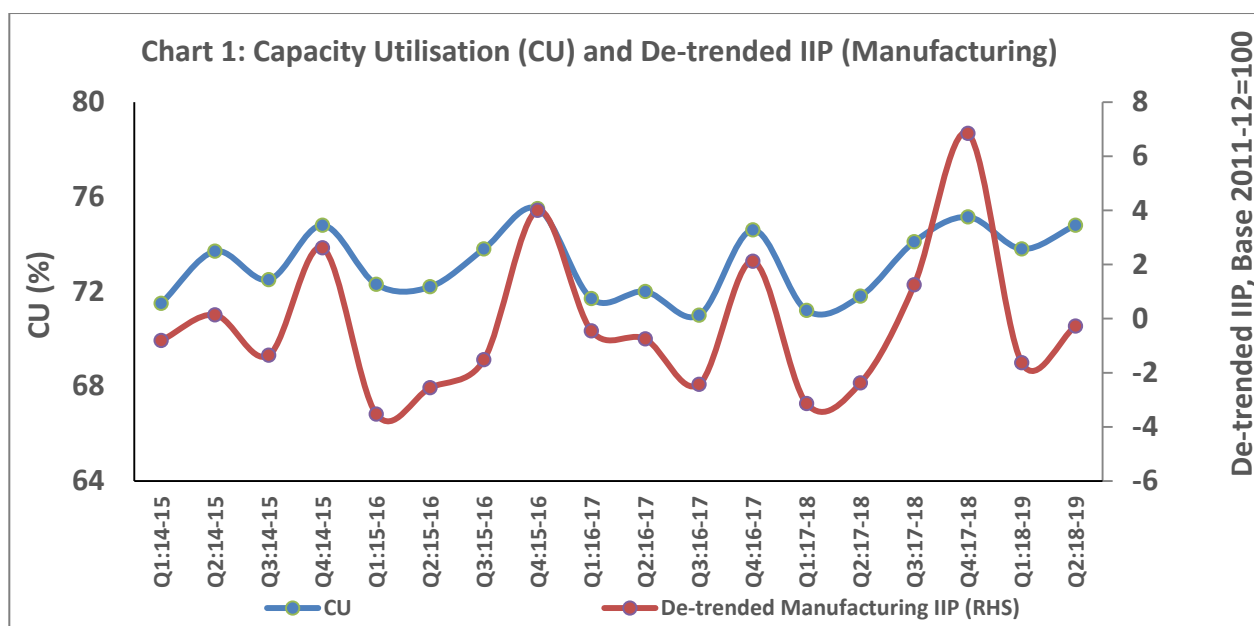


OBICUS Survey on the Manufacturing sector – Q2:2018-19

Today, the Reserve Bank released the results of the 43rd round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter July-September 2018 covering 945 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector¹.

Highlights:

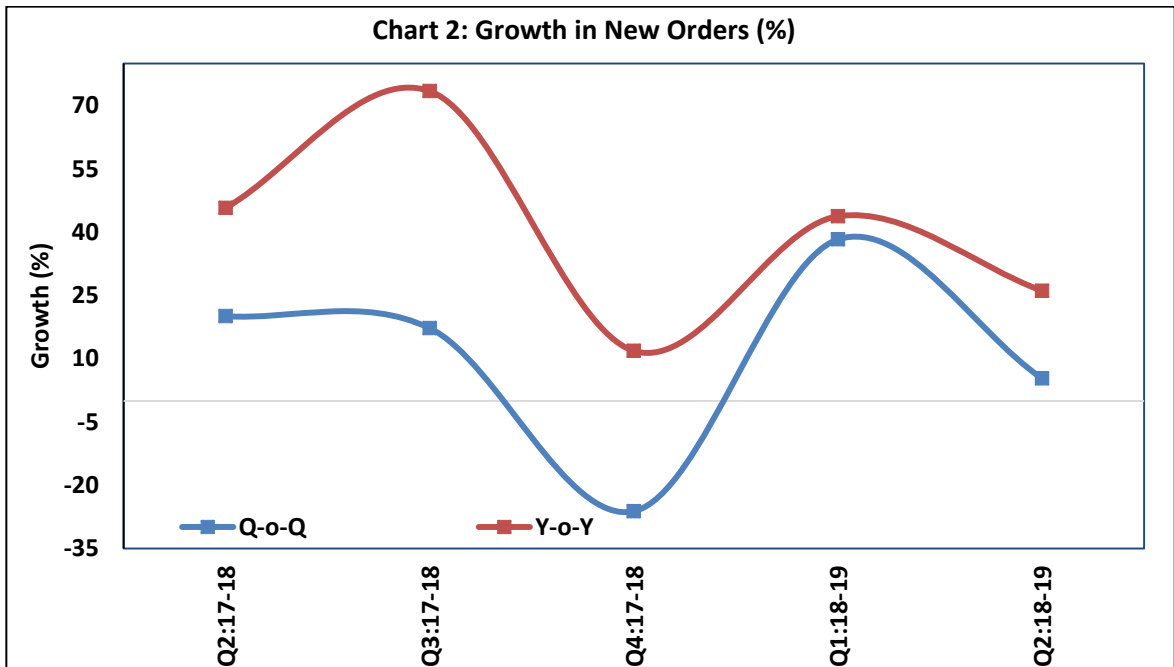
- 1) Capacity Utilisation (CU):** At the aggregate level, CU rose to 74.8 per cent in Q2:2018-19, co-moving with the de-trended index of industrial production² (IIP) (Chart 1). Seasonally adjusted CU also increased by 0.4 percentage point to 75.3 per cent in Q2:2018-19.



