

## Macro Insights

30<sup>th</sup> May, 2025

### Highlights

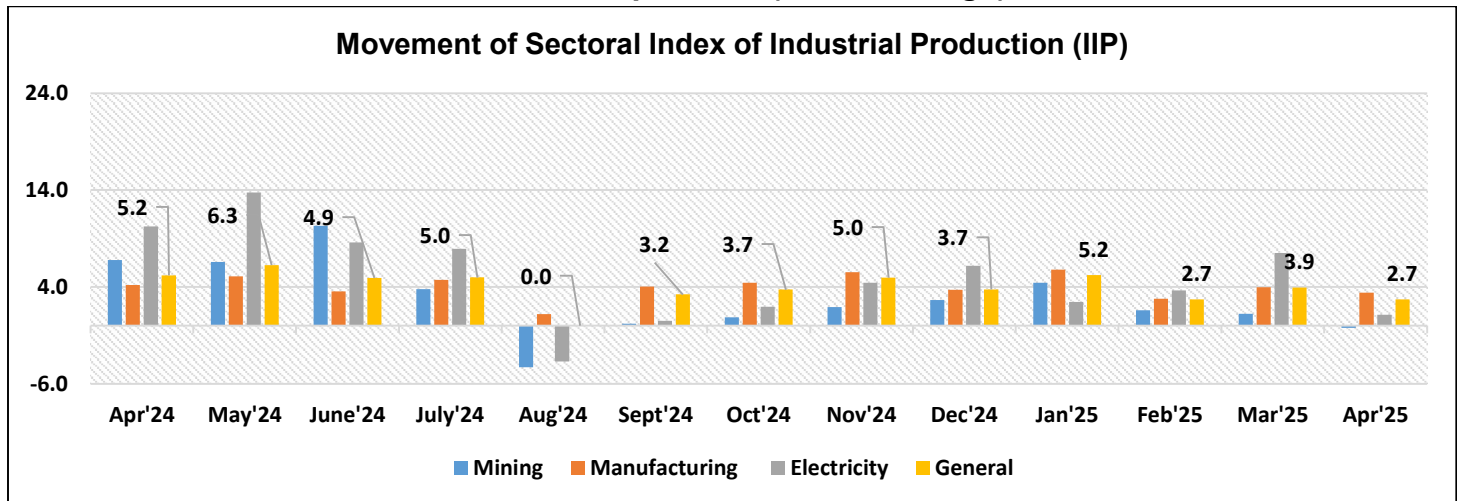
#### IIP growth drops to Eight-month low at 2.7% in Apr'25

IIP drops to 2.7% in Apr'25 compared to 3.9% in Mar'25.

This growth is lower than 5.2% growth observed in Apr'24.

- IIP slowed down to 2.7% in Apr'25 which is lower than the growth seen in Apr'24 of 5.2%. IIP for the period of Apr'24-Mar'25 showed a growth of 4.0% this year compared to 5.9% during the same period last year.
- The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of April 2025 are -0.2%, 3.4% and 1.1% respectively. (As shown in table 1)
- Amongst Use Based, all the sectors showed growth except consumer primary goods, with highest growth being observed in Capital Goods (20.3%) and Consumer durables (6.4%) in Apr'25. Primary goods de-grew by 0.4% (As shown in table 2).

Chart: IIP- April 2025 (YoY% Change)



Source: MoSPI

Table 1: IIP growth % (Sector-wise)

Component	Weight	Apr'24	Apr'25	FY'24	FY'25
Mining	14.37%	6.8	-0.2	7.5	3.0
Manufacturing	77.63%	4.2	3.4	5.5	4.1
Electricity	7.99%	10.2	1.1	7.1	5.2
IIP Index -General	100.0%	5.2	2.7	5.9	4.0

**Table 2: IIP growth % (Usage-wise)**

Component	Weight	Apr'24	Apr'25	FY'24	FY'25
Primary Goods	34.05%	7.0	-0.4	6.1	3.9
Capital Goods	8.22%	2.8	20.3	6.3	5.6
Intermediate Goods	17.22%	3.8	4.1	5.3	4.3
Infra/Construction Goods	12.34%	8.5	4.0	9.7	6.7
Consumer Durables	12.84%	10.5	6.4	3.6	7.9
Consumer Non- Durables	15.33%	-2.5	-1.7	4.1	-1.5

**Views:**

- Growth in industrial activity in the country slowed to an eight-month low of 2.7% in April 2025, dragged down by lower activity in several sectors, including mining and quarrying, electricity, primary goods, infrastructure and construction, and consumer non-durables.
- This is the lowest growth in eight months – the previous low was the flat growth in August 2024. In February 2025, IIP grew marginally higher than in April at 2.71%.
- The manufacturing sector that has a weight of 77.6% in the index grew just 3.4% during the month compared to 4.2% in April 2024. The electricity production with a weight of 7.9% in IIP grew 1.1% in April 2025.
- The mining sector output, with a weight of 14.3% in the index, contracted 0.2% in April 2025.
- Within manufacturing, the output of coke and refined petroleum products was down 2.1%, while production of chemicals was down 3.6% and pharma 3.9%.
- Keeping in view the expected GDP growth of 6.5% in Q1FY'26, various agencies are expecting IIP growth to remain in the range of 1.00%-2.00% in the coming months.

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