

September factory output growth slows to 3.8%

Poor showing by consumer durables hits overall growth

OUR BUREAU

New Delhi, November 10

The post-GST re-stocking momentum seen in August 2017 does not seem to have sustained in the subsequent month, going by the latest IIP growth print of 3.8 per cent for September.

This is substantially lower than the now revised August IIP growth of 4.5 per cent, as against 4.3 per cent provided at the quick estimate stage in mid-October. In September 2016, the factory output grew 5 per cent.

For the April-September 2017 period, factory output growth stood at 2.5 per cent, official data

showed. This was much lower than the 5.8 per cent recorded in same period last year.

Meanwhile, for the month of September 2017, the key segments of mining, manufacturing and electricity grew 7.9 per cent, 3.4 per cent and 3.4 per cent respectively.

The cumulative growth in these three sectors during April-September 2017 stood at 3.9 per cent, 1.9 per cent and 5.7 per cent respectively.

Under use-based classification, primary goods grew 6.6 per cent, capital goods 7.4 per cent and intermediate goods 1.9 per cent in September 2017.

Consumer durables output contracted 4.8 per cent in September, against 1.6 per cent in the previous month. In

September last year, consumer durables output grew 14 per cent.

In terms of industries, 11 out of the 23 industry groups in the manufacturing sector have shown positive growth during September 2017 on a year-on-year basis.

Experts' view

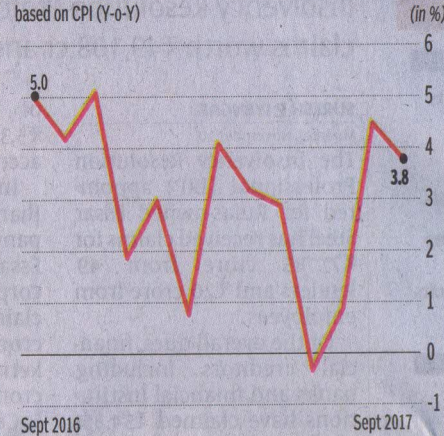
Aditi Nayar, Principal Economist ICRA, said that the early indicators for industrial production in the organised sectors in October 2017 provide a muted outlook.

Rishi Shah, Economist, Deloitte, said that manufacturing has grown despite a negative base effect. Overall, industrial production is expected to remain in single digit territory in the near future.

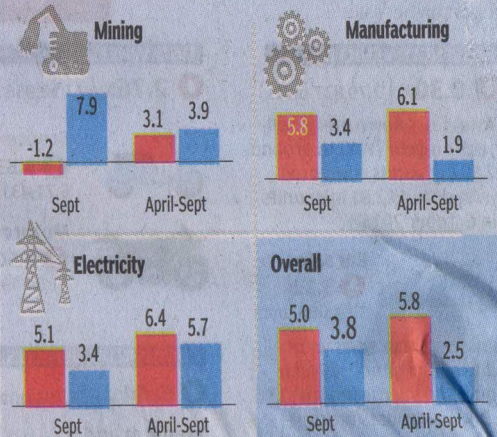
September stutter

IIP

based on CPI (Y-o-Y)



■ 2016-17 ■ 2017-18 (Growth in %) (Base: 2011-12=100)



Source: Ministry of Statistics & Programme Implementation