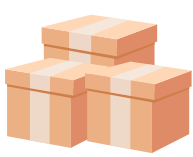


The Indian consumer durables sector – Q4FY25

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



INR 3 tn

Projected market size FY29¹

4th

Largest global market by FY27¹

11%^{GAGR*}

* Compounded Annual Growth Rate

Indian consumer durable sector growth (FY24-29)¹

0.6%

Contribution to GDP* by the sector (FY25)¹

* Gross Domestic Product

Segmental performance

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

Washing machine²



64.6%

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

Air conditioner²



49.4%

Refrigerator²



51.1%

Dishwashing machine²



26.7%

Future outlook¹

- 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) scheme¹

INR 67.7 bn

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

Income growth of consumers³

19%

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



Multinational interest¹

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

Challenges

Escalation of trade and tariff tensions leading to⁴

Financial market volatility

Raised concerns of global growth in the near term

Increase in inflationary pressures⁵

3.43% (Mar 2025)

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



Global economic conditions⁶

Fluctuations in global financial markets can influence domestic consumer spending patterns

Outlook



Increasing investments from national and multinational players¹



Smartphones market is expected to grow by three per cent Y-o-Y in 2025¹



Increase in consumer confidence from 93.7 in Jan 25 to 95.5 in Mar 25⁷

3.6%

Expected consumer price inflation in Q1FY26⁸

Key takeaways

Investments, innovation and e-commerce impacting growth



Increased government investments¹



Focusing on the Indian smart electronics market¹



Y-o-Y online shopping growth, with consumer digital economy to reach INR70 tn by 2030¹



Y-o-Y increase in production of white goods¹



Growing consumer durable financing options¹

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

KPMG in India contacts:

Neeraj Bansal
Partner and Head – India Global
E: nbansal@kpmg.com

Vaibhav Sharma
Director - Markets
E: vaibhavsharma20@kpmg.com

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KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

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