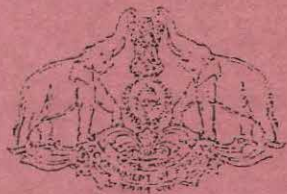


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Government of Kerala

*Report on Index of
Industrial production for
the year 2001-02*

DEPARTMENT OF ECONOMICS & STATISTICS
THIRUVANANTHAPURAM
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PREFACE

"Industry" plays a pivotal role with economy of a country particularly in the area of production, distribution and employment. A reliable and adequate data to Industrial Statistics is a must for the planning particularly in the formulation and evaluation of the Industrial programmes starting from the grass root level. The Index of Industrial Production is one of the prime indicators of the economic development for measurement of trend in the behaviour of the industrial production over a period of time with reference to a chosen base year.

The Department of Economics & Statistics is computing the index on a quarterly basis to study the changes in the industrial production in the state. The Annual Index for the year 2001-2002 and the indices for the quarter ended 30-6-2001, 30-9-2001, 31-12-2001 and 31-3-2002 was presented for major groups and sub group wise to facilitate comparison of trends.

The indices are prepared in the Index of Industrial Production unit of the Directorate by Sri. P.K. Mohammed Iqbal under the guidance of Sri. P.K. Kochunarayana Pillai, Joint Director Survey and Design.

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24.07.2003

REPORT OF INDEX OF INDUSTRIAL PRODUCTION

FOR THE YEAR 2001-2002.

1.0 *Introduction* : Industrial Sector continues to play a vital role in the State economy. Index of Industrial Production is a yardstick of the industrial growth of a state. It reflects the average percentage of change in industrial production with reference to a base year. It also helps to study the changing over a time in the volume of industrial production and also for making inter industry comparison.

2.0 *Coverage* : The index covers manufacturing and Electricity (generation) sectors in Kerala. The industrial units included in the census sector of the Annual Survey of Industries (ASI) are only covered under the manufacturing sector for the preparation of the index. These units are registered factories having 50 workers or more using power and those having 100 or more workers without power. Considering the large number of units in the industries of cashew processing, Tile manufacturing and Tea processing 50 % of them are selected at random for enumeration while in the case of rest all units are enumerated. The production data are collected from the selected units regularly. From the sample selected, production estimates for all the units are obtained by inflating the sample total by the rate of total employment in all the units (with respect of each of the group) to the employment in the selected units. The following industrial sectors have been covered for preparation of index.

- (1) Manufacturing of food products (20 -21).
- (2) Manufacturing of beverages (22)
- (3) Manufacture of cotton textiles (23)
- (4) Manufacture of wool, silk and man made fibre textiles (24)
- (5) Manufacture of textile products (26)
- (6) Manufacture of wood and wood products (27)
- (7) Manufacture of paper and paper products (28)
- (8) Manufacture of basic chemicals and chemical products (30)
- (9) Manufacture of rubber, plastic, petroleum and coal products, processing of nuclear fuels (31)
- (10) Manufacture of non-metallic mineral products (32)
- (11) Manufacture of basic metal and alloy industries (33)
- (12) Manufacture of metal products and parts except machinery and equipment (34).
- (13) Manufacture of machinery and equipment other than transport equipment (35 - 36)
- (14) Manufacture of transport equipment and parts (37)
- (15) Other Manufacturing Industries (38)
- (16) Electricity generation, transmission and distribution (40)

Methodology

The index for the quarter is calculated by using the formula

$$I = \frac{\sum w_i P_n \times 100}{P_o \sum w_i}$$

Where I = Index of Industrial production.

W_i = Weight attached to ith item of a quarter.

P_n = Quantity of production of the quarter in the current year

P_o = Quantity of average production in the quarter of base year.

3.1 Base year

The financial year 1980-81 is taken as the base year for computing the index both for comparison and weighting. The indices are prepared on a quarterly basis.

3.2 Weights

Weights are assigned in preparation to the value added by the manufacturer of the item basket during the base year. Data relating to the manufacturers were collected from the Annual Survey of Industries for 1980 – 81 in respect of the factories under the census sector. The two-digit level weight (in table II) is used for computation of general index. For arriving the group index the percentage contribution of each item in the group is used.

