Survey of Professional Forecasters on Macroeconomic Indicators– Results of the 68th Round[1]

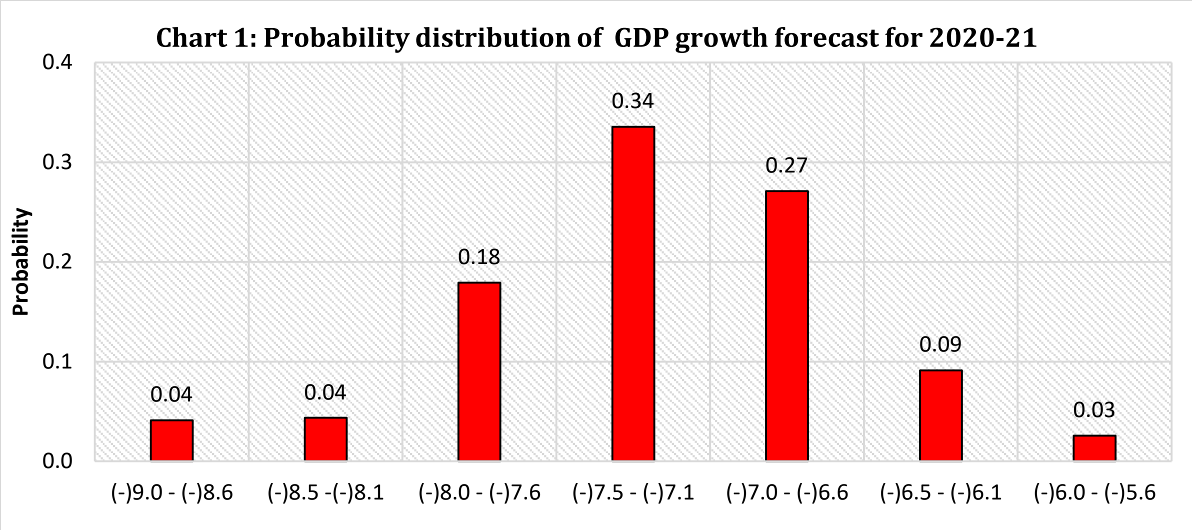
The Reserve Bank has been conducting the Survey of Professional Forecasters (SPF) since September 2007. The responses for the 68th round of the survey were received during January 12-29, 2021[2], wherein thirty three panellists participated. The survey results are summarised in terms of their median forecasts (Annex 1-7), along with quarterly paths for key variables.

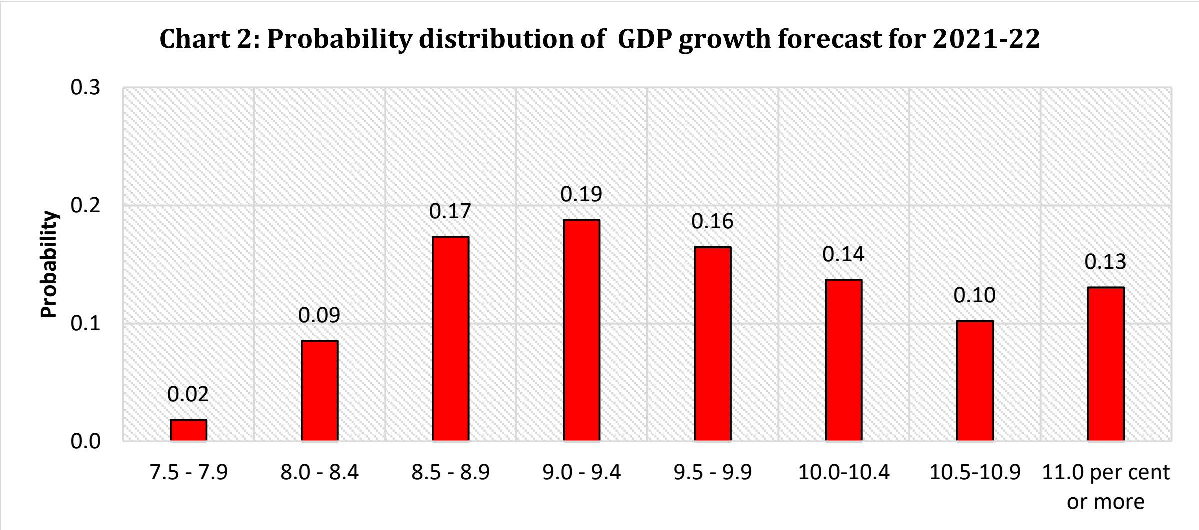
Highlights:

