

India's Economic Trajectory: Navigating Growth Challenges

India's economic journey shows a mixed picture with Q3FY25 registering 6.2% real GDP growth, up from the revised 5.6% in the previous quarter. While this represents recovery, it remains the second slowest growth rate since Q4FY23, making the government's full-year target of 6.5% nearly impossible to achieve.

Global headwinds including potential tariffs threaten to bring imported inflation, while domestic manufacturing and services sectors show tepid performance. The primary sector has been the main growth driver with a value-add of 5.2%, while secondary and tertiary sectors have slowed considerably compared to last year.



Sectoral Performance Analysis

Primary Sector

The primary sector showed remarkable improvement with a value-add of 5.2%, significantly up from 1.8% in the same quarter last year. This sector has been the backbone of Q3FY25 growth, providing stability amid challenges in other areas.

Secondary Sector

Manufacturing growth slowed dramatically to 4.8%, down from 12.4% last year. This significant deceleration reflects domestic challenges and vulnerability to global trade uncertainties.

Tertiary Sector

The services sector, while still growing at 7.4%, has slowed from 8.3% last year. As the largest component of India's economy, this slowdown has substantial impact on overall economic performance.

75 दिनों में IAS PRE. CLEAR
10,000 प्रश्नों के साथ
GS + CSAT
Hindi | English

ENROLL NOW
OJAANK 75 DAYS PRELIMS CHALLENGE

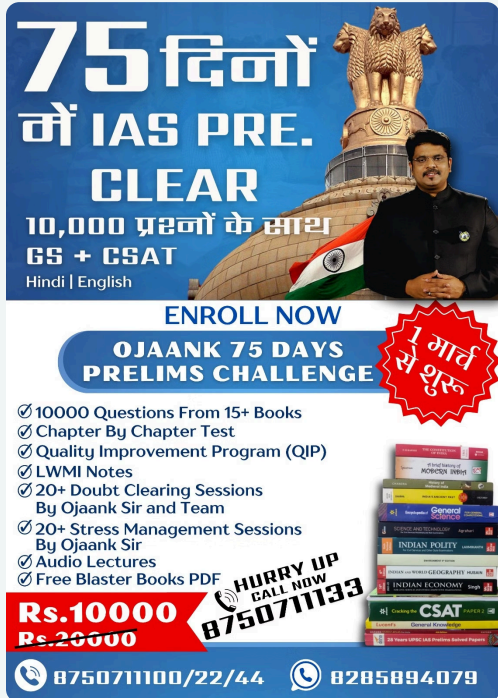
1 मार्च से शुरू

- ✓ 10000 Questions From 15+ Books
- ✓ Chapter By Chapter Test
- ✓ Quality Improvement Program (QIP)
- ✓ LWMI Notes
- ✓ 20+ Doubt Clearing Sessions By Ojaank Sir and Team
- ✓ 20+ Stress Management Sessions By Ojaank Sir
- ✓ Audio Lectures
- ✓ Free Blaster Books PDF

Rs.10000
Rs.20000

HURRY UP CALL NOW 8750711133


8750711100/22/44 8285894079



 अब होगा Prelims पक्का  Crack IAS Prelims
in Just 75 Days! 

 Batch starts from 1st March! Don't miss this golden opportunity! 

 Special Offer: ₹10,000 (₹20,000) Limited Time Discount! 

 Call Now: 8506845434 ,7678530567, 8448807829, 8750711100/22/33/44

Ojaank Sir Whatsapp Number +91-8285894079

Fill This Form and Apply Now  

<https://docs.google.com/forms/d/1PzN1wR9JewyqDUCQY4kP60HuoefjYTVnmIL69PIRmxc/edit>

Growth Projections and Challenges

1

Current Status

Q3FY25 growth at 6.2% represents recovery from previous quarter's 5.6%, but remains below expectations and historical performance. The government's full-year target of 6.5% appears increasingly unattainable.

2

Q4 Projections

Chief Economic Adviser V. Anantha Nageswaran acknowledges that achieving 7.6% growth in the current quarter is ambitious amid global economic uncertainties, though he maintains it's possible.

