

Core Sector Output Grows to Four-mth High in Dec

Gaining Momentum



Steel, cement and electricity leading sectors



Infra spending supported growth

Crude oil, natural gas, and refinery products contracted

Our Bureau

New Delhi: The nation's core sector output rose to a four-month high of 3.7% last month, supported by higher infrastructure activity and a strong performance by steel, cement and electricity, official data released Tuesday showed.

The expansion in the core industries stood at 2.1% in November 2025 and 5.1% in December 2024.

PRIVATE SECTOR INVOLVEMENT

Calling the performance impressive, Bank of Baroda chief economist Madan Sabnavis said that the growth is indicative of private sector involvement in infrastructure, which is borne out by the higher investment announcements witnessed this year so far. "It may be expected that this momentum will be maintained in the coming months," he added.

Aditi Nayar, chief economist at ICRA, noted, "The uptick was not broad-based and was largely driven by electricity generation."

For calendar year 2025, average core sector growth was recorded at 3.1%, lower than 4.9% in 2024. Among the eight core industries, cement recorded the highest

expansion, rising 13.5% year-on-year last December, compared with 14.6% the month before. Steel production grew 6.9%, higher than 6.7% in November.

"Notably, while growth in cement output decelerated in December compared to November, it remained in double digits, which along with the healthy growth in steel output suggests that construction activity likely remained robust in the month," said Nayar.

Sabnavis observed that the front-end spending by the government on roads and railways has added to demand.

ELECTRICITY REBOUNDS

Meanwhile, electricity generation rebounded to grow 5.3% in December after contracting in the previous two months, while coal output was up 3.6% from 2.1% in November. Fertilisers output increased 4.1%, though slower than 5.6% recorded in the month before.

"The recovery in coal production and electricity is indicative of pick up in business activity," according to Sabnavis.

The remaining three sectors contracted in December. crude oil output declined 5.6% year-on-year in December, natural gas production fell 4.4%, and refinery products dropped 1%.