

BENCHMARKS
Nifty 15,877.55 -324.25

NSE GAINER-LARGE CAP
Trent 1,113.30 29.05

FEATURED FUNDS
Edelweiss Recently Liste...

★★★★★ 3Y RETURN
22.23 % INVEST NOW

MARKET WATCH

THE ECONOMIC TIMES | News

English Edition | Print Edition

Subscribe Sign

Get Benefits Worth Rs. 8*

Home ETPRime Markets **News** Industry RISE Politics Wealth Mutual Funds Tech Jobs Opinion NRI Panache ET NOW More ▾

India Decoded Web Stories Morning Brief Podcast Newsblogs **Economy** ▾ Industry Politics Company ▾ Defence ▾ More ▾

Business News > News > Economy > Indicators > Factory output begins FY23 on a high, jumps 7.1% in April

Factory output begins FY23 on a high, jumps 7.1% in April

ET Bureau Last Updated: Jun 11, 2022, 06:18 AM IST

SHARE FONT SIZE SAVE PRINT COMMENT

Synopsis

Manufacturing, which has a dominant 77.6% weight in the index of industrial production (IIP), grew 6.3% in the first month of FY23. Electricity generation rose 11.8% while mining output was up 7.8%, though the base effect of Covid-hit April 2021 partly magnified growth.



Performance in sync with GST collection, PMI numbers, auto sales and railway freight.

India's economy appears to have got off to a strong start in the fiscal year with industrial growth hitting an eight-month high of 7.1% in April, data released on Friday showed.

Manufacturing, which has a dominant 77.6% weight in the index of [industrial production \(IIP\)](#), grew 6.3% in the first month of FY23. Electricity generation

rose 11.8% while mining output was up 7.8%, though the base effect of Covid-hit April 2021 partly magnified growth.

"The impressive jump in IIP seems to corroborate [RBI](#)'s prognosis in the last [MPC](#) (monetary policy committee) meeting that economic growth is on a relatively firm footing," said CareEdge chief economist Rajani Sinha. The robust industrial performance is in sync with upbeat [GST](#) collection, purchasing managers' indices, automobile sales, and railway freight, among others.

Most Popular Stories

1. LIC is a completely matured business, there is no reason to buy it or hold it: Rajat Sharma



- Banker to 467 million Indians says loan demand is bouncing back



- ETMarkets Smart Talk: As things come together, 2020-2050 will be the golden era for India, says Ambit's Sushant Bhansali



- Market may take 5-6 months to stabilise; 3 things you can do now: Samir Arora



- IPL media rights bids cross Rs 43,000 cr on Day 1



Recommended by

"The recovery has gained momentum despite the pandemic and the war," RBI governor Shaktikanta Das had said on Wednesday while announcing a half percentage point rise in the policy rate.



TOP TRENDING NEWS



CLAT Admit Card 2022

UP Board Result 2022

Maharashtra HSC Result 2022

RBSE Result 2022

ET PRIME - TOP TRENDING STORIES



Check out which Nifty50 stocks analysts recommend for you to 'Buy' this week



Stocks with 10 on 10 score on Stock Reports Plus



Subscribe to ETPrime

Industrial output grew 133% in April 2021 and 2.6% year-on-year in March 2022. Against the pre-Covid level of April 2019, IIP was 6.8% higher in April this year.

"The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of Covid-19 pandemic since March 2020," the ministry of statistics and programme implementation said.

STRONG HEADWINDS

Industrial activity and overall economic growth could moderate as the economy runs into high commodity prices, rising inflation, and monetary

Popular in Economy

- Emerging markets such as China and India will grow old before they grow rich

ET

- Higher unemployment may give space to politicians catering to divisions: Raghuram Rajan

ET

- WTO fish sops pact: Draft leaves out India's proposals, 25 year exemption cut to 7 years

ET

- Iran tests new trade corridor to ship Russian goods to India

ET

- Number of income tax returns rising: CBDT Chairman

ET

tightening The base effect will, however, push up growth in the early months of the year.

"We need to see if this momentum can be sustained going forward as it would be a prerequisite for growth in GDP to be sustained at over 7% this year," said [Bank of Baroda](#) **NSE -4.23 %** chief economist Madan Sabnavis.

[CRISIL](#) **NSE -0.35 %** chief economist [DK Joshi](#) said, "What's worrying is that consumer goods growth remains weak, indicating sluggish private consumption." A normal monsoon could boost rural demand. "Given the sharp YoY expansion displayed by most high-frequency indicators in May 2022, we expect the IIP growth to rise further to 17-19% in that month, on the back of a falling base related to the second wave of Covid-19 in India in May 2021," said [ICRA](#) **NSE -0.93 %** chief economist Aditi Nayar.


BROAD-BASED RECOVERY

Seventeen out of 22 manufacturing subsectors reported growth in output in April. "It is a positive sign given that this month was associated with the war in Ukraine being at its peak as well as the sanctions being imposed," said Sabnavis.

Production of capital goods, a measure of investment activity, rose 14.7% in the month while consumer durables output, an indicator of discretionary demand, was up 8.5%. Consumer non-durables and construction goods grew at 0.3% and 3.8%, respectively. "There is improvement across sectors, but what is specifically remarkable is the healthy jump in the manufacturing sector," said Sinha of CareEdge.

Most Popular Opinion

1. Fix the roof when it isn't raining

 By Giriraj Amarnath

2. The ABC of maximising the IBC

 By Richa Roy

3. ByteDance: Worse than its bark?

Top Category Deals



Starting ₹22499
Air Conditioners



Starting ₹6790
Refrigerators

[Explore 20+ Categories >](#)

Latest News

1. Live: Rahul appears before ED for questioning in National Herald money laundering case
2. Explained: The charges that brought Rahul Gandhi to ED
3. Over 100 hospitalised in a day due to Covid cases in Mumbai after 4 months, 2 below 40 die



Read the **ET** Print Edition now!

Indulge in digital reading experience of ET newspaper exactly as it is.

[Read Now](#)

READ MORE NEWS ON

[Industrial Production](#) [India Economy](#) [Iip](#) [Rbi](#) [Mpc](#) [Dk Joshi](#) [Gst](#) [Bank Of Baroda](#)
[Crisil](#) [Icra](#)

(Catch all the **Business News**, **Breaking News** Events and **Latest News** Up ...**more**

1 COMMENTS ON THIS STORY



Pratyay Bhaumik

1 day ago

High jump in factory output was aided by low gravity of low rate. In rarified air on lunar surface,even a seven year child can break world record on earth.

[VIEW COMMENTS](#)

[ADD COMMENTS](#)