1. Output

- Real gross domestic product (GDP) is likely to contract by 7.6 per cent in 2020-21 but it is expected to recover and grow by 9.5 per cent next year; growth projection for 2020-21 has been revised up while that for 2021-22 remains unchanged from the last survey round (Table 1).
- GDP growth forecasts are projected by panellists in the range of (-)10.3- (-)6.5 per cent for 2020-21 and 8.0-13.5 per cent for 2021-22 (Annexes 1 and 2).
- Forecasters have assigned highest probability to real GDP growth lying between (-)7.5 - (-)7.1 per cent in 2020-21 (Chart 1). For 2021-22, highest probability has been assigned to the range 9.0-9.4 per cent (Chart 2) and the ranges 8.5-8.9 per cent and 9.5-9.9 per cent have also been assigned high probabilities.

[1] The results of the previous survey round were released on the RBI website on December 4, 2020.
[2] The results presented here represent the views of the respondent forecasters and in no way reflect the views or forecasts of the Reserve Bank.





Note: Tails of the distributions are not presented in Charts 1 and 2. Detailed probability distributions are given in Annex 6.

- Real private final consumption expenditure (PFCE) is expected to contract by 9.4 per cent during 2020-21, followed by an expansion of 11.9 per cent in the next year.
- Real gross fixed capital formation (GFCF) is projected to record a decline of 14.5 per cent in 2020-21 and then to grow by 12.1 per cent in 2021-22.
- Real gross value added (GVA) is expected to decline by 7.3 per cent in 2020-21; it is likely to record 9.3 per cent growth next year, supported by sharp pick-up in industrial and services activities.

Table 1: Median Forecast of Growth in GDP, GVA and components (in per cent)		
	2020-21	**2021-22**
Real GDP growth rate	-7.6 (0.9)	9.5 (0.0)
a. Real PFCE growth rate	-9.4 (+0.3)	11.9 (+2.0)
b. Real GFCF growth rate	-14.5 (+4.6)	12.1 (-0.1)
Nominal PFCE growth rate	-5.8 (+1.1)	15.4 (+2.1)
Real GVA growth rate	-7.3 (+0.9)	9.3 (+0.2)
a. Agriculture and Allied Activities growth rate	3.4 (-0.1)	3.1 (-0.1)
b. Industry growth rate	-7.7 (+2.8)	11.0 (-0.2)
c. Services growth rate	-9.6 (+0.1)	10.1 (+0.6)
Gross Saving Rate *[per cent of gross national disposable income]*	29.0 (+1.9)	28.0 (+0.9)
Gross Capital Formation (GCF) Rate *[per cent of GDP at current market prices]*	26.9 (+0.7)	28.1 (+0.7)

Note: The figures in parentheses indicate the extent of revision in median forecasts (percentage points) relative to the previous SPF round.

- Real GDP growth rate is expected at (-)0.7 per cent in Q3:2020-21 and then turn positive from Q4:2020-21 driven by pick-up in PFCE and GFCF (Table 2). Quarterly GDP growth forecast path has been revised up till Q1:2021-22 from the previous round.

Table 2: Median Forecast of Quarterly GDP, GVA and components (in per cent)					
	Q3:2020-21	**Q4:2020-21**	**Q1:2021-22**	**Q2:2021-22**	**Q3:2021-22**
Real GDP growth rate	-0.7 (+1.3)	1.7 (+0.7)	24.6 (+3.6)	8.7 (-0.4)	5.0
a. Real PFCE growth rate	-2.3 (+0.7)	2.4 (+1.5)	27.9 (+4.9)	10.4 (-0.5)	5.8
b. Real GFCF growth rate	-3.0 (+7.0)	0.9 (+6.1)	48.0 (+16.2)	8.4 (-1.8)	5.0
Real GVA growth rate	-0.9 (+0.8)	1.7 (+1.1)	22.5 (+3.0)	8.4 (-0.3)	5.0

Note: The figures in parentheses indicate the extent of revision in median forecasts (percentage points) relative to the previous SPF round.

