an optimistic zone.

12. The momentum gained in Q2 of FY26 is expected to continue in the upcoming months, driven by resilient domestic economic activity and stronger demand conditions supported by GST reforms.

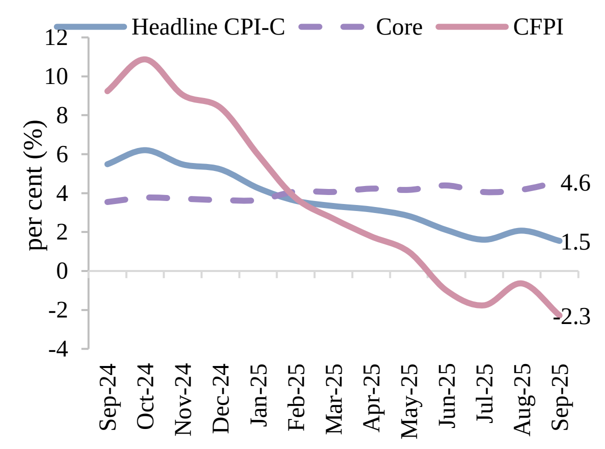
[2] https://tinyurl.com/bdcutwpv

[3] https://rbi.org.in/Scripts/PublicationsView.aspx?id=23426#III1

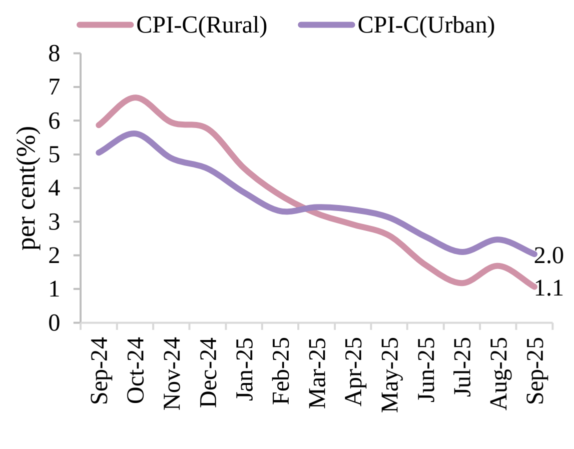
Retail inflation dropped

13. The retail inflation slowed down to 1.54 per cent in September 2025 from 2.07 per cent in the previous month, showing signs of the reappearance of disinflationary tendencies. With this, the Q2 inflation landed at 1.7 per cent, which is below the lower bound of RBI's tolerance band of 2 per cent, and a tad below the revised forecast of 1.8 per cent projected by the Reserve Bank of India for the Q2 of FY26[4]. However, the stable pace of core inflation for the past six months continued this month as well, as it registered a slight uptick of 4.6 per cent in the inflation print in September 2025, as against 4.18 per cent in the last month, indicating that underlying price pressures remain largely unchanged over the past few months.

Headline, food and core inflation



Retail inflation in rural and urban



Source: MoSPI

14. The trend of urban inflation exceeding the rural inflation, which started six months before, continued this month as well. Both measures have moderated marginally in September 2025 compared to the previous month – rural inflation decreased from 1.7 to 1.1 per cent and urban inflation decreased from 2.5 to 2 per cent.

Deflation in food items continues.

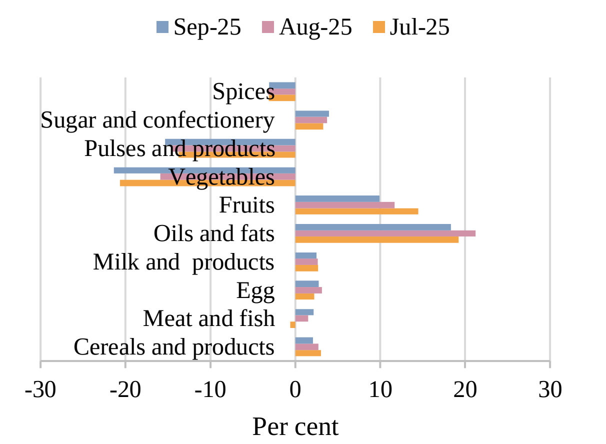
15. The deflation in food articles accelerated to (-) 2.28 per cent in September 2025, which is the lowest after December 2018. It was prominent in three items - pulses, vegetables, and spices (comprising one quarter of the weight of the food basket). The prices of pulses and vegetables have fallen sharply in September 2025: (-) 15.32 per cent for pulses and (-) 21.4 per cent for vegetables. However, the deflation in potato and onion has moderated in

[4] RBI's earlier forecast for Q2 was 2.1 per cent

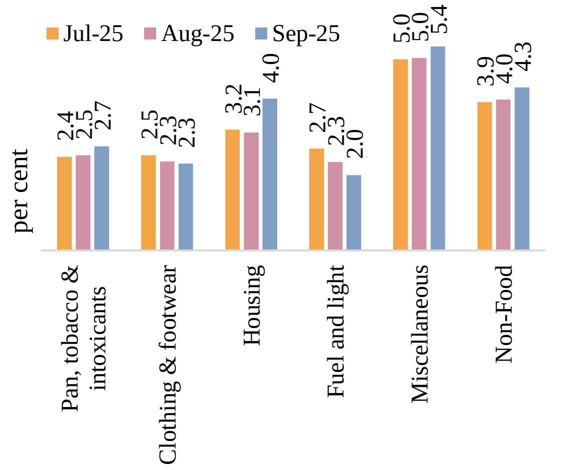
September 2025 – from (-) 37.3 per cent to (-) 19.4 per cent in the case of potato and from (-) 50 per cent to (-) 11.5 per cent in the case of onion. On the other hand, tomato prices fell significantly this month, from (-) 6.1 per cent to (-) 30.3 per cent.

16. Except for edible oil and fruits, other items in the food category saw a steady pace of inflation. Though the inflation in edible oil and fruits (together having 14 per cent of weightage in the food basket) was running high (18.34 per cent and 9.93 per cent respectively), it moderated in September 2025 as compared to the last month.

Price movement in the food group



Inflation in the non-food component



Source: MoSPI

17. Some of the recent initiatives aim to strengthen the pulses and edible oil markets in the country. With ₹42,000 crore investment and 1,100 projects focused on modernising rural infrastructure, the 'Pradhan Mantri Dhan-Dhaanya Krishi Yojana' and the 'Self-Reliance in Pulses Mission' were launched to boost farmers' incomes. The Government has also recently approved ₹13,890 crore procurement of pulses and oilseeds at minimum support price (MSP) in Uttar Pradesh and Gujarat under the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) scheme, allowing 100 per cent procurement of Urad and Tur and up to 25 per cent for Moong, Sesame, Soybean, and Groundnut. These initiatives are expected to help stabilise retail prices and enhance the availability of pulses and edible oil across the country.

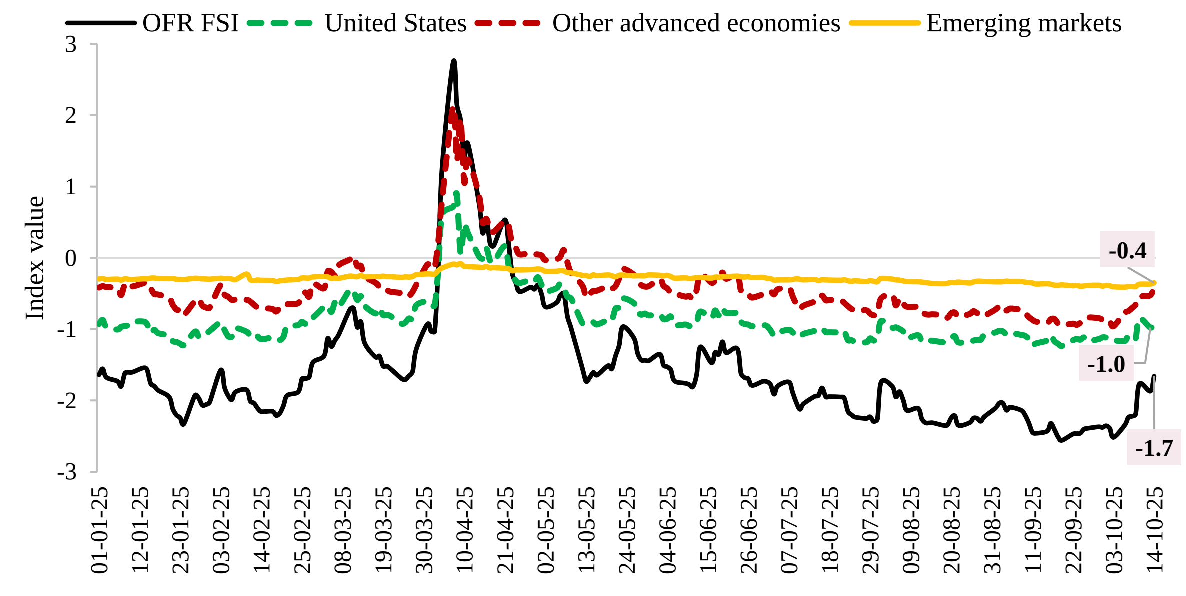
18. In contrast to food inflation, the non-food inflation edged up in recent months, reaching 4.3 per cent in September, the highest since September 2023. It was primarily driven by rising costs in housing and miscellaneous items, particularly personal care items. In fact, inflation in other miscellaneous items (transport, education, and recreation), clothing, footwear and fuel have eased slightly or remained stable. Inflation in gold and silver, though still in double

digits, also moderated in September 2025, largely influenced by global price movements amid ongoing international uncertainties.

