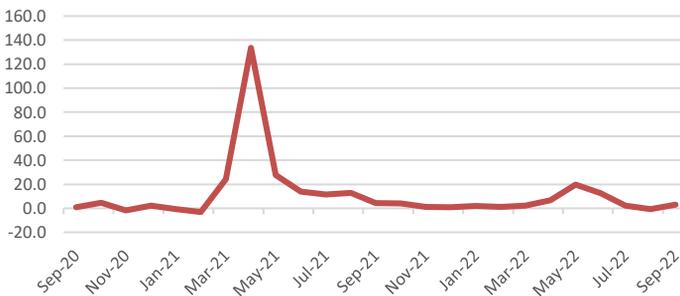


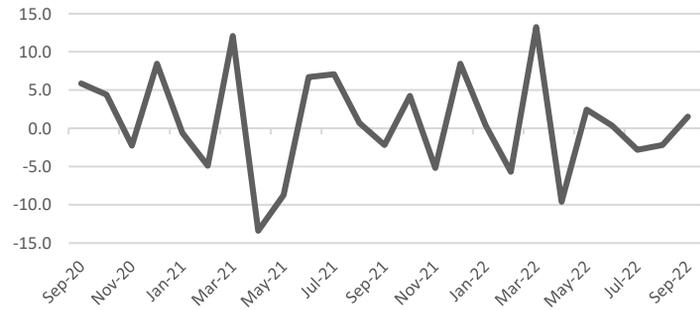
### IIP grows at 3.1% in September 2022

#### Trend in Industrial Production

Index of Industrial Production: Y-o-Y Growth in %



Index of Industrial Production: M-o-M Growth in %



Source: CMIE

❖ The index of industrial production (IIP) reported an expansion of 3.1 percent y-o-y in the month of September 2022, vis-à-vis a contraction by 0.7 percent on a y-o-y basis in August 2022. The pre stocking for the festive season supported the uptick in September to some extent. On a cumulative basis, the IIP grew at 6.9 percent y-o-y in the period April-September FY23; vis-à-vis a 23.9 percent growth over the same period in the previous financial year.

❖ According to economic activity wise classification of the industrial production index, all three broad segments registered an improvement in September 2022 when compared to the previous month. The mining & quarrying and manufacturing sectors registered a y-o-y growth of 4.6 percent and 1.8 percent, respectively, as opposed to -3.9 percent, -0.5 percent, y-o-y growth in August 2022. The electricity sector saw a noteworthy 11.6 percent rise in September 2022 vis-à-vis 1.4 percent growth registered in the previous month. In September 2022, gross electricity generation rose by 10.9 percent y-o-y which was quite substantial compared to a 0.4 percent growth registered in August 2022. The growth was driven by a receding monsoon which was accompanied by an increase in coal-based power generation that grew at 12.4 percent in September 2022. Further, in September 2022, gross addition to installed generation capacity rose by almost 183 percent y-o-y, the highest growth witnessed since October 2021.

❖ According to use-based classification, growth figures improved for majority of the sub segments, except for the consumer goods segment. Growth in the primary goods segment improved to 9.3 percent y-o-y in September 2022, vis-à-vis 1.7 percent in August 2022, while that in the capital goods segment improved to 10.3 percent in September 2022 compared to 4.3 percent in August 2022. The intermediate goods and infrastructure goods sub-segments grew at 2.0 percent and 7.5 percent y-o-y, respectively. These segments had witnessed a growth of 1.2 percent and 2.1 percent, respectively in the previous month.

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

	Weight	Sep-21	Jul-22	Aug-22	Sep-22	Apr-Sep 2021-22	Apr-Sep 2022-23
<b>IIP</b>	100	4.4	2.2	-0.7	3.1	23.9	6.9
<b>Economic Activity Classification</b>							
<b>Mining &amp; quarrying</b>	14.4	8.6	-3.4	-3.9	4.6	22.2	4.2
<b>Manufacturing</b>	77.6	4.3	3.0	-0.5	1.8	25.9	6.8
<b>Electricity</b>	8.0	0.9	2.3	1.4	11.6	12.8	10.8
<b>Use Based Classification</b>							
<b>Primary goods</b>	34.1	4.6	2.5	1.7	9.3	15.8	9.1
<b>Capital goods</b>	8.2	3.3	5.7	4.3	10.3	45.3	16.9
<b>Intermediate goods</b>	17.2	7.0	3.8	1.2	2.0	33.3	6.8
<b>Infra/constn goods</b>	12.3	9.3	3.8	2.1	7.5	37.9	7.3
<b>Consumer goods</b>	28.2	0.7	-0.8	-6.6	-6.0	18.8	2.4
<b>Durables</b>	12.8	1.6	2.3	-2.5	-4.5	40.1	10.6
<b>Non-durables</b>	15.3	-0.1	-2.8	-9.5	-7.1	8.4	-2.8

Source: CMIE

# Fact Sheet – Index of Industrial Production (IIP)

## November 2022

❖ The consumer goods sub-segment witnessed a contraction of 6.0 percent y-o-y in September 2022, vis-à-vis 6.6 percent y-o-y decline recorded in August 2022. Output in the consumer durables sub-segment contracted by 4.5 percent y-o-y while that in the non-durables sub segment contracted by 7.1 percent in the month of September 2022. Overall growth in the consumer goods segment was a mere 2.4 percent y-o-y in the April-September 2022-23 period, while the same was 18.8 percent in the same period in the previous financial year. According to reports, bleak economic outlook along with inflation and uneven rainfall across the country have impacted rural consumption in the July-September quarter. Output in the consumer non-durable sub-segment contracted by 2.8 percent y-o-y in the April-September 2022-23 period. The FMCG sector has been witnessing a decline in volumes since the first quarter of the current financial year. Also, weak export demand remains a concern.

