

India plunges into technical recession with Q2 GDP at -7.5%

By TIOL News Service

NEW DELHI, NOV 28, 2020: INDIA

entered into a technical recession as the economy contracted for the second straight quarter due to the lingering effects of the COVID-19 outbreak and the lockdown.

India's real GDP fell by 7.5% in the July-September quarter, compared to the record 23.9% contraction in the previous quarter, the National Statistical Office (NSO) said Friday. GDP at current prices was estimated at Rs. 47.22 lakh crore, showing a contraction of 4%.

With the economy-breaking lockdown imposed in March, the second-worst COVID-affected nation is now in its first technical recession on record since India began releasing quarterly estimates of GDP in FY98. Asia's third-largest economy is facing a tough fight as it attempts to jumpstart the economy even as cases continue to rise.

Financial and real estate services shrank 8.1% last quarter from a year ago, while trade, hotels, transport and communication declined 15.6%. Manufacturing gained 0.6%, electricity and gas expanded 4.4% and agriculture grew 3.4%.