

Macro Insights

1st March 2025

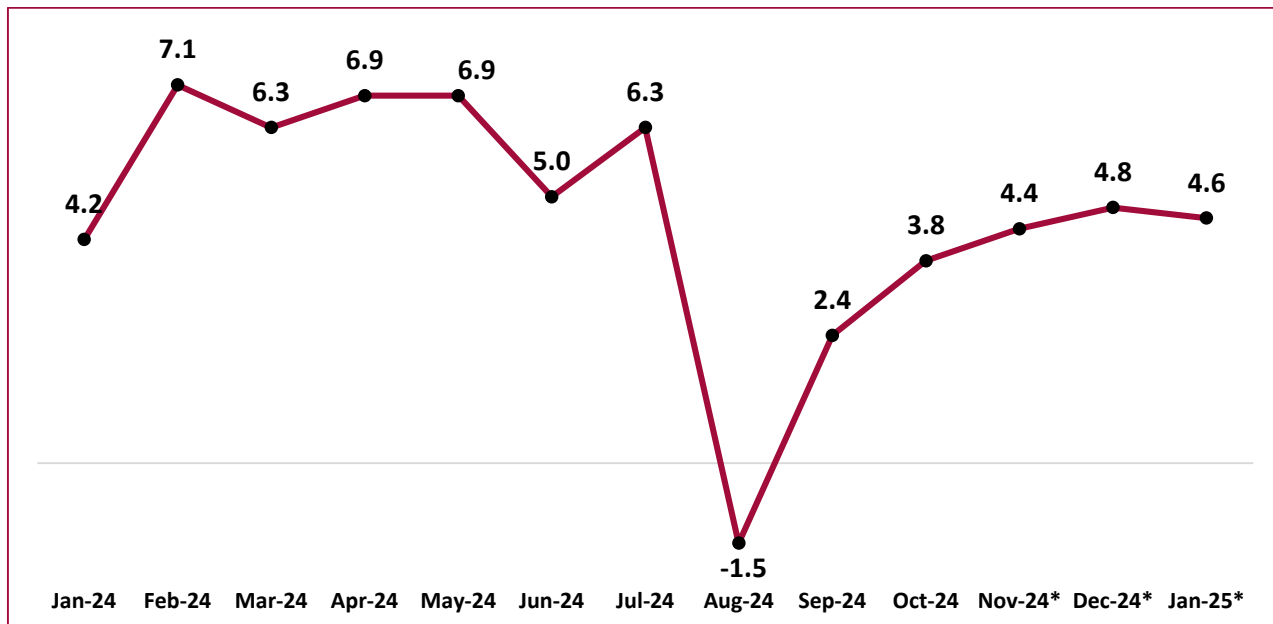
Highlights:

Core Sector growth moderates to 4.6% in January 2025

Growth in the Index of Eight Core Industries slowed to 4.6 per cent YoY in January 2025 vis-à-vis 4.8 per cent in December 2024. However, it was higher compared to January 2024 when it was at 4.2 per cent.

- ☞ Barring Crude oil and Natural gas, all the other sectors witnessed growth in output in January 2025. Crude oil output contracted 1.1 per cent YoY while natural gas output contracted 1.5 per cent YoY in January 2025.
- ☞ Cement and Refinery Products witnessed good growth at 14.5 per cent and 8.3 per cent, respectively in January 2025. Other sectors also recorded growth in January 2025.

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



*Provisional

Source: Office of Economic Adviser

Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Jan-24	Aug-24	Sep-24	Oct-24	Nov-24*	Dec-24*	Jan-25*
1	Coal	10.33	10.6	-8.1	2.6	7.8	7.5	5.3	4.6
2	Crude Oil	8.98	0.6	-3.4	-3.9	-4.8	-2.1	0.6	-1.1
3	Natural gas	6.88	5.5	-3.6	-1.3	-1.2	-1.9	-1.8	-1.5
4	Refinery Products	28.04	-4.3	-1.0	5.8	5.2	2.9	2.8	8.3
5	Fertilizers	2.63	-0.6	3.2	1.9	0.4	2.0	1.7	3.0
6	Steel	17.92	9.2	4.1	1.8	5.7	4.4	7.3	3.7
7	Cement	5.37	4.1	-2.5	7.6	3.1	13.5	4.6	14.5
8	Electricity	19.85	5.7	-3.7	0.5	2.0	4.4	6.2	1.3
	Overall Index	100	4.2	-1.5	2.4	3.8	4.4	4.8	4.6

*Provisional

Source: Office of Economic Adviser

Views & Outlook:

- Despite the slight moderation in the index in January 2025, it has been consistently rising since August 2024- when it had declined by 1.5 per cent YoY.
- The cement sector grew to a 15-month high in January 2025. The Indian cement industry is reviving with volume growth, stable demand from real estate and housing.
- Performance of the overall index was muted due to low spending by state and central government on capex. In the Union Budget 2025-26, the government revised downward the capex for FY25 from Rs. 11.1 lakh crore to Rs 10.2 lakh crore.
- However, the government expects capex growth to pick up to Rs 11.2 lakh crore in FY26. Government's special focus on infrastructure and housing in the Union Budget 2025-26 augurs well for the core sector going ahead.

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