### Manufacturing: Major Sub-segments

Improvement in Growth (YoY%)						Moderation in Growth (YoY%)					
Segment	Weight	Sep-21	Jul-22	Aug-22	Sep-22	Segment	Weight	Sep-21	Jul-22	Aug-22	Sep-22
Food Products	5.30	-0.5	-2.3	-0.3	5.4		3.29	15.2	-9.1	-12.2	-12.0
Beverages	1.04	0.8	13.0	6.7	12.1	Textiles					
Paper And Paper Products	0.87	19.8	0.0	0.4	6.5		1.32	30.7	15.2	-18.1	-21.7
Coke And Refined Petroleum Products	11.77	5.1	7.2	6.6	9.8	Wearing Apparel					
Chemicals And Chemical Products	7.87	-1.0	7.8	5.9	6.5	Leather And Related Products	0.50	-10.5	-12.5	-15.4	-16.0
Other Non-metallic mineral products	4.09	11.5	-0.2	1.2	9.3	Wood And Products Of Wood And Cork, Except	0.19	-5.9	8.4	-3.6	-3.8
Basic Metals	12.80	8.9	6.0	3.3	5.8	Computer, Electronic And Optical Products	1.57	-2.2	1.2	3.6	-0.9
Fabricated metal products, except machinery and equipment	2.65	-1.2	-4.2	-7.0	2.9	Electrical Equipment	3.00	14.2	-15.5	-28.5	-31.4
Machinery And Equipment N.E.C.	4.77	4.2	4.3	3.1	5.3	Other Manufacturing	0.94	57.4	6.7	6.3	5.0
Motor Vehicles, Trailers And Semi-trailers	4.86	-8.8	17.5	23.7	29.9						
Other Transport Equipment	1.78	-17.1	0.6	7.8	14.8						

Source: CMIE

❖ While manufacturing output grew at a modest 1.8 percent y-o-y in September 2022, certain sub-segments witnessed substantial improvement in growth. The sub-segments of beverages, motor vehicles, other transport equipment and furniture witnessed double-digit growth in September 2022. Manufacture of food products, paper & paper products, coke & refined petroleum, chemicals, basic metals, fabricated metals, and machinery & equipment picked up momentum in September 2022 after slowing down in August 2022. On the other hand, sectors including textiles, wearing apparel, leather products and electrical equipment continued to witness a contraction in output in September 2022 owing to a sluggish consumption demand.

### Corporate Sector Performance

#### Non-financial Sector: Growth in Financials (YoY%)

	Sep-21	Jun-22	Sep-22
Total income	36.1	50.1	30.1
Net sales	36.3	51.5	30.1
Total expenses	35.6	53.5	33.3
Operating expenses	41.2	59.3	36.7
Raw materials & Purchase of finished goods	52.6	74.7	44.0
Raw materials, stores & spares	53.7	68.2	43.5
Purchase of finished goods	50.5	90.9	45.2
PBDIT	25.8	9.5	-6.6
Net profit (PAT)	59.2	6.3	-20.6

Source: CMIE

# Fact Sheet – Index of Industrial Production (IIP)

## November 2022

### Manufacturing Sector: Net Sales Growth (YoY%)

	Manufacturing (total)	Food & agro-based products	Food products	Textiles	Chemicals & chemical products	Petroleum products	Consumer goods	Construction materials	Metals & metal products	Machinery	Transport equipment
<b>Sep-21</b>	41.2	14.4	15.7	56.6	49.3	61.8	30.1	19.2	55.4	32.7	23.4
<b>Jun-22</b>	52.8	30.1	28.6	46.3	66.5	79.2	49.4	32.8	29.5	49.4	55.6
<b>Sep-22</b>	<b>29.2</b>	<b>15.9</b>	<b>13.4</b>	<b>3.1</b>	<b>42.3</b>	<b>47.9</b>	<b>12.5</b>	<b>15.3</b>	<b>8.0</b>	<b>17.6</b>	<b>29.3</b>

Source: CMIE

#### Comments-

The industrial sector performance though indicates an uptick, will have to be closely watched as lead indicators showcase a mixed trend. While the S&P Global Manufacturing PMI exhibited a marginal improvement in the month of October 2022 after witnessing a slowdown in September; some of the other high frequency indicators (including electricity generation, fuel consumption, two-wheeler sales, fertilizer sales, number of e waybills, railway freight earnings) report a moderation in the month of October 2022. Also, business sentiments remain clouded due to persisting geopolitical uncertainties, flagging external demand and muted domestic consumption activity.