

IIP growth hits 6-month high in Nov on low base

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Growth in India's Index of Industrial Production (IIP) surged to a six-month high of 5.2 per cent in November 2024 from 3.7 per cent in the previous month, aided by a low base, data released by the National Statistics Office (NSO) on Friday showed.

In November 2023, the IIP grew by 2.5 per cent. Cumulatively, the IIP had grown by 4.1 per cent in the first eight months (April-November) of the current financial year (FY25) as compared to 6.5 per cent during the same period in FY24.

Data showed that the manufacturing sector (5.8 per cent) led the revival in industrial production during the month, followed by electricity (4.4 per cent) and mining (1.9 per cent).

Dharmakirti Joshi, chief economist at CRISIL, said that the IIP growth has been better in the third quarter (Q3FY25) so far (4.4 per cent in October-November) than the second quarter (2.7 per cent).

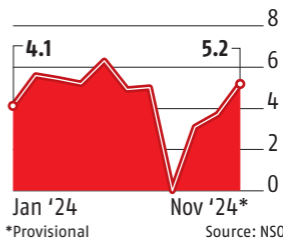
"The resumption of government capital expenditure (capex) also boosted production of infrastructure and construction goods, and capital goods in November," added Joshi.

Among manufacturing, wearing apparel, wood products, non-metallic minerals, machinery (both electric and non-electric), electronics, and transport registered high growth while five sectors — food products, leather, recorded media, plastic products,



ON THE RISE

Factory output Y-o-Y growth (%)



and other manufacturing — registered a contraction during the month.

Meanwhile, in the use-based categories, growth was led by consumer durables (13.1 per cent) segment, followed by infrastructure (10 per cent), capital goods (9 per cent), intermediate goods (5 per cent), and primary goods (2.7 per cent). However, growth in the consumer non-durables (0.6 per cent) segment decelerated during the month.

Rajani Sinha, chief economist, CARE Ratings, said that the consumption-related components within the IIP exhibited mixed signals as output of consumer durables witnessed a strong growth propped up by a supportive base. However, deceleration in growth of consumer non-durables output pointed towards some concern, Sinha said.