

April IIP grows by 4.9% on manufacturing push

PRESS TRUST OF INDIA
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Industrial production expanded by 4.9 per cent in April on improved performance by manufacturing and mining sectors as also a robust offtake of capital goods.

The industrial growth, based on Index of Industrial Production (IIP), was 3.2 per cent in April last year.

The IIP for March this year has been revised upwards to 4.6 per cent from 4.4 per cent estimated earlier.

As per the data released by the Central Statistics Office (CSO), the manufacturing sector which accounts for over 77 per cent weight of the index, recorded a growth of 5.2 per cent in April this year, up from 2.9 per cent a year ago.

Similarly, the mining output grew by 5.1 per cent, compared to 3 per cent in the year-ago period.

As per the 'use based' classification, capital goods output, a barometer of investment, expanded by 13 per cent in April this year as against a decline of 4.8 per cent in the year-ago month.

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Consumer durables as well as consumer non-durable segments too posted higher growth on a yearly basis.

"While the rise in consumer non-durables points the revival in rural sector, the increase in consumer durables posted a positive outlook for the urban centres," said Mr D S Rawat, secretary general of industry body Assocham.

According to him, the rise in output of the capital goods sector is indicative of improvement in investment demand.

In terms of industries, 16 out of 23 groups in the manufacturing sector have

shown positive growth in April this year on an yearly basis.

The industry group 'manufacture of computer, electronic and optical products' has shown the highest positive growth of 27.5 per cent followed by 21.9 per cent in 'manufacture of motor vehicles, trailers and semi-trailers' and 15.7 per cent in 'manufacture of food products'.

On the other hand, the industry group 'other manufacturing' has shown the highest negative growth of 30.7 per cent followed by 13.4 per cent in manufacture of wearing apparel and 10.3 per cent in printing and reproduction of recorded media, CSO data said.

The CSO data also revealed that infrastructure/construction goods recorded a growth of 7.5 per cent, up from 4.7 per cent in the year-ago period.

Ms Aditi Nayar, principal economist at Icra said the positive impact of the sharp uptick in growth of coal output on primary goods was offset by the 14-month low performance of electricity.

Inflation firms up in May as fuel prices surge

Retail inflation continued its upward trajectory and recorded a four-month high of 4.87 per cent in May

ENS ECONOMIC BUREAU
@ New Delhi

RETAIL inflation continued to firm up during the month of May, with data released by the Central Statistics Office (CSO) showing CPI-based inflation rising to 4.87 per cent compared to 4.58 per cent in April. The figures buttress the RBI's reasons for hiking benchmark policy rates this week, with rising fuel and food costs being the main drivers for the price rise.

In May last year, retail inflation had stood at a low of 2.18 per cent. However, since then, crude oil prices have been on an inexorable march upwards, hitting \$80 in May, before moderating. Brent

crude was selling at \$76.17 per barrel on Tuesday, up from \$48.72 on June 13, 2017.

The fuel price rise has had a direct impact on transportation costs, especially of high volume goods like food.

The overall consumer food price index has risen to 3.10 per cent in May, from 2.80 per cent in April. For the fuel and light category, inflation last month stood at 5.8 per cent, up from 5.24 per cent. However, for protein rich items such as meat and fish, eggs as well as milk and products, the inflation in May slowed compared with a month earlier.

The RBI has revised its inflation forecasts for the year slightly upwards citing the same fac-

tors. The revised projections for the first half of the fiscal year is 4.8-4.9 per cent, and 4.7 per cent for the second half.

Factory output rises slightly

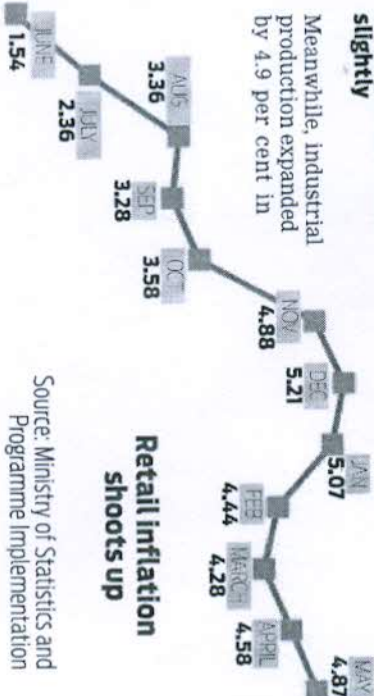
Meanwhile, industrial production expanded by 4.9 per cent in

April driven by an improvement in manufacturing, as well as mining sectors. Industrial growth, based on Index of Industrial Production (IIP), was

3.2 per cent in April last year and 4.6 per cent in March, 2018. Industry representatives said the numbers show that there is an ongoing recovery in industrial performance.

In terms of industries, 16 out of the 23 industry groups in the manufacturing sector have shown positive growth during the month of April 2018 as compared to the corresponding month of the previous year.

"While the rise in consumer non-durable points the revival in rural sector, the increase in consumer durable posted a positive outlook for the urban centres," pointed out D S Rawat, secretary general of industry body Assocham.



Source: Ministry of Statistics and Programme Implementation



'Considerable uncertainty' in oil market prospects, says OPEC

Factory output grows 4.9%

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classification, capital goods out, a barometer of investment, expanded by 13 per cent in April this year as against a decline of 4.8 per cent in the year-ago month. Consumer durable as well as consumer non-durable segments too posted higher growth on yearly basis.

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According to him, the rise in output of the capital goods sector is indicative of improvement in investment demand.

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