First Advance Estimates of GDP for 2025-26

Prelims: *Current events of national and international importance | Economy*

Why in News?

The government has estimated that real growth in the Gross Domestic Product (GDP) of the country will stand at 7.4% in the current financial year 2025-26.

- **Released by -** The National Statistics Office (NSO) under the Ministry of Statistics and Programme Implementation.

Key Economic Indicators

- **Real GDP -** According to the estimates, real GDP growth is projected at 7.4 % in 2025-26, up from 6.5 % in FY 2024-25.
- **Nominal GDP -** Nominal GDP (growth not adjusted for inflation) is expected to grow at about 8 % in the same period.
- **Gross Value Added (GVA) -** The Gross Value Added (GVA) for FY 2025-26 is projected to expand by around 7.3 %.

Sector-Wise Performance (GVA at Constant Prices)

- **Services Sector -** The primary driver, with Financial, Real Estate, and Professional Services and **Public Administration** both expected to grow by **9.9%**.
- **Manufacturing and Construction-** Both sectors are projected to grow by **7.0%**. This reflects a rebound for manufacturing, which grew at 4.5% the previous year.
- **Agriculture & Allied Sectors -** Expected to slow to **3.1%** from 4.6% in the previous fiscal year.
- **Mining & Quarrying -** Estimated to contract by **0.7%.**

Demand-Side Highlights

- **Private Final Consumption Expenditure (PFCE) -** Estimated to grow by 7.0%, slightly down from 7.2% in FY 2024-25.

- **Gross Fixed Capital Formation (GFCF)-** A proxy for investment, projected to rise by 7.8%, up from 7.1% last year.
- These estimates are based on data available up to November 2025, and will be revised as more information becomes available in the Second Advance Estimates (usually released in February).

Quick Facts
• **Real GDP (Gross Domestic Product)** – It is an inflation-adjusted measure that reflects the actual quantity of final goods and services produced by an economy in a given year. • Real GDP uses "constant prices" from a specific base year. • **Nominal GDP**- It is the total value of all final goods and services produced in an economy, measured at current market prices. • It does not adjust for inflation, so any change in prices directly affects nominal GDP. • **Gross Value Added (GVA)** – It is an economic productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy, producer, sector, or region. • It represents the value of goods and services produced in an economy after deducting the cost of inputs and raw materials used in the production process.

Reference

The Hindu | First Advance Estimates of GDP for 2025-26

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