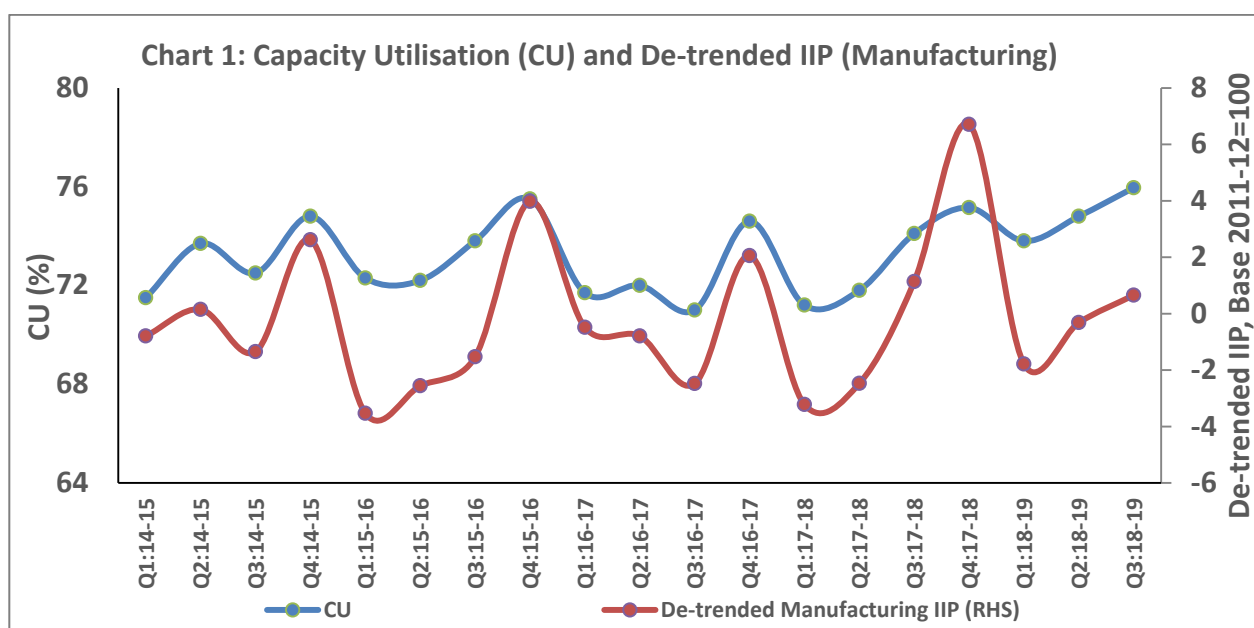


OBICUS Survey on the Manufacturing sector – Q3:2018-19

Today, the Reserve Bank released the results of the 44th round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter October-December 2018 covering 909 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector¹.

Highlights:

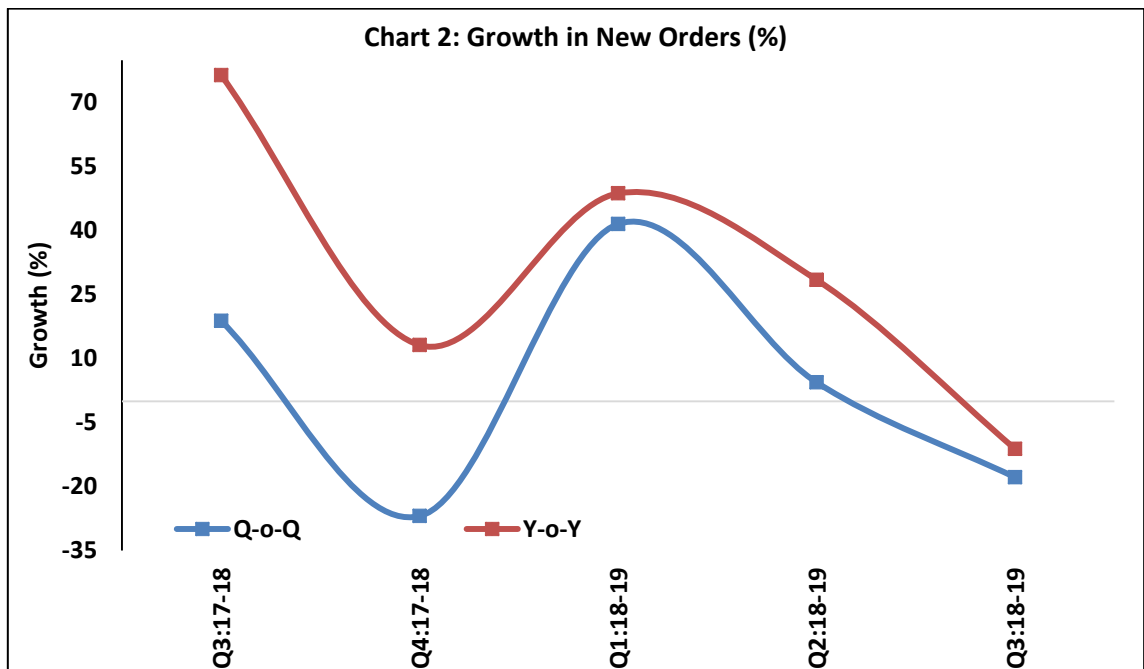
- 1) Capacity Utilisation (CU):** At the aggregate level, CU rose to 75.9 per cent in Q3:2018-19, co-moving with the de-trended index of industrial production² (IIP) (Chart 1). Seasonally adjusted CU also increased by 0.7 percentage points to 76.1 per cent in Q3:2018-19.



