

# April IIP Growth Rose to 4.9% as per the New Series

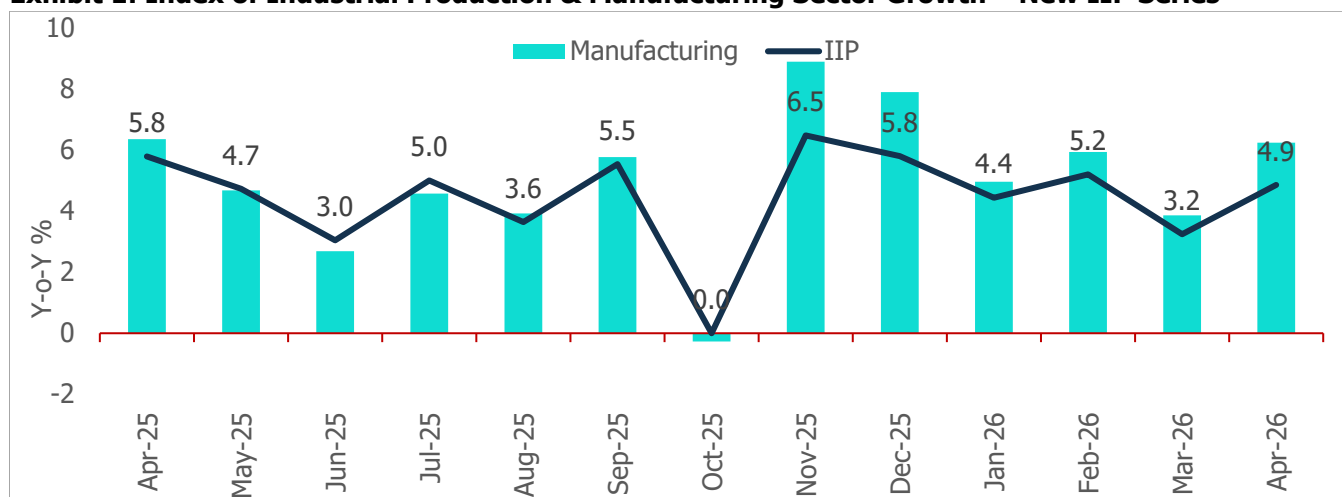
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The base year for India's index of industrial production (IIP) has been revised to 2022-23. This is in line with the base year for other critical economic indicators, such as gross domestic product (GDP), the wholesale price index (WPI), and the proposed producer price index (PPI). In addition to the base-year revision, the new series incorporates several other key changes – such as wider coverage, greater granularity, and factory substitution. Additionally, several other enhancements in the IIP data series remain underway (Refer to Table 2 for further details on the revised IIP).

As per the new IIP series, India's industrial output in April increased to 4.9% from 3.2% in March. This improvement in industrial activity was aided by a strong acceleration in manufacturing sector growth to 6.2% in April, up from 3.9% the previous month. 17 out of 23 manufacturing sub-sectors have witnessed growth in output during April. Strongest gains were seen in textiles (15.6% growth), paper and paper products (13.8%), fabricated metal products, except machinery and equipment (11.7%), electrical equipment (19.2%), machinery and equipment (12.9%), motor vehicles, trailers and semi-trailers (12.7%), and other transport equipment (18.9%).

Slight improvement in growth rates was also seen in electricity & gas supply (4.9% in April Vs 4.4% in March) and in water supply, sewerage & waste management (6.6% Vs 6.4%). However, growth in the mining and quarrying sector stayed in the negative territory for the fourth month in a row. Contraction in the sector's output widened to 5.1% in April from 2.5% in March.

**Exhibit 1: Index of Industrial Production & Manufacturing Sector Growth – New IIP Series**



Source: MOSPI

In terms of the use-based classification, positive performance continued in the output of capital and infrastructure/construction goods, which grew by 16% and 7.1%, respectively, in April. It remains encouraging to see capital goods output record sustained double-digit growth for the sixth successive month. Furthermore, growth in the consumer-oriented segment improved in April. Output of consumer durables was up 4.3% in April Vs 2.4% in March. Additionally, consumer non-durables output grew by 2.8% in April, reversing the 0.9% contraction seen in the previous month. Though the improvement in output of consumer-oriented segments is positive, the

sustenance of this trend remains to be monitored, given the large volatility seen in the performance of these segments. Consumption impulses in the economy remain to be closely monitored, given the headwinds from rising inflation, higher retail fuel prices, and risks to the monsoon outlook.

