



Industrial Growth Dips & Retail Inflation Rises

India's industrial growth slowed to a seven-month low in May while consumer inflation breached the central bank's forecast for the first half of the fiscal year, marking twin setbacks for an economy.

- Both the slowdown in industrial output growth and jump in price pressure add to the worries of policymakers who are already concerned about sticky global oil prices.
- Retail inflation, based on Consumer Price Index (CPI), rose to 5 percent in June, a five-month high, despite easing food prices.

Consumer Price Index (CPI)

- CPI (Rural/Urban/Combined) is compiled by the Central Statistics Office (CSO) in the Ministry of Statistics and Programme Implementation.
- CPI for Industrial Workers (IW) and CPI for Agricultural Labourers (AL) / Rural Labourers (RL) are compiled and released by the Labour Bureau in the Ministry of Labour and Employment.
- It is based on the retail prices of products and measures inflation from the consumer side. RBI uses CPI (combined) to monitor inflation.
- It covers only the consumer goods and consumer services.
- Base Year: 2012
- The Index of Industrial Production (IIP) slipped to 3.2% in May 2018 mainly due to sluggish performance of manufacturing and power sectors coupled with poor off-take of fast moving consumer goods (FMCG).

Index of Industrial Production (IIP)

- IIP is an index which details out the growth of various sectors.
- All India IIP is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period.
- It is compiled and published monthly by the Central Statistical Organization (CSO) six weeks after the reference month ends.
- Base Year: 2011-12