



PHDCCI Analysis on Recent Economic Developments

- 1. IIP grew at 5.2% in November 2024**
- 2. United Nations projected Global economic growth to remain at 2.8% in 2025 and 2.9% for 2026**
- 3. ECBs raised about USD 2.8 billion during November 2024**
- 4. GDP growth rate at 6.4%, first advance estimates, NSO, MoSPI**

1. IIP grew at 5.2% in November 2024

Growth in industry output, as measured in terms of IIP, for the month of November 2024 grew at 5.2%. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of November 2024 are 1.9%, 5.8% and 4.4% respectively.

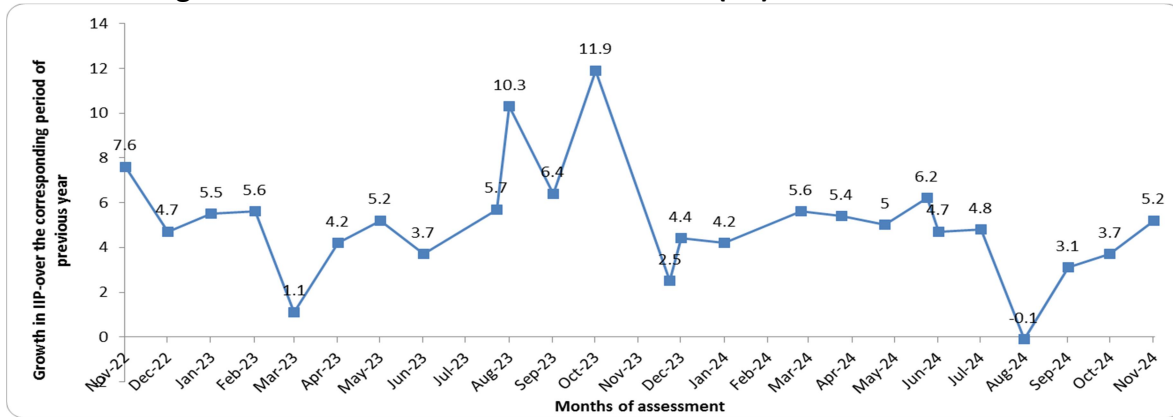
Index of Industrial Production (Sectoral): Growth over the corresponding period of the previous year (%)

	Weight in IIP	Apr-Mar 2022-23	Apr-Mar 2023-24	August 2024	September 2024	October 2024	November 2024	Apr-Nov 2024-25
Overall IIP	100	5.2	5.9	-0.1	3.1	3.7	5.2	4.1
Manufacturing	77.63	4.7	5.5	1.1	3.9	4.4	5.8	4.1
Mining	14.37	5.8	7.5	-4.3	0.2	0.9	1.9	3.3
Electricity	7.99	8.9	7.1	-3.7	0.5	2.0	4.4	5.3

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 5.2%.

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



Source: PHD Research Bureau, compiled from MOSPI

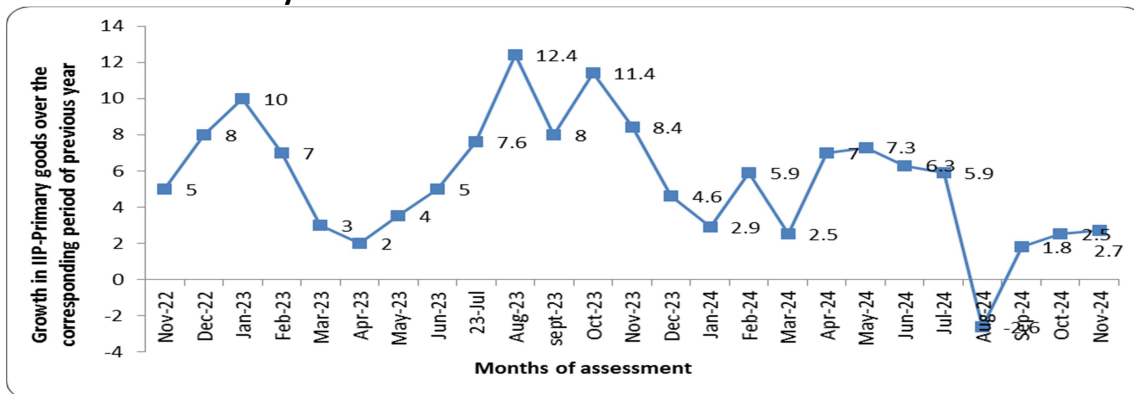
In November 2024, the highest growth was registered in Consumer durables at 13.1%. Infrastructure/ Construction goods grew at 10% in November 2024. Whereas, Capital Goods grew at 9% in November 2024.

