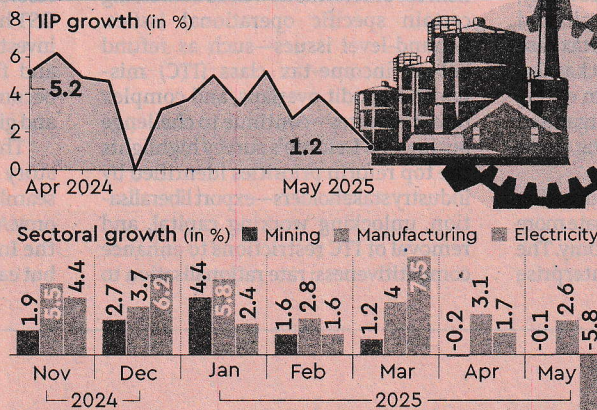


Industrial growth falls to 9-month low in May

THE SUPPORT FOR manufacturing came from the auto sector (6.3%), other transport equipment (6.3%), machinery (11.8%), electrical equipment (7.6%), metals (6.4%) and plastics (10%). As per use-based classification, the capital goods sector performed the best with a growth of 14.1% in May from 14% in April. The growth in the capital goods sector was at a 19-month high. Intermediate goods growth was 3.5% in May down from 4.9% in April. Infrastructure and construction goods, which have been consistently performing better than the others, grew 6.3% in May up from 4.7% in April.

"The Centre's capital expenditure gained momentum towards the end of FY25 and has maintained an encouraging trend in the first two months of the current fiscal. This bodes well for the investment scenario in the economy. However, private capex remains subdued, with global economic uncertainty further dampening the investment sentiments," CareEdge Ratings chief econo-

SLOWDOWN



mist Rajani Sinha said.

The consumer durable sector saw a steep decline in May. The contraction in the sector was -0.7% during the month compared to 6.2% expansion in April. The consumer non-durable sector saw an output decline of -2.4% in May, a little better than -2.7% in April. The primary goods sector with the highest weight was down -1.9%

during the month from -0.2% in April. From the consumption perspective, weakness in output of consumer non-durable goods has persisted. "Several factors such as easing food inflation, policy rate cuts and favourable prospects for monsoon are playing out positively for the consumption scenario. These should aid in strengthening the overall demand in the economy.