3

Potential Boost

The Maha Kumbh festival might provide a consumption spike that could potentially buttress the current quarter's growth numbers, though this remains speculative.



Global Trade Uncertainties

1

U.S. Tariff Impact

India's manufacturing and services sectors remain vulnerable to global trade uncertainties, particularly the U.S.'s 25% import tariff on steel and an equal percentage proposed on pharmaceuticals.

2

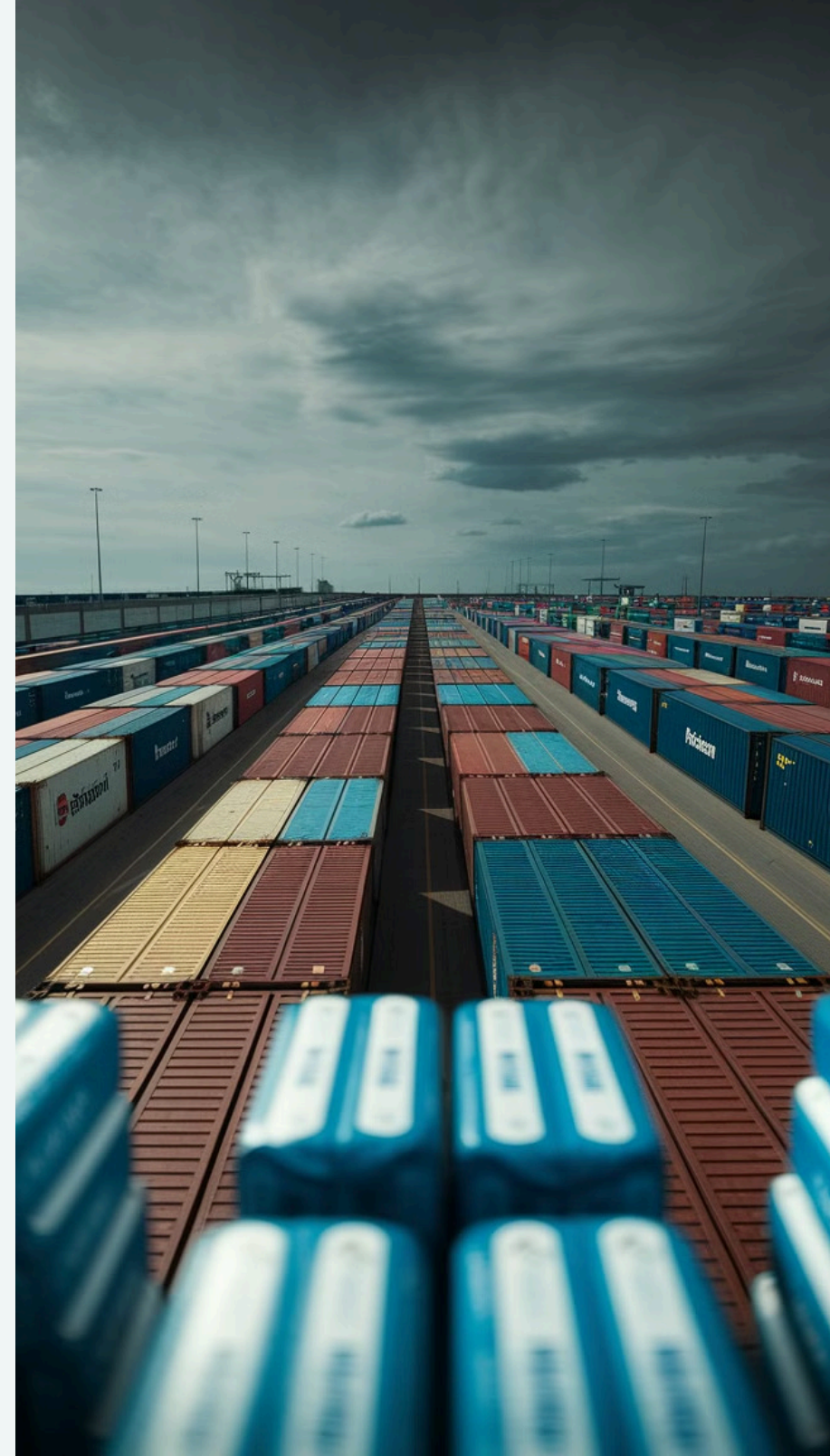
Pharmaceutical Exports at Risk

About a third (31%) of India's pharma exports totalling \$8.7 billion were to the U.S. in FY24. The proposed tariffs have sent shock waves through the industry.

