

Index of Industrial Production (IIP):

India's industrial growth rate for the month of January 2026 is 4.8 percent, which was 8.0 percent in the month of December 2025. For the month of January 2026, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 169.4. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2026 stand at 157.2, 167.2 and 212.1 respectively. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP. As per Use-based classification, the indices stand at 167.9 for Primary Goods, 124.4 for Capital Goods, 182.8 for Intermediate Goods and 227.7 for Infrastructure/ Construction Goods for the month of January 2026. Further, the indices for Consumer durables and Consumer non-durables stand at 138.2 and 160.7 respectively for the month of January 2026. The manufacturing sector grew by 4.8%, mining sector grew by 4.3% and electricity sector increased by 5.1%.

Eight Core Sector:

India's core infrastructure sectors decreased to 4.0 per cent in January, 2026 as compared to 4.7 in December, 2025. The production of Cement, Steel, Electricity, Fertilizer and Coal recorded positive growth in January, 2026. The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP).

Cement output increased by 10.7% in January 2026 over January 2025, while coal increased by 3.1% and electricity production level increased by 3.8% respectively. Steel output increased by 9.9% in January 2026. Fertilizer production increased by 3.7%. Crude oil declined by 5.8% in January 2026. Natural Gas decreased by 5.0% and Refinery Products has remained unchanged at 1.0% in January 2026.

India Manufacturing Purchasing Manager's Index (PMI):

The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI®) rise to 55.4 in January from 55.0 in December, a gauge of overall conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – indicated a stronger improvement in the health of the sector. After losing growth traction at the end of 2025, Indian goods producers reported faster increases in new orders, output, employment and buying levels during January. Input prices rose to the greatest extent in four months, albeit one that was negligible by historical standards, while charge inflation eased further. Stock trends were mixed, with holdings of finished items falling as orders were often fulfilled from warehouses and pre-production inventories expanding due to input purchasing growth. Granular data showed consumer goods as the brightest area of India's manufacturing industry, with the slowest improvement in operating conditions seen in capital goods.

Similarly, after slowing in December, new orders expanded at a faster rate. Panellists suggested that demand strength and marketing efforts drove sales to domestic and international clients higher. The main impetus to overall sales came from the domestic market, however. New export business still increased, but did so to one of the weakest extents in 15 months. Firms that experienced an uptick cited greater demand from Asia, Australia, Canada, Europe and the Middle East. Underlying data showed that competitive pricing helped support sales. Although output charges rose, the rate of inflation was modest and the weakest in nearly two years. Many firms suggested that improved efficiency, better cost management and market rivalry prevented them from increasing their fees. Input costs rose at the fastest pace in four months, albeit one that was mild by historical standards. Some firms reported paying more for chemicals, copper, iron, jute, paper, steel and transportation. January's results signalled another strong upturn in input purchases. Moreover, the rate of expansion quickened from December's two-year low. Underpinning the rise were greater production requirements and efforts to safeguard against shortages. Suppliers were comfortably able to accommodate for strengthening input demand, delivering materials more quickly than in December. Hence, manufacturers observed a further expansion in input inventories. The rate of accumulation was marked and broadly similar to December's two-year low. On the other hand, finished goods stocks decreased for the third straight month. With outstanding business volumes rising again at the start of the year, goods producers continued to hire extra staff. The pace of job creation was slight, albeit the quickest in three months.

