



## PHDCCI Analysis on Recent Macro Economic Developments

- 1. CPI Inflation softens to 4.3% in January 2025**
- 2. IIP grew at 3.2% in December 2024**

### 1. CPI Inflation softens to 4.3% in January 2025

The Consumer Price Index (CPI) inflation softened to 4.3% in January 2025 as compared with 5.2% in December 2024. The decrease in CPI inflation is majorly caused by softening of prices of Food and Beverages (from 7.6% in December 2024 to 5.6% in January 2025), and Clothing and Footwear (from 2.7% in December 2024 to 2.6% in January 2025).

The rural CPI inflation has decreased to 4.6% in January 2025 from 5.7% in December 2024. The urban CPI inflation decreased to 3.8% in January 2025 as compared with 4.5% in December 2024.

<b>All India sequential inflation rates (%) based on CPI (General) and CFPI: January 2025 over December 2024</b>							
		<b>January 2025 (Provisional)</b>			<b>December 2024</b>		
		<b>Rural</b>	<b>Urban</b>	<b>Combd</b>	<b>Rural</b>	<b>Urban</b>	<b>Combd</b>
Inflation	CPI (General)	4.64	3.87	4.31	5.76	4.58	5.22
	CFPI	6.31	5.53	6.02	8.65	7.90	8.39

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in January 2025 is 4.6% as compared with 5.3% in January 2024. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in January 2025 is 3.8% compared to 4.9% in January 2024.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: January 2025 over January 2024							
		January 2025 (Provisional)			January 2024		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	4.64	3.87	4.31	5.34	4.92	5.10
	CFPI	6.31	5.53	6.02	7.91	9.02	8.30

Source: PHD Research Bureau, compiled from MoSPI

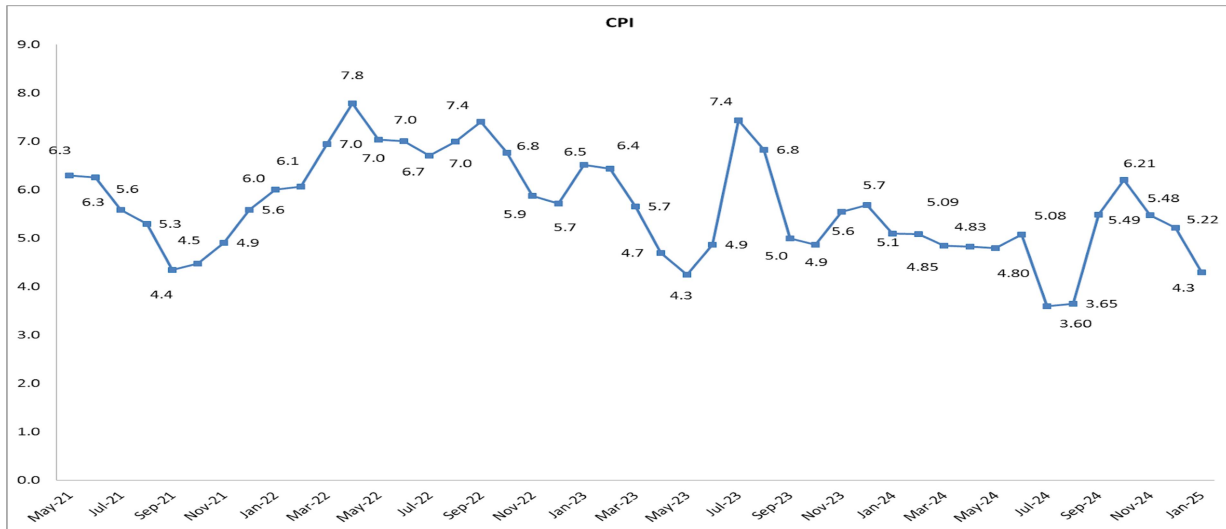
The all-India CPI and year-on-year inflation (%) for January 2025 for rural, urban, and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for January 2025 (Provisional)						
Category	Rural		Urban		Combined	
	January 2025 Index	Inflation Rate (%)	January 2025 Index	Inflation Rate (%)	January 2025 Index	Inflation Rate (%)
Food and Beverages	198.8	5.91	204.6	5.36	200.9	5.68
Pan, tobacco and intoxicants	208.2	2.46	212.6	1.77	209.4	2.30
Clothing and Footwear	199.7	2.62	188.1	2.73	195.1	2.68
Housing	-	-	182.5	2.76	182.5	2.76
Fuel and Light	183.1	-0.54	170.6	-2.90	178.4	-1.38
Miscellaneous	191.5	4.42	182.6	4.22	187.2	4.35
General Index (All Groups)	196.0	4.64	190.6	3.87	193.5	4.31