2. Inflation

- Headline consumer price index (CPI) inflation is expected at 5.0 per cent in Q4:2020-21 and Q1:2021-22 and, thereafter, moderate successively over the next two quarters to 4.1 per cent in Q3:2021-22 (Table 3). Inflation projection for Q4:2020-21 has been revised down by 40 basis points in the current survey round.

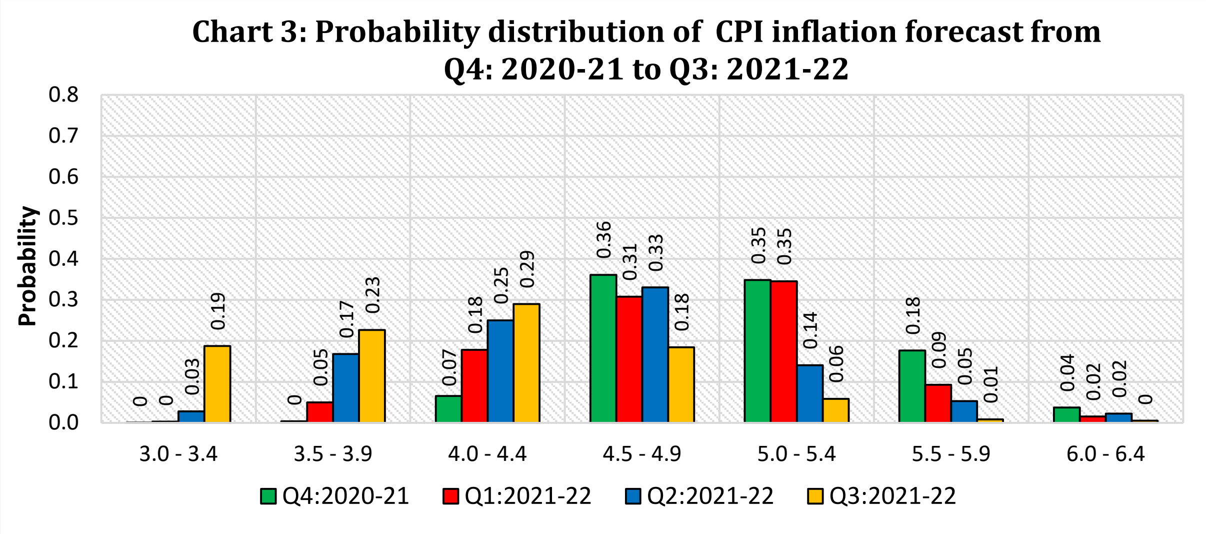
- CPI inflation excluding food and beverages, pan, tobacco and intoxicants and fuel and light, is expected at 5.4 per cent during Q4:2020-21 and moderate thereafter to 4.9 per cent by Q3:2021-22.

Table 3: Median Forecast of Quarterly Inflation (in per cent)

	Q4:2020-21	**Q1:2021-22**	**Q2:2021-22**	**Q3:2021-22**
CPI Combined (General)	5.0 (-0.4)	5.0 (0.0)	4.6 (+0.1)	4.1
CPI Combined excluding *food and beverages*, *pan, tobacco and intoxicants* and *fuel and light*	5.4 (+0.1)	5.1 (+0.3)	4.8 (+0.5)	4.9
WPI All Commodities	2.3 (+1.0)	5.7 (+1.6)	4.2 (+1.6)	3.3
WPI Non-food Manufactured Products	4.1 (+2.3)	5.1 (+2.5)	4.8 (+2.2)	3.5

Note: The figures in parentheses indicate the extent of revision in median forecasts (percentage points) relative to the previous SPF round.

- Forecasters have assigned the highest probability to CPI inflation lying in the range of 4.5-4.9 per cent in Q4:2020-21; 5.0-5.4 per cent in Q1:2021-22; 4.5-4.9 per cent in Q2:2021-22; and 4.0-4.4 per cent in Q3:2021-22 (Chart 3).



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

3. External Sector

- Merchandise exports and imports are projected to decline by 12.0 per cent and 21.0 per cent, respectively, during 2020-21 before reverting to growth terrain in 2021-22 (Table 4).
- Current account is expected to record a surplus at 1.2 per cent (of GDP at current market prices) in 2020-21 before reverting to deficit at 0.4 per cent in 2021-22.
- The Indian rupee is likely to remain range bound around ₹73.00 per US dollar till Q3:2021-22 (Annex 3).

