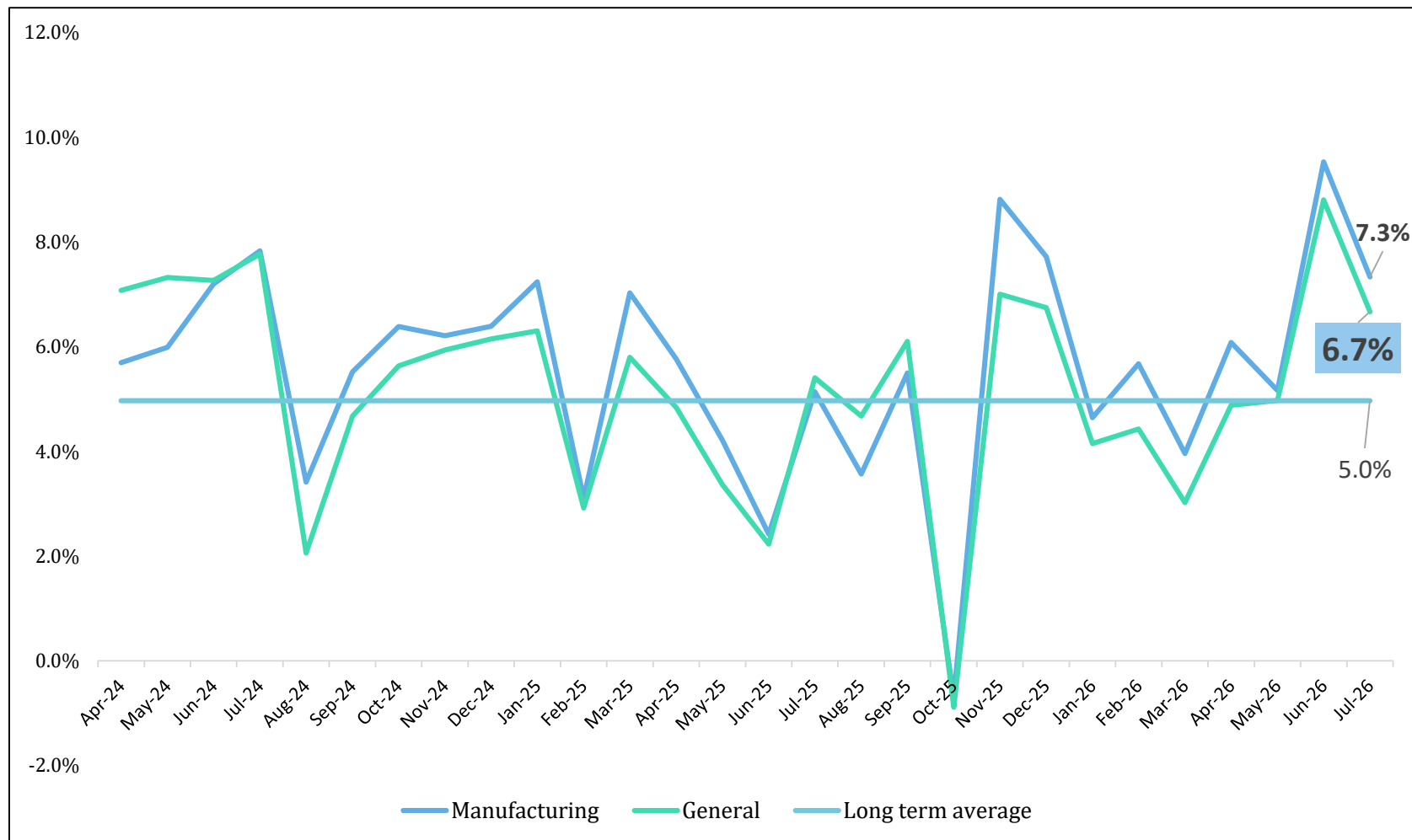




PHDCCI Analysis on Index of Industrial Production: July 2026

PHDCCI Research Bureau

Index of Industrial Production (Y-o-Y) – Trend Analysis



Source: Ministry of Statistics and Programme Implementation, MoSPI

- Index of Industrial Production (IIP) grows by 6.7% in July 2026 (year-on-year provisional), as Quick Estimate of IIP stands at 124.8 against 117.0 in July 2025.
- The primary drivers of growth are growth in Manufacturing sector (7.3%) and strong growth of in Electricity & Gas Supply sector (8.7%), y-o-y.
- Water supply, Sewerage & Waste Management sector recorded growth of 7.4% (y-o-y).
- The growth in IIP for July 2026 (6.7%) is above the 2 year average of 5.0%.

