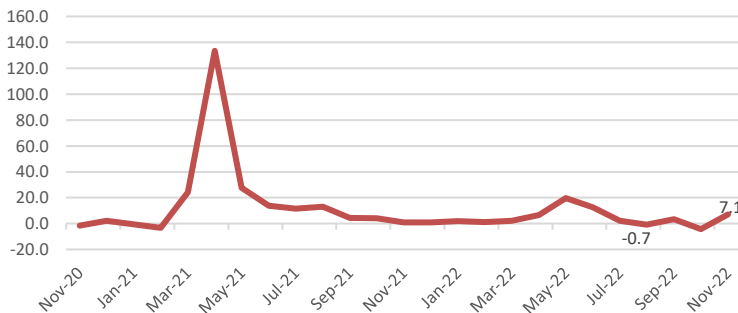


IIP grows at 7.1% in November 2022

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) noted improvement witnessing a growth of approximately 7.1 percent y-o-y in the month of November 2022. The IIP had contracted by 4.2 percent on a y-o-y basis in October 2022. Comparatively, in November 2021, growth in the index had remained almost flat at 1.0 percent. The expansion reported in the IIP numbers exceeds the broad expectations. On a sequential basis (m-o-m), the IIP reported a growth of 6.0 percent in November 2022, vis-à-vis a contraction of 3.5 percent reported in the previous month.

■ According to economic activity wise classification of the industrial production index, all three broad segments registered significant improvements in production in November 2022 when compared to the previous month. The mining & quarrying sector registered a y-o-y growth of 9.8 percent in November 2022 vis-à-vis that of 2.5 percent in October 2022. The electricity sector registered double-digit growth of 12.7 percent in November 2022 vis-à-vis 1.2 percent growth noted in the previous month.

■ Manufacturing output noted a y-o-y growth of 6.1 percent in November compared to a 5.9 percent contraction registered in October 2022. Out of the 23 sub-sectors of manufacturing index, 16 sub-segments noted growth in production, while 7 noted a decline in output. Notable improvement was seen in the manufacture of food products, chemicals, pharma products, rubber & plastics, basic metals, computer equipment, machinery, motor vehicles, transport equipment, and furniture.

■ According to use-based classification, growth figures improved for all of the sub segments, with notable expansion seen in the capital goods and infrastructure goods sub-segments. Growth in the capital goods segment was a robust 20.7 percent y-o-y in November 2022, while that in the infrastructure goods segment was recorded at 12.8 percent. Comparable figures for the month of October stood at -1.7 percent and 1.1 percent y-o-y. Moreover, the consumer goods sub-segment noted an expansion (of 7.4 percent y-o-y) in production for the first time since June 2022. Output of consumer durables grew at 5.1 percent, while that of non-durables witnessed a growth of 8.9 percent y-o-y in November 2022.

Industrial Performance – Segment wise- Growth (% YoY)

	Weight	Nov-21	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
IIP	100	1.0	2.2	-0.7	3.5	-4.2	7.1
Economic Activity Classification							
Mining & quarrying	14.4	4.9	-3.4	-3.9	5.2	2.5	9.8
Manufacturing	77.6	0.3	3.1	-0.5	2.2	-5.9	6.1
Electricity	8.0	2.1	2.3	1.4	11.6	1.2	12.7
Use Based Classification							
Primary goods	34.1	3.5	2.5	1.7	9.5	2.0	4.7
Capital goods	8.2	-2.6	5.1	4.3	11.4	-1.7	20.7
Intermediate goods	17.2	2.1	3.7	1.3	1.8	-2.7	3.0
Infra/constn goods	12.3	3.1	4.8	3.0	7.7	1.1	12.8
Consumer goods	28.2	-2.6	-0.8	-7.1	-5.0	-15.2	7.4
Durables	12.8	-5.7	2.3	-4.4	-3.2	-17.8	5.1
Non-durables	15.3	-0.8	-2.9	-9.0	-6.3	-13.4	8.9