Financial Sector Developments

19. The Office of Financial Research's Financial Stress Index (OFR FSI)[5], published by the US Department of the Treasury, indicated an increase in the global financial stress in April 2025, following a period of relative stability in early CY2025. This rise coincides with the increasing geopolitical tensions and growing policy uncertainty, which have exacerbated financial instability. Regionally, the effects of this stress have not been uniform, as advanced economies experienced a more significant rise in financial stress conditions compared to emerging market economies.

Financial Stress Index



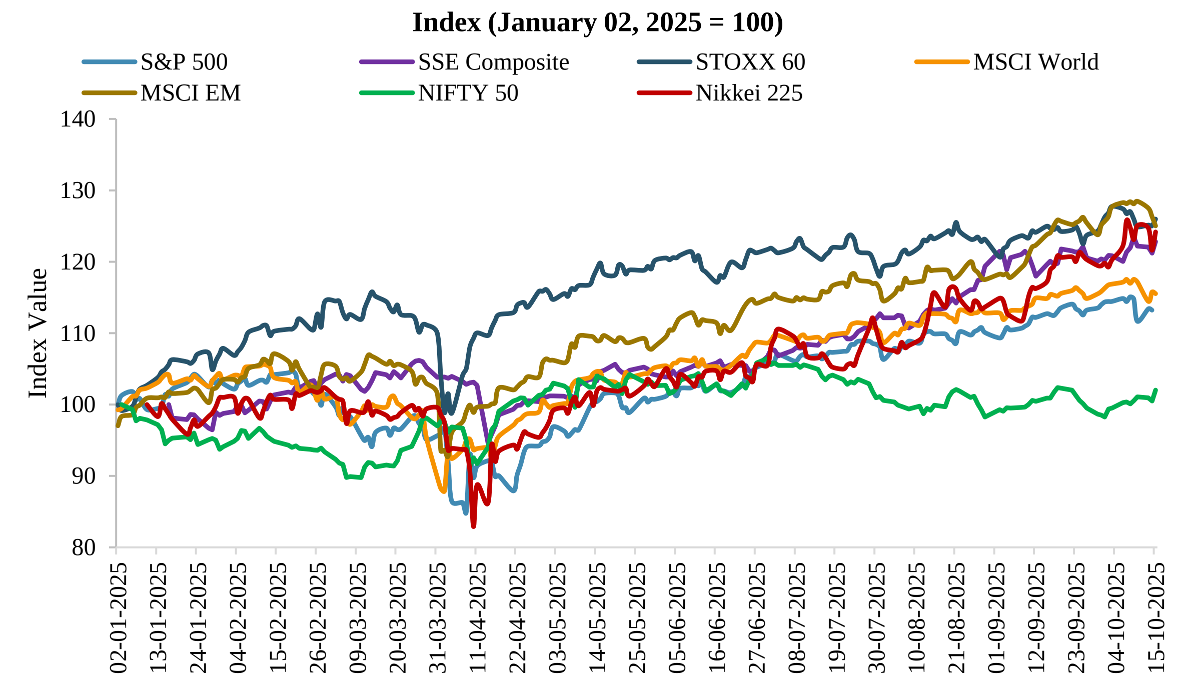
Source: The Office of Financial Research, Financial Stress Index (OFR FSI) - https://tinyurl.com/8htskkjb

20. After the significant increase in April 2025, the OFR FSI and the corresponding regional indices have shown a sustained decline through October 2025. This decline can be attributed to, inter alia, the gradual adjustment of financial markets to the effects of geopolitical shocks, clear and effective communication from central banks across countries, and the absence of any further major disruptions.

[5] The Office of Financial Research Financial Stress Index (OFR FSI) is a daily market-based snapshot of stress in global financial markets. It is constructed from 33 financial market variables, such as yield spreads, valuation measures, and interest rates. The OFR FSI is positive when stress levels are above average, and negative when stress levels are below average.

21. Emerging market economies (EMEs) have shown remarkable stability compared to advanced economies. The IMF attributes this resilience in EMEs to improved policy frameworks, stronger institutional capacity, more transparent fiscal policies, credible monetary policies, more independent central banks, and greater domestic ownership of local currency debt, which helped in reducing sensitivity to global shocks. As a result, these economies have experienced smaller output losses and lower inflation during times of stress, which has helped limit the impact of external shocks on their financial market volatility.[6]

Equity Indices



Note: Equity markets are represented by the S&P 500 for the US, the SSE Composite Index for China, the STOXX 600 for Europe, the MSCI World for advanced economies, the MSCI EM for emerging market economies, the NIFTY 50 for India and the Nikkei 225 for Japan.

Source: Bloomberg

22. Although the global financial conditions have stabilised since April 2025, the IMF's Global Financial Report, October 2025, asserts that significant vulnerabilities remain within the global financial system. One major concern is the rise in long-term sovereign bond yields of major economies, largely due to higher debt levels. This rise could undermine the hedging role that long-term bonds typically play in the financial market. Sovereign assets are held by both banks and non-bank financial institutions, suggesting that stress in this sector could have a negative impact on the broader financial system. An increase in macro-financial uncertainty may induce stress in the foreign exchange market, leading to elevated funding costs and

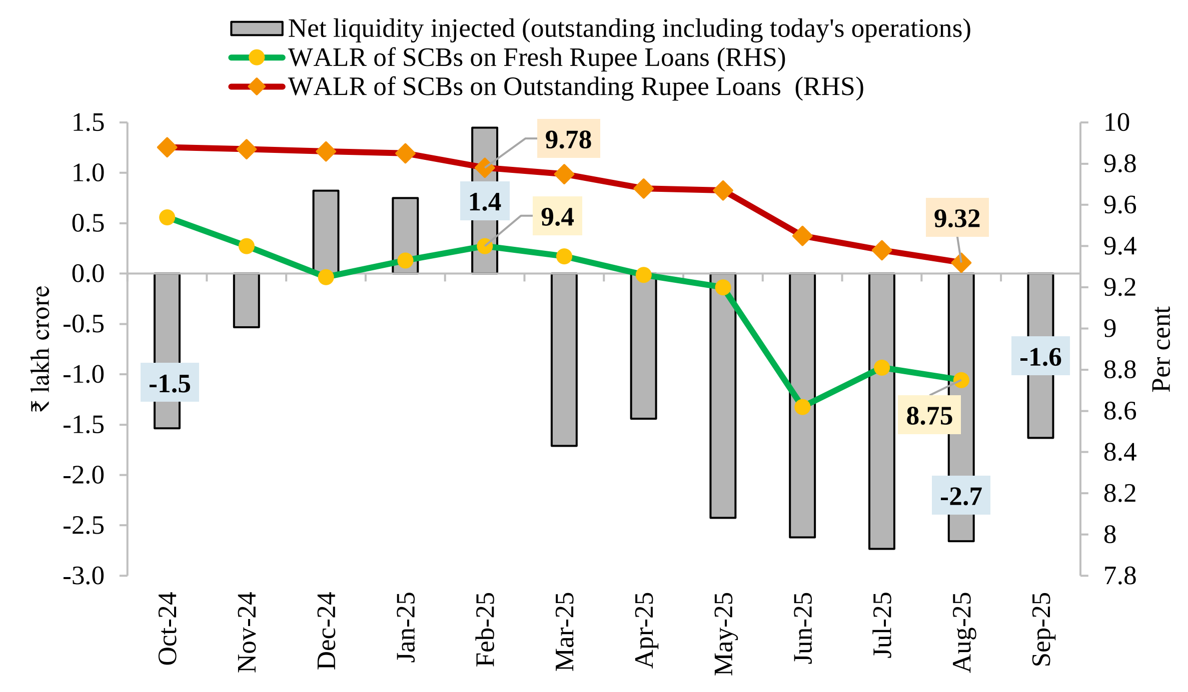
[6] IMF: Good Policies (and Good Luck) Helped Emerging Economies Better Resist Shocks, dated October 06, 2025: https://tinyurl.com/3butymt8

increased foreign exchange volatility, which could spill over into other asset classes. As of October 15, 2025, global equity markets have rebounded following an easing of the geopolitical tensions; however, this recovery is marked by significant concentration risks in certain segments. Consequently, any correction in equity markets has the potential to adversely impact the real economy through wealth effects.