3

Production Relocation Threat

Some firms are suggesting a pivot to producing in the U.S., which could potentially lead to a significant trade revenue loss for India if implemented widely.



Positive Economic Indicators

Government Spending

There has been a significant uptick of 8.3% in government spending, compared to just 2.3% previously. This increased public expenditure is helping to stimulate economic activity across sectors.

Private Consumption

Private consumption expenditure has grown by 6.9%, up from 5.7%. This improvement in consumer spending indicates increasing confidence and purchasing power among the population.

Inflation Moderation

Both government spending and private consumption have been bolstered by a moderation in inflation, making goods and services more affordable for consumers and businesses alike.



Ojaank Test Series
Your Progress Partner in UPSC Journey

NCERT-RFR
MENTORSHIP ₹499/-
IAS 2026 Per Month
15 + 30 + 15
METHOD

240 Days-RFR
MENTORSHIP ₹599/-
IAS 2026 Per Month
15 + 30 + 15
METHOD

SHAKTI
ALL INDIA TEST SERIES - PRELIMS (20 Tests)
• 8 Fundamental Tests
• 7 Advanced Tests
• 5 Full Length Tests
• Current Affairs
EACH TEST HAVE 100 QUESTIONS
₹2700 ₹2300

M - RFR
#IAS with Ojaank Sir
M - बोले तो Memory
M - बोले तो Mains

Economic Survey
2024-25 based
RFR (TEST)
7 Feb 2025
500 Questions With Pointwise Notes
IF YOU WANT TO ATTEMPT FREE TEST
Download the Ojaank App
8506845434 8285894079

COMING SOON
Spectrum based Test Series
Coming soon
Download the Ojaank App & try a free test Now
8750711100 8285894079

TEST BASED ON
BIPAN CHANDRA
₹999 ₹699
REPUBLIC DAY OFFER
IAS & PCS

DAILY FREE QUIZ
"SELECTION वाली CLASS"
BY OJAANK SIR
THE HINDU INDIAN EXP

Test Based on
Based on Laxmikant
₹699/-
IAS 2025 6 Months
15 + 30 + 15
METHOD

1) Get full Laxmikant Test Series For UPSC Prelims 2025

Link - <https://ojaankias.akamai.net.in/new-courses/501>

2) Get full Bipan Chandra Test Series For UPSC Prelims 2025

Link - <https://ojaankias.akamai.net.in/new-courses/500>

3) Get full SHAKTI All India Test Series PRELIMS - 2025

Link - <https://ojaankias.akamai.net.in/new-courses/499>

4) Get Daily Free Quiz (Newspaper wali Class) By Ojaank Sir

Free Test Link - <https://ojaankias.akamai.net.in/new-courses/493>

5) Get full NCERT RFR Mentorship (1st Month) Course from Ojaank App Now.

Link - <https://ojaankias.akamai.net.in/new-courses/490>

6) Get full 240 Days RFR Mentorship (1st Month) Course from Ojaank App Now.

Link - <https://ojaankias.akamai.net.in/new-courses/492>

7) Get full Economic Survey (2024-25) based RFR Test Course from Ojaank App Now.

Link - <https://ojaankias.akamai.net.in/new-courses/508>

8) Get full (OJAANK SIR M RFR) Course from Ojaank App Now.

Link - <https://ojaankias.akamai.net.in/new-courses/506>



Inflation Outlook

Current Situation

Inflation has moderated, contributing positively to both government spending and private consumption growth. This has provided some relief to consumers and businesses after periods of higher price increases.

FY26 Forecast

Inflation is estimated to ease further to 4.2% in FY26, indicating a possible alignment with the RBI's medium-term target of 4%, which would be a significant achievement for monetary policy.

