

## Macro Insights

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

### IIP growth slides to 2.4%

IIP growth increases to 3.8 percent. In December 2022, India's industrial output had grown by 5.1 percent.

### Highlights:

- ☛ In Sector wise performance, Electricity Sector recorded the lowest growth of 1.2 percent.
- ☛ Highest growth was observed in Mining while Manufacturing Sector grew by 3.9 percent in December.
- ☛ Amongst Use Based, highest growth was observed in Consumer Durables while the lowest was in Consumer Non-Durables
- ☛ None of the sectors registered negative growth.

Chart: IIP- December 2023

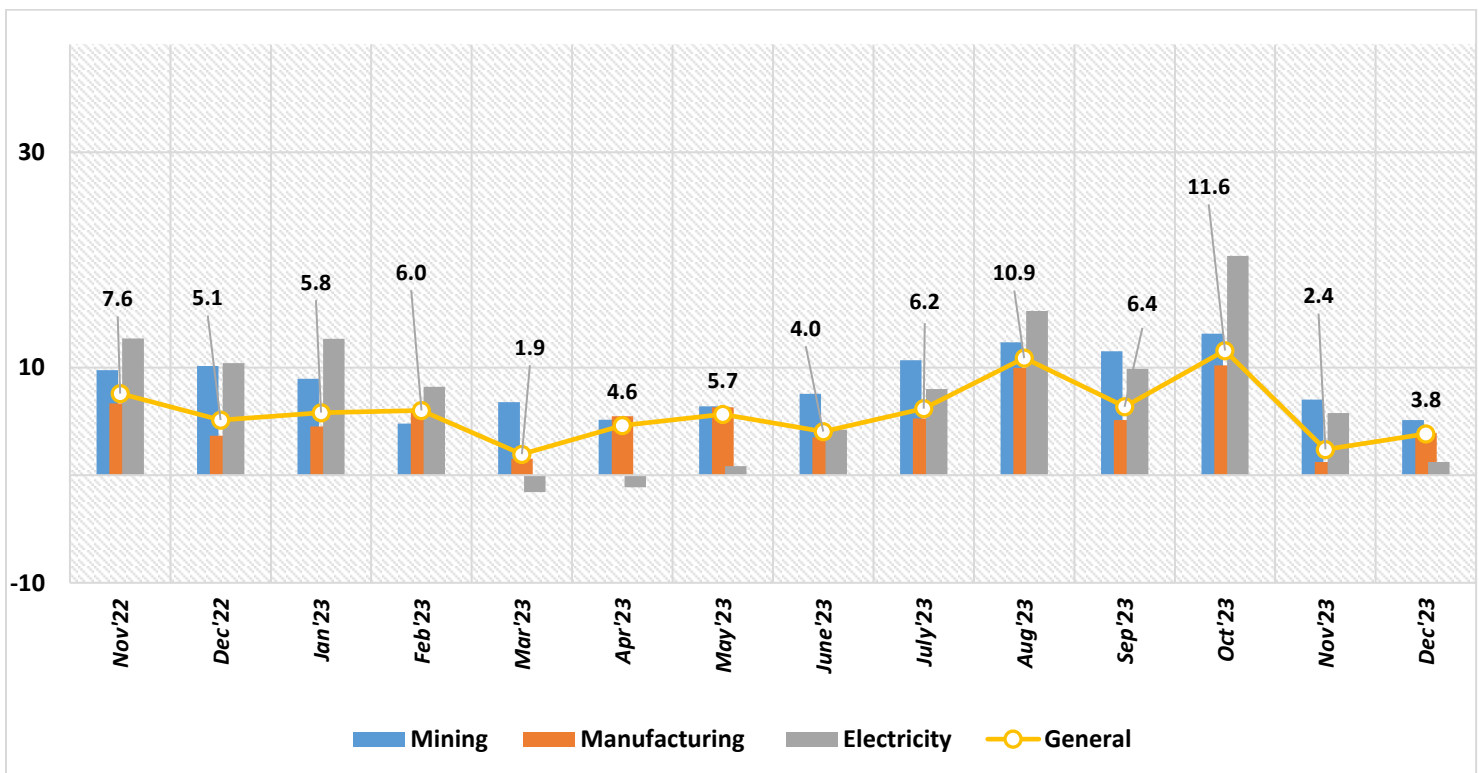


Table: IIP growth % (Sector-wise)

Component	Weight	Dec'22	Nov'23	Dec'23	Apr-Dec'22	Apr-Dec'23
Mining	14.37%	10.1	7.0	5.1	5.5	8.5
Manufacturing	77.63%	3.6	1.2	3.9	5.0	5.6
Electricity	7.99%	10.4	5.8	1.2	9.9	7.0
IIP Index -General	100.0%	5.1	2.4	3.8	5.5	6.1

Table: IIP growth % (Usage-wise)

Component	Weight	Dec'22	Nov'23	Dec'23	Apr-Dec'22	Apr-Dec'23
Primary Goods	34.05%	8.5	8.5	4.6	7.9	6.9
Capital Goods	8.22%	7.8	-1.1	3.2	13.9	7.0
Intermediate Goods	17.22%	1.5	3.1	3.4	4.7	4.7
Infra/Construction Goods	12.34%	11.0	1.7	4.1	8.2	10.4
Consumer Durables	12.84%	-11.2	-5.5	4.8	3.2	1.0
Consumer Non- Durables	15.33%	7.9	-3.3	2.1	-1.0	5.2

### Views:

- The lower growth of IIP has been attributed to low growth in Electricity sector reflecting lower levels of demand. There has been uptick in economic activities in all the segments,
- It is expected that with the available high frequency indicators for January 2024, the IIP may again see an uptick going further. **IIP growth may range between 5-6% in coming month i.e., February 2024.**

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