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Eight Core Industries Output June 2025

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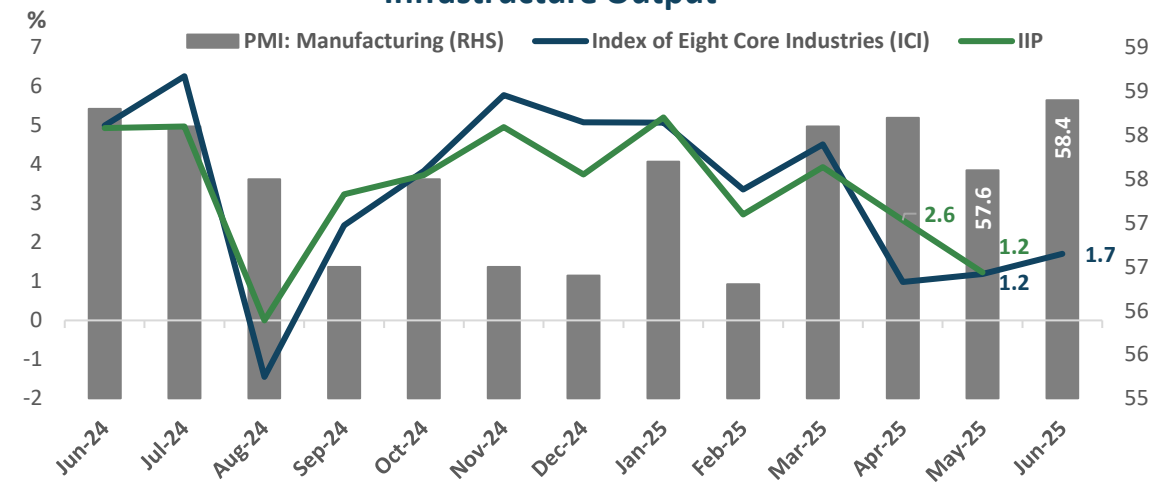
Core Industries Growth Remains Sluggish

Index of Eight Core Industries							
Sectors	Weights	FY2025	Q1 FY2025	Q4 FY2025	Q1 FY2026	May-25	Jun-25
Overall Index	100.0	4.5%	6.26%	4.34%	1.30%	1.19%	1.71%
Coal	10.3	5.1%	10.83%	2.60%	-0.29%	2.76%	-6.81%
Crude Oil	9.0	-2.2%	-0.70%	-2.68%	-1.92%	-1.80%	-1.21%
Natural Gas	6.9	-1.2%	6.40%	-6.78%	-2.44%	-3.56%	-2.77%
Refinery Products	28.0	2.8%	0.93%	3.03%	-0.05%	1.06%	3.36%
Fertilizers	2.6	2.9%	0.00%	7.10%	-3.74%	-5.89%	-1.19%
Steel	17.9	6.8%	8.36%	6.76%	7.01%	7.44%	9.26%
Cement	5.4	6.3%	0.45%	12.41%	8.39%	9.65%	9.17%
Electricity	19.9	5.2%	10.85%	4.52%	-2.00%	-4.71%	-2.78%

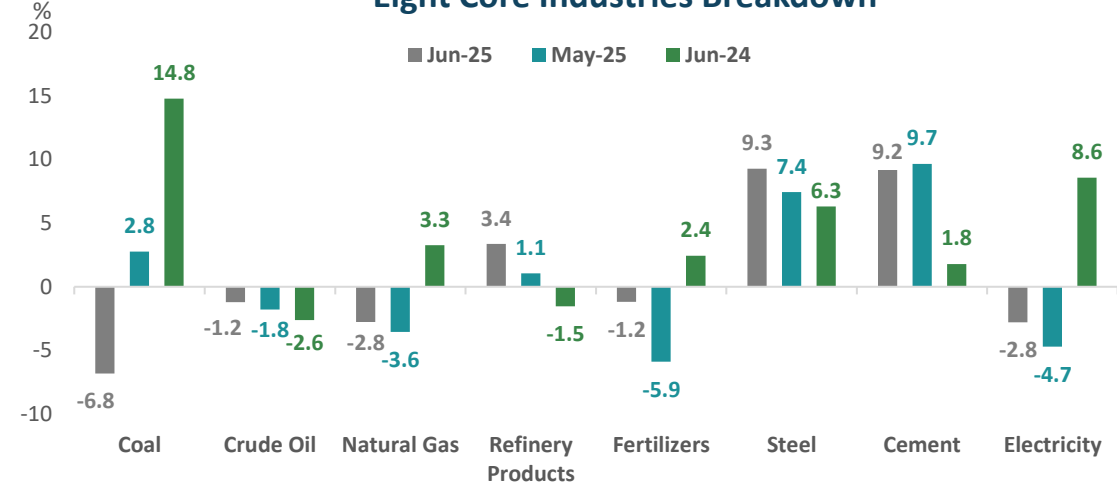
- The Index of Eight Core Industries (ICI) represents 40.27% of the weight of items included in the Index of Industrial Production (IIP) .
- Growth in the overall index in June 2025 improved slightly compared to May 2025, while moderated compared to June 2024. Out of the eight sectors, five experienced contraction in YoY growth.
- Coal, Crude Oil, Natural Gas, Fertilizers and Electricity reported negative growth due to weak demand, early monsoon, supply disruptions and fall in imports.
- Positive growth in Refinery Products, Steel and Cement was driven by a surge in infrastructure development projects such as roads and real estate.
- On a quarterly basis, only Cement and Steel sectors managed to report positive growth YoY, largely due to favourable base effect and steady government capex.

