

Macro Insights

IIP growth hits four months high in July 2025

IIP growth rate for the month of July 2025 is 3.5 per cent which was 1.5 per cent in June 2025.

Highlights:

- During the April-July period of FY26, the country's total industrial production grew by 2.3 per cent compared to 5.4 per cent a year ago.
- Growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of July 2025 are (-) 7.2 percent, 5.4 percent and 0.6 percent respectively. (As shown in table 1)
- Within manufacturing, 14 out of 23 industry groups recorded a growth in July 2025 over the same month last year.
- Top three positive contributors to the growth of IIP in use-based category are Infrastructure/construction goods, Intermediate goods and consumer durables.

Chart: IIP- July 2025

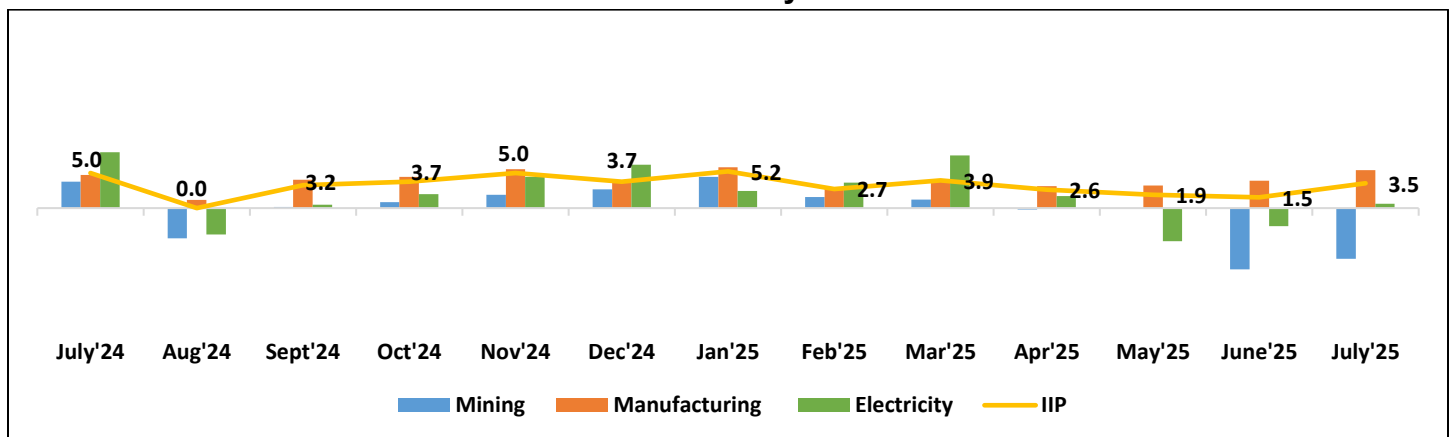


Table: IIP growth % (Sector-wise)

Component	Weight	July'24	July'25		Apr-July'24	Apr-July'25
Mining	14.37%	3.8	-7.2		6.9	-3.9
Manufacturing	77.63%	4.7	5.4		4.4	3.9
Electricity	7.99%	7.9	0.6		10.1	-0.9
IIP Index -General	100.0%	5.0	3.5		5.4	2.3

Table: IIP growth % (Usage-wise)

Component	Weight	July'24	July'25		Apr-July'24	Apr-July'25
Primary Goods	34.05%	5.9	-1.7		6.6	-1.4
Capital Goods	8.22%	11.7	5.0		5.2	8.6
Intermediate Goods	17.22%	7.0	5.8		4.4	5.2
Infra/Construction Goods	12.34%	5.5	11.9		7.4	7.5
Consumer Durables	12.84%	8.2	7.7		10.1	3.8
Consumer non-durables	15.33%	-4.2	0.5		-1.3	-1.0

Key Takeaways:

- India's industrial sector demonstrated increased momentum in July 2025, as reflected by a 3.5 percent year-on-year growth in the IIP, primarily driven by robust results within manufacturing.
- The manufacturing sector emerged as the primary driver of IIP growth. The growth in electricity was modest. Mining declined sharply, which is a usual trend in monsoon, weighing down the overall index.
- The manufacture of basic metals grew by 12.7 per cent, driven by higher output of Mild Steel slabs, HR coils, and alloy steel products. Electrical equipment manufacturing grew by 15.9 per cent, supported by increased production of electric heaters, switchgear, circuit breakers, and small transformers. Non-metallic mineral products expanded by 9.5 per cent on the back of higher output in cement, clinker, and polished marble.
- The use-based classification showed a mixed trend. Primary goods contracted by 1.7 per cent, while capital goods grew by 5.0 per cent and intermediate goods by 5.8 per cent. Infrastructure and construction goods registered a sharp growth of 11.9 per cent, consumer durables rose by 7.7 per cent, and consumer non-durables inched up by 0.5 per cent.
- The major contributors to the overall IIP growth were infrastructure and construction goods, intermediate goods, and consumer durables. These figures reflect a healthy momentum in both investment-led and consumer-driven sectors, suggesting resilience in India's industrial landscape.
- Going forward, we expect IIP growth to maintain a healthy trend due to strong growth in private consumption and government capex. Though, US tariff immediate impact on the Manufacturing sector may put downward pressure on the index.

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