



Core sector grows 6.3% in August

FE BUREAU

New Delhi, September 22

INDIA'S CORE SECTOR output expanded 6.3% on-year in August, the highest pace in 13 months as the coal production saw an impressive turnaround.

The lower base of August 2024 when the Index of Eight Core Industries (ICI) had gone down by 1.5% also supported the August 2025 reading.

Coal production jumped 11.4% in August after contracting 12.3% in July.

The lower base of last year when the sector had shown the output fall 8.1% in August 2024 also helped.

The government also revised the core sector growth for July to 3.7%.

Another sector that saw a turnaround in performance was petroleum refinery products where the growth of 3% was reported in August.

In July the sector had seen contraction and in August 2024 too its output had fallen.

Refinery products had the highest weight of 28.04% in the index.

Fertilizers also saw an increase in output by 4.6% from 2% in July and 3.2% in August last year. Performance of steel (14.2%), cement (6.1%) and electricity (3.1%) was lower than July.

High growth in steel followed by cement is indicative of heightened activity in infrastructure space.

“With monsoon retreating from October onwards construction should pick up this providing support.

Also fertilizer output should increase as industry stocks up for rabi sowing, chief economist at Bank of Baroda Madan Sabnavis said.

The eight core industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).

“ICRA expects the IIP growth to print at 4.5-5.5% in August 2025, particularly aided by a turnaround in the performance of mining output, which has seen a contraction in every month during April-July 2025,” chief economist at ICRA Aditi Nayar said.