

**GOVERNMENT OF INDIA**  
**MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**  
**CENTRAL STATISTICS OFFICE**

New Delhi  
Dated: June 10, 2011

**PRESS RELEASE**

**REVISION OF BASE YEAR OF ALL INDIA  
INDEX OF INDUSTRIAL PRODUCTION**

The Committee of Secretaries (COS) in its meeting held on 10<sup>th</sup> May, 2011 approved the release of the new series of Index of Industrial Production (IIP) with 2004-05 as its base and directed that the new series of IIP may be released for the month of April, 2011 onwards. Accordingly IIP new series is released today i.e 10<sup>th</sup> June, 2011, which is the Quick Estimate (QE) of IIP for the month of April, 2011. The time series indices for the period of April, 2005 to March, 2011 are also released along with the QE of April, 2011 index. Though the Q.E. of the IIP pertaining to the old series of IIP (Base: 1993-94=100) is also made available through this Ministry's website for comparison and academic purposes, the same will be discontinued from the month of September, 2011 onwards. In other words, the Q.E. of IIP pertaining to 1993-94 series will be provided only upto the month of August, 2011, which will be the Q.E. of IIP for the month of June, 2011.

The revision of base year of IIP was undertaken based on the recommendations of the Standing Committee on Industrial Statistics (SCIS), constituted by the Ministry of Statistics & PI. The SCIS includes members from concerned Ministries, and it is presently Chaired by Dr. Biswanath Goldar, Professor, Institute of Economic Growth. The National Statistical Commission (NSC) also recommended revision of base year of IIP to 2004-05.

**Some of the salient features of new series of IIP are as follows:**

- I. A representative item basket comprising 682 individual items has been selected for the new series of IIP. Further, and a new weighting diagram which better reflects the present structure and composition of the industry due to changes in the technology, economic reforms and production behaviour over time, is derived for the new series.
- II. The new series of IIP covers the sectors of mining, manufacturing and electricity in its scope as in the current series. For the compilation of sectoral weights for these three main sectors, GDP at factor cost available from the National Accounts Statistics (2010) is used.
- III. The result of the Annual Survey of Industries (ASI): 2004-05 is used as the basic frame for the selection of products for the manufacturing sector. However, for deciding the industry level (NIC 2 digit) weights of the

manufacturing sector, the estimates of Gross Value Added (GVA) as per ASI: 2004-05 for the organised manufacturing sector and as per the 62<sup>nd</sup> round of the National Sample Survey for the unorganised manufacturing sector are used. The number of items, item groups and weights as per different industry groups pertaining to the new series of IIP is at **Annexure-I**.

- IV. Sector wise comparative statements of weights, no. of items and item groups between the current series and new series are in the following table:

**Table -I: Sector wise comparative items and weight**

Sl. No.	Sector	Items		Item groups		Weight	
		1993-94	2004-05	1993-94	2004-05	1993-94	2004-05
1	Mining	64	61	1	1	104.73	141.57
2	Manufacturing	473	620	281	397	793.58	755.27
3	Electricity	1	1	1	1	101.69	103.16
4	Total	538	682	283	399	1000.00	1000.00

- V. The monthly production data for the compilation of new series of IIP are being made available to the CSO by sixteen (16) source agencies viz . Indian Bureau of Mines (IBM), Directorate of Sugar, O/o the Salt Commissioner, Directorate of Vanaspati, Vegetable Oil & Fats, Tea Board, Coffee Board, O/o the Textile Commissioner, O/o the Jute Commissioner, O/o the Coal Controller, M/o Petroleum, O/o the Joint Plant Committee (Iron & Steel), Railway Board, D/o Industrial Policy & Promotion, D/o Chemicals & Petrochemicals, D/o Fertilizers and Central Electricity Authority. The number of items, item groups and weights as per different source agencies pertaining to the new series of IIP is at **Annexure-II**. Out of these, the Indian Bureau of Mines compiles the monthly indices for the mining sector and supplies the same to the CSO, which is suitably dovetailed with the indices for manufacturing and electricity sectors to arrive at the general index.
- VI. Some of the important items newly included in the series basket are 'Milk, skimmed, pasteurised', 'Rice', 'Cattle and poultry feed', 'Woollen carpets', 'Apparels', 'Writing & printing paper', 'Newspapers', 'Propylene', 'Purified terephthalic acid', 'Complex grade fertilizers', 'Paraxylene', 'Antibiotics & it's preparations', 'Polythene bags incl. HDPE & LDPE bags', 'Glass sheet', 'Refractory bricks', 'Marble tiles/slabs', 'Grinding wheels', 'Aluminium', 'Steel structures', 'Heat exchangers', 'Insulated cables/wires all kind', 'Colour TV sets', 'Lens of all kinds', 'Wood furniture', 'Coir mats & matting', 'Gems and jewellery', 'Copper and copper products', 'Poly vinyl chloride', 'Polypropylene( incl. co-polymer)' and 'Molasses'.

