



PHD Research Bureau
PHD Chamber of Commerce and Industry



March 2023 IIP grows at 1.1%, FY 2022-23 growth at 5.1%

Growth in industry output, as measured in terms of IIP, for the month of March 2023 stands at 1.1%. The Y-o-Y growth in IIP in April-March 2022-23 is 5.1%. It was 11.4% in 2021-22.

The growth in three sectors mining, manufacturing and electricity in March 2023 stands at around 6.8%, 0.5% and (-)1.6% respectively over March 2022.

The increase in IIP from 131.5 in FY2021-22 to 138.3 in FY 2022-23 is attributed to increase in index of all three sectors mining, manufacturing and electricity.

Table-1 Index of Industrial Production (Sectoral): Growth over the corresponding period of the previous year

	Weight in IIP	April-March 2021-22	April-March 2022-23	February 2023	March 2023
Mining	14.37	12.2	5.8	4.6	6.8
Manufacturing	77.63	11.8	4.5	5.3	0.5
Electricity	7.99	7.9	8.9	8.2	(-)1.6
Overall IIP	100	11.4	5.1	5.6	1.1

In March 2023, high growth is registered in capital goods at 8.1% and infrastructure/construction goods at 5.4%. The high growth in capital goods and Infrastructure goods would encourage more capital investments and help to increase the aggregate demand in the economy.

In March 2023, Primary goods grew moderately at 3.3% and intermediate goods at 1%. Whereas the consumer durables and consumer non-durables grew negatively at (-)8.4% and (-) 3.1 respectively.

In the year FY2022-23, Primary goods grew at 7.4%, Capital goods at 13 % and Infrastructure goods at 8%.

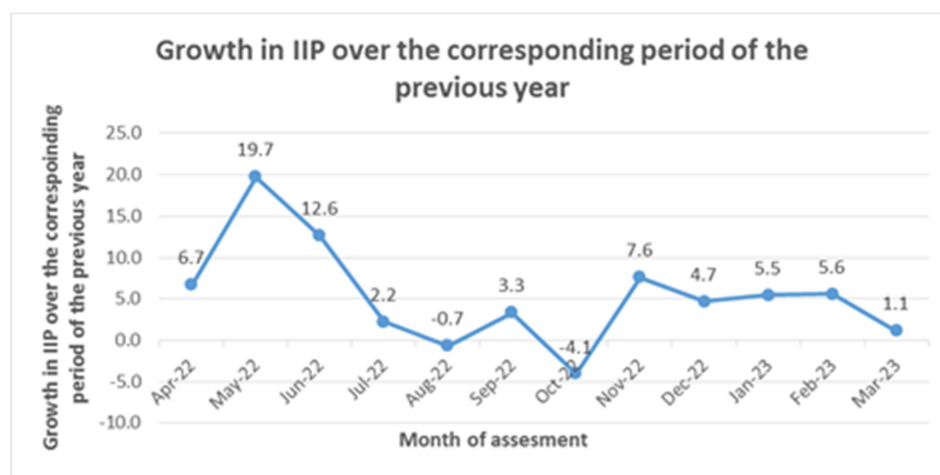
Table-2 Index of Industrial Production- Use Based

	Weight in IIP	April-March 2021-22	April-March 2022-23	February 2023	March 2023
Primary Goods	34.04	9.7	7.4	6.8	3.3
Capital Goods	8.22	16.9	13	10.5	8.1
Intermediate Goods	17.22	15.4	3.7	(-)0.3	1.0
Infrastructure/Construction Goods	12.33	19	8	7.9	5.4
Consumer Durables	12.83	12.5	0.5	(-)4.0	(-)8.4
Consumer non-durables	15.32	3.2	0.5	12.1	(-)3.1

The trend in IIP below in figure shows that in May 2022, growth in IIP index over the corresponding period of the previous year was 19.7%. Thereafter, the corresponding growth in month of August 2022 and September 2022 fell.

The corresponding growth started recovering from November 2022 onwards, though it declined thereafter. In March 2023, the growth in IIP is registered to be 1.1% over the corresponding month of March 2022.

Figure-1 Trend in growth of Index of Industrial Production (IIP)



Source: PHD Research Bureau, compiled from MOSPI

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Warm Regards,

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