Economic Intelligence Cell
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Macro Insights

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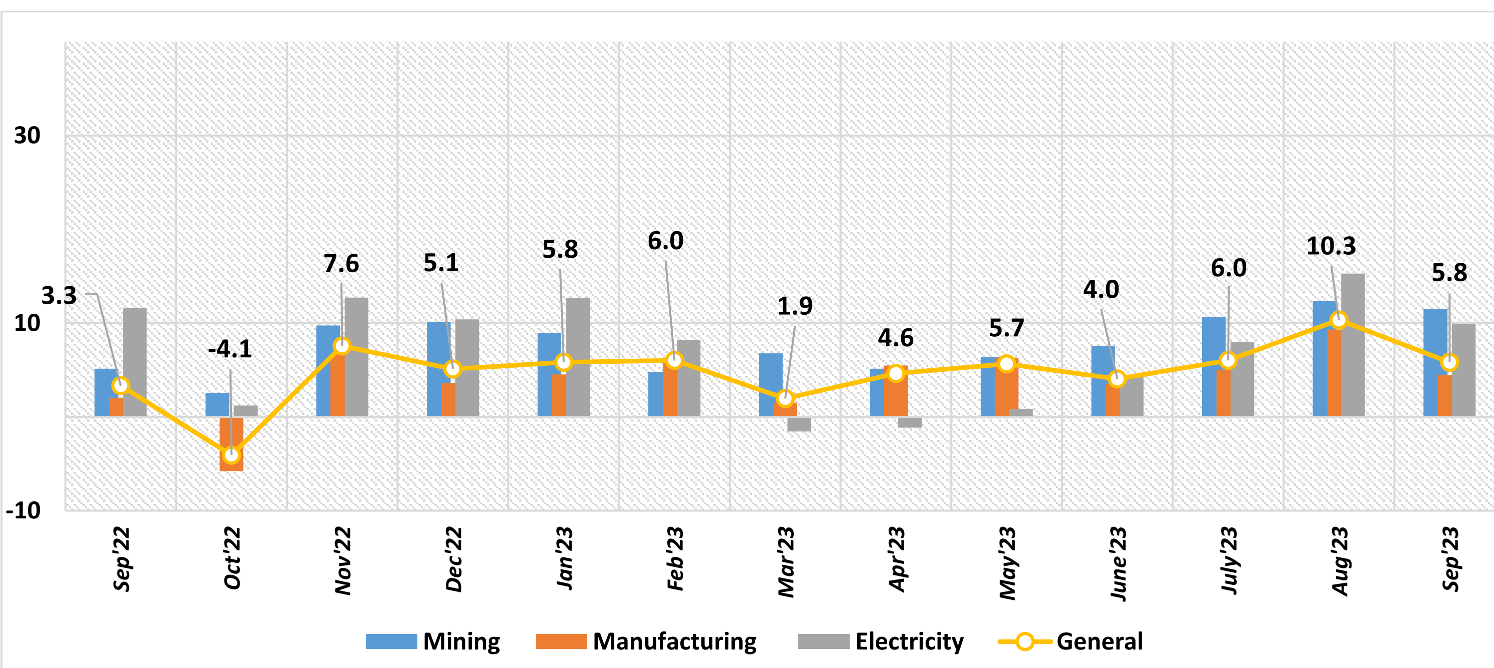
IIP growth shows downtrend

IIP growth falls to 5.8 percent led by fall in Manufacturing and Electricity Sectors

Highlights:

- *In Sector wise performance, the Mining Sector showed the maximum growth of 11.5 percent while slowest growth was registered in Manufacturing Sector.*
- *In Manufacturing Sector (highest weightage), out of 23 sectors, 9 sectors have registered negative growth.*
- *In Use Based, Highest growth was observed in Primary Goods at 8.0 percent. Infrastructure/ Construction goods although came down from 13.5 percent to 7.5 percent in Sep'23, but it has been has been greatly benefitted by capital expenditure by the Government.*

Chart: IIP Growth % (Sector-wise)



Note: General implies overall IIP

Table: IIP growth % (Sector-wise)

Component	Weight	Sep’22	Aug’23	Sep’23		Apr-Sep’22	Apr-Sep’23
Mining	14.37%	5.2	12.3	11.5		4.3	8.7
Manufacturing	77.63%	2.0	9.3	4.5		6.9	5.7
Electricity	7.99%	11.6	15.3	9.9		10.8	6.1
IIP Index -General	**100.0%**	**3.3**	**10.3**	**5.8**		**7.1**	**6.0**

Table: IIP growth % (Usage-wise)

Component	Weight	Sep’22	Aug’23	Sep’23		Apr-Sep’22	Apr-Sep’23
Primary Goods	34.05%	9.5	12.4	8.0		9.2	6.3
Capital Goods	8.22%	11.4	13.1	7.4		16.9	6.7
Intermediate Goods	17.22%	1.7	6.8	5.8		6.7	4.2
Infra/Construction Goods	12.34%	8.2	13.5	7.5		7.8	12.1
Consumer Durables	12.84%	-5.5	5.8	1.0		10.1	-0.7
Consumer Non- Durables	15.33%	-5.7	9.6	2.7		-2.5	6.8

Views:

- There has been considerable growth in the Infrastructure segment during ongoing fiscal year due however, global growth uncertainties are posing a challenge for industrial activity.
- Consumer Durable have shown de-growth during the six months of the Current Fiscal Year while YoY basis, it has shown the marginal growth of 1 percent. It is generally believed that the period of July, August and September is generally weak from the point of view of Consumer durables.
- Going ahead, a broad-based and durable improvement in consumption remains critical for the momentum in industrial activity.
- The IIP number growth is likely to remain in the range of 7-10 percent in the coming month.

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