

Output of core sector rises by 5.4% in Nov

Double-digit growth in cement, coal, steel

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Growth in the output of the core sector, comprising eight infrastructure industries, rebounded sharply in November to increase at 5.4 per cent, owing to a lower base and double-digit expansion in four of the eight areas.

The data released by the industry department on Friday showed sequential acceleration in output growth in sectors like coal (12.3 per cent), steel (10.8 per cent), electricity (12.1 per cent), cement (28.6 per cent), and fertilisers (6.4 per cent).

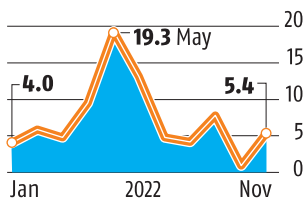
However, crude oil (-1.1 per cent) and natural gas (-0.7 per cent) production contracted for the sixth and fifth consecutive month, respectively, along with that in refinery products (-9.3 per cent).

Growth in November comes in the wake of the 0.9 per cent increase in October, which was a 20-month low on account of a high base and weak activities. Turn to Page 3 ▶



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Core sector growth % chg YoY



Small savings rates raised sharply

The government on Friday sharply raised interest rates on eight out of 12 small savings schemes for the January-March quarter of FY23. 6 ▶

Govt's fiscal deficit at 58.9%

The Centre's fiscal deficit for the April-November period came in at ₹9.78 trillion, or 58.9 per cent of the Budget Estimate of ₹16.6 trillion. 6 ▶

Sector-wise growth in Nov 2022 % chg YoY

Sector	% chg YoY
Coal	12.3
Crude oil	-1.1
Natural gas	-0.7
Refinery products	-9.3
Fertilisers	6.4
Steel	10.8
Cement	28.6
Electricity	12.1

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▶ CREDIT GROWTH SUSTAINS MOMENTUM AT 17.4%

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Core sector...

November core output is significant because it would be the last set of macro data that will be factored in the first advance estimates of GDP, scheduled to be released next week. Aditi Nayar, chief economist at ICRA, said fewer holidays this November than in the same month last year expectedly improved core sector growth because the base effect also reversed from October.

“Although the index of industrial production (IIP) will also display an improvement to a growth rate of 3-4 per cent in November from the contraction in the previous month, its performance may trail that of the core industries, given the drag imposed by weaker exports,” she added.

The eight core industries account for 40.27 per cent of the weighting of the items included in the IIP. Devendra Kumar Pant, chief economist at India Ratings & Research, said although the core sector posted good growth in November, the recovery underway was not broad-based.

“We expect the IIP to recover to grow in low single digits in November from the contraction of 4 per cent a month ago”, he added.

The International Monetary Fund (IMF) has projected India's growth to ease to 6.1 per cent in FY24 from an estimated 6.8 per cent in FY23, reflecting a less favourable global outlook and tighter financial conditions. The IMF cautioned a sharp global growth slowdown in the near term would affect India through trade and financial channels.