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%.

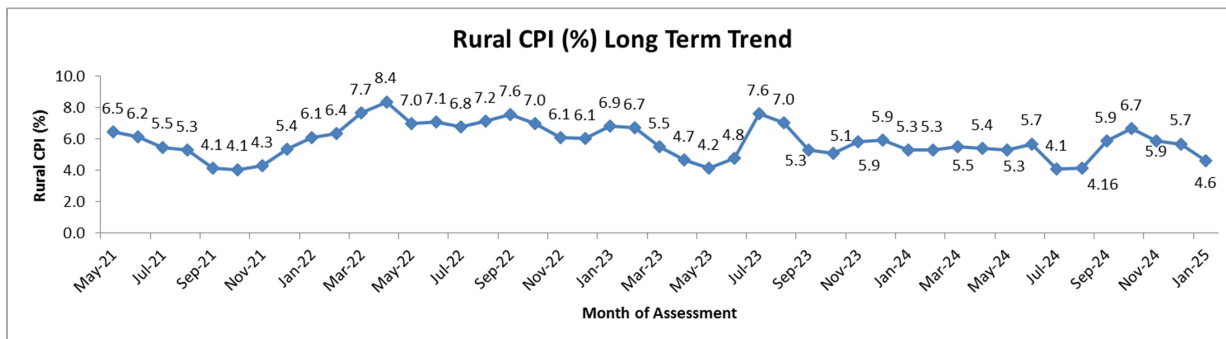
**Figure 1: Long-term trend in the CPI inflation (%)**



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 4.6%.

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

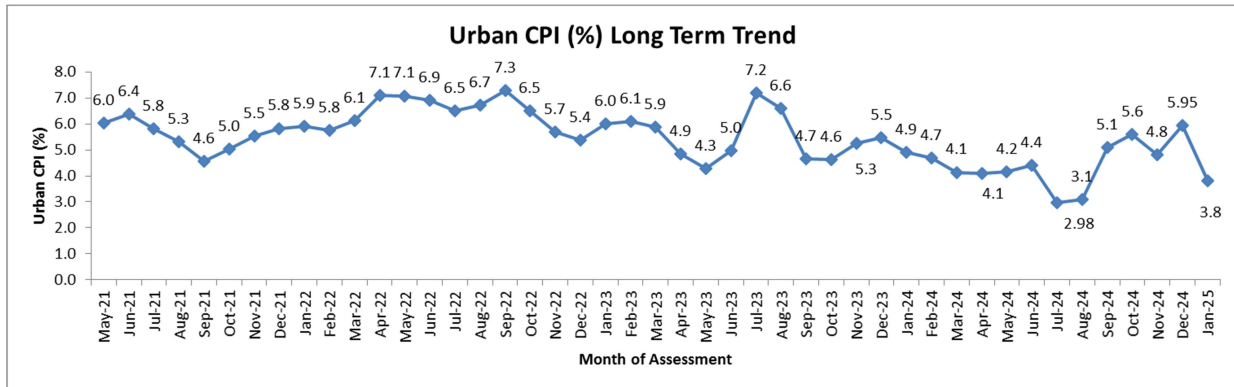


Source: PHD Research Bureau, compiled from MoSPI

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 3.8% in January 2025.

