

## “India’s latest GDP: Growth trends and sectoral insights”

The Ministry of Statistics and Programme Implementation (MoSPI) has unveiled the new series of National Accounts Statistics with **base year 2022-23**, replacing the earlier 2011-12 base. Base year revision is a periodic and internationally accepted statistical practice aimed at reflecting structural shifts in the economy, updating sectoral weights and improving estimation techniques. The selection of 2022-23 as the new benchmark ensures that GDP estimates are aligned with the post-pandemic economic structure, supported by comprehensive and reliable data across sectors.

The revised series introduces methodological refinements and broader data integration. It incorporates new high-frequency indicators, updated administrative datasets and improved sectoral classification. Enhanced deflation methods ensure more accurate real growth measurement. The series also provides revised annual and quarterly estimates from FY 2022-23 onwards, enabling better tracking of economic performance in a rapidly transforming economy.

The updated GDP framework reflects current production patterns, emerging service activities and technological advancements. Improved data validation mechanisms enhance statistical robustness and transparency. By strengthening quarterly estimation and improving sectoral granularity, the new series enables more precise macroeconomic assessment, supporting better fiscal planning, monetary policy formulation and investment analysis.

### Key Highlights of the Revised GDP Framework

The new series indicates sustained economic momentum. Real GDP growth for FY 2025-26 (Second Advance Estimates) is projected at **7.6%**, while nominal GDP is estimated to grow at **8.6%**. Real GVA growth stands at **7.7%**, reflecting broad-based expansion. The services sector’s contribution continues to rise, accounting for over 54% of nominal GVA, highlighting India’s ongoing structural transformation toward a service-driven economy.

### Second Advance Estimates 2025-26: Sustained Annual Growth Momentum

As per the Second Advance Estimates, **Real GDP (at constant prices)** is estimated to reach **₹322.58 lakh crore** in FY 2025-26, up from ₹299.89 lakh crore in FY 2024-25, marking a growth rate of **7.6%**.

**Nominal GDP (at current prices)** is projected at **₹345.47 lakh crore**, compared to ₹318.07 lakh crore in FY 2024-25, registering a growth of **8.6%**.

Real GVA is estimated at **₹294.40 lakh crore**, expanding by **7.7%**, supported by strong performance in manufacturing and services sectors.

<b>Sector wise GDP Constant price (Second Advance Estimates)</b>				in Lakh crore
Sectors	2023-24	2024-25 (FRE)	2025-26 (SAE)	Y-o-Y FY26
Private Final Consumption Expenditure (PFCE)	157.85	167.00	179.82	7.7%
Government Final Consumption Expenditure (GFCE)	29.08	30.96	32.99	6.6%
Gross Fixed Capital Formation (GFCF)	90.67	96.48	103.31	7.1%
Changes in Stocks (CIS)	3.76	3.83	4.22	10.4%
Valuables	3.27	3.33	2.81	-15.8%
Exports	63.23	67.38	71.73	6.5%
Imports	68.90	72.56	77.20	6.4%
Discrepancies	1.05	3.48	4.90	41.1%
<b>GDP</b>	<b>280.01</b>	<b>299.89</b>	<b>322.58</b>	<b>7.6%</b>

**Q3 FY 2025-26 Snapshot: Strong Quarterly acceleration in economic activity**

The quarterly estimates reflect continued resilience in economic performance. In Q3 (October-December) FY 2025-26, Real GDP is estimated at ₹84.54 lakh crore, compared to ₹78.41 lakh crore in the corresponding quarter of the previous year, registering a growth rate of 7.8%.

Nominal GDP for Q3 FY 2025-26 is estimated at ₹90.91 lakh crore, reflecting a year-on-year growth of 8.9%.

