

## **Survey of Professional Forecasters on Macroeconomic Indicators– Results of the 66<sup>th</sup> Round<sup>1</sup>**

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The Reserve Bank has been conducting the Survey of Professional Forecasters (SPF) since September 2007. The responses for the 66<sup>th</sup> round of the survey were received during September 15-30, 2020<sup>2</sup>, wherein thirty three panellists participated. The survey results are summarised in terms of their median forecasts (Annex 1-7), along with quarterly paths for key variables.

### **Highlights:**

#### **1. Output**

- Real gross domestic product (GDP) is likely to contract by 9.1 per cent in 2020-21 but it is expected to recover next year, when it is expected to grow by 8.2 per cent (Table 1).
- Real private final consumption expenditure (PFCE) is assessed to contract by 11.0 per cent during 2020-21, followed by an expansion of 8.5 per cent in the next year.
- Real gross fixed capital formation (GFCF) is projected to record a large decline of 21.0 per cent in 2020-21; it is expected to grow by 10.0 per cent in 2021-22.
- Forecasters have assigned highest probability to real GDP growth lying below (-)9.0 per cent in 2020-21 (Chart 1). For 2021-22, highest probability has been assigned to GDP growth lying in the wide range of 7.0-8.4 per cent (Chart 2).
- Despite expansion in agricultural activities, real gross value added (GVA) is expected to decline by 8.4 per cent in 2020-21; it is likely to record 8.2 per cent growth next year, supported by improvements in industrial and services activities.

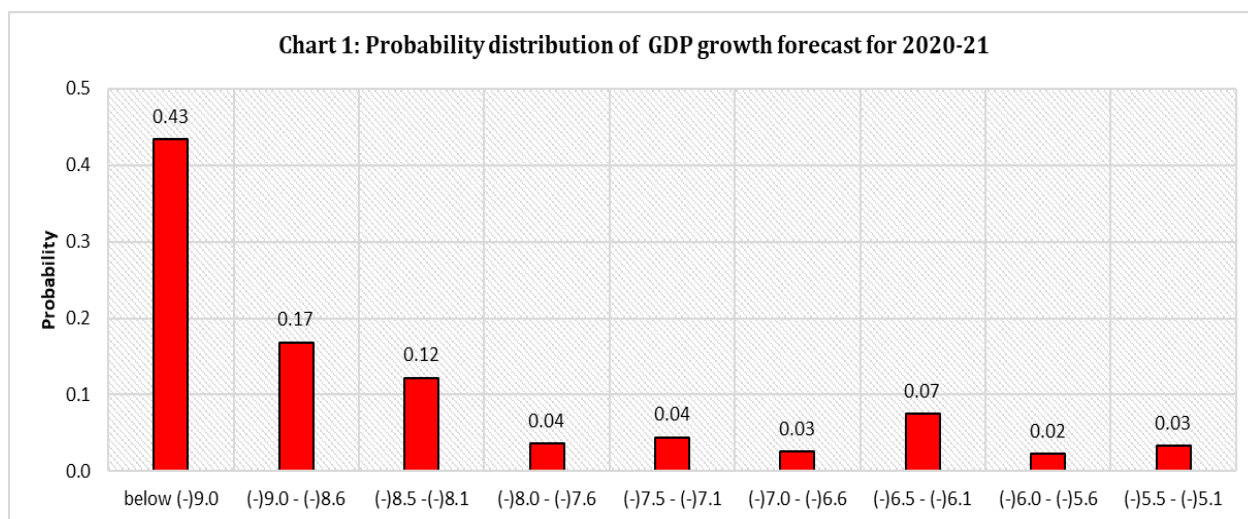
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<sup>1</sup> The results of the previous survey round were released on the RBI website on [August 6, 2020](#).

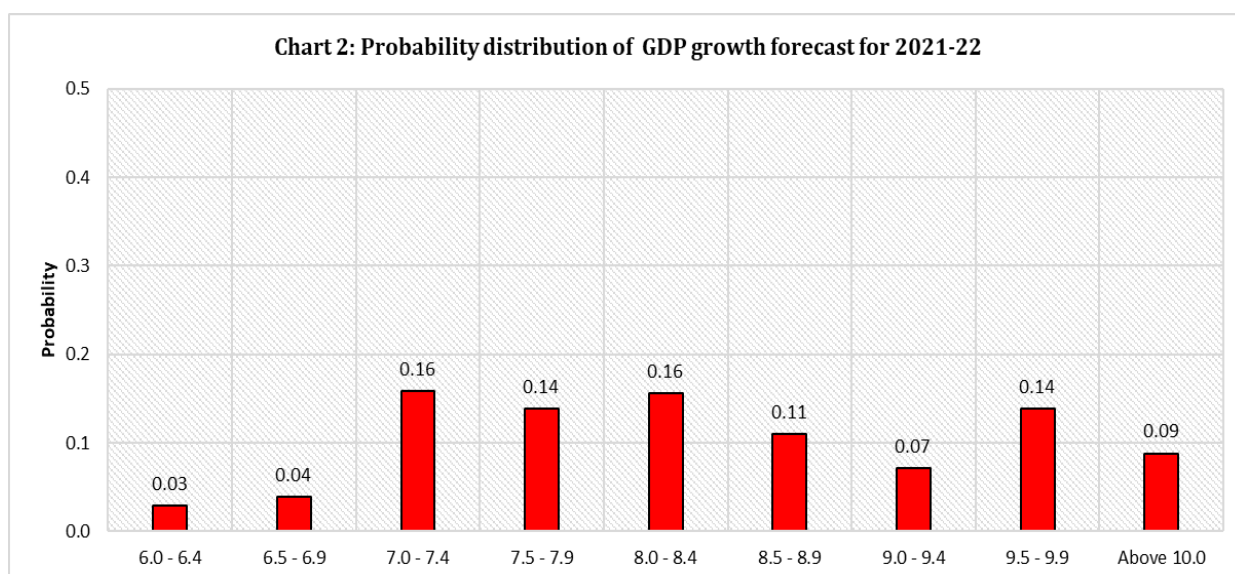
<sup>2</sup> The results presented here represent the views of the respondent forecasters and in no way reflect the views or forecasts of the Reserve Bank.

