

Macro Insights

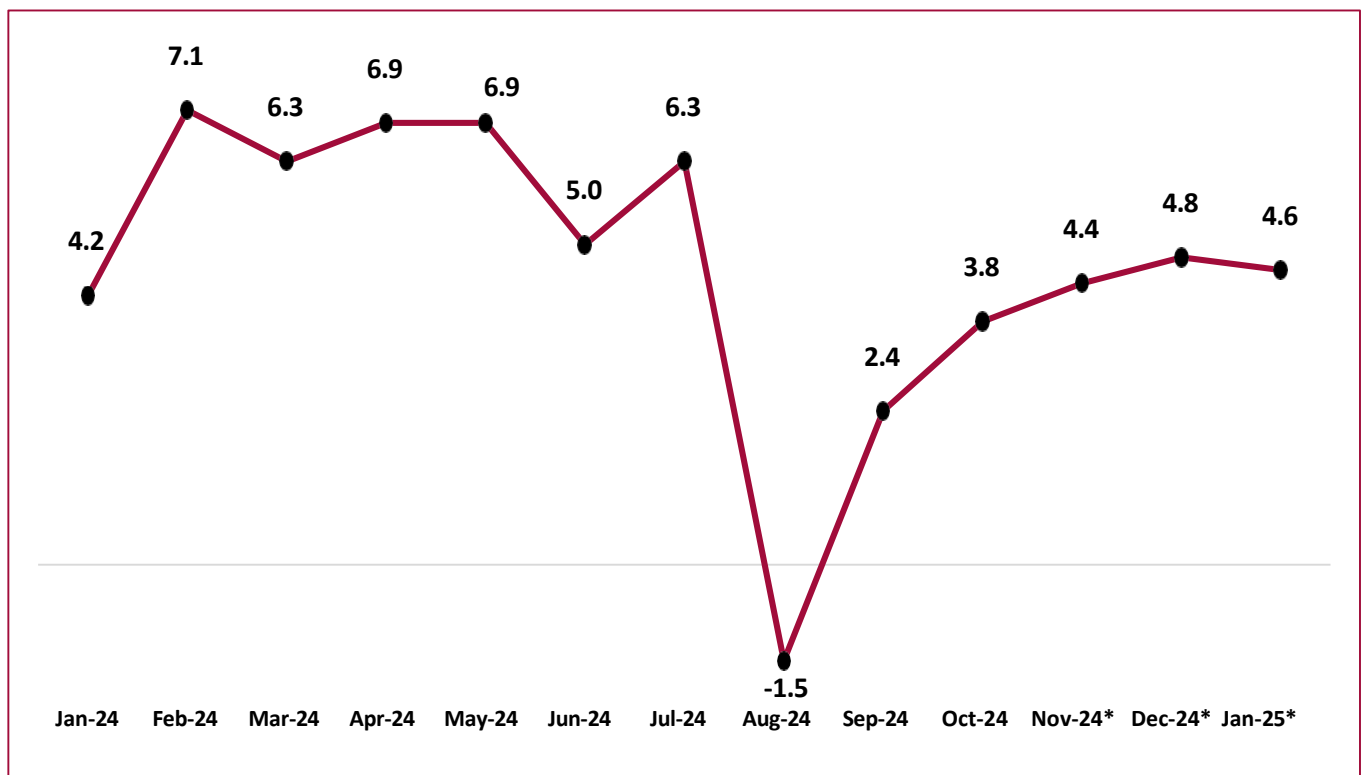
Core Sector growth moderates to 4.6% in January 2025

Growth in the Index of Eight Core Industries slowed to 4.6 per cent YoY in January 2025 vis-à-vis 4.8 per cent in December 2024. However, it was higher compared to January 2024 when it was at 4.2 per cent.

Highlights:

- ✎ Barring Crude oil and Natural gas, all the other sectors witnessed growth in output in January 2025. Crude oil output contracted
- ✎ 1.1 per cent YoY while natural gas output contracted 1.5 per cent YoY in January 2025.
- ✎ Cement and Refinery Products witnessed good growth at 14.5 per cent and 8.3 per cent, respectively in January 2025. Other sectors also recorded growth in January 2025.

Eight Core Industries – January 2025 (YoY Growth in %)



*Provisional

Source: Office of Economic Adviser

Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Jan-24	Aug-24	Sep-24	Oct-24	Nov-24*	Dec-24*	Jan-25*
1	Coal	10.33	10.6	-8.1	2.6	7.8	7.5	5.3	4.6
2	Crude Oil	8.98	0.6	-3.4	-3.9	-4.8	-2.1	0.6	-1.1
3	Natural gas	6.88	5.5	-3.6	-1.3	-1.2	-1.9	-1.8	-1.5
4	Refinery Products	28.04	-4.3	-1.0	5.8	5.2	2.9	2.8	8.3
5	Fertilizers	2.63	-0.6	3.2	1.9	0.4	2.0	1.7	3.0
6	Steel	17.92	9.2	4.1	1.8	5.7	4.4	7.3	3.7
7	Cement	5.37	4.1	-2.5	7.6	3.1	13.5	4.6	14.5
8	Electricity	19.85	5.7	-3.7	0.5	2.0	4.4	6.2	1.3
	Overall Index	100	4.2	-1.5	2.4	3.8	4.4	4.8	4.6

*Provisional

Source: Office of Economic Adviser

Views & Outlook:

- Despite the slight moderation in the index in January 2025, it has been consistently rising since August 2024 - when it had declined by 1.5 per cent YoY.
- The cement sector grew to a 15-month high in January 2025. The Indian cement industry is reviving with volume growth, stable demand from real estate and housing.
- Performance of the overall index was muted due to low spending by state and central government on capex. In the Union Budget 2025-26, the government revised downward the capex for FY25 from Rs. 11.1 lakh crore to Rs 10.2 lakh crore.
- However, the government expects capex growth to pick up to Rs 11.2 lakh crore in FY26. Government's special focus on infrastructure and housing in the Union Budget 2025-26 augurs well for the core sector going ahead.

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