

Core sector growth at 13-month high in August on low base

Good showing in steel and coal sectors propels output

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A low base effect and a good steel and coal production propelled the output growth in India's eight core infrastructure industries to 13-month high of 6.3 per cent in August against the negative growth seen during the same month of 2024, data released by the Ministry of Commerce and Industry on Monday showed.

This was also a sharp jump from the upwardly revised figure of 3.7 per cent in July this year. In August 2024, the Index of Core Industries (ICI) had declined to -1.3 per cent. For the first five months (April-August) of the current financial year, growth stood at 2.9 per cent against 4.72 per cent last year.

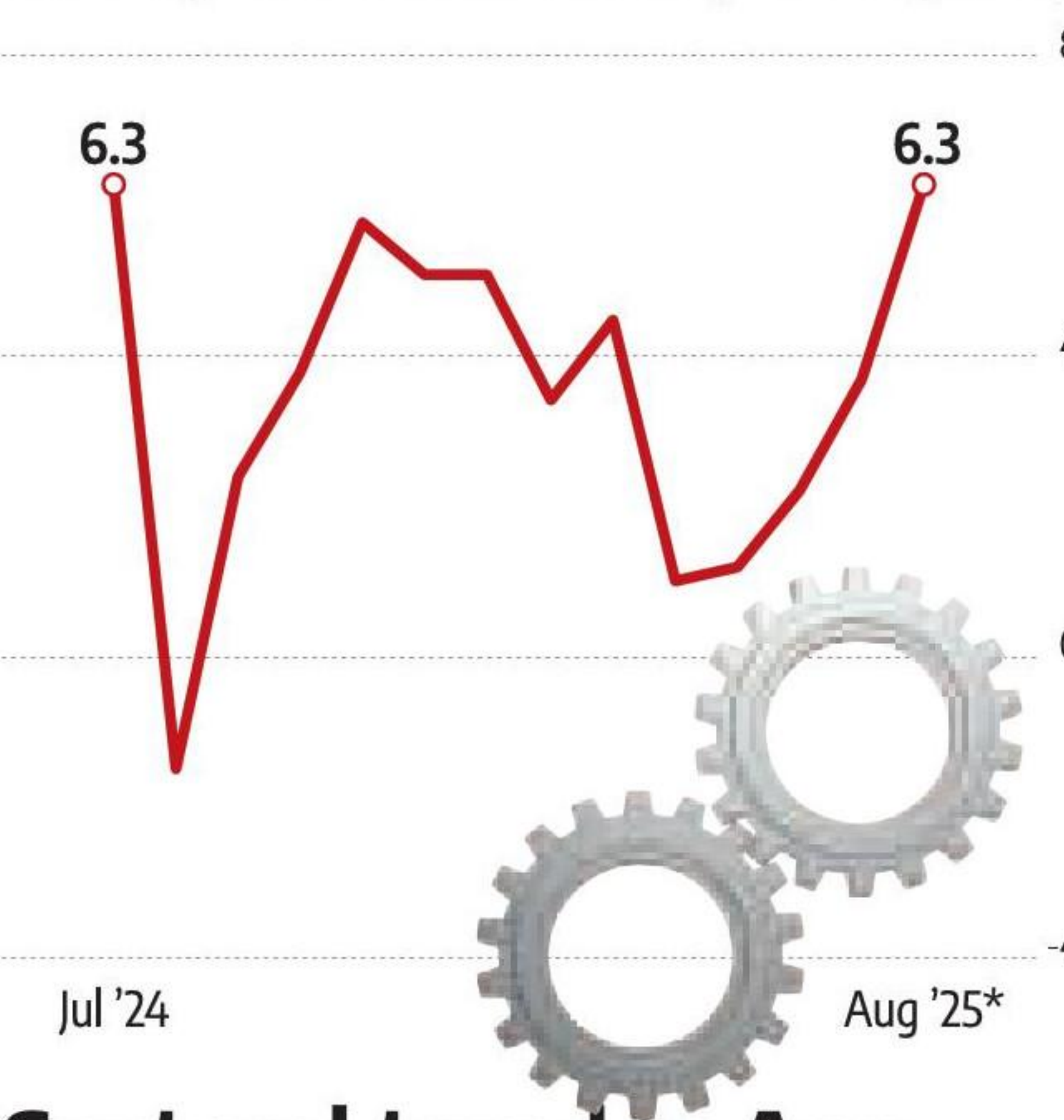
Among the sub-sectors, the output growth was led by growth in coal at 11.4 per cent -- highest since June 2024. In July, it had undergone double digit contraction (-12.3 per cent). The headline figure was also boosted by growth in steel output at 14.2 per cent, as it clocked double digit growth for the second consecutive month. Output in other components like refinery products at 3 per cent and fertilisers at 4.6 per cent also accelerated during the month. On the other hand, output in cement at 6.1 per cent and electricity at 3.1 per cent decelerated during the month.

Meanwhile, output in natural gas at -2.2 per cent and crude oil at -1.2 per cent, remained in contraction for the fourteenth and eighth month in a row, respectively.

The eight core sectors constitute 40.27 per cent of the Index of Industrial Production (IIP), which had risen to a four-month high of 3.5 per cent in July from 1.5 per cent in June, led by a broad-based improvement across all sectors. Aditi Nayar, chief economist, Icria Ratings says that aided by a low base, the year-on-

Positive momentum

Overall growth in core sectors (Y-o-Y chg in %)



Sectoral trend in Aug

Y-o-Y chg in output (%)*

Coal	11.4	
Crude oil	-1.2	
Natural gas	-2.2	
Refinery products	3	
Fertilisers	4.6	
Steel	14.2	
Cement	6.1	
Electricity	3.1	

*Provisional; Source: NSO

year (Y-o-Y) growth in core output expectedly improved to a 13-month high in August 2025, with the uptick being particularly driven by coal. "Overall, five of the eight sectors, barring steel, cement, and electricity, saw an improvement in their Y-o-Y growth performance in August. Icria expects the IIP growth to print at 4.5-5.5 per cent in August, particularly aided by a turnaround in the performance of mining output, which has seen a contraction in every month during April-July this year," she added.