

India's GDP grows at 7.3% in Q2 2016-17

GDP at constant (2011-12) prices in Q2 of 2016-17 is estimated at Rs. 29.63 lakh crore, as against Rs. 27.62 lakh crore in Q2 of 2015-16, showing a growth rate of 7.3 percent. Quarterly GVA at Basic Price at constant (2011-12) prices for Q2 of 2016-17 is estimated at Rs. 27.33 lakh crore, as against Rs. 25.52 lakh crore in Q2 of 2015-16, showing a growth rate of 7.1 per cent over the corresponding quarter of previous year.

The economic activities which registered growth of over 7.0 percent in Q2 of 2016-17 over Q2 of 2015-16 are 'Public administration, defence & other services', 'financial, insurance, real estate and professional services', 'manufacturing' and 'trade, hotels and transport & communication and services related to broadcasting'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply & other utility services, and 'construction' is estimated to be 3.3 per cent, (-)1.5 percent, 3.5 per cent and 3.5 per cent respectively, during this period.

Agriculture, forestry and fishing-- Quarterly GVA at basic prices for Q2 of 2016-17 from 'agriculture, forestry and fishing' sector grew by 3.3 percent as compared to growth of 2.0 percent in Q2 2015-16. According to the information furnished by the Department of Agriculture and Cooperation (DAC), which has been used in compiling the estimate of GVA from agriculture in Q2 of 2016-17, the production of food grains during the Kharif season of agriculture year 2016-17 was 8.9 percent as compared to decline of 3.2 percent during the same period in 2015-16. Around 51.0 percent of GVA of this sector is based on the livestock products, forestry and fisheries, which registered a combined growth of around 3.6 percent in Q2 of 2016-17.

Manufacturing-- Quarterly GVA at basic prices for Q2 of 2016-17 from 'manufacturing' sector grew by 7.1 percent as compared to growth of 9.2 percent in Q2 of 2015-16. The private corporate sector growth (which has a share of over 70 percent in the manufacturing sector) as estimated from available data of listed companies with BSE and NSE is 11.9 percent at current prices during Q2 of 2016-17. The growth in quasi - corporate and unorganized segment (which includes individual proprietorships and partnerships and khadi & village Industries has a share of around 22 percent in the manufacturing sector) has been estimated using IIP of manufacturing. IIP manufacturing registered growth rate of (-) 0.9 percent during Q2 of 2016-17 as compared to 4.7 percent in Q2 of 2015-16.

Mining and quarrying— Quarterly GVA at basic prices for Q2 of 2016-17 from 'mining and quarrying' sector declined by (-) 1.5 percent as compared to growth of 5.0 percent in Q2 of 2015-16. As per the available information, private corporate sector growth in the mining sector as estimated for major listed companies at current prices is (-)1.1 percent in Q2 of 2016-17. The key indicators of mining sector, namely, production of coal, crude oil, natural gas and IIP mining registered growth rates of -3.5 per cent, -3.3 percent, -2.8 percent and -2.7 percent respectively during Q2 of 2016-17 as compared to 0.9 percent, 1.7 percent, 0.03 percent and 3.1 percent respectively in Q2 of 2015-16.

Construction-- Quarterly GVA at basic prices for Q2 of 2016-17 from 'Construction' sector grew by 3.5 percent as compared to growth of 0.8 percent in Q2 of 2015-16. Key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rates of 3.3 percent and 4.8 percent respectively during Q2 of 2016-17.

**Quarterly Estimates of GVA at Basic Price by Economic Activity
(At 2011-12 prices)**

Industry	(in Rs. crore)						Percentage change over previous year			
	GVA at Basic Price									
	2014-15		2015-16		2016-17		2015-16		2016-17	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
1.agriculture,forestry&fishing	358482	293560	367623	299531	374390	309538	2.6	2.0	1.8	3.3
2.mining&quarrying	79708	60841	86444	63854	86091	62922	8.5	5.0	-0.4	-1.5

3.manufacturing	418682	414049	449280	452062	490164	484150	7.3	9.2	9.1	7.1
4.electricity,gas,watersupply & other utility services	54853	54845	57037	58942	62378	60994	4.0	7.5	9.4	3.5
5.construction	213576	209577	225637	211298	229092	218676	5.6	0.8	1.5	3.5
6. trade, hotel, transport, communication & services related to broadcasting	439474	439818	483238	469191	522610	502432	10.0	6.7	8.1	7.1
7.financial, insurance, real estate & professional services	531933	584292	581471	653971	635963	707612	9.3	11.9	9.4	8.2
8.Public administration, defence& other services	283826	321195	300705	343247	337630	386196	5.9	6.9	12.3	12.5
GVA at Basic Price	2380534	2378178	2551435	2552095	2738318	2732519	7.2	7.3	7.3	7.1

Source: PHD Research Bureau, Compiled from CSO

GDP at current prices in Q2 of 2016-17 is estimated at Rs. 36.43 lakh crore, as against Rs. 32.49 lakh crore in Q2 of 2015-16, showing a growth rate of 12.1 percent. GVA at basic price at current prices in Q2 of 2016-17, is estimated at Rs. 33.42 lakh crore, as against Rs. 30.02 lakh crore in Q2 of 2015-16, showing an increase of 11.3 per cent.

