

## Macro Insights

### Analysis and Key Takeaways: Index of Industrial Production (IIP) December 2025

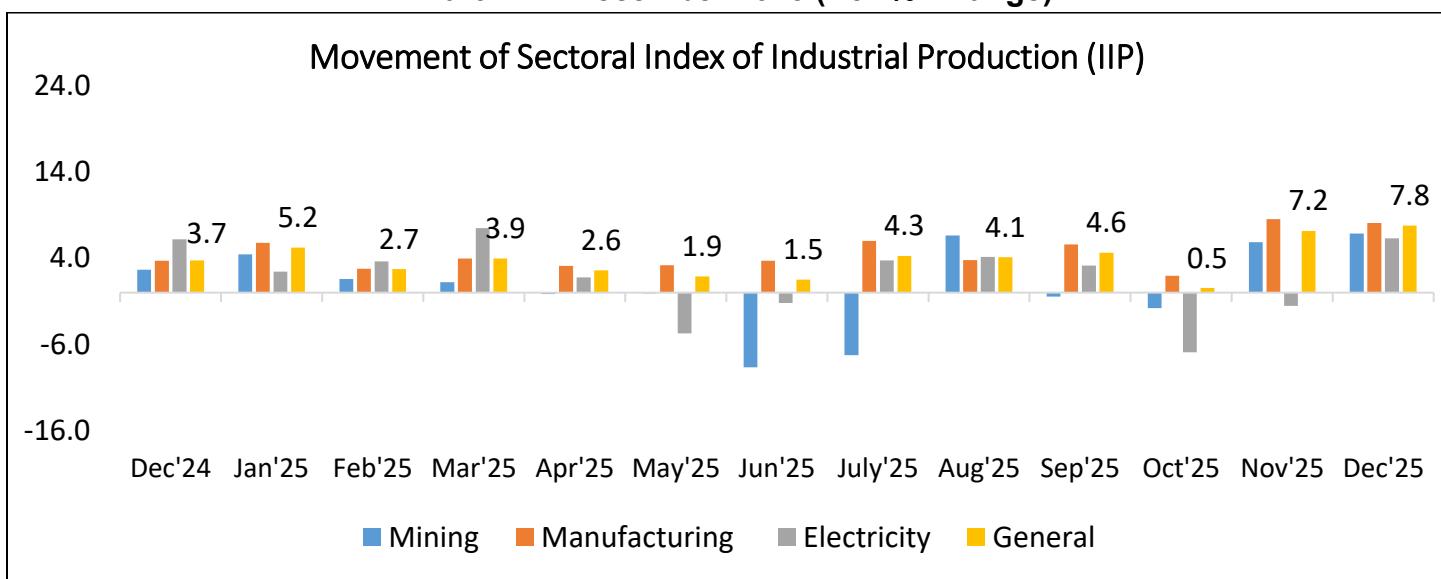
#### **IIP growth hits 25-month high of 7.8% in Dec'25 from 7.2% in Nov'25**

Industrial activity, as indicated by Index of Industrial Production was recorded at over 2 years high of 7.8% in Dec'25 from 7.2% growth in Nov'25. It stood at 3.7% in Dec'24. On a sequential basis, IIP rose by 7.3% in Dec'25, with the index rising to 170.3 compared to 158.7 in Nov'25.

#### **Highlights**

- ☞ IIP growth was driven by a rebound in electricity output and sustained activity in the mining and manufacturing sectors.
- ☞ Four out of six use-based categories witnessed a pick-up in Dec'25 vis-à-vis Nov'25. Consumer durables continued their momentum, growing 12.3% in Dec'25 after witnessing a rebound in the previous month.
- ☞ Infrastructure and construction sector recorded strong growth at 12.1% in Dec'25.

**Chart: IIP - December 2025 (YoY% Change)**



**Table 1: IIP YoY growth % (Sector-wise)**

Component	Weight (%)	Dec'24	Dec'25	Apr-Dec (FY24-25)	Apr-Dec (FY25-26)
<b>Mining &amp; quarrying</b>	14.37	2.7	6.8	3.3	0.1
<b>Manufacturing</b>	77.63	3.7	8.1	4.0	4.9
<b>Electricity</b>	7.99	6.2	6.3	5.4	0.5
<b>IIP Index -General</b>	100.00	3.7	7.8	4.1	3.8

**Table 2: IIP YoY growth % (Usage-wise)**

Component	Weight (%)	Dec'24	Dec'25	Apr-Dec (FY24-25)	Apr-Dec (FY25-26)
<b>Primary Goods</b>	34.05	3.8	4.4	3.9	0.8
<b>Capital Goods</b>	8.22	10.5	8.1	5.1	7.3
<b>Intermediate Goods</b>	17.22	6.5	7.5	4.6	5.6
<b>Infra/Construction Goods</b>	12.34	8.4	12.1	6.3	9.4
<b>Consumer Durables</b>	12.84	8.1	12.3	8.7	5.6
<b>Consumer non-durables</b>	15.33	-7.1	8.3	-1.4	0.2

### Analysis and Views:

- IIP growth picked up pace to grow at 3.8% in the first 9 months of the financial year FY26. This was the slowest pace compared to the last 5 financial years.
- IIP growth in December 2025 was supported by expansion in all three key sectors - manufacturing, mining and electricity.
- Manufacturing activity grew by 8.1% in Dec'25, continuing the momentum built in Nov'25.
- Within the manufacturing sector, 16 out of 23 industries witnessed an expansion in the month of December. Key contributors included computer, electronic and optical products which grew by 34.9% YoY, followed by motor vehicles, trailers and semi-trailers which recorded 33.5% YoY growth and other transport equipment, which expanded by 25.1% on YoY basis. Basic metals and pharmaceutical sectors also recorded robust growth of 12.7% and 10.2% respectively. Together, these segments provided the biggest boost to overall industrial growth.
- Mining activity posted a YoY growth of 6.8% in December month, the highest in 4 months.
- A similar trend was observed across all six use-based categories in the month of December, with infrastructure goods and consumer goods posting the biggest gains. Expansion in capital goods, intermediate goods and construction goods points towards healthy investment activity.
- Both consumer durables and non-durables continued to expand by 12.3% and 8.3% respectively in Dec'25, reflecting the demand momentum owing to GST rate cuts.
- Going forward, IIP growth is expected to remain in the range of 4-6% due to normalization of base effect.

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