

Economic Intelligence Cell
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Macro Insights

May 2023

Core Sector

Core Sector Output grew to 4.3% in May'23 unchanged from Apr'23 and growth of 19.3% in May'22 last year.

Highlights:

- Coal grew by 7.2% in May'23. The cumulative index rose by 8.2% from April-May' 2023.
- Crude oil fell by 1.9% YoY in May'23. The growth in cumulative index from April-May'2023 is -2.7%.
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- Petroleum refineries grew by 2.8% YoY in May'23 and overall cumulative index climbed 0.7% from April-May'2023.
- Fertilizer output rose 9.7% YoY in May'23, and its cumulative index rose 15.7% from April-May'2023 compared to the same period the year before.
- Steel output climbed by 9.2% YoY in May'23, while its cumulative index jumped by 12.2% from April-May'2023.
- Cement output increased by 15.5% in May'23, and its cumulative index grew by 13.7% from April-May'2023.
- Electricity generation declined by 0.3% in May'23 while the cumulative index declined by 0.7% from April-May'2023.





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Sr No	Sector (Growth %)	Weight	May'22	Feb'23	Mar'23	Apr'23	May'23
1	Coal	10.33	33.5	9.0	12.2	9.1	7.2
2	Crude Oil	8.98	4.6	-4.9	-2.8	-3.5	-1.9
3	Natural Gas	6.88	7.0	3.1	2.7	-2.8	-0.3
4	Refinery Products	28.04	16.7	3.3	1.5	-1.5	2.8
5	Fertilizers	2.63	22.9	22.2	9.7	23.5	9.7
6	Steel	17.92	15.1	12.4	8.8	15.3	9.2
7	Cement	5.37	26.2	7.4	-0.6	12.0	15.5
8	Electricity	19.85	23.5	8.2	-1.6	-1.1	-0.3
	Overall Core index	100	19.3	7.4	3.6	4.3	4.3

Components of Core Sector

Views:

- Output of eight infrastructure industries the core sector remained stable in May'23 although electricity generation, crude oil and natural gas production contracted. Cement and steel production remained robust during the month, indicating a strong demand for infrastructure sector.
- 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 May'23.

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