PROGRESS • HARMONY • DEVELOPMENT

PHD

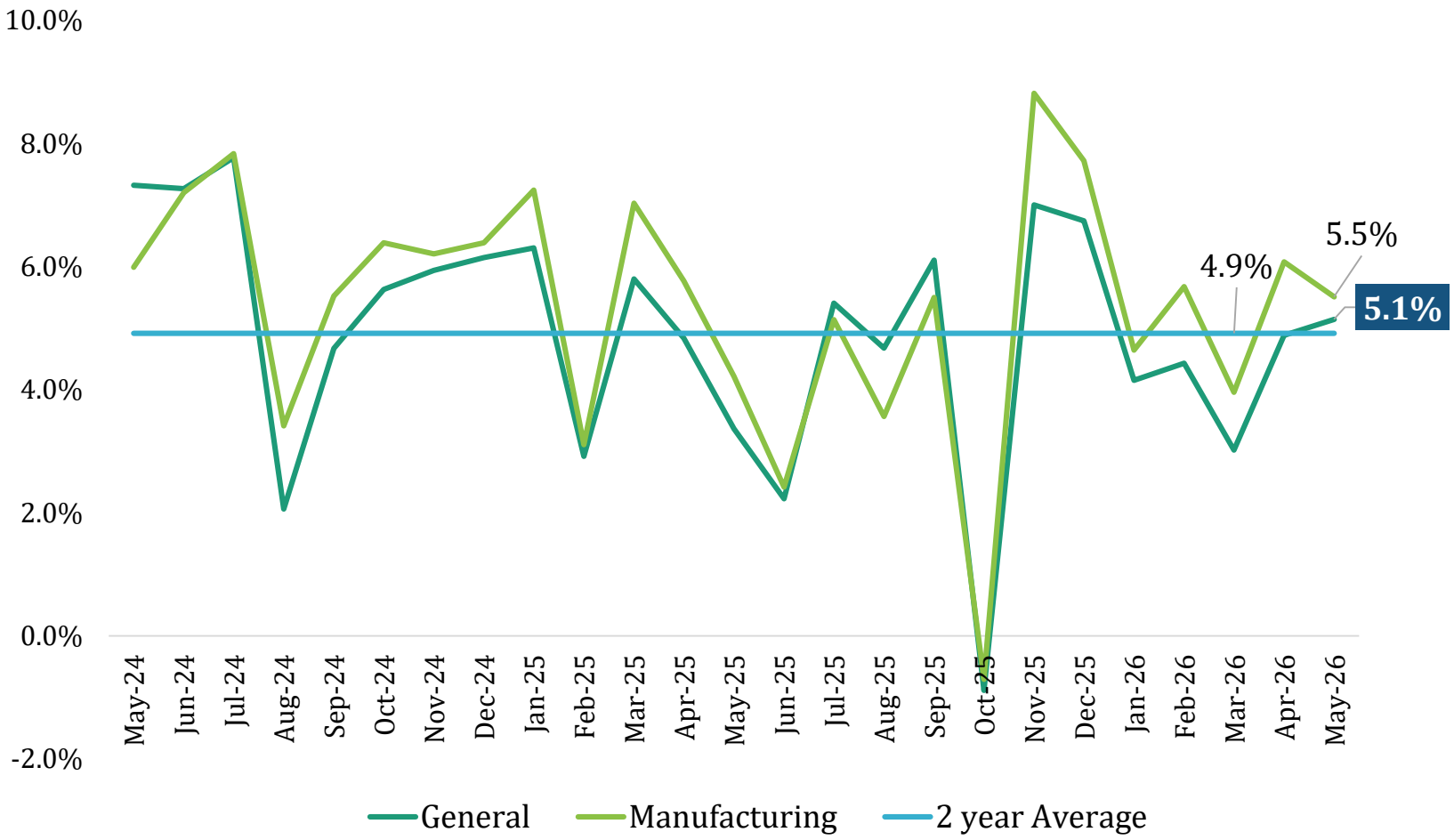
CHAMBER OF COMMERCE AND INDUSTRY

ESTD. 1905

PHDCCI Analysis on Index of Industrial Production: May 2026

PHDCCI Research Bureau

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



- Index of Industrial Production (IIP) grows by 5.1% in May 2026, as Quick Estimate of IIP stands at 122.7 against 116.7 in May 2025.
- The primary drivers of growth are Manufacturing sector and Electricity and gas supply sector, which grew by 5.5% and 9.9% on y-o-y basis respectively.
- Water supply, Sewerage & Waste Management sector recorded growth of 5.5% whereas Mining & Quarrying sector's growth declined by 1.6%.
- The growth in IIP for May 2026 (5.1%) is above the 2 year average of 4.9%.

