

IIP growth slips to 3.1 pc in September on waning low base effect

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The IIP had grown by one per cent in September 2020.

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Industrial production growth slips to 3.1 per cent in September, mainly due to the waning low base effect while mining and manufacturing sectors performed well.

The manufacturing sector, which constitutes 77.63 per cent of the Index of Industrial Production (IIP), grew 2.7 per cent in September, according to the data released by the National Statistical Office (NSO) on Friday.

The mining sector output rose 8.6 per cent in September, while power generation increased 0.9 per cent.

In September 2021, the IIP stood at 127.9 points compared to 124.1 points in the same month last year. The index stood at 122.9 points in September 2019, as per the NSO data.

Thus, the data showed waning of the low base effect. The IIP growth witnessed double-digit growth from May onwards this year, mainly due to the lower base effect.

The data showed that industrial production recovered in September 2020 and surpassed the pre-pandemic level of September 2019. The IIP had grown by one per cent in September 2020. Industrial production plunged 18.7 per cent in March last year following the COVID outbreak and remained in the negative zone till August 2020.

With the resumption of economic activities, factory output rose 1 per cent in September 2020 and grew 4.5 per cent in October. In November 2020, the factory output fell 1.6 per cent and then entered the positive territory with a 2.2 per cent growth in December 2020.

The IIP had recorded a contraction of 0.6 per cent and 3.2 per cent in January and February this year, respectively. In March, it grew 24.2 per cent.

For April, the NSO held back the release of complete IIP data.

In May 2021, the IIP rose 27.6 per cent, and in June, it grew 13.8 per cent.

The factory output grew 11.5 per cent in July and 12 per cent in August this year.

The second wave of the pandemic started in the middle of April this year, and many states imposed restrictions to curb the spread of coronavirus infections.

"The growth rates over the corresponding period of the previous year are to be interpreted considering the unusual circumstances on account of COVID-19 pandemic since March 2020," the NSO said in the statement.

The government had imposed a nationwide lockdown to contain the spread of coronavirus infections on March 25, 2020.

The manufacturing sector had recorded a growth of 0.4 per cent in September 2020. The mining sector output grew 1.4 per cent in the same month.

The electricity generation had grown by 4.9 per cent in September 2020.

The output of capital goods, which is a barometer of investment, grew 1.3 per cent in September 2021. It had witnessed a contraction of 1.2 per cent in the year-ago period.

Consumer durables manufacturing contracted two per cent in the month under review against a growth of 5.3 per cent in September 2020.

Consumer non-durable goods production contracted 0.5 per cent in September over a 2.4 cent growth in the year-ago period.