

CEMENT, STEEL PRODUCTION PROVIDES IMPETUS

Core Sector Output Grows at 1.8% in Nov



India's core sector output expanded 1.8% year-on-year in November, compared with a 0.1% contraction in October, driven mainly by an improvement in steel and cement production, according to official data released Monday. Growth was 5.8% in November 2024. Cement output rose the fastest among the eight core sectors at 14.5% in November compared with 5.2% in October. Steel production grew 6.1% compared with 5.9% a month earlier. "The push to infrastructure in both roads and housing has contributed to this growth in these two industries," said Madan Sabnavis, chief economist at Bank of Baroda. ►► **13**

Cemented by Steel, Infra Sector Clocks 1.8% Growth in Nov

Cement records highest increase, steel grows 6.1%

Our Bureau

New Delhi: India's core sector output expanded 1.8% year-on-year in November, compared with a 0.1% contraction in October, driven mainly by an improvement in steel and cement production, according to official data released Monday. Growth was 5.8% in November 2024.

"While the base effect did cause a slowdown, cement and steel have reversed the trend," said Bank of Baroda chief economist Madan Sabnavis.

According to Aditi Nayar, chief economist at ICRA, growth picked up in November following the festive season but remained tepid. "The sequential improvement in YoY growth between October and November was led by a majority of the sectors, with a particularly sharp pickup in cement."

Cement output rose the fastest among the eight core sectors at 14.5% in November compared with 5.2% in October. Steel production grew 6.1% compared with 5.9% a month earlier.

"The push to infrastructure in both roads and housing has contributed to this growth in these two industries," said Sabnavis.

Fertiliser and coal output increased 5.6% and 2.1%, respectively.

The base effect and a shift in the festive calendar warranted a combined assessment of October and November, Nayar said.

The two-month average was 0.8%, lower than 2.9% recorded in the first half of FY26.

For April-November period of FY26, average core sector growth slowed to 2.4% from 4.4% in the corresponding period of FY25.

Output in four sectors contracted in November, with crude oil falling the steepest at 3.2%. Natural gas production dropped 2.5%, while refinery products slipped 0.9%.

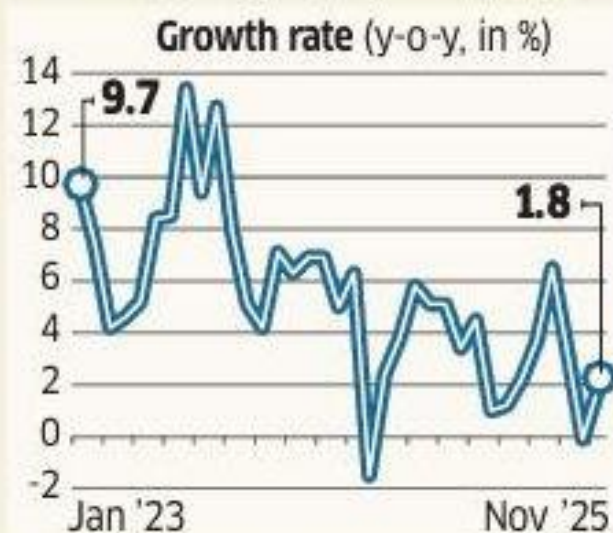
"This is normally the case when

Getting to the Core

Output expands | **Led by steel**
in November | and cement

Infra spending supported growth

Crude oil, gas, refinery products & electricity contract



Note: Data for last month is provisional

Source: Ministry of Commerce and Industry

crude oil price is low in the international market where domestic production slows down given the cost," explained Sabnavis.

Electricity generation fell by 2.2%, likely reflecting weaker demand due to an earlier-than-usual onset of winter.

Growth in India's industrial output slowed to a 14-month low of 0.4% in October from 4.6% in September. Bank of Baroda expects IIP growth around 2.5-3% in November, while ICRA estimates 3.5-4.5%. Official IIP data for November will be released on December 29.