Index of Industrial Production- Use Based (%)

	Weight in IIP	April-Mar 2022-23	April-Mar 2023-24	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024
Primary Goods	34.04	7.5	6.1	7.0	7.3	6.3	5.9	-2.6	1.8	2.5	2.7
Capital Goods	8.22	13.1	6.2	2.7	2.9	3.8	11.8	0.5	3.6	3.1	9.0
Intermediate Goods	17.22	3.8	5.2	3.2	3.9	3.0	6.4	3.0	3.6	4.6	5.0
Infrastructure/ Construction Goods	12.33	8.4	9.7	8.0	6.3	7.1	4.6	2.2	3.2	4.8	10.0
Consumer Durables	12.83	0.6	3.6	10.0	12.6	8.7	8.3	5.3	6.5	5.7	13.1
Consumer non-durables	15.32	0.7	4.1	-2.5	2.5	-1.5	-4.3	-4.5	2.2	2.6	0.6

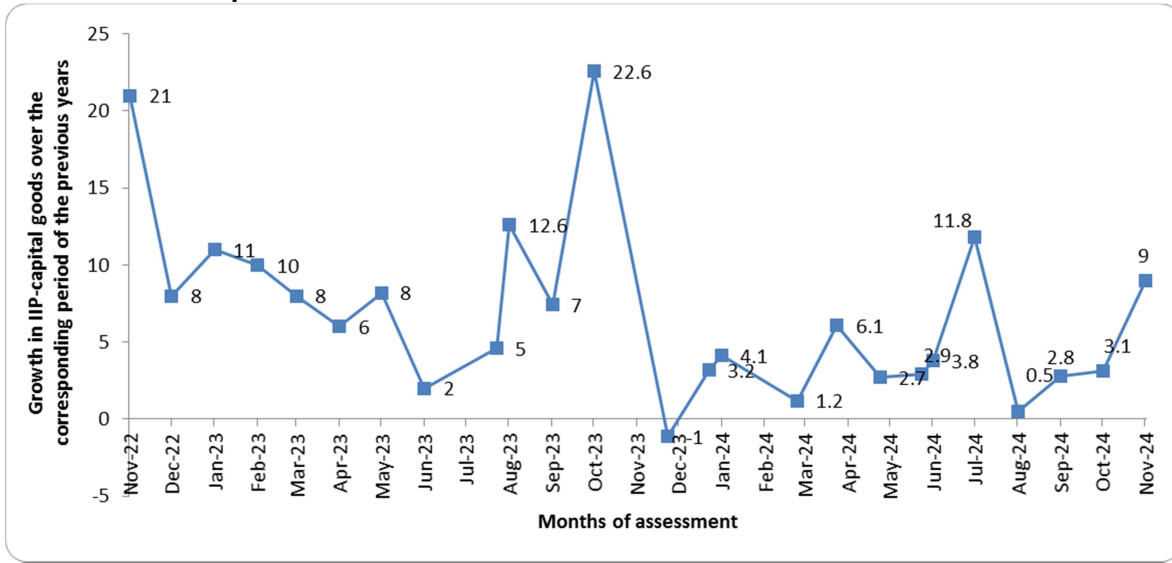
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP-Primary Goods



