

IIP (Index of Industrial Production) for January contracts 1.6%

written by iasexam.com | 13/03/2021



India's industrial output, measured by the Index of Industrial Production (IIP), contracted 1.6 per cent year-on-year in January, according to the data released by the Ministry of Statistics & Programme Implementation (MoSPI) recently.

The first revised figure for industrial output data for December 2020 and final revised number for October 2020 were also released.

Key Highlights

- While IIP rose 4.5 per cent in October 2020, it grew 1.6 per cent in December. Industrial output had contracted 2.1 per cent in November 2020. In January 2021, industrial production had grown 2.2 per cent.
- Mining and manufacturing output declined 3.7 per cent and 2 per cent, respectively, in January 2021. However, electricity generation rose 5.5 per cent in the month.
- The country's industrial output contracted 12.2 per cent in the April-January period of the current fiscal, the data showed. Industrial production was hit hard by the coronavirus pandemic and the nationwide lockdown imposed to curb the spread of infections. IIP declined for five consecutive months from April to August in the financial year 2020-21, before returning to positive territory in September and October.
- The contraction in industrial output in January is a negative surprise from growth in December. However, the manufacturing activity still looks strong and there's high demand, so

the growth will remain afloat, said Rahul Gupta, Head of Research-Currency at Emkay Global Financial Services.

- Meanwhile, consumer price inflation rose to 5.03 per cent in February on rise in food and fuel prices. Retail inflation had eased to 4.06 per cent in January.

SOURCE: *Business Standard*