3.3 Production Data

The quarterly productions data are collected from the selected industrial units by mailed questionnaires followed by personal visits.

3.4 General Index

The general index and group indices are at two digit level of National Industrial classification 1987 computed for the quarters of 2001 – 2002 are given in table I. The indices computed at 3 digit level are presented in table II. Annual index are arithmetic mean of quarterly indices.

3.5 Analysis of Results

The General Index for the year 2001 – 2002 decreased to 302.286 from 360.20 in 2000-2001 reflecting a substantial annual decrease of 16.08 percent. Quarterly indices shows that production in all the four quarters reflected a decreased trend over corresponding quarter of the previous year. The production in all the four quarters recorded a considerable down fall of 25.97, 5.70, 14.27 and 19.28 per cent respectively resulted an overall decline of 16.08 percent in the annual index in the current

year. Among the 16 major groups 9 groups recorded decreased trend and 6 groups recorded an upward trend.

Group wise Annual index Analysis

During the year the following industry groups showed increased trend.

(1) Manufacture of Beverages & Tobacco (22)

The production index for this group increased from 128,195 to 191,497 recorded an increase of 49.38 percent during the year compared to the previous year. Even though there was production less of Beers in Premier Breweries Kanjikode Palaghat and production of Beedis in Beedi Manufacturing Industries, the abnormal production increase of foreign liquors in Macdowell, Kanjikuzhy, Cherthala, Alappuzha District reflected an overall increase of 39.63 percent during the year compared to previous year 2001-2002.

(2) Manufacture of Cotton Textiles (23)

The production index for this group increased from 135-923 to 151,688 recorded an increase of 11.6 percent during the year compared to the previous year. This was mainly due to the increased production of Cotton yarn in Chackolas Spinning Mills Kalamassery, Cochin, Kottayam Textiles, Ettumanoor, Kottayam, Rajagopal textile mills, Puzhakkad, Trissur, Malappuram Co-operative Spinning mills Ernad, Malappuram and Western India Cotton Ltd., Pappinisserry, Kannur.

(3) Manufacture of Textile Production (26)

Production Index of this group recorded a slight increase of 0.43 percent during the year. This was due to better performance of some of the Coir Yarn, mats and mattings Industries like Indian Coir Manufacturing Company, Alappuzha and Aspinwall & Company, Alappuzha. The index raised from 17,134 to 17,207 during the year.

(4) Manufacture of Basic Chemicals & Chemical Industries (30)

As against the previous year the production index of this group recorded a substantial increase of 38.21 percent during the year. The index raise from 308,943 to 426,998 reflecting an increase of 38.21 percent. This increase occurred due to the better production of Manures like Ammonia Sulphate and Factomphos in FACT Udyogmandal, better production of Toilet soaps in Cochin Tata Mills Ltd., Cochin. Even though there was production loss in the manufacture of Ayurvedic medicines in Kerala State Drugs and Pharmaceuticals, Alleppey and Pharmaceutical Corporation Kerala Ltd., Thrissur the good performance of Aryavaidya Sala, Kottakkal pulled up the index during the current year.

(5) Manufacture of Non-metallic mineral Products (32)

The Production Index for this group recorded a Substantial Increase of 52.70 percent during the year compared to previous year. The index increased from 175.005 to 267.228. Eventhough there was production loss of the Brick, Tiles and Glass manufacturing Industries, the better performance of Cement Industries like Travancore Cements Ltd., Kottayam and English Indian Clays, Veli, Thiruvananthapuram and Carborandum Universal Ltd., Palakkad pulled up the index for this group.

Manufacture of Transport equipment and parts (37)

The better performance of Cochin Shipyard during the current year pulled up the Index from 9.019 to 9.820 recording an increase of 8.89 percent during the year under report. The work of 52802 DWT (Dead Weight Tonnage) was carried out during the year as against 48487 during the previous year 2001-01.

