India's Industrial output rebounds sharply: IIP grows 6.7% in Nov'25

The **Index of Industrial Production (IIP)** is a monthly economic indicator that measures the performance of Industrial Sectors of the Indian Economy, indicates how much industrial production has grown or declined compared to a base year (Currently 2011-12), to track the short-term changes in the volume of Industrial Output which helps the government, economists, investors and analysts to gauge the health of the industrial sector.

Industrial Production (IIP): India's Index of Industrial Production (IIP) recorded a robust year-on-year growth of **6.7% in November 2025**, a sharp acceleration from **0.5% in October 2025**. The recovery was primarily driven by strong **manufacturing growth of 8.0%,** reflecting improved demand conditions, higher production of steel products, increased pharmaceutical output, and sustained momentum in the automobile sector.

Additionally, the **mining sector rebounded to 5.4% growth** following the end of the monsoon season, supported by strong output of metallic minerals such as iron ore, which improved raw material availability for core industries.

Overall IIP index: The **overall IIP index increased to 158.0 in November 2025**, compared to **148.1 in November 2024**, underscoring a clear expansion in industrial output. The sharp acceleration from the previous month highlights the normalization of production cycles, easing of seasonal disruptions and improved operational performance across most industries.

- **Sector-wise Growth:** (Growth over the corresponding period of previous year in %)

Sector	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25
Manufacturing	5.8	2.8	3.0	3.1	3.2	3.7	6.0	3.8	5.6	1.8	8.0
Mining	4.4	1.6	0.4	-0.2	-0.1	-8.7	-7.2	6.6	-0.4	-1.8	5.4
Electricity	2.4	3.6	6.3	1.7	-4.7	-1.2	3.7	4.1	3.1	-6.93	-1.5

Manufacturing: The **manufacturing sector** was the principal driver of industrial growth in **November 2025**, registering a strong **8.0% year-on-year expansion** and contributing the largest share to the overall **6.7% IIP growth**. Manufacturing momentum was broad-based, with **20 out of 23 industry groups** recording positive growth. The key contributors within manufacturing were **basic metals (10.2%)**, **pharmaceuticals, medicinal chemical and botanical products (10.5%)**, and **motor vehicles, trailers and semi-trailers (11.9%)**, reflecting higher steel output, sustained pharmaceutical demand, and improved automobile production across passenger and commercial vehicles. This underscore strengthening domestic demand and improved supply-chain conditions. However, weakness across several consumption-oriented industries restricted overall manufacturing growth.

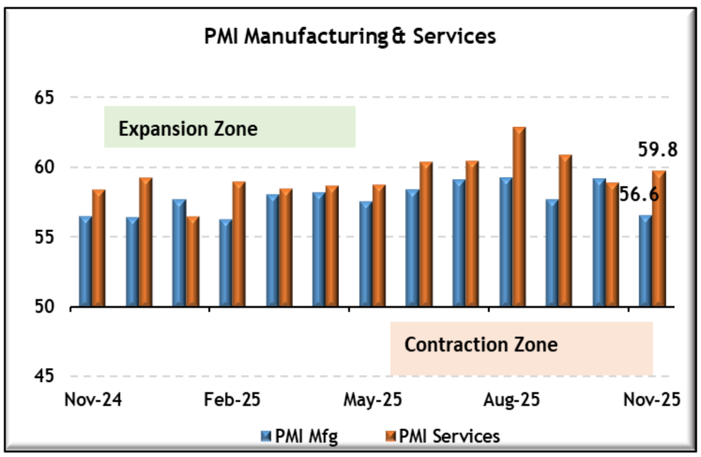
Mining: The **mining sector grew by 5.4%**, marking a notable recovery after the monsoon-related slowdown. Higher production of metallic minerals, particularly iron ore, supported the rebound and strengthened input availability for downstream industries.

