

PRESS INFORMATION BUREAU

Government of India

Ministry of Finance: Data on the Index of Industrial Production (IIP) for August 2015 and Consumer Price Index (CPI)-New Series in September 2015 point towards steady improvement in the Indian economy

New Delhi, October 13, 2015

Asvina 21, 1937

Ministry of Finance states that the data on the Index of Industrial Production (IIP) for August 2015 and Consumer Price Index (CPI)-New Series in September 2015 point towards steady improvement in the Indian economy.

The August 2015 IIP growth has registered an increase of more than 6 per cent after 34 months. Cumulative IIP growth in the first five months in 2015-16 at 4.1 per cent is better than the growth of 3 per cent in the same period last year. Manufacturing sector growth at 6.9 per cent in August 2015 has spearheaded industrial production. Double digit growth in capital goods (21.8 per cent) and consumer durables (17 per cent) in August 2015, helped of course by a favourable base effect, imply improvement in investment and consumption demand.

The year-on-year inflation as reflected in all India CPI (combined) increased to 4.4 per cent in September 2015 from 3.7 per cent in August 2015. However it is low compared to 5.6 per cent in September 2014. Inflation based on Consumer Food Price Index (CFPI) in September 2015 (3.9 per cent) is lower than in September 2014 (6.2 per cent).

Inflation continues to be low as per the latest available CPI numbers. Industrial growth data is a reflection of recovery in the economy, predominantly led by domestic demand as the external sector environment continues to be sluggish.