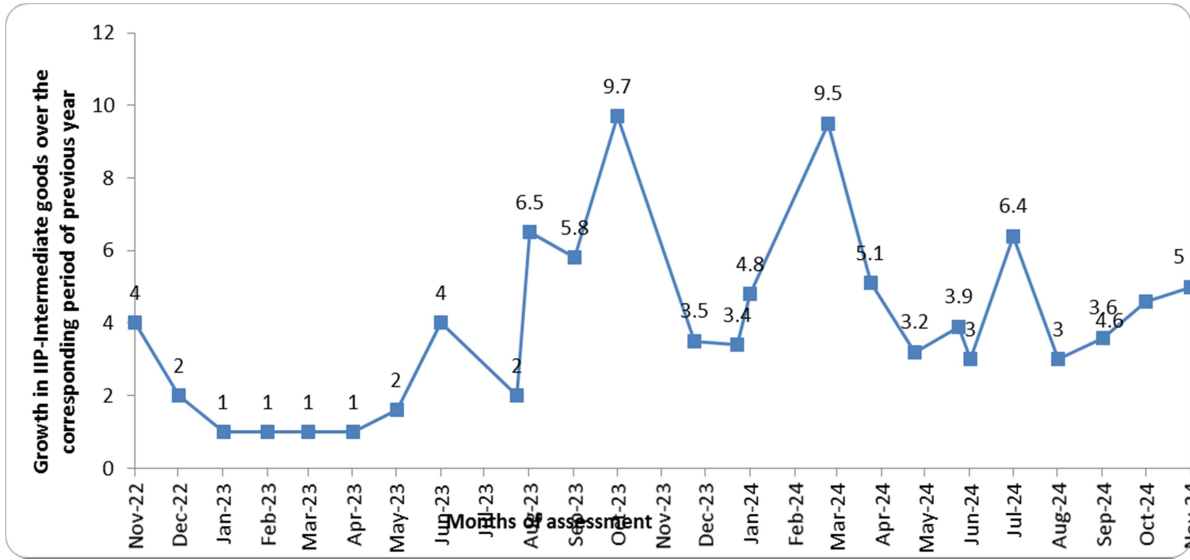
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Capital Goods



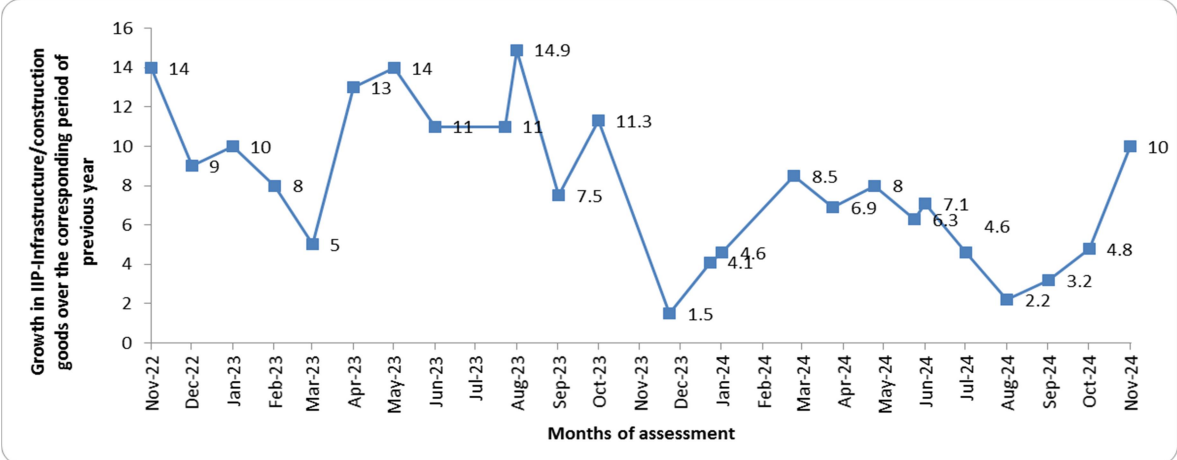
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Intermediate Goods



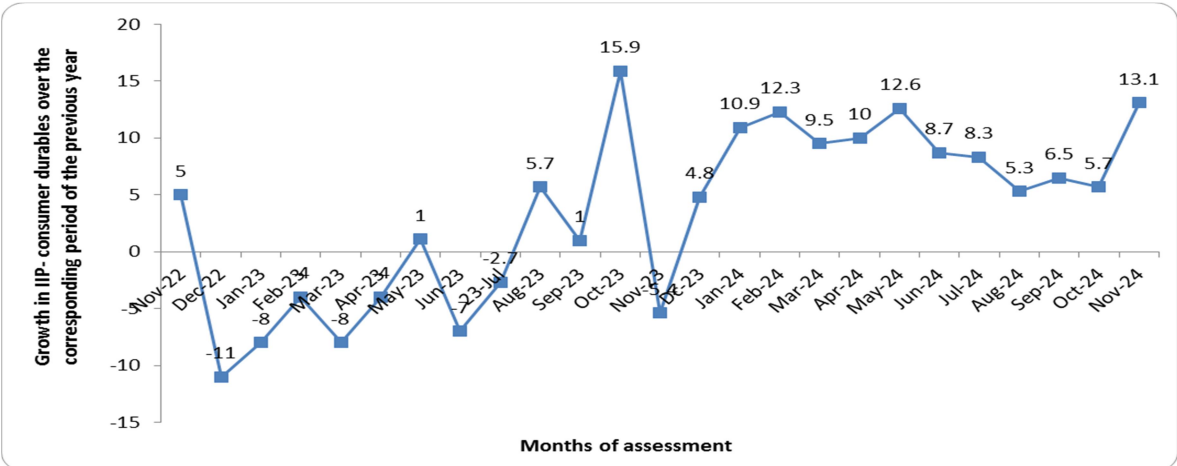
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Infrastructure/construction Goods



