



Release of Discussion Paper 1.0: Substitution of Factories in the Compilation of the Index of Industrial Production (IIP)

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The Ministry of Statistics and Programme Implementation (MoSPI) is undertaking the base revision exercise of the **Index of Industrial Production (IIP)**. In the process, MoSPI is revisiting methodologies, exploring new data sources and incorporating changes after comprehensive consultations with the experts, academicians, users and other stakeholders.

In the present series of IIP, index is compiled on the basis of a data received from fixed panel of factories selected in base year to represent industrial activity across various sectors. As the industrial landscape evolves, some of the factories in the existing sample may become non-operational or diversify/change their production profile, thereby necessitating their substitution, which involves replacing the permanently closed factory/factory that has changed the production line with a suitable substitute that produces the same item/item group, ensuring continuity in the data series. This ensures the time series remains consistent and reflective of ongoing industrial activity.

To facilitate stakeholder engagement, MoSPI has prepared a **Discussion Paper 1.0: Substitution of Factories in the Compilation of the Index of Industrial Production** which outlines the proposed methodology for the new series. MoSPI invites views and comments from experts, academicians, Central government Ministries/ departments, State governments, financial institutions and other stakeholders on the proposed methodology.

The Discussion Paper is available on the MoSPI website www.mospi.gov.in. Comments and suggestions may be sent to [iipcsa\[at\]nic\[dot\]in](mailto:iipcsa[at]nic[dot]in) by 25th November, 2025.



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