| <b>Table 1: Median Forecast of Growth in GDP, GVA and components</b><br>(in per cent)   |                  |                |
|---|------------------|----------------|
|   | <b>2020-21</b>   | <b>2021-22</b> |
| Real GDP growth rate  | -9.1<br>(-3.3)   | 8.2<br>(+0.8)  |
| a. Real PFCE growth rate  | -11.0<br>(-5.0)  | 8.5<br>(+0.5)  |
| b. Real GFCF growth rate  | -21.0<br>(-11.2) | 10.0<br>(+3.2) |
| Nominal PFCE growth rate  | -6.9<br>(-4.4)   | 11.4<br>(+0.6) |
| Real GVA Growth   | -8.4<br>(-2.6)   | 8.2<br>(+1.2)  |
| a. Agriculture and Allied Activities  | 3.7<br>(+0.3)    | 3.2<br>(-0.3)  |
| b. Industry   | -13.0<br>(-3.3)  | 9.7<br>(+2.6)  |
| c. Services   | -9.7<br>(-3.6)   | 9.1<br>(+0.9)  |
| Gross Saving Rate<br><i>[per cent of gross national disposable income]</i>              | 26.0<br>(-2.0)   | 27.0<br>(-1.1) |
| Gross Capital Formation (GCF) Rate<br><i>[per cent of GDP at current market prices]</i> | 25.4<br>(-2.5)   | 27.7<br>(-0.7) |

**Note:** In all the tables, the figures in parentheses indicate the extent of revision in median forecasts (percentage points) relative to the previous SPF round.



*Note: Tails of the distribution are not presented in the chart. Detailed probability distributions are given in Annex 6.*



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## Inflation

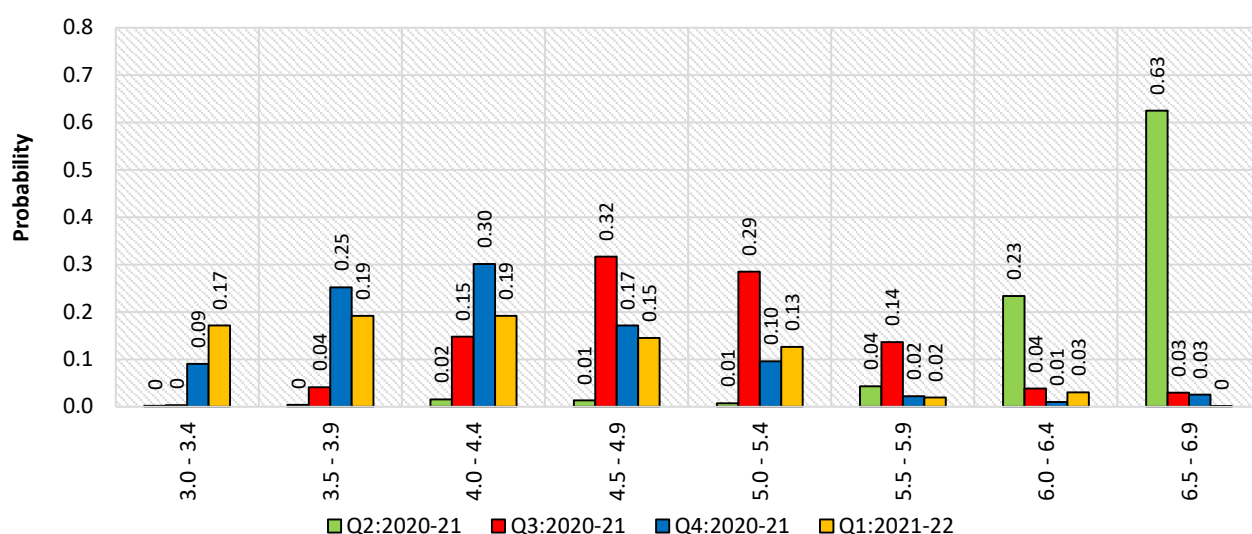
- Headline consumer price index (CPI) inflation is expected at 6.6 per cent in Q2:2020-21, but moderate thereafter to 3.8 per cent by Q2:2021-22 (Table 2).
- CPI inflation excluding food and beverages, pan, tobacco and intoxicants and fuel and light, is expected to rise to 5.6 per cent during Q3:2020-21 and moderate thereafter to 4.2 per cent by Q2:2021-22.

