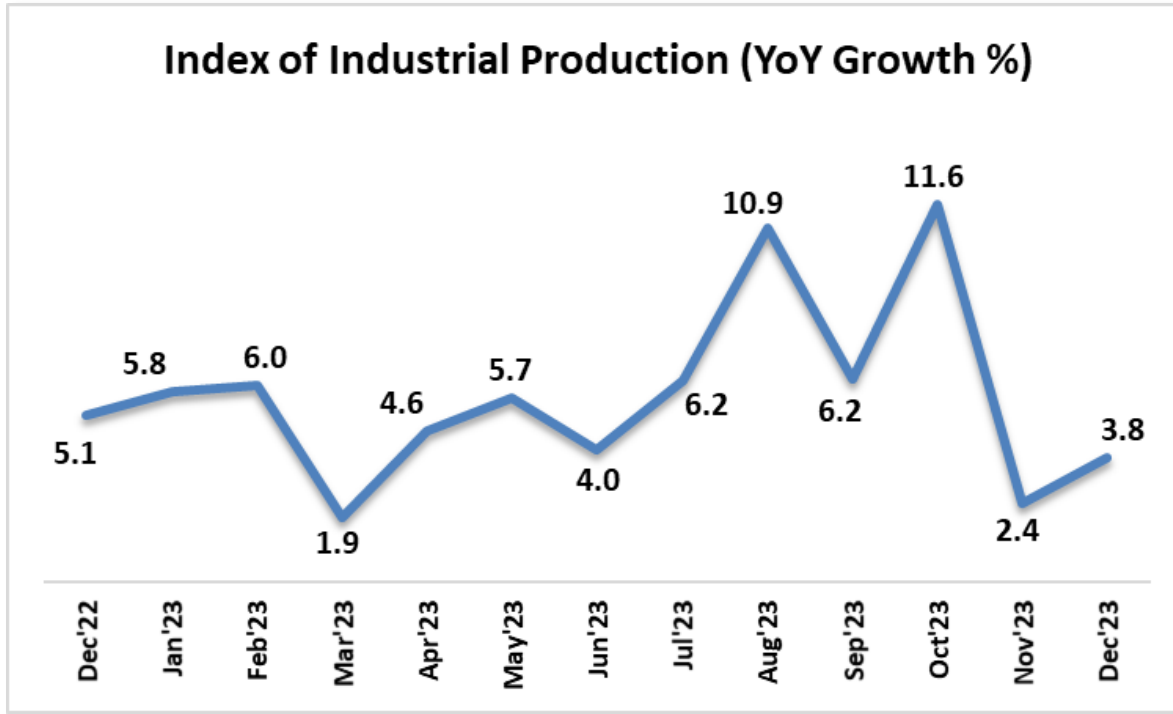




**Marginal pickup in IIP in Dec'23  
post seasonal drop last month**

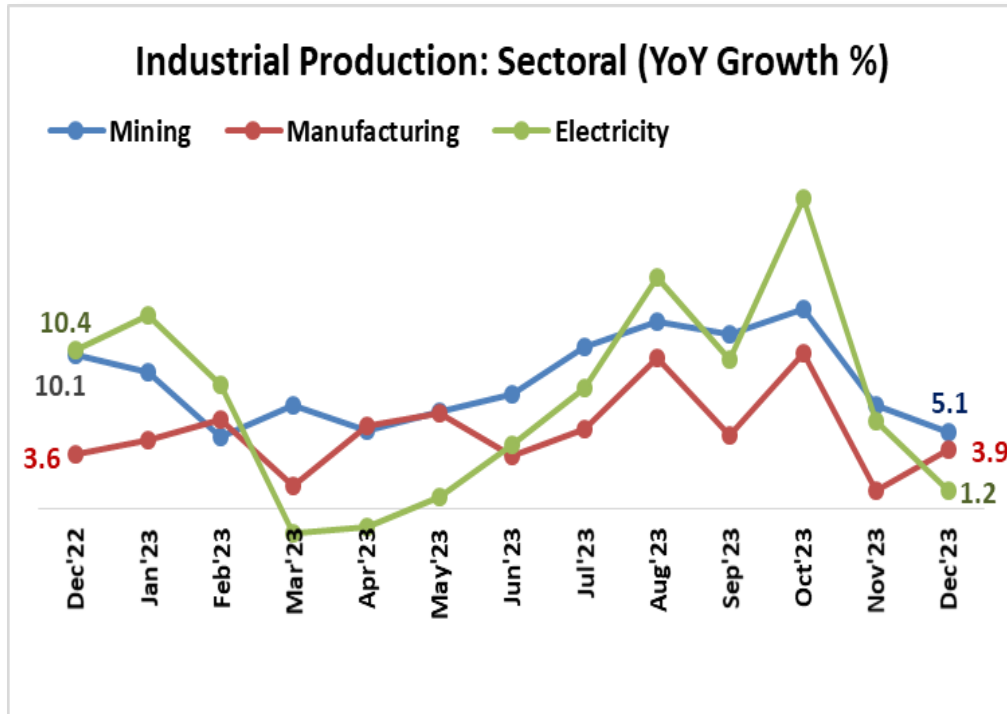
**12<sup>th</sup> February, 2024**



### Impact of festival season on 'month-on-month' IIP growth across years

Year	Pre-Diwali	Diwali month	Post-Diwali
2012	4.7	-5.2	9.0
2013	0.0	-3.6	8.8
2014	2.0	-3.8	3.2
2015	2.6	-4.5	7.8
2016	1.5	1.8	-3.7
2017	0.8	-0.5	2.7
2018	3.1	-5.0	6.2
2019	-2.6	0.9	3.9
2020	4.4	-2.2	8.4
2021	4.2	-5.2	8.4
2022	1.7	-3.2	6.3
2023	1.7	-2.4	7.4

- Industrial production picks up to 3.8% in Dec'23 from 2.4% last month.
- Slip in December was due to Diwali holidays led seasonal effect.
- IIP average at 5.9% for Q3 FY24 has slowed vs Q2 FY24 (7.8%). The industry performance has slowed which aligns with RBI estimate on GDP growth for Q3 FY24 slowing to 7.0% from 7.6% in Q2 FY24.



Performance of Key Manufacturing sectors				
Sub-sector	Weight	YoY Growth %		
		Oct'23	Nov'23	Dec'23
Food Products	5.3	7.3%	-3.9%	1.2%
Coke & Refined Petroleum Products	11.8	2.4%	14.2%	6.9%
Chemicals & Chemical Products	7.9	4.2%	-4.0%	-0.2%
Pharma, Medicinal Chemical & Botanical Products	5.0	11.3%	-2.4%	3.0%
Other Non-Metallic Mineral Products	4.1	13.0%	-3.0%	1.4%
Basic Metals	12.8	11.9%	7.2%	7.3%
Machinery & Equipment N.E.C.	4.8	25.2%	-1.0%	-0.1%
Motor Vehicles, Trailers & Semi-Trailers	4.9	24.7%	9.2%	9.2%