1

2

3

FY25 Projection

The Reserve Bank of India has projected inflation to average 4.8% in FY25. This represents a manageable level that should not significantly impede economic growth if achieved.

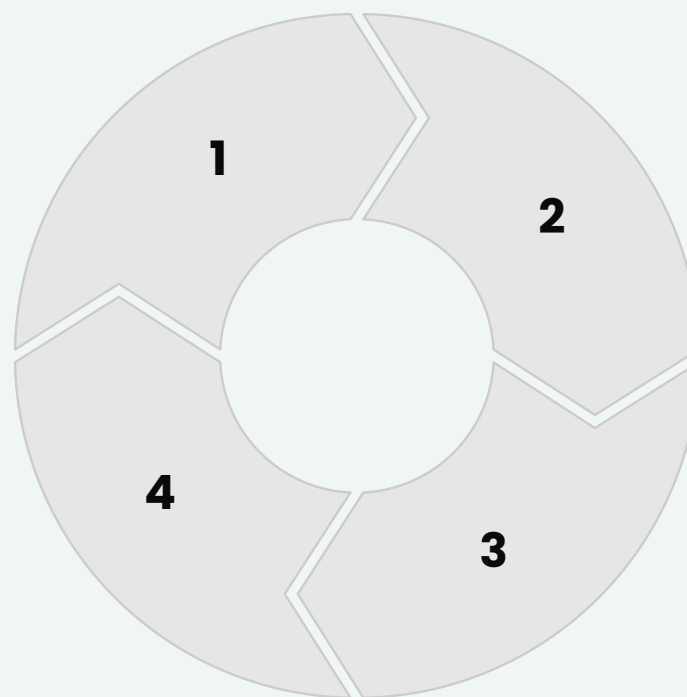
Methodological Changes in Economic Data

NSO's New Approach

The National Statistical Office has attempted a tweaking of its methodology for economic data collection and analysis.

Transparency Concerns

The NSO has not elaborated on what material influence these changes have had on data quality and quantity.



Industry-Wise Information

The new approach factors in "industry-wise/institution-wise detailed information" according to the NSO.

Benchmark Revisions

Variations in advanced estimates are attributed to "revision of benchmark estimates and additional or updated data."

These methodological changes raise questions about data comparability with previous periods and the need for greater transparency in how economic statistics are compiled and presented.

Need for Statistical Transparency



Clarity Required

The NSO must clarify its revision in methodology to enable a more informed analysis of the economic data it provides. Without this transparency, the reliability and comparability of the data come into question.



