

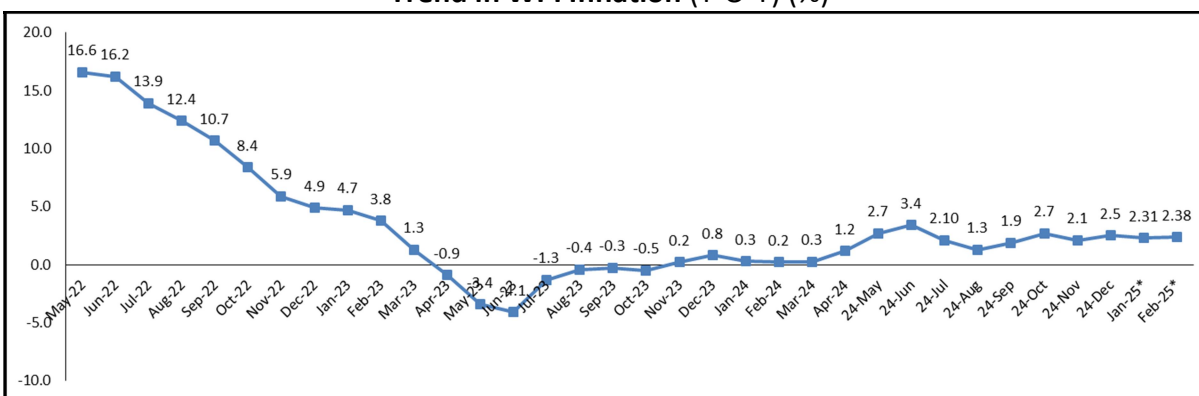
PHDCCI Analysis on Recent Macro Economic Developments

1. WPI inflation stands at 2.3% in February, 2025
2. CPI Inflation softens to 3.6% in February 2025
3. IIP grew at 5% in January 2025
4. ECBs raised about USD 3.9 billion during January 2025

1. WPI inflation stands at 2.3% in February, 2025

The annual rate of inflation based on the All India Wholesale Price Index (WPI) number is 2.38% (provisional) for the month of February, 2025(over February, 2024). Positive rate of inflation in February, 2025 is primarily due to increase in prices of manufacture of food products, food articles, other manufacturing, non-food articles and manufacture of textiles etc.

Trend in WPI Inflation (Y-O-Y) (%)



Source: PHD Research Bureau, PHDCCI, compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off) *Provisional

WPI inflation in Select Commodities (Base year: 2011-12)

S. No.	Commodity	WPI Inflation Y-o-Y % growth			
		Dec-24	Jan-25*	Feb-25*	Change in February 2025 as Compared to Previous Month
1	All Commodities	2.57	2.31	2.38	↑
2	Primary Articles	6.02	4.69	2.81	↓
3	Food Articles	8.53	5.88	3.38	↓

4	Cereals	6.77	7.33	6.77	↓
5	Vegetables	28.57	8.35	-5.80	↓
6	Non-food Articles	2.40	2.95	4.84	↑
7	Crude Petroleum & Natural gas	-6.77	-0.53	-4.06	↓
8	Fuel & Power	-2.57	-2.78	-0.71	↑
9	Petrol	-5.09	-3.64	-4.21	↓
10	Manufactured Products	2.14	2.51	2.86	↑

Source: PHD Research Bureau, PHDCCI, compiled from the Office of the Economic Advisor, Government of India (Note: Figures are rounded off)

*Provisional

2. CPI Inflation softens to 3.6% in February 2025

The Consumer Price Index (CPI) inflation softened to 3.6% in February 2025 as compared with 4.3% in January 2024. The decrease in CPI inflation is majorly caused by softening of prices of Food and Beverages (from 5.6% in January 2025 to 3.8% in February 2025)

The rural CPI inflation has decreased to 3.7% in February 2025 from 4.5% in January 2025. The urban CPI inflation decreased to 3.3% in February 2025 as compared with 3.8% in January 2025.

All India sequential inflation rates (%) based on CPI (General) and CFPI: February 2025 over January 2025							
		February 2025 (Provisional)			January 2025		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	3.79	3.32	3.61	4.59	3.87	4.26
	CFPI	4.06	3.20	3.75	6.31	5.53	5.97

Source: PHD Research Bureau, compiled from MoSPI

The Year-on-Year (Y-o-Y) growth in rural CPI inflation in February 2025 is 3.7% as compared with 5.3% in February 2024. The Year-on-Year (Y-o-Y) growth in urban CPI inflation in February 2025 is 3.3% compared to 4.7% in February 2024.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: February 2025 over February 2024							
		February 2025 (Provisional)			February 2024		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	3.79	3.32	3.61	5.34	4.78	5.09

	CFPI	4.06	3.20	3.75	8.27	9.19	8.66
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Source: PHD Research Bureau, compiled from MoSPI