**Table 2: Median Forecast of Quarterly Inflation (in per cent)**

|   | Q2:2020-21    | Q3:2020-21    | Q4:2020-21    | Q1:2021-22    | Q2:2021-22 |
|---|---------------|---------------|---------------|---------------|------------|
| CPI Combined (General)  | 6.6<br>(+1.4) | 4.9<br>(+1.6) | 4.2<br>(+1.2) | 3.9<br>(+0.6) | 3.8        |
| CPI Combined excluding <i>food and beverages, pan, tobacco and intoxicants and fuel and light</i> | 5.5<br>(+0.8) | 5.6<br>(+1.0) | 5.2<br>(+1.0) | 4.7<br>(+1.0) | 4.2        |
| WPI All Commodities   | 0.0<br>(+0.6) | 0.1<br>(+1.3) | 0.3<br>(+1.0) | 2.5<br>(0.0)  | 2.1        |
| WPI Non-food Manufactured Products  | 0.4<br>(+0.3) | 1.3<br>(+0.4) | 1.2<br>(+0.6) | 2.0<br>(0.0)  | 1.9        |

- Forecasters have assigned the highest probability to CPI inflation lying in the range of 6.5-6.9 per cent in Q2:2020-21; 4.5-4.9 per cent in Q3:2020-21; 4.0-4.4 per cent in Q4:2020-21; and 3.5-4.4 per cent in Q1:2021-22 (Chart 3).

**Chart 2: Probability distribution of CPI inflation forecast from Q2:2020-21 to Q1:2021-22**



Note: Tails of the distribution are not presented in the chart. Detailed probability distributions are given in Annex 7.

## 2. External Sector

- Merchandise exports and imports are projected to decline by 14.7 per cent and 22.7 per cent, respectively, during 2020-21 before reverting to growth terrain in 2021-22 (Table 3).
- Current account is expected to record a surplus at 0.5 per cent (of GDP at current market prices) in 2020-21 before reverting to deficit at 0.6 per cent in 2021-22.
- The Indian rupee is likely to remain range bound within ₹73.00 - ₹73.70 per US dollar till Q2:2021-22 (Annex 3).

| <b>Table 3: Median Forecast of Select External Sector Variables</b>   |                 |                |
|---|-----------------|----------------|
|   | <b>2020-21</b>  | <b>2021-22</b> |
| Merchandise Exports in US \$ terms<br>(annual growth in per cent)     | -14.7<br>(-0.1) | 10.2<br>(+0.2) |
| Merchandise Imports in US \$ terms<br>(annual growth in per cent)     | -22.7<br>(-2.6) | 20.6<br>(+4.1) |
| Current Account Balance<br>(per cent of GDP at current market prices) | 0.5<br>(+0.1)   | -0.6<br>(0.0)  |

*The Reserve Bank thanks the following panellists for their participation in this round of the Survey of Professional Forecasters (SPF):*

*Aditi Nayar (ICRA Limited); CRISIL Ltd.; DBS Bank; Debopam Chaudhuri (Piramal Enterprises Limited); Devendra Kumar Pant (India Ratings and Research); Gaurav Kapur (IndusInd Bank Limited); Indranil Pan (IDFC FIRST Bank); Karan Mehrishi (Acuité Ratings & Research Limited); Nikhil Gupta (Motilal Oswal Financial Services Ltd); Rahul Bajoria (Barclays Bank PLC); Rini Sen (ANZ Research); Rupa Rege Nitsure (L&T Finance Holdings); Sameer Narang (Bank of Baroda); Shailesh Kejariwal (B&K Securities India Pvt Ltd); Siddharth Kothari (Sunidhi Securities & Finance Ltd); TAC Economics; Tirthankar Patnaik (National Stock Exchange); Upasna Bhardwaj (Kotak Mahindra Bank) and YES Bank.*

*The Bank also acknowledges the contribution of fourteen others SPF panellists, who prefer to remain anonymous.*