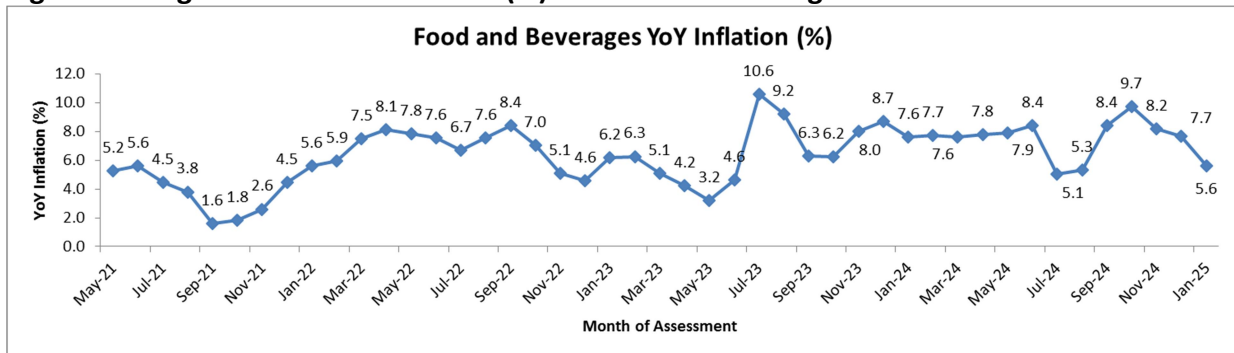
**Figure 3: Long-term trend in the Urban CPI inflation (%)**



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 10.6% in July 2023. Presently, the value stands at 5.6% in January 2025.

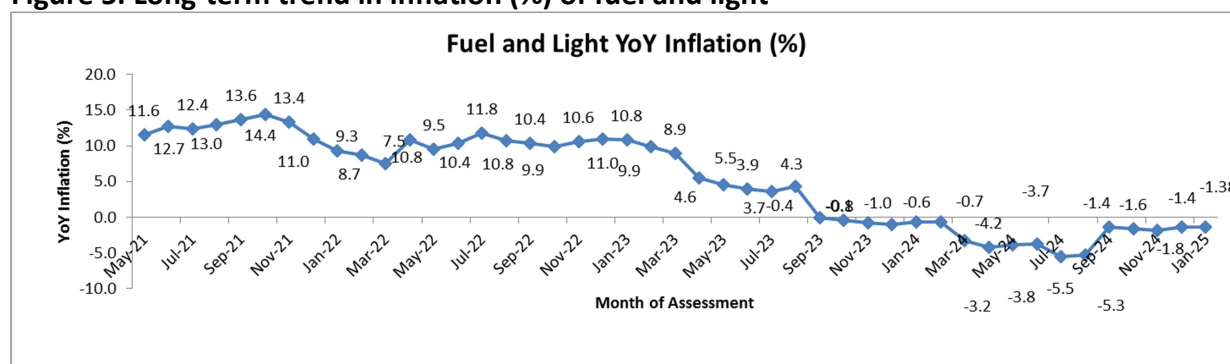
**Figure 4: Long-term trend in inflation (%) of food and beverages**



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 January 2025 value of inflation of fuel and light is -1.38%.

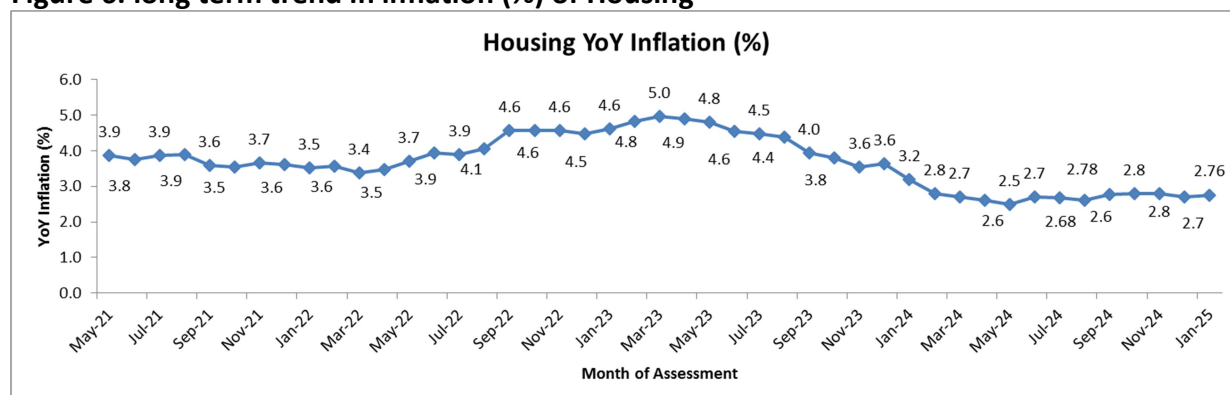
**Figure 5: Long-term trend in inflation (%) of fuel and light**