Monetary and banking sector developments

23. The RBI's efforts to maintain sufficient liquidity within the banking system have played a crucial role in ensuring the availability of resources for strengthening economic activities. Furthermore, the transmission to both money and credit markets continues to operate smoothly, reflecting the effectiveness of these measures.

Net Liquidity Injections by RBI and Weighted Average Lending Rates of SCBs



Note: 1. Data is for all Scheduled Commercial Banks, excluding the Regional Rural Banks. 2. Data on WALR of SCBs is available as of October 17, 2025. Source: CMIE

24. The system liquidity has remained in surplus during the current financial year. As of September 19, 2025, the net durable liquidity surplus stands at ₹5.2 lakh crore.[7] This has reinforced the transmission of the policy repo rate cuts to the lending rates of the Scheduled Commercial Banks (SCBs) during the current easing cycle. As a result, during April-August 2025, the weighted average lending rate (WALR) of the SCBs on fresh rupee loans decreased by 51 basis points, standing at 8.75 per cent in August 2025. Similarly, the WALR of SCBs

[7] RBI Press release on Daily Money Market Operations, dated October 15, 2025: https://tinyurl.com/32hepuuh

on outstanding rupee loans has reduced by 35 basis points over the same period, standing at 9.32 per cent in August 2025, reaching its lowest level recorded since September 2022.[8]

25. As of the end of August 2025, the (YoY) growth in outstanding credit by SCBs moderated to 10 per cent from 13.6 per cent recorded as of the end of August 2024. Additionally, the bank credit remains stable compared to July 2025, reflecting a (m-o-m) growth of 0.8 per cent. However, the overall flow of financial resources to the commercial sector remains higher than it was in the corresponding period last year. This is because the flow from non-bank sources has more than offset the decrease in resources from the banking sector.

26. In this backdrop, the bank credit to the MSME sector continues to show momentum and remains robust, with the bank credit to the sector showing an increase of 18.5 per cent (YoY) in August 2025, compared to an increase of 15.1 per cent in August 2024. Within the MSME sector, the credit extended to the micro and small enterprises has registered an increase of 20.9 per cent (YoY) in August 2025, up from 13.4 per cent (YoY) in August 2024. Furthermore, this expansion follows a 19.1 per cent (YoY) increase in bank credit to the MSME sector in July 2025, with micro and small enterprises seeing a 21 per cent (YoY) rise, indicating a sustained momentum.

27. The Monetary Policy Committee, in its latest meeting in October 2025, kept the repo rate unchanged at 5.5 per cent and continued with the maintenance of a neutral stance. Additionally, several regulatory and development policy measures were announced, which aim at deepening the credit market, facilitating the transition of the capital framework, promoting consumer protection, and improving the ease of doing business. These measures have been discussed in detail in the box below.

BOX I: RBI's Developmental and Regulatory Policies

The RBI's latest regulatory and development policy measures signal a calibrated response of the central bank to the evolving macroeconomic conditions, combining prudence with comprehensive structural reforms.

[8] Source: CMIE; Data is for all Scheduled Commercial Banks, excluding the Regional Rural Banks.

These measures are aimed at strengthening the banking sector, improving credit flow, promoting ease of doing business, simplifying foreign exchange management, and internationalising the Indian Rupee.

- **To strengthen banking sector resilience, the following measures have been announced:**
- The Expected Credit Loss Framework has been introduced, which will apply to all Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), and All India Financial Institutions (AIFIs) from April 1, 2027 and will replace the current incurred loss approach. This forward-looking provisioning model requires the banks to recognise potential credit stress earlier, enabling proactive management of non-performing assets. The glide path provided until March 2031 will enable these institutions to smooth the transitional impact of higher provisioning on the existing loans.
- Simultaneously, the revised Basel III guidelines on capital charge for credit risk, effective from April 01, 2027 (applicable to commercial banks and excluding Small Financial Banks, Payment Banks, and Regional Rural Banks), align the domestic regulatory framework with international best practices. This measure will enhance the robustness and risk sensitivity of capital charge calculations for credit risk. Importantly, these reforms incorporate lower capital requirements for sectors such as MSMEs and residential real estate, thereby incentivising growth in critical segments.
- The new proposal introduces risk-based deposit insurance as a significant structural innovation. This approach will transition from the current flat-rate premiums to a risk-based, differentiated system. As a result, well-managed banks will enjoy lower premium costs, which encourages prudent risk management throughout the banking system and enhances overall financial stability.
- The Forms of Business and Prudential Regulation for Investments that will be issued shortly by the RBI will enable banks to adopt flexible business models by removing the proposed bar on overlap in the businesses undertaken by a bank and its group entity. This change enhances the operational freedom of banks and non-operating financial holding companies regarding equity investments and the establishment of group entities.
- **To improve the flow of credit, several measures have been implemented**.
- The RBI will abolish the framework introduced in 2016, which discouraged banks from lending to borrowers with credit limits exceeding ₹10,000 crore. While the Large Exposure Framework will continue to manage concentration risk at the individual bank

level, macroprudential tools will be employed to address system-wide credit concentration as needed.

- Recognising the risk differential between infrastructure projects that have commenced operations and those that have not, a principles-based framework has been introduced for infrastructure lending by non-banking financial companies. This new framework aims to promote more effective risk assessment and a more efficient allocation of capital.
- Licensing of new UCBs, which has been on hold since 2004, may soon resume due to positive developments in the sector and increasing demand from the stakeholders. The RBI will issue a discussion paper regarding this matter.
- In light of recent developments in the capital markets and the ongoing strengthening of the banking sector, the RBI is taking steps to enhance the lending capabilities of banks in relation to capital markets. To facilitate this, the RBI will eliminate the regulatory ceiling on loans secured by listed debt securities. Furthermore, the limits for loans against shares will be increased from ₹20 lakh to ₹ one crore per individual, and the financing limits for Initial Public Offerings will be raised from ₹10 lakh to ₹25 lakh per individual.
- **Promoting Ease of Doing Business**
- The consolidation of over 9,000 banking circulars into subject-wise guidelines is set to take place, covering 11 different types of regulated entities. This will lead to the simplification of the regulation.
- Flexible Transaction Accounts will enable banks with greater autonomy in opening and managing transaction accounts for borrowers, including current accounts and cash credit/overdraft accounts, especially for regulated borrowers. Additionally, restrictions on collection accounts will be eased.
- To enhance Export Facilitation, the repatriation period for exporters' foreign currency accounts within the International Financial Services Centre has been extended from 1 month to 3 months, and the foreign exchange outlay period for merchanting trade has been lengthened from 4 months to 6 months. There will also be simplified processes for reconciling outstanding export/import entries in foreign currency accounts using the Export Data Processing and Monitoring system and the Import Data Processing and Monitoring system. This measure will specifically benefit the exporters/importers of small-value goods and services.

- To help Indian merchants fulfil their business contracts efficiently and profitably amid ongoing global supply chain disruptions, the forex outlay period for Merchant Trade Transactions has been increased from 4 months to 6 months.

  - The **management of foreign exchange** is undergoing significant simplification through a series of proposed changes.

- The regulations governing External Commercial Borrowing (ECB) under the Foreign Exchange Management Act (FEMA) will be rationalised. This will include clear guidelines for eligible borrowers and lenders, as well as revisions to borrowing limits, cost ceilings, review of end-use of funds, and simplified reporting requirements. In the future, borrowing limits will be linked to the financial strength of the borrower, and ECBs will be permitted at interest rates determined by the market.
- Additionally, there will be a rationalisation of FEMA regulations for non-resident entities intending to establish a business presence in India.

These changes aim to create a more conducive environment for foreign investment and enhance the ease of doing business in the country, promoting greater financial stability and flexibility for both domestic and international stakeholders.