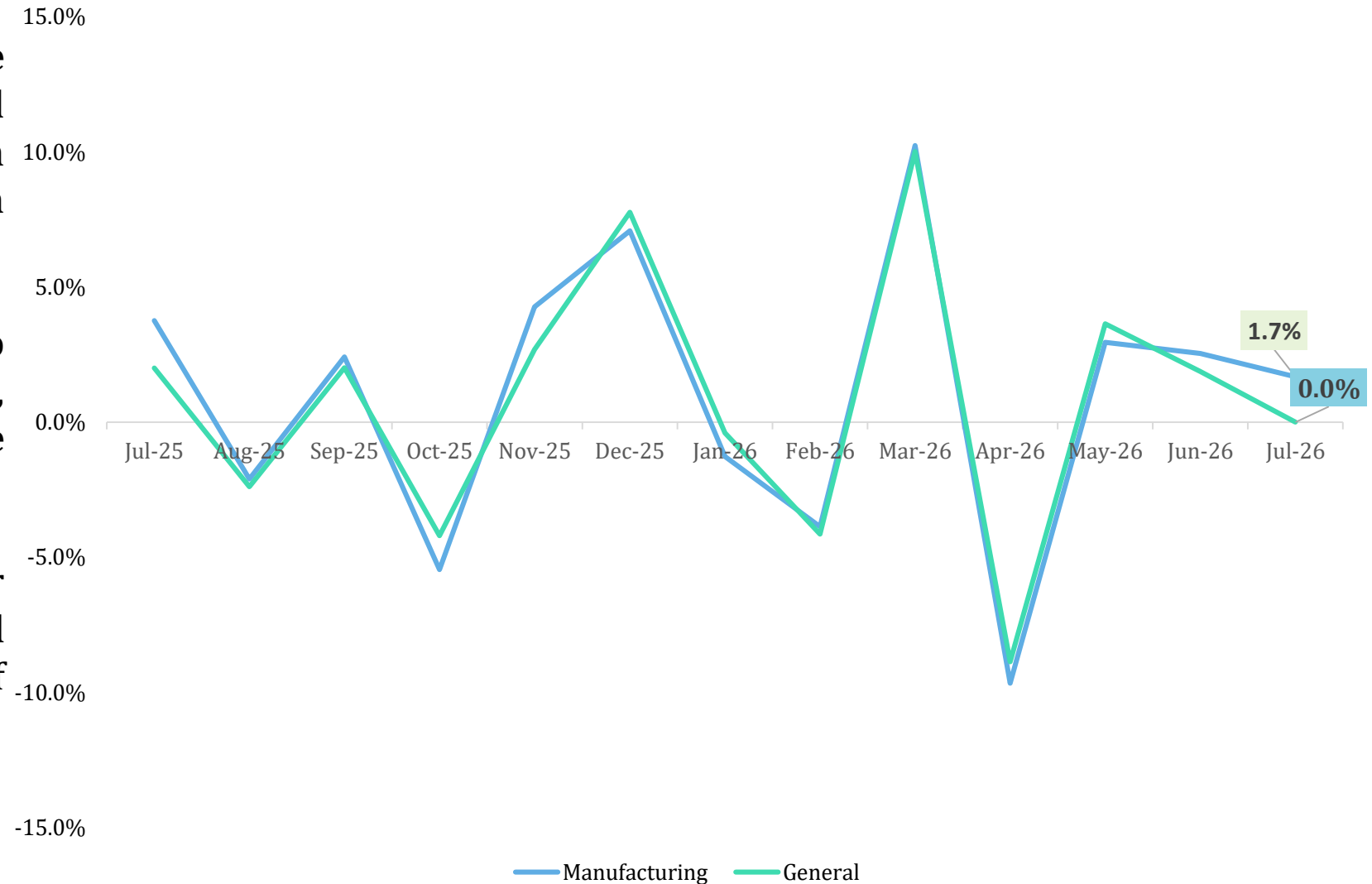
Drivers of Growth (Y-o-Y) in IIP

Weights	Sector	2-Digit level	May 2026	June 2026	July 2026
76.062	Manufacturing		5.2%	9.5%	7.3%
3.384		Manufacture of rubber and plastics products	4.3%	20.5%	18.6%
3.519		Manufacture of other non-metallic mineral products	5.8%	13.5%	16.5%
3.175		Manufacture of electrical equipment	21.7%	37.6%	28.3%
6.417		Manufacture of motor vehicles, trailers and semi-trailers	15.3%	18.3%	22.2%
2.089		Manufacture of other transport equipment	9.6%	25.2%	22.0%
1.113		Manufacture of beverages	5.6%	11.9%	21.9%
11.053	Mining & Quarrying		-1.4%	1.6%	-0.9%
1.995		Metallic Minerals incl. Rare Earth Mineral	18.3%	39.4%	24.3%
10.865	Electricity & Gas Supply		10.3%	11.3%	8.7%
7.839		Non-Renewable Electricity	8.8%	13.0%	12.5%
10.171		Electricity	11.1%	11.4%	9.3%

- Drivers of IIP growth at sectorial level are Manufacturing, with the highest weight of 76.062, grew by 7.3%, while Electricity & Gas Supply registered a 8.7% growth in July 2026 (y-o-y provisional).
- The manufacturing sector growth is driven by robust growth in Manufacture of motor vehicles, trailers and semi-trailers (22.2%), Manufacture of electrical equipment (28.3%), and Manufacture of rubber and plastics products (18.6%).
- At NIC 2-Digit level, the manufacturing sector recorded diffusion index of 83%, reflecting broad based expansion in the sector.
- Electricity & Gas Supply with a weight of 10.865 also supported IIP growth. This growth was driven by Electricity, which grew by 9.3% with a weight of 10.171 in July 2026 (y-o-y provisional).

