

Macro Insights

Analysis and Key Takeaways: Index of Industrial Production (IIP) April 2026

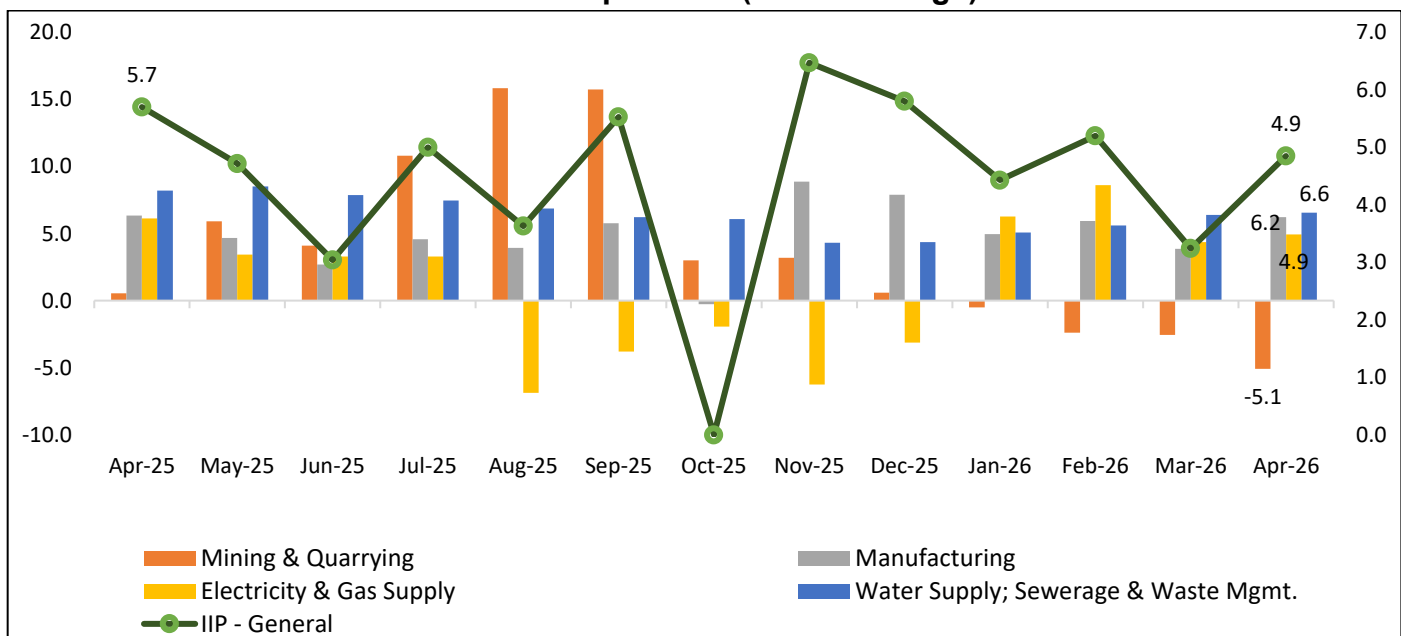
IIP grew by 4.9% y-o-y growth in April 2026 amid base year revision

Industrial output, as measured by Index of Industrial Production recorded a 4.9% expansion in Apr'26 compared to 3.2% growth in Mar'26. It was, however, lower than 5.8% growth in Apr'25. On a sequential basis, IIP declined by 9.0% in Apr'26, with the index declining to 118.9 compared to

Highlights

- IIP growth was driven by expansion in three out of four sub-segments, barring mining activity which declined for the fourth straight month.
- Under use-based classification, five out of six segments recorded higher growth in Apr'26 vis-à-vis Mar'26. Capital goods sector grew in double digits for six months straight, recording 16.0% YoY growth in Apr'26.
- The new IIP series with base year 2022-23 has factored in several changes including a revision of the item basket, changes in sectoral weights, and an increase in the number of reporting factories.