- **Significant steps to enhance the use of the Indian Rupee (INR) in international trade.**

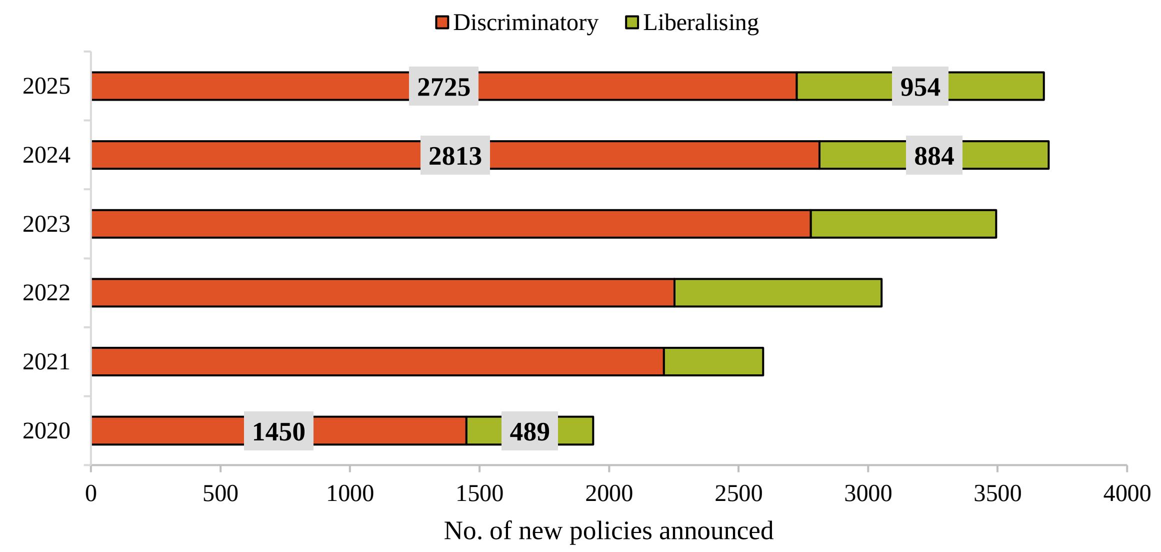
- In order to promote the settlement of cross-border transactions in INR and local currencies, Authorised Dealer banks are now allowed to lend in INR to non-residents in Bhutan, Nepal, and Sri Lanka, specifically for trade transactions.
- To enable the transparent development of reference exchange rates for INR vis-à-vis other currencies, the RBI will now include select currencies of India's trading partners published by FBIL. This development is intended to deepen the onshore forex market and increase the efficiency of trade by eliminating multiple currency conversions.
- The permitted uses for Special Rupee Vostro Account balances will expand to include investment in government securities, corporate bonds, and commercial papers. This initiative aims to deepen rupee-based trade settlements, promoting greater acceptance and usage of the INR globally.

The full implementation of these measures is anticipated to enhance the efficiency of credit allocation, strengthen the resilience of the banking sector, and facilitate the economy's integration into global financial markets under more favourable conditions.

Global trade developments

28. The year 2025 has been characterised by increasing uncertainty and significant policy changes driven by a dynamic global trade environment. According to data from Global Trade Alert, the number of discriminatory measures announced by countries worldwide has risen in recent years.

A rising number of discriminatory policies have been announced over the years.



Note: Annual totals refer to the number of new policies reported by October 16 in each year.

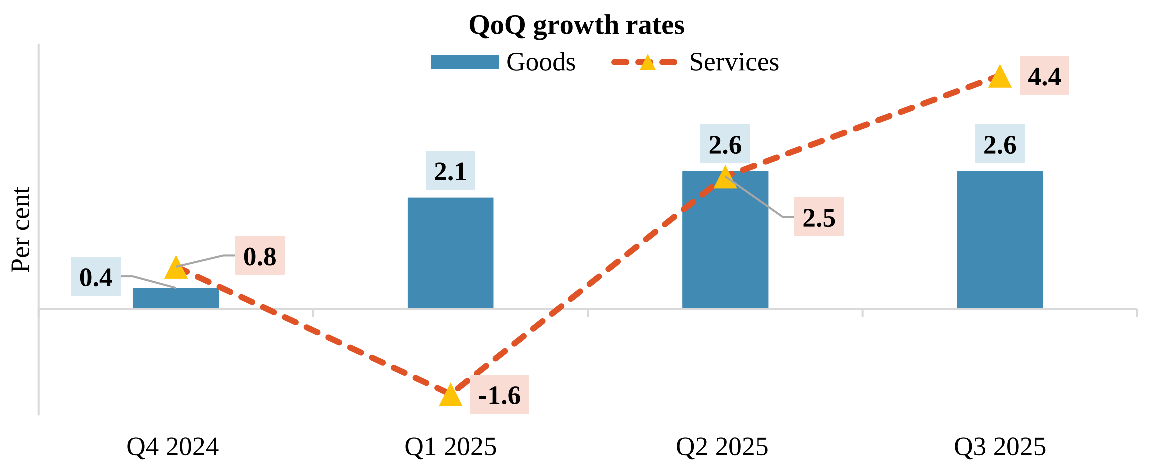
Source: Global Trade Alert

29. Furthermore, trade policy uncertainty has reached unprecedented levels. In Q3 CY25, the Trade Policy Uncertainty (TPU) Index recorded a (YoY) growth of 386.4 per cent. However, it decreased by 32 per cent QoQ from Q2 CY2025, due to factors such as negotiations of trade deals among countries, the commitment of the countries to keep the trading system open and the restructuring of the supply chains to redirect trade flows. Despite this QoQ decline, it is pertinent to note that the TPU index value in Q3 2025 remains the second-highest recorded since 1960 in any quarter.

30. In the light of these circumstances, the global trade of both goods and services has shown resilience. Data from UNCTAD reveals that while the total trade (goods and services) has increased by 2.5 per cent QoQ in Q2 CY2025, trade in goods has increased by 2.6 per cent QoQ, and the trade in services has registered a QoQ growth of 2.6 per cent, rebounding after a negative QoQ growth in Q1 2025. The nowcast estimates for Q3 CY2025 project a QoQ growth of 2.6 per cent for goods and 4.4 per cent for services.

31. So far, the changing global dynamics have had a limited impact on global trade, as developing countries continue to show a strong commitment to trade. In Q2 CY2025, both total exports and total imports of the developing countries have demonstrated a higher QoQ growth compared to the developed countries. Specifically, total exports in the developing countries grew by 3 per cent QoQ, while those in the developed countries grew by 1 per cent QoQ. On the other hand, total imports in the developing countries grew by 6 per cent QoQ, whereas developed countries showed no growth in their imports QoQ. Moreover, the trade between South-South countries continued to grow at above-average rates during the same period.

Global trade performance



Note: Quarterly growth (QoQ) is the quarter-over-quarter growth rate of seasonally adjusted values. Figures for Q2 2025 are preliminary. Q3 2025 is a nowcast as of October 07, 2025.

Source: UNCTADStat

32. Going forward, the ongoing trade policy uncertainty, rising geopolitical tensions and the potential reintroduction of protectionist measures in response to global overcapacity serve as headwinds to global trade growth. In contrast, strong economic growth, accommodative monetary policy and the resilience of the services trade act as tailwinds supporting global trade growth.

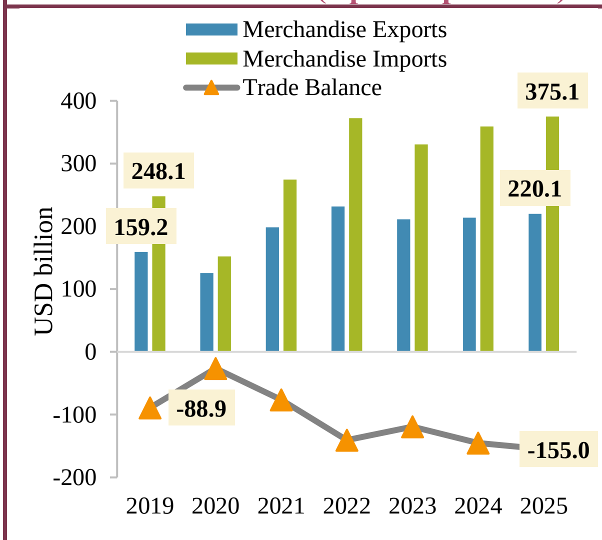
India's trade performance

33. India's trade performance in H1 FY26 reflects steady momentum and resilience amidst the dynamic global trade landscape. The country's total exports (goods & services) have registered a growth of 4.4 per cent (YoY) in H1 FY26, reaching USD 413.3 billion. While merchandise exports have grown by 3 per cent (YoY), services exports grew by 6.1 per cent (YoY) during the period, reaching USD 193.2 billion. This represents the highest value of services exports recorded in H1 of any fiscal year since the year 2000. This strength in the

services exports has generated a net services surplus of USD 95.5 billion, which narrowed the total trade deficit to USD 59.5 billion, a reduction of 2.3 per cent compared to H1 FY25.[9]

