

Core sector growth at 3-mnth high

But remains subdued at 3.1% in Oct

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New Delhi, 29 November

Despite a high base effect, growth in the output of eight key infrastructure industries — known as the core sector — further recovered to 3.1 per cent (Y-o-Y) in October from an upwardly revised figure of 2.4 per cent in September.

In August, the output of the core sector had contracted (-1.6 per cent) for the first time in 42 months. In October 2023, the core sector had clocked 12.7 per cent growth.

According to the data released by the Ministry of Commerce and Industry on Friday, the sequential recovery was driven by the acceleration in the output of coal (7.8 per cent), steel (4.2 per cent), and electricity (0.6 per cent), even as the output of fertilisers (0.4 per cent), refinery products (5.2 per cent), and cement (3.3 per cent) decelerated.

On the other hand, the output of crude oil (-4.8 per cent) and natural gas (-1.2 per cent) contracted during the month.

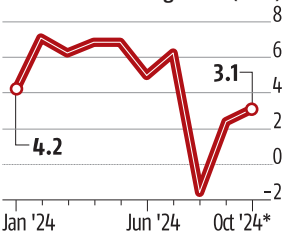
“The production of coal, refinery products, steel, cement, electricity and fertilisers recorded positive growth in October 2024,” said the commerce ministry in a statement.

Rahul Agarwal, senior economist at ICRA Ratings, said the performance of the constituent industries was mixed. While the growth in electricity generation improved marginally in October, it remained quite



RECOVERY PATH

Overall core sector growth (in %)



Oct '24* sectoral growth (in %)

Coal	7.8
Crude oil	-4.8
Natural gas	-1.2
Refinery products	5.2
Fertilisers	0.4
Steel	4.2
Cement	3.3
Electricity	0.6

*Provisional

Source: Ministry of Commerce & Industry

weak and continued to weigh upon the growth in core sector output during the month.

“Construction-related indicators reported mixed trends, with the growth in steel production improving, while that in cement output deteriorating, although both remained muted,” he added.