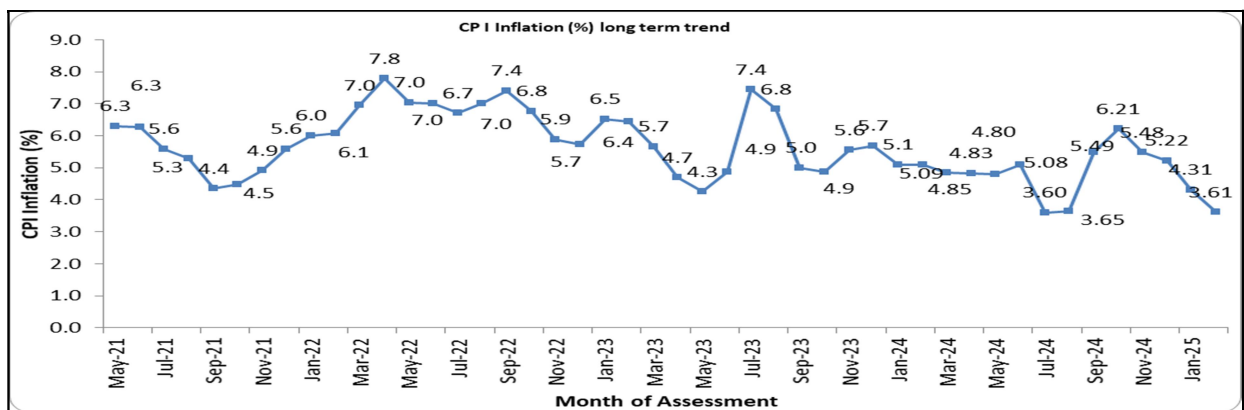
The all-India CPI and year-on-year inflation (%) for February 2025 for rural, urban, and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for February 2025 (Provisional)						
Category	Rural		Urban		Combined	
	February 2025 Index	Inflation Rate (%)	February 2025 Index	Inflation Rate (%)	February 2025 Index	Inflation Rate (%)
Food and Beverages	195.4	4.05	201.3	3.44	197.6	3.84
Pan, tobacco and intoxicants	209.0	2.60	213.2	1.77	210.1	3.84
Clothing and Footwear	199.8	2.57	188.6	2.84	195.4	2.68
Housing	-	-	183.7	2.91	183.7	2.91
Fuel and Light	182.8	-0.54	171.0	-2.62	178.3	-1.33
Miscellaneous	192.8	4.90	183.7	4.67	188.4	4.78
General Index (All Groups)	194.5	3.79	190.1	3.32	192.5	3.61

Source: PHD Research Bureau, compiled from MoSPI (Housing CPI inflation for rural not calculated) by MoSPI

The long-term trend in the CPI inflation (%) since May 2021 is depicted in Figure 1. India observed a decline in its CPI Inflation from May 2021 (6.3%) till September 2021 (4.3%) after which it increased. It reached its peak in April 2022 of 7.8% after which the values of CPI inflation observed a decline thereafter reaching 7.4% in July 2023 and the value of CPI inflation in August 2023 was 6.8%. Presently the value stands at 4.3%.

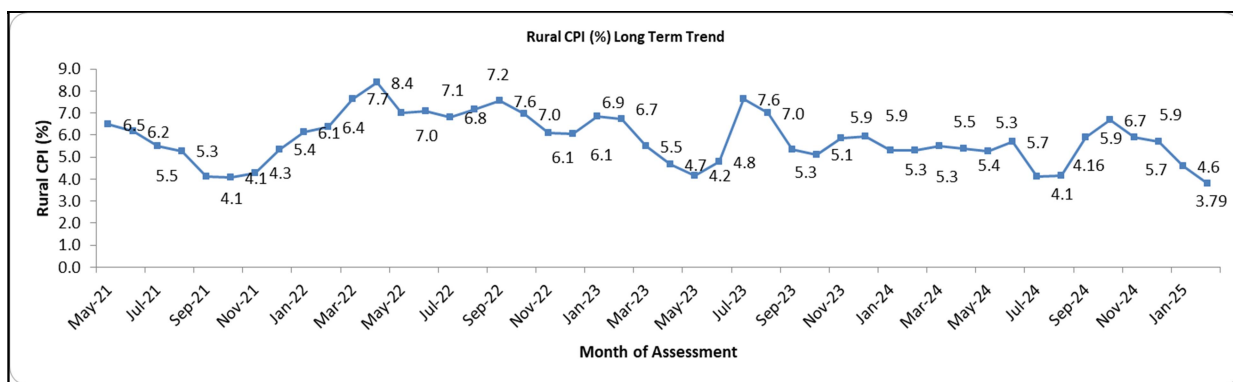
Figure 1: Long-term trend in the CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in Rural CPI inflation (%) as observed from May 2021 is depicted in Figure 2. India observed a decline in the Rural CPI from May 2021 from 6.5% to 4.1% in September 2021. The rural CPI rose from November 2021 and reached its peak value of 8.4% in April 2022 thereafter declining and observing a minimum of 4.2% in May 2023. Rural inflation presently stands at 3.7%.

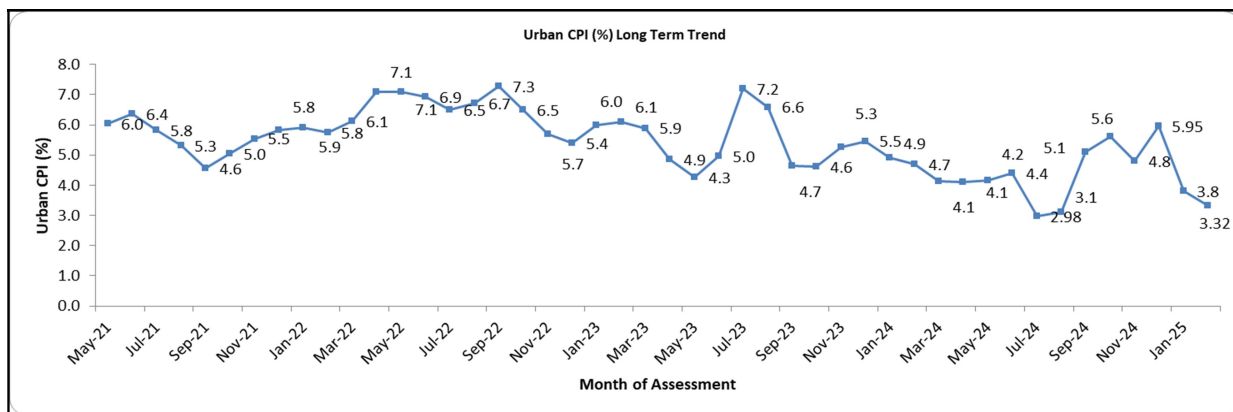
Figure 2: Long-term trend in the Rural CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in urban CPI (%) from May 2021 is depicted in Figure 3. The Urban CPI started declining from 6.4% in June 2021 to 4.6% in September 2021. The urban CPI rose again and reached 7.1% in April 2022 and attained a maximum of 7.3% in September 2022. The urban CPI increased to 7.2% in July 2023 and declined to 6.5% in August 2023. Presently, the value stands at 3.3% in February 2025.

