

July industrial output up 3.5% led by manufacturing

Our Bureau
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With strong growth in manufacturing, factory output based in Index of Industrial production grew at 3.5 per cent in July against 1.5 per cent in June, the government reported on Thursday. It is a four-month high but lower than 5 per cent of July 2024.

The latest data from National Statistical Office showed that the manufacturing sector's output growth rose to 5.4 per cent in July 2025 from 4.7 per cent in the year-ago month. Mining production contracted 7.2 per cent against a growth of 3.8 per cent recorded a year ago. Power production rose a meagre 0.6 per cent (7.9 per cent).

POSITIVE SHOW

Within the manufacturing, 14 out of 23 industry groups have recorded a positive year-on-year growth in July 2025. Consumer durables (or white goods production) growth slowed to 7.7 per cent during the reporting month against a growth of 8.2 per cent in July 2024. In July 2025, consumer non-durables output recorded a meagre 0.5 per cent growth against 4.2 per cent a year ago.

Infrastructure/construction reported a growth of 11.9 per cent in July 2025, up from 5.5 per cent expansion in the year-ago period. The data also showed that the output of primary goods contracted 1.7 per cent (5.9 per

cent). The expansion in the intermediate goods segment was 5.8 per cent in the month under review against 7 per cent a year ago.

SUSTAINED PROGRESS

According to Paras Jasrai, Associate Director with India Ratings & Research, barring primary goods, all the user-based sectors recorded a modest to reasonable growth during July 2025 (after a gap of five months). The construction goods sector led with a strong growth of 11.9 per cent y-o-y, at a 21-month high in the same period due to a sustained progress in government capex.

"The capital goods sector also improved to 5 per cent y-o-y in July 2025 from an eight-month low of 3 per cent y-o-y in the previous month indicating some pick-up in investment activity," he said.

Rajani Sinha, Chief Economist, CareEdge Ratings, said healthy growth in infrastructure and construction goods underscore the continued thrust from public sector capex. However, the absence of a strong pick-up in private investment amid persistent global headwinds has been weighing on the overall investment scenario. The prospects of a favourable monsoon scenario, easing inflation, the ongoing monetary policy transmission of rate cuts and support to consumption from GST and income tax cuts remain supportive of the domestic economy.

Industrial growth

2025	(in %)			
	Mining	Manufacturing	Electricity	General
January	4.4	5.8	2.4	5.2
February	1.6	2.8	0.6	2.7
March	1.2	4.0	7.5	3.9
April	(-)0.2	3.1	1.7	2.6
May	(-)0.1	3.2	(-)4.7	1.9
June	(-)8.7	3.7	(-)1.2	1.5
July	(-)7.2	5.4	0.6	3.5

Source : MoSPI