Sector wise GDP Constant price				Rs. In lakh Crore
Sectors	Q3 2023-24	Q3 2024-25	Q3 2025-26	Percentage Change Over Previous Year Q3 2025-26
Private Final Consumption Expenditure (PFCE)	41.82	44.32	48.17	8.7
Government Final Consumption Expenditure (GFCE)	7.19	7.73	8.10	-2.7
Gross Fixed Capital Formation (GFCF)	22.63	24.06	25.94	7.8
Changes in Stocks (CIS)	0.97	0.96	1.13	17.2
Valuables	0.87	1.00	0.97	-2.8
Exports	15.69	17.33	18.29	5.6
Imports	17.46	17.97	19.51	8.6
Discrepancies	1.31	0.97	1.44	3.3
<b>GDP</b>	<b>73.03</b>	<b>78.41</b>	<b>84.54</b>	<b>7.8</b>

Real GVA during the quarter stands at ₹77.38 lakh crore, expanding by 7.8%, driven by robust growth in manufacturing, financial services, and trade-related activities. The quarterly data indicates sustained economic momentum under the revised GDP framework.

Real GVA				( In Rs. Lakh Crore)
Industry	Q3 2023-24	Q3 2024-25	Q3 2025-26	Y-o-Y Q3FY26
Agriculture, Livestock, Forestry & Fishing	14.63	15.48	15.70	1.4
Industry	18.48	20.08	22.02	9.7
Mining & Quarrying	1.30	1.47	1.54	4.7
Manufacturing	9.75	10.81	12.24	13.3
Electricity, Gas, Water Supply & Other Utility Services	1.57	1.58	1.60	1.5
Construction	5.86	6.23	6.64	6.6
Services	33.46	36.21	39.66	9.5
Trade, Hotels, Transport, Communication & Services related to Broadcasting	9.18	9.79	10.87	11.0
Financial, Real Estate & Professional Services	15.86	17.62	19.60	11.2
Public Administration, Defence & Other Services*	8.43	8.80	9.20	4.5
<b>GVA at Basic Prices</b>	<b>66.57</b>	<b>71.77</b>	<b>77.38</b>	<b>7.8</b>
Net Taxes	6.46	6.64	7.15	7.7
<b>GDP</b>	<b>73.03</b>	<b>78.41</b>	<b>84.54</b>	<b>7.8</b>

**Sector-wise Growth Rates (%) of Real GVA in 2025-26:** In FY 2025-26, Manufacturing recorded a strong growth of 11.5%, followed by Financial, Real Estate, IT & Professional Services at 9.9%, indicating robust expansion in industrial and service activities GDP. Construction grew by 7.1%, while Agriculture expanded at 2.4%, reflecting moderate growth in primary activities compared to the faster-growing secondary and tertiary sectors.

**Broad Sector wise growth rates (%) of Real GVA in 2025-26:** In FY 2025-26, the Secondary Sector recorded a strong year-on-year growth of 9.1%, closely followed by the Tertiary Sector at 9.0%, indicating broad-based expansion in industry and services GDP. The Primary Sector grew at a comparatively moderate rate of 2.6%, reflecting relatively slower growth in agriculture and mining activities.

**Quarterly Real GDP Y-O-Y growth rates (%):** In FY 2025-26, Quarterly Real GDP growth showed steady momentum, rising from 6.7% in Q1 to 8.4% in Q2, indicating acceleration in economic activity GDP. Growth remained strong at 7.8% in Q3, reflecting sustained expansion during the year under the revised GDP series.

**Quarterly Real GVA Y-O-Y growth rates (%):** In FY 2025-26, Quarterly Real GVA growth strengthened from 7.0% in Q1 to 8.6% in Q2, reflecting improved sectoral performance during the first half of the year GDP. Growth remained robust at 7.8% in Q3, indicating sustained value addition across major sectors of the economy.

**Sector wise Real GVA in Q3 of FY 2025-26:** In Q3 of FY 2025-26, Manufacturing recorded a strong growth of 13.3%, while Financial, Real Estate, IT & Professional Services expanded by 11.2%, reflecting robust performance in industry and services GDP. Trade, Hotels, Transport & Communication grew by 11.0%, whereas Agriculture registered a modest growth of 1.4%, indicating comparatively slower expansion in primary activities during the quarter.

**Broad sector wise Real GVA in Q3 of FY 2025-26:** In Q3 of FY 2025-26, the Secondary Sector recorded a strong year-on-year growth of 10.1%, followed by the Tertiary Sector at 9.5%, indicating robust expansion in industry and services GDP. The Primary Sector grew at a comparatively modest rate of 1.7%, reflecting slower growth in agriculture and mining activities during the quarter.

