

## 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

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