Source: Ministry of Statistics and Programme Implementation, MoSPI

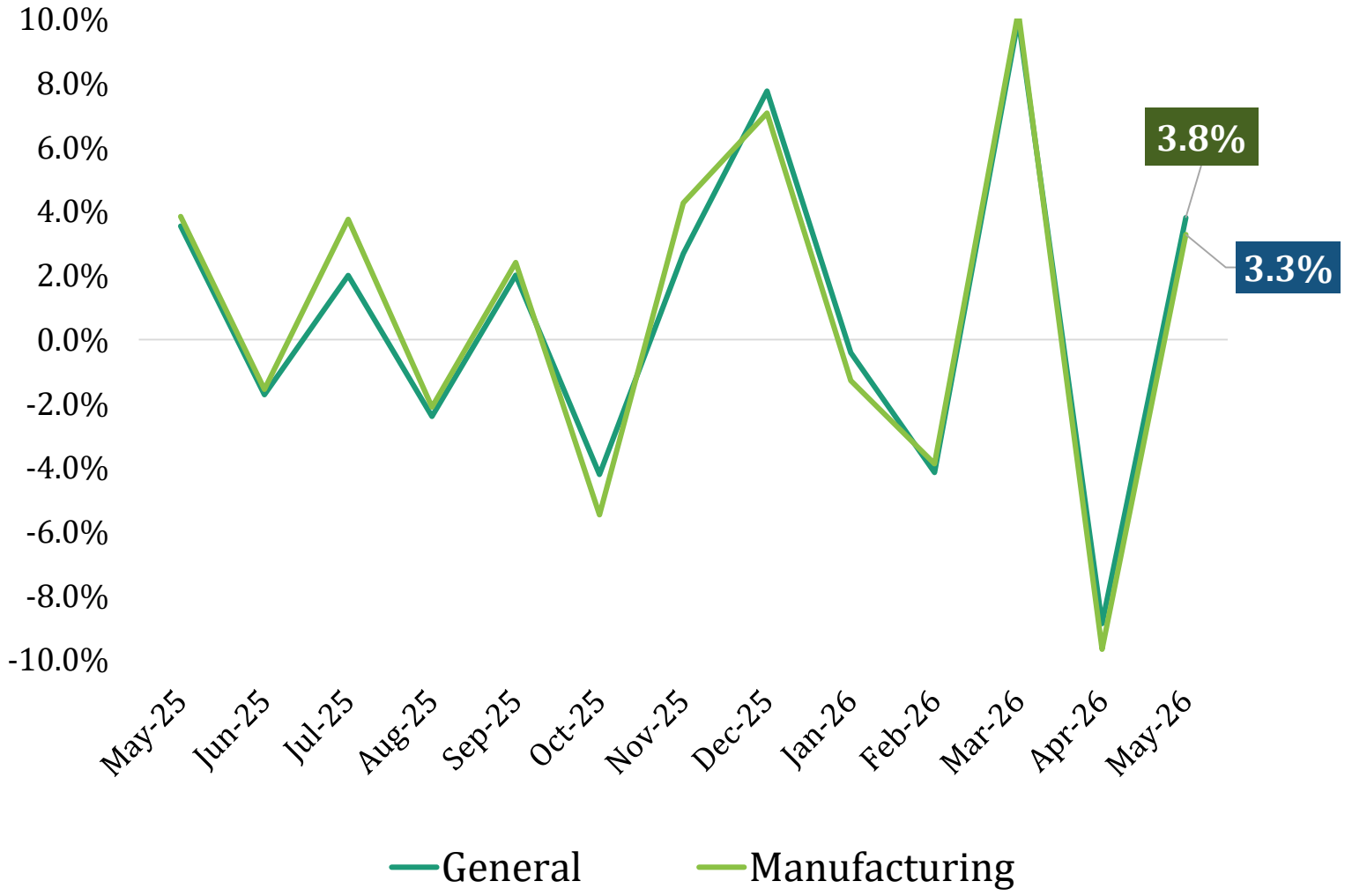
Drivers of Growth (Y-o-Y) in IIP

Weights	Sector	2-Digit level	Mar 2026	Apr 2026	May 2026
76.062	Manufacturing		4.0%	6.1%	5.5%
6.417		Manufacture of motor vehicles, trailers and semi-trailers	18.0%	12.4%	14.5%
5.833		Manufacture of basic pharmaceutical products and pharmaceutical preparations	-1.1%	-3.7%	5.4%
2.481		Manufacture of fabricated metal products, except machinery and equipment	5.6%	11.2%	15.5%
2.085		Manufacture of computer, electronic and optical products	0.9%	5.0%	11.4%
1.113		Manufacture of beverages	-6.3%	-5.6%	5.0%
11.053	Mining & Quarrying		-2.6%	-3.8%	-1.6%
1.995		Metallic Minerals incl. Rare Earth Mineral	28.5%	12.4%	18.3%
10.865	Electricity & Gas Supply		1.2%	4.6%	9.9%
7.839		Non-Renewable Electricity	-1.7%	1.7%	8.8%
10.171		Electricity	0.8%	5.5%	11.1%

- Drivers of IIP growth at sectorial level are Manufacturing, registering growth of 5.5% and the Electricity and Gas supply, which grew by 9.9% during May 2026 over May 2025.
- The manufacturing sector reports sustained growth, supported by robust growth in Manufacture of motor vehicles, trailers and semi-trailers (14.5%), Manufacture of computer, electronic and optical products (11.4%), Manufacture of basic pharmaceutical products and pharmaceutical preparations (11.24%), and Manufacture of fabricated metal products (15.5%).
- At NIC 2-Digit level, the manufacturing sector recorded diffusion index of 70%, reflecting broad based expansion in the sector.

