

## Macro Insights

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

### IIP growth slips to 3.8%

IIP growth declines to 3.8 percent. In January 2024 as compared to 4.2 percent in December 2023.

### Highlights:

- ✦ In Sector wise performance, Manufacturing Sector recorded the lowest growth of 3.2 percent.
- ✦ Highest growth was observed in Mining (5.9%) while Electricity Sector grew by 5.6 percent in December.
- ✦ Amongst Use Based, highest growth was observed in Consumer Durables
- ✦ Primary good observed the marginal growth of 2.9 percent.
- ✦ Consumer Non-Durables observed decline on YoY basis.

Chart: IIP- January 2024

Movement of Sectoral Index of Industrial Production (IIP)

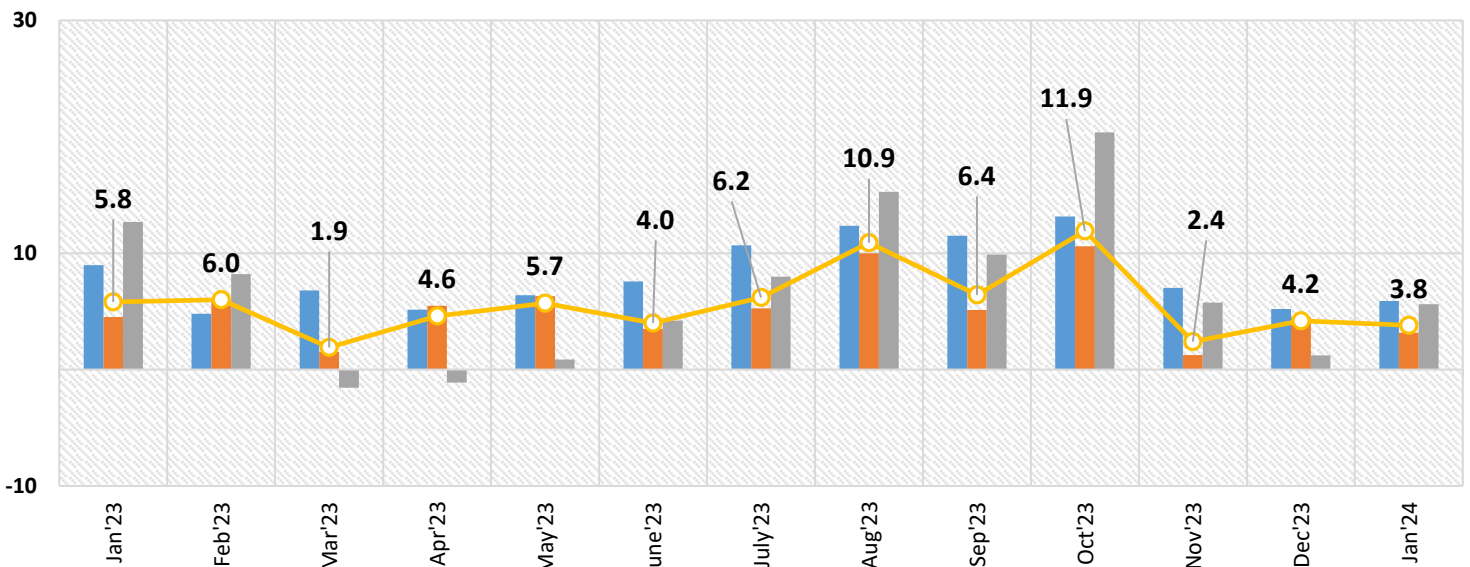


Table: IIP growth % (Sector-wise)

Component	Weight	Jan'23	Dec'23	Jan'24	Apr-Jan'23	Apr-Jan'24
Mining	14.37%	9.0	5.2	5.9	5.8	8.3
Manufacturing	77.63%	4.5	4.5	3.2	4.9	5.4
Electricity	7.99%	12.7	1.2	5.6	10.1	6.8
IIP Index -General	100.0%	5.8	3.8	3.8	5.5	5.9

Table: IIP growth % (Usage-wise)

Component	Weight	Jan'23	Dec'23	Jan'24	Apr-Jan'23	Apr-Jan'24
Primary Goods	34.05%	9.8	4.6	2.9	8.0	6.5
Capital Goods	8.22%	10.5	3.2	4.1	13.5	6.9
Intermediate Goods	17.22%	1.4	3.4	4.8	4.3	4.8
Infra/Construction Goods	12.34%	11.3	4.1	4.6	8.5	10.0
Consumer Durables	12.84%	-8.2	4.8	10.9	2.1	2.0
Consumer Non- Durables	15.33%	6.5	2.1	-0.3	-0.2	4.6

### Views:

- The de growth in the Consumer Non-durables reflect the weakness on demand driven front in the economy however moderate growth in Capital, Intermediate and Infrastructure outline the continued investment push in the economy.
- It is expected that with the available high frequency indicators for January 2024, the IIP may see an uptick going further and **may range between 5-6 percent in coming month i.e., February 2024.**

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