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, January 2025 saw the housing inflation value to 2.7%.

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



Source: PHD Research Bureau, compiled from MoSPI

**Annexure**

Month	CPI (%)	Rural CPI (%)	Urban CPI (%)	Food and Beverages (%)	Fuel and Light (%)	Housing (%)
May-21	6.3	6.5	6.0	5.2	11.6	3.9
Jun-21	6.3	6.2	6.4	5.6	12.7	3.8
Jul-21	5.6	5.5	5.8	4.5	12.4	3.9
Aug-21	5.3	5.3	5.3	3.8	13.0	3.9
Sep-21	4.4	4.1	4.6	1.6	13.6	3.6

<b>Oct-21</b>	4.5	4.1	5.0	1.8	14.4	3.5
<b>Nov-21</b>	4.9	4.3	5.5	2.6	13.4	3.7
<b>Dec-21</b>	5.6	5.4	5.8	4.5	11.0	3.6
<b>Jan-22</b>	6.0	6.1	5.9	5.6	9.3	3.5
<b>Feb-22</b>	6.1	6.4	5.8	5.9	8.7	3.6
<b>Mar-22</b>	7.0	7.7	6.1	7.5	7.5	3.4
<b>Apr-22</b>	7.8	8.4	7.1	8.1	10.8	3.5
<b>May-22</b>	7.0	7.0	7.1	7.8	9.5	3.7
<b>Jun-22</b>	7.0	7.1	6.9	7.6	10.4	3.9
<b>Jul-22</b>	6.7	6.8	6.5	6.7	11.8	3.9
<b>Aug-22</b>	7.0	7.2	6.7	7.6	10.8	4.1
<b>Sep-22</b>	7.4	7.6	7.3	8.4	10.4	4.6
<b>Oct-22</b>	6.8	7.0	6.5	7.0	9.9	4.6
<b>Nov-22</b>	5.9	6.1	5.7	5.1	10.6	4.6
<b>Dec-22</b>	5.7	6.1	5.4	4.6	11.0	4.5
<b>Jan-23</b>	6.5	6.9	6.0	6.2	10.8	4.6
<b>Feb-23</b>	6.4	6.7	6.1	6.3	9.9	4.8
<b>Mar-23</b>	5.7	5.5	5.9	5.1	8.9	5.0
<b>Apr-23</b>	4.7	4.7	4.9	4.2	5.5	4.9
<b>May-23</b>	4.3	4.2	4.3	3.2	4.6	4.8

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

Source: PHD Research Bureau, compiled from MoSPI

The Consumer Price Index (CPI) inflation decreased to 5.2% in December 2024 as compared with 5.4% in November 2024. The rural CPI inflation has decreased to 5.7% in December 2024 from 5.9% in November 2024. The urban CPI inflation decreased to 4.5% in December 2024 as compared with 4.8% in November 2024. The decrease in CPI inflation is majorly caused by softening of prices of Food and Beverages (from 8.2% in November 2024 to 7.7% in December 2024), and Housing (from 2.8% in November 2024 to 2.7% in December 2024).

## 2. IIP grew at 3.2% in December 2024

Growth in industry output, as measured in terms of IIP, for the month of December 2024 grew at 3.2%. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of December 2024 are 2.6 percent, 3.0 percent and 6.2 percent respectively.