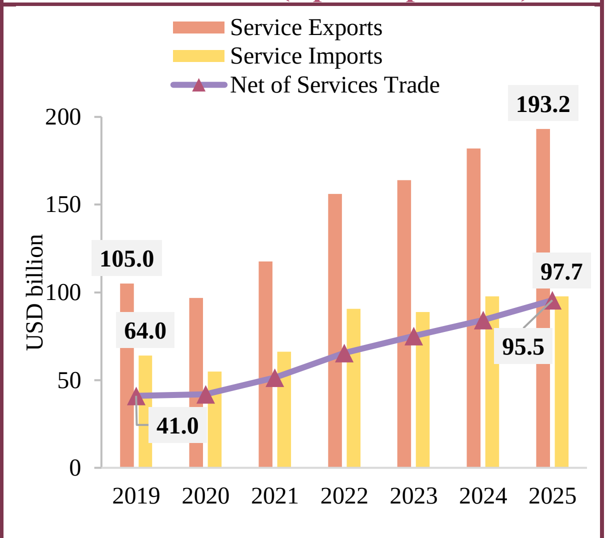
34. During the same period, non-petroleum, non-gems, and jewellery exports continued to grow strongly by 7.5 per cent (YoY), mainly driven by electronic goods that have grown by approximately 42 per cent (YoY). Petroleum products exports fell by 16.4 per cent (YoY) during H1 FY26. This reduction is likely attributable to the softening of the average Crude Oil FOB Price (Indian Basket), which has decreased to USD 68.5 per barrel in H1 FY26 from USD 82 per barrel in H1 FY25.[10]

Merchandise Trade (April-September)



Source: Department of Commerce

Services Trade (April-September)



Source: RBI and Department of Commerce

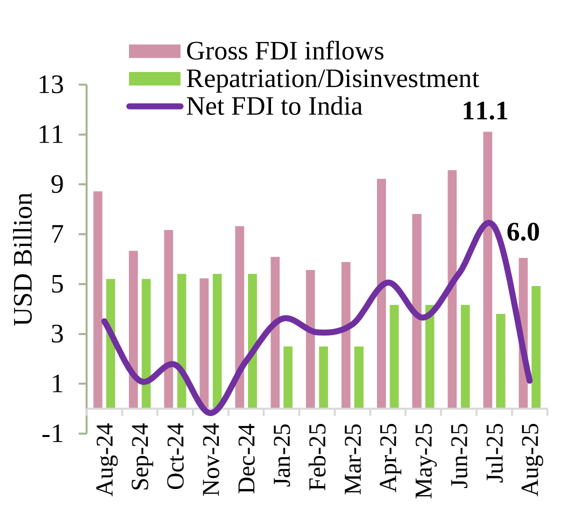
35. On the imports side, total imports grew by 3.5 per cent (YoY), reaching USD 472.8 billion, with merchandise imports registering a growth of 4.5 per cent (YoY). The increase was driven by non-petroleum, non-gems, and jewellery imports, which grew by 8.3 per cent (YoY). In contrast, the petroleum, crude and products imports fell by 1 per cent (YoY), despite a 16.4 per cent decrease (YoY) in the average crude oil price. This import pattern indicates a robust domestic demand within the economy. Concurrently, service imports, which were valued at USD 97.7 billion in H1 FY26, remain at similar levels to the corresponding period in FY25.

[9] The latest data for services sector released by RBI is for August 2025. The data for September 2025 is an estimation. (ii) Data for April-September 2024 and April-June 2025 has been revised on pro-rata basis using quarterly balance of payments data.
[10] PPAC - Average crude oil (FOB Price) Indian Basket: https://tinyurl.com/4uvdcx98

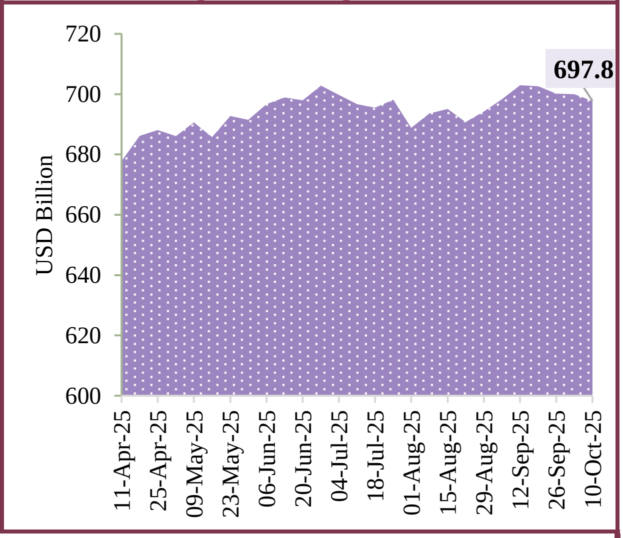
Capital flows

36. After recording a sharp rise in July 2025, net foreign direct investment (FDI) moderated in August amid weaker global investment sentiment. Net FDI had increased to USD 5 billion in July, the highest level in over three years, driven by gross FDI inflows of USD 11.1 billion and lower repatriation and outward investment. As a result, net FDI to India rose to USD 7.3 billion. In August, however, gross FDI inflows softened to USD 6.0 billion, leading to a moderation in net FDI. Foreign portfolio investment (FPI) also witnessed net outflows in August, driven largely by equity withdrawals amidst a global risk-off phase.

Net FDI to India



Foreign Exchange Reserves



Source: RBI

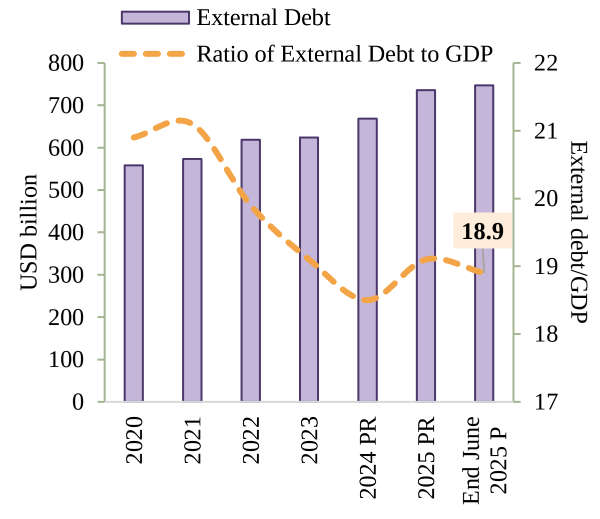
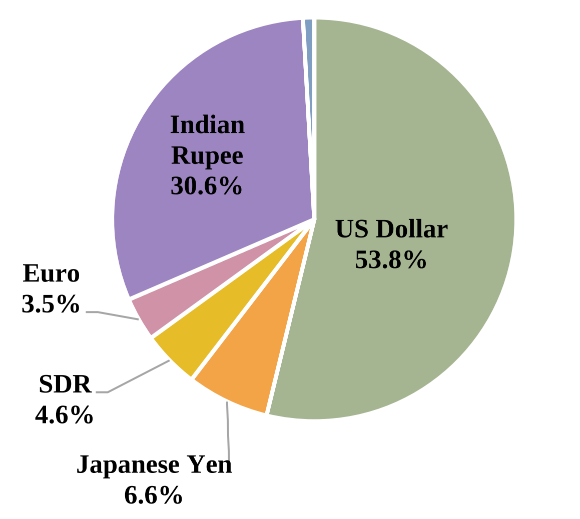
Foreign exchange reserves

37. India's foreign exchange reserves stood at USD 697.8 billion as of October 10, 2025. At this level, the reserves provide an import cover of 11.3 months and are sufficient to cover approximately 93.7 per cent of India's total external debt as of the end of June 2025.

External Debt as at end-June 2025

38. India's external debt stood at USD 747.2 billion at the end of June 2025, up from USD 735.9 billion at the end of March 2025. As a share of GDP, external debt declined to 18.9 per cent from 19.1 per cent over the same period. The increase in the debt stock partly reflects valuation effects arising from the depreciation of the US dollar against the Indian rupee and other major currencies, which added around USD 5.1 billion to the overall debt. The share of short-term debt (with an original maturity of up to one year) in total external debt decreased to 18.1 per cent at the end of June 2025, from 18.3 per cent at the end of March 2025. In terms

of currency composition, USD-denominated debt remained predominant, accounting for 53.8 per cent of the total, followed by rupee, yen, SDR, and euro-denominated debts.

