

## BASE EFFECT

# Core sector growth slows to 6.1% in July

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Growth in India's eight core sector industries slowed to 6.1 per cent in July compared to 8.5 per cent in the same month last year, according to government data released on Friday.

It picked up compared to 5.1 per cent last month, helped by business activity and road construction.

“Despite an unfavourable base effect, the core sector output grew better than the previous month,” said

Paras Jasrai, senior economic analyst at India Ratings and Research.

The first four months of FY25 recorded a 6.1 per cent growth compared to 6.6 per cent in the same period last year, according to the data from the Ministry of Commerce and Industry. The core sector comprises coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity.

Increase in the growth rate of four sectors — refinery products, fertilisers, steel and cement, was higher than

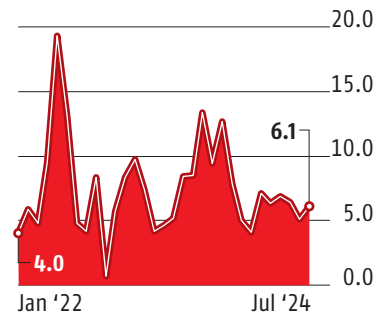
June. “Pick up in growth is still skewed, led by only these four sectors, which account for 54 per cent share in the infrastructure segment,” said Jasrai.

Compared to July 2023, six sectors recorded a decline in growth output. The growth rate in coal (6.8 per cent) was the lowest in 13 months.

Other sectors such as crude oil (-2.9 per cent), steel (7.2 per cent), cement (5.5 per cent), electricity (7 per cent), and natural gas (-1.3 per cent) also recorded a decline in growth rate from the corresponding period last year.

## OUTPUT TALLY

Core sector growth in % Y-o-Y



Source: Ministry of Commerce and Industry