Production Index for the following industry group showed decreased trend during 2001-2002.

Manufacture of Food and Food Products (20-21)

The index in this group declined from 143.990 to 119.181 recorded a decrease of 17.23 percent during the year. Even though the Fish Industries, Tea & Coffee Industries and Grain Milling Industries performed well during the year the Production loss in Jams and Squashes, Canned Vegetables, modern bread Industry, Coconut Oil and Oil Cakes in Kerala Solvent extracts, Ltd., Irinjalkkuda, Cashew Processing Unit in Kollam District pulled down the index during the year.

(2) Manufacture of wool, silk and manmade fiber textiles (24)

A substantial decrease of 54.41 percent recorded in this group declined the index from 72.496 to 33.054. This was mainly due to temporary closure of Travancore Rayons, Perumbavoor with production of rayon yarn.

(3) Manufacture of wood and wood products (27)

A production decline of 28 per cent recorded in this group pulled down the index from 43.781 to 31.521. This was due to closure of Travancore Plywoods, Pathanapuram, Kollam low production of Plywoods and Boards in Jaya Plywoods, Kottayam, Malabar Plywoods, Feroke, Kozhikode, etc. Manufacture of Splints and Veneers also recorded low production in Glory match works, Nemom, Thiruvananthapuram, no production in St. Joseph match Industries.

Kuruppunthara, Kottayam for the first three quarters and also low production of wooden furniture in Forest Industries, Vazhakulam, Ernakulam and Government Workshop, Puthiyara, Kozhikode.

(4) Manufacture of Paper and paper products (28)

The three units selected in this group namely Gwalier Rayons, Kozhikode, Western India Plywoods, Baliapattanam, Kannur and Punalur Paper Mills was closed during the year reflected Zero index in this group.

(5) Manufacture of Basic Metal and alloy Industries (33)

As in the previous year this year also the index recorded a declining trend. The index declined from 92.422 to 79.944 reflecting a decrease of 13.50 percent. This was mainly due to production loss in Steel Complex Kolathara, Kozhikode in production of steel billets, the closure of South Indian Wire ropes, Edathala, Cochin and Low production of Aluminum ingots & rods in Indian Aluminum Company, Kalamassery, Kochi.

(6) Manufacture of Metal products and parts except machinery and equipment (34).

The Index for this group declined from 787.536 to 660.355 reflecting a decrease of 16.15 percent during the year compared to the previous year. This was mainly due to low production of Caps and Containers in Data Tin Works, Cochin, Low production of Agricultural Implements in Narayana Engineering Works, Palakkad and South India Metal Company, Shoranur in the production of Rough Castings.

(7) Manufacture of machinery and equipments other than transport equipment (35 - 36).

As against the previous year the index for this group registered a downward trend this year declined the Index from 2066.235 to 1226.269 reflected a percentage decrease of 40.65. Eventhough some units under this group like Kerala Agro machinery Corporation Athani and TELK, Angamaly performed well in the production of Power Trillers and Power Transformers respectively, the Low performance of KEL, Kundara in the production of Electrical goods, Metropolitan Engineering Works, Thiruvananthapuram, Aluminum Industries Switch Gear Division, Mannar in the production of Switch Gears, Tracco Cables Ltd., Kochi in the production of PVC cables, Keltron Equipments, Karakulam, Thiruvananthapuram in the porudction of UPS, Terminals, Speed Drivers, etc. Electronic Equipments and Telephone equipments in BPL groups pulled down the Index during the year Compared previous year.

(8) Other Manufacturing Industries (38)

As in the previous years this year also the index declined from 39.883 to 28.650. Even though there was a slight increase of water meters in Anand Water Meter Company, Cochin, the low production of Wooden brushes in Shree Krishna Tulsi Industries, Vaniyankulam slashed the index during the year to 28.16 per cent.

(9) Generation and Distribution of Electricity (40)

A slight decrease of 3.54 per cent recorded in the Generation and distribution of Electricity pulled the index from 194.694 to 187.811 during the year compared to the previous year 2000-01. Electricity amounting to 8836 M.U. was generated during the year as against 9160 M.U. in the previous year.