Table 4: Median Forecast of Select External Sector Variables

	2020-21	**2021-22**
Merchandise Exports in US $ terms *(annual growth in per cent)*	-12.0 (-0.7)	15.4 (+2.9)
Merchandise Imports in US $ terms *(annual growth in per cent)*	-21.0 (+2.2)	24.0 (+0.8)
Current Account Balance *(per cent of GDP at current market prices)*	1.2 (0.0)	-0.4 (0.0)

Note: The figures in parentheses indicate the extent of revision in median forecasts (percentage points) relative to the previous SPF round.

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

Abhishek Gupta (Bloomberg Economics); Anagha Deodhar (ICICI Securities Limited); Charu Chanana (Continuum Economics); CRISIL Ltd.; Debopam Chaudhuri (Piramal Enterprises Limited); Devendra Kumar Pant (India Ratings and Research); Gaurav Kapoor (Induslnd Bank Limited); ICICI Securities Primary Dealership Limited; Nikhil Gupta (Motilal Oswal Financial Services Limited); Radhika Piplani (YES Bank); Rahul Bajoria (Barclays Bank PLC); Rini Sen (ANZ Banking Group Limited); Sameer Narang (Bank of Baroda); Shailesh Kejariwal (Batlivala & Karani Securities India Pvt ltd); Siddharth Kothari (Sunidhi Securities & Finance Ltd); TAC Economics; and Upasna Bhardwaj (Kotak Mahindra Bank).

The Bank also acknowledges the contribution of sixteen 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)	-7.6	**-7.6**	-6.5	-10.3	-7.8	-7.0
a	Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)	-9.5	**-9.4**	-6.8	-13.4	-10.0	-8.8
b	Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)	-14.1	**-14.5**	-6.5	-18.2	-15.6	-13.6
2	Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)	-6.7	**-5.8**	-4.0	-14.5	-6.4	-5.3
3	Gross Capital Formation (GCF) Rate (per cent of GDP at current market prices)	26.7	**26.9**	28.5	24.0	26.5	27.1
4	GVA at constant (2011-12) prices: Annual Growth (per cent)	-7.3	**-7.3**	-6.2	-8.1	-7.6	-6.9
a	Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)	3.4	**3.4**	4.0	2.4	3.2	3.5
b	Industry at constant (2011-12) prices: Annual Growth (per cent)	-8.0	**-7.7**	-5.0	-10.7	-9.3	-7.0
c	Services at constant (2011-12) prices: Annual Growth (per cent)	-9.5	**-9.6**	-8.1	-11.2	-9.9	-9.0
5	Gross Saving Rate (per cent of Gross National Disposable Income) - at current prices	29.0	**29.0**	31.0	26.0	28.4	30.1
6	Fiscal Deficit of Central Govt. (per cent of GDP at current market prices)	7.3	**7.5**	8.4	5.5	7.0	7.6
7	Combined Gross Fiscal Deficit (per cent to GDP at current market prices)	11.6	**11.8**	14.0	6.5	11.4	12.2
8	Bank Credit of Scheduled commercial banks: Annual Growth (per cent)	5.4	**5.6**	7.0	2.0	5.0	6.0
9	Yield on 10-Year G-Sec of Central Govt. (end-period)	5.9	**5.9**	6.2	5.6	5.9	6.0
10	Yield on 91-day T-Bill of Central Govt. (end-period)	3.4	**3.4**	3.8	3.3	3.3	3.4
11	Merchandise Exports (BoP basis in US$ terms): Annual Growth (per cent)	-12.3	**-12.0**	-8.7	-25.0	-13.0	-10.2
12	Merchandise Imports (BoP basis in US$ terms): Annual Growth (per cent)	-21.8	**-21.0**	-18.0	-30.0	-23.9	-18.8
13	Current Account Balance in US$ bn.	31.0	**30.3**	44.0	11.0	27.1	35.6
a	Current Account Balance (per cent to GDP at current market prices)	1.2	**1.2**	1.8	0.5	1.0	1.4
14	Overall BoP in US$ bn.	95.1	**95.0**	120.3	50.0	90.0	101.7
15	Inflation based on CPI Combined: Headline	6.2	**6.2**	6.5	4.8	6.1	6.3
16	Inflation based on CPI Combined: excluding Food and Beverages, Pan, Tobacco and Intoxicants and Fuel and Light	5.3	**5.3**	5.8	5.1	5.2	5.4
17	Inflation based on WPI: All Commodities	0.5	**0.5**	1.7	0.0	0.4	0.5
18	Inflation based on WPI: Non-food Manufactured Products	1.5	**1.7**	2.2	0.4	1.4	1.8

