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Eight Core Industries Output May 2025

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