

Macro Insights

12th July, 2024

IIP growth slows down to 4.2%

IIP growth comes down to 4.2% in June'24 vis-à-vis 6.2% growth observed in May'24.

In June'23, India's industrial output had grown by 4.0%.

Highlights:

- ☞ In Sector wise performance, Electricity Sector recorded the highest growth of 13.7 percent.
- ☞ Lowest growth was observed in Manufacturing Sector.
- ☞ In May 2023, the Mining, Manufacturing and Electricity grew by 6.4, 6.3, and 0.9 per cent respectively
- ☞ 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- May 2024

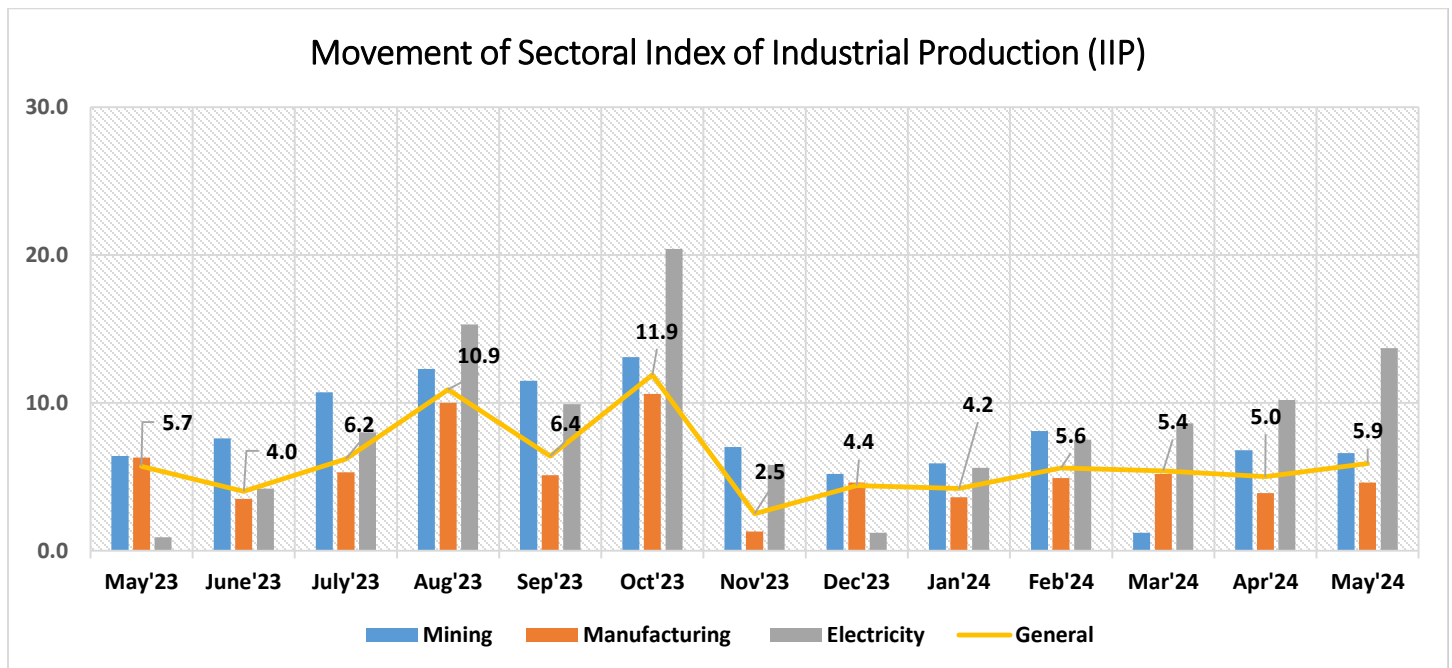


Table: IIP growth % (Sector-wise)

Component	Weight	May'23	Apr'24	May'24
Mining	14.37%	6.4	6.8	6.6
Manufacturing	77.63%	6.3	3.9	4.6
Electricity	7.99%	0.9	10.2	13.7
IIP Index -General	100.0%	5.7	5.0	5.9

Table: IIP growth % (Usage-wise)

Component	Weight	May'23	Apr'24	May'24
Primary Goods	34.05%	3.6	7.0	7.3
Capital Goods	8.22%	8.1	2.7	2.5
Intermediate Goods	17.22%	3.4	3.2	2.5
Infra/Construction Goods	12.34%	13.0	8.0	6.9
Consumer Durables	12.84%	1.5	10.0	12.3
Consumer Non- Durables	15.33%	8.9	-2.5	2.3

Views:

- The higher growth of IIP has been attributed to growth in Electricity sector which reflect uptick in industrial activities. It is expected that manufacturing and electricity generation will remain to be resilient going forward which may continue to drive the index performance. ***IIP growth may range between 5-6% in coming 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

Follow our Official Page

www.pnbindia.in

