

Macro Insights

15th April, 2025

Highlights

IIP growth drops to six-month low at 2.9% in Feb'25

IIP drops to 2.9% in Feb'25 compared to 5.2% in Jan'25. This growth is lower than 5.6% growth observed in Feb'24.

- ☞ IIP slowed down to 2.9% in Feb'25 which is lower than the growth seen in Feb'24 of 5.6%. IIP for the period of Apr'24-Feb'25 showed a growth of 4.1% this year compared to 6.0% during the same period last year.
- ☞ The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of February 2025 are 1.6%, 2.9% and 3.6% respectively. (As shown in table 1)
- ☞ Amongst Use Based, all the sectors showed growth except consumer non-durables, with highest growth being observed in Capital Goods (8.2%) and Construction goods (6.6%), while growth in Primary Goods (2.8%) in Feb'25. Consumer Non-Durables showed de-growth of 2.1% (As shown in table 2).

Chart: IIP- February 2025 (YoY% Change)

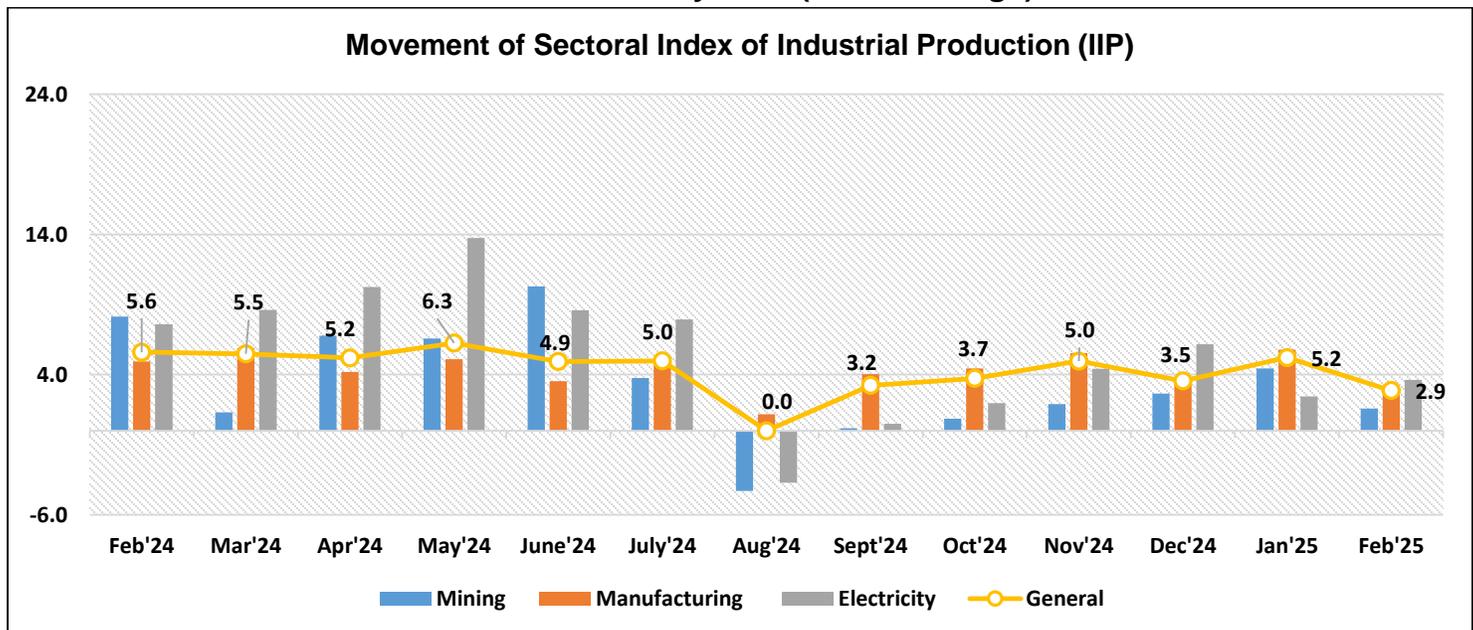


Table 1: IIP growth % (Sector-wise)

Component	Weight	Feb'24	Jan'25	Feb'25	Apr-Feb'24	Apr-Feb'25
Mining	14.37%	8.1	4.4	1.6	8.2	3.2
Manufacturing	77.63%	4.9	5.8	2.9	5.4	4.1
Electricity	7.99%	7.6	2.4	3.6	6.9	5.0
IIP Index -General	100.0%	5.6	5.2	2.9	6.0	4.1

Table 2: IIP growth % (Usage-wise)

Component	Weight	Feb'24	Jan'25	Feb'25	Apr-Feb'24	Apr-Feb'25
Primary Goods	34.05%	5.9	5.5	2.8	6.5	3.9
Capital Goods	8.22%	1.7	10.3	8.2	6.2	5.9
Intermediate Goods	17.22%	8.6	5.3	1.5	5.2	4.4
Infra/Construction Goods	12.34%	8.3	7.4	6.6	10.0	6.4
Consumer Durables	12.84%	12.6	7.2	3.8	3.0	8.2
Consumer Non- Durables	15.33%	-3.2	-0.3	-2.1	4.0	-1.4

Views:

- The IIP in Apr'24 -Feb'25 has slowed down to 4.1% in comparison to 6.0% growth in Apr'23-Feb'24.
- The deceleration was broad-based, with all the use-based categories, as well as two of the three sectors barring electricity, witnessing a slower growth in February 2025 vis-à-vis previous month.
- While the growth performance of mining is expected to deteriorate in March 2025 relative to February 2025, this is likely to be offset by an uptick in electricity generation, amid steady manufacturing growth.
- According to ICRA, the IIP growth is expected to be around 3.0% in March 2025, similar to the levels seen in February 2025.
- Going forward, while the global economy faces a disruption and volatility, the IIP is anticipated to be upbeat, driven by elevated government capex and stronger demand for consumer and non-consumer durables.

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