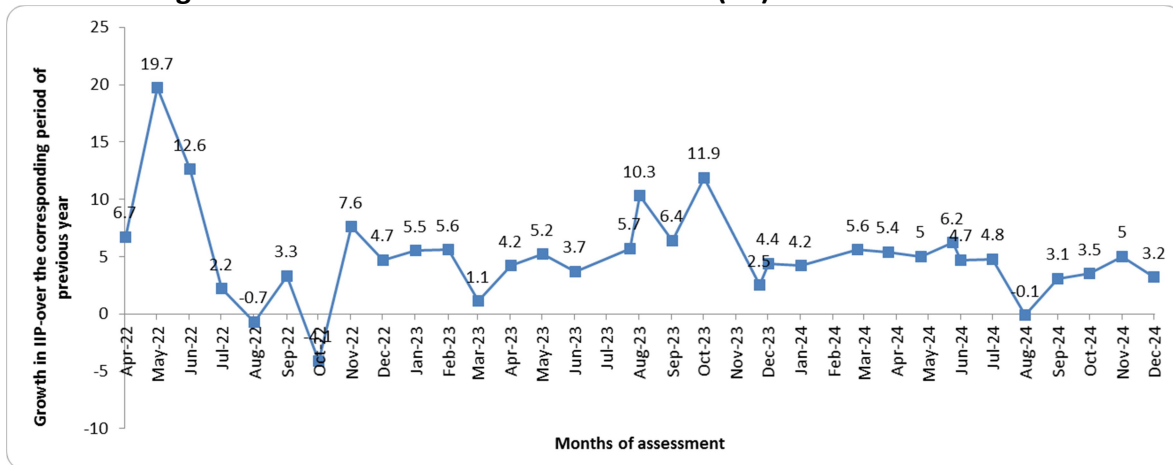
### Index of Industrial Production (Sectoral): Growth over the corresponding period of the previous year (%)

	Weight in IIP	Apr-Mar 2022-23	Apr-Mar 2023-24	September 2024	October 2024	November 2024	December 2024	Apr-Dec 2024-25
Overall IIP	100	5.2	5.9	3.1	3.7	5.0	3.2	4.0
Manufacturing	77.63	4.7	5.5	3.9	4.4	5.5	3.0	4.0
Mining	14.37	5.8	7.5	0.2	0.9	1.9	2.6	3.3
Electricity	7.99	8.9	7.1	0.5	2.0	4.4	6.2	5.4

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 3.2%.

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



Source: PHD Research Bureau, compiled from MOSPI

In December 2024, the highest growth was registered in Capital Goods at 10.3%. IConsumer Durables goods grew at 8.3% in December 2024. Whereas, Infrastructure/ Construction Goods grew at 6.3% in December 2024.

