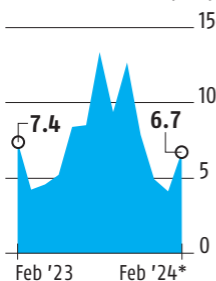


# Core sector growth in Feb at 3-mth high

## MAPPING THE TRAJECTORY

OVERALL GROWTH (in %)



\*Provisional data

Sector-wise break-up in Feb (in %)

Coal	11.6	
Crude oil	7.9	
Natural gas	11.3	
Refinery products	2.6	
Fertilisers	-9.5	
Steel	8.4	
Cement	10.2	
Electricity	6.3	
<b>OVERALL</b>	<b>6.7</b>	

Source: Ministry of Commerce and Industry

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New Delhi, 28 March

Growth in output of the eight key infrastructure sectors — known as the core sector — rose to a three-month high of 6.7 per cent year-on-year (Y-o-Y) in February from 4.1 per cent in January.

According to data released by the Ministry of Commerce and Industry on Thursday, output accelerated in sectors like crude oil (7.9 per cent), refinery products (2.6 per cent) and electricity (6.3 per cent). Also, during February, double-digit growth was seen in sectors like coal (11.6 per cent), natural gas (11.3 per cent) and cement (10.2 per cent). Meanwhile, growth in the output of steel decelerated (8.4 per cent) sequentially during February. On the other hand, output of fertilisers (-9.5 per cent) contracted for the second consecutive month in February. In February 2023, the core sector had recorded a growth of 7.4 per cent.

Meanwhile, cumulative

growth in the core sector for the April-February period this year stood at 7.7 per cent compared to 8.2 per cent for the same period in the previous financial year.

The eight core industries account for 40.27 per cent of weighting of items included in the Index of Industrial Production (IIP). Thus, they have a significant impact on the index.

Madan Sabnavis, chief economist, Bank of Baroda, said there has been all-round performance across the eight sectors, barring fertilisers.

This can be explained by the high-base effect and the fact that this is the period of harvest. As a result, there is less demand for products.

“High growth in steel and cement reflect growth in the construction sector in particular. The auto sector, too, has contributed to the demand for steel. IIP growth can be expected between 4 and 5 per cent, which is due to the growth in electricity,” he added.