

Macro Insights

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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, Mining Sector recorded the highest growth of 10.3 percent.
- ☞ Lowest growth was observed in Manufacturing Sector.
- ☞ Electricity Growth has come down from 13.7% in May' 24 to 8.6% in June'24.
- ☞ Amongst Use Based, highest growth was observed in Consumer Durables while the de-growth was in Consumer Non-Durables (-1.4%).
- ☞ Capital goods also experienced very low growth of 2.4%.

Chart: IIP- June 2024

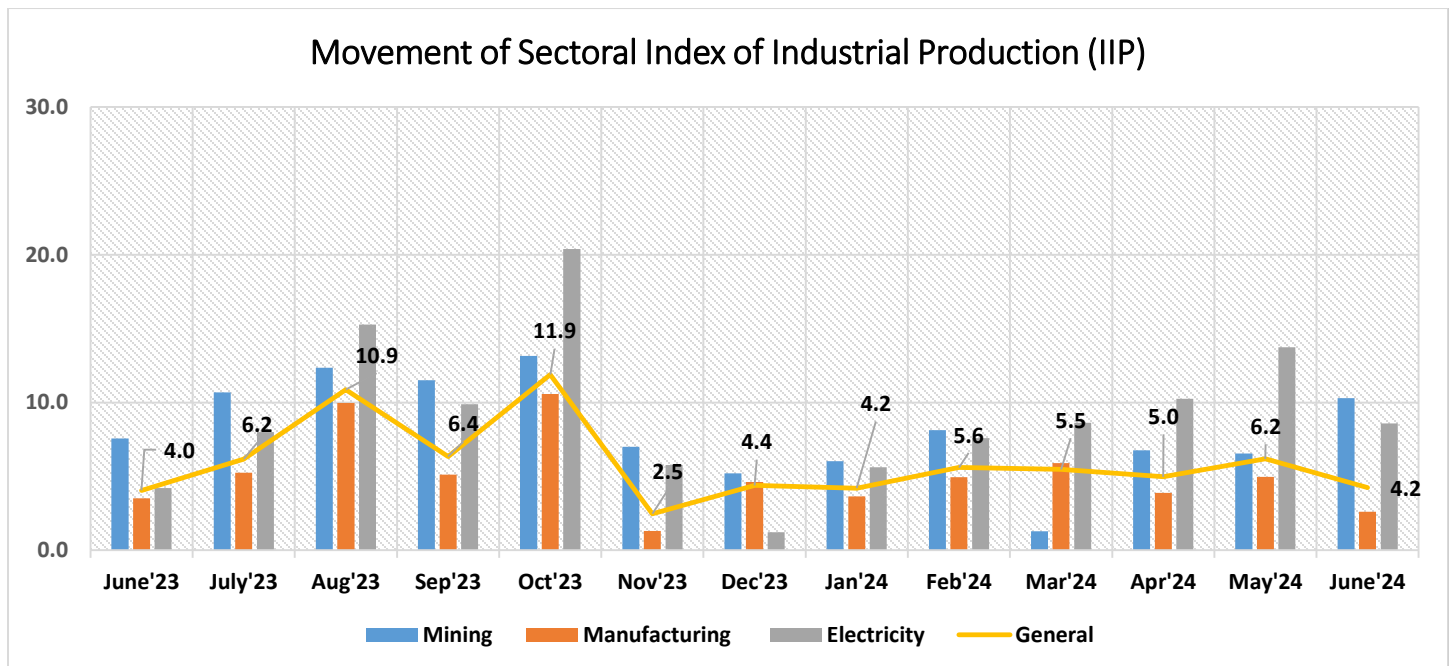


Table: IIP growth % (Sector-wise)

Component	Weight	June'23	May'24	June'24
Mining	14.37%	7.6	6.6	10.3
Manufacturing	77.63%	3.5	5.0	2.6
Electricity	7.99%	4.2	13.7	8.6
IIP Index -General	100.0%	4.0	6.2	4.2

Table: IIP growth % (Usage-wise)

Component	Weight	June'23	May'24	June'24
Primary Goods	34.05%	5.3	7.3	6.3
Capital Goods	8.22%	2.9	2.9	2.4
Intermediate Goods	17.22%	5.2	3.9	3.1
Infra/Construction Goods	12.34%	13.3	6.3	4.4
Consumer Durables	12.84%	-6.8	12.6	8.6
Consumer Non- Durables	15.33%	0.5	2.5	-1.4

Views:

- The higher growth of IIP has come down due to de growth in consumer non-durables and rest of the segments also there was decline. This trend suggests towards some slowdown in urban demand and also recovery in consumption yet to gain solid footing.
- Since the data is of June'24, with the formation of stable government at the center we may see some uptick in Industrial activities but overall activities may remain subdued in the coming 2 months due to disruption may and **IIP growth may range between 4-5% in coming month.**

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