### Annex 1: Annual Forecasts for 2020-21

|    | Key Macroeconomic Indicators   | Annual Forecasts for 2020-21 |        |       |       |              |              |
|----|--|------------------------------|--------|-------|-------|--------------|--------------|
|    |  | Mean                         | Median | Max   | Min   | 1st quartile | 3rd quartile |
| 1  | GDP at constant (2011-12) prices: Annual Growth (per cent)   | -9.1                         | -9.1   | -3.0  | -14.9 | -10.5        | -8.0         |
| a  | Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)            | -10.7                        | -11.0  | -5.0  | -20.0 | -12.3        | -8.6         |
| b  | Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)                    | -20.3                        | -21.0  | 0.1   | -33.2 | -26.7        | -16.7        |
| 2  | Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)                       | -7.2                         | -6.9   | -2.8  | -16.8 | -8.9         | -4.4         |
| 3  | Gross Capital Formation (GCF) Rate (per cent of GDP at current market prices)                                  | 25.0                         | 25.4   | 28.0  | 20.8  | 23.9         | 26.4         |
| 4  | GVA at constant (2011-12) prices: Annual Growth (per cent)   | -8.7                         | -8.4   | -3.2  | -14.0 | -10.1        | -7.7         |
| a  | Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)                         | 3.6                          | 3.7    | 4.8   | 1.7   | 3.3          | 4.0          |
| b  | Industry at constant (2011-12) prices: Annual Growth (per cent)  | -13.2                        | -13.0  | -5.0  | -20.7 | -15.9        | -11.0        |
| c  | Services at constant (2011-12) prices: Annual Growth (per cent)  | -9.5                         | -9.7   | -3.9  | -15.3 | -11.6        | -7.8         |
| 5  | Gross Saving Rate (per cent of Gross National Disposable Income) - at current prices                           | 26.8                         | 26.0   | 30.1  | 24.7  | 25.4         | 28.0         |
| 6  | Fiscal Deficit of Central Govt. (per cent of GDP at current market prices)                                     | 7.6                          | 7.5    | 9.0   | 5.5   | 7.4          | 8.0          |
| 7  | Combined Gross Fiscal Deficit (per cent to GDP at current market prices)                                       | 12.1                         | 12.0   | 14.0  | 6.7   | 12.0         | 12.5         |
| 8  | Bank Credit of Scheduled commercial banks: Annual Growth (per cent)  | 4.8                          | 5.0    | 6.5   | -4.0  | 5.0          | 6.0          |
| 9  | Yield on 10-Year G-Sec of Central Govt. (end-period)   | 6.0                          | 6.0    | 6.5   | 5.6   | 5.8          | 6.2          |
| 10 | Yield on 91-day T-Bill of Central Govt. (end-period)   | 3.4                          | 3.4    | 4.0   | 3.0   | 3.3          | 3.6          |
| 11 | Merchandise Exports (BoP basis in US\$ terms): Annual Growth (per cent)  | -14.8                        | -14.7  | -6.1  | -31.0 | -16.5        | -12.3        |
| 12 | Merchandise Imports (BoP basis in US\$ terms): Annual Growth (per cent)  | -23.6                        | -22.7  | -17.7 | -33.0 | -26.1        | -20.7        |
| 13 | Current Account Balance in US\$ bn.  | 9.0                          | 10.1   | 53.5  | -91.2 | 1.0          | 22.5         |
| 14 | Current Account Balance (per cent to GDP at current market prices)   | 0.6                          | 0.5    | 2.1   | -0.8  | 0.3          | 0.9          |
| 15 | Overall BoP in US\$ bn.  | 71.5                         | 71.3   | 110.2 | 19.0  | 61.5         | 83.3         |
| 16 | Inflation based on CPI Combined: Headline  | 5.5                          | 5.6    | 6.5   | 4.8   | 5.3          | 5.7          |
| 17 | Inflation based on CPI Combined: excluding Food and Beverages, Pan, Tobacco and Intoxicants and Fuel and Light | 5.3                          | 5.3    | 6.0   | 4.3   | 5.2          | 5.4          |
| 18 | Inflation based on WPI: All Commodities  | 0.0                          | -0.4   | 2.0   | -2.2  | -0.5         | 0.5          |
| 19 | Inflation based on WPI: Non-food Manufactured Products   | 0.3                          | 0.5    | 2.0   | -3.0  | 0.3          | 0.6          |

