

Macro Insights

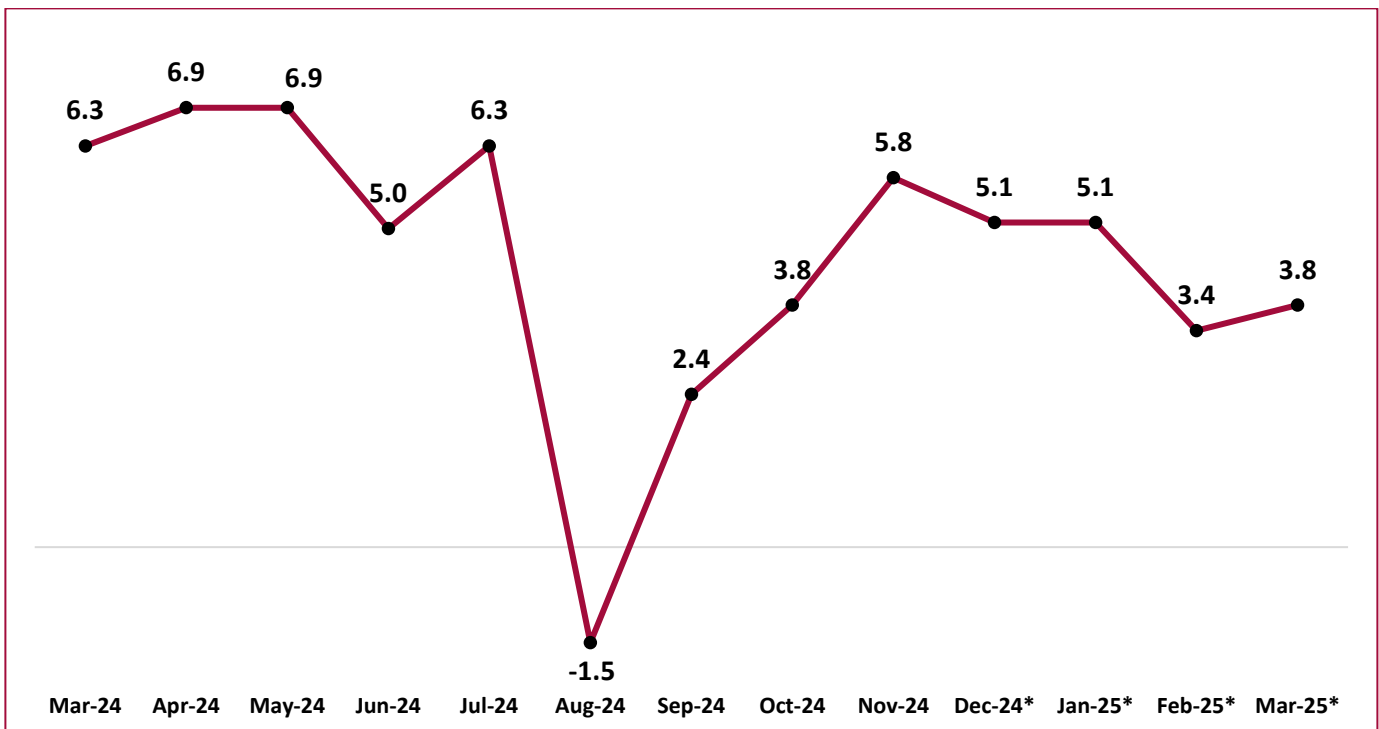
Core Sector growth rises to 3.8% in March 2025

Growth in the Index of Eight Core Industries increased to 3.8 per cent YoY in March 2025 vis-à-vis 3.4 per cent in February 2025. It was recorded at 6.3 per cent in March 2024.

Highlights

- Only three out of eight components of the index witnessed a higher growth in March 2025 compared to the previous month.
- Refinery Products, which has the highest weight in the index (28.04 per cent) recorded lower growth at 0.2 per cent in March 2025 – a seven-month low.
- Two components, namely, crude oil and natural gas, growth declined by 1.9 per cent and 12.7 per cent respectively in March 2025.

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



*Provisional

Source: Office of Economic Adviser

Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Mar-24	Oct-24	Nov-24	Dec-24	Jan-25*	Feb-25*	Mar-25*
1	Coal	10.33	8.7	7.8	7.5	5.3	4.6	1.7	1.6
2	Crude Oil	8.98	2.1	-4.8	-2.1	0.6	-1.1	-5.2	-1.9
3	Natural gas	6.88	6.3	-1.2	-1.9	-1.8	-1.5	-6.0	-12.7
4	Refinery Products	28.04	1.6	5.2	2.9	2.8	8.3	0.8	0.2
5	Fertilizers	2.63	-1.3	0.4	2.0	1.7	3.0	10.2	8.8
6	Steel	17.92	7.5	5.7	10.5	7.3	4.7	6.9	7.1
7	Cement	5.37	10.6	3.1	13.1	10.3	14.6	10.8	11.6
8	Electricity	19.85	8.6	2.0	4.4	6.2	2.4	3.6	6.2
	Overall Index	100	6.3	3.8	5.8	5.1	5.1	3.4	3.8

*Provisional

Source: Office of Economic Adviser

Views & Outlook:

- Coal output growth slowed from 1.7 per cent in February 2025 to 1.6 per cent in February 2025 – a seven-month low, due to seasonal factors. It has been falling consistently since October 2024.
- Crude Oil output recorded the third consecutive contraction from 5.2 per cent in February 2025 to 1.9 per cent in March 2025. It has now been in negative territory for 10 months out of the last 13 months, on the back of global oil price volatility.
- Natural Gas sector also recorded a sharp contraction of 12.7 per cent in March 2025 compared to a 6.0 per cent decline in the previous month, with higher imports substituting domestic production.
- Weak refinery output also contributed to lower core sector output growth in the month of March 2025.
- Steel, cement and electricity sectors recorded an increase in output in March 2025, supporting growth in overall index.
- Performance of the overall index for FY 2025 stood at 4.4 per cent, its lowest level in the past four years. This indicates moderation in industrial activity. Core sector, which accounts for over 40 per cent on Index of Industrial Production directly influences industrial performance.

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