External Debt to GDP moderates	External Debt Currency Profile as of the end of June 2025
	
Source: RBI	Source: RBI

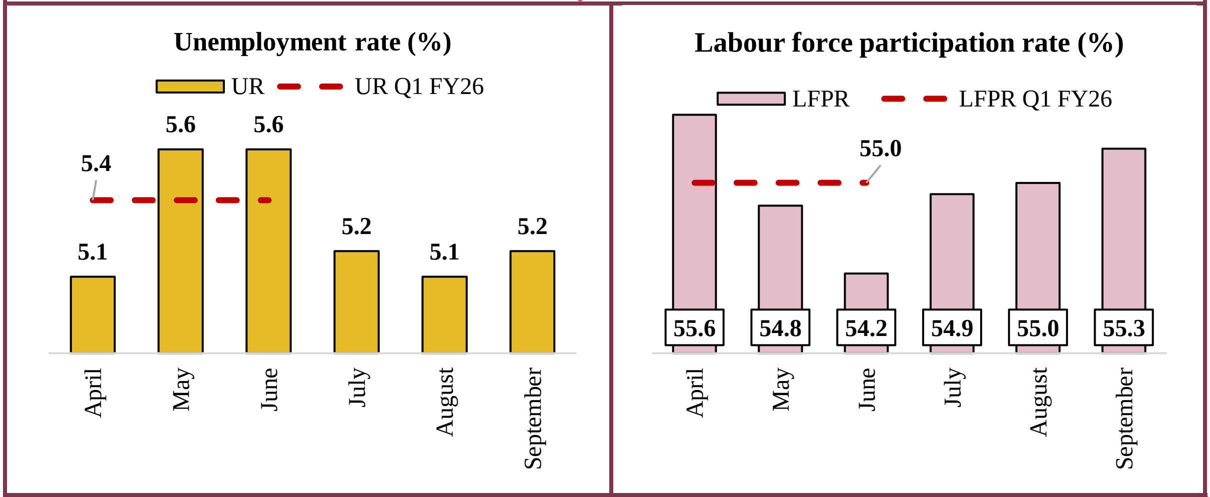
Resilient labour market

39. India's labour market is demonstrating positive momentum, as shown by official monthly data from the Periodic Labour Force Survey (PLFS), along with information from the Centre for Monitoring Indian Economy (CMIE) employment-unemployment data, several high-frequency hiring indicators, and employment outlook surveys. Together, these statistics highlight a dynamic job market characterised by an increase in labour force participation, employment growth in both industry and services, and strong hiring sentiments in the economy.

40. The monthly September PLFS bulletin reports a labour force participation rate (LFPR)[11] of 55.3 per cent (as per the current weekly status (CWS)[12]), among persons aged 15 years and above, marking a five-month high. Additionally, the unemployment rate (UR)[13] was 5.2 per cent in September against 5.1 per cent in August 2025. The PLFS data for April-September 2025 (H1 FY26) reflects a declining unemployment rate with stabilising LFPR in H1 FY26, signalling an improvement in employment conditions.[14]

[11] LFPR is defined as the percentage of persons in the labour force (i.e. working or seeking or available for work) in the population.
[12] 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.
[13] UR is defined as the percentage of persons unemployed among the persons in the labour force.
[14] PLFS September 2025 bulletin: https://tinyurl.com/3s77aa9s

Labour market dynamics for H1 FY26



Source: PLFS Monthly Bulletin September 2025

41. Along with the official report, the CMIE headline labour statistics also reflect a strong labour market in India.[15] According to CMIE, the all-India labour participation rate (LPR)[16] stood at 41.6 per cent in September 2025, while the unemployment rate (UR) was 6.4 per cent. The employment rate[17] (ER) stood at 39 per cent. The CMIE monthly data shows a downward trend in UR since the pandemic. It is notable as it is complemented by an impressive increase in the labour participation rate and employment rate.[18]

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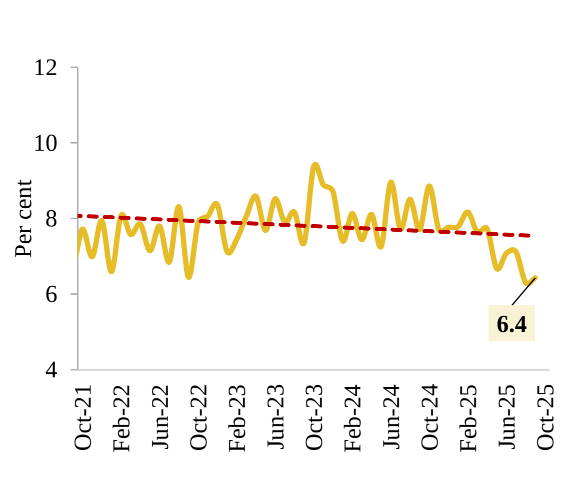
[15] CMIE estimates the unemployment in India by directly interviewing a large sample of randomly selected households, to find the employment and unemployment status of all members over 15 years of age. The sample households used for estimation are from the panel of households included in CMIE's Consumer Pyramids survey, which comprises over 174,000 households, with more than 560,000 members aged 15 years or older. This is the largest sample of individuals from whom data is gathered on the employment and unemployment status. The reference period for the labour data collected by CMIE is one day. This is the day of the survey, and if, and only if, the data for the day is not available, the reference period is the day preceding the day of the survey.

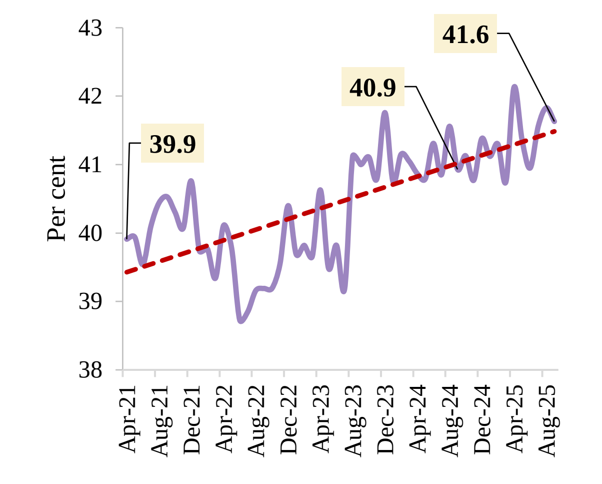
[16] CMIE labour participation rate is the ratio of the labour force to the working age population, where the labour force is defined as the sum of employed persons and unemployed persons willing and looking for work. The working-age population refers to all persons aged 15 years or older.

[17] The employment rate is defined by CMIE as the ratio of employed persons to the total working-age population, where the working-age population includes all persons 15 years or older. In the CMIE database, a person is classified as "employed" if the person is working for pay or for profit on the day of the survey interview or on the previous day if the status of the day of the interview is unclear, as it may be for a daily wage labourer early in the day. A person working in the production of primary agricultural goods for their own consumption is considered employed. If a person is on leave for the day but is earning wages for that day, then the person is classified as employed. If a person is on leave without pay but has a reasonable assurance of returning to work after the leave period ends, they are classified as employed.

[18] The difference between the PLFS and CMIE labour statistics arises from the varying reference periods used in the two surveys. Labour statistics for PLFS are reported in the current weekly status, which uses a reference period of the last 7 days preceding the survey date. In contrast, CMIE uses a one-day reference period, which is the day of the survey.

CMIE Monthly UR (All India)	CMIE Monthly LFPR (All India)

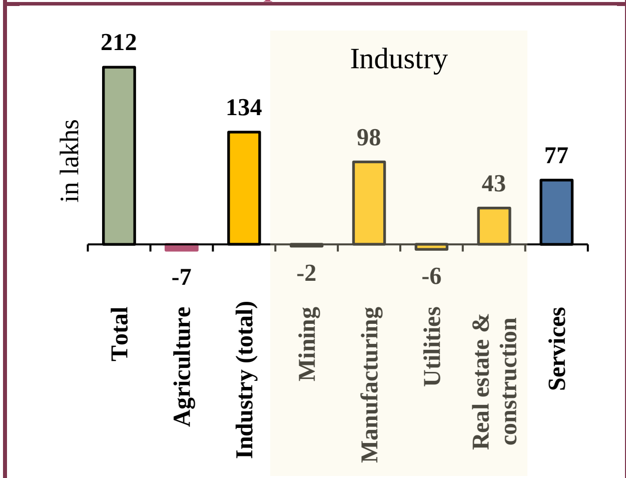


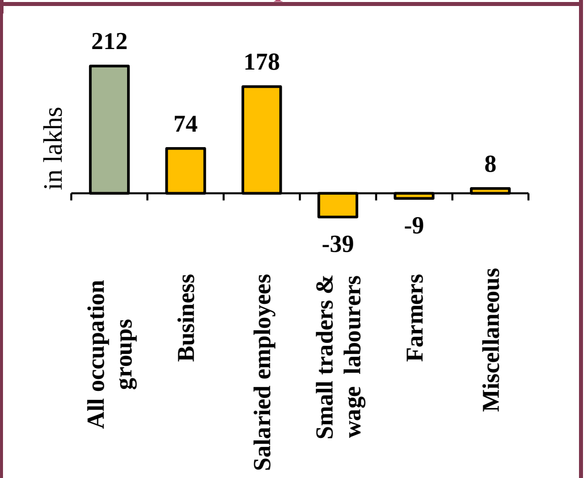


Source: CMIE Employment Unemployment Database

42. According to CMIE data, employment increased by over 1.5 crore in both FY24 and FY25, indicating that cumulatively, India added more than 3 crore jobs over the two years. CMIE data shows an overall rise in employment by 2.1 crore in September 2025 over September 2024, marking a 5 per cent YoY increase. Over the same period, the industrial sector, with an increase of 1.34 crore employed people, is seen to be driving the overall rise in employment, whereas the agriculture sector witnessed a decline of 7 lakh in employment. Notably, the number of salaried jobs, regarded as higher-quality employment, increased by 1.8 crore in September 2025 compared to September 2024, while more vulnerable job categories, such as daily wage labour and small traders, contracted over the same period. These trends highlight a positive sectoral shift in the labour market from agriculture to the industrial sector and from informal to salaried jobs.

