

# Core sector output rises to six-month high of 8.4% in April

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Infrastructure industries grew by 8.4% on year in April, a six-month high, according to official data released on Tuesday.

The core sector had witnessed an exceptionally high growth rate of 62.6% in April 2021 mainly due to the low base effect as Covid had disrupted economic activities in the year ago month.

Except crude oil and steel, all other infrastructure industries recorded a positive annual growth in April 2022.

Crude oil despite a low base (contracted 2.1% in April 2021) recorded an annual decline of 0.9%. Crude oil output has been weak for quite some time and has been in contraction now for 53 months.

“This means country’s dependence on global crude oil will be even higher, which is on the boil leading to imported inflation and its associated consequences for the economy,” said India Ratings economist Sunil Kumar Sinha.

The growth in core sector in April was led primarily by a record annual growth of 28.8% in coal output. The other sectors which witnessed high growth as per the latest data were electricity (10.7%), refinery products (9.2%) and fertilisers (8.7%).