## Annex 2: Annual Forecasts for 2021-22

|    | Key Macroeconomic Indicators   | Annual Forecasts for 2021-22 |        |      |       |              |              |
|----|--|------------------------------|--------|------|-------|--------------|--------------|
|    |  | Mean                         | Median | Max  | Min   | 1st quartile | 3rd quartile |
| 1  | GDP at constant (2011-12) prices: Annual Growth (per cent)   | 8.3                          | 8.2    | 10.2 | 2.9   | 7.5          | 9.7          |
| a  | Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)            | 9.5                          | 8.5    | 15.8 | 5.0   | 7.7          | 11.4         |
| b  | Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)                    | 9.6                          | 10.0   | 13.6 | 5.0   | 8.6          | 10.5         |
| 2  | Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)                       | 12.3                         | 11.4   | 17.0 | 9.5   | 9.9          | 14.4         |
| 3  | Gross Capital Formation (GCF) Rate (per cent of GDP at current market prices)                                  | 27.7                         | 27.7   | 32.0 | 22.2  | 26.6         | 29.6         |
| 4  | GVA at constant (2011-12) prices: Annual Growth (per cent)   | 8.0                          | 8.2    | 10.0 | 2.8   | 7.4          | 8.9          |
| a  | Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)                         | 3.4                          | 3.2    | 5.6  | 2.0   | 3.0          | 3.9          |
| b  | Industry at constant (2011-12) prices: Annual Growth (per cent)  | 9.7                          | 9.7    | 16.0 | 1.4   | 7.8          | 11.7         |
| c  | Services at constant (2011-12) prices: Annual Growth (per cent)  | 9.0                          | 9.1    | 11.6 | 3.3   | 9.0          | 9.8          |
| 5  | Gross Saving Rate (per cent of Gross National Disposable Income) - at current prices                           | 27.5                         | 27.0   | 31.6 | 24.0  | 25.6         | 29.3         |
| 6  | Fiscal Deficit of Central Govt. (per cent of GDP at current market prices)                                     | 5.6                          | 5.5    | 8.0  | 3.6   | 5.0          | 6.4          |
| 7  | Combined Gross Fiscal Deficit (per cent to GDP at current market prices)                                       | 9.1                          | 9.0    | 11.5 | 6.6   | 8.5          | 10.0         |
| 8  | Bank Credit of Scheduled commercial banks: Annual Growth (per cent)  | 8.9                          | 8.5    | 12.3 | 6.2   | 7.5          | 10.0         |
| 9  | Yield on 10-Year G-Sec of Central Govt. (end-period)   | 6.3                          | 6.5    | 6.8  | 5.3   | 6.1          | 6.5          |
| 10 | Yield on 91-day T-Bill of Central Govt. (end-period)   | 4.1                          | 4.0    | 5.1  | 3.3   | 3.8          | 4.2          |
| 11 | Merchandise Exports (BoP basis in US\$ terms): Annual Growth (per cent)  | 11.1                         | 10.2   | 25.0 | -2.9  | 9.5          | 14.3         |
| 12 | Merchandise Imports (BoP basis in US\$ terms): Annual Growth (per cent)  | 20.4                         | 20.6   | 41.0 | -5.3  | 13.2         | 26.8         |
| 13 | Current Account Balance in US\$ bn.  | -23.3                        | -19.8  | -5.9 | -65.4 | -25.9        | -16.2        |
| 14 | Current Account Balance (per cent to GDP at current market prices)   | -1.2                         | -0.6   | 0.7  | -7.6  | -0.9         | -0.3         |
| 15 | Overall BoP in US\$ bn.  | 51.7                         | 50.0   | 82.6 | 22.6  | 42.7         | 60.0         |
| 16 | Inflation based on CPI Combined: Headline  | 4.3                          | 4.2    | 6.2  | 3.4   | 4.0          | 4.5          |
| 17 | Inflation based on CPI Combined: excluding Food and Beverages, Pan, Tobacco and Intoxicants and Fuel and Light | 4.4                          | 4.4    | 5.1  | 3.5   | 4.1          | 4.8          |
| 18 | Inflation based on WPI: All Commodities  | 2.3                          | 2.0    | 3.5  | 1.4   | 1.8          | 2.8          |
| 19 | Inflation based on WPI: Non-food Manufactured Products   | 1.8                          | 1.8    | 4.0  | 0.3   | 1.0          | 2.5          |

