

The production of coal, fertilizers, steel, and cement increased in May 2023 over May 2022.

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India's Index of Eight Core Industries (ICI) showed a growth of 4.3% in May 2023 compared to the previous year. Cement production saw the highest growth rate of 15.5%, while crude oil and natural gas production declined.



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The Index of Eight Core Industries (ICI), which measures the combined and individual performance of key sectors in the Indian economy, showed a growth of 4.3 percent in May 2023 compared to May 2022. The ICI comprises the production of eight core industries: Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement, and Electricity. These industries hold significant weight, accounting for 40.27 percent of the items included in the Index of Industrial Production (IIP).

Several sectors recorded positive growth in May 2023 compared to the same period last year. Cement production, with a weightage of 5.37 percent, saw

the highest growth rate of 15.5 percent. Steel production, accounting for 17.92 percent, increased by 9.2 percent, while coal production, with a weightage of 10.33 percent, witnessed a growth rate of 7.2 percent. Fertilizers and refinery products also showed growth rates of 9.7 percent and 2.8 percent, respectively.

However, some sectors experienced a decline in production. Crude oil production, with a weightage of 8.98 percent, declined by 1.9 percent, and natural gas production, accounting for 6.88 percent, saw a minor decline of 0.3 percent. Electricity generation, which holds the highest weightage of 19.85 percent, also declined by 0.3 percent.

Looking at the cumulative growth rate of the ICI for April-May 2023-24, it reported a provisional growth rate of 4.3 percent compared to the corresponding period of the previous year. This indicates an overall positive trend in the performance of the core industries.

Analyzing the yearly indices and growth rates, it can be observed that most sectors have shown consistent growth over the years. Steel production, for instance, has consistently increased since 2014-15, with a cumulative index growth of 177.6 in 2022-23 compared to the base year of 2011-12. Similarly, cement production has seen a steady rise, reaching a cumulative index growth of 170.5 in 2022-23.

However, some sectors have experienced fluctuations in growth rates. Crude oil production, for example, witnessed a decline in recent years, with a negative growth rate of 2.7 percent in 2022-23 compared to the previous year. Natural gas production also declined, albeit at a slower rate of 1.5 percent. These fluctuations in growth rates can be attributed to various factors, including changes in demand, supply constraints, and global market dynamics. It is important for policymakers and industry stakeholders to monitor these trends and address any challenges to ensure sustained growth and stability in the core industries.

The data provided in the Index of Eight Core Industries serves as a valuable tool for policymakers, economists, and investors to assess the performance of key sectors in the Indian economy. It provides insights into the overall industrial production and helps in formulating strategies for economic growth and development.

In conclusion, the May 2023 data for the Index of Eight Core Industries indicates positive growth in several sectors, including cement, steel, coal, fertilizers, and refinery products. While some sectors experienced a decline, the overall performance of the core industries remained stable. Continued monitoring and support from policymakers will be crucial to maintain the growth momentum and address any challenges faced by these industries.