

Economic Intelligence Cell
- Neha Gulati, Economist

Macro Insights

April 2023

Core Sector

Core Sector Output grew to Sixmonth low at 3.5% in Apr'23 as compared to a growth of 3.6% in Mar'23 and growth of 9.5% in Apr'22

Highlights:

- Coal grew by 9.0% in Apr'23. The cumulative index rose by 14.9% from FY23.
- Crude oil fell by 3.5% YoY in Apr'23. The growth in cumulative index from FY23 is -1.7%.
- In the second second
- Petroleum refineries declined by 1.5% YoY in Apr'23 and overall cumulative index climbed 4.8% from FY23 over the same period in the previous year.
- Fertilizer output rose 23.5% YoY in Apr'23, and its cumulative index rose 11.3% from FY23 compared to the same period the year before.
- Steel output climbed by 12.1% YoY in Apr'23, while its cumulative index jumped by 8.9% from FY23.
- Cement output increased by 11.6% in Apr'23, and its cumulative index grew by 8.7% from FY23.
- Electricity generation declined by 1.4% in Apr'23 while the cumulative index climbed by 8.9% from FY23.



Chart: Core Sector Growth (%)



Economic Intelligence Cell

	components of core Sector						
Sr No	Sector (Growth %)	Weight	Apr'22	Jan'23	Feb'23	Mar'23	Apr'23
1	Coal	10.33	30.1	13.6	8.5	12.2	9.0
2	Crude Oil	8.98	-0.9	-1.1	-4.9	-2.8	-3.5
3	Natural Gas	6.88	6.4	5.2	3.2	2.7	-2.8
4	Refinery Products	28.04	9.2	4.5	3.3	1.5	-1.5
5	Fertilizers	2.63	8.8	17.9	22.2	9.7	23.5
6	Steel	17.92	2.5	14.3	11.6	8.8	12.1
7	Cement	5.37	7.4	4.7	7.4	-0.6	11.6
8	Electricity	19.85	11.8	12.7	8.2	-1.6	-1.4
	Overall Core index	100	9.5	9.7	7.2	3.6	3.5

Components of Core Sector

Views:

- Output of eight infrastructure industries the core sector slowed marginally to 3.5% in April, from 3.6% in March, the slowest pace in the past six months, owing to the contraction in electricity, refined products, natural gas, and crude oil sectors.
- Given that these core sectors have a combined weight of 40.3% in the index of industrial production (IIP), we expect IIP growth in the month to be at 3% to 4% in Apr'23.

Disclaimer: The opinion/information expressed/compiled in this note is of Bank's Research team and does not reflect opinion of the Bank or its Management or any of its subsidiaries. The contents can be reproduced with proper acknowledgement to the original source/authorities publishing such information. Bank does not take any responsibility for the facts/ figures represented in the note and shall not be held liable for the same in any manner whatsoever.

For any feedback or valuable suggestions: Reach us at eicsmead@pnb.co.in

Follow our Official Page

www.pnbindia.in