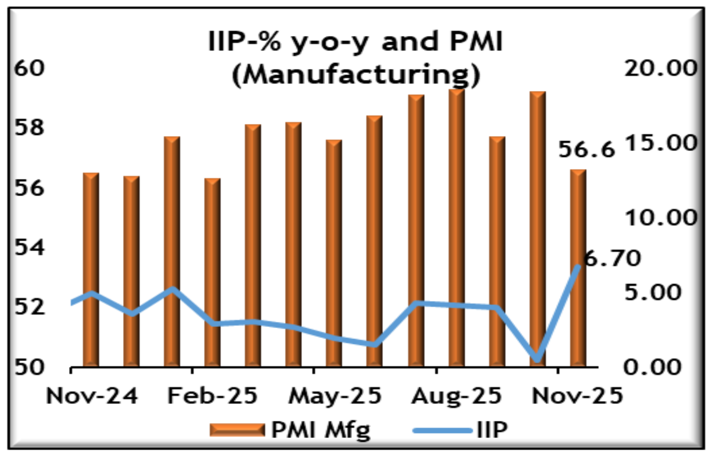
Electricity: The **electricity generation contracted by 1.5%**, acting as a marginal drag on overall industrial growth. This decline likely reflects lower seasonal demand and base effects, rather than a structural weakness in the power sector.

Sector Indices: Mining:141.0, Manufacturing:158.8 & Electricity:181.3 and overall IIP: 158.0.

In Nov'25, as per the use-based classification, the data reveal **strong momentum in investment- and infrastructure-oriented segments. Infrastructure and construction goods recorded the highest growth (12.1%)**, followed by **capital goods (10.4%)**, indicating improving capex activity and execution of infrastructure projects. **Intermediate goods (7.3%)** and **consumer non-durables (7.3%)** also contributed positively, reflecting stable supply-chain activity and resilient consumption demand. Growth in **consumer durables (10.3%)** points to improving discretionary spending, while **primary goods (2.0%)** showed relatively modest expansion.

For November 2025, the PMI Manufacturing eased to **56.6**, showing slower factory growth from October's 59.2, while Services PMI strengthened to **59.8**, up from 58.9, indicating robust expansion in services, leading to a healthy but moderating Composite PMI around 59.7, with strong new orders but softer export demand. Factory activity slowed but remained in strong expansion territory (above 50), with slower output growth and softening export orders. The service sector showed accelerated growth, driven by strong domestic demand, though overall new orders grew at a slower pace than previous months.





Implications:

1. **Manufacturing-led recovery** indicates strengthening domestic demand and improved capacity utilization, supporting higher industrial growth in the coming months.
2. **Strong growth in capital goods (10.4%) and infrastructure/construction goods (12.1%)** signals a pickup in investment activity and faster execution of infrastructure projects, positive for medium-term economic expansion.
3. **Post-monsoon rebound in mining (5.4%)** improves raw material availability, reducing supply-side constraints for core industries such as metals and manufacturing.
4. **Broad-based expansion across 20 out of 23 manufacturing industries** reflects resilience in industrial activity rather than growth driven by a few sectors.
5. **Contraction in electricity output (-1.5%)** highlights seasonal demand moderation and remains a downside risk if weakness persists, given its role as an industrial input.
6. **Improved performance of consumer durables and non-durables** suggests recovering consumption sentiment, supporting demand-driven industrial growth.
7. **Overall IIP acceleration from October** strengthens confidence in industrial momentum heading into the latter part of FY26, though sectoral divergences warrant close monitoring.

Visit us at www.canarabank.com

Economic Research Vertical

Madhavankutty G (Chief Economist)

Samir Kumar |Jaya Kumari | Ankit Gupta | Sonal Rashmi Ekka |I. Ramakrishna

For Suggestions and views please contact, Economic Research Vertical

080-2222 3169 (Chief Economist)
080-2227 3275 (Section)

chiefeconomist@canarabank.com
hoersection@canarabank.com