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)	9.8	**9.5**	13.5	8.0	9.0	10.6
a	Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)	11.0	**11.9**	15.0	5.0	9.4	12.8
b	Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)	12.4	**12.1**	21.2	1.5	9.7	15.6
2	Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)	14.2	**15.4**	17.5	9.5	12.1	16.1
3	Gross Capital Formation (GCF) Rate (per cent of GDP at current market prices)	28.2	**28.1**	30.1	26.7	28.0	28.6
4	GVA at constant (2011-12) prices: Annual Growth (per cent)	9.3	**9.3**	10.6	7.6	8.7	10.0
a	Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)	3.4	**3.1**	6.0	1.0	3.0	4.0
b	Industry at constant (2011-12) prices: Annual Growth (per cent)	11.3	**11.0**	14.6	8.0	10.2	12.0
c	Services at constant (2011-12) prices: Annual Growth (per cent)	10.4	**10.1**	14.7	7.7	9.5	11.1
5	Gross Saving Rate (per cent of Gross National Disposable Income) - at current prices	28.4	**28.0**	31.1	26.7	28.0	29.0
6	Fiscal Deficit of Central Govt. (per cent of GDP at current market prices)	5.4	**5.4**	6.0	4.8	5.2	5.5
7	Combined Gross Fiscal Deficit (per cent to GDP at current market prices)	8.8	**9.0**	10.5	5.3	8.5	9.2
8	Bank Credit of Scheduled commercial banks: Annual Growth (per cent)	8.4	**8.0**	15.0	5.8	7.4	8.8
9	Yield on 10-Year G-Sec of Central Govt. (end-period)	6.2	**6.3**	6.8	5.4	6.0	6.5
10	Yield on 91-day T-Bill of Central Govt. (end-period)	3.9	**4.0**	4.7	3.5	3.7	4.1
11	Merchandise Exports (BoP basis in US$ terms): Annual Growth (per cent)	14.6	**15.4**	20.5	6.8	11.9	17.6
12	Merchandise Imports (BoP basis in US$ terms): Annual Growth (per cent)	23.8	**24.0**	31.9	11.5	21.5	27.9
13	Current Account Balance in US$ bn.	-13.4	**-12.0**	2.6	-42.8	-19.6	-6.4
a	Current Account Balance (per cent to GDP at current market prices)	-0.4	**-0.4**	0.1	-1.4	-0.6	-0.2
14	Overall BoP in US$ bn.	53.1	**55.0**	76.0	-14.0	50.3	62.0
15	Inflation based on CPI Combined: Headline	4.7	**4.6**	5.7	3.9	4.4	4.8
16	Inflation based on CPI Combined: excluding Food and Beverages, Pan, Tobacco and Intoxicants and Fuel and Light	4.7	**4.9**	5.6	3.7	4.4	5.0
17	Inflation based on WPI: All Commodities	3.5	**3.6**	4.8	0.9	2.9	4.5
18	Inflation based on WPI: Non-food Manufactured Products	3.5	**3.7**	5.6	0.8	2.5	4.3