Index of Industrial Production (M-o-M) Growth momentum shows strong acceleration

- On a month-on-month basis, the General Index of Industrial Production (IIP) recorded growth of 0% in July 2026 against growth during June 2026 (1.9%)
- The manufacturing sector also shows a decline in July 2026, growing by 1.7% against the growth rate in June 2026 (2.5%).
- The growth momentum for general IIP shows mild acceleration with a slope of 0.0003.



IIP for Use-Based Classification

- As per use-based classification, capital goods recorded the highest growth among the categories, with growth rate of 16.1% in July 2026 over July 2025. The robust growth reflects sustained investment activity and positive outlook.
- Intermediate goods, being the second highest weighted category (22.416), grew by 10% in July 2026.
- Along with these 2 categories, Consumer Durables (10.5%) are among the top 3 positive contributors to growth of IIP for the month of July 2026.
- Infrastructure/Construction goods grew by 6.9% while Primary Goods and Consumer non-durables grew by 4.1% and (-)1%, respectively.
- Growth across the used-based categories of IIP suggests broad-based expansion.

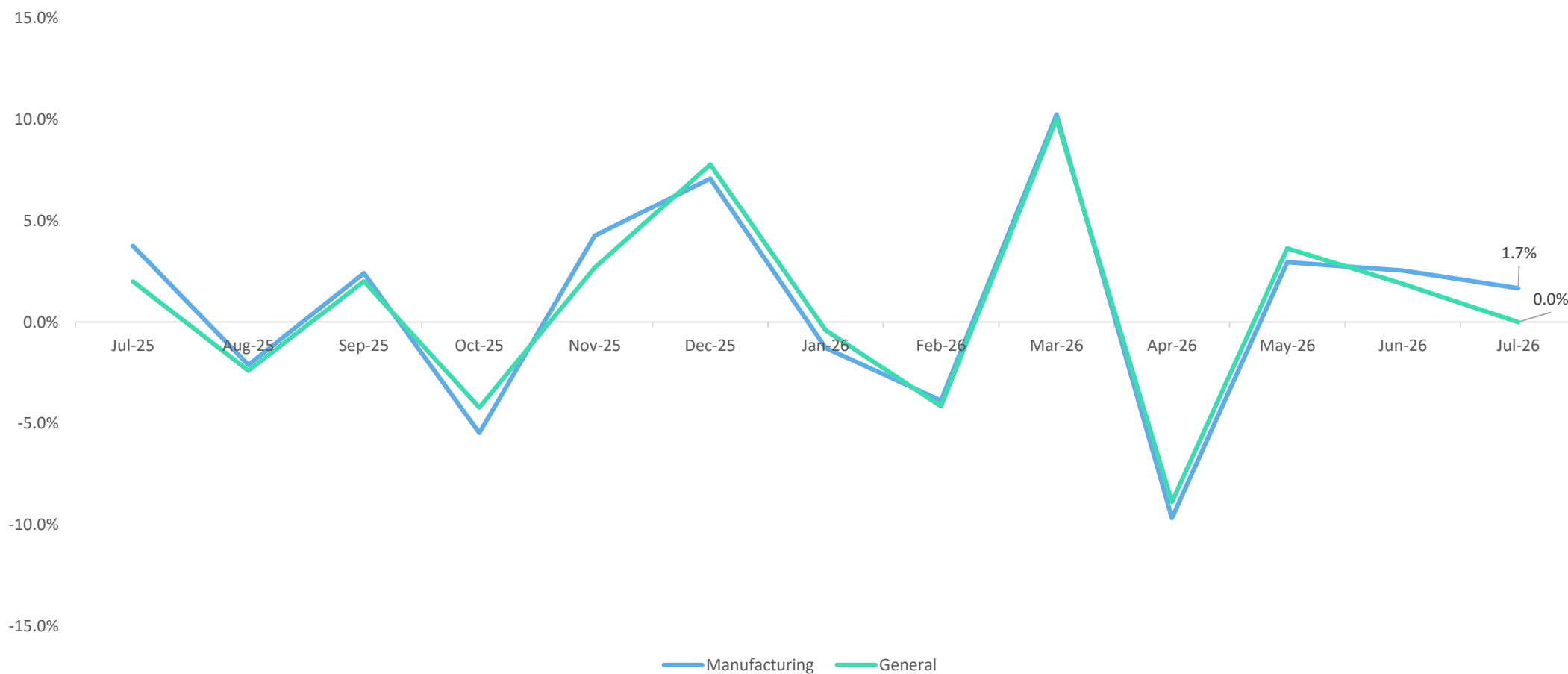


IIP General and Manufacturing (Y-o-Y for Ap 2025 – Jul 2026)



IIP General and Manufacturing (M-o-M for Ap 2025 – Jul 2026)

- The growth momentum for general IIP shows mild acceleration with a slope of 0.002.



IIP Use Based (Y-o-Y for Ap 2025 – Jul 2026)