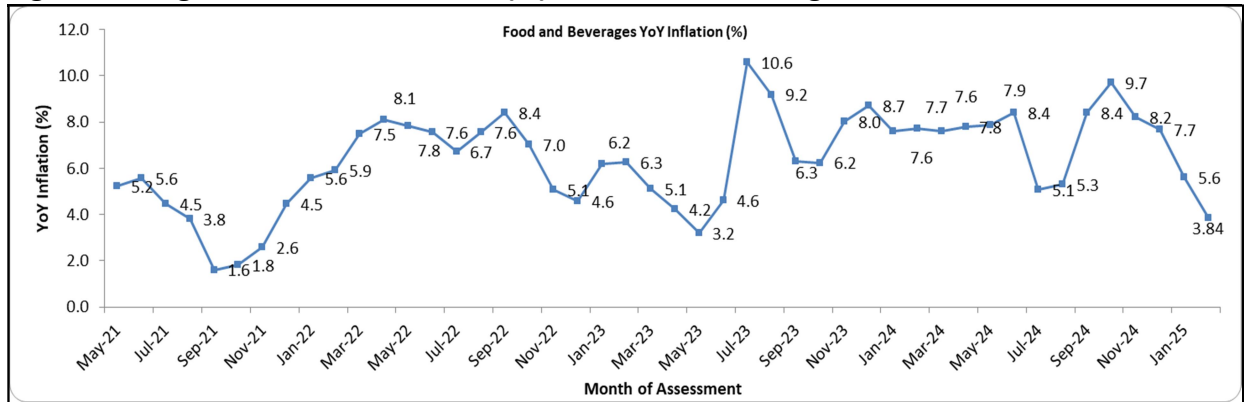
Figure 3: Long-term trend in the Urban CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in the inflation of food and beverages as observed from May 2021 is depicted in Figure 4. The YoY inflation declined from 5.6% in June 2021 to its minimum value of 1.6% in September 2021 after which it started increasing. It reached its maximum value of 8.4% in September 2022 after declining to 4.6% in December 2022. The YoY inflation value rose again to reach 10.5% in July 2023. Presently, the value stands at 3.8% in February 2025.

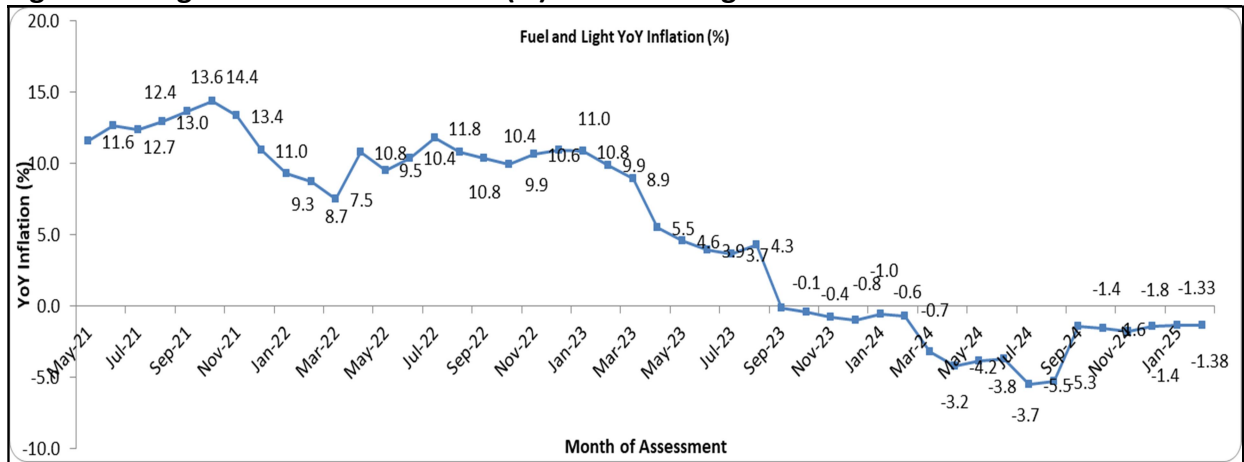
Figure 4: Long-term trend in inflation (%) of food and beverages



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend of inflation of Fuel and Light as observed from May 2021 is depicted in Figure 5. The value rose to 14.4% in October 2021 after rising from 7.9% in April 2021. It declined thereafter, reaching a value of 7.5% in March 2022. The value rose again in August 2023 to 4.3% from 3.6% in the previous month, after which it kept declining. Presently, the February 2025 value of inflation of fuel and light is -1.3%.

