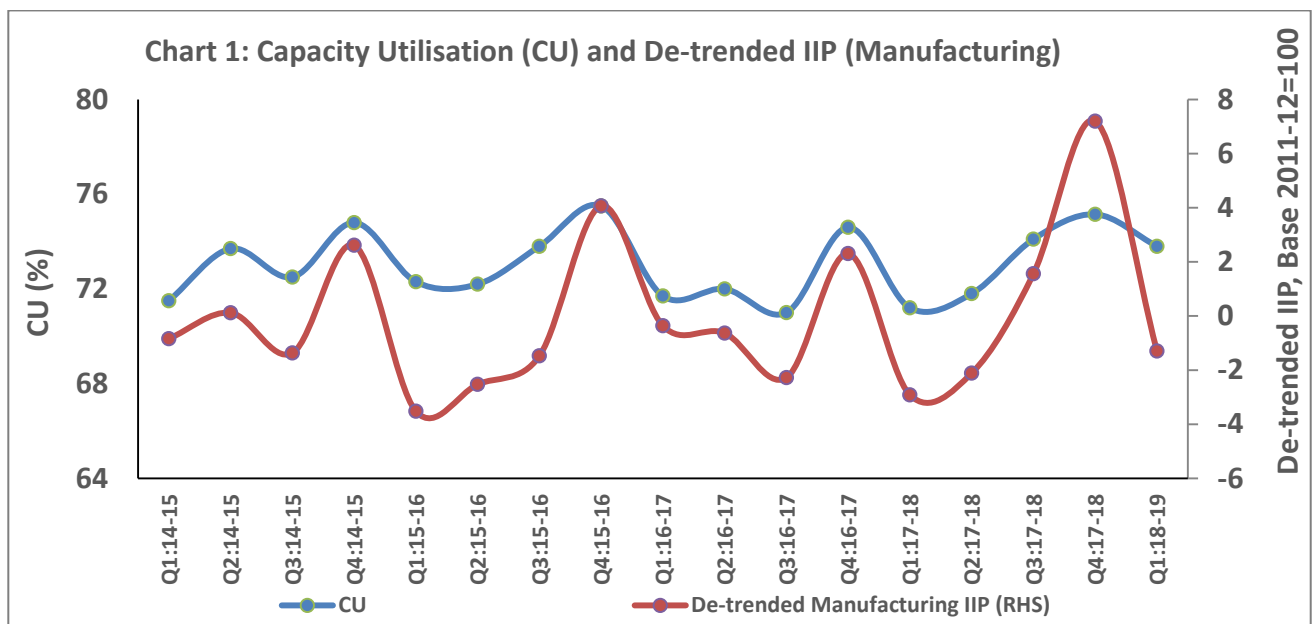


## OBICUS Survey on the Manufacturing sector – Q1:2018-19

Today, the Reserve Bank released the results of the 42<sup>nd</sup> round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter April-June 2018 covering 994 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector<sup>1</sup>.

