

Industrial output grows 5.8% in FY24, slows a tad in March

Mfg, Power Put Up Strong Show | Consumer Durables Recover

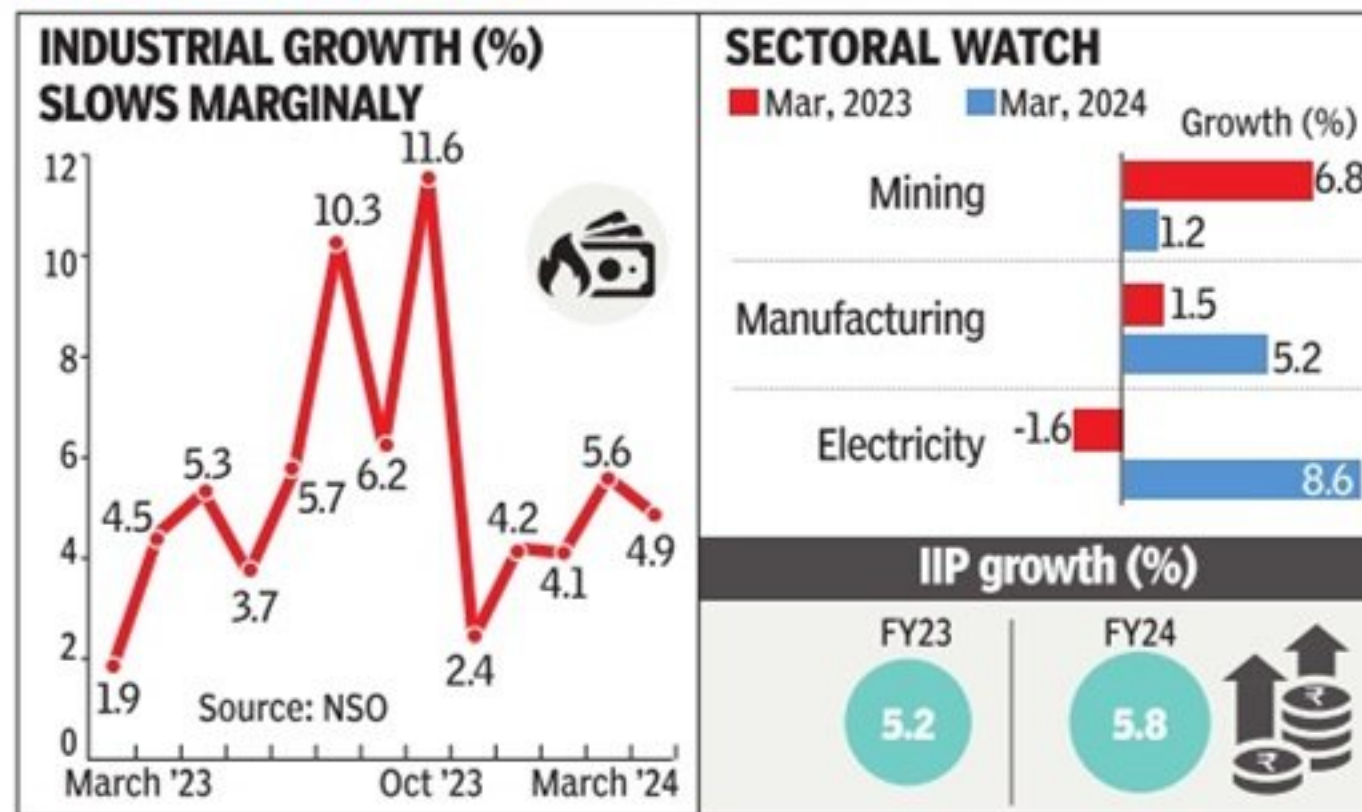
TIMES NEWS NETWORK

New Delhi: The country's industrial output growth slowed marginally in March but manufacturing and electricity sectors remained robust, offsetting the slowdown in mining, while growth for the full fiscal year remained stable, data showed on Friday.

Numbers released by the National Statistical Office on Friday showed the index of industrial production (IIP) rose an annual 4.9% in March, slightly lower than the downwardly revised 5.6% in Feb but above the 1.9% posted in March last year. For the 2023-24 fiscal year, industrial output growth rose to 5.8% from 5.2% in the previous year.

The manufacturing sector rose 5.2% in March, higher than the 1.5% posted in March last year, while the electricity sector grew 8.6% compared with a 1.6% contraction in the same month a year earlier. The mining sector grew 1.2% in March, slower

MAINTAINING MOMENTUM



than the 6.8% recorded in March last year. The manufacturing sector expansion was consistent with other data such as the PMI for manufacturing, which had predicted stable expansion for the sector on the back of robust domestic demand.

The consumer durables sector grew 9.5% in March compared with a contraction of 8% in the year earlier period, while consumer non-durables grew 4.9% during

the month compared with a contraction of 1.9% in the year earlier period.

The capital goods sector, which is seen as a gauge for investment activity, rose 6.1% in March, slower than the 10% recorded in March last year, while the infrastructure/construction goods sector rose 6.9% during the month, slightly slower than the 7.2% in March last year.

"On the consumption front, output of consumer du-

rables grew by 9.5% whereas non-durables output growth turned positive, rising by 4.9% following two consecutive months of contraction. However, the sustenance of this trend remains to be monitored in the upcoming months," said Rajani Sinha, chief economist at ratings agency CareEdge. "Upbeat performance in the infrastructure/construction goods segment remained supportive of the growth in industrial activity and we expect this momentum to continue going forward," said Sinha.

She said the consumption scenario remained mixed in FY24 with urban demand showing resilience while rural demand continued to lag. "However, expectation of a good monsoon, moderating inflation, and signs of pick-up in rural demand are positives for the overall consumption scenario. Thus, a broad-based and durable improvement in consumption remains the key monitorable this fiscal," said Sinha.