

Index of Industrial Production (IIP)

Prelims: Current events of national and international importance | Economy

Why in news?

Recently, the Ministry of Statistics and Programme Implementation has released the Index of Industrial Production (IIP) for August 2025.

- **IIP** - It is a measure of **the rate of growth in the economy's various industry** groups over a given period.
- **Aim** - To measure the short-term changes in industrial output.
- **Published since** - 1950.
- **Compiled & Published** - **Monthly** by Central Statistical Organisation (CSO).
- **Nodal Ministry** - Ministry of Statistics and Program Implementation (MoSPI).
- **Current base year** - 2011-12.
- **3 Sectoral Category** - Manufacturing , Mining, Electricity.
- **Findings** -
 - **IIP growth rate** - For August 2025 is **4.0 %** which was 3.5 % in July 2025.
 - **Growth rates of 3 sectors** - Mining, Manufacturing and Electricity for August 2025 are 6.0 %, 3.8 % and 4.1 % respectively.
 - **Mining & Quarrying** - This was the strongest performer, with production growing by 6.0% year-on-year, bouncing back from a contraction in August 2024.
 - **Manufacturing** - The sector grew by 3.8% year-on-year, a slowdown from the 6.0% growth registered in July 2025.
 - Significant contributors to manufacturing growth - "Manufacture of basic metals" (12.2%) and "Manufacture of motor vehicles, trailers and semi-trailers" (9.8%).
 - **Electricity** - Power generation increased by 4.1% year-on-year, an improvement from its performance in August 2024.
 - **Infrastructure/Construction Goods** - This category saw the highest

growth, remained in double digits at 10.6%, although this was slower than July 2025 of 13.7%.

- **Primary Goods** - The output of primary goods increased by 5.2%.
- **Capital Goods** - The segment recorded a growth of 4.4% slowed from 6.7% in July 2025.
- **Intermediate Goods** - Production expanded by 5.0%.
- **Consumer Durables** - Growth in this category slowed to 3.5% in August 2025, compared to 5.4% in August 2024.
- **Consumer Non-durables** - This segment saw a contraction, shrinking by 6.3% year-on-year, reflecting weak consumer demand

References

1. [The Hindu | Index of Industrial Production \(IIP\)](#)
2. [PIB | Index of Industrial Production \(IIP\)](#)