Projected Q4FY26 - GDP constant Prices				in Lakh Crore
Sectors	2025-26 (SAE)	2025-26 (9month)	Q4FY26 (Projected)	Projected Q4 FY26 YoY (%)
Private Final Consumption Expenditure (PFCE)	179.8	131.0	48.8	5.1%
Government Final Consumption Expenditure (GFCE)	33.0	25.0	8.0	9.4%
Gross Fixed Capital Formation (GFCF)	103.3	76.3	27.0	7.2%
Changes in Stocks (CIS)	4.2	3.2	1.1	7.2%
Valuables	2.8	2.2	0.6	1.5%
Exports	71.7	53.0	18.7	4.0%
Imports	77.2	59.1	18.1	3.6%
Discrepancies	4.9	3.6	1.3	254.9%
<b>GDP</b>	<b>322.6</b>	<b>235.2</b>	<b>87.4</b>	<b>7.3%</b>

Sector wise GVA Constant price (Second Advance Estimates)				in Lakh Crore
Sectors	2023-24	2024-25 (FRE)	2025-26 (SAE)	Y-o-Y FY26
Agriculture	48.82	50.86	52.09	2.4%
Industry	74.14	80.27	87.31	8.8%
Mining & Quarrying	5.18	5.79	6.02	4.1%
Manufacturing	39.25	42.89	47.84	11.5%
Electricity, gas, water supply & Other Utility Services	6.53	6.72	6.82	1.5%
Construction	23.18	24.87	26.64	7.1%
Services	131.86	142.24	155.00	9.0%
Trade, hotels, transport, communication & services related to broad casting	35.94	38.32	42.20	10.1%
Financial, real estate & Professional Services	63.47	69.84	76.74	9.9%
Public administration, defence and other Services	32.45	34.08	36.06	5.8%
<b>Total GVA at Basic Price</b>	<b>254.81</b>	<b>273.36</b>	<b>294.40</b>	<b>7.7%</b>



Share in GDP %-Second Advance Estimates of GDP Expenditure Components at Current Prices				
Sectors	2022-23	2023-24	2024-25 FRE	2025-26 SAE
Private Final Consumption Expenditure (PFCE)	57.1	56.5	56.5	56.7
Government Final Consumption Expenditure (GFCE)	11.1	10.6	10.7	10.8
Gross Fixed Capital Formation (GFCF)	32.4	31.9	31.6	31.7
Changes in Stocks (CIS)	0.7	1.3	1.2	1.2
Valuables	1.4	1.3	1.5	1.7
Exports	24	22.4	22.1	22.3
Imports	26.7	24	23.9	24
Discrepancies	0	0	0.3	-0.3
GDP %	100	100	100	100

### Implications for Indian Economy and Banking Sector

#### For the Economy:

- Sustained 7%+ real growth reflects macroeconomic stability.
- Rising share of services indicates higher value-added economic activities.
- Manufacturing growth supports employment, exports and industrial capacity.
- Balanced sectoral expansion reduces vulnerability to sector-specific shocks.

#### For the Banking Sector:

- Strong industrial and services growth implies higher credit demand from MSMEs, corporates and infrastructure sectors.
- Manufacturing and construction growth (9%+ range) indicates expanding capital expenditure cycles.
- Services sector expansion strengthens retail credit, housing finance and consumer lending.
- Stable GDP growth improves asset quality and lowers systemic credit risk.

Overall, the data suggests a **healthy credit growth environment** for banks, supported by stable macro fundamentals.

#### Outlook for the Coming Quarter

Given the upward quarterly trend (Q1: 6.7%, Q2: 8.4%, Q3: 7.8%) GDP, the economy shows continued resilience. If manufacturing and financial services maintain double-digit growth, Q4 is likely to sustain strong momentum. However, primary sector performance and global demand conditions will remain key variables. Outlook for the coming quarter seems **positive and stable**, with expectations of continued strength in manufacturing and services, healthy credit growth in banking and stable macroeconomic environment with controlled inflation.



The new GDP series with base year 2022-23 not only improves statistical accuracy but also reveals an economy that is structurally stronger, diversified, and investment-driven. It reflects India's steady transition toward a high-growth, service-led yet manufacturing-supported economic model, a combination that bodes well for sustainable expansion and a robust banking system in the coming quarters.

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**Economic Research Vertical**

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