

## Revision of IIP

12. The Index of Industrial Production (IIP) is published as a monthly series since 1950. Revisions of IIP are carried out from time to time by shifting the comparison base to a more recent period by reviewing coverage of items/industries for reflecting changes in the structure of industry. The last revision was effected in 1980-81. The Department of Statistics set up in June 1995 a Technical Advisory Committee (TAC)

to examine all technical issues relating to comparable state level IIPs and make recommendations thereon. Subsequently in November 1996, the TAC was entrusted with the responsibility to examine all issues and provide technical guidance in the matter of shifting the base period of IIP. On the recommendations of the TAC, IIP base has been shifted to a more recent period (1993-94). The new series was released on May 26, 1998. The features of the revised IIP series are captured in Box 7.2.

### BOX 7.2 Revision of IIP Series

#### The Background

- The IIP, a measure of the trends of industrial production, is being published as a monthly series since 1950.
- IIP has been revised from time to time by shifting the base year to a more recent period, by reviewing the coverage of items and by effecting improvements in the technique of construction with a view to appropriately reflect the pattern of industrial growth.
- At the time of commencement of the Index in India, the base year was 1946. The base year was subsequently revised at various points of time to 1951, 1956, 1960, 1970 and 1980-81.
- The number of items covered in the monthly series of IIP increased from 35 in 1946 to 88 in 1951 and further to 201, 312 and 352 respectively in 1956, 1960 and 1970. The 1980-81 base series retained the number of items at 352.
- Based on the recommendations of the Technical Advisory Committee (TAC) set up by the Department of Statistics in June 1995, the base year of IIP has now been shifted to 1993-94.

#### Salient features of the new IIP series

- Items have been selected on the basis of results of ASI (1993-94), as has been the practice in the past.
- The new series includes 18 items from the small scale sector which also belonged to the 1980-81 series.
- The new series follows NIC 1987 classification as compared to NIC 1970 followed in 1980-81 series.
- A comparative illustration of the number of items and the weighting diagrams for broad sectors (mining, manufacturing and electricity) of IIP for the 1980-81 and 1993-94 series is provided below :

Broad Sector	No. of Items		Weights	
	1980-81	1993-94	1980-81	1993-94
Manufacturing	290	478	77.11	79.36
Mining	61	64	11.46	10.47
Electricity	1	1	11.43	10.17
<b>Total</b>	<b>352</b>	<b>543*</b>	<b>100.00</b>	<b>100.00</b>

\*Clubbed into 287 groups: Manufacturing-285, Mining-1 and Electricity-1.

- Due to adoption of NIC 1987 classification, erstwhile groups 30 (Rubber, plastic, petroleum and coal products) and 31 (Basic chemicals and chemical products except products of petroleum and coal) of IIP 1980-81 have interchanged places in the revised series. One new group (24: wool, silk and man-made fibre textiles except cotton) has been added and groups 35 (Machinery, machine tools and parts except electrical machinery) and 36 (Electrical machinery, apparatus, appliances and supplies and parts) have been amalgamated under the heading 'Machinery and equipment other than Transport equipment'.