(10) Manufacture of rubber, plastic, petroleum & coal products (31)

A downfall of 8.13 percent recorded in this group declined the index from 193.728 to 177.996 during the year compared to the previous year. Even though there was production increase of Tyres & Tubes in Appolo tyres, Premier tyres, low production of Rubber Creape, latex and Crumb rubber in MRF, Kottayam, Chenappady Latex factory and Super. Sonic Industrial products. Moovattupuzha declined the Index during the year.

TABLE I - INDEX OF INDUSTRIAL PRODUCTION 2001-2002.

Base : 1980-81 = 100

Sl. No.	Code No.	Item	Weight	Index for		
				1999-2000	2000-2001	2001-2002
		GENERAL INDEX	100.00	351.24	360.20	302.29
1	20-21	Manufacture of food products	8.82	147.190	143.990	119.181
2	22	Manufacture of beverages, tobacco and related products	1.46	157.937	128.195	191.497
3	23	Manufacture of cotton textiles	8.02	139.196	135.923	151.688
4	24	Manufacture of wool, silk and man made fiber textiles	1.26	92.888	72.496	33.054
5	26	Manufacture of textile products	3.26	15.712	17.134	17.207
6	27	Manufacture of wood and wood products	1.35	44.108	43.781	31.521
7	28	Manufacture of paper and paper products	3.16	322.885	NIL	NIL
8	30	Manufacture of basic chemicals and chemical products (except Petroleum and Coal)	19.78	318.565	308.943	426.998
9	31	Manufacture of rubber, plastic, petroleum and Coal products and processing of Nuclear fuels	10.06	197.920	193.725	177.996
10	32	Manufacture of non-metallic mineral products	3.42	151.561	175.005	267.228
11	33	Basic Metals and Alloys Industries	3.43	82.450	92.422	79.944
12	34	Manufacture of metal products and parts except	0.50	896.201	787.536	660.355
13	35-36	Manufacture of machinery and equipments other than transport equipment	9.46	1911.615	2066.235	1226.269
14	37	Manufacture of Transport equipment and parts	2.67	7.856	9.019	9.820
15	38	Other manufacturing Industries	1.42	106.789	39.883	28.650
16	40	Electricity Generation, transmission and distribution	21.93	189.160	194.694	187.811

TABLE II - INDEX OF INDUSTRIAL PRODUCTION 2001 - 2002.

Base year 1980-81 = 100

Sl. No	NIC Code	Item	Weight	Index for the quarter ending				Annual
				June 2001	Sept. 2001	Dec. 2001	March 2002	
1	2	3	4	5	6	7	8	9
		GENERAL INDEX	100.00	237.46	344.74	307.23	319.71	302.29
I	20-21	Manufacture of food products	8.82	145.816	110.831	122.181	97.895	119.181
	202	Canning & preservation of fruits & vegetables	0.09	35.829	38.453	40.696	35.650	37.657
	203	Processing, canning & preservation of fish and similar foods	0.46	77.089	96.175	141.114	131.483	111.465
	204	Grain milling	0.11	1.244	1.936	1.995	2.977	2.038
	205	Manufacture of bakery products	0.21	428.344	456.046	457.760	350.314	423.116
	206	Manufacture of refining of sugar	0.41	16.285	96.821	230.476	28.328	92.978
	211	Manufacture of vegetable oil and fats	0.08	669.068	615.356	607.023	601.019	623.117
	213	Processing & blending of Tea	2.19	338.566	235.423	268.654	204.556	261.800
	214	Coffee curing, roasting, grinding, blending etc. including manufacture of instant coffee	0.11	39.585	41.580	36.799	38.069	39.008
	215	Processing of edible nuts	4.49	78.254	49.950	39.351	47.509	53.766
	218	Manufacture of starch	0.67	NIL	NIL	NIL	NIL	NIL
II	22	Manufacture of beverages, tobacco & related foods	1.46	166.473	151.440	207.003	241.072	191.497
	220	Distilling, rectifying and blending of spirits, ethyl alcohol production from fermented materials	1.06	172.902	160.331	232.854	274.450	210.134
	222	Manufacture of malt liquors and malt	0.15	368.069	305.160	336.112	382.763	348.026
	226	Manufacture of beedi	0.25	21.432	23.989	22.352	17.273	21.262
III	23	Manufacture of cotton textile	8.02	129.195	135.262	141.413	200.883	151.688
	230	Cotton spinning, cleaning and baling	7.68	129.863	135.626	141.934	204.833	153.064
	233-234	Weaving and finishing of cotton textiles of handloom and power looms	0.34	114.212	127.089	129.725	112.329	120.839

