

Macro Insights

12th September 2023

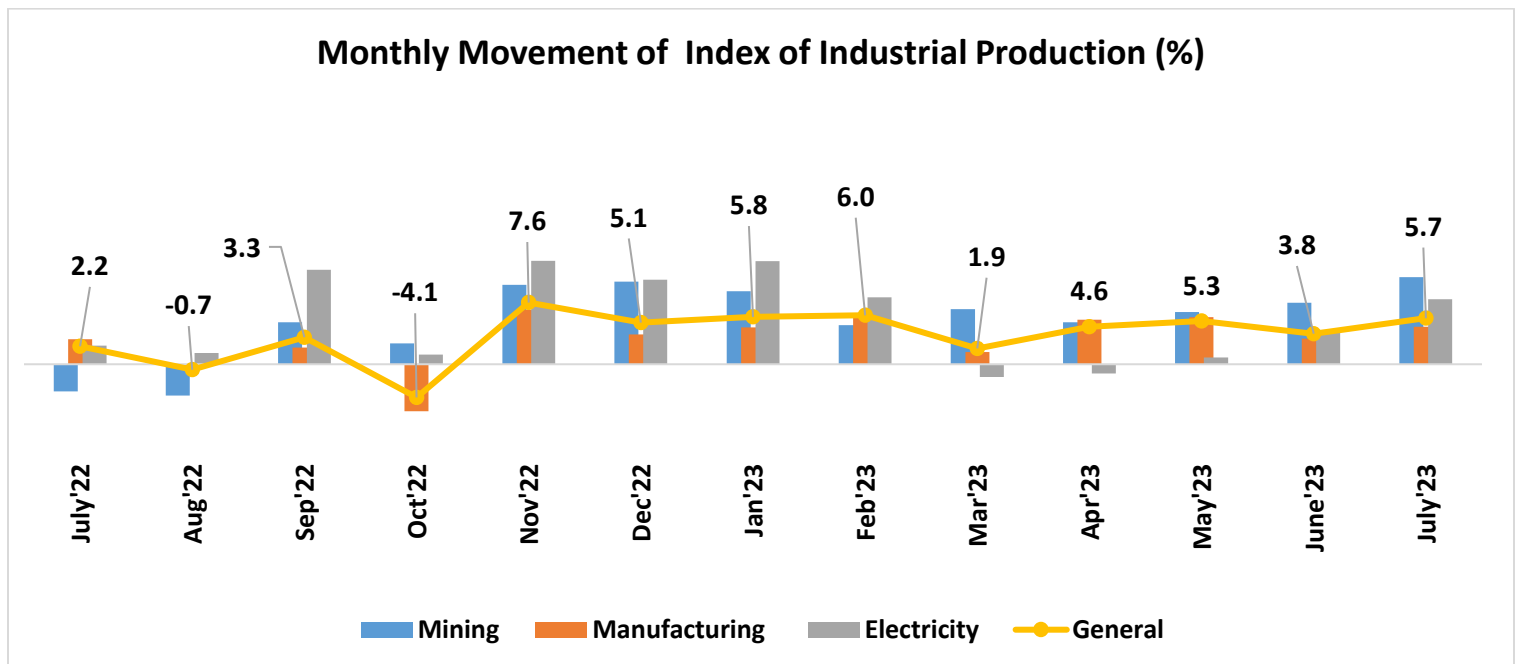
IIP growth rises to 5.7 per cent

IIP growth rises to 5.7 per cent in July 2023 from 3.8 per cent in June'23.

Highlights:

- ⚙ Mining showed the highest growth, Electricity showed the growth of 8.0 per cent.
- ⚙ Manufacturing sector showed the growth of 4.6 per cent.
- ⚙ Amongst Used Based: Highest growth has been observed in Infra/Construction Goods, followed by Primary Goods
- ⚙ While Consumer durables was in negative zone growth zone.

Chart: IIP Growth % (Sector-wise)



Note: General implies overall IIP

Table: IIP growth % (Sector-wise)

Component	Weight	Jul'22		Mar'23	June'23	Jul'23
Mining	14.37%	-3.3		6.8	7.6	10.7
Manufacturing	77.63%	3.1		1.5	3.1	4.6
Electricity	7.99%	2.3		-1.6	4.2	8.0
IIP Index -General	100%	2.2		1.7	3.8	5.7

Table: IIP growth % (Usage-wise)

Component	Weight	July'22		Mar'23	June'23	July'23
Primary Goods	34.05%	2.5		3.3	5.2	7.6
Capital Goods	8.22%	5.1		9.1	2.2	4.6
Intermediate Goods	17.22%	3.7		1.8	4.5	1.9
Infra/Construction Goods	12.34%	4.8		7.0	11.3	11.4
Consumer Durables	12.84%	2.3		-8.0	-6.9	-2.7
Consumer Non- Durables	15.33%	-2.9		-1.9	1.2	7.4

Views:

- The Economy's rising Industrial growth paints a bright picture of the economy. The same is likely to pick up on account of ensuing festive season. However consumer durable being in negative zone indicate towards weak demand in the area. Also upwards inflationary tendencies will also have some impact on the production and demand going forward.
- The consistent growth in Infrastructure and construction goods usage wise which clearly indicate towards the expansion of infrastructure sector in India.
- It is expected that the IIP growth will continue to show moderation and be in the range of 4-6 per cent going forward.

Disclaimer: The opinion/information expressed/compiled in this note is of Bank's Research team and does not reflect opinion of the Bank or its Management or any of its subsidiaries. The contents can be reproduced with proper acknowledgement to the original source/authorities publishing such information. Bank does not take any responsibility for the facts/ figures represented in the note and shall not be held liable for the same in any manner whatsoever.

For any feedback or valuable suggestions: Reach us at eicsmead@pnb.co.in

Follow our Official Page

www.pnbindia.in