Sector-wise Change in Number of Employed Persons in September 2025 vis-à-vis September 2024[19]	Occupation-wise Change in Number of Employed Persons in September 2025 vis-à-vis September 2024



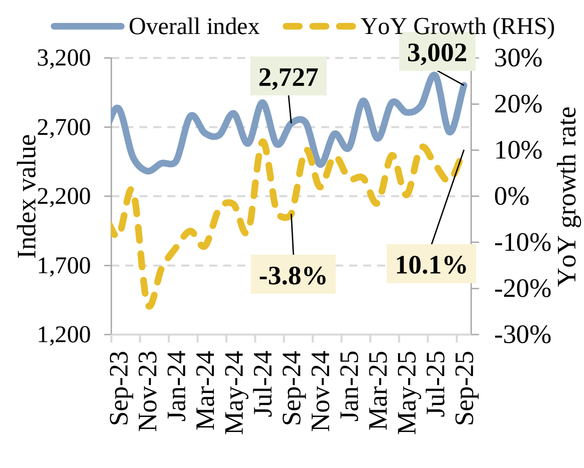
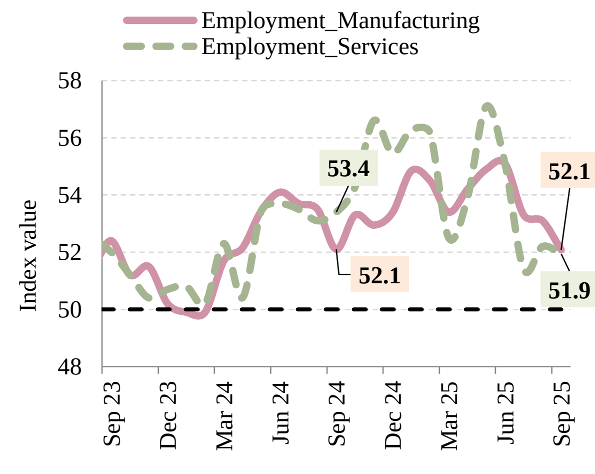


Source: CMIE Employment Unemployment Database

[19] 8 lakh employed people are not classified in the broad industry category.

High-frequency indicators reflect strong job creation.

43. The Naukri JobSpeak index, a key indicator of white collar hiring in India, registered a strong double-digit growth of 10.1 per cent YoY in September 2025. This rise in hiring was driven by growth in hiring for Artificial Intelligence (AI) and Machine Learning (ML) roles, as well as in the non-IT sector. The AI and ML roles experienced a 61 per cent YoY rise. This trend reflects a broader shift across the Indian job market, highlighting an increase in AI adoption with strong demand for AI roles, which are altering the skill requirements for labour. Fresher (individuals with up to three years of experience) hiring, a key indicator of early career opportunities, witnessed a double-digit YoY rise of 15 per cent, driven by demand in non-IT sectors like Insurance, hospitality, and real estate.

Naukri JobSpeak Index saw double-digit growth.	Modest job expansion in the manufacturing and services sector
	
Source: Naukri JobSpeak	Source: HSBC

44. Job creation in the manufacturing and services sectors continued its positive trend, with the PMI employment sub-index remaining in the expansion zone for the 19th consecutive month. However, there was a moderation in job creation across India's manufacturing and services industries compared to the previous month, as indicated by this index.

Skilling for an evolving labour market

45. With an evolving labour market with shifts in employment patterns and increasing formalisation, the effectiveness of employment generation initiatives will crucially depend on the skilling initiatives of the government. Recognising the importance of skilling and vocational education, the government launched PM-SETU (Pradhan Mantri Skilling and Employability Transformation through Upgraded Industrial Training Institutes) on 4 October

2025.[20] PM-SETU is a ₹60,000 crore centrally sponsored scheme aimed at transforming 1,000 Government ITIs into modern, industry-aligned training institutions. PM-SETU will utilise a hub-and-spoke model, connecting 200 hub Industrial Training Institutes (ITIs) to 800 spoke ITIs. Each hub will feature advanced infrastructure, including innovation and incubation centres, production units, training facilities for trainers, and placement services. The spoke ITIs will focus on extending access and outreach to a broader audience.

46. Another transformative step for vocational education at the school level is the setting up of 1,200 Vocational Skill Labs in 400 Navodaya Vidyalayas and 200 Eklavya Model Residential Schools across 34 States and UTs. These labs aim to provide school-going children, including those from rural and tribal areas, with hands-on training in 12 high-demand sectors such as Information Technology, Automotive, Agriculture, Electronics, Logistics, BFSI, and Tourism.[21]

Positive outlook for hiring in India

47. Going forward, the outlook for hiring and employment appears positive. According to the latest ManpowerGroup Employment Outlook Survey[22] India Inc's hiring plans for the October-December 2025 quarter have remained strong. The Net Employment Outlook (NEO) for India stands at 40 per cent, marking an improvement of 18 per cent YoY.[23] This improvement is led by the energy and utilities industry, followed by the financial and real estate sectors, and the IT sector. Globally, India is one of the front-runners in terms of hiring expectations, surpassing the global average NEO by 17 percentage points.

48. Similarly, the TeamLease Employment Outlook Report October-March FY26 (H2 FY26) reports that 56 per cent of the surveyed employers plan to increase the workforce, driven by retail e-commerce, tech start-ups and logistics.[24] According to the report, the strong

[20] PIB release of M/o Skill Development and Entrepreneurship dated 4 October 2025: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2174932

[21] Ibid note 20 above.

[22] The ManpowerGroup Employment Outlook Survey measures employers' intentions to increase or decrease the number of employees in their workforce during the upcoming quarter. The Survey has been running since 1962. It interviewed nearly 40,533 employers across 41 countries on hiring intentions for the October-December 2025 quarter. A total of 3149 employers across India were asked about their hiring intentions for the fourth quarter and the reasoning behind their decisions. (https://www.manpowergroup.co.in/manpowergroup-employment-outlook-survey.aspx)

[23] Net Employment Outlook is calculated by subtracting the proportion of employers planning reductions in workforce from those planning to hire.

[24] This Employment Outlook Report draws on inputs from 1,251 employers across 23 industries and 20 cities, capturing the pulse of India's diverse labour market. Respondents include start-ups, medium-sized enterprises, and large corporations, providing a comprehensive view of hiring expectations across various sectors (https://tinyurl.com/2ns728jr).

macroeconomic credentials, including robust GDP growth and sustained momentum in consumption and investment, are key to the strong hiring expectations. The recent GST rationalisation by the government, with rate cuts on essentials and high-value items, is expected to further boost consumption demand, supporting employment expansion.

Outlook

49. Against a global backdrop characterised by economic and trade policy uncertainty, India's economy gained momentum in Q2 FY26. This is particularly significant, as the United States imposed higher tariffs on India in August. Various supply-side HFIs have displayed healthy trends while demand conditions continued to improve with the GST reforms and festive season sentiments spurring consumption. The growth outlook for FY26 remains strong, supported by domestic demand, favourable monsoon conditions, lower inflation, monetary easing, and the positive effects of GST reforms. Consequently, the IMF and the RBI have revised their growth forecasts for India for FY26 upwards from 6.4 per cent and 6.5 per cent to 6.6 per cent and 6.8 per cent, respectively.

50. Meanwhile, India's trade performance remains robust, with strong services exports effectively offsetting the merchandise trade deficit. Even as trade deal negotiations with the US continue, merchandise trade data for September 2025 presented early evidence of diversification of export destinations. The increase in gross FDI inflows signals the country's appeal as an attractive investment destination.