**Annex 3: Quarterly Forecasts from Q2:2020-21 to Q2:2021-22**

|    | Key Macroeconomic Indicators  | Quarterly Forecasts |              |      |       |             |              |       |       |             |              |       |       |
|----|---|---------------------|--------------|------|-------|-------------|--------------|-------|-------|-------------|--------------|-------|-------|
|    |   | Q2: 2020-21         |              |      |       | Q3: 2020-21 |              |       |       | Q4: 2020-21 |              |       |       |
|    |   | Mean                | Median       | Max  | Min   | Mean        | Median       | Max   | Min   | Mean        | Median       | Max   | Min   |
| 1  | GDP at constant (2011-12) prices: Annual Growth (per cent)  | -10.1               | <b>-10.0</b> | 0.6  | -16.2 | -3.1        | <b>-3.2</b>  | 6.0   | -11.2 | 0.3         | <b>0.6</b>   | 7.5   | -8.9  |
| a  | Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent) | -12.1               | <b>-12.9</b> | 1.5  | -19.3 | -4.6        | <b>-5.2</b>  | 4.0   | -12.6 | -0.3        | <b>-0.4</b>  | 6.0   | -8.8  |
| b  | Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)         | -23.5               | <b>-25.0</b> | -2.6 | -37.4 | -11.9       | <b>-10.0</b> | 9.6   | -27.9 | -4.4        | <b>-4.4</b>  | 14.1  | -20.1 |
| 2  | Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)            | -8.6                | <b>-9.5</b>  | 2.5  | -18.6 | -2.0        | <b>-2.3</b>  | 6.6   | -13.5 | 2.8         | <b>2.6</b>   | 10.5  | -11.2 |
| 3  | Gross Fixed Capital Formation (GFCF) Rate (per cent of GDP at current market prices)                | 23.5                | <b>23.3</b>  | 29.0 | 20.2  | 24.9        | <b>24.6</b>  | 29.0  | 21.5  | 25.2        | <b>25.2</b>  | 29.0  | 21.8  |
| 4  | GVA at constant (2011-12) prices: Annual Growth (per cent)  | -9.7                | <b>-9.6</b>  | 0.4  | -15.4 | -2.9        | <b>-3.0</b>  | 6.0   | -10.9 | 0.1         | <b>0.3</b>   | 6.5   | -7.6  |
| a  | Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)              | 3.7                 | <b>3.5</b>   | 5.5  | 2.3   | 3.8         | <b>3.9</b>   | 5.5   | 2.4   | 3.6         | <b>4.0</b>   | 5.1   | -0.8  |
| b  | Industry at constant (2011-12) prices: Annual Growth (per cent)                                     | -14.4               | <b>-15.1</b> | 0.3  | -25.1 | -6.4        | <b>-6.6</b>  | 3.0   | -15.7 | -1.5        | <b>-0.8</b>  | 7.6   | -13.4 |
| c  | Services at constant (2011-12) prices: Annual Growth (per cent)                                     | -10.7               | <b>-11.3</b> | 0.1  | -16.6 | -4.0        | <b>-4.0</b>  | 6.0   | -12.7 | -0.1        | <b>0.5</b>   | 6.0   | -9.5  |
| 5  | IIP (2011-12=100): Quarterly Average Growth (per cent)  | -8.3                | <b>-7.5</b>  | 0.5  | -20.5 | -2.0        | <b>-3.5</b>  | 9.8   | -10.4 | 2.5         | <b>2.1</b>   | 24.2  | -6.4  |
| 6  | Merchandise Exports - BoP basis (in US\$ bn.)   | 65.7                | <b>68.4</b>  | 72.0 | 51.3  | 73.1        | <b>72.6</b>  | 78.1  | 65.4  | 77.1        | <b>77.4</b>  | 86.6  | 68.9  |
| 7  | Merchandise Imports - BoP basis (in US\$ bn.)   | 82.5                | <b>87.8</b>  | 95.9 | 60.4  | 96.9        | <b>95.7</b>  | 109.2 | 82.5  | 104.2       | <b>104.9</b> | 118.4 | 92.5  |
| 8  | Rupee per US \$ Exchange rate (end-period)  | 73.7                | <b>73.5</b>  | 75.5 | 72.0  | 73.6        | <b>73.7</b>  | 75.0  | 71.0  | 73.6        | <b>73.5</b>  | 76.0  | 70.5  |
| 9  | Crude Oil (Indian basket) price (US \$ per barrel) (end-period)                                     | 41.3                | <b>42.5</b>  | 45.0 | 28.0  | 44.0        | <b>45.0</b>  | 48.0  | 35.0  | 45.4        | <b>45.0</b>  | 53.0  | 39.0  |
| 10 | Policy Repo Rate (end-period)   | 3.94                | <b>4.00</b>  | 4.00 | 3.00  | 3.91        | <b>4.00</b>  | 4.00  | 2.75  | 3.83        | <b>4.00</b>  | 4.40  | 2.75  |



|    | Key Macroeconomic Indicators  | Quarterly Forecasts |              |       |      |             |              |       |      |
|----|---|---------------------|--------------|-------|------|-------------|--------------|-------|------|
|    |   | Q1: 2021-22         |              |       |      | Q2: 2021-22 |              |       |      |
|    |   | Mean                | Median       | Max   | Min  | Mean        | Median       | Max   | Min  |
| 1  | GDP at constant (2011-12) prices: Annual Growth (per cent)  | 18.8                | <b>17.8</b>  | 33.0  | 8.1  | 9.4         | <b>8.8</b>   | 18.7  | 5.0  |
| a  | Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent) | 21.1                | <b>20.8</b>  | 37.5  | 4.1  | 11.1        | <b>9.9</b>   | 22.7  | 4.5  |
| b  | Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)         | 26.4                | <b>28.3</b>  | 50.5  | 7.8  | 13.7        | <b>10.8</b>  | 30.0  | 5.0  |
| 2  | Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)            | 21.3                | <b>19.4</b>  | 36.5  | 7.7  | 12.7        | <b>11.7</b>  | 23.7  | 8.1  |
| 3  | Gross Fixed Capital Formation (GFCF) Rate (per cent of GDP at current market prices)                | 23.8                | <b>22.8</b>  | 32.0  | 19.4 | 25.6        | <b>24.5</b>  | 32.0  | 21.3 |
| 4  | GVA at constant (2011-12) prices: Annual Growth (per cent)  | 17.2                | <b>15.8</b>  | 28.0  | 7.3  | 9.2         | <b>8.4</b>   | 18.3  | 6.2  |
| a  | Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)              | 3.8                 | <b>3.5</b>   | 6.5   | 2.2  | 3.5         | <b>3.0</b>   | 5.8   | 2.0  |
| b  | Industry at constant (2011-12) prices: Annual Growth (per cent)                                     | 24.4                | <b>22.6</b>  | 53.7  | 6.5  | 10.5        | <b>8.9</b>   | 18.0  | 5.7  |
| c  | Services at constant (2011-12) prices: Annual Growth (per cent)                                     | 17.0                | <b>17.9</b>  | 27.0  | 9.1  | 9.7         | <b>8.8</b>   | 15.0  | 6.8  |
| 5  | IIP (2011-12=100): Quarterly Average Growth (per cent)  | 26.3                | <b>26.8</b>  | 52.7  | 2.8  | 9.9         | <b>9.2</b>   | 25.0  | 1.5  |
| 6  | Merchandise Exports - BoP basis (in US\$ bn.)   | 75.7                | <b>76.0</b>  | 89.0  | 66.5 | 77.7        | <b>76.0</b>  | 98.0  | 71.3 |
| 7  | Merchandise Imports - BoP basis (in US\$ bn.)   | 103.4               | <b>102.1</b> | 121.2 | 92.6 | 107.5       | <b>107.0</b> | 123.6 | 99.0 |
| 8  | Rupee per US \$ Exchange rate (end-period)  | 73.6                | <b>73.0</b>  | 76.5  | 70.0 | 73.2        | <b>73.0</b>  | 76.5  | 69.5 |
| 9  | Crude Oil (Indian basket) price (US \$ per barrel) (end-period)                                     | 48.1                | <b>45.0</b>  | 55.0  | 40.2 | 50.3        | <b>50.0</b>  | 60.0  | 41.4 |
| 10 | Policy Repo Rate (end-period)   | 3.76                | <b>3.75</b>  | 4.50  | 3.00 | 3.89        | <b>3.75</b>  | 5.50  | 3.50 |

