

### IIP y-o-y growth improves to 7.1 % in April 2022

#### Industrial Performance – Segment wise- Growth (% YoY)

Month	IIP	By economic activity		
		Mining & quarrying	Manufacturing	Electricity
<b>Weight</b>	<b>100.0</b>	<b>14.4</b>	<b>77.6</b>	<b>8.0</b>
Apr-21	133.5	36.6	196.0	38.5
May-21	27.6	23.6	32.1	7.5
Jun-21	13.8	23.1	13.2	8.3
Jul-21	11.5	19.5	10.6	11.1
Aug-21	13.0	23.3	11.1	16.0
Sep-21	4.4	8.6	4.3	0.9
Oct-21	4.2	11.5	3.3	3.1
Nov-21	1.0	4.9	0.3	2.1
Dec-21	1.0	2.6	0.6	2.9
Jan-22	2.0	3.0	1.9	0.9
Feb-22	1.5	4.5	0.5	4.5
Mar-22	2.2	3.9	1.4	6.1
Apr-22	7.1	7.8	6.3	11.8

■The y-o-y growth in industrial production reported a substantial improvement increasing to an eight month high growth of 7.1 percent during the month of April 2022 vis-à-vis 2.2 percent y-o-y growth registered in March 2022.

■According to the economic activity wise classification of the industrial production index, all the sectors reported an improvement in y-o-y growth during April 2022 – compared to the previous month. The manufacturing sector registered a y-o-y growth of 6.3 percent in April 2022, vis-à-vis 1.4 percent growth in March 2022. With regard to manufacturing subsegments, 18 of the 23 sub-sectors of manufacturing displayed a YoY growth in April 2022, while five sub-sectors witnessed a contraction during the month. Mining & quarrying sector growth increased to 7.8 percent in April 2022 vis-à-vis 3.9 percent in March 2022, while the electricity sector growth improved to 11.8 percent in April 2022 vis-à-vis 6.1 percent in March 2022.

■As per the use-based classification, five out of the six categories (apart from infrastructure/construction goods) recorded an improvement in the YoY performance in April 2022 relative to March 2022. Output of primary goods rose by 10.1 percent and that of intermediate goods rose by 7.6 percent. Among consumer goods, production of durables rose by 8.5 percent and that of non-durables rose by 0.3 percent.

Month	Use-based Classification (% Y-o-Y)						
	Primary goods	Capital goods	Intermediate goods	Infrastructure/construction goods	Consumer goods	Consumer durables	Consumer non-durables
<b>Weight</b>	<b>34.1</b>	<b>8.2</b>	<b>17.2</b>	<b>12.3</b>	<b>28.2</b>	<b>12.8</b>	<b>15.3</b>
Apr-21	36.9	1028.6	213.0	609.4	192.9	1778.2	92.6
May-21	15.9	74.9	54.2	46.5	16.0	80.4	0.2
Jun-21	12.0	27.3	22.6	20.0	6.0	28.0	-3.9
Jul-21	12.4	30.3	14.6	12.3	5.5	19.4	-2.3
Aug-21	16.9	20.0	11.8	13.5	7.9	11.1	5.9
Sep-21	4.6	3.3	7.0	9.3	0.7	1.6	-0.1
Oct-21	9.0	-1.6	4.6	6.6	-1.0	-3.2	0.7
Nov-21	3.5	-2.6	2.1	3.1	-2.6	-5.7	-0.8
Dec-21	2.8	-3.0	1.0	2.0	-0.6	-1.9	0.3
Jan-22	1.6	1.8	2.5	5.9	0.0	-4.4	3.1
Feb-22	4.6	2.0	3.7	9.2	-7.0	-8.7	-5.8
Mar-22	5.7	2.0	1.8	6.7	-3.8	-2.6	-4.6
Apr-22	10.1	14.7	7.6	3.8	3.4	8.5	0.3