51. Recent policy measures, including GST rate rationalisation, are expected to keep inflation moderate while supporting consumption demand. The overall prices are likely to remain soft in FY26. In the latest meeting of the MPC, while keeping the policy repo rate unchanged at 5.5 per cent with a "neutral" stance, the average headline inflation for 2025–26 has been further lowered to 2.6 per cent, from the earlier projections of 3.7 per cent forecasted in June 2025 and the revised 3.1 per cent forecasted in August 2025. The forecast for the ongoing Q3 is maintained at 1.8 per cent, while an uptick is anticipated in Q4 and into early FY27. Core inflation is projected to remain subdued through the remainder of the year and into Q1 2026–27. On the agricultural front, kharif sowing has been successfully completed, with cereals and pulses recording healthy growth, reflecting favourable growing conditions. Despite a decline in areas sown to oilseeds and cash crops, as well as some crop damage from

extreme weather events, the overall outlook for food production remains positive, underpinning both rural income and market stability.

52. Turning to the financial sector, despite a moderation in the growth of bank credit, the overall flow of financial resources to the commercial sector continues to rise as non-bank sources of funding are gaining prominence and offsetting the decrease in the flow of bank credit. The full implementation of the RBI's latest Developmental and Regulatory Policies is anticipated to enhance the efficiency of credit allocation, strengthen the resilience of the banking sector, and facilitate the economy's integration into global financial markets under more favourable conditions.

53. Looking ahead, the lower GST rate is expected to support a positive demand outlook by reducing the tax burden on consumers and businesses, stimulating consumption and investment across sectors and boosting employment generation in the economy. Moreover, a strong performance in the industries and services sector, along with a stable labour market, will further enhance domestic demand. Nevertheless, global uncertainties warrant caution and will continue to affect external demand, presenting downside risks to the growth outlook. The implementation of various growth-enhancing structural reforms and government initiatives, including GST 2.0, is expected to mitigate some of the negative impacts of these external challenges.

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September 2025

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-June	102.1	107.5	121.2	2.5	5.3	12.7
Domestic Tractor Sales	Lakh	Apr-Sep	4.7	4.7	5.6	-3.7	0.6	18.8
Foodgrain Production	Mn Tonnes	3rd AE	328.9	354.0		-0.5	7.6	
Reservoir Level	Bn Cu. Metres	9-October	132	156.2	165.7	-17.1	18.3	6.1
Kharif Sowing (Foodgrain)	Mn Hectare	3 Oct	71.0	73.8	75.7	-0.3	4.0	2.5
Rainfall	Millimeters	30 Sep	819.7	934.2	937.2	-10.7	14.0	0.3
Credit to Agriculture and allied activities	₹ Lakh crore	Aug	18.4	21.6	23.2	16.6	17.5	7.6
Industry								
IIP	Index	Apr - Aug	143.7	149.9	154.1	6.2	4.3	2.8
8-Core Industries	Index	Apr - Sep	154.7	161.4	166.1	8.2	4.3	2.9
Domestic Auto sales	Lakh	Apr - Sep	108.7	123.4	124.1	6.0	13.5	0.6
PMI Manufacturing	Index	Apr - Sep	57.9	57.8	58.4	2.7	-0.1	0.6
Power consumption	Billion kWh	Apr - Sep	848.1	886.2	894.6	8.0	4.5	0.9
Natural gas production	Bn Cu. Metres	Apr - May	5.654	6.0631	5.8871	-1.5	7.2	-2.9
Cement production	Index	Apr - Sep	182.2	185.4	199.7	11.6	1.8	7.7
Steel consumption	Mn Tonnes	Apr - Sep	64.2	72.8	79	15.1	13.4	8.5
Inflation								

September 2025

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-C	Index	Apr - Sep	182.5	190.8	195.0	5.5	4.6	2.2
WPI	Index	Apr - Sep	151.0	154.1	154.4	-1.7	2.1	0.1
CFPI	Index	Apr - Sep	184.9	199.3	198.3	5.0	3.3	4.3
CPI-Core	Index	Apr - Sep	179.1	184.9	192.8	5.1	3.2	4.2
Services								
Domestic Air Passenger Traffic	Lakh	Apr - Aug	1259	1337.3	1372.0	21.3	6.2	2.6
Port Cargo Traffic	Million tonnes	Apr - Aug	331.9	348.2	364.4	2.7	4.9	4.7
PMI Services	Index	Apr - Sep	60.9	60.1	60.4	3.7	-0.8	0.3
Fuel Consumption	Million tonnes	Apr - Sep	114.2	117.1	118.3	6.3	2.5	1.0
UPI (Volume)	Crore	Apr - Sep	5875.5	8,566.5	11407.6	58.6	45.8	33.2
E-Way Bill Volume	Crore	Apr - Sep	53.2	61.9	75.4	15.4	16.4	21.8
Fiscal Indicators								
Gross tax revenue (Central Govt)	₹ Lakh crore	Apr-Aug	11.9	13.3	13.4	16.5	12.1	0.8
Revenue Expenditure	₹ Lakh crore	Apr-Aug	13.0	13.5	14.5	14.1	4.1	7.2
Capital Expenditure	₹ Lakh crore	Apr-Aug	3.7	3.0	4.3	48.1	-19.5	43.4
Fiscal Deficit	₹ Lakh crore	Apr-Aug	6.4	4.4	6.0	18.7	-32.3	37.5
Primary Deficit	₹ Lakh crore	Apr-Aug	2.8	0.4	0.7	35.6	-87.3	98.4
GST Collection	₹ Lakh crore	Apr-Sept	9.9	10.9	11.9	11.1	9.5	9.8
External Sector								
Merchandise exports	USD Billion	Apr-Sep	211.1	213.7	220.1	-8.9	1.2	3.0
Non-petroleum exports	USD Billion	Apr-Sep	169.3	177.0	189.5	-6.4	4.6	7.0
Merchandise imports	USD Billion	Apr-Sep	330.3	358.9	375.1	-11.3	8.6	4.5

September 2025

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
Non-oil imports	USD Billion	Apr-Sep	246.4	265.8	283.0	-7.3	7.9	6.5
Non-oil non-gold/silver imports	USD Billion	Apr-Sep	223.6	234.7	253.2	-7.4	5.0	7.9
Net FDI	USD Billion	Apr-Aug	3.3	4.6	10.1	-81.9	40.2	121.2
Exchange Rate (Average)	INR/USD	Sep	83	83.8	88.3	-3.4	-1	-5.1
Foreign Exchange Reserves	USD Billion	Sep	587.7	705.8	702.2	10.3	20.1	-0.8
Import Cover	Months	Sep	10	12	11.4	-	-	-
Monetary and Financial								
Total Bank Credit	₹ Lakh crore	22 Aug	149.2	169.5	186.4	19.7	13.6	10.0
Non-Food Credit	₹ Lakh crore	22 Aug	149.0	169.2	185.9	19.8	13.6	9.9
10-Year Bond Yields	Per cent	26 Sep	7.2	6.8	6.6	-20	-40	-20
Repo Rate	Per cent	26 Sep	6.5	6.5	5.5	60	0.0	-100
Currency in Circulation	₹ Lakh crore	26 Sep	32.9	34.8	38.0	4.1	5.9	9.1
M0	₹ Lakh crore	26 Sep	44.0	46.6	48.7	6.4	6.0	4.5
Employment								
Net payroll additions under EPFO	Lakh	Apr-July	46.1	44.7	69.0	-4.3	-3.1	54.4
Number of persons who demanded employment under MGNREGA	Crore	Apr-Sep	19.3	16.3	14.9	4.6	-15.6	-8.5
Urban Unemployment Rate	Per cent	Oct-Dec	6.5	6.4	-	-70	-10	
Subscriber Additions: National Pension Scheme (NPS)	Lakh	Apr-July	2.6	3.2	4.9	2.6	23.8	54.3

Notes on colour coding in Performance of HFIs:

- For all variables other than MGNREGA, CPI-C, WPI, CPFI, CPI-Core, 10-yr bond yields and the Repo rate, the highest growth rate across the three years is assigned the darkest shade of green, and the lowest growth rate is assigned the darkest shade of red.
- For the variables MGNREGA, CPI-C, WPI, CPFI, CPI-Core, 10-yr bond yields and the Repo rate, the highest growth rate across the three years is assigned the darkest shade of red, and the lowest growth rate is assigned the darkest shade of green.

Notes on Performance of HFIs:

- The performance of the *repo rate, 10-yr bond yield* and *unemployment rate* variables is presented in basis points, not in terms of growth rates.

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