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)

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