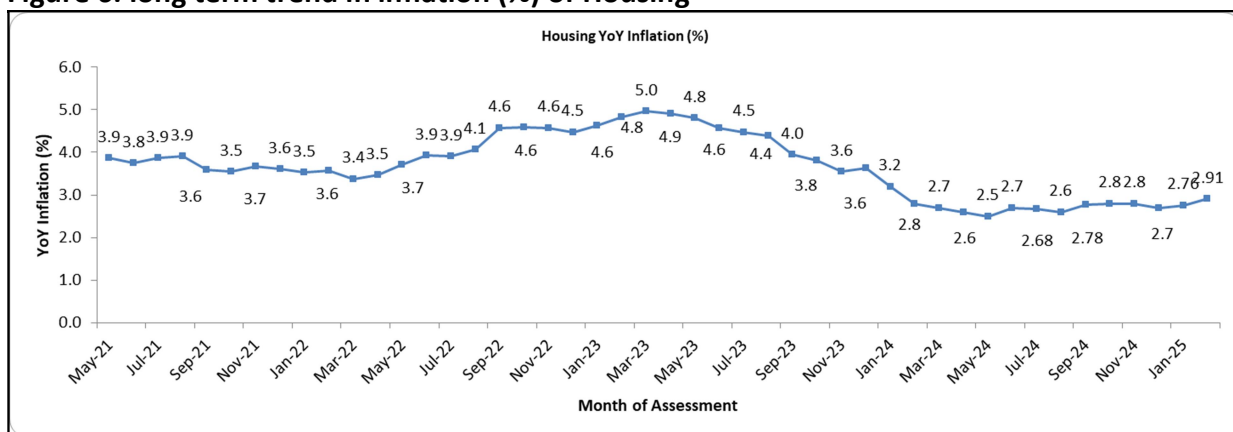
Figure 5: Long-term trend in inflation (%) of fuel and light



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in YoY inflation of housing is depicted in Figure 6. The values have remained fairly constant, observing a growth to 4.6% in September 2022 and reaching a maximum value of 5% in March 2023. The value declined slightly in September 2023 to 3.9%. Presently, February 2025 saw the housing inflation value to 2.9%.

Figure 6: long term trend in inflation (%) of Housing



Oct-22	6.8	7.0	6.5	7.0	9.9	4.6
Nov-22	5.9	6.1	5.7	5.1	10.6	4.6
Dec-22	5.7	6.1	5.4	4.6	11.0	4.5
Jan-23	6.5	6.9	6.0	6.2	10.8	4.6
Feb-23	6.4	6.7	6.1	6.3	9.9	4.8
Mar-23	5.7	5.5	5.9	5.1	8.9	5.0
Apr-23	4.7	4.7	4.9	4.2	5.5	4.9
May-23	4.3	4.2	4.3	3.2	4.6	4.8
June-23	4.8	4.7	4.9	4.6	3.9	4.6
July-23	7.4	7.6	7.4	10.6	3.7	4.5
Aug-23	6.83	7.02	6.59	9.19	4.31	4.38
Sep-23	5.02	5.33	4.65	6.3	-0.11	3.95
Oct-23	4.87	5.12	4.62	6.24	-0.39	3.8
Nov-23	5.55	5.85	5.26	8.02	-0.77	3.55
Dec-23	5.7	5.9	5.5	8.7	-1.0	3.6
Jan-24	5.1	5.3	4.9	7.6	-0.6	3.2
Feb-24	5.09	5.3	4.7	7.7	-0.7	2.8
Mar-24	4.85	5.4	4.1	7.6	-3.2	2.7
Apr-24	4.83	5.4	4.1	7.8	-4.2	2.6
May-24	4.80	5.3	4.2	7.9	-3.8	2.6
June-24	5.08	5.7	4.4	8.4	-3.7	2.7
July-24	3.60	4.1	2.98	5.1	-5.5	2.68
Aug-24	3.65	4.16	3.14	5.3	-5.3	2.6
Sep-24	5.49	5.9	5.1	8.4	-1.4	2.78
Oct-24	6.21	6.7	5.6	9.7	-1.6	2.8
Nov-24	5.48	5.9	4.8	8.2	-1.8	2.8
Dec-24	5.22	5.7	5.95	7.7	-1.4	2.7
Jan-25	4.3	4.6	3.8	5.6	-1.38	2.76
Feb-25	3.61	3.79	3.32	3.84	-1.33	2.91

Source: PHD Research Bureau, compiled from MoSPI

3. IIP grew at 5.0% in January 2025

Growth in industry output, as measured in terms of IIP, for the month of January 2025 grew at 5.0%. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of January 2025 are 4.4 percent, 5.5 percent and 2.4 percent respectively.

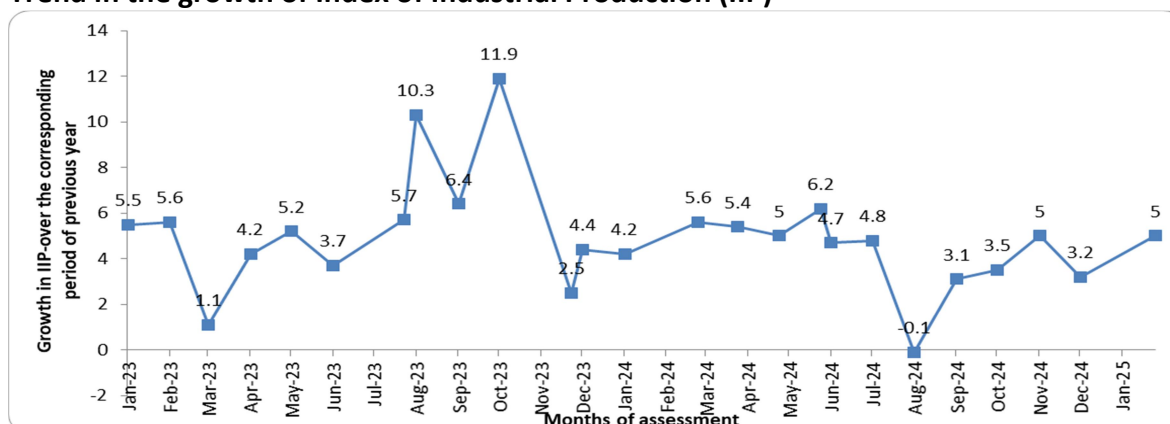
Index of Industrial Production (Sectoral): Growth over the corresponding period of the previous year (%)

	Weight in IIP	Apr-Mar 2023-24	September 2024	October 2024	November 2024	December 2024	January 2025	Apr-Jan 2024-25
Overall IIP	100	5.9	3.1	3.7	5.0	3.5	5.0	4.2
Manufacturing	77.63	5.5	3.9	4.4	5.5	3.4	5.5	4.2
Mining	14.37	7.5	0.2	0.9	1.9	2.7	4.4	3.4
Electricity	7.99	7.1	0.5	2.0	4.4	6.2	2.4	5.1

Source: PHD Research Bureau, compiled from MOSPI

The trend in IIP shows that in 2023-24, the highest growth in IIP is in the month of October 2023 at 11.9%. Presently the value stands at 5.0%.

