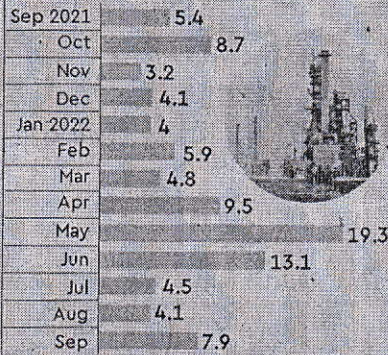


# Core infra sector grows 7.9% in September

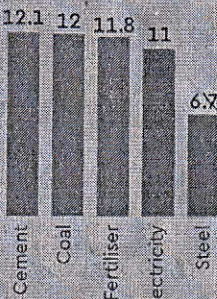
## ROLLER-COASTER RIDE

(% growth in eight infra industries, y-o-y)



## Key performers

(% change, y-o-y, in output in Sept)



Source: Industry ministry

**BANIKINKAR PATTANAYAK**  
New Delhi, October 31

**EIGHT CORE INFRASTRUCTURE** industries grew 7.9% in September, against a revised rate of 4.1% in the previous month, which was a seven-month low.

The improved performance in September was driven by decent growth in the production of cement, coal and electricity, showed the industry ministry data released on Monday (see chart).

The fertiliser sector recorded double-digit expansion for a second straight month in September, ahead of the peak Rabi sowing season, while steel output, too, rose 6.7% against 5.2% in the previous month. In fact, the capex push in recent months, especially by the central government, drove up the production of cement and steel, analysts said.

Importantly, as India Ratings principal economist Sunil Kumar Sinha pointed out, on a seasonally-adjusted basis, the month-on-month growth in the eight core sectors turned positive after a gap of four months in September; the output in September was 1.7% higher than the August level.

Moreover, core sector index grew 5.6% in September from the pre-pandemic level (same month in 2019), against a contraction of 0.8% in the previous month.

However, crude and natural gas output continued to shrink, by 2.3% and 1.7%, respectively, in September.

Also, given the roller-coaster ride in recent months, a credible industrial recovery is yet to take firm roots. With the base effect again turning somewhat unfavourable in

October and unseasonal rains having played havoc in some parts of the country, some of the infrastructure sectors may have been hit. Consequently, core sector growth in October may turn out to be slower than the September level, some analysts said.

Power generation witnessed a muted growth of 2.8% until October 30 from a year before, while the coal sector activity may have moderated during the month. It may weigh down the core sector growth to about 5% in October, according to Sinha.

Nevertheless, thanks to the 40.3% weight of the core sectors in the index of industrial production (IIP), the IIP, which contracted for the first time in 18 months in August, will return to growth in September.

Commenting on the improvement in the core sector performance, commerce and industry minister Piyush Goyal tweeted: "A reason why India is being called a global bright spot is the strength of its core industries."

The data showed the output of cement, coal, fertiliser and electricity witnessed impressive double-digit growth in September — at 12.1%, 12%, 11.8% and 11%, respectively. Refinery product grew 6.6%, against 7% in August.

Bank of Baroda chief economist Madan Sabnavis said, at 9.6%, the cumulative growth in the eight core infrastructure industries in the first half of this fiscal is impressive, as it comes over a high base of 16.9% in 2021. "More importantly, leaving out the oil and natural gas industries, growth was impressive in the other six sectors," he added.