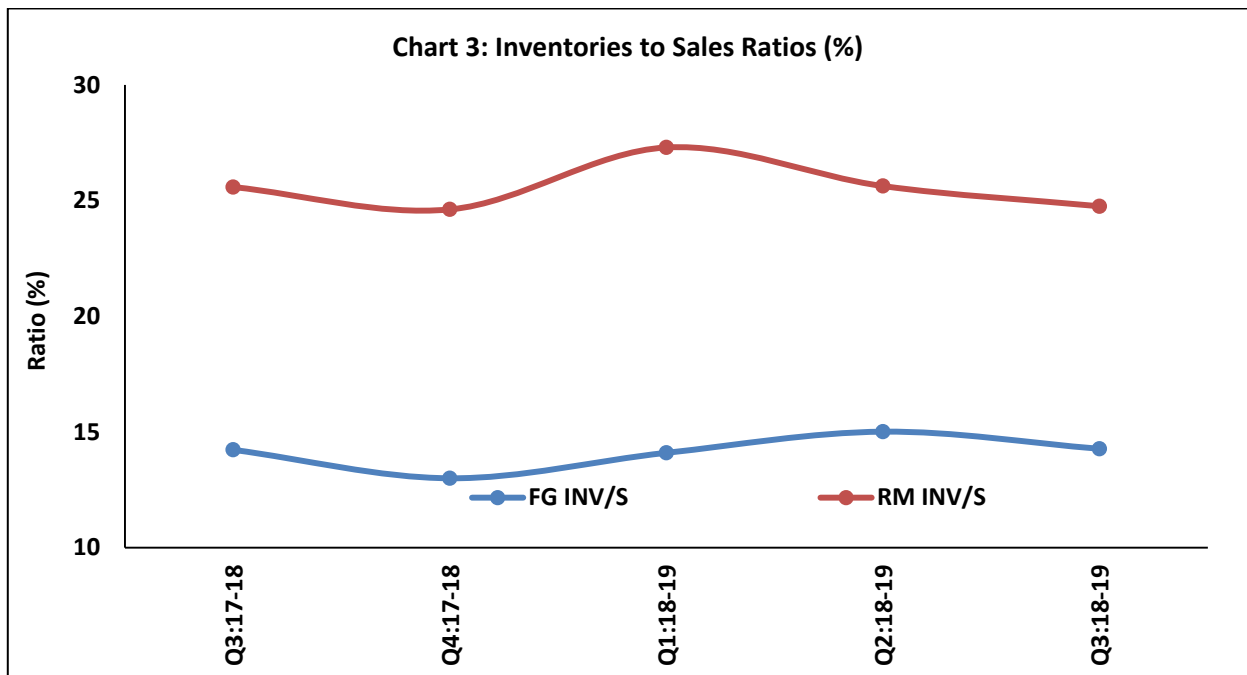
- 2) Order Books:** New orders received in Q3:2018-19 were lower - year-on-year (Y-o-Y) and quarter-on-quarter (Q-o-Q) (Chart 2), with growth moderating for the second successive quarter.

¹ The survey responses are voluntary and difference in sample composition may affect the results to some extent. The 43rd round of the OBICUS covering 945 manufacturing companies with reference period as July-September 2018 was released on the RBI website on [February 07, 2019](#).

² 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) **Inventories to Sales Ratio:** With some moderation in sales growth in Q3:2018-19 and with less orders received, the manufacturing sector scaled down inventories of finished goods and raw materials. As a result, the finished goods inventory to sales ratio (FG INV/S) and the raw materials inventory to sales ratio (RM INV/S) declined in Q3:2018-19 from the previous quarter (Chart 3).



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

ANNEX 1: Data Tables

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q3:2017-18	940	74.1	127.8	1.1
Q4:2017-18	921	75.2	134.6	6.7
Q1:2018-19	850	73.8	127.3	-1.8
Q2:2018-19	818	74.8	129.9	-0.3
Q3: 2018-19	860	75.9	132.1	0.7

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

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
Q3:2017-18	0.941	1.650	1.346	32.5	18.9	43.9	18.5	76.5	73.3
Q4:2017-18	1.349	1.206	1.197	43.4	-26.9	-11.1	74.7	13.2	87.9
Q1:2018-19	1.201	1.707	1.614	-10.9	41.6	34.8	88.2	48.8	127.9
Q2:2018-19	1.614	1.783	1.982	34.4	4.4	22.8	127.4	28.5	111.9
Q3: 2018-19	1.987	1.465	1.968	23.1	-17.8	-0.7	111.2	-11.2	46.2

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

***: Not seasonally adjusted

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
Q3:2017-18	7.333	3.260	1.043	0.341	1.876	44.5	14.2	25.6
Q4:2017-18	8.079	3.403	1.050	0.363	1.989	42.1	13.0	24.6
Q1:2018-19	8.158	3.770	1.150	0.393	2.227	46.2	14.1	27.3
Q2:2018-19	8.729	3.994	1.310	0.446	2.237	45.8	15.0	25.6
Q3: 2018-19	8.751	3.792	1.249	0.377	2.166	43.3	14.3	24.8

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