Trend in the growth of Index of Industrial Production (IIP)



Source: PHD Research Bureau, compiled from MOSPI

In January 2025, the highest growth was registered in Capital Goods at 7.8%. Consumer Durables goods grew at 7.2% in January 2025. Whereas, Infrastructure/ Construction Goods grew at 7.0 % in January 2025.

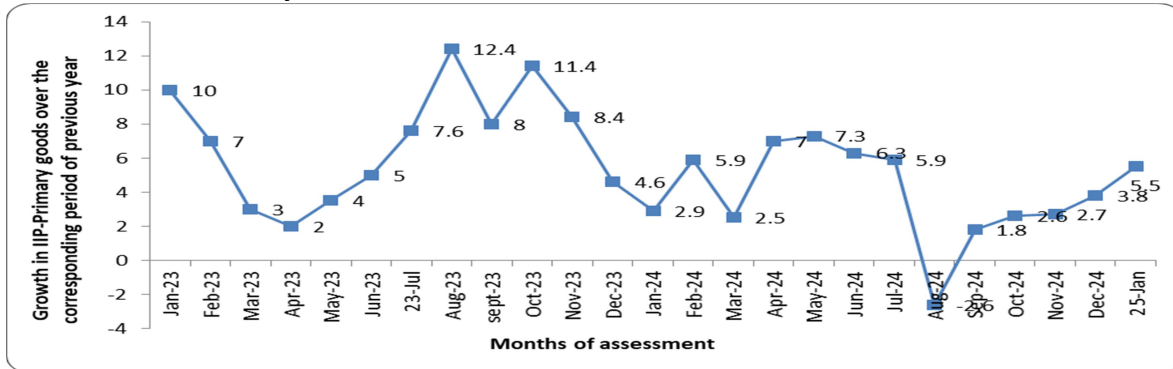
Index of Industrial Production- Use Based (%)

	Weight in IIP	April-Mar 2023-24	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025
Primary Goods	34.04	6.1	7.0	7.3	6.3	5.9	-2.6	1.8	2.5	2.7	3.8	5.5
Capital Goods	8.22	6.2	2.7	2.9	3.8	11.8	0.5	3.6	3.1	8.8	10.4	7.8

Intermediate Goods	17.22	5.2	3.2	3.9	3.0	6.4	3.0	3.6	4.6	4.8	6.4	5.2
Infrastructure/ Construction Goods	12.33	9.7	8.0	6.3	7.1	4.6	2.2	3.2	4.8	8.1	7.4	7.0
Consumer Durables	12.83	3.6	10.0	12.6	8.7	8.3	5.3	6.5	5.7	14.1	8.3	7.2
Consumer non- durables	15.32	4.1	-2.5	2.5	-1.5	-4.3	-4.5	2.2	2.6	0.4	-7.5	-0.2

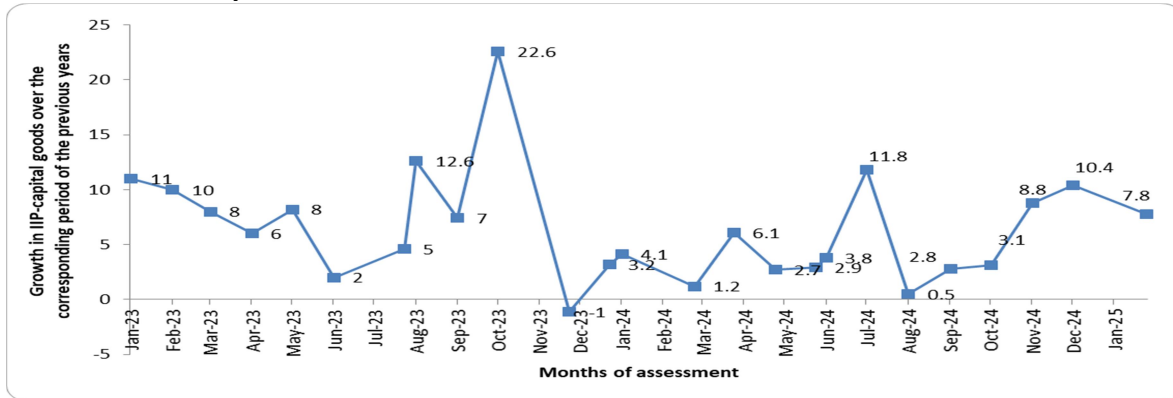
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP-Primary Goods



