



IIP growth slows to 1.7%, retail inflation rises to 2.57%

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Manufacturing growth moderates to 1.3% in January from 2.65% in December; CPI rises on firming food prices

- Industrial activity slowed in January 2019 growing by just 1.7% due in large part to a deceleration in the manufacturing, electricity, and capital goods sectors, official data released showed.
- In a separate release, government data showed that retail inflation in February snapped a four-month declining trend by rising to 2.57%.
- The Index of Industrial Production (IIP) saw growth slip below the 2% for the second time in three months in January, with the previous occurrence being the 0.32% growth seen in November 2018.
- Growth in the IIP was at 2.6 in December.
- Within the IIP, the mining and quarrying sector was one of the only major sectors that saw growth accelerating, from a contraction of 0.39% in December to a growth of 3.9% in January.
- The electricity sector saw growth slowing to 0.8% from 4.45% over the same period.
- The capital goods sector contracted 3.2% in January, down from a growth of 5.9% in the previous month.
- The consumer sector also saw growth slowing, with growth in the consumer durables sector slowing to 1.8% and in the consumer non-durables sector to 3.8% in January, from 2.93% and 5.35%, respectively, in the previous month.

Declining inflation

- Retail inflation, as measured by the Consumer Price Index (CPI), quickened for the first time in five months in February to 2.57% from 1.97% in January, mainly due to firming food prices, official data showed.
- Inflation in food and beverages sector stood at -0.07% in February

compared with -1.29% in January.

- Core inflation moved down slightly as expected, reflecting easing of input costs, pricing powers and growing slack in the economy.
- The housing sector saw inflation slowing marginally to 5.1% from 5.2% over the same period.
- The fuel and light sector saw inflation slowing to 1.24% in February from 2.12% in January.

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