#### Performance of Manufacturing Sub Segments

Improvement in Growth (% Y-o-Y)					Sectors: Negative Growth (% Y-o-Y)			
Month	Wearing Apparel	Furniture	Printing	Beverages	Month	Paper & Paper Products	Other Manufacturing	Rubber & Plastic Products
Feb-22	15.9	19.2	11.2	0.6	Feb-22	-1.1	11.3	-4.3
Mar-22	38.8	35.7	16.1	4.5	Mar-22	-6.1	34.8	-5.2
Apr-22	65.7	57.8	38.0	29.7	Apr-22	-5.5	-2.9	-1.9

Source: CMIE

### Performance of Eight Core Industries : Base Year 2011-12 (Y-o-Y change in % )

Month	Overall index	Coal	Crude oil	Natural gas	Refinery products	Fertilizers	Steel	Cement	Electricity
<b>Weight</b>	<b>100.0</b>	<b>10.3</b>	<b>9.0</b>	<b>6.9</b>	<b>28.0</b>	<b>2.6</b>	<b>17.9</b>	<b>5.4</b>	<b>19.9</b>
Apr-21	62.6	9.5	-2.1	25.1	31.0	3.9	494.8	606.7	38.5
May-21	16.4	7.0	-6.3	20.1	15.4	-9.6	55.0	11.8	7.5
Jun-21	9.4	7.5	-1.8	20.5	2.4	2.0	25.2	7.6	8.3
Jul-21	10.0	18.8	-3.3	19.0	6.7	0.6	9.4	21.7	11.1
Aug-21	12.1	20.6	-2.2	20.8	9.1	-3.2	6.9	36.4	16.0
Sep-21	5.4	7.8	-1.7	27.5	6.0	0.1	7.1	11.3	0.9
Oct-21	8.8	14.7	-2.1	25.9	14.4	0.1	5.8	14.6	3.1
Nov-21	3.2	8.2	-2.2	23.6	4.3	2.5	0.9	-3.6	2.1
Dec-21	4.1	5.2	-1.7	19.6	5.9	3.5	-0.6	14.2	2.9
Jan-22	4.0	8.2	-2.5	11.6	3.7	-2.0	3.8	14.1	0.9
Feb-22	5.9	6.8	-2.2	12.5	8.8	-1.4	5.9	5.0	4.5
Mar-22	4.9	-0.1	-3.4	7.6	6.0	15.3	5.0	8.9	6.1
<b>Apr-22</b>	<b>8.5</b>	<b>28.8</b>	<b>-0.9</b>	<b>6.3</b>	<b>9.2</b>	<b>8.7</b>	<b>-0.7</b>	<b>8.0</b>	<b>10.6</b>

Source: CMIE

The index of eight core industries, which constitutes 40.27 percent of the IIP recorded a y-o-y growth of 8.5 percent in April 2022, vis-à-vis, 4.9 per cent growth registered in the preceding month. Six of the eight core industries reported a rise in production, while two reported a contraction. Electricity generation rose by 10.7 per cent and output of coal, which is a key input for thermal power generation, grew by a robust 28.8 per cent. Among other energy sources, output of crude oil fell by 0.9 per cent, but that of natural gas and refinery products rose by 6.3 per cent and 9.2 per cent, respectively. Steel production contracted by 0.7 per cent, but cement production grew by eight per cent.

### Comments

The performance of the lead indicators during the month of May 2022 signal industrial recovery keeping up the momentum. The capacity utilization levels have also been picking up – with the latest number from RBI reporting a capacity utilization rate for manufacturing sector at 74.5% in Q4 2021-22 vis-à-vis 72.4% in Q3 2021-22. However, consumption activity continues to remain tentative. Even though an uptick was noted in consumption post the omicron wave, however rising prices are weighing heavy on household expenditure budgets. The cost of essentials has noted a conspicuous increase. Some of the indicators of rural demand reveal slackness, vis-a-vis urban demand despite resilience in agriculture and allied activities during the first half of the year.

Source: CMIE