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

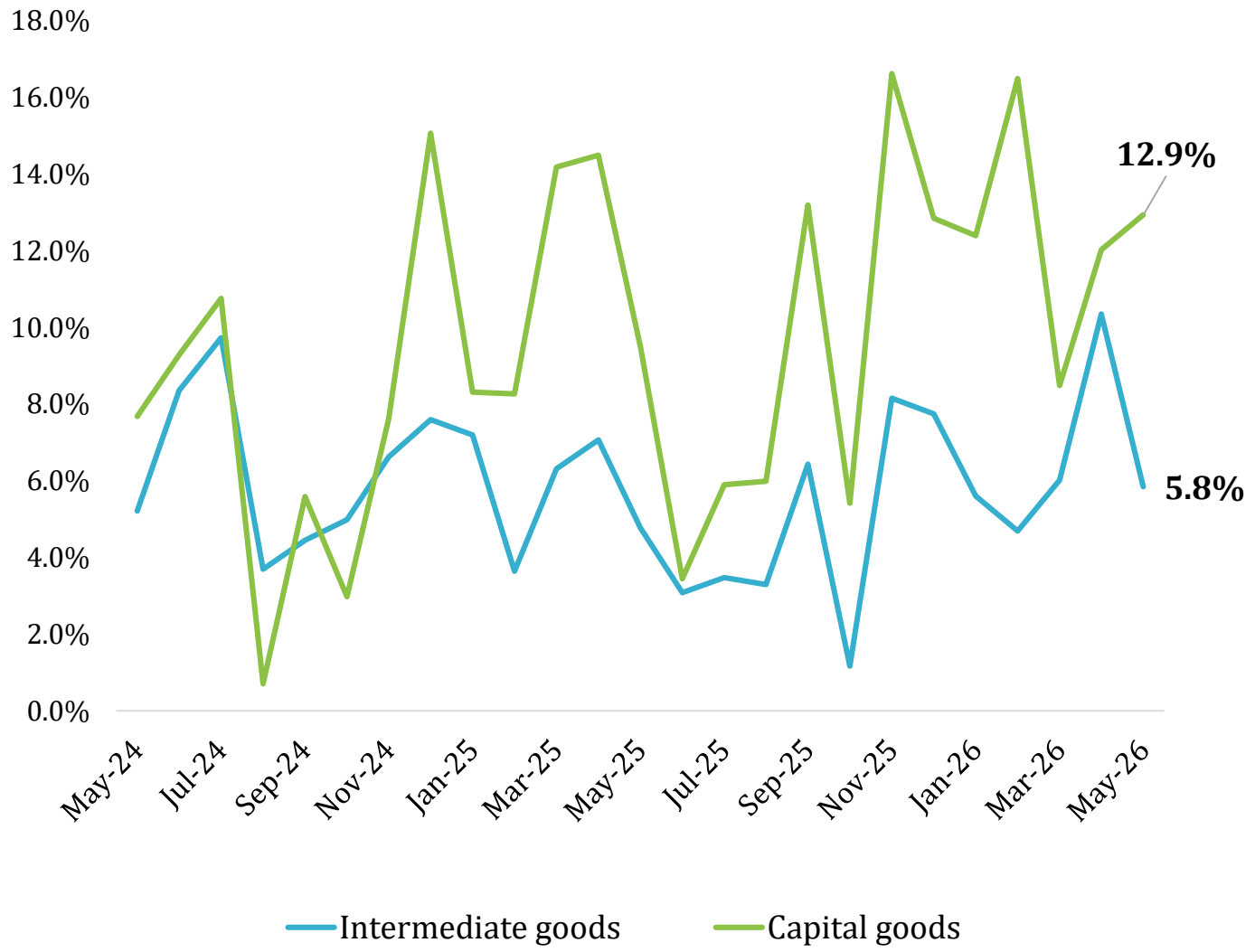
- On a month-on-month basis, the General Index of Industrial Production (IIP) recorded growth of 3.8% in May 2026 against the sharp drop in growth during April 2026 (-8.9%)
- The manufacturing sector also shows rebound in May 2026, growing by 3.3% against the negative growth rate in April 2026 (-9.7%).
- The growth momentum for general IIP shows strong acceleration with a slope of 0.12.



Source: Ministry of Statistics and Programme Implementation, MoSPI

IIP for Use-Based Classification

- As per use-based classification, capital goods recorded the highest growth among the categories, with growth rate of 12.9% in May 2026 over May 2025. The robust growth reflects sustained investment activity and positive outlook.
- Intermediate goods, being the highest weighted category, grew by 5.8% in May 2026.
- Along with these 2 categories, Primary goods (2.6%) are among the top 3 positive contributors to growth of IIP for the month of May 2026.
- Infrastructure/Construction goods grew by 5.9% while Consumer durables and Consumer non-durables grew by 7.2% and 3.6% respectively.
- Growth across the used-based categories of IIP suggests broad-based expansion.



Source: Ministry of Statistics and Programme Implementation, MoSPI

PROGRESS • HARMONY • DEVELOPMENT
PHD
CHAMBER OF COMMERCE AND INDUSTRY
ESTD. 1905

Research Team

Mr. Sanat Kumar
Chief Economist, PHDCCI

Ms. Riyanshi Singh
Management Trainee, PHDCCI

PROGRESS • HARMONY • DEVELOPMENT

PHD

CHAMBER OF COMMERCE AND INDUSTRY

ESTD. 1905

Thank You