

Economic Intelligence Cell Surabhi Tewari. Economist

Macro Insights

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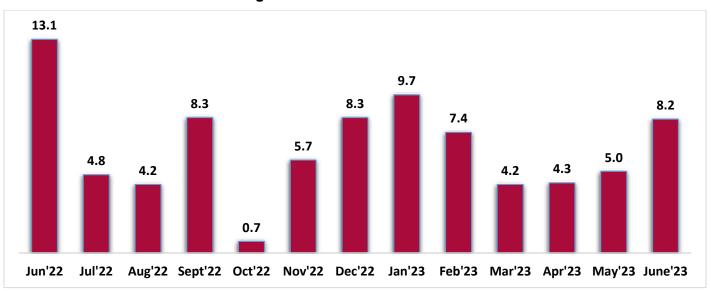
Core Sector climbs to 5 month high

Core Sector recorded the 2nd highest growth in June'23 since January 2023. In Jan'23, the growth touched as high as 9.7 per cent. In June'22, the growth was 13.1 per cent.

Highlights:

- * Amongst all the eight sectors, highest growth has been observed in Steel Sector which has remained in double digits since Nov'22.
- Coal Industry growth has increased vis-à-vis May'23.
- Crude Oil growth has been showing negative growth consistently, however decline has narrowed down in June'23.
- Natural gas has been able to show the growth of 3.6 per cent after showing decline in May and April 2023.
- * Refinery products have shown an increase of 4.6 per cent which was as low as 2.8 per cent in May'23.
- Fertilizers growth has come down to 3.7 per cent as against 9.7 per cent in May'23
- Growth of Cement Industry has also come down from 15.3 per cent in May'23 as against 9.4 per cent in June'23.
- Electricity growth has shown the growth of 3.3 per cent which was 0.8 per cent in May'23

Chart: Eight Core Industries Growth - June'23



Source: https://eaindustry.nic.in/eight_core_infra/eight_infra.pdf



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Table: Components of Eight Core Sector

Sr. No	Sector	Weight	June'22	Apr'23	May'23	June'23
1	Coal	10.33	32.1	9.1	7.2	9.8
2	Crude Oil	8.98	-1.7	-3.5	-1.9	-0.6
3	Natural gas	6.88	1.2	-2.8	-0.3	3.6
4	Refinery Products	28.04	15.1	-1.5	2.8	4.6
5	Fertilizers	2.63	8.2	23.5	9.7	3.4
6	Steel	17.92	3.3	15.3	10.9	21.9
7	Cement	5.37	19.7	12.0	15.3	9.4
8	Electricity	19.85	16.5	-1.1	0.8	3.3
	Overall Index	100.00	13.1	4.3	5.0	8.2

Our View and Outlook:

- There has been improvement in Overall Index of Eight Core Industries which is due to comeback performance in Electricity and Coal Industry. It is owing to tardy performance in Monsoon. The growth has been largely broad based.
- Going forward, we may expect that the Core Sector growth will continue to remain modest and growing.

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