

Linking Factor for IIP

It is provided at sectoral level to link the new series with previous IIP series. The linking factor is calculated using the **Geometric Mean (GM) method** as follows:

$$\text{Linking Factor} = \frac{\text{GM of the old series during new base year}}{\text{GM of the new series during new base year}}$$

The linked series is obtained by dividing the indices of old series with the coefficient (linking factor) calculated above.

- At lower levels of disaggregation, the item basket changes significantly between base years due to the inclusion of new products and the dropping of obsolete ones. Therefore, deriving linking factors at lower level may not yield reliable results.

Linking Factor for linking 2011-12 series with 2022-23 series are given in the below table:

S. No.	Sector	Linking Factor
1	Mining & Quarrying	1.1890
2	Manufacturing	1.3700
3	Electricity	1.8495
4	General	1.3834

- Since there has been an expansion in the scope of IIP in the new series with base year 2022-23, there may not be a direct correspondence between the two series. The new sector, namely water supply, sewerage & waste management, in the all-India IIP with base year 2022-23, was not covered in the earlier series. Hence, linking factor for the same cannot be computed. Although, the linking factor for the general index is being provided, users may exercise caution while comparing the indices of the two series.
- It may be noted, as matter of policy, MoSPI does not prescribe any specific method for linking or converting indices from one series to another. The choice of methodology for linking the series is left to the users, depending on their analytical requirements.