Source: CMIE

Fact Sheet – Index of Industrial Production (IIP)

January 2023

Manufacturing: Major Sub-segments

Improvement in Growth (YoY%)					Negative Growth (YoY%)				
Segment	Weight	Sep-22	Oct-22	Nov-22	Segment	Weight	Sep-22	Oct-22	Nov-22
Food Products	5.30	4.0	-3.7	9.9					
Chemicals And Chemical Products	7.87	6.4	-2.5	6.2	Textiles	3.29	-13.9	-18.7	-9.0
Pharmaceuticals, Medicinal Chemical And Botanical Products	4.98	-15.1	-21.2	10.0	Wearing Apparel	1.32	-21.6	-36.6	-11.7
Rubber And Plastics Products	2.42	-2.8	-2.1	5.6	Leather And Related Products	0.50	-17.5	-25.5	-2.0
Basic Metals	12.80	5.7	4.4	8.1	Paper And Paper Products	0.87	6.2	-8.2	-2.3
Computer, Electronic And Optical Products	1.57	-0.2	-11.8	3.0	Coke And Refined Petroleum Products	11.77	9.7	-1.0	-9.8
Machinery And Equipment N.E.C.	4.77	6.4	-7.2	20.8	Wood & products of wood & cork	0.19	-3.7	-14.8	-0.5
Motor Vehicles, Trailers	4.86	29.1	12.2	22.2					
Transport Equipment	1.78	14.8	-8.1	24.0					

Source: MoSPI, CMIE

Performance of Lead Indicators (% YoY)

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
PMI Manufacturing (Index numbers)	57.6	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8
PMI Services (Index numbers)	58.1	55.5	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3	55.1	56.4	58.5
Fuel Consumption (Y-o-Y in %)	-11.6	3.5	2.5	5.6	6.7	9.6	23.7	17.9	6.0	16.2	8.2	3.3	10.2	3.1
Non-food Credit Growth (% Y-o-Y)	7.1	9.3	8.3	8.0	8.7	11.4	12.6	13.7	15.1	14.8	15.7	17.1	16.4	-
GST Collections (in Rs. Billion)	1315.3	1297.8	1383.9	1330.3	1421.0	1675.4	1408.9	1446.2	1490.0	1436.1	1476.9	1517.2	1458.7	1495.1
E-way Bills (Number in Million)	61.2	71.6	68.8	69.1	78.2	75.2	73.6	74.5	75.6	78.2	84.0	76.9	80.7	84.1
Eight Core Index (%Y-o-Y)	3.2	4.1	4.0	5.8	4.8	9.6	19.3	13.1	4.8	4.3	7.8	0.9	5.5	-
Passenger car Sales (Y-o-Y in %)	-25.0	-18.2	-14.8	-6.3	-2.4	-14.2	164.5	8.5	8.6	16.4	74.4	33.3	28.2	-
Two-wheelers Sales (Y-o-Y in %)	-26.4	-8.3	-17.2	-21.1	-17.1	9.0	124.3	20.2	6.2	8.8	7.1	-3.2	7.4	-
Steel production (Y-o-Y in %)	2.2	1.6	6.2	6.1	6.1	2.8	17.1	7.8	9.0	4.4	3.9	1.3	3.4	-3.0
Tractor Sales (Y-o-Y in %)	-16.7	-22.5	-27.8	-26.4	-11.6	38.1	47.7	-10.9	-12.3	-1.0	18.9	3.6	4.4	19.2
Fertilizer Sales (Y-o-Y in %)	3.2	5.3	-5.6	-4.6	-1.2	32.6	4.9	-21.1	-14.3	-2.8	-12.7	-2.4	2.4	-

Comments

The industrial sector performance though shows a substantial uptick in the month of November 2022, it was primarily on account of base effect. Downside risks continue to remain on fore on account of monetary tightening, flagging external demand etc. Moreover, although lead indicator numbers are denoting an uptrend, the incoming data for December reports a mixed trend. The Union Budget is around the corner, and we hope the Government will continue the thrust of capital expenditure.