

Macro Insights

Analysis and Key Takeaways: Index of Industrial Production (IIP) October 2025

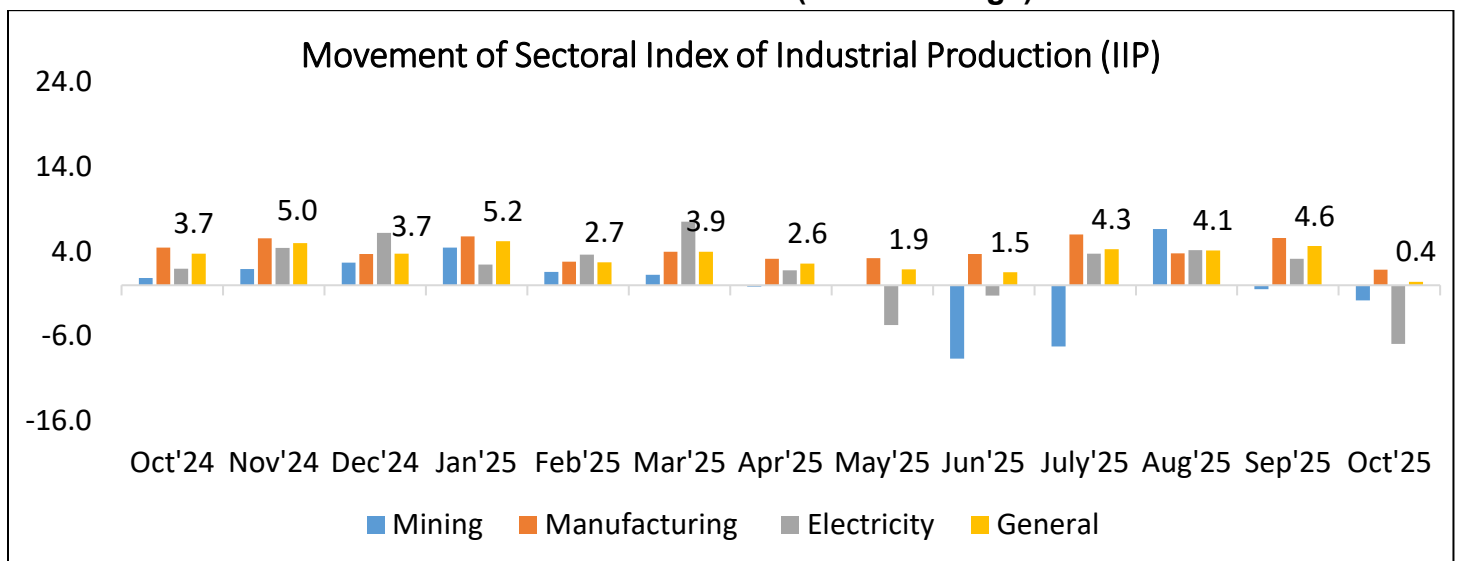
IIP growth slows to 14-month low of 0.4% in Oct'25 from 4.6% in Sep'25

Industrial activity, as indicated by Index of Industrial Production dropped to 14-month low of 0.4% in Oct'25 from 4.6% growth in Sep'25. It stood at 3.7% in Oct'24. On a sequential basis, IIP posted a decline of 1.8% in Oct'25, with the index at 150.9 compared to 153.7 in Sep'25.

Highlights

- IIP growth witnessed broad based deceleration across all three production segments – mining, manufacturing and electricity.
- Manufacturing output slowed from 5.6% in Sep'25, to 1.8% in Oct'25, a 14-month low.
- All six use-based categories witnessed a moderation in Oct'25 vis-à-vis Sep'25. Consumer durables contracted by 0.5% in Oct'25 after witnessing a sharp surge of 10% in the previous month.

Chart: IIP- October 2025 (YoY% Change)



Source: MoSPI

Table 1: IIP YoY growth % (Sector-wise)

Component	Weight (%)	Oct'24	Oct'25	Apr-Oct (FY24-25)	Apr-Oct (FY25-26)
Mining	14.37	0.9	-1.8	3.6	-1.9
Manufacturing	77.63	4.4	1.8	3.9	3.9
Electricity	7.99	2.0	-6.9	5.4	-0.1
IIP Index -General	100.00	3.7	0.4	4.0	2.8

Table 2: IIP YoY growth % (Usage-wise)

Component	Weight (%)	Oct'24	Oct'25	Apr-Oct (FY24-25)	Apr-Oct (FY25-26)
Primary Goods	34.05	2.5	-0.6	4.1	0.1
Capital Goods	8.22	2.9	2.4	3.9	6.9
Intermediate Goods	17.22	4.8	0.9	4.2	4.8
Infra/Construction Goods	12.34	4.7	7.1	5.8	8.5
Consumer Durables	12.84	5.5	-0.5	8.1	4.0
Consumer Non- Durables	15.33	2.8	-4.4	-0.7	-2.1

Analysis and Views:

- IIP growth stood at 2.8% in the first 7 months of the financial year FY26. This was the slowest pace compared to the last 5 financial years.
- The slowdown in industrial activity was broad-based. Activity in the mining sector contracted for the second consecutive month, with the decline being wider at 1.8% compared to 0.5% in Sep'25. Mining output has been in the negative zone for 6 out of 7 months in this fiscal.
- Electricity generation contracted by 6.9% compared to 3.1% growth in Sep'25 on account of extended unseasonal rainfall in the month of October which was 49% above the long period average.
- While manufacturing sector posted a growth of 1.8% in Oct'25, it was the slowest pace of expansion in the last 14 months. Within manufacturing sector, 14 out of 23 industries witnessed a contraction in the month of October compared to 9 in September. Major segments that witnessed a contraction were "food products", "textiles", "chemical and chemical products", "rubber and plastics" and "fabricated metal products".
- A similar trend of deceleration was also seen across all six use-based categories. Growth in primary goods contracted (-0.6% in Oct'25 vs 1.3% in Sep'25), while that in capital goods (2.4% in Oct'25 vs 5.4% in Sep'25), intermediate goods (0.9% in Oct'25 vs 6.3% in Sep'25), infrastructure goods (7.1% in Oct'25 vs 10.6% in Sep'25) witnessed a slowdown.
- Consumer durables contracted to 0.5% in Oct'25 after a GST-cut led surge in the previous month. The consumer non-durables segment continued to contract for the third consecutive month with a steeper decline of 4.4% in Oct'25.

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