- Industrial production in December was led by the Manufacturing sector at 3.9% vs. 1.2% in Nov'23.
- Growth under manufacturing was observed in sub-sectors: Motor Vehicles, Trailers & Semi-Trailers; Basic Metals; Coke & Refined Petroleum Products.

Industrial Production: Use-based				
Sector	Weight	YoY Growth %		
		Oct'23	Nov'23	Dec'23
Primary goods	34.0	11.4%	8.5%	4.6%
Capital goods	8.2	21.3%	-1.1%	3.2%
Intermediate goods	17.2	9.4%	3.1%	3.4%
Infrastructure / Construction Goods	12.3	11.3%	1.7%	4.1%
Consumer durables	12.8	15.9%	-5.5%	4.8%
Consumer non-durables	15.3	8.7%	-3.3%	2.1%

- Within use-based IIP, growth was led by consumer durables and primary goods.
- The YoY growth performance of consumer non-durables, a proxy for rural demand, has moderated to 2.1%. Although there is decline in YoY growth, the MoM growth at 13.1% signals improvement in rural demand.
- The government led infrastructure push is reflected by the growth under infrastructure/capital goods at 4.1%.
- Performance of capital goods, which is an indicator of capital expenditure in the economy, grew 5.4% MoM. However, its YoY growth was only 3.2% as against 7.8% in Dec'22.

### Research Team

- |                    |                       |
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# Thank you!

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