

Feb core sectors' growth declines to 5-month low

Driven by deceleration in output of coal, refinery products, and cement

SHIVA RAJORA

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Driven by an unfavourable base effect, growth in the output of eight key infrastructure industries — popularly known as the core sector — declined to a five-month low of 2.9 per cent year-on-year (Y-o-Y) in February from an upwardly-revised figure of 5.1 per cent in January.

During February 2024, the core sector growth had stood at 7.1 per cent.

According to data released by the Ministry of Commerce and Industry on Friday, the sequential reduction in core sector growth in February was driven by deceleration in the output of coal (1.7 per cent), refinery products (0.8 per cent) and cement (10.5 per cent).

On the other hand, in sectors like fertilisers (10.2 per cent), steel (5.6 per cent) and electricity (2.8 per cent), output accelerated in February. Meanwhile, output in sectors like crude oil (-5.2 per cent) and natural gas (-6 per cent) further contracted during the month.

Aditi Nayar, chief economist, ICRA Ratings, said the core sector growth moderated to a five-month low in February, partly on account of

the leap year-related high base.

“As many as five of the eight indicators, including coal, crude oil, natural gas, refinery and cement output, recorded a weaker year-on-year (Y-o-Y) performance in February 2025 vis-à-vis the previous month,” she added.

For the period between April and February of the current financial year, growth in the output of core industries stood at 4.4 per cent. This compares to 7.8 per cent during the same period in the previous financial year.

“The production of cement, fertilisers, steel, electricity, coal and refinery products recorded positive growth in February 2025,” said the commerce ministry, in a statement.

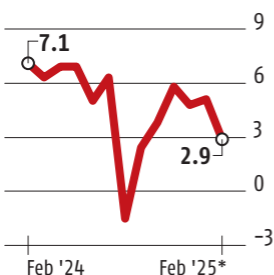
The eight core industries account for 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP), thus having a significant impact on the index.

Data released earlier this month had shown that driven by a sharp upturn in the mining and manufacturing sector, growth in the IIP surged to an eight-month high of 5 per cent in January from an upwardly-revised figure of 3.5 per cent in December.



IN NUMBERS

Core sectors' growth (in %)



Growth for Feb '25* (in %)

Coal	1.7
Crude oil	-5.2
Natural gas	-6
Refinery products	0.8
Fertilisers	10.2
Steel	5.6
Cement	10.5
Electricity	2.8

*Provisional; Source: Ministry of Commerce & Industry