

Macro Insights

12th April, 2024

IIP growth jumps to 5.7%

IIP growth jumps to 5.7 percent in February 2024 while the same was 4.1 percent in January 2024 and 6.0 percent in February 2023.

Highlights:

- ✦ In Sector wise performance, Manufacturing Sector recorded the lowest growth of 5.0 percent.
- ✦ Highest growth was observed in Mining (8.0 percent) while Electricity Sector grew by 7.5 percent in February.
- ✦ Amongst Use Based, highest growth at 12.3 percent was observed in Consumer Durables
- ✦ Capital Goods observed the marginal growth of 1.2 percent.
- ✦ Consumer Non-Durables observed decline on YoY basis.

Chart: IIP- February 2024

Movement of Sectoral Index of Industrial Production (IIP)

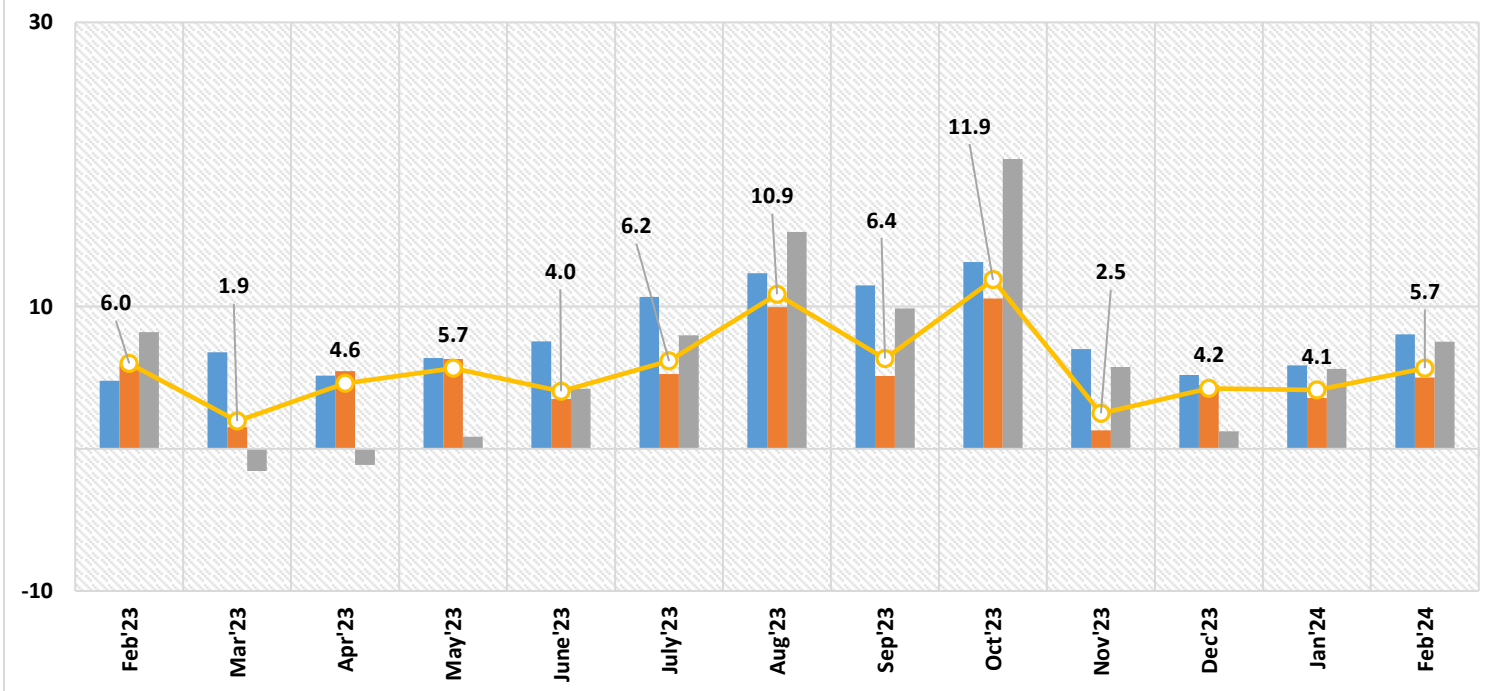


Table: IIP growth % (Sector-wise)

| Component | Weight | Feb'23 | Jan'24 | Feb'24 | Apr-Feb'23 | Apr-Feb'24 |
|--------------------|--------|--------|--------|--------|------------|------------|
| Mining | 14.37% | 4.8 | 5.9 | 8.0 | 5.8 | 8.2 |
| Manufacturing | 77.63% | 5.9 | 3.6 | 5.0 | 5.0 | 5.4 |
| Electricity | 7.99% | 8.2 | 5.6 | 7.5 | 10.0 | 6.9 |
| IIP Index -General | 100.0% | 6.0 | 4.1 | 5.7 | 5.6 | 5.9 |

Table: IIP growth % (Usage-wise)

| Component | Weight | Feb'23 | Jan'24 | Feb'24 | Apr-Feb'23 | Apr-Feb'24 |
|--------------------------|--------|--------|--------|--------|------------|------------|
| Primary Goods | 34.05% | 7.0 | 2.9 | 5.9 | 7.9 | 6.5 |
| Capital Goods | 8.22% | 11.0 | 3.4 | 1.2 | 13.4 | 6.2 |
| Intermediate Goods | 17.22% | 1.0 | 5.3 | 9.5 | 4.1 | 5.3 |
| Infra/Construction Goods | 12.34% | 9.0 | 5.5 | 8.5 | 8.5 | 10.0 |
| Consumer Durables | 12.84% | -4.1 | 11.9 | 12.3 | 1.5 | 3.1 |
| Consumer Non- Durables | 15.33% | 12.5 | -0.2 | -3.8 | 0.9 | 3.8 |

Views:

- The recovery in the industrial activities looks skewed rather than broad based, however some of sectors are showing good growth to propel the overall growth of the Industrial activities.
- The concern is continuous negative growth observed in Consumer Non- Durables which has declined further in February data.
- Seeing the trend of the economy and the performance of other leading indicators in the month of March 2024, we may expect that the IIP growth may remain in the range of 4-5 percent in the coming months to come.

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