**Annex 4: Forecasts of CPI Combined Inflation (per cent)**

|            | CPI Combined (General) |            |     |     | CPI Combined excluding Food and Beverages, Pan, Tobacco and Intoxicants and Fuel and Light |            |     |     |
|------------|------------------------|------------|-----|-----|--|------------|-----|-----|
|            | Mean                   | Median     | Max | Min | Mean   | Median     | Max | Min |
| Q2:2020-21 | 6.6                    | <b>6.6</b> | 6.8 | 5.9 | 5.5  | <b>5.5</b> | 6.7 | 5.2 |
| Q3:2020-21 | 5.0                    | <b>4.9</b> | 6.6 | 4.2 | 5.5  | <b>5.6</b> | 6.2 | 4.7 |
| Q4:2020-21 | 4.3                    | <b>4.2</b> | 6.5 | 2.9 | 5.2  | <b>5.2</b> | 5.9 | 4.0 |
| Q1:2021-22 | 3.9                    | <b>3.9</b> | 6.3 | 2.3 | 4.6  | <b>4.7</b> | 5.5 | 3.2 |
| Q2:2021-22 | 3.9                    | <b>3.8</b> | 6.0 | 2.8 | 4.3  | <b>4.2</b> | 5.2 | 3.4 |

**Annex 5: Forecasts of WPI Inflation (per cent)**

|            | WPI All Commodities |            |     |      | WPI Non-food Manufactured Products |            |     |      |
|------------|---------------------|------------|-----|------|------------------------------------|------------|-----|------|
|            | Mean                | Median     | Max | Min  | Mean                               | Median     | Max | Min  |
| Q2:2020-21 | -0.1                | <b>0.0</b> | 0.7 | -1.8 | 0.3                                | <b>0.4</b> | 1.7 | -2.7 |
| Q3:2020-21 | 0.2                 | <b>0.1</b> | 2.6 | -2.3 | 1.4                                | <b>1.3</b> | 2.9 | 0.3  |
| Q4:2020-21 | 0.7                 | <b>0.3</b> | 5.2 | -2.1 | 1.2                                | <b>1.2</b> | 2.6 | -0.1 |
| Q1:2021-22 | 2.6                 | <b>2.5</b> | 4.8 | 0.9  | 1.8                                | <b>2.0</b> | 3.0 | 0.8  |
| Q2:2021-22 | 2.3                 | <b>2.1</b> | 4.5 | 1.0  | 1.7                                | <b>1.9</b> | 3.2 | 0.3  |

