Ayesha Bhati, Economic Intelligence Cell

Macro Insights

21st August 2026

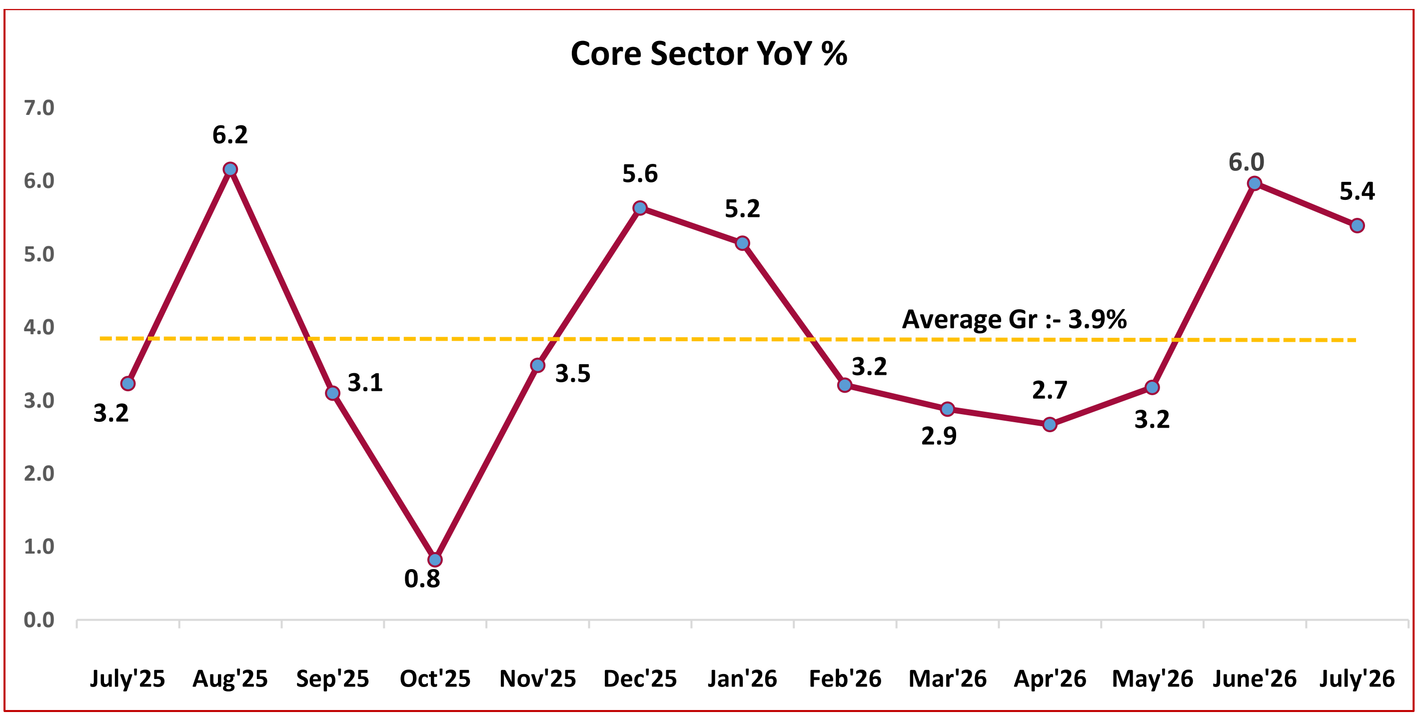
India's Core sector eases to 5.4 per cent in July 2026

Index of Nine Core Industries grew 5.4 per cent YoY in July 2026. The index increased from 3.2 per cent in July 2025 but declined from an upwardly revised 6.0 per cent in June 2026.

Highlights:

- India's core sector output grew by 5.4 per cent YoY in July 2026 led by strong performance in Iron Ore, Cement & Electricity, indicating sustained momentum in infrastructure and construction activity.
- Six sectors i.e. Iron Ore, Cement, Electricity, Coal, Steel & Refinery products showed positive Y-o-Y growth and were primary drivers of the growth.
- Three sectors - Fertilizers, Crude Oil and Natural gas showed degrowth in the month of July 2026.
- Sectors showing positive growth are having higher weights. These 6 sectors comprise of 86 per cent of weights in overall Core Sectors.

Nine Core Industries – July 2026 (YoY Growth in per cent)



Source: Office of Economic Adviser

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Components of Nine Core Sectors* (YoY Growth in per cent)

Sr. No	Sector	Weight	July-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	June-2026	July-2026
1	Coal	5.60	-12.3	0.9	1.4	-4.0	-9.0	-9.5	1.4	7.6
2	Crude Oil	7.43	-0.8	-5.4	-4.8	-5.3	-3.2	-4.2	-4.2	-5.3
3	Natural gas	3.84	-3.3	-4.9	-5.0	-3.7	-4.2	-5.0	-4.8	-3.7
4	Refinery Products	22.57	-1.4	0.4	-0.4	0.9	-0.2	-8.2	-4.0	2.7
5	Fertilizers	2.73	1.9	3.7	3.5	-24.6	-8.5	-1.0	-3.3	-8.0
6	Steel	17.58	15.7	13.8	9.9	9.6	4.7	5.1	5.6	2.9
7	Cement	4.41	11.1	11.3	9.1	4.7	8.3	8.4	9.9	13.1
8	Electricity	30.93	3.7	5.1	2.3	0.8	5.5	11.2	11.4	9.0
9	Iron Ore	4.91	-7.1	12.8	8.5	33.3	12.5	19.0	44.5	29.5
	Overall Index	**100.0**	**3.2**	**5.2**	**3.2**	**2.9**	**2.7**	**3.2**	**6.0**	**5.4**

Revised as per Base Year 2022-23 ***Source: Office of Economic Adviser***

Views & Outlook:

- The Nine 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 expanded by only by 0.4 per cent in July 2026. The MoM expansion in July 2026 shows a positive trend with 6 out of 9 core industries showing a MoM expansion. Refinery Products showed a maximum MoM growth of 9.6 per cent. Coal, Cement and Iron Ore showed MoM contraction of 12.8 per cent, 6.7 per cent and 29.5 per cent respectively.
- Cumulatively, the index grew 4.3 per cent during April-July 2026-27, against just 1.5 per cent during the corresponding period last year. On a cumulative basis, 5 out of 9 sectors are showing negative YoY growth. Sectors showing positive cumulative YoY growth comprises of Steel, Cement, Electricity & Iron Ore.
- The broad-based strength in infrastructure-related industries, particularly iron ore, electricity, cement and steel, indicates sustained momentum in domestic infrastructure and construction activity.
- Going forward, continued implementation of strategic initiatives across semiconductors through Semicon 2.0, critical minerals, coal gasification and shipbuilding, together with recent measures to streamline regulatory compliance and facilitate manufacturing, is expected to strengthen domestic manufacturing capabilities, enhance supply-chain resilience and improve the competitiveness of India's industrial sector.

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