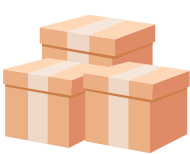


# The Indian consumer durables sector – Q4FY25

KPMG. Make the Difference.



Domestic demand and growing preferences for efficient and smart appliances are shaping India's consumer durables market, despite inflationary and regulatory challenges



**INR3 tn**

Projected market size FY29<sup>1</sup>

**4<sup>th</sup>**

Largest global market by FY27<sup>1</sup>

**11%<sup>CAGR\*</sup>**

\*Compounded Annual Growth Rate

Indian consumer durable sector growth (FY24-29)<sup>1</sup>

**0.6%**

Contribution to GDP\* by the sector (FY25)<sup>1</sup>

\*Gross Domestic Product

Segmental performance

Exports of key products like refrigerator and air conditioners are expected to drive the next growth phase

Washing machine<sup>2</sup>



**64.6%**

Air conditioner<sup>2</sup>



**49.4%**

Refrigerator<sup>2</sup>



**51.1%**

Dishwashing machine<sup>2</sup>



**26.7%**

Y-o-Y export growth of key consumer durable products in India (Jan 2025)<sup>2</sup>

Future outlook<sup>1</sup>

- Refrigerator market in India to increase by a CAGR of 9.37 per cent (FY24-33)
- AC market in India to increase by a CAGR of 7.78 per cent (FY23-32)
- India aims to achieve electronics manufacturing worth INR26,173 bn in electronics and exports of INR10,469 bn by FY26

Performance snapshot

Drivers

Production-Linked Incentive (PLI) scheme<sup>1</sup>



**INR67.7 bn**

Govt. incentives for white goods under PLI (FY22-29)

Income growth of consumers<sup>3</sup>



**19%**

Growth of per capita disposable income in India (FY23-25)

Multinational interest<sup>1</sup>



Rising disposable income and technological innovation is fueling competition and attracting multinational companies

Challenges

Escalation of trade and tariff tensions leading to<sup>4</sup>



**Financial market volatility**

Raised concerns of global growth in the near term

Increase in inflationary pressures<sup>5</sup>



**3.43% (Mar 2025)**

Urban Consumer Price Inflation (CPI) from 3.32 per cent in Feb 2025 (Y-o-Y)

Global economic conditions<sup>6</sup>



Fluctuations in global financial markets can influence domestic consumer spending patterns

Outlook



Increasing investments from national and multinational players<sup>1</sup>



Smartphones market is expected to grow by three per cent Y-o-Y in 2025<sup>1</sup>



Increase in consumer confidence from 93.7 in Jan 25 to 95.5 in Mar 25<sup>7</sup>



**3.6%**

Expected consumer price inflation in Q1FY26<sup>8</sup>

Key takeaways

Investments, innovation and e-commerce impacting growth



Increased government investments<sup>1</sup>



Focusing on the Indian smart electronics market<sup>1</sup>



Y-o-Y online shopping growth, with consumer digital economy to reach INR70 tn by 2030<sup>1</sup>



Y-o-Y increase in production of white goods<sup>1</sup>



Growing consumer durable financing options<sup>1</sup>

Sources: 1) India's consumer durables market, IBEF, February 2025; 2) Trade statistics, Ministry of commerce and industry, accessed in May 2025; 3) Decoding the consumer basket, IBEF, 3 January 2025; 4) RBI official website, accessed on March 2025; 5) Consumer Price Index, Government of India- ministry of statistics and programme implementation national statistics office, 15 April 2025; 6) Geopolitical risks and their implications for consumer expectations and spending, CEPR, 4 April 2025; 7) Consumer Confidence Survey, RBI, accessed in June 2025; 8) RBI Issues April 2025 Policy Update, PIB, 9 April 2025

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