1	2	3	4	5	6	7	8	9
IV	24	Manufacture of wool, silk and man made fiber textiles	1.26	34.841	29.464	32.336	35.576	33.054
	244	Spinning, weaving and finishing of silk textiles other than in mills	1.26	34.840	29.464	32.336	35.576	33.054
V	26	Manufacture of textile products (including wearing apparels)	3.26	17.008	17.716	14.388	19.714	17.207
	260	Manufacture of knitted or textile products	0.06	108.294	126.608	127.074	124.027	121.501
	261	Manufacture of all kinds of threads, cordage ropes, twines & nets etc.	2.79	NIL	NIL	NIL	NIL	NIL
	264	Manufacture of floor coverings of Jutes, metasam hemp & other fibres of coir	0.41	119.928	122.896	96.241	139.236	119.575
VI	27	Manufacture of wood & wood products, furniture & fixtures	1.35	26.941	27.353	21.759	50.029	31.521
	270	Sawing & Planing of wood	0.10	26.265	26.320	21.047	59.525	33.289
	271	Manufacture of veneer sheets	1.02	32.653	26.019	29.239	35.095	30.752
	276	Manufacture of wooden furniture & figures	0.23	27.333	32.491	21.515	15.058	24.099
VII	28	Manufacture of paper & paper products & printing, publishing & other allied industries	3.16	NIL	NIL	NIL	NIL	NIL
	280	Manufacture of pulp, paper and paper board including manufacture of newsprint	3.16	NIL	NIL	NIL	NIL	NIL
VIII	30	Manufacture of basic chemicals & chemical products of petroleum & coal	19.78	337.264	610.071	353.824	406.834	426.998
	300	Manufacture of Industrial & inorganic chemicals (Manufacture of chemicals for laboratory & technical uses)	6.39	240.899	244.914	154.567	181.536	205.479
	301	Manufacture of fertilizers and chemicals	9.86	311.387	434.358	362.129	458.497	391.593

1	2	3	4	5	6	7	8	9
	304	Manufacture of drugs, medicines & allied products	1.13	1188.761	1563.158	1640.675	1883.787	1569.095
	305	Manufacture of Perfumes, Cosmetics, Lotion, Hair dressings, Tooth pasts, Soap in any form, detergents, Shampoos, Shaving products, cleaning.	2.40	297.845	205.236	242.156	96.646	210.471
IX	31	Manufacture of Rubber, Plastic, Petroleum & Coal Products, Processing of Nuclear Fuels	10.06	127.555	205.007	190.916	188.507	177.996
	310	Tyre & Tube Industries	1.16	83.233	86.225	93.331	109.449	93.060
	312	Manufacture of Rubber products not elsewhere classified	2.28	62.232	84.885	81.285	69.856	74.565
	314	Manufacture of Refined Petroleum products	6.62	157.887	267.317	245.889	243.350	228.611
X	32	Manufacture of Non-metallic mineral products	3.42	285.209	238.408	275.987	269.306	267.228
	320	Manufacture of refractory products and Structural Clay products	2.13	33.724	19.279	25.446	24.396	25.711
	321	Manufacture of glass and glass products	0.30	446.357	508.801	432.679	384.263	443.025
	323	Manufacture of non-structural ceramic wares	0.18	53.478	31.939	19.540	30.242	33.800
	324	Manufacture of Cement, lime and Plaster	0.32	55.603	54.421	50.586	75.526	59.034
	329	Manufacture of miscellaneous non-metallic mineral products not elsewhere classified	0.49	1528.150	1513.647	1524.141	1491.386	1514.331
XI	33	Basic Metal & Alloys Industries	3.43	79.374	83.920	75.452	81.029	79.944
	330	Manufacture of Iron & Steel in Primary / Semi finished forms	1.20	20.131	17.969	36.937	26.906	25.486
	331	Manufacture of Semi-finished Iron & Steel Products in re-rolling mills, Cold rolling mills, wire drawing mills	0.35	6.291	5.489	4.046	3.997	4.956