**Table 1: Component-wise Breakup of IIP Growth (Y-o-Y %)**

	Weights	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026
<b>Sectoral</b>							
Mining & Quarrying	11.1	3.2	0.6	-0.5	-2.4	-2.6	-5.1
Manufacturing	76.1	8.9	7.9	5.0	5.9	3.9	6.2
Electricity & Gas Supply	10.9	-6.3	-3.1	6.3	8.6	4.4	4.9
Water Supply, Sewerage & Waste Management	2.0	4.3	4.4	5.1	5.6	6.4	6.6
<b>Use-Based</b>							
Primary Goods	31.1	3.8	1.6	2.7	2.0	1.3	0.8
Capital Goods	8.1	18.8	14.4	14.3	19.1	11.2	16.0
Intermediate Goods	22.4	7.1	6.7	6.0	4.2	4.1	7.7
Infrastructure/Construction Goods	10.9	12.3	12.6	13.2	10.9	5.8	7.1
Consumer Durables	11.3	14.6	8.8	0.0	4.7	2.4	4.3
Consumer non-durables	16.1	3.6	6.0	-1.6	1.0	-0.9	2.8
<b>IIP</b>		6.5	5.8	4.4	5.2	3.2	4.9

Source: MOSPI

### Way Forward

The global economy continues to present a turbulent scenario with lingering uncertainty over the resolution of the West Asia crisis. India's industrial sector, particularly export-oriented industries, will need to navigate this uncertain environment amid the ongoing supply chain challenges. This could warrant policy support for industrial units in these volatile times. In the domestic scenario, weather-related risks are increasing with forecasts of a below-normal monsoon amid the developing El Niño conditions. The expectations of a weaker monsoon pose a threat to the consumption and inflation scenario. Overall, India's industrial activity will have to navigate an increasingly uncertain external environment and emerging challenges on the domestic front.

**Table 2: Key Changes to the Revised IIP Data Series (Base Year 2022-23)**

<ul style="list-style-type: none"> <li>• <b>Revision of the Base Year</b> <ul style="list-style-type: none"> <li>- Base year for the previous IIP series was 2011-12.</li> <li>- Considering the comparability with other critical economic indicators such as gross domestic product (GDP), wholesale price index (WPI) and the proposed producer price index (PPI), the revised base year for the new IIP series is 2022-23.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Expansion of Coverage &amp; Greater Data Granularity</b> <ul style="list-style-type: none"> <li>- The revised IIP series maintains the earlier sector classification of Mining, Manufacturing and Electricity sectors. It further incorporates Gas Supply and Water Supply, Sewerage &amp; Waste Management activities.</li> <li>- The number of total item groups has been enhanced from 407 under the earlier series to 463 under the revised series.</li> <li>- The manufacturing sector item basket is selected based on the Annual Survey of Industries (ASI) for 2021-22 and 2022-23.</li> <li>- Mining sector coverage has been broadened to include minor minerals and rare earth minerals.</li> </ul> </li> </ul>

- The electricity sector is classified into renewable and non-renewable, to reflect the structural changes in the power sector.
- In the earlier IIP series, a non-operational or non-reporting factory would continue to remain in the sample. Under the revised series, a systematic unit substitution methodology has been adopted such that the non-operational factories will be replaced with active factories of a similar production scale.

- **Further Enhancement of the IIP Remains Underway**

- In addition to the above-mentioned changes to the coverage and methodology of IIP, several other enhancements, such as (a) replacement of the presently used Wholesale Price Index (WPI) as a price deflator by an Output Producer Price Index (Output PPI), (b) Introduction of chain-linked indices & (c) Introduction of seasonally-adjusted indices, remain underway.

Source: MOSPI

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