

Core sector growth at 3-month high in June

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INDIA'S CORE SECTOR output picked up a tad in June to 1.7% on the back of steel, cement and petroleum refining sectors after two months of tepid performance.

Despite the uptick in June, of the eight sectors that are tracked for compiling the Index of Eight Core Industries (ICI), five contracted.

The support came from the steel sector that grew 9.3% on year, cement that was up 9.2%

and refinery products whose output was up 3.4%.

"Cement and steel sector growth was supported by a favourable base in the case of the former. The growth in volumes of these segments has been quite healthy in April-June, which implies that the construction sector is poised to record a robust GVA growth in the quarter," chief economist at ICRA Aditi Nayar said.

The contraction on the other constituents of the index was highest in case of coal. The coal sector output contracted

6.8%, electricity and natural gas 2.8% each.

The crude oil and fertilizers sectors also saw the output contract 1.2% each.

"While an elevated base weighed upon coal output, excess rains in the latter half of June 2025 impacted electricity generation," Nayar said.

"Given the subdued growth in core output, ICRA expects the IIP growth to print at 1.5-2.5% in June 2025," she added. The ICI has a weight of 40.27% in the Index of Industrial Production (IIP).

PICKING UP