1	2	3	4	5	6	7	8	9
	335	Aluminum manufacturing	1.88	130.620	140.431	113.152	129.731	128.484
XII	34	Manufacture of metal products & parts except machinery and equipment	0.50	722.193	722.683	598.187	598.358	660.355
	340	Manufacture of fabricated structural metal products	0.09	NIL	NIL	NIL	NIL	NIL
	341	Manufacture of fabricated metal products not elsewhere classified	0.08	4396.277	4264.685	3470.660	3572.226	3925.962
	343	Manufacture of handtools, weights & Measures & general hard wares	0.28	28.501	44.970	29.413	22.131	31.254
	346	Manufacture of metal cutlery, Utensils & Kitchen ware	0.05	304.964	408.374	460.288	357.798	382.856
XIII	35-36	Manufacture of machinery & equipment other than Transport equipment	9.46	772.776	1287.506	1423.165	1421.629	1226.269
	354	Manufacture of Industrial machinery other than food & textile Industries	0.01	7925.00	10358.333	9983.333	8250.000	9129.167
	357	Manufacture of machine tools & their parts & accessories	1.06	21.739	45.217	37.391	66.087	42.609
	359	Manufacture of Special purpose machinery equipment, their components not elsewhere classified	0.04	NIL	NIL	NIL	NIL	NIL
	360	Manufacture of electrical industrial machinery, apparatus & parts thereof	2.34	405.243	370.513	314.458	191.560	320.444
	361	Manufacture of industrial wires & cables including manufacture of optical fiber cables	1.96	158.497	350.109	712.628	1625.655	711.722
	362	Manufacture of accumulators, primary cells & primary batteries	1.11	NIL	NIL	NIL	NIL	NIL
	363	Manufacture of electrical lamps	0.42	NIL	NIL	NIL	NIL	NIL

1	2	3	4	5	6	7	8	9
	364	Manufacture of electric fans & electrical electro-thermic domestic appliances and parts thereof	0.05	NIL	NIL	NIL	NIL	NIL
	365	Manufacture of apparatus for radio broadcasting, T.V. transmission, Radar apparatus and radio remote control apparatus	1.42	3156.459	5923.614	6388.059	5087.595	5138.932
	367	Manufacture of Computers and computer based systems	0.34	831.605	1257.831	1073.659	533.735	924.208
	368	Manufacture of electronic valves and tubes and other electronic components	0.71	1642.076	2263.452	2433.008	3152.721	2372.814
XIV	37	Manufacture of Transport equipment and parts	2.67	26.49	4.28	4.65	3.85	9.820
	370	Shing & Boat building	1.94	NIL	NIL	NIL	NIL	NIL
	373	Manufacture of heavy motor vehicles, Coach work	0.64	NIL	NIL	NIL	NIL	NIL
	376	Manufacture of Bi-cycle, cycle	0.09	292.612	61.114	79.650	46.102	119.870
XV	38	Other Manufacturing industries	1.42	42.434	30.947	20.970	20.247	28.650
	380	Manufacture of medical, surgical, scientific and measuring equipments except optical equipment	1.38	16.423	15.343	13.401	9.752	13.730
	382-89	Manufacture of coaches and docks	0.04	874.838	530.323	263.226	356.129	506.129
XVI	40	Electricity generation, transmission and distribution	21.93	184.244	192.858	189.964	184.176	187.811
	400	Generation and transmission of electric energy	21.93	184.244	192.858	189.964	184.176	187.811