Annex 3: Quarterly Forecasts from Q3:2020-21 to Q3:2021-22

	Key Macroeconomic Indicators	Quarterly Forecasts											
		Q3: 2020-21				Q4: 2020-21				Q1: 2021-22			
		Mean	Median	Max	Min	Mean	Median	Max	Min	Mean	Median	Max	Min
1	GDP at constant (2011-12) prices: Annual Growth (per cent)	-0.7	**-0.7**	1.8	-4.5	1.3	**1.7**	4.1	-6.1	24.6	**24.6**	36.9	8.0
a	Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)	-2.4	**-2.3**	4.2	-9.7	1.6	**2.4**	6.0	-6.8	26.2	**27.9**	38.0	4.1
b	Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)	-2.3	**-3.0**	8.5	-10.5	1.5	**0.9**	12.4	-6.0	47.4	**48.0**	74.7	5.2
2	Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)	0.0	**0.5**	4.2	-6.8	4.3	**5.8**	9.5	-2.5	26.2	**27.9**	40.0	5.5
3	Gross Fixed Capital Formation (GFCF) Rate (per cent of GDP at current market prices)	25.4	**25.3**	29.5	18.9	25.9	**25.5**	29.9	23.1	24.3	**24.3**	27.8	20.7
4	GVA at constant (2011-12) prices: Annual Growth (per cent)	-0.6	**-0.9**	1.5	-3.8	1.2	**1.7**	3.4	-4.4	21.4	**22.5**	31.0	7.8
a	Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)	3.4	**3.5**	4.3	2.0	3.1	**3.1**	4.8	1.1	3.4	**3.0**	6.0	1.0
b	Industry at constant (2011-12) prices: Annual Growth (per cent)	1.7	**1.6**	10.0	-3.7	2.9	**2.9**	6.7	-3.0	38.4	**40.4**	60.1	8.2
c	Services at constant (2011-12) prices: Annual Growth (per cent)	-3.2	**-3.6**	0.7	-6.5	-0.2	**0.6**	2.3	-8.4	20.8	**20.9**	31.0	9.1
5	IIP (2011-12=100): Quarterly Average Growth (per cent)	0.9	**0.8**	4.0	-5.1	3.6	**3.0**	8.0	-2.0	33.0	**37.7**	52.0	9.8
6	Merchandise Exports - BoP basis (in US$ bn.)	75.8	**76.2**	77.1	72.5	81.8	**82.4**	86.9	77.5	79.0	**79.5**	91.0	67.0
7	Merchandise Imports - BoP basis (in US$ bn.)	108.6	**110.0**	111.6	100.5	116.3	**115.3**	127.0	108.6	113.4	**113.3**	126.8	102.9
8	Rupee per US $ Exchange rate (end-period)	-	**-**	-	-	73.0	**73.0**	74.8	71.4	72.7	**72.9**	74.8	66.8
9	Crude Oil (Indian basket) price (US $ per barrel) (end-period)	-	**-**	-	-	54.1	**55.0**	58.0	50.1	55.0	**55.0**	60.0	46.7
10	Policy Repo Rate (end-period)	-	**-**	-	-	3.97	**4.00**	4.00	3.75	3.93	**4.00**	4.00	3.25

	Key Macroeconomic Indicators	Quarterly Forecasts							
		Q2: 2021-22				Q3: 2021-22			
		Mean	Median	Max	Min	Mean	Median	Max	Min
1	GDP at constant (2011-12) prices: Annual Growth (per cent)	8.8	**8.7**	14.5	4.3	5.1	**5.0**	10.4	1.5
a	Private Final Consumption Expenditure (PFCE) at constant (2011-12) prices: Annual Growth (per cent)	11.4	**10.4**	16.9	4.5	5.8	**5.8**	8.5	1.4
b	Gross Fixed Capital Formation (GFCF) at constant (2011-12) prices: Annual Growth (per cent)	8.9	**8.4**	16.5	3.2	4.8	**5.0**	10.9	-3.2
2	Private Final Consumption Expenditure (PFCE) at current prices: Annual Growth (per cent)	13.9	**13.9**	21.0	6.2	9.3	**8.4**	12.8	6.7
3	Gross Fixed Capital Formation (GFCF) Rate (per cent of GDP at current market prices)	25.8	**25.7**	27.8	24.4	25.9	**25.9**	27.8	24.4
4	GVA at constant (2011-12) prices: Annual Growth (per cent)	8.3	**8.4**	14.3	5.9	5.3	**5.0**	10.1	0.5
a	Agriculture & Allied Activities at constant (2011-12) prices: Annual Growth (per cent)	3.5	**3.0**	7.7	1.3	3.5	**3.7**	4.8	1.0
b	Industry at constant (2011-12) prices: Annual Growth (per cent)	5.9	**5.8**	10.5	1.7	4.4	**4.3**	11.3	-4.9
c	Services at constant (2011-12) prices: Annual Growth (per cent)	10.7	**10.1**	19.8	6.5	6.6	**6.2**	13.5	1.3
5	IIP (2011-12=100): Quarterly Average Growth (per cent)	7.9	**5.9**	14.9	2.7	5.3	**4.1**	14.2	-2.6
6	Merchandise Exports - BoP basis (in US$ bn.)	83.5	**82.2**	98.0	78.6	85.3	**83.5**	109.0	77.0
7	Merchandise Imports - BoP basis (in US$ bn.)	118.9	**117.2**	130.0	106.9	122.0	**119.4**	136.0	114.0
8	Rupee per US $ Exchange rate (end-period)	73.1	**73.0**	75.5	70.0	73.2	**72.9**	76.3	70.4
9	Crude Oil (Indian basket) price (US $ per barrel) (end-period)	56.8	**55.0**	64.9	50.7	58.2	**55.7**	65.0	50.0
10	Policy Repo Rate (end-period)	3.91	**4.00**	4.00	3.00	3.89	**4.00**	4.00	3.00

