FORTUNA PR Business Line CIRRUS

Copyright© 2022, THG PUBLISHING PVT LTD.

Sat, 11 May-24; Business Line - Chennai; Size : 199 sq.cm.;
Circulation:66902; Page : 1

IIP slows in March to 4.9%, but ends FY24 strongly at 5.8% led by manufacturing

KR Srivats
New Delhi

Riding on a robust resurgence in manufacturing, the country's factory output growth closed 2023-24 on a strong note at 5.8 per cent, higher than the 5.2 per cent expansion recorded in 2022-23.

The Index of Industrial Production(IIP) for March rose 4.9 per cent, much higher than the 1.9 per cent recorded in the same month last year. However, the latest IIP print was lower than the 5.70 per cent recorded in February 2024, official data released on Friday showed.

The manufacturing sector output growth hit a five-month high in March at 5.2 per cent, lifting the overall performance for this segment in FY24 to 5.5 per cent.

Output growth of the manufacturing sector hit a five-month high in March at 5.2%, lifting the overall performance of this segment to 5.5%

MINING SLUGGISH

While the mining sector remained sluggish with growth in March at 1.2 per cent (6.8 per cent in March 2023), electricity generation for the month under review rose 8.6 per cent (-1.6 per cent). For FY24, manufacturing, mining and electricity sectors grew 5.5 per cent (4.7 per cent in 2022-23), 7.5 per cent (5.8 per cent) and 7.1 per cent (8.9 per cent), respectively, Ministry of Statistics and Programme Implementation data showed.

DEMAND BACK

In March, there was a strong showing by both consumer non-durables as well as consumer durables with growth rates of 4.9 per cent (-1.9 per cent) and 9.5 per cent (8.0 per cent) respectively.

Construction goods, primary goods and capital goods recorded a growth decline in March at 6.9 per cent (7.2 per cent), 6.1 per cent (10 per cent) and 2.5 per cent (3.3 per cent), respectively.

Madan Sabnavis, Chief Economist, Bank of Baroda, said that consumer goods have shown a revival buttressing the pick up in consumption towards the year-end.

"Both durables and non-durables have done well. This should sustain as the rabi crop is expected to be good and along with the wedding season should fuel spending in April and May," he said.

Aditi Nayar, Chief Economist, ICRA, said the IIP growth posted an expected dip to 4.9 per cent in March 2024 from 5.6 per cent in February as the leap-year effect faded.

"The IIP growth was led by a robust expansion in electricity, with demand boosted by rising temperatures. A feeble rise in mining output was a dampener. Encouragingly, manufacturing growth rose to a five-month high, albeit on a very low base," she said.