

Macro Insights

12th June, 2024

IIP growth increases to 5.0%

IIP growth increased to 5.0 per cent YoY in April 2024 vis-à-vis 4.6 per cent in April 2023. In March 2024, India's industrial output had grown by 5.4 percent YoY.

Highlights:

- In Sector wise performance, Electricity Sector recorded the highest growth of 10.2 per cent YoY.
- Lowest growth was observed in Manufacturing, where output grew by 3.9 per cent in April 2024- compared to 5.8 per cent in March 2024.
- Mining sector output witnessed a growth of 6.7 per cent- YoY higher than the growth of 1.3 per cent recorded in the previous month.
- Amongst Use Based, highest growth was observed in Consumer Durables at 9.8 per cent, while Consumer Non-Durables registered a contraction in output by 2.4 per cent YoY.

Chart: IIP- April 2024

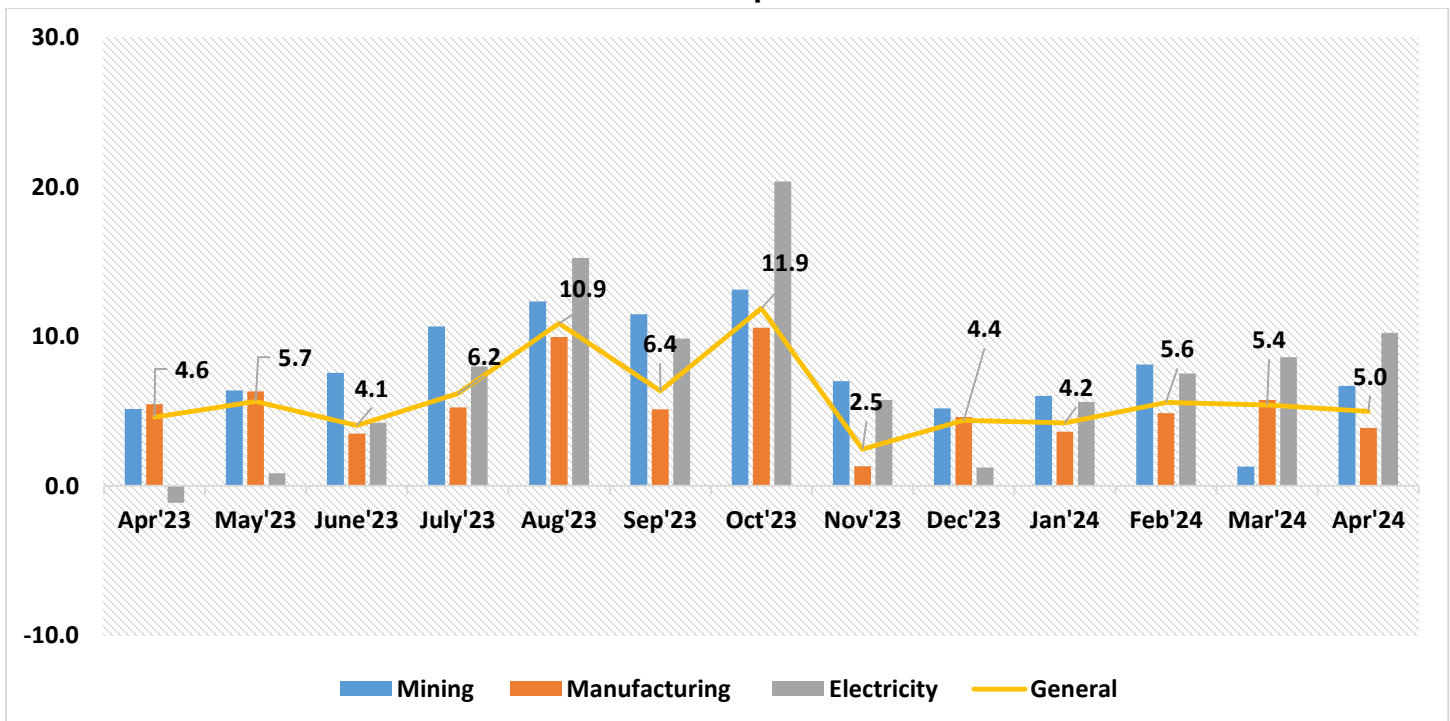


Table: IIP growth % (Sector-wise)

Component	Weight	Apr-23	Jan-24	Feb-24	Mar-24	Apr-24
IIP	100.0%	4.6	4.2	5.6	5.4	5.0
Mining	14.37%	5.2	6.0	8.1	1.3	6.7
Manufacturing	77.63%	5.5	3.6	4.9	5.8	3.9
Electricity	7.99%	-1.1	5.6	7.5	8.6	10.2

Table: IIP growth % (Usage-wise)

Component	Weight	Apr-23	Jan-24	Feb-24	Mar-24	Apr-24
Primary Goods	34.05%	1.9	2.9	5.9	3.0	7.0
Capital Goods	8.22%	4.4	3.2	1.1	6.6	3.1
Intermediate Goods	17.22%	1.7	5.3	8.7	5.5	3.2
Infra/Construction Goods	12.34%	13.4	5.5	8.5	7.4	8.0
Consumer Durables	12.84%	-2.4	11.6	12.4	9.5	9.8
Consumer Non- Durables	15.33%	11.4	0.3	-3.5	5.3	-2.4

Views:

- Heatwave conditions that began from April onwards increased demand for cooling which led to higher electricity generation in the month of April 2024.
- Further breakdown of the manufacturing sector shows that 6 of the 23 sub-sectors registered contraction in output. These were food, tobacco, leather, wood, paper, and printing. The sectors that witnessed good growth in output in April 2024 were furniture, transport equipment, motor vehicles, metals & products, beverages, and wearing apparel.
- Going ahead, while high frequency indicators show mixed performance, electricity generation is likely to propel IIP growth in May. ***IIP growth may range between 5-6 per cent in the next month.***

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