### Highlights:

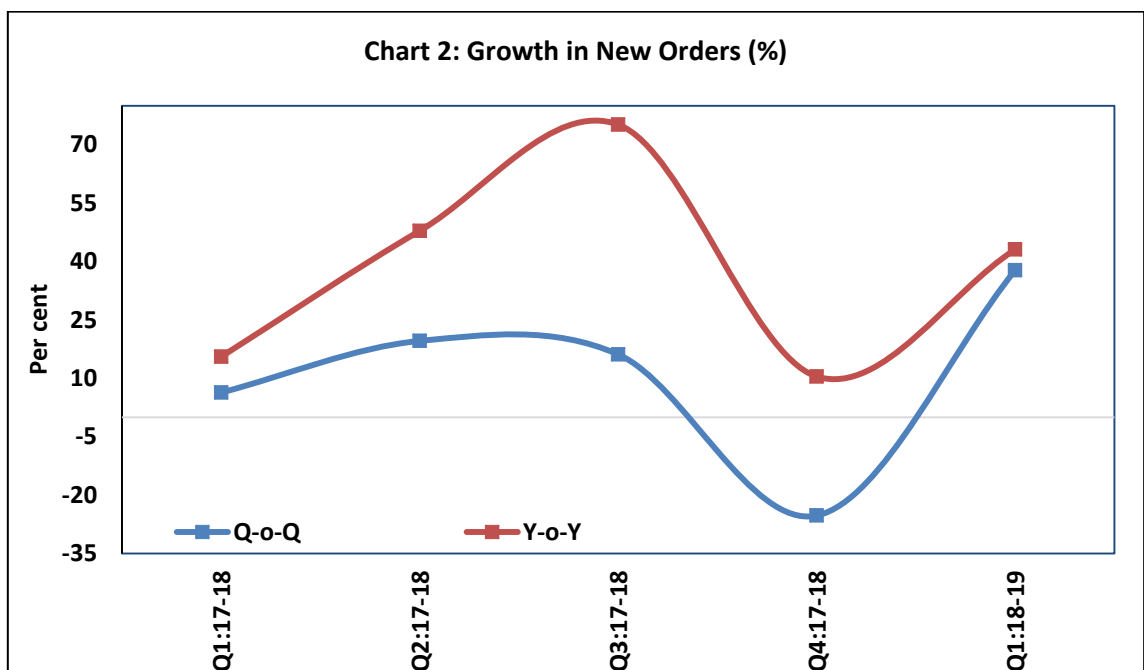
- 1) Capacity Utilisation (CU):** At the aggregate level, CU recorded a seasonal decline and stood at 73.8 per cent in Q1:2018-19, co-moving with the de-trended index of industrial production<sup>2</sup> (IIP) (Chart 1). However, seasonally adjusted CU rose by 1.7 percentage points to 74.9 per cent in Q1:2018-19.



- 2) Order Books:** New orders growth regained buoyancy in Q1:2018-19. (Chart 2)

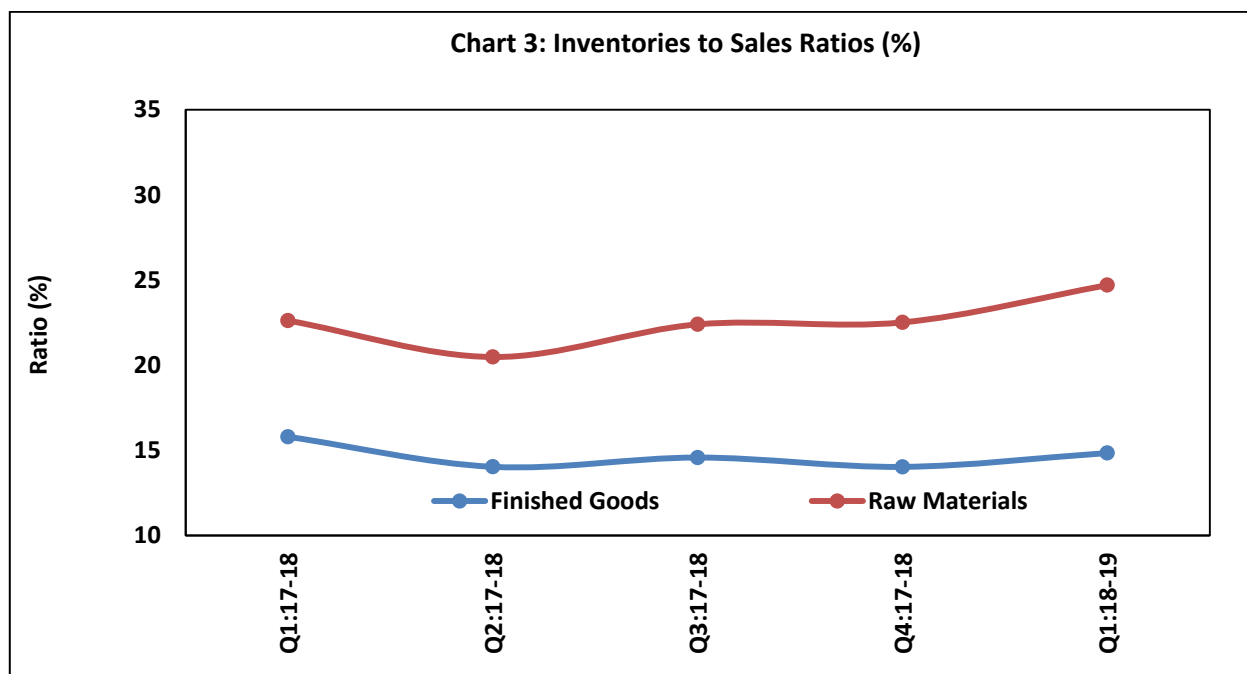
<sup>1</sup> The survey responses are voluntary and difference in sample composition may affect the results to some extent. The 41<sup>st</sup> round of the OBICUS covering 1,061 manufacturing companies with reference period as January-March 2018 was released on the RBI website on [August 01, 2018](#).