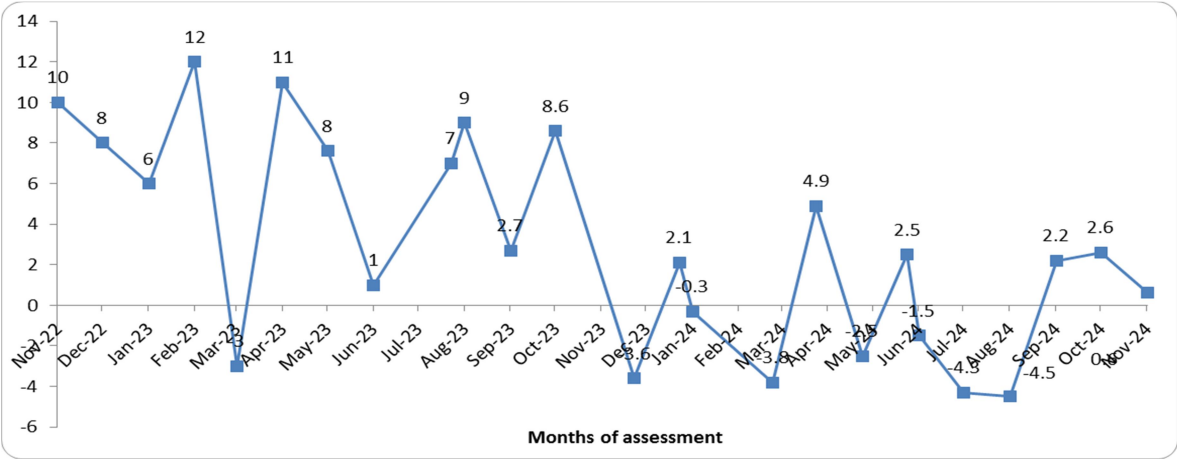
Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP- Consumer Durable



Source: PHD Research Bureau, Compiled from MOSPI

Growth in IIP-Consumer non durable



Source: PHD Research Bureau, Compiled from

Growth in Index of Industrial Production (IIP)

Months	IIP	Manufacturing	Mining	Electricity
Dec-22	4.7	3.1	10	10.4
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

Growth in IIP-Use-Based Industries

Months	Primary	Capital	Intermediate	Infrastructure/construction Goods	Consumer durables	Consumer Non-durables
Dec-22	8	8	2	9	-11	8
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

Source: PHD Research Bureau, Compiled from MOSPI

2. United Nations projected Global economic growth to remain at 2.8% in 2025 and 2.9% for 2026

According to the United Nations flagship report “World Economic Situation and Prospects 2025”: The global economic growth is forecast at 2.8% for 2025 and 2.9% for 2026, unchanged from 2024. The global economy has exhibited remarkable resilience, managing to endure a succession of interconnected shocks and prolonged periods of monetary tightening driven by inflation. However, growth continues to fall short of the pre-pandemic average of 3.2 percent, hindered by insufficient investment, slow productivity advancements, and elevated debt levels.

Global trade is projected to increase by 3.2 percent in 2025, building on a recovery of 3.4 percent in 2024, which is anticipated to be fueled by enhanced exports of manufactured products from Asia and robust trade in services. However, the outlook faces considerable risks from trade tensions, protectionist measures, and geopolitical uncertainties.

Global inflation has maintained a downward trajectory, with headline inflation falling from 5.6 percent in 2023 to an anticipated 4.0 percent in 2024, and a further reduction to 3.4 percent is expected in 2025. This decrease is mainly due to alleviating labor market pressures in advanced economies, along with a moderation in international prices for food and energy commodities. Inflation is expected to decline higher in emerging markets and developing economies.

