

Macro Insights

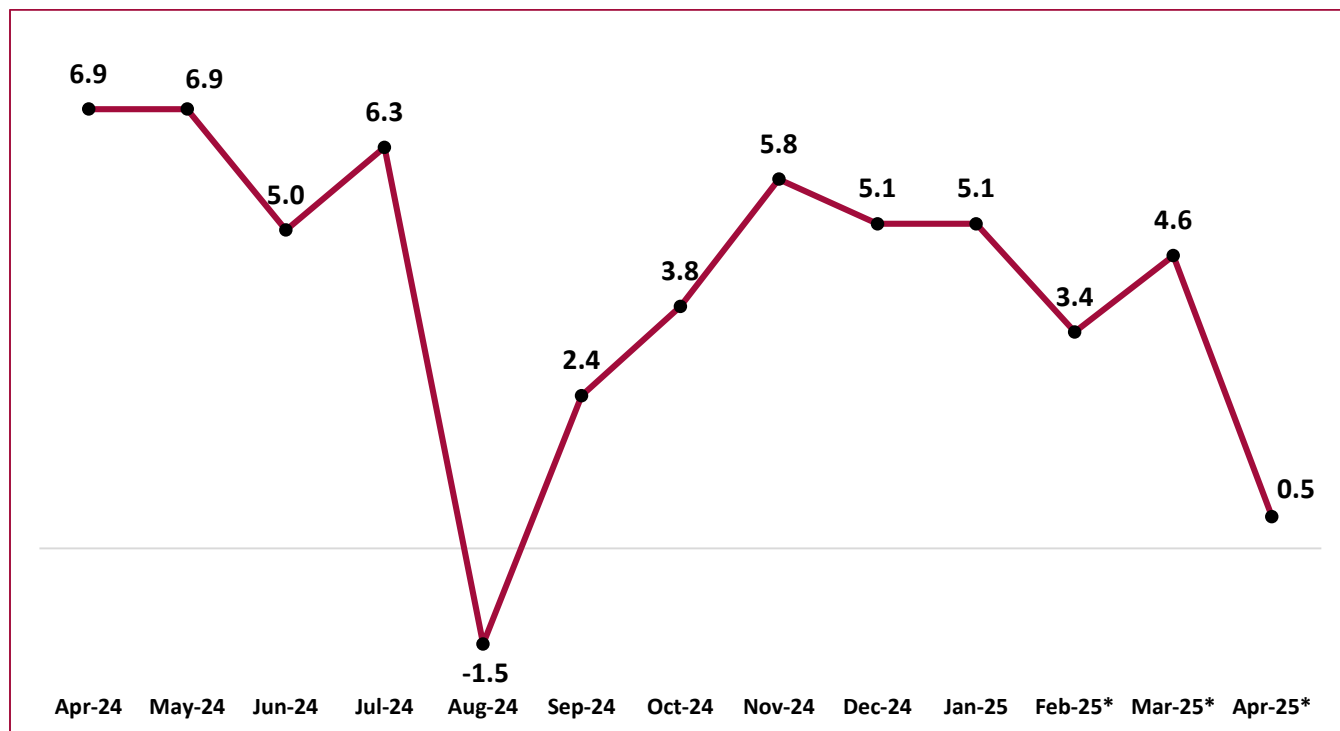
Core Sector growth slows down to eight-month low of 0.5% in April 2025

Growth in the Index of Eight Core Industries slowed to 0.5 per cent YoY in April 2025 vis-à-vis 4.6 per cent in March 2025. It was recorded at 6.9 per cent in April 2024.

Highlights

- ☞ Six out of eight components of the index witnessed a lower growth in April 2025 compared to the previous month.
- ☞ Three sectors, namely Crude Oil, Refinery Products and Fertilizers recorded a sharp contraction on a YoY basis in April 2025.
- ☞ Cement production recorded the fastest growth in the index, at 6.7 per cent., followed by Coal at 3.5 per cent.

Eight Core Industries – April 2025 (YoY Growth in %)



*Provisional

Source: Office of Economic Adviser

Components of Eight Core Sector (YoY Growth in %)

S No.	Sector	Weight	Apr-24	Nov-24	Dec-24	Jan-25	Feb-25*	Mar-25*	Apr-25*
1	Coal	10.3	7.5	7.5	5.3	4.6	1.7	1.6	3.5
2	Crude Oil	9.0	1.7	-2.1	0.6	-1.1	-5.2	-1.9	-2.8
3	Natural gas	6.9	8.6	-1.9	-1.8	-1.5	-6.0	-12.7	0.4
4	Refinery Products	28.0	3.9	2.9	2.8	8.3	0.8	0.2	-4.5
5	Fertilizers	2.6	-0.8	2.0	1.7	3.0	10.2	8.8	-4.2
6	Steel	17.9	9.8	10.5	7.3	4.7	6.9	9.3	3.0
7	Cement	5.4	0.2	13.1	10.3	14.3	10.8	12.2	6.7
8	Electricity	19.8	10.2	4.4	6.2	2.3	3.6	7.5	1.0
	Overall Index	100.0	6.9	5.8	5.1	5.1	3.4	4.6	0.5

*Provisional

Source: Office of Economic Adviser

Views & Outlook:

- Five out of eight sectors recorded positive growth in April 2025. While Cement sector grew the fastest, it was the slowest pace of expansion recorded in the last 6 months and nearly half of the growth in the previous month (12.2 per cent).
- Coal output growth rose to a three month high of 3.5 per cent in April 2025.
- Natural Gas output also recorded a positive growth for the first time in 10 months. It, however, grew at a modest 0.4 per cent in April 2025.
- A contraction was observed in 3 sectors – Crude Oil, Refinery Products and Fertilizers, at (-2.8) per cent, (-4.5) per cent and (-4.2) per cent respectively in April 2025.
- While production of Steel, Cement and Electricity recorded positive growth in the month of April, they were each lower than their respective growth in the previous month.
- A high base effect also led to a lower core sector growth in April 2025. Core sector growth was recorded at a robust 6.9 per cent in April 2024.
- Going forward, tepid performance in Core sector output, which accounts for over 40 per cent weight in Index of Industrial Production, is likely to moderate factory output as well.
- Government capital expenditure and infrastructure spending is likely to support a recovery in core sector output in the near term. However, global economic uncertainties and commodity price fluctuations continue to pose risks to the growth scenario.

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