<sup>2</sup> IIP is calculated on a fixed base (currently 2011-12=100) whereas the denominator (viz. installed capacity) in CU is updated every quarter. For comparison, the trend component of IIP is removed.



3) **Finished Goods Inventory (FGI) to Sales Ratio:** The FGI to sales ratio rose from its level in the previous quarter, due to relatively higher growth in finished goods, but remained lower than its level a year ago (Chart 3).

4) **Raw Material Inventory (RMI) to Sales Ratio:** Producers seem to have stocked up on raw materials in anticipation of a rise in demand in the forthcoming festival season leading to a sharp rise in the RMI to Sales ratio (Chart 3).



[Historical time series have been made available in excel format.](#)

## ANNEX 1: Data Tables

**Table 1.1: IIP\*-Manufacturing and Capacity Utilisation (CU)**

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q1:2017-18	805	71.2	121.1	-2.9
Q2:2017-18	756	71.8	123.0	-2.1
Q3:2017-18	940	74.1	127.8	1.6
Q4:2017-18	921	75.2	134.6	7.2
Q1:2018-19	850	73.8	127.2	-1.3

\*: Index of Industrial Production (Base: 2011-12)

**Table 1.2: Order Books (Q1:2017-18 to Q1:2018-19)**

*(Based on common set of 103 companies in 9 quarters)\*\**

Quarter	Amount (₹ Billion)			Q-o-Q Growth (%)***			Y-o-Y Growth (%)		
	Average Backlog Orders	Average New Order Book	Average Pending Orders	Average Backlog Orders	Average New Order Book	Average Pending Orders	Average Backlog Orders	Average New Order Book	Average Pending Orders
Q1:2017-18	0.717	1.263	0.807	-16.2	6.4	13.5	-16.7	15.6	-11.3
Q2:2017-18	0.806	1.511	1.042	12.5	19.6	29.2	-11.2	47.9	18.6
Q3:2017-18	1.042	1.755	1.468	29.3	16.2	40.8	18.3	75.2	71.2
Q4:2017-18	1.471	1.312	1.314	41.1	-25.2	-10.5	71.9	10.5	84.9
Q1:2018-19	1.311	1.808	1.722	-10.9	37.8	31.1	82.9	43.1	113.5

\*\* : As required for calculating growth rates in recent 5 quarters.

\*\*\* : Not seasonally adjusted

**Table 1.3: Average Sales and Inventories (Q1:2017-18 to Q1:2018-19)**

*(Based on common set of 302 companies in 5 quarters)*

Quarter	Amount (₹ Billion)					Ratio (per cent)		
	Average Sales	Average Total Inv	Average FG Inv	Average WiP Inv	Average RM Inv	Total Inv /Sales	FG Inv /Sales	RM Inv /Sales
Q1:2017-18	9.730	4.179	1.537	0.442	2.200	43.0	15.8	22.6
Q2:2017-18	10.802	4.169	1.516	0.441	2.212	38.6	14.0	20.5
Q3:2017-18	10.667	4.416	1.555	0.472	2.389	41.4	14.6	22.4
Q4:2017-18	11.482	4.690	1.611	0.495	2.585	40.8	14.0	22.5
Q1:2018-19	11.836	5.220	1.756	0.540	2.923	44.1	14.8	24.7

RM - Raw Material; WiP - Work in progress; FG - Finished Goods; Inv – Inventory.