

Macro Insights

29th December 2023

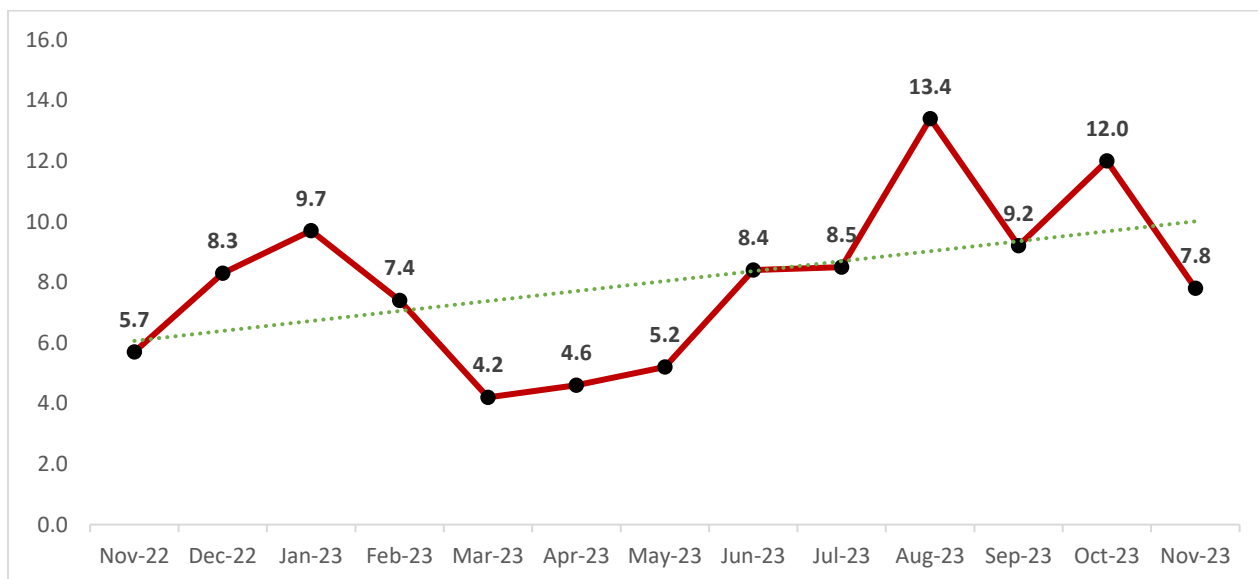
Core Sector grows 7.8% in November 2023.

The Index of Eight Core Industries increased by 7.8% y-o-y in November 2023 vis-à-vis 5.7% in the same month last year.

Highlights:

- ☞ The sectors of coal (10.9%) and refinery products (12.4%) recorded double-digit growth in November 2023.
- ☞ Output in the crude oil sector contracted 0.4% y-o-y in November 2023, while that of cement contracted by 3.6% y-o-y.
- ☞ Sectors of natural gas (7.6%), steel (9.1%) and electricity (5.6%) also witnessed healthy growth in November.

Eight Core Industries– November'23 (YoY Growth in %)



Source: Office of Economic Adviser

Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Nov-22	Sep-23	Oct-23	Nov-23
1	Coal	10.33	12.3	16	18.4	10.9
2	Crude Oil	8.98	-1.1	-0.4	1.3	-0.4
3	Natural gas	6.88	-0.7	6.6	9.9	7.6
4	Refinery Products	28.04	-9.3	5.5	4.2	12.4
5	Fertilizers	2.63	6.4	4.2	5.3	3.4
6	Steel	17.92	11.5	13.8	10.7	9.1
7	Cement	5.37	29.1	4.6	17.4	-3.6
8	Electricity	19.85	12.7	9.9	20.3	5.6
	Overall Index	100.00	5.7	9.2	12.0	7.8

Source: Office of Economic Adviser

Our Views:

- Components of the index exhibited mixed performance in November-with some registering robust growth and others recording a decline in production.
- Electricity, steel, and coal sectors witnessed growth on a high base, while output for refinery products grew on a low base.
- The coal sector has been witnessing robust growth over the past months on a y-o-y basis as electricity demand in the country is increasingly being met by thermal power generation. India is also making efforts to reduce its reliance on imports of coal; thereby augmenting domestic production of coal.
- Domestic cement prices are witnessing a decline recently- which may have dented cement production in November 2023.

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