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# IIP surge on base effect

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Power showed a growth of 23.5 per cent against 7.5 per cent a year ago, while the mining sector witnessed an expansion of 10.9 per cent in May 2022 compared with a growth of 23.6 per cent last year.

Representational picture

[Our Special Correspondent](#) | New Delhi | Published 13.07.22, 02:22 AM

The growth in the index of industrial output was 19.6 per cent in May — on account of the fact that production had dipped in May 2021 because the country was under a severe lockdown, triggering a base effect that led to the high number.

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Capital goods output, which is a barometer of investment, showed a growth of 54 per cent against a jump of 74.9 per cent a year ago. The consumer durables segment grew 58.5 per cent against a growth of 80.4 per cent a year ago.

Primary goods, which account for nearly 34 per cent of the index, expanded 17.7 per cent in May compared with 15.8 per cent growth a year ago. Consumer non-durables grew 0.9 per cent in May compared with a growth of 0.2 per cent in same month a year ago.

“A significant pick up in IIP growth though is indicative of ongoing economic recovery, but its sustainability is still not a given in view of raging inflation and adverse global geopolitical situation,” Sunil Kumar Sinha and Paras Jasrai of India Ratings and Research said. “A year-on-year growth in high single or double-digit for at least 5-6 months may perhaps be required to believe that industrial growth is on a path of sustained recovery.”

Rajani Sinha, chief economist, CareEdge said: “While manufacturing has the biggest share in IIP, it continues to show improvement, the continued weakness in the consumer non-durables segment is of concern.

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Easing of some of the global commodity prices would bode well for the performance of the industrial sector. However, challenges from slowing global growth would continue to persist.”

[Index Of Industrial Production \(IIP\)](#)

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