

India's Industrial Output Rises 4.9% In April

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India's industrial activity gained pace in April after moderating in the previous month led by manufacturing and mining activity.

The index of industrial production rose 4.9 percent in April over a year ago, according to data released by the Ministry of Statistics and Programme Implementation. A Bloomberg poll of economists had projected a 5.7 percent growth. For financial year 2017-18, industrial output rose by 4.3 percent over the previous year.

The rise in April mainly reflects a pick-up in manufacturing as it contributes more than three-fourths to the index. Industrial activity has rebounded from its October low of 2.2 percent and averaged 7.6 percent till February, before falling to 4.4 percent in March.

That, though better than the previous month, is way lower than the IIP growth witnessed during November 2017 and February 2018, Devendra Kumar Pant, chief economist at India Ratings & Research said in a note. "This acceleration for few months followed by slackness in IIP growth has become a feature of India's industrial output over the past 2-3 years," he added.

The use-based classification showed that production of primary goods rose 3.1 percent while capital goods' output increased 13 percent. The overall IIP growth at broad based classification was led by manufacturing and mining and at use based it was driven by capital, infrastructure and non-durable goods. Mining activity which witnessed slower growth in previous months saw modest improvement in April.

"This shows that growth in factory output is still patchy and the demand impulse across all the use based industries are yet to firm up on a sustained basis," Pant said.