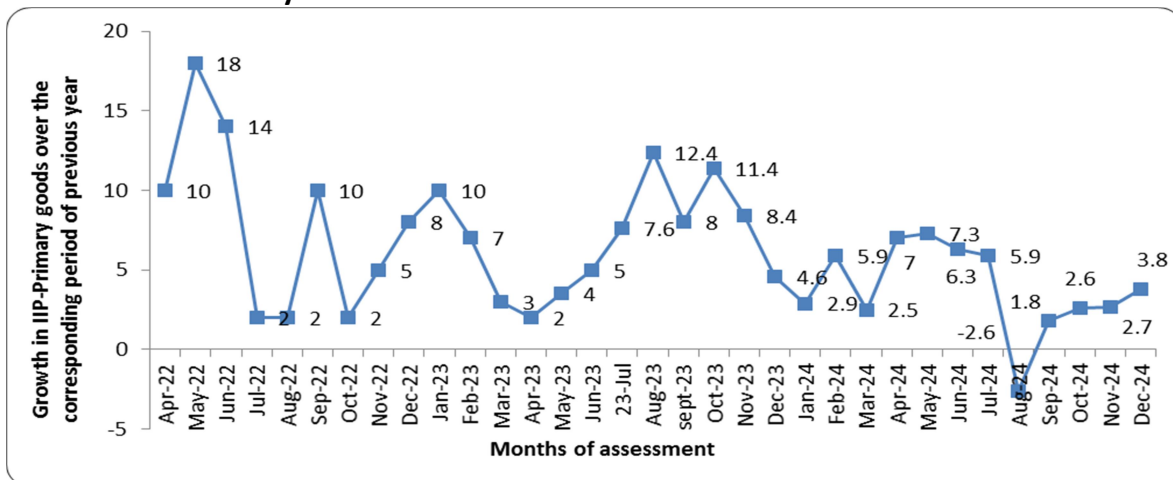


### Index of Industrial Production- Use Based (%)

	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	Dec 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	3.8
Capital Goods	8.22	13.1	6.2	2.7	2.9	3.8	11.8	0.5	3.6	3.1	8.8	10.3
Intermediate Goods	17.22	3.8	5.2	3.2	3.9	3.0	6.4	3.0	3.6	4.6	4.8	5.9
Infrastructure/Construction Goods	12.33	8.4	9.7	8.0	6.3	7.1	4.6	2.2	3.2	4.8	8.1	6.3
Consumer Durables	12.83	0.6	3.6	10.0	12.6	8.7	8.3	5.3	6.5	5.7	14.1	8.3
Consumer non-durables	15.32	0.7	4.1	-2.5	2.5	-1.5	-4.3	-4.5	2.2	2.6	0.4	-7.6

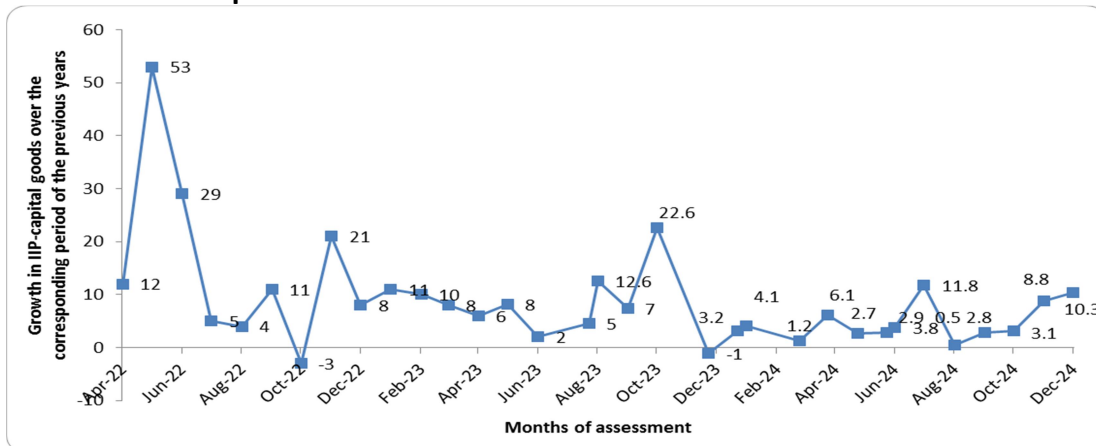
Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP-Primary Goods



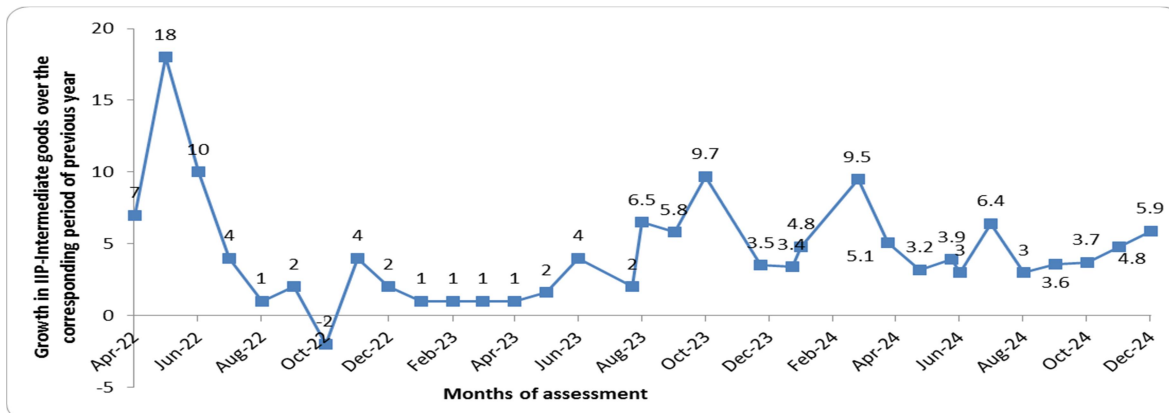
Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP- Capital Goods



