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Factory output growth slows in Sept; manufacturing firm

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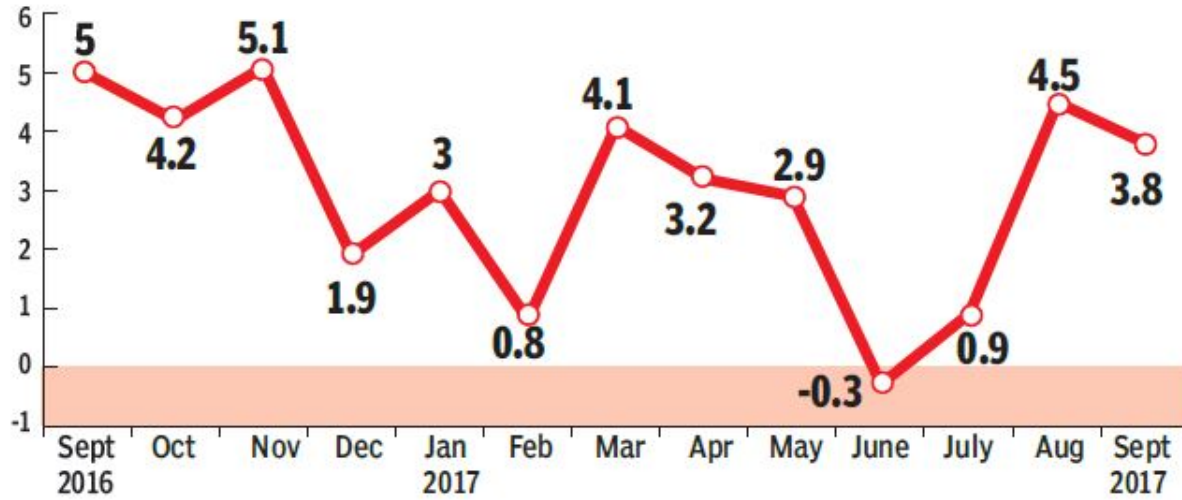
NEW DELHI: Even as the country's industrial output growth slowed in September, key segments such as the manufacturing sector remained firm which prompted economists to say they expect growth to pick up in the months ahead.

Data released by the Central Statistics Office (CSO) on Friday showed industrial output growth rose an annual 3.8 per cent in September, slower than previous month's upwardly revised 4.5 per cent growth and lower than previous year's 5 per cent expansion. Between April and September growth rose 2.5 per cent compared with 5.8 per cent in the previous year-ago period.

MIXED SHOW

While industrial growth (%) slows a bit...

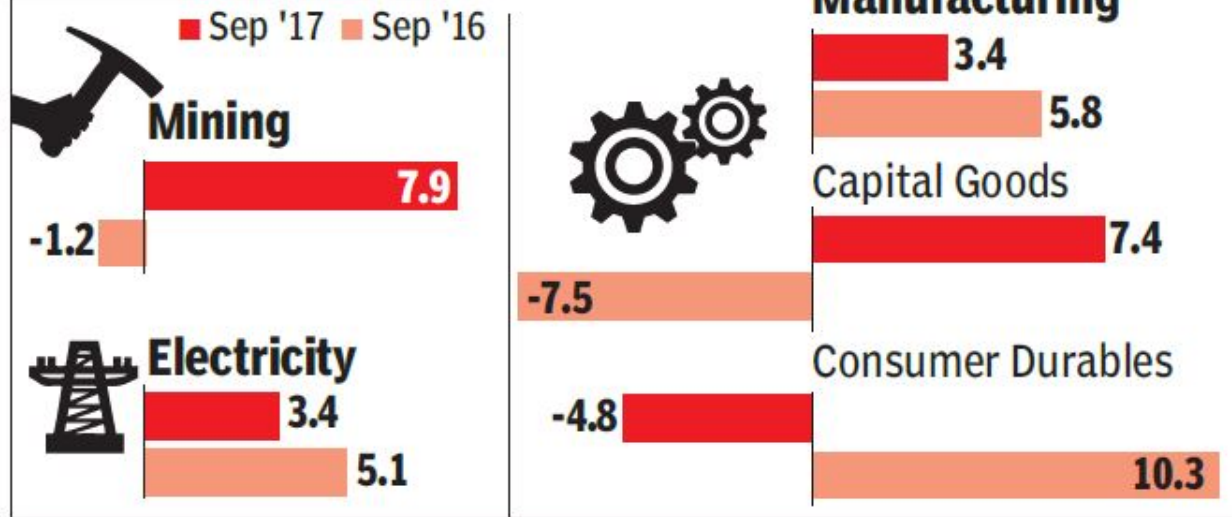
Source: Reuters



...mining, capital goods perform better but consumer durables sector disappoints

Figs in %

SECTORAL WATCH



Economists said they expect an acceleration in growth as the impact of the GST rollout and other factors ease. "The industrial output could see a pickup in October, backed by higher festive demand and the waning impact of GST-led disruptions. We expect the growth rate to average to 4-5 per cent for the entire year," said Madan Sabnavis, chief economist at Care Ratings.

Ratings agency Crisil said in a note, "Government's recent measures to address concerns related to goods and services tax (GST), especially in the MSME segment, augur well for IIP growth. Earlier, core sector growth for September had come in at 5.2 per cent, which marked the sharpest rise since April."