

Macro Insights

12th July 2023

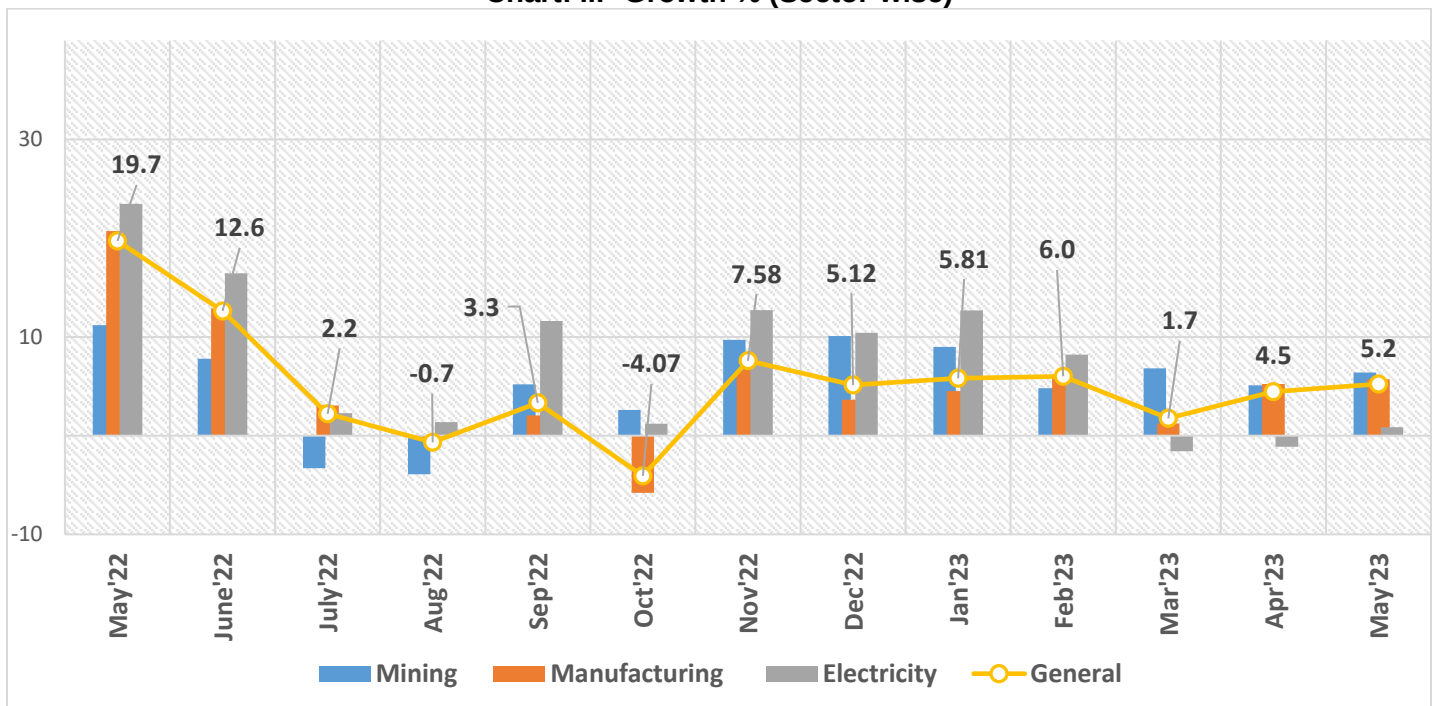
IIP growth grows to 5.2% in May

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.

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