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**
Q4:2020-21	5.1	**5.0**	5.8	4.4	5.4	**5.4**	5.8	4.7
Q1:2021-22	4.9	**5.0**	6.4	4.2	4.9	**5.1**	5.5	4.0
Q2:2021-22	4.7	**4.6**	6.3	3.9	4.7	**4.8**	5.3	3.6
Q3:2021-22	4.2	**4.1**	5.5	3.0	4.8	**4.9**	5.8	3.5

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

	WPI All Commodities				WPI Non-food Manufactured Products			
	Mean	**Median**	**Max**	**Min**	**Mean**	**Median**	**Max**	**Min**
Q4:2020-21	2.2	**2.3**	3.5	1.2	3.8	**4.1**	4.9	1.0
Q1:2021-22	5.0	**5.7**	6.5	1.0	4.6	**5.1**	6.0	0.9
Q2:2021-22	3.9	**4.2**	5.1	1.0	4.4	**4.8**	6.3	0.9
Q3:2021-22	3.1	**3.3**	4.3	0.8	3.5	**3.5**	5.3	0.7

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

Growth Range	Forecasts for 2020-21	Forecasts for 2021-22
11.0 per cent or more	0	0.13
10.5 to 10.9 per cent	0	0.10
10.0 to 10.4 per cent	0	0.14
9.5 to 9.9 per cent	0	0.16
9.0 to 9.4 per cent	0	0.19
8.5 to 8.9 per cent	0	0.17
8.0 to 8.4 per cent	0	0.09
7.5 to 7.9 per cent	0	0.02
7.0 to 7.4 per cent	0	0
6.5 to 6.9 per cent	0	0
6.0 to 6.4 per cent	0	0
5.5 to 5.9 per cent	0	0
5.0 to 5.4 per cent	0	0
4.5 to 4.9 per cent	0	0
4.0 to 4.4 per cent	0	0
3.5 to 3.9 per cent	0	0
3.0 to 3.4 per cent	0	0
2.5 to 2.9 per cent	0	0
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	0
-3.0 to -2.6 per cent	0	0
-3.5 to -3.1 per cent	0	0
-4.0 to -3.6 per cent	0	0
-4.5 to -4.1 per cent	0	0
-5.0 to -4.6 per cent	0	0
-5.5 to -5.1 per cent	0	0
-6.0 to -5.6 per cent	0.03	0
-6.5 to -6.1 per cent	0.09	0
-7.0 to -6.6 per cent	0.27	0
-7.5 to -7.1 per cent	0.34	0
-8.0 to -7.6 per cent	0.18	0
-8.5 to -8.1 per cent	0.04	0
-9.0 to -8.6 per cent	0.04	0
-9.5 to -9.1 per cent	0	0
-10.0 to -9.6 per cent	0	0
-10.5 to -10.1 per cent	0	0
-11.0 to -10.5 per cent	0	0
below -11.0 per cent	0	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 Q4:2020-21	Forecasts for Q1:2021-22	Forecasts for Q2:2021-22	Forecasts for Q3:2021-22
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	0	0	0
6.5 to 6.9 per cent	0.01	0	0	0
6.0 to 6.4 per cent	0.04	0.02	0.02	0
5.5 to 5.9 per cent	0.18	0.09	0.05	0.01
5.0 to 5.4 per cent	0.35	0.35	0.14	0.06
4.5 to 4.9 per cent	0.36	0.31	0.33	0.18
4.0 to 4.4 per cent	0.07	0.18	0.25	0.29
3.5 to 3.9 per cent	0	0.05	0.17	0.23
3.0 to 3.4 per cent	0	0	0.03	0.19
2.5 to 2.9 per cent	0	0	0	0.04
2.0 to 2.4 per cent	0	0	0	0
1.5 to 1.9 per cent	0	0	0	0
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.