

# Macro Insights

12<sup>th</sup> January 2023

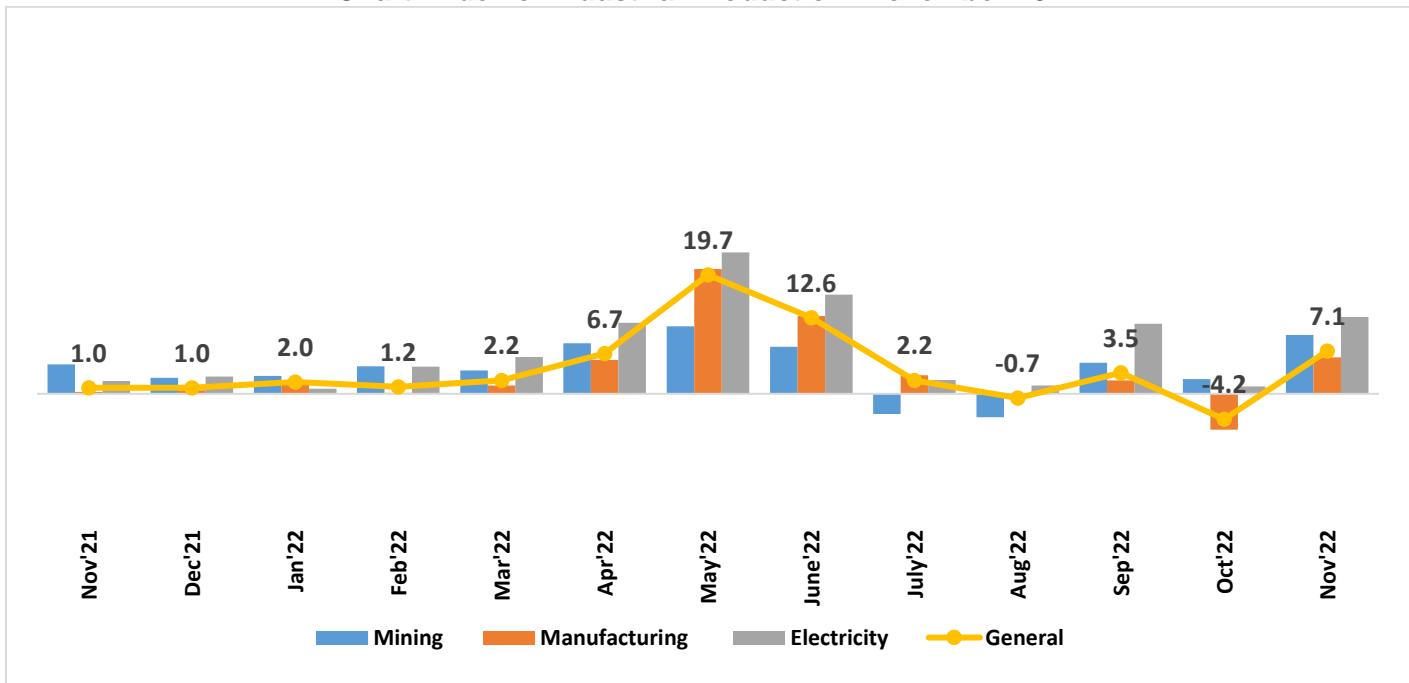
## IIP comes back in positive zone

Ministry of Statistics and Programme Implementation (MOSPI) has released the monthly statistics on Index of Industrial Production (IIP) for November'22. Index of Industrial Production (IIP) showed the growth of 7.1% after showing contraction of 4.2% in October'22. IIP had registered the growth of 1.0% in Nov'21.

## Highlights:

- ✎ The major reason for IIP coming into positive territory is double digit growth in electricity and 9.7% growth in Mining Sector.
- ✎ The manufacturing sector's output grew by 6.1 per cent in November 2022
- ✎ Among used based Capital Goods, Infra/construction goods, Consumer Durables and Consumer Non-Durable experienced the growth of more than 5%.
- ✎ Primary and intermediate goods registered the growth of less than 5%.

Chart: Index of Industrial Production- November 2022



**Table: IIP growth % (Sector-wise)**

Component	Weight	Nov' 21	Nov' 22	April-Nov'21	April-Nov'22
Mining	14.37%	4.9	9.7	18.2	4.7
Manufacturing	77.63%	0.3	6.1	18.7	5.0
Electricity	7.99%	2.1	12.7	10.2	9.8
IIP Index -General	100%	1.0	7.1	17.6	5.5

**Table: IIP growth % (Usage-wise)**

Component	Weight	Nov' 21	Nov' 22	April-Nov'21	April-Nov'22
Primary Goods	34.05%	3.5	4.7	13.2	7.7
Capital Goods	8.22%	-2.6	20.7	29.3	14.9
Intermediate Goods	17.22%	2.1	3.0	24.1	5.0
Infra/Construction Goods	12.34%	3.1	12.8	27.6	7.4
Consumer Durables	12.84%	-5.7	5.1	24.6	5.7
Consumer Non- Durables	15.33%	-0.8	8.9	6.1	-2.5

### Views:

- ☛ IIP has been seeing topsy turvy growth since last 5 months, after hitting as high as 19.5% in May'22.
- ☛ Manufacturing Sector which has the highest weightage in the Index of Industrial Production, has been confronting high input cost and feeble demand scenario externally.
- ☛ However, the near-term growth outlook for the Indian economy is likely to be driven domestically as reflected in high frequency indicators, we may see some uptick in IIP numbers.

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