Private Final Consumption Expenditure-- Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs. 21.78 lakh crore in Q2 of 2016-17 as against Rs. 19.37 lakh crore in Q2 of 2015-16. At constant (2011-12) prices, the PFCE is estimated at Rs. 16.26 lakh crore in Q2 of 2016-17 as against Rs. 15.11 lakh crore in Q2 of 2015-16. In terms of GDP, the rates of PFCE at current and constant (2011-2012) prices during Q2 of 2016-17 are estimated at 59.8 per cent and 54.9 per cent, respectively, as against the corresponding rates of 59.6 per cent and 54.7 per cent, respectively in Q2 of 2015-16. Growth rates of PFCE at current and constant prices are estimated at 12.4 percent and 7.6 percent during Q2 of 2016-17 as compared to 9.5 percent and 6.3 percent respectively during Q2 of 2015-16.

Government Final Consumption Expenditure-- Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs. 5.15 lakh crore in Q2 of 2016-17 as against Rs. 4.27 lakh crore in Q2 of 2015-16. At constant (2011-2012) prices, the GFCE is estimated at Rs. 3.84 lakh crore in Q2 of 2016-17 as against Rs. 3.33 lakh crore in Q2 of 2015-16. In terms of GDP, the rates of GFCE at current and constant (2011-2012) prices during Q2 of 2016-17 are estimated at 14.1 per cent and 13.0 per cent, respectively, as against the corresponding rate of 13.1 per cent and 12.1 percent each in Q2 of 2015-16. Growth rates of GFCE at current and constant prices are estimated at 20.8 percent and 15.2 percent respectively during Q2 of 2016-17 as compared to 5.8 percent and 3.3 percent respectively during Q2 of 2015-16.

Gross Fixed Capital Formation-- Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs. 9.86 lakh crore in Q2 of 2016-17 as against Rs. 10.19 lakh crore in Q2 of 2015-16. At constant (2011-2012) prices, the GFCF is estimated at Rs. 8.58 lakh crore in Q2 of 2016-17 as against Rs. 9.09 lakh crore in Q2 of 2015-16. In terms of GDP, the rates of GFCF at current and constant (2011-2012) prices during Q2 of 2016-17 are estimated at 27.1 per cent and 29.0 per cent, respectively, as against the corresponding rates of 31.4 per cent and 32.9 per cent respectively in Q2 of 2015-16. Growth rates of GFCF at current and constant prices are estimated at (-) 3.2 percent and (-) 5.6 percent during Q2 of 2016-17 as compared to 7.5 percent and 9.7percent during Q2 of 2015-16.

QUARTERLY ESTIMATE OF EXPENDITURES OF GDP IN Q2 (at 2011-2012 prices)

Item	(in Rs. crore)						RATES OF GDP AT MARKET PRICES (%)			
	Expenditures of Gross Domestic Product									
	2014-15		2015-16		2016-17		2015-16		2016-17	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
1. Private Final Consumption Expenditure (PFCE)	1406817	1422029	1504442	1511464	1605527	1625619	55.2	54.7	55.0	54.9
2. Government Final Consumption Expenditure (GFCE)	294338	322557	293720	333116	349059	383906	10.8	12.1	12.0	13.0
3. Gross Fixed Capital Formation	832420	828754	891627	909117	863956	858337	32.7	32.9	29.6	29.0

(GFCF)										
4. Change in Stocks	48976	48434	50754	51068	54345	53462	1.9	1.8	1.9	1.8
5. Valuables	42871	38194	43138	42932	22129	22756	1.6	1.6	0.8	0.8
6. Exports	620869	625875	585324	599264	604052	601193	21.5	21.7	20.7	20.3
7. <u>Less</u> Imports	661700	681230	645577	677465	607953	616498	23.7	24.5	20.8	20.8
8. Discrepancies	-49687	-36835	761	-7146	26232	34059	0.0	-0.3	0.9	1.1
GDP	2534903	2567778	2724188	2762350	2917348	2962834	100.0	100.0	100.0	100.0
GDP (Percentage change over previous year)			7.5	7.6	7.1	7.3				

Source: PHD Research Bureau, Compiled from CSO

Please contact for any query related to this mail to Ms. Surbhi Sharma, Sr. Research Officer at surbhi@phdcci.in with a cc to Dr. S P Sharma, Chief Economist, PHD Chamber of Commerce & Industry.

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