

Macro Insights

12th October, 2023

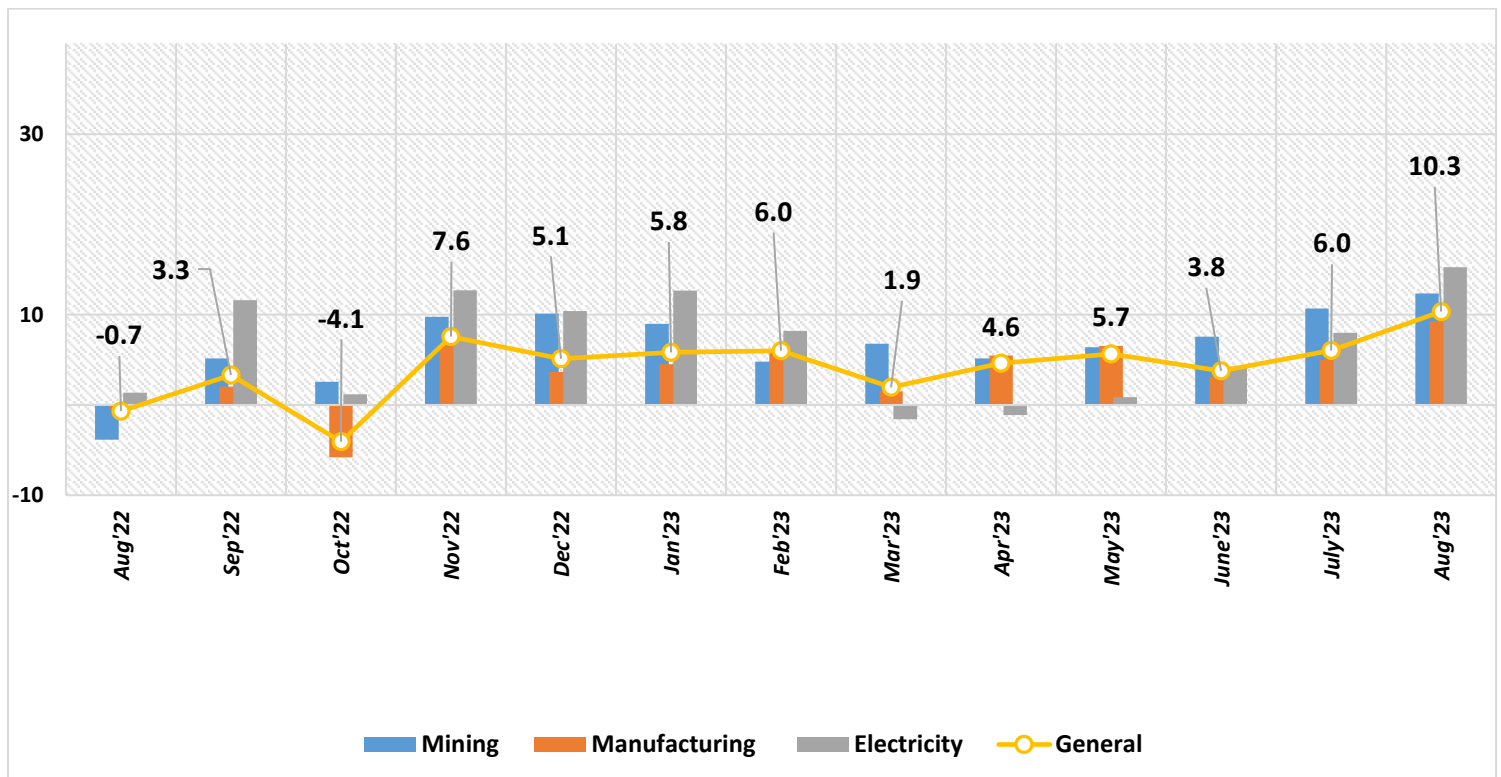
Highlights:

IIP growth rises to 10.3 per cent

IIP growth rises to 10.3 per cent in August 2023 from 6.0 per cent in July'23..

- On Sector Based IIP, All the sectors barring one i.e., Manufacturing Sector, showed double digit growth.
- In Use Based IIP, Except Intermediate, Consumer durables and Consumer non-Durables, all the other showed double digit growth.
- None of the sectors showed negative growth in August 2023 under Index of Industrial Production (IIP) which is a positive sign.

Chart: IIP Growth % (Sector-wise)



Note: General implies overall IIP

Table: IIP growth % Sectoral

Sector	Apr-Aug'22	Apr-Aug'23
Mining	4.2	8.3
Manufacturing	8.0	5.8
Electricity	10.6	5.4
General	7.7	6.1

Table: IIP growth % (Use Based)

Component	Weight	Aug'22	Mar'23	June'23	Aug'23
Primary Goods	34.05%	1.7	3.3	5.2	12.4
Capital Goods	8.22%	4.3	9.1	2.2	12.6
Intermediate Goods	17.22%	1.3	1.8	4.5	6.5
Infra/Construction Goods	12.34%	3.0	7.0	11.3	14.9
Consumer Durables	12.84%	-4.4	-8.0	-6.9	5.7
Consumer Non- Durables	15.33%	-9.0	-1.9	1.2	9.0

Table: IIP growth % (Use Based)

Sector	Apr-Aug'22	Apr-Aug'23
Primary Goods	9.1	6.1
Capital Goods	18.4	6.3
Intermediate Goods	7.8	3.7
Infra/Construction Goods	7.7	13.3
Consumer Durables	14.0	-1.0
Consumer Non- Durables	-1.8	7.4

Views:

- The Economy's rising Industrial growth paints a bright picture of the economy. With the upcoming festive season, there is expectation of further rise in the index.
- As the RBI keeps the Interest rate unchanged and also maintains its stance with focus on growth, it is expected that the IIP will continue to show growth and be in the range of 8-10 per cent going forward.

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