#### **Major changes due to base revision**

- I. The base year of IIP for the new series is 2004-05, as against 1993-94 for the old series.

- II. The weighting diagram has undergone change due to base revision.
- III. The total coverage of products has increased at the overall level.
- IV. National Industrial Classification (NIC)-1987 was used in the old series whereas for the new series, NIC-2004 is used. As such, at industry level, monthly index and their growth is being published for 22 industry groups for the new series, whereas for the old series, the monthly index and growth was released for 17 industry groups.
- V. 14 out of 15 source agencies are retained in new series. Department of Chemicals & Petrochemicals and Department of Fertilizers are included in the new series as independent source agencies because of growing importance of their respective industries. Ministry of Micro, Small & Medium Enterprises (MSME) is presently excluded as a source agency for new series of IIP, though bigger units of MSME sector, which are part of the coverage of Annual Survey of Industries (ASI) are already included in the item basket. CSO held dialogues with the representatives from O/o the Development Commissioner (MSME) for identifying products and units from the recently completed 4<sup>th</sup> all India Census cum Survey of MSME sector and accordingly putting in place a new system of regular monthly collection of data. After the system of data collection is in place, DC (MSME) may develop the index for the MSME sector separately, for which CSO would provide necessary technical guidance. Once DC (MSME) is ready with the index, this monthly index for the MSME sector can be dovetailed with the General Index of All-India IIP by assigning a proper weight through suitable methodological framework. This view was also endorsed by the COS.

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## Industry group wise number of items, item groups and weights

<b>NIC-04</b>	<b>Industry</b>	<b>No. of items</b>	<b>No. of item groups</b>	<b>Weights</b>
15	Food products and beverages	54	46	72.76
16	Tobacco products	5	5	15.70
17	Textiles	58	23	61.64
18	Wearing apparel; dressing and dyeing of fur	3	2	27.82
19	Tanning and dressing of leather	30	6	5.82
20	Wood and of wood products except furniture	4	4	10.51
21	Paper and paper products	17	8	9.99
22	Publishing and printing	4	2	10.78
23	Coke, refined petroleum products & nuclear fuel	16	16	67.15
24	Chemicals and chemical products	96	89	100.59
25	Rubber and plastics products	37	25	20.25
26	Other non-metallic mineral	27	14	43.14
27	Basic metals	61	30	113.35
28	Fabricated metal products, except machinery and equipment	15	13	30.85
29	Machinery and equipment n.e.c.	65	42	37.63
30	Office, accounting and computing	6	4	3.05
31	Electrical machinery and	41	27	19.80
32	Radio, TV and communication	8	8	9.89
33	Medical, precision and optical	16	10	5.67
34	Motor vehicles, trailers and semi-	30	5	40.64
35	Other transport equipment	14	12	18.25
36	Furniture; manufacturing n.e.c.	13	6	29.97
<b>Total manufacturing</b>		<b>620</b>	<b>397</b>	<b>755.27</b>

**Annexure-II****Source agency wise number of items, item groups and weights**

<b>S.No.</b>	<b>Source Agency</b>	<b>No. of individual Items</b>	<b>No. of Item groups</b>	<b>Weight</b>
1	Indian Bureau of Mines	61	1	141.57
2	Directorate of Sugar	1	1	15.25
3	O/o the Salt Commissioner	1	1	0.53
4	Directorate of Vanaspati, Vegetable Oils & Fats	11	11	9.17
5	Tea Board	1	1	6.51
6	Coffee Board	1	1	0.35
7	O/o the Textile Commissioner	44	13	52.10
8	O/o the Jute Commissioner	11	7	4.07
9	O/o the Coal Controller	3	3	2.96
10	M/o Petroleum	11	11	59.39
11	Joint Plant Committee (Iron & Steel)	47	21	92.07
12	Railway Board	6	6	2.20
13	D/o Industrial Policy & Promotion	430	268	456.26
14	D/o Chemicals & Petrochemicals	47	47	41.87
15	D/o Fertilizers	6	6	12.54
16	Central Electricity Authority	1	1	103.16
	<b>TOTAL</b>	<b>682</b>	<b>399</b>	<b>1000</b>