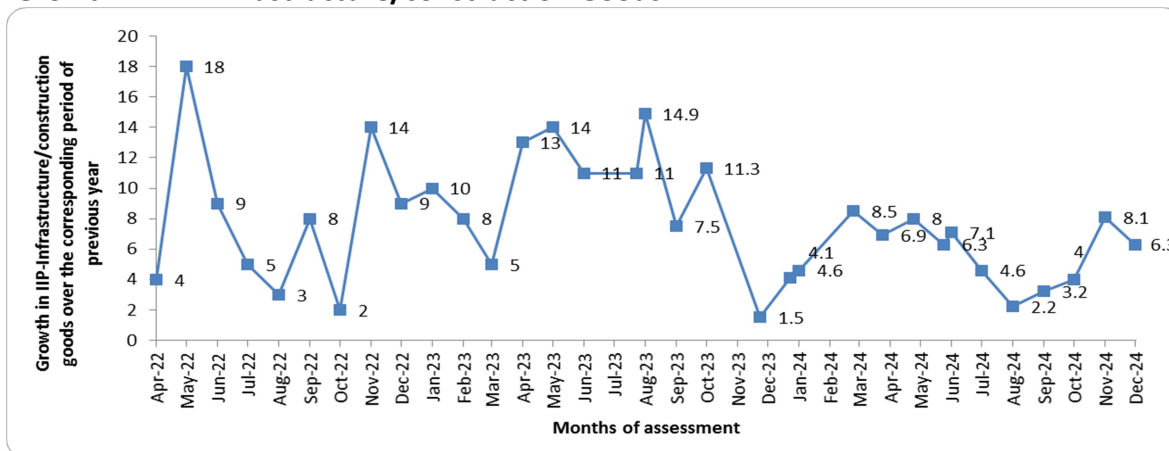
Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP- Intermediate Goods



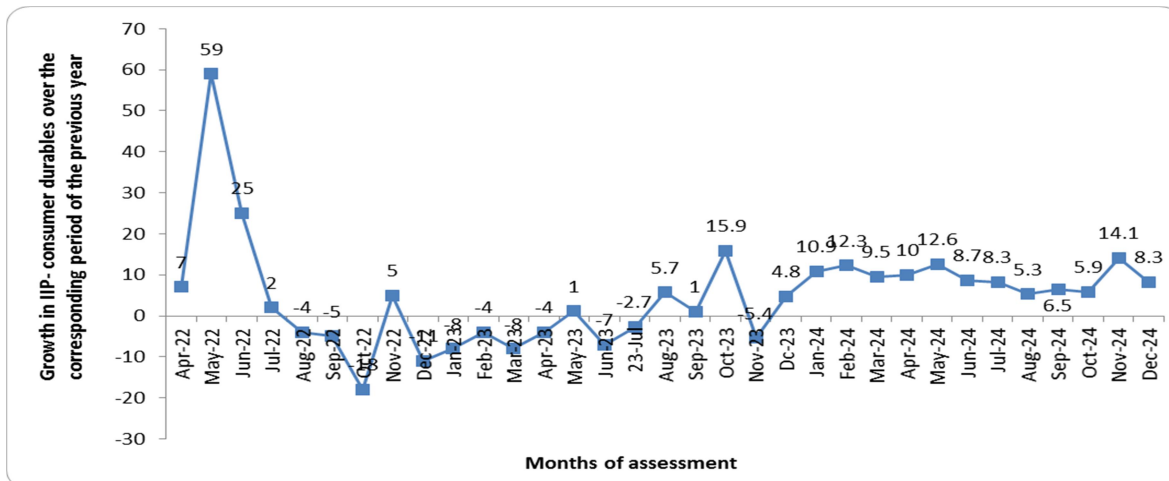
Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP- Infrastructure/construction Goods