Chart: IIP - April 2026 (YoY% Change)



Source: MoSPI

Table 1: Weight Distribution in new IIP Series

Sector	Base Year 2011-12		Base Year 2022-23	
	Weight (%)	Item Groups	Weight (%)	Item Groups
Mining & Quarrying	14.4	1	11.0	3
Manufacturing	77.6	405	76.1	455
Electricity & Gas Supply	8.0	1	10.9	3
Water Supply, Sewerage & Waste Management	-	-	2.0	2
Total	100.0	407	100.0	463

Key Changes in the New IIP Series

- The base year of the IIP series has been revised from 2011-12 to 2022-23 to make the index more representative of the current structure and dynamics of the industrial sector. This has been done in line with the revision of base year in other macroeconomic indicators like GDP and Inflation.
- This is the tenth revision in base year for the all-India IIP series.
- The new series now includes 4 sectors against 3 in the previous series with the inclusion of “Water Supply, Sewerage and Waste Management”. Source for data within this segment is Department of Drinking Water and Sanitation.
- The scope of the “Electricity” segment has also been enlarged to include “Gas Supply”. Further, it will now cover total electricity generation from both renewable and non-renewable sources.
- In the “Mining” sector, the new series also includes minor minerals and rare earth mineral along with major minerals, making the index more comprehensive.
- In the new IIP series, a total of 120 new item groups have been added. Few examples are Cards with a magnetic stripe (e.g. Debit card, Credit card), CCTV camera, Articles of nonwoven textiles, Parts of aircraft and spacecraft, Stents, Vaccine (other than veterinary).
- A total of 64 item groups have been dropped in the new series. Few examples are Kerosene, Fluorescent tubes and CFLs, Tubes for bicycle/ tricycle/ rickshaw tyres. Tubes for LMV tyres, Printing machinery, Sewing machines.
- The total item groups in the new series are 463 compared to 407 in the previous series. An expanded item basket improves representativeness, captures diversification in industrial production, and reflects emerging industrial products and technologies.
- The six use-based categories of the 2011-12 series will continue in the new series of IIP. Though, the categories themselves were not changed; individual item classifications were reviewed in detail and updated under the use-based classification.
- The IIP growth for FY2024 and FY2025 was raised by 80 bps and 240 bps, respectively, in the 2022-23 series vis-à-vis the 2011-12 series, particularly led by the manufacturing sector, which may lead to upward revision in industrial GVA for these years.
- Further, the committee which has recommended the new series has also proposed seasonal adjustments in the IIP series once sufficient data is available as per the new series.

Table 2: IIP YoY growth % (Sector-wise)

Component	Weight (%)	Apr'25	Mar'26	Apr'26
Mining & quarrying	11.0	0.6	-2.6	-5.1
Manufacturing	76.1	6.4	3.9	6.2
Electricity & Gas Supply	10.9	6.1	4.4	4.9
Water Supply, Sewerage & Waste Management	2.0	8.2	6.4	6.6
IIP Index -General	100.0	5.7	3.2	4.9

Table 3: IIP YoY growth % (Usage-wise)

Component	Weight (%)	Apr'25	Mar'26	Apr'26
Primary Goods	31.1	2.6	1.3	0.4
Capital Goods	8.1	13.8	11.2	16.0
Intermediate Goods	22.4	7.6	4.1	7.7
Infra/Construction Goods	10.9	6.4	5.8	7.1
Consumer Durables	11.3	7.2	2.4	4.3
Consumer non-durables	16.2	4.1	-0.9	2.8

Analysis and Views:

- IIP growth improved to 4.9% in Apr'26 from 3.2% growth recorded in Mar'26, driven by growth in the manufacturing sector.
- Manufacturing output recorded a sharp acceleration, growing at 6.2% YoY in Apr'26, the highest in last 4 months.
- Within manufacturing, 17 out of 23 (constituting 64.2% of IIP) industry groups posted YoY growth in the month of April. Within these, 7 of them posted a double-digit expansion. Key contributors in the manufacturing segment included basic metals which grew 5.8% YoY, motor vehicles, trailers and semi-trailers which grew 12.8% YoY and machinery and equipment which grew by 12.9% YoY.
- Mining output continued to contract for the fourth straight month. The pace of decline almost doubled to 5.1% in Apr'26 compared to 2.6% in Mar'26
- Five of the six use-based categories recorded faster year-on-year growth performance compared to Mar'26, driven by Capital goods, which recorded double-digit increase underscoring the continued strength in industrial activity. Infra/ Construction goods also recorded 7.1% growth in Apr'26.
- Growth in Primary Goods eased to a 20-month low of 0.4%, reflecting low growth in mining segment. However, growth in Intermediate goods improved to 7.7% in Apr'26 from 4.1% in Mar'26, indicating stronger activity across supply chains.
- Consumer durables and non-durables also continued to grow, though growth was below that seen in the same period last year.

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