
Core sector growth rises to 4-mth high

TIMES NEWS NETWORK

New Delhi: Growth in the country's eight key infrastructure sectors rose to a four-month high in Nov, led by cement, coal and electricity sectors. Data released by the commerce and industry ministry on Tuesday showed the eight core sectors, spanning coal, crude oil, natural gas, petroleum/refinery products, fertilisers, steel, cement and electricity grew 4.3% in Nov, higher than the 3.7% in Oct but lower than the 7.9% in Nov last year.

The core sector accounts for over 40% of the index of industrial production (IIP) and a robust outcome has an impact on the data, which is expected to be released later this month.

4.3% IN NOV

The cement sector grew 13% in Nov compared to 3.1% in the previous month and a contraction of 4.7% in same month last year. The electricity sector rose 3.8% higher than the 2% recorded in last month but lower than the 5% in Nov last year.

Coal production remained robust and grew 7.5% in Nov almost at Oct's level of 7.8% and higher than contraction of 0.4% in Nov last year.

Two of the eight sectors contracted, with crude oil and natural gas continuing their downtrend. The crude sector contracted for the seventh consecutive month, while the natural gas sector contracted for the fifth month in a row.

"The core sector growth rose to 4.3% in Nov 2024 from a revised 3.7% in October 2024, with an improvement

in half of its 8 constituents, partly reflecting the fading impact of heavy rainfall in the earlier months. The sequential uptick in the core sector's performance was especially driven by a sharp increase in the growth of cement output, on the back of a low base," said Aditi Nayar, chief economist at ratings agency ICRA.

"Looking ahead, we expect the IIP to grow by 5-7% in Nov 2024, partly benefitting from the uptick in core sector growth," said Nayar.