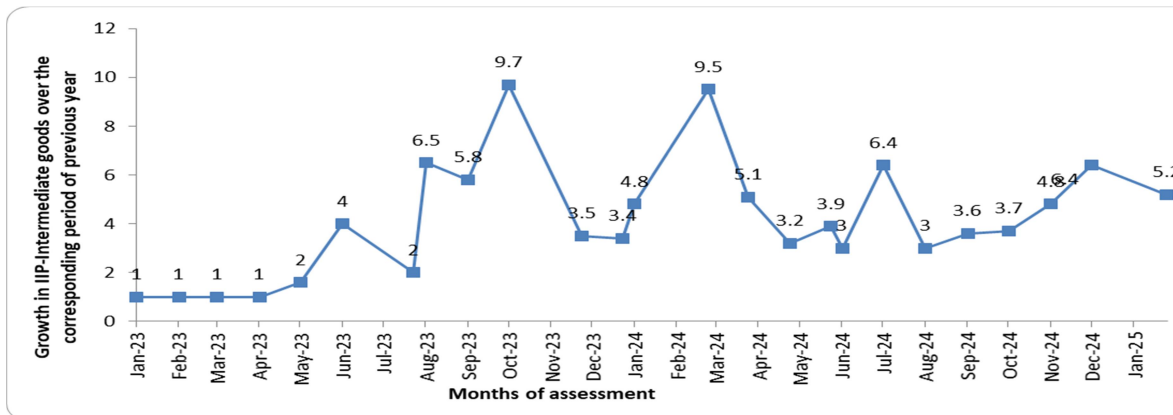
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Capital Goods



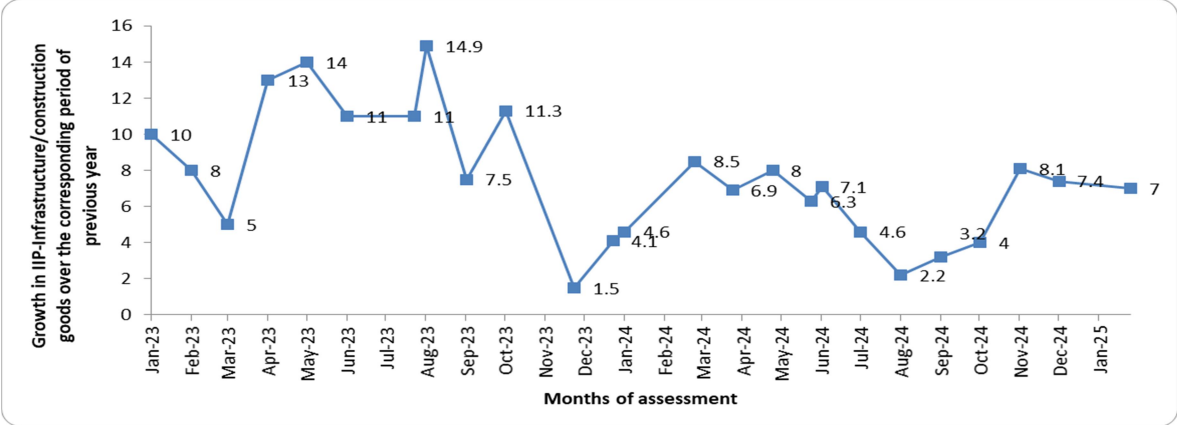
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Intermediate Goods



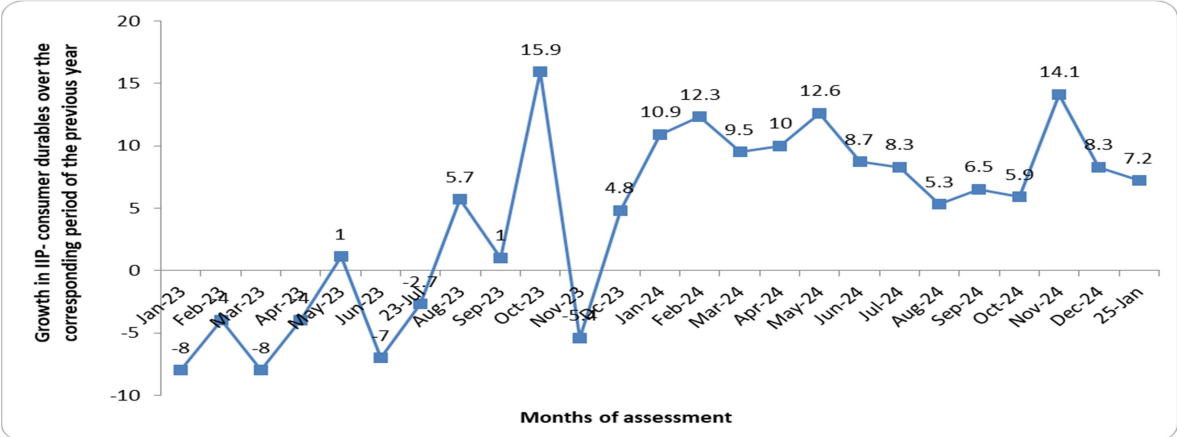
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Infrastructure/construction Goods



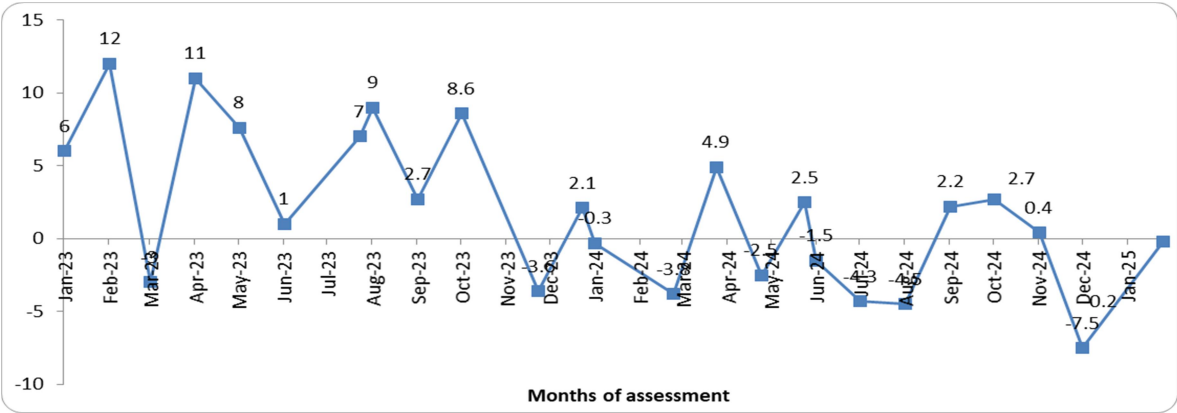
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Consumer Durable



Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP-Consumer non durable



Source: PHD Research Bureau, Compiled from MOSPI

Annexure
Growth in Index of Industrial Production (IIP)

Months	IIP	Manufacturing	Mining	Electricity
Jan-23	5.5	4.0	8.8	12.7
Feb-23	5.6	5.3	4.6	8.2
Mar-23	1.1	0.5	6.8	-1.6
Apr-23	4.2	5.1	5	(-)1.13
May-23	5.7	5.7	6.4	0.9
June-23	4.0	3.1	7.6	4.2
July-23	6.2	4.6	10.7	8.0
Aug-23	10.9	9.3	12.3	15.3
Sept-23	6.4	4.5	11.5	9.9
Oct-23	11.9	10.4	13.1	20.4
Nov-23	2.5	1.2	6.8	5.8
Dec-23	4.4	3.9	5.1	1.2
Jan-24	4.2	3.2	5.9	5.6
Feb-24	5.6	5.0	8.0	7.5
Mar-24	5.4	5.2	1.2	8.6
Apr-24	5.0	3.9	6.7	10.2
May-24	6.2	5.0	6.6	13.7
Jun-24	4.7	3.2	10.3	8.6
Jul-24	4.7	4.4	3.8	7.9
Aug-24	-0.1	1.1	-4.3	-3.7
Sep-24	3.1	3.9	0.2	0.5
Oct-24	3.7	4.4	0.9	2.0
Nov-24	5.2	5.8	1.9	4.4
Dec-24	3.2	3.4	2.7	6.2
Jan-25	5.0	5.5	4.4	2.4

Growth in IIP-Use-Based Industries

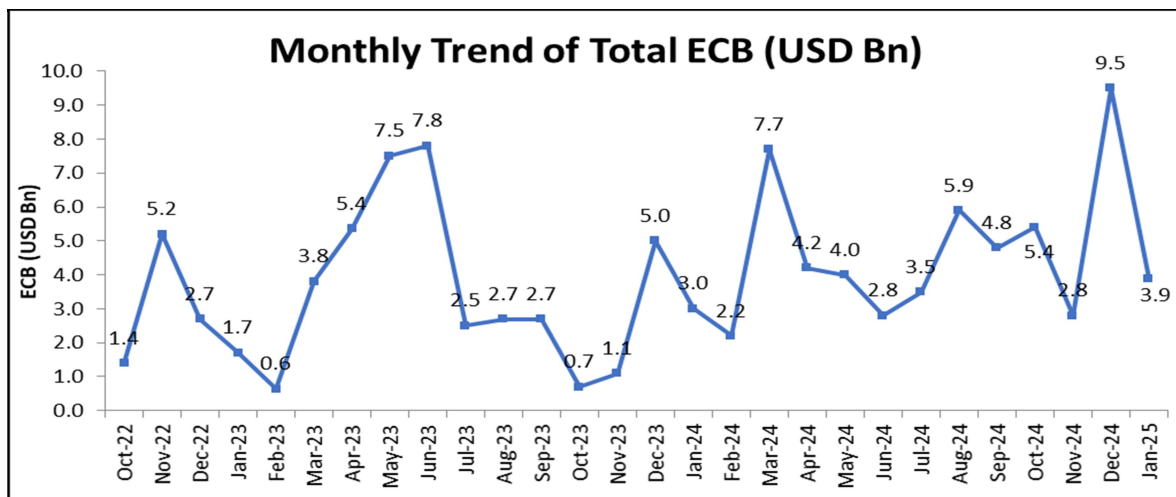
Months	Primary	Capital	Intermediate	Infrastructure/construction Goods	Consumer durables	Consumer Non-durables
Jan-23	10	11	1	10	-8	6
Feb-23	7	10	1	8	-4	12
Mar-23	3	8	1	5	-8	-3
Apr-23	2	6	1	13	-4	11
May-23	4	8	2	14	1	8
June-23	5	2	4	11	-7	1
July-23	8	5	2	11	-3	7
Aug-23	12.4	12.6	6.5	14.9	5.7	9
Sept-23	8.0	7.4	5.8	7.5	1.0	2.7
Oct-23	11.4	22.6	9.7	11.3	15.9	8.6
Nov-23	8.4	-1.1	3.5	1.5	-5.4	-3.6
Dec-23	4.6	3.2	3.4	4.1	4.8	2.1
Jan-24	2.9	4.1	4.8	4.6	10.9	-0.3
Feb-24	5.9	1.2	9.5	8.5	12.3	-3.8
Mar-24	2.5	6.1	5.1	6.9	9.5	4.9
Apr-24	7.0	2.7	3.2	8.0	10.0	-2.5
May-24	7.3	2.9	3.9	6.9	12.6	2.5

Jun-24	6.3	3.8	3	7.1	8.7	-1.5
Jul-24	5.9	11.8	6.4	4.6	8.3	-4.3
Aug-24	-2.6	0.5	3.0	2.2	5.3	-4.5
Sep-24	1.8	3.6	3.6	3.2	6.5	2.2
Oct-24	2.5	3.1	4.6	4.8	5.7	2.6
Nov-24	2.7	9.0	5.0	10.0	13.1	0.6
Dec-24	3.8	10.4	6.4	7.4	8.3	-7.5
Jan-25	5.5	7.8	5.2	7.0	7.2	-0.2

Source: PHD Research Bureau, Compiled from MOSPI

4. ECBs raised about USD 3.9 billion during January 2025

Indian firms have raised about USD 3.9 billion through external commercial borrowings (ECBs) by automatic and approval route in January 2025 as against around USD 9.5 billion in December 2024. ECBs were at about USD 3 billion January 2024.

