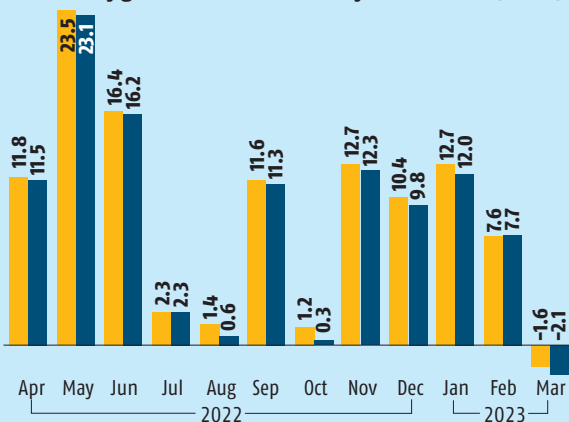


# Lower temp likely to have cooled down IIP in Mar, Apr



## POWER SCENARIO

■ Electricity growth in IIP ■ Electricity demand met (% YoY)



Source: MoSPI, Grid Controller of India

**SHIVA RAJORA**

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Lower-than-usual temperatures experienced during March and April this year — that led to lower power demand — may have had a cooling effect on industrial production, and to a lesser extent, on gross domestic product (GDP).

According to data sourced from the Grid Controller of India, energy demand met declined by 2.1 per cent in March 2023 compared to the same month last year.

While data on energy demand met for April is not available, data sourced from National Power portal shows that power generation declined 2.7 per cent in April 2023. The fall in electricity output comes on the back of unseasonal and prolonged rain in March and April. The downpour led to a fall in temperatures, thus substantially lowering household demand.

Data sourced from the Met department showed that the mean temperature in March this year hovered around 25.4 degrees Celsius, which is lower than last year's average

temperature of 26.7 degrees Celsius. Similarly, rain kept the temperatures cooler in April as well, as the mean temperature was around 28.1 degrees Celsius compared to 29.4 degrees Celsius last year.

Northwest India, which received the majority of the unseasonal rain, saw the highest decline in temperatures. Mean temperature stood at around 20.71 degrees Celsius and 24.4 degrees Celsius in March and April, respectively. This compares to 22.99 degrees Celsius and 28.1 degrees Celsius in the corresponding months last year.

The monthly index for industrial production (IIP) data showed that electricity growth in March contracted by 1.6 per cent.

The last instance when monthly electricity output had shown contraction was during the Covid lockdown in August 2020. At that time, output shrank 1.8 per cent.

This contraction in electricity output will eventually end up hurting the GDP in the last quarter of FY23 as, along with gas and water supply, electricity contributes nearly 2.4 per cent value to the GDP.