- 2) Order Books:** New orders growth moderated in Q2:2018-19 (Chart 2).

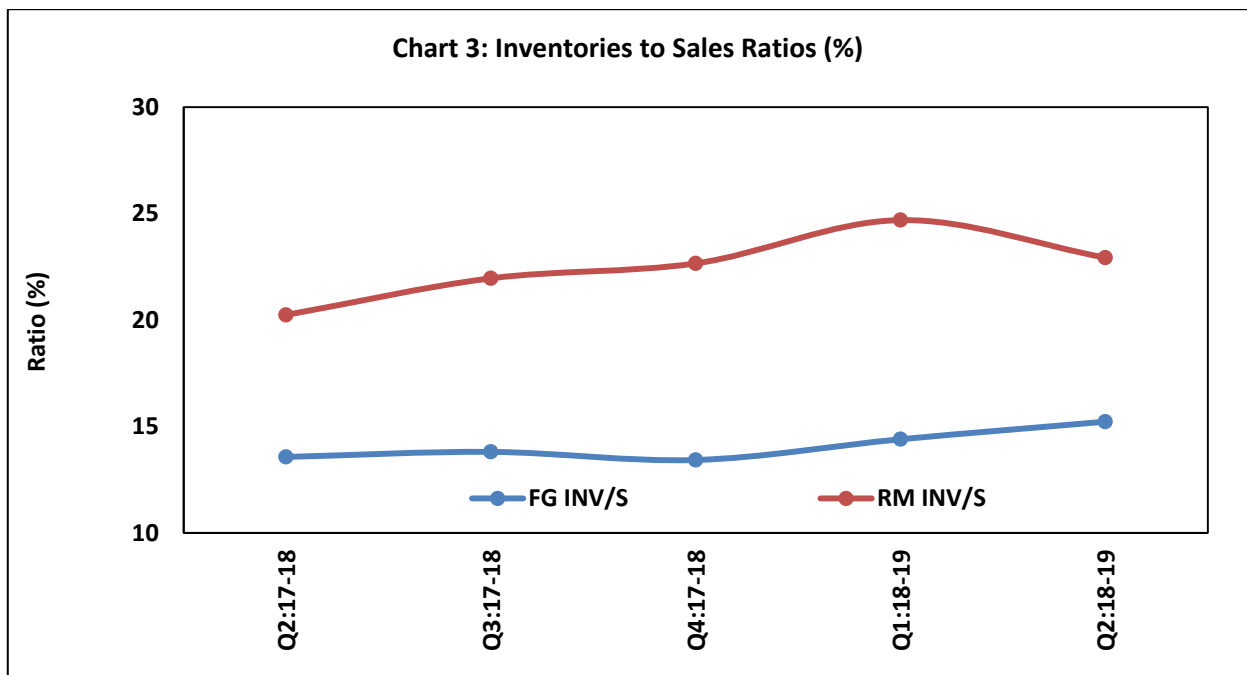
¹ The survey responses are voluntary and difference in sample composition may affect the results to some extent. The 42nd round of the OBICUS covering 994 manufacturing companies with reference period as April-June 2018 was released on the RBI website on [October 05, 2018](#).

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) Finished Goods Inventory (FGI) to Sales Ratio: In anticipation of higher demand in the festival season, producers might have stocked up on finished goods leading to increase in the level of FGI to sales ratio from the previous quarter, (Chart 3).

4) Raw Material Inventory (RMI) to Sales Ratio: The rise in sales during Q2:2018-19 brought the RMI to Sales ratio closer to trend level (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
Q2:2017-18	756	71.8	123.0	-2.4
Q3:2017-18	940	74.1	127.8	1.2
Q4:2017-18	921	75.2	134.6	6.8
Q1:2018-19	850	73.8	127.3	-1.6
Q2:2018-19	818	74.8	129.8	-0.3

*: 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
Q2:2017-18	0.796	1.419	1.023	12.5	20.1	28.9	-10.6	45.8	18.8
Q3:2017-18	1.028	1.663	1.437	29.2	17.2	40.4	19.1	73.4	70.0
Q4:2017-18	1.440	1.228	1.285	40.0	-26.1	-10.6	71.3	11.9	83.0
Q1:2018-19	1.281	1.699	1.679	-11.0	38.3	30.7	81.1	43.8	111.4
Q2:2018-19	1.682	1.789	2.036	31.3	5.3	21.3	111.4	26.1	98.9

** : 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
Q2:2017-18	10.487	3.926	1.423	0.381	2.122	37.4	13.6	20.2
Q3:2017-18	10.443	4.145	1.442	0.410	2.293	39.7	13.8	22.0
Q4:2017-18	11.076	4.407	1.487	0.411	2.510	39.8	13.4	22.7
Q1:2018-19	11.399	4.928	1.641	0.472	2.814	43.2	14.4	24.7
Q2:2018-19	12.462	5.323	1.897	0.569	2.857	42.7	15.2	22.9

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