Economic Intelligence Cell
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Macro Insights

April 2023

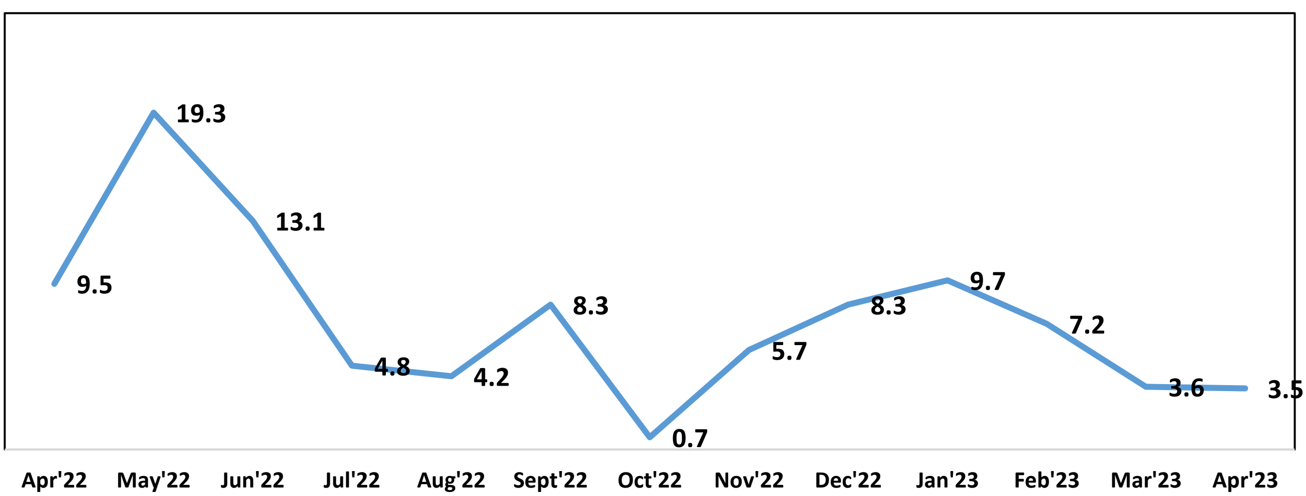
Core Sector

Core Sector Output grew to Six-month low at 3.5% in Apr’23 as compared to a growth of 3.6% in Mar’23 and growth of 9.5% in Apr’22

Highlights:

- *Coal grew by 9.0% in Apr’23.The cumulative index rose by 14.9% from FY23.*
- *Crude oil fell by 3.5% YoY in Apr’23. The growth in cumulative index from FY23 is -1.7%.*
- *Natural gas output fell by 2.8% YoY in Apr’23, while its cumulative index rose by 1.6% from FY23.*
- *Petroleum refineries declined by 1.5% YoY in Apr’23 and overall cumulative index climbed 4.8% from FY23 over the same period in the previous year.*
- *Fertilizer output rose 23.5% YoY in Apr’23, and its cumulative index rose 11.3% from FY23 compared to the same period the year before.*
- *Steel output climbed by 12.1% YoY in Apr’23, while its cumulative index jumped by 8.9% from FY23.*
- *Cement output increased by 11.6% in Apr’23, and its cumulative index grew by 8.7% from FY23.*
- *Electricity generation declined by 1.4% in Apr’23 while the cumulative index climbed by 8.9% from FY23.*

Chart: Core Sector Growth (%)



Components of Core Sector

Sr No	Sector (Growth %)	Weight	Apr’22	Jan’23	Feb’23	Mar’23	Apr’23
1	Coal	10.33	30.1	13.6	8.5	12.2	9.0
2	Crude Oil	8.98	-0.9	-1.1	-4.9	-2.8	-3.5
3	Natural Gas	6.88	6.4	5.2	3.2	2.7	-2.8
4	Refinery Products	28.04	9.2	4.5	3.3	1.5	-1.5
5	Fertilizers	2.63	8.8	17.9	22.2	9.7	23.5
6	Steel	17.92	2.5	14.3	11.6	8.8	12.1
7	Cement	5.37	7.4	4.7	7.4	-0.6	11.6
8	Electricity	19.85	11.8	12.7	8.2	-1.6	-1.4
	Overall Core index	**100**	**9.5**	**9.7**	**7.2**	**3.6**	**3.5**

Views:

- Output of eight infrastructure industries – the core sector – slowed marginally to 3.5% in April, from 3.6% in March, the slowest pace in the past six months, owing to the contraction in electricity, refined products, natural gas, and crude oil sectors.
- Given that these core sectors have a combined weight of 40.3% in the index of industrial production (IIP), we expect IIP growth in the month to be at 3% to 4% in Apr’23.

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