

## Macro Insights

12<sup>th</sup> June, 2024

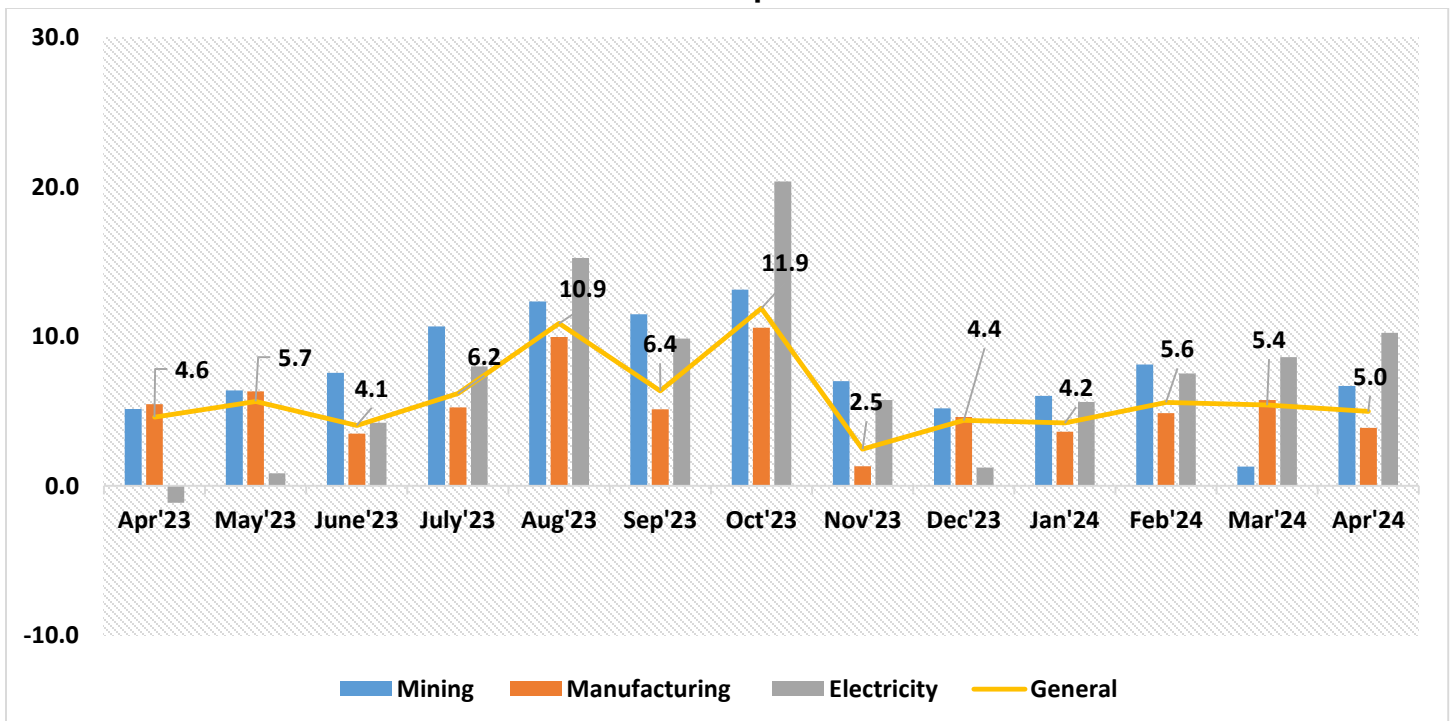
### IIP growth increases to 5.0%

IIP growth increased to 5.0 per cent YoY in April 2024 vis-à-vis 4.6 per cent in April 2023. In March 2024, India's industrial output had grown by 5.4 percent YoY.

### Highlights:

- ☞ In Sector wise performance, Electricity Sector recorded the highest growth of 10.2 per cent YoY.
- ☞ Lowest growth was observed in Manufacturing, where output grew by 3.9 per cent in April 2024- compared to 5.8 per cent in March 2024.
- ☞ Mining sector output witnessed a growth of 6.7 per cent- YoY higher than the growth of 1.3 per cent recorded in the previous month.
- ☞ Amongst Use Based, highest growth was observed in Consumer Durables at 9.8 per cent, while Consumer Non-Durables registered a contraction in output by 2.4 per cent YoY.

Chart: IIP- April 2024



**Table: IIP growth % (Sector-wise)**

Component	Weight	Apr-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>IIP</b>	100.0%	4.6	4.2	5.6	5.4	<b>5.0</b>
<b>Mining</b>	14.37%	5.2	6.0	8.1	1.3	<b>6.7</b>
<b>Manufacturing</b>	77.63%	5.5	3.6	4.9	5.8	<b>3.9</b>
<b>Electricity</b>	7.99%	-1.1	5.6	7.5	8.6	<b>10.2</b>

**Table: IIP growth % (Usage-wise)**

Component	Weight	Apr-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Primary Goods</b>	34.05%	1.9	2.9	5.9	3.0	<b>7.0</b>
<b>Capital Goods</b>	8.22%	4.4	3.2	1.1	6.6	<b>3.1</b>
<b>Intermediate Goods</b>	17.22%	1.7	5.3	8.7	5.5	<b>3.2</b>
<b>Infra/Construction Goods</b>	12.34%	13.4	5.5	8.5	7.4	<b>8.0</b>
<b>Consumer Durables</b>	12.84%	-2.4	11.6	12.4	9.5	<b>9.8</b>
<b>Consumer Non- Durables</b>	15.33%	11.4	0.3	-3.5	5.3	<b>-2.4</b>

**Views:**

- Heatwave conditions that began from April onwards increased demand for cooling which led to higher electricity generation in the month of April 2024.
- Further breakdown of the manufacturing sector shows that 6 of the 23 sub-sectors registered contraction in output. These were food, tobacco, leather, wood, paper, and printing. The sectors that witnessed good growth in output in April 2024 were furniture, transport equipment, motor vehicles, metals & products, beverages, and wearing apparel.
- Going ahead, while high frequency indicators show mixed performance, electricity generation is likely to propel IIP growth in May. **IIP growth may range between 5-6 per cent in the next month.**

**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](mailto:eicsmead@pnb.co.in)**

Follow our Official Page

[www.pnbindia.in](http://www.pnbindia.in)

