

Contact:

Aditi Nayar

+91 124 4545 385

aditin@icraindia.com

Medha Sinha

+91 124 4545 399

medha.sinha@icraindia.com

Economic Outlook and Macro Trends

“GDP growth to ease to 7.2% in Q2 FY2019 from 8.2% in Q1 FY2019”

November 2018

TABLE OF CONTENTS

1.	Abbreviations.....	3
2.	Overview.....	4
3.	Economic Growth.....	7
	a) Trends for Q1 FY2019.....	7
	b) Agriculture.....	7
	c) Manufacturing.....	8
	d) Mining and Quarrying.....	9
	e) Electricity	10
	f) Construction.....	10
	g) Services.....	10
	h) Expectations for Q2 FY2019.....	11
4.	Inflation.....	12
	a) CPI Inflation.....	12
	b) WPI Inflation.....	13
	c) Outlook and Risk Factors.....	14
5.	Balance of Payments.....	16
	a) Current Account Deficit in Q1 FY2019.....	16
	b) Trends in Q2 FY2019.....	17
	c) Trends in October 2018.....	18
	d) Expectations for FY2019.....	18
	e) Sources of Financing.....	20
6.	External Debt, Foreign Exchange Reserves and Exchange Rate Movements	23
	a) External Debt at end- June 2018.....	23
	b) Foreign Exchange Reserves.....	23
	c) Currency Movement.....	24
7.	Fiscal Performance of Government of India.....	26
	a) Revenue Trends for H1 FY2019.....	26
	b) Tax Revenue.....	26
	c) Non-Tax Revenue and Disinvestment Proceeds	27
	d) Expenditure Trends for H1 FY2019.....	28
	e) Revenue Expenditure	28
	f) Subsidies	29
	g) Capital Expenditure	30
	h) Fiscal Balances in H1 FY2019.....	31
	i) Borrowings.....	31
	j) State Governments' fiscal trends.....	33
8.	Monetary Policy Outlook.....	34
9.	Growth Outlook.....	35
10.	Annexures.....	38



Business Contacts

Mr. L. Shivakumar
E-mail: shivakumar@icraindia.com
Tel: +91 22 6114 3406 / +91 98210 86490

Mr. Jayanta Chatterjee
E-mail: jayantac@icraindia.com
Tel: +91 80 4332 6401/ +91 98450 22459

Media and Public Relations

Ms. Naznin Prodhani
E-mail: communications@icraindia.com
Tel: +91 124 4545 860

Branches

Registered Office:

1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg,
New Delhi - 110 001
Tel: + 91 11 2335 7940-45

Corporate Office:

Building No.8, 2nd Floor,
Tower A, DLF Cyber City Phase II,
Gurgaon- 122 002
Tel: +91 124 4545300

Ahmedabad

907 & 908, Sakar – II,
Ellisbridge, Opp. Town Hall,
Ahmedabad - 380 006
Tel: +91 79 4027 1500/01

Bengaluru 1

'The Millenia', Tower- B,
Unit No. 1004, 10th Floor, 1 & 2 Murphy
Road,
Bengaluru - 560 008
Tel: +91 80 4332 6400

Bengaluru 2

2nd Floor, Vayudooth Chamber,
15-16, Trinity Circle, M.G. Road,
Bengaluru - 560 001
Tel: +91 80 4922 5500

Chennai

5th Floor, Karumuttu Centre,
634, Anna Salai, Nandanam
Chennai - 600 035
Tel: +91 44 4596 4300

Kolkata

A-10 & 11, 3rd Floor, FMC Fortuna 234/3A,
A.J.C. Bose Road,
Kolkata -700 020
Tel: +91 33 7150 1100/01

Hyderabad 1

No. 7-1-58, 301, 3rd Floor, 'CONCOURSE',
Above SBI-HPS Branch,
Ameerpet,
Hyderabad - 500 016
Tel: +91 40 4920 0200

Mumbai

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025
Tel: +91 22 6169 3300

Hyderabad 2

4A, 4th Floor, SHOBHAN,
6-3-927, A&B Somajiguda,
Raj Bhavan Road,
Hyderabad – 500082
Tel: +91 40 40676500

Pune

5A, 5th Floor, Symphony, S. No. 210
CTS 3202 Range Hills Road, Shivajinagar,
Pune - 411 020
Tel: +91 20 2556 1194

Email: info@icraindia.com

Helpdesk: 124 3341580

Website: www.icra.in/ www.icraresearch.in

© Copyright, 2018, ICRA Limited. All Rights Reserved. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions presented in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.