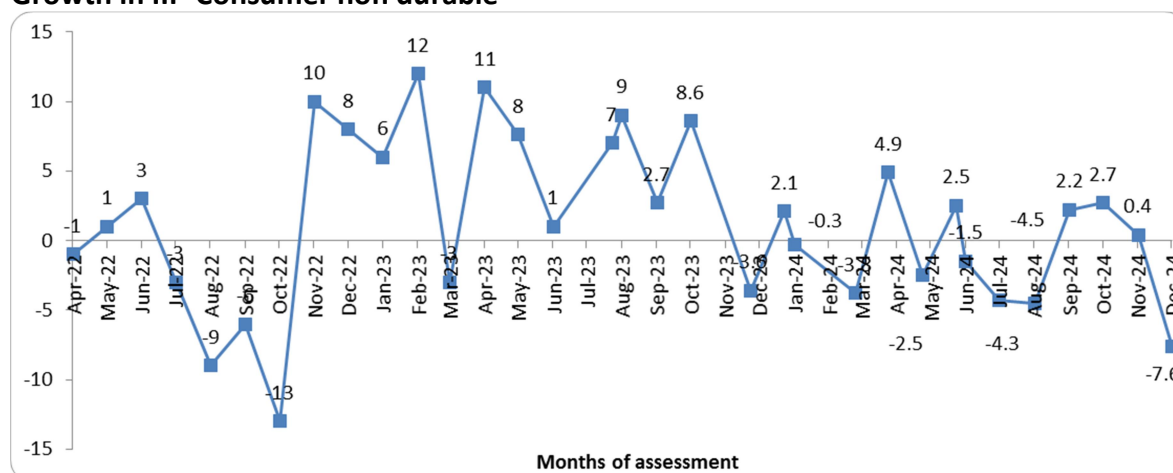
Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP- Consumer Durable



Source: PHD Research Bureau, Compiled from MOSPI

### Growth in IIP-Consumer non durable



Source: PHD Research Bureau, Compiled from MOSPI

### Annexure

#### 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
Dec-24	3.2	3.0	2.6	6.2

### 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

<b>Oct-23</b>	11.4	22.6	9.7	11.3	15.9	8.6
<b>Nov-23</b>	8.4	-1.1	3.5	1.5	-5.4	-3.6
<b>Dec-23</b>	4.6	3.2	3.4	4.1	4.8	2.1
<b>Jan-24</b>	2.9	4.1	4.8	4.6	10.9	-0.3
<b>Feb-24</b>	5.9	1.2	9.5	8.5	12.3	-3.8
<b>Mar-24</b>	2.5	6.1	5.1	6.9	9.5	4.9
<b>Apr-24</b>	7.0	2.7	3.2	8.0	10.0	-2.5
<b>May-24</b>	7.3	2.9	3.9	6.9	12.6	2.5
<b>Jun-24</b>	6.3	3.8	3	7.1	8.7	-1.5
<b>Jul-24</b>	5.9	11.8	6.4	4.6	8.3	-4.3
<b>Aug-24</b>	-2.6	0.5	3.0	2.2	5.3	-4.5
<b>Sep-24</b>	1.8	3.6	3.6	3.2	6.5	2.2
<b>Oct-24</b>	2.5	3.1	4.6	4.8	5.7	2.6
<b>Nov-24</b>	2.7	9.0	5.0	10.0	13.1	0.6
<b>Dec-24</b>	3.8	10.3	5.9	6.3	8.3	-7.6

Source: PHD Research Bureau, Compiled from MOSPI

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Warm regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: [spsharma@phdcci.in](mailto:spsharma@phdcci.in)

Website: [www.phdcci.in](http://www.phdcci.in)

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel.: +91-11-2685 3801-04, 49545454, 49545400  
Fax : +91-11-2685 5450, 49545451 • E-mail : [phdcci@phdcci.in](mailto:phdcci@phdcci.in) • Website : [www.phdcci.in](http://www.phdcci.in), CIN: U74899DL1951GAP001947

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