

Macro Insights

12th July 2023

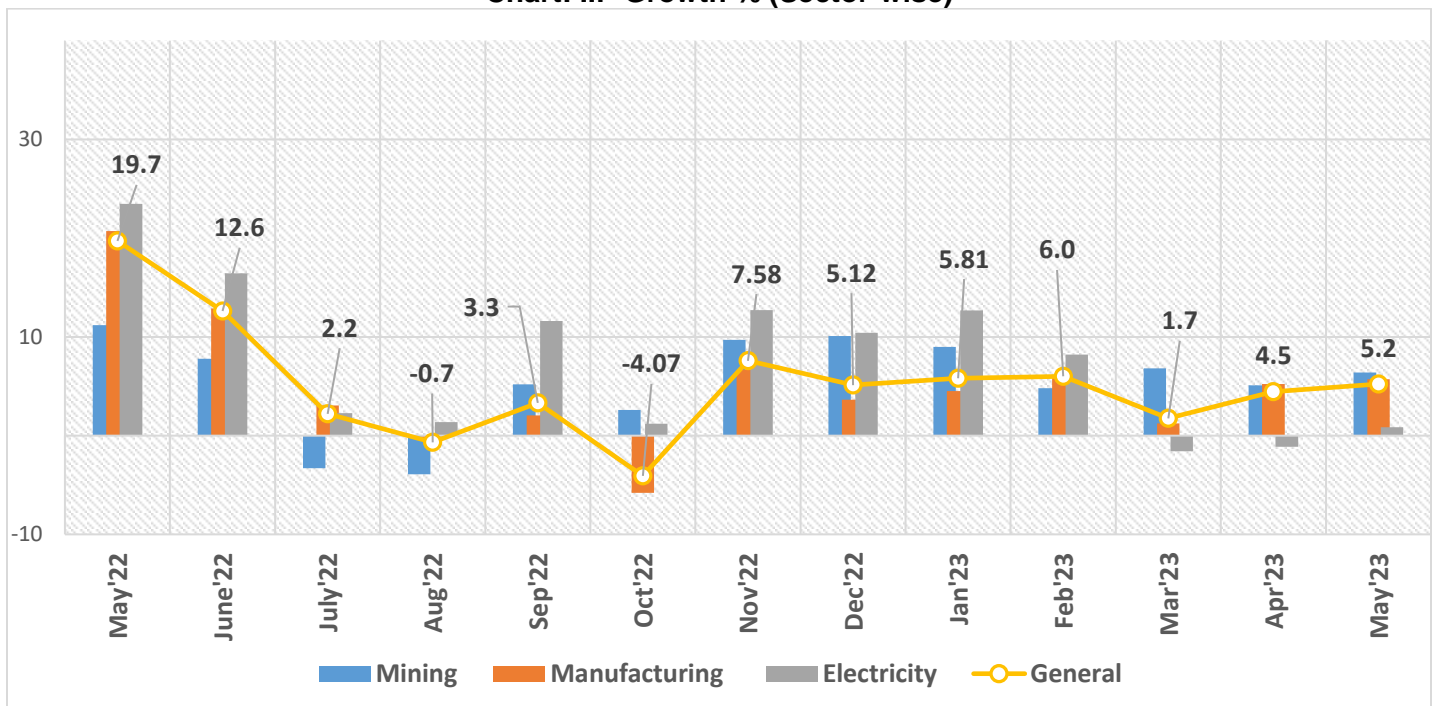
IIP growth grows to 5.2% in May

IIP growth continues to show an uptrend and rises to 5.2% in May signaling strengthening of economic activities.

Highlights:

- ✿ Mining showed the highest growth, Manufacturing was the second best performer in sectors in consideration.
- ✿ Electricity showed the meager growth of 0.9%.
- ✿ Amongst Used Based: Highest growth has been observed in Infra/Construction Goods, followed by Capital Goods
- ✿ While Consumer durables came in the positive zone but with the slowest growth.

Chart: IIP Growth % (Sector-wise)



Note: General implies overall IIP

Table: IIP growth % (Sector-wise)

Component	Weight	May'22	Mar'23	Apr'23	May'23
Mining	14.37%	11.2	6.8	5.1	6.4
Manufacturing	77.63%	20.7	1.2	5.2	5.7
Electricity	7.99%	23.5	-1.6	-1.1	0.9
IIP Index -General	100%	19.7	1.7	4.5	5.2

Table: IIP growth % (Usage-wise)

Component	Weight	May'22	Mar'23	Apr'23	May'23
Primary Goods	34.05%	17.8	3.3	1.9	3.5
Capital Goods	8.22%	53.3	9.1	4.6	8.2
Intermediate Goods	17.22%	17.5	1.7	0.4	1.6
Infra/Construction Goods	12.34%	18.4	7.0	15.0	14.0
Consumer Durables	12.84%	59.1	-8.1	-2.5	1.1
Consumer Non- Durables	15.33%	1.4	-2.7	10.8	7.6

Views:

- It has been observed that there is a consistent growth in Infrastructure and construction goods usage wise which clearly indicate towards the expansion of infrastructure sector in India. It is a healthy sign for the economic progress. Slow growth in consumer durable is worrisome however.
- It is expected that the IIP growth will moderate and be in the range of 3-4 per cent going seems to be over now, we may see further pick up in the growth momentum.

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