### Annex 6: Mean probabilities attached to possible outcomes of Real GDP growth

| Growth Range          | Forecasts for 2020-21 | Forecasts for 2021-22 |
|-----------------------|-----------------------|-----------------------|
| 10.0 per cent or more | 0                     | 0.09                  |
| 9.5 to 9.9 per cent   | 0                     | 0.14                  |
| 9.0 to 9.4 per cent   | 0                     | 0.07                  |
| 8.5 to 8.9 per cent   | 0                     | 0.11                  |
| 8.0 to 8.4 per cent   | 0                     | 0.16                  |
| 7.5 to 7.9 per cent   | 0                     | 0.14                  |
| 7.0 to 7.4 per cent   | 0                     | 0.16                  |
| 6.5 to 6.9 per cent   | 0                     | 0.04                  |
| 6.0 to 6.4 per cent   | 0                     | 0.03                  |
| 5.5 to 5.9 per cent   | 0                     | 0.00                  |
| 5.0 to 5.4 per cent   | 0                     | 0.01                  |
| 4.5 to 4.9 per cent   | 0                     | 0.00                  |
| 4.0 to 4.4 per cent   | 0                     | 0.00                  |
| 3.5 to 3.9 per cent   | 0                     | 0.02                  |
| 3.0 to 3.4 per cent   | 0                     | 0.02                  |
| 2.5 to 2.9 per cent   | 0                     | 0.02                  |
| 2.0 to 2.4 per cent   | 0                     | 0                     |
| 1.5 to 1.9 per cent   | 0                     | 0                     |
| 1.0 to 1.4 per cent   | 0                     | 0                     |
| 0.5 to 0.9 per cent   | 0                     | 0                     |
| 0.0 to 0.4 per cent   | 0                     | 0                     |
| -0.5 to -0.1 per cent | 0                     | 0                     |
| -1.0 to -0.6 per cent | 0                     | 0                     |
| -1.5 to -1.1 per cent | 0                     | 0                     |
| -2.0 to -1.6 per cent | 0                     | 0                     |
| -2.5 to -2.1 per cent | 0.01                  | 0                     |
| -3.0 to -2.6 per cent | 0.02                  | 0                     |
| -3.5 to -3.1 per cent | 0.00                  | 0                     |
| -4.0 to -3.6 per cent | 0.00                  | 0                     |
| -4.5 to -4.1 per cent | 0.00                  | 0                     |
| -5.0 to -4.6 per cent | 0.00                  | 0                     |
| -5.5 to -5.1 per cent | 0.03                  | 0                     |
| -6.0 to -5.6 per cent | 0.02                  | 0                     |
| -6.5 to -6.1 per cent | 0.07                  | 0                     |
| -7.0 to -6.6 per cent | 0.03                  | 0                     |
| -7.5 to -7.1 per cent | 0.04                  | 0                     |
| -8.0 to -7.6 per cent | 0.04                  | 0                     |
| -8.5 to -8.1 per cent | 0.12                  | 0                     |
| -9.0 to -8.6 per cent | 0.17                  | 0                     |
| below -9.0 per cent   | 0.43                  | 0                     |

Note: The sum of the probabilities may not add up to one due to rounding off.

### Annex 7: Mean probabilities attached to possible outcomes of CPI (Combined) inflation

| Inflation Range       | Forecasts for Q2:2020-21 | Forecasts for Q3:2020-21 | Forecasts for Q4:2020-21 | Forecasts for Q1:2021-22 |
|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 9.0 per cent or above | 0                        | 0                        | 0                        | 0                        |
| 8.5 to 9.0 per cent   | 0                        | 0                        | 0                        | 0                        |
| 8.0 to 8.4 per cent   | 0                        | 0                        | 0                        | 0                        |
| 7.5 to 7.9 per cent   | 0                        | 0                        | 0                        | 0                        |
| 7.0 to 7.4 per cent   | 0.05                     | 0                        | 0                        | 0                        |
| 6.5 to 6.9 per cent   | 0.63                     | 0.03                     | 0.03                     | 0                        |
| 6.0 to 6.4 per cent   | 0.23                     | 0.04                     | 0.01                     | 0.03                     |
| 5.5 to 5.9 per cent   | 0.04                     | 0.14                     | 0.02                     | 0.02                     |
| 5.0 to 5.4 per cent   | 0.01                     | 0.29                     | 0.10                     | 0.13                     |
| 4.5 to 4.9 per cent   | 0.01                     | 0.32                     | 0.17                     | 0.15                     |
| 4.0 to 4.4 per cent   | 0.02                     | 0.15                     | 0.30                     | 0.19                     |
| 3.5 to 3.9 per cent   | 0                        | 0.04                     | 0.25                     | 0.19                     |
| 3.0 to 3.4 per cent   | 0                        | 0                        | 0.09                     | 0.17                     |
| 2.5 to 2.9 per cent   | 0                        | 0                        | 0.03                     | 0.07                     |
| 2.0 to 2.4 per cent   | 0                        | 0                        | 0                        | 0.04                     |
| 1.5 to 1.9 per cent   | 0                        | 0                        | 0                        | 0.01                     |
| 1.0 to 1.4 per cent   | 0                        | 0                        | 0                        | 0                        |
| 0.5 to 0.9 per cent   | 0                        | 0                        | 0                        | 0                        |
| 0 to 0.4 per cent     | 0                        | 0                        | 0                        | 0                        |
| -0.5 to -0.1 per cent | 0                        | 0                        | 0                        | 0                        |
| -1.0 to -0.6 per cent | 0                        | 0                        | 0                        | 0                        |
| Below -1.0 per cent   | 0                        | 0                        | 0                        | 0                        |

Note: The sum of the probabilities may not add up to one due to rounding off.

Note: CPI: Consumer Price Index; GDP: Gross Domestic Products; GNDI: Gross National Disposable Income; GVA: Gross Value Added; IIP: Index of Industrial Production; WPI: Wholesale Price Index.