

Core sector growth hits 5-mth high of 8.2% in June

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New Delhi: Output in the country's key infrastructure sector rose to a five-month high in June, driven by robust performances by the steel, cement and coal segments.

Data released by the commerce and industry ministry on Monday showed the eight core sectors, spanning coal, crude oil, natural gas, petroleum refinery products, fertilisers, steel, cement and electricity, rose 8.2% during June, compared to 5% in May.

In June 2022, the sector had grown 13.1%. Steel sector grew 21.9% in June compared to a growth of 10.9% in May. Cement grew an annual 9.4% after posting a 15.3% growth in May. Both segments were

FISC DEFICIT AT 25.3% OF TARGET

driven by the expansion in construction activity.

The government also revised the data for March to 4.2% from its provisional 3.6%. "The core sector growth recorded a resounding rise to a five-month high of 8.2% in June 2023, from 5% in May 2023, led by six of the eight constituents except cement and fertilisers," said Aditi Nayar, chief economist at ratings agency ICRA.

"With the boost seen in mining and electricity from a dryer-than-normal June, we expect the YoY IIP growth to print at 4-6% in June 2023, in spite of the moderation in the YoY performance of several available high frequency indicators," said Nayar. Separate data released by the Controller General of Accounts (CGA) showed the centre's fiscal deficit was at 25.3% of the full year target at the end of June for the current fiscal year which ends in March 2024.