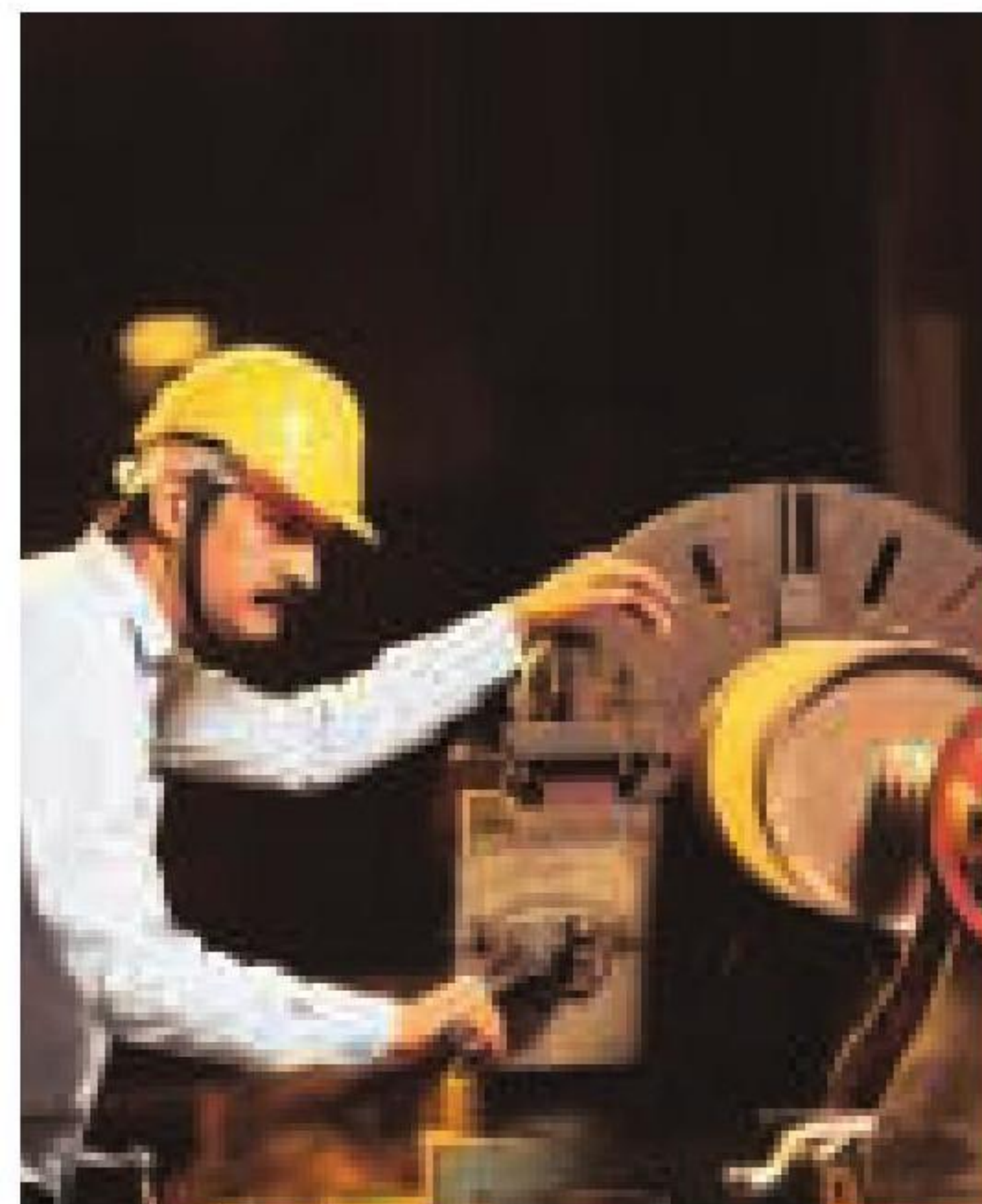


Core sector growth in June tepid at 1.7%



Slight uptick

Core sector growth rate Y-o-Y (%)



Mixed bag

Coal	14.8	
Crude oil	-2.6	
Natural gas	3.3	
Refinery products	-1.5	
Fertilisers	2.4	
Steel	6.3	
Cement	1.8	
Electricity	8.6	

*Provisional

Source: Ministry of Commerce and Industry

SHREYA NANDI
New Delhi, 21 July

The growth in the output of India's eight key infrastructure industries remained subdued in June, even as it accelerated to a three-month-high at 1.7 per cent year-on-year, compared to a revised 1.2 per cent in May, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) on Monday showed.

The provisional estimate for May was 0.7 per cent.

In June last year, the core sector grew at 5 per cent. With the core sector accounting for 40 per cent of the index of industrial production (IIP) growth, the slowdown may weigh on overall industrial growth as well.

During the first quarter of the financial year 2025-26 (FY26), core sector comprising of eight sectors—coal, steel, cement, fertilisers, electricity, natural gas, refinery products,

WITH THE CORE SECTOR ACCOUNTING FOR 40% OF THE INDEX OF INDUSTRIAL PRODUCTION (IIP) GROWTH, THE SLOWDOWN MAY WEIGH ON OVERALL INDUSTRIAL GROWTH AS WELL

and crude oil—grew at a measly 1.3 per cent, compared to a robust 6.2 per cent during the same quarter a year ago.

During June, five out of the eight sectors witnessed contraction—coal (-6.8 per cent), crude oil (-1.2 per cent), natural gas (-2.8 per cent), fertiliser (-1.2 per cent) and electricity (-2.8 per cent). On the other hand, production of refinery products, steel, and cement witnessed robust growth of 3.4 per cent, 9.3 per cent and 9.2 per cent, respectively in June, compared to the same period a year ago.

Aditi Nayar, chief economist at Icria, said that while an elevated base weighed upon coal output, excess rains in the latter half of June impacted electricity generation.

“Encouragingly, the output of the cement and steel sectors rose by a robust 9.2-9.3 per cent in June, although this was supported by a favourable base in the case of the former. The growth in volumes of these segments has been quite healthy in Q1FY26, which implies that the construction sector is poised to record a robust GVA growth in the quarter. Given the subdued growth in core output, Icria expects the IIP growth to print at 1.5-2.5 per cent in June 2025,” Nayar said.

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has projected the economy to grow at 6.5 per cent both in the June quarter as well as in FY26.