

What is the Index of Industrial Production (IIP)?

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About Index of Industrial Production

- It is one of the **Prime indicators of economic development** for the measurement of trends in the behavior of **Industrial Production over a period of time with reference to a chosen base year.**
- It indicates the **relative change of physical production in the field of industries during a specified year as compared to the previous year.**
- It is **computed and published by the Central Statistical Organisation (CSO) on a monthly basis.**
- **Base Year:**
 - The base year is **always given a value of 100.**
 - The **current base year for the IIP series in India is 2011-12.**
 - So, if the current **IIP reads as 116**, it **means** that there has been **16% growth compared to the base year.**

Index of Eight Core Industries (ICI)

- ICI **measures the collective and individual performance of production in selected eight core industries viz. Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity.**
- The objective of the ICI is to **provide an advance indication of production performance** of industries of 'core' nature **before the release of IIP** by the Central Statistics Office.
- These **industries are likely to impact general economic activities** as well as industrial activities.
- The Index is **compiled and released by the Office of the Economic Adviser (OEA)**, Department of Industrial Policy & Promotion (DIPP), **Ministry of Commerce & Industry**, Government of India.

Q1) What is the Central Statistical Organisation (CSO)?

The Central Statistical Organisation or Central Statistics Office (CSO) was set up on 2nd May, 1951. It comes under the Ministry of Statistics and Programme Implementation. It holds a prominent place in the Indian Statistical System. It coordinates the statistical activities in the country and evolves statistical standards. It is headed by the Director General assisted by five additional director generals.

Source: [Industrial production growth dips to 3-month low of 3.7% in June](#)

Source: <https://vajiramandravi.com/current-affairs/what-is-the-index-of-industrial-production-iip/>

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