Despite a decline in global inflation, food inflation continues to be high, with almost half of developing nations projected to have rates exceeding 5 percent in 2024. This situation has exacerbated food insecurity in low-income countries that are already grappling with severe weather conditions, conflicts, and economic instability.

Outlook for India

The Indian economy is expected to grow by 6.6 percent in 2025, primarily bolstered by substantial private consumption and investment growth. However, factors such as declining external demand, ongoing debt issues, and social unrest and political instability in certain economies could pose risks to the region's outlook.

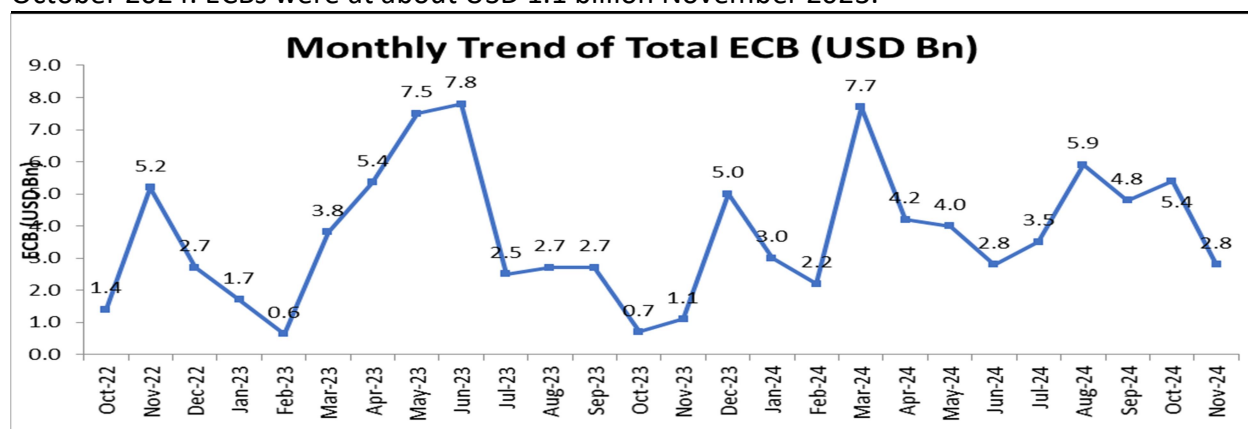
Regional economic outlook

Economic growth in the United States is anticipated to decelerate from 2.8 percent in 2024 to 1.9 percent in 2025, attributed to a softening labor market and a slowdown in consumer spending. In Europe, a modest recovery is expected, with GDP growth projected to increase from 0.9 percent in 2024 to 1.3 percent in 2025, bolstered by declining inflation and resilient labor markets. Japan is poised for continued economic recovery from an estimated -0.2% in 2024 to 1.0% in 2025 and 1.2% in 2026.

In East Asia, growth is expected to reach 4.7 percent in 2025, primarily driven by China's anticipated stable growth of 4.8 percent, supported by strong private consumption throughout the region. In Africa, growth is forecasted to increase slightly from 3.4 percent in 2024 to 3.7 percent in 2025.

3. ECBs raised about USD 2.8 billion during November 2024

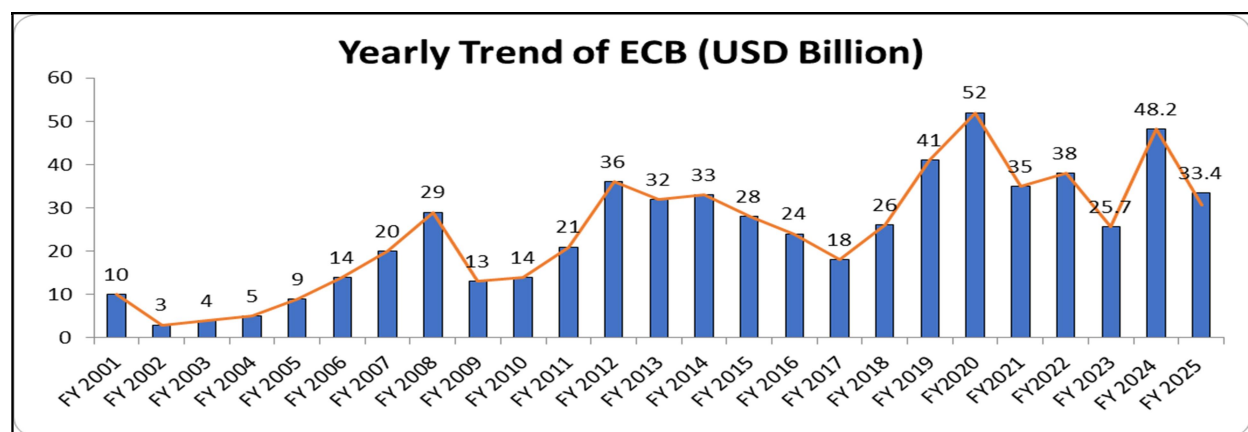
Indian firms have raised about USD 2.8 billion through external commercial borrowings (ECBs) by automatic and approval route in November 2024 as against around USD 5.4 billion in October 2024. ECBs were at about USD 1.1 billion November 2023.



