

# At 6.3%, core sector growth jumps to 13-mth high in Aug

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**New Delhi:** The country's core sector grew at its fastest pace in 13 months in Aug, led by robust expansion in the output of coal, steel, and refinery products, as well as the base effect.

Data released by the commerce and industry ministry on Monday showed that the eight core sectors — spanning coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity — rose by an annual 6.3% in Aug. This was faster than the 3.7% growth in July and a contraction of 1.5% in Aug last year.

The core sector accounts

for nearly 41% of the index of industrial production (IIP), and the performance of the sector impacts the IIP numbers, which will be released later this month. The coal sector grew by 11.4% in Aug

## **Expansion in coal, steel, and refinery products boosts core sector growth**

after contracting by 12.3% in the previous month. The steel sector rose by 14.2% in Aug after a robust 16.6% growth in July, while the cement sector grew by 6.1% during the month, slower than the 11.6% expansion in July.

Two sectors — crude oil

and natural gas — contracted in Aug, while refinery products grew by 3% in Aug after contracting by 1.1% in July. The electricity sector grew by 3.1% compared to an expansion of 3.7% in July and a contraction of 3.7% in Aug last year.

“The uptick was particularly driven by coal, which witnessed an expansion of 11.4% in the month, following a double-digit contraction in July 2025. Overall, five of the eight sectors, barring steel, cement, and electricity, saw an improvement in their year-on-year growth performance in Aug vis-à-vis July,” said Aditi Nayar, chief economist at ratings agency ICRA.