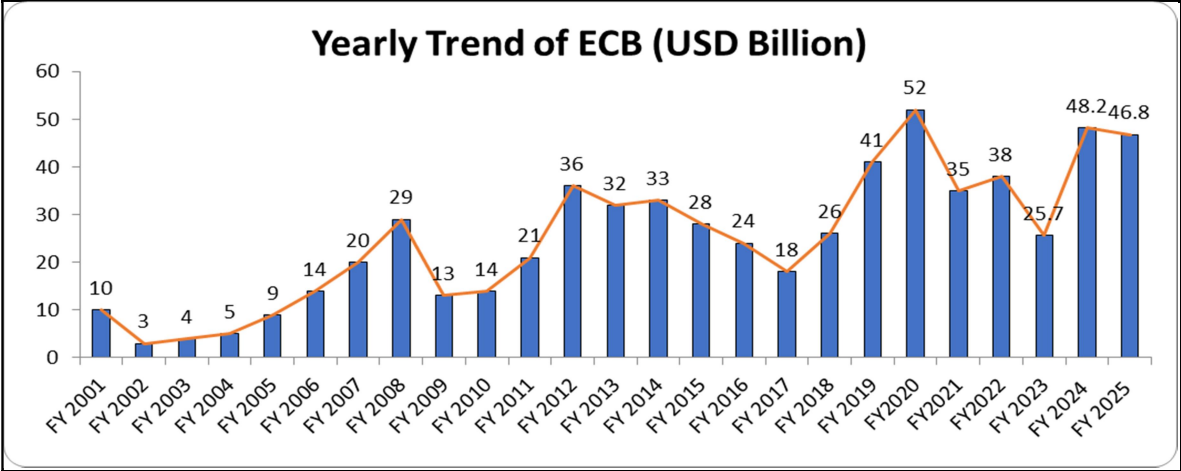


Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI

India has received gross ECBs worth around USD 625.7 billion between FY2001 and FY2025 (Till January 2025).

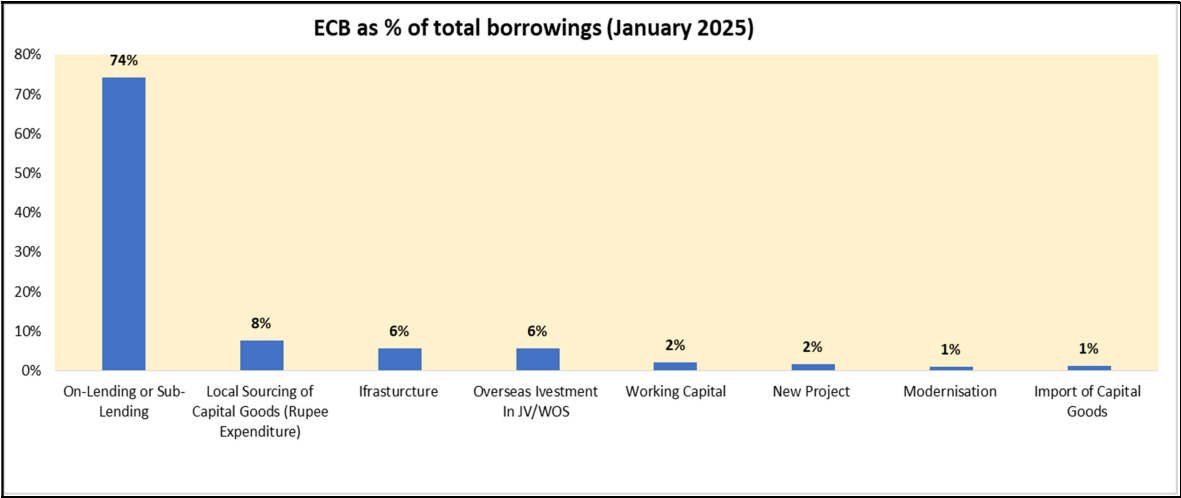
The yearly trend of ECBs shows that it continuously increased from USD 18 billion in FY 2017 to

USD 52 billion in FY 2020 for four consecutive years. Thereafter, it started declining and approximated around USD 25.7 billion in FY 2023 (April 2022- March 2023). However, a significant pick up has been observed in ECBs for FY 2024 (April 2023 - March 2024) as they stand at USD 48.2 billion.



Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI FY 2025 includes April 2024 -January 2025 ECBs

A closer look at the pattern of external commercial borrowings shows that 74% of total borrowings are held for On-Lending or Sub-Lending. On the other hand, the remaining 26% of the total borrowings are held for other purposes, namely, Local Sourcing of Capital Goods (Rupee Expenditure) (8%), Infrastructure (6%), Overseas Investment IN JV/WOS (6%), Working Capital (2%), New Project (2%), Modernisation (1%) and Import of Capital Goods (1%).



Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI

Please contact us for any query related to this mail, Dr. Mansi Vinaik, Deputy Secretary, at mansi.vinaik@phdcci.in, Ms Reema Jain, Research Officer at reema.jain@phdcci.in, Ms. Manpreet Kaur, Research Officer at manpreet.kaur@phdcci.in and Ms. Nishika Chauhan, Research Associate at nishika.chauhan@phdcci.in, with a cc to Dr. S P Sharma, Chief Economist | DSG at spsharma@phdcci.in , PHD Chamber of Commerce & Industry.



Warm regards,

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