IIP Growth to Improve Moderately

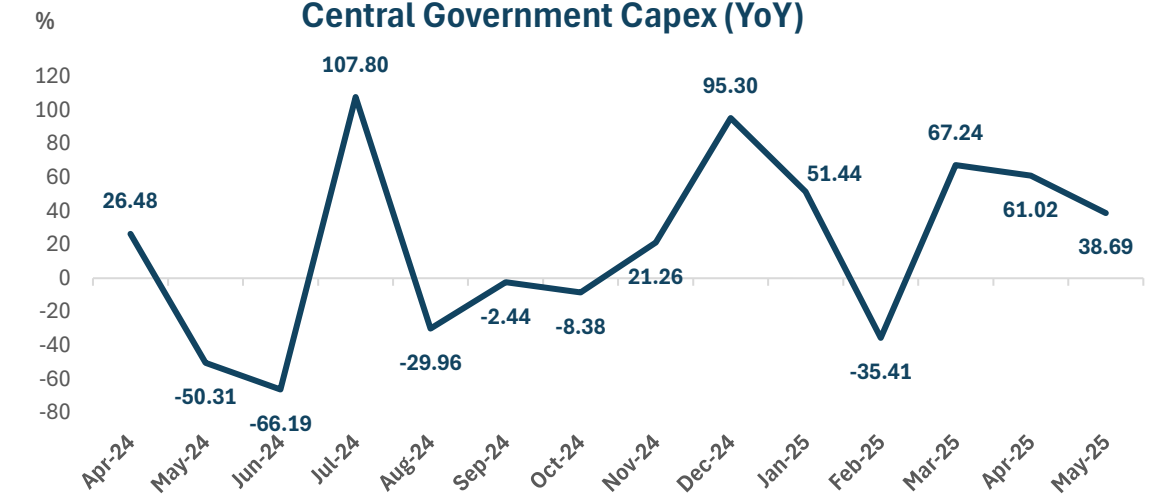
Infrastructure Output



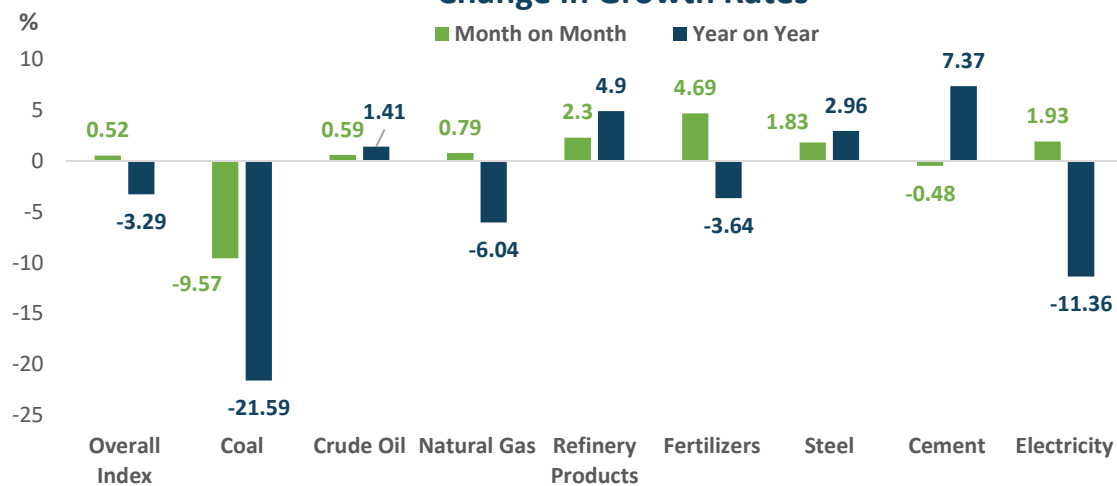
Eight Core Industries Breakdown



Central Government Capex (YoY)



Change in Growth Rates



Underwhelming Outlook for Industry Growth

Domestic and Global Developments

- The early monsoon and heavy rainfall in various parts of the country is disrupting economic activities.
- Ongoing trade tensions and uncertainty over the US interest rate policies are keeping cautious investment outlook
- The Trump Administration has sent out tariff letters detailing a new round of tariffs on imports from various countries. The 26% reciprocal tariffs on India are currently suspended till August 1st. However, no US-India trade deal has been finalized adding to the confusion in the markets.

Outlook

- Demand is likely to improve but at a moderate pace.
- IIP growth for June 2025 does not look very promising while GDP growth for Q1 FY2026 is likely to fall below the RBI's estimate of 6.5% given the moderate growth in most of the economic indicators, and external risks causing a slowdown in non-agricultural sectors.
- Early progress in southwest monsoon, steady growth in government Capex, easing borrowing costs and inflation likely to spur discretionary spending aiding the growth outlook in coming months.

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About B2K

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The B2K team has experienced domain experts and industry practitioners who have provided such services and implemented solutions across institutions in different countries. As such, team members are experts in regulatory and management practices in these areas and have helped many clients in adopting best practices.

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