Impact Assessment

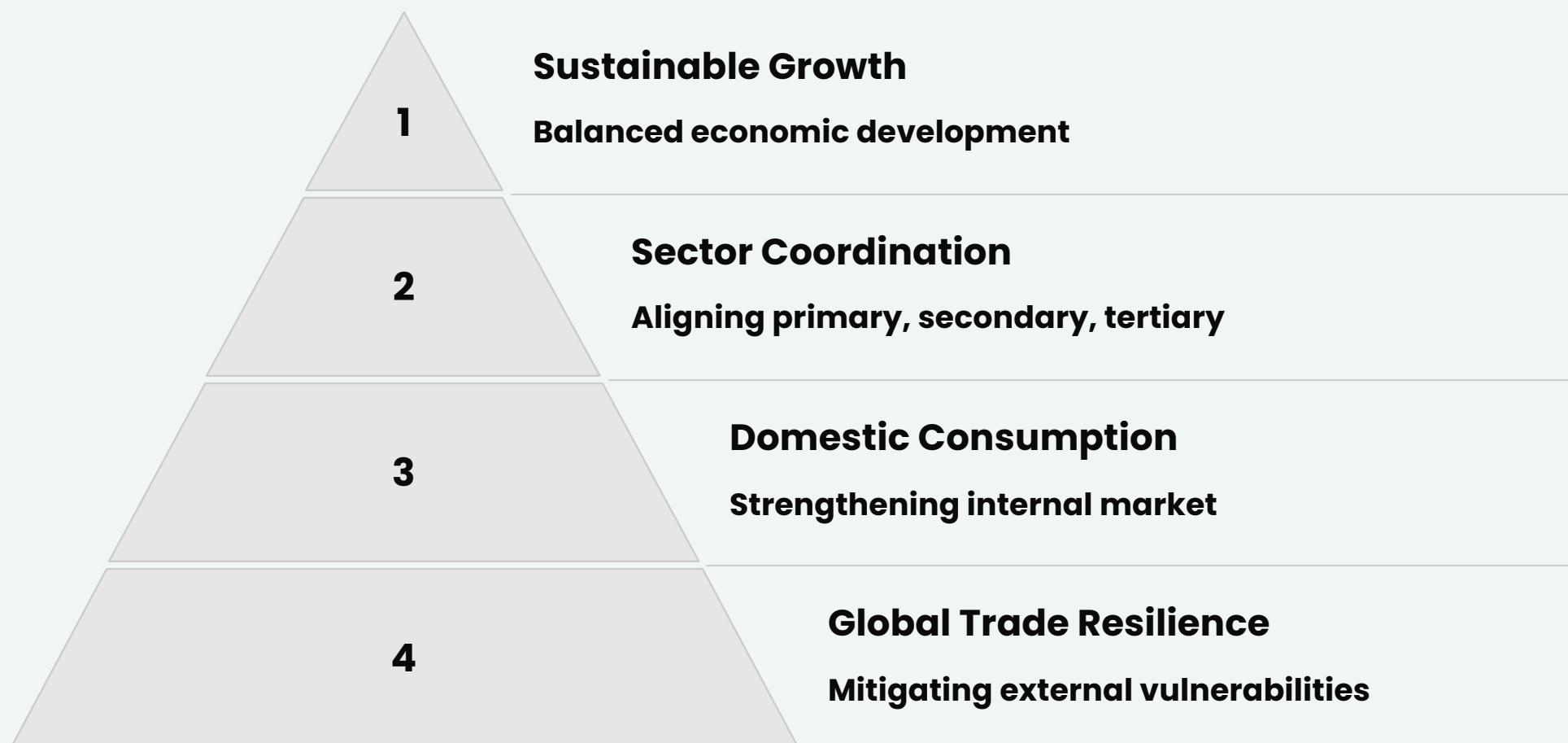
Stakeholders need to understand what material influence the methodological changes have had on both the quality and quantity of the data collected to make accurate economic assessments.



Policy Implications

Clear statistical methods are essential for effective policy-making. Ambiguity in data collection and analysis can lead to misguided economic policies with far-reaching consequences.

Balancing Growth Factors



India's economic growth requires a balanced approach that addresses both domestic and international factors. While the primary sector has shown resilience, manufacturing and services need strengthening to withstand global uncertainties. Increased government spending and private consumption provide a foundation, but must be sustained alongside inflation management.

Building resilience against external shocks like U.S. tariffs while enhancing domestic production capabilities will be crucial for maintaining growth momentum in coming quarters.

The Path Forward: Strategic Priorities

Data Transparency

The NSO must provide clear explanations of methodological changes to ensure accurate economic analysis and policy formulation. Transparent statistical processes build confidence in economic projections.

Manufacturing Resilience

Strengthening the secondary sector against global trade uncertainties through diversification of markets and enhanced domestic value chains will be critical for sustainable growth.

Consumption Support

Maintaining the positive momentum in government spending and private consumption while managing inflation will help sustain economic growth even amid external challenges.

Global Trade Strategy

Developing strategic responses to potential tariffs, particularly in key sectors like pharmaceuticals and steel, to minimize revenue losses and maintain export competitiveness.



Follow Ojaank Sir



IAS with Ojaank Sir



Ojaank_Sir



IAS with Ojaank Sir

Free **PDF** Content
पाने के लिए अभी JOIN करें



8285894079



8285894079

👉 ऐसी ही UPSC Special Current News PDF के लिए Visit करें हमारी Official Website : www.ojaank.com

DAILY FREE ENGLISH NEWS PDFs Link :

<https://www.ojaank.com/books/current-affairs-magazine>

👉 DAILY FREE ENGLISH NEWS PDFs Link : <https://www.ojaank.com/hindi/books/current-affairs-magazine>