Economy Fact Sheet – GDP Estimates (Revised Series)

March, 2026

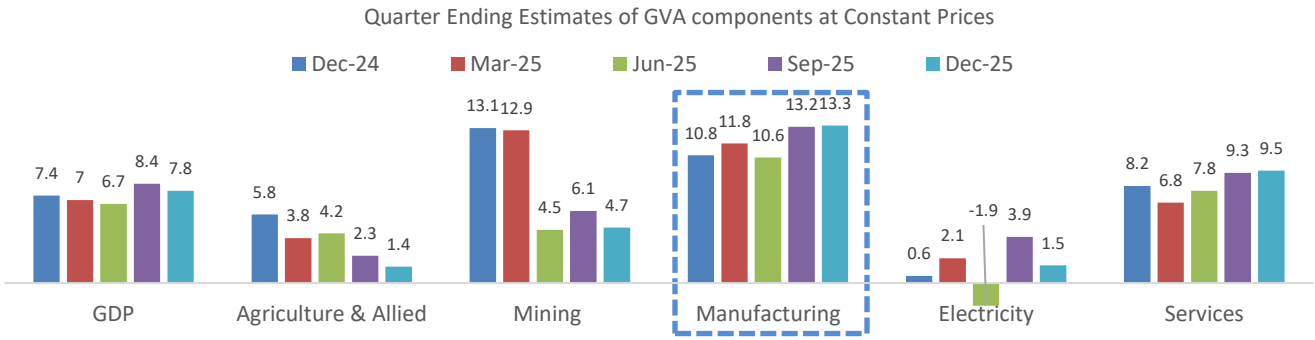
GDP growth rises to 7.6% in FY26

- As per the Second Advance Estimates released by MoSPI, India's GDP is projected to grow by 7.6 percent in 2025–26, compared to 7.1 percent in the previous fiscal year. GVA is estimated to rise by 7.7 percent, up from 7.3 percent in 2024–25.

- At a sectoral level, agriculture and allied activities are expected to slow to 2.4 percent in 2025–26 from 4.2 percent in 2024–25. In contrast, secondary sector growth is projected to improve to 9.1 percent from 8 percent, aided by strong manufacturing performance, with estimated growth of 11.5% in 2025-26. Services sector growth is estimated to accelerate to 9.0 percent from 7.9 percent in the previous year.

- On the expenditure side, gross fixed capital formation is projected to expand by 7.1 percent in 2025-26, compared to 6.4 percent earlier. Private final consumption expenditure is expected to strengthen to 7.7 percent in 2025–26 from 5.8 percent in the preceding fiscal. Government final consumption expenditure, is projected to grow by 6.6 percent in 2025-26 vis-à-vis 6.5 percent growth in 2024-25.

Growth by Economic Activities



The manufacturing sector is driving India's economy with sustained double-digit growth. Structural reforms such as PLI schemes, GST rationalisation, labour code implementation and others are providing a strong foundation for further expansion.

Second Advance Estimates at Constant Prices (% Y-o-Y)

	2023-24	2024-25	2025-26
GDP	7.2	7.1	7.6
GVA at basic prices	7.2	7.3	7.7
Agriculture and allied	2.6	4.2	2.4
Mining	2.4	11.7	4.1
Manufacturing	12.7	9.3	11.5
Construction	9.9	7.3	7.1
Electricity, Gas etc.	10.7	2.9	1.5
Services	7.0	7.9	9.0
PFCE	5.8	5.8	7.7
GFCE	0.6	6.5	6.6
GFCF	7.3	6.4	7.1

Quarterly Estimates (% Y-o-Y)

	Q 1 FY26	Q2 FY26	Q3 FY 26
GDP	6.7	8.4	7.8
GVA at basic prices	7.0	8.6	7.8
Agriculture	4.2	2.3	1.4
Manufacturing	10.6	13.2	13.3
Services	7.8	9.3	9.5
PFCE	9.2	8.0	8.7
GFCE	5.8	6.6	4.7
GFCF	4.9	8.4	7.8
Exports	6.6	10.2	5.6

Source: MoSPI and FICCI Research

GDP Methodology Revision: A Statistical Reset

On 27 February 2026, the Ministry of Statistics and Programme Implementation (MoSPI) released a revised GDP series, entailing a structural overhaul of estimation methodology reflecting India's digitalization, GST-led formalization, and post-pandemic shifts.

Key Features of the New GDP Methodology

1. New Base Year 2022-23: A Post Pandemic Reset

- Base year shifted from 2011–12 to 2022–23 (ninth revision)
- Reflects a structurally transformed economy with stronger data depth

2. Data Architecture Upgrade: Administrative & High-Frequency Data Integration

- Extensive use of GST and other administrative datasets
- Greater reliance on real transaction data, reducing proxy-based extrapolation
- Enhanced use of updated survey inputs and institutional datasets

3. Informal & Gig Economy Coverage

- Improved coverage of the Unincorporated Sector using annual survey data
- Integration of labor and enterprise-level inputs to better capture small and household enterprises

4. Corporate Sector: Activity-Level Segregation

- Multi-activity enterprises now split by economic activity
- More accurate compilation of the Private Corporate Institutional Sector

5. Methodological Upgrade in Real Growth Estimates

- Double Deflation adopted for Agriculture and Manufacturing
- Volume/Single extrapolation used in other sectors

6. Expanded Price Basket

- Number of items increased
- Greater CPI integration
- Sector-specific deflators

7. Improved Deflation & Updated Ratios

- Incorporation of updated rates and ratios from recent surveys and methodological studies
- Refined deflation strategy across sectors
- Better inflation adjustment and structural alignment

8. Quarterly GDP: Smarter Benchmarking

- Proportional Denton method replaces earlier Pro-Rata benchmarking
- Inclusion of new high-frequency indicators
- Improved production- and expenditure-side methodologies

9. Improved Private Consumption Estimates

- Adoption of Classification of Individual Consumption according to Purpose (COICOP) 2018 classification for PFCE
- Integration of survey and administrative sources
- Greater international comparability

10. Supply–Use Table (SUT) Integration

- Better synchronisation between production and expenditure estimates
- Statistical discrepancies reduced through SUT framework integration
- Improves internal consistency of GDP compilation

The revised GDP methodology overhauls India's National Accounts Architecture by modernising measurement, deepening sectoral coverage, improving deflation practices, strengthening quarterly precision, and aligning India's national accounts with global statistical standards.