

# Macro Insights

21<sup>st</sup> May 2026

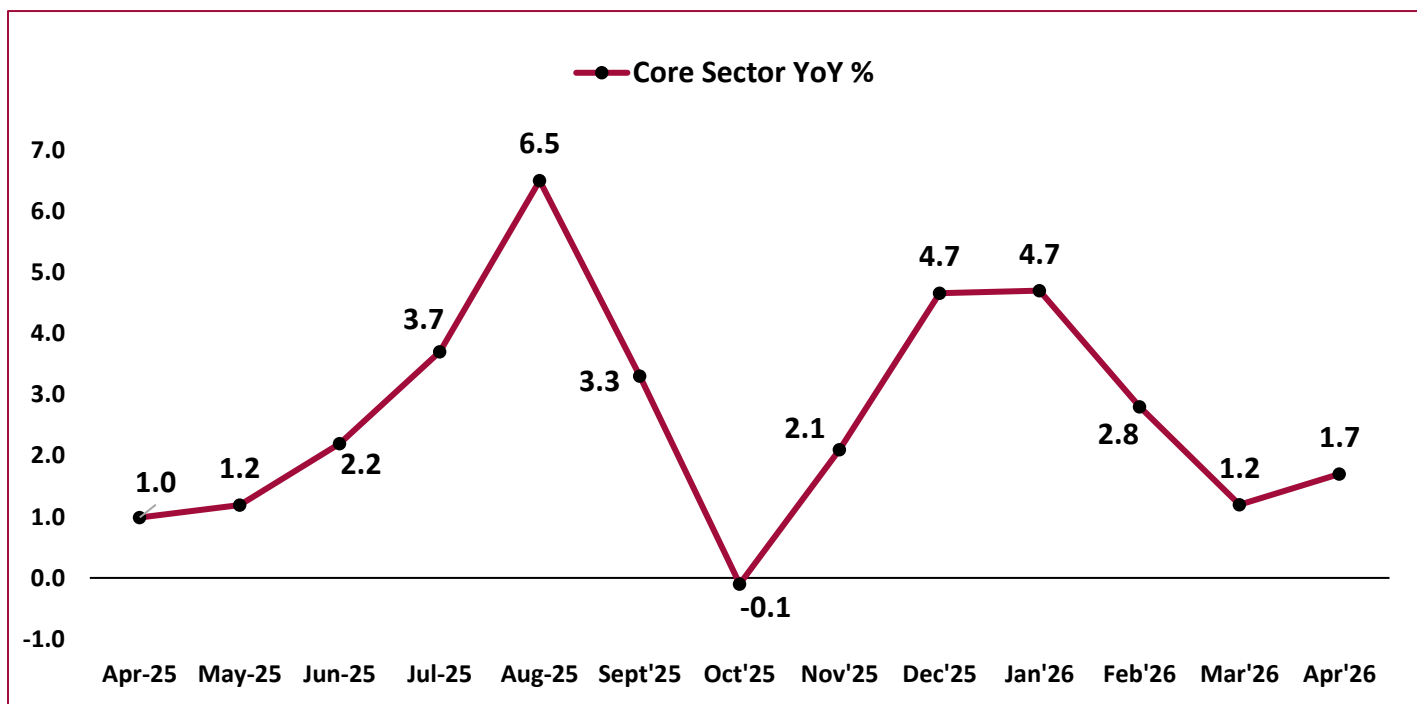
## India's Core sector expanded by 1.7 per cent in April'26.

Index of Eight Core Industries showed growth of 1.7 per cent YoY in April'26 with a slight improvement from revised 1.2 per cent YoY in March'26.

### Highlights:

- ☞ Core sector growth for March'26 revised upward from contraction of 0.4 per cent to expansion of 1.2 per cent due to a significant upward revision in steel production.
- ☞ India's core sector output expanded 1.7 per cent year-on-year in April'26, though it remains significantly below the 48-month average growth of 5.6 per cent.
- ☞ Three sectors i.e. Steel, Cement and electricity showed positive Y-o-Y growth.
- ☞ Five sectors - Coal, Crude Oil, Natural gas, Refinery products and Fertilizers showed degrowth in the month of April'2026, owing to the ongoing West Asia crisis.

**Eight Core Industries – April 2026 (YoY Growth in per cent)**



Source: Office of Economic Adviser

**Components of Eight Core Sector (YoY Growth in per cent)**

Sr. No	Sector	Weight	Apr-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026
1	Coal	10.3	3.5	-8.5	2.1	3.6	3.1	2.3	-4.0	-8.7
2	Crude Oil	9.0	-2.8	-1.2	-3.2	-5.6	-5.8	-5.2	-5.7	-3.9
3	Natural gas	6.9	-0.9	-5.0	-2.5	-4.4	-5.0	-5.0	6.4	-4.3
4	Refinery Products	28.0	-4.5	4.6	-0.9	-1.0	0.0	-1.0	0.1	-0.5
5	Fertilizers	2.6	-4.2	7.4	5.6	4.1	3.7	3.4	-24.6	-8.6
6	Steel	17.9	4.4	5.9	6.7	10.1	11.5	7.6	7.7	6.2
7	Cement	5.4	6.3	5.2	14.6	13.7	11.3	8.9	4.7	9.4
8	Electricity	19.8	1.7	-6.9	-1.5	6.3	5.2	2.3	0.8	4.1
	<b>Overall Index</b>	<b>100.0</b>	<b>1.0</b>	<b>-0.1</b>	<b>2.1</b>	<b>4.7</b>	<b>4.7</b>	<b>2.8</b>	<b>1.2</b>	<b>1.7</b>

Source: Office of Economic Adviser

**Views & Outlook:**

- The Eight Core Industries together account for 40.27 per cent of the weight in the Index of Industrial Production (IIP).
- On a month-on-month (MoM) basis, the index contracted by 10.3 per cent in April'26, following a year-end production push in March'26.
- The output expanded marginally, with five of the eight sectors recording a decline. Coal production experienced the sharpest YoY contraction of 8.7 per cent, a sharp reversal from the robust growth trend observed during most of FY25-26. Also, fertilizer output registered a steep YoY decline of 8.6 per cent, followed by an exceptional contraction of 24.6 per cent in March'26.
- Crude oil output fell by 3.9 per cent YoY, extending a long-term trend of contraction. Similarly, natural gas production declined by 4.3 per cent YoY, reversing a rare recovery of 6.4 per cent during March'26.
- The construction-related sectors of cement and steel were the primary engines of growth in the overall index. Cement production expanded by a robust 9.4 per cent YoY, accelerating from the previous month's 4.7 per cent YoY growth. Steel output also grew by a healthy 6.2 per cent YoY. Steel production for March'26 was significantly revised upward to 7.7 per cent from 2.2 per cent as per its provisional data.
- Electricity generation, a key indicator of economic activity and household usage, grew by 4.1 per cent YoY in April'26. This represents a solid recovery from the subdued performance of 0.8 per cent in March'26.
- The West Asia conflict and weak monsoon outlook pose significant supply-side risks, raising the likelihood of higher inflation, fiscal and external deficits, and softer growth. Yet, India's strong domestic demand and resilient financial system provide some insulation, with policy expected to balance near-term growth support while safeguarding medium-term stability.

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