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

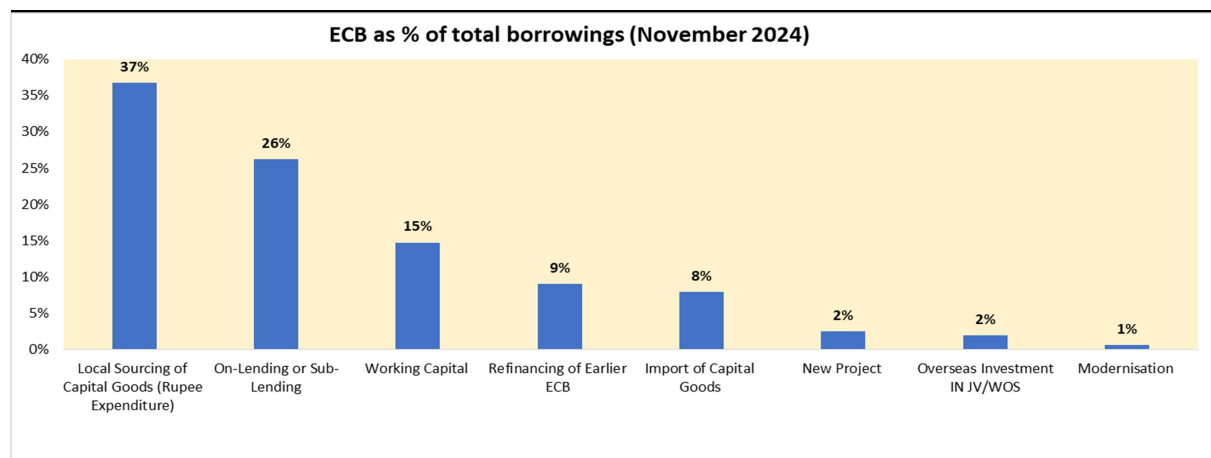
India has received gross ECBs worth around USD 612 billion between FY2001 and FY2025 (Till November 2024).

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-October 2024 ECBs

A closer look at the pattern of external commercial borrowings shows that 78% of total borrowings are held for two purposes, namely, Local Sourcing of Capital Goods (Rupee Expenditure) (37%), On-Lending or Sub-Lending (26%) and Working Capital/General Corporate Purpose (15%). On the other hand, the remaining 22% of the total borrowings are held for other purposes, namely, Refinancing of earlier ECB (9%), Import of Capital Goods (8%), New Project (2%), Overseas Investment IN JV/WOS (2%) and Modernisation (1%).



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

4. GDP growth rate at 6.4%, first advance estimates, NSO, MoSPI

India's growth in real GDP during 2024-25 estimated at 6.4% by NSO. The manufacturing sector is growing at more than 6% percent. The mining & quarrying, construction sectors are growing consistently. The gross fixed capital formation at 33.5% of GDP, is indicating steady capacity expansion. The construction sector is expected to grow at 8.6%, while public administration, defence, and other services are projected to grow at 9.1% in FY 2024-25.

Agriculture and allied sector stands at 3.8%, electricity, gas, water supply & other utility services at 6.8%, trade, hotels, transport, communication & services related to broadcasting at 5.8%, financial, real estate & professional services at 7.3% and public administration, defense & other services at 9.1%.

These growth figures are contributing to the overall economic expansion and creating scope for employment expansion in factories and business segments.

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, manpreet.kaur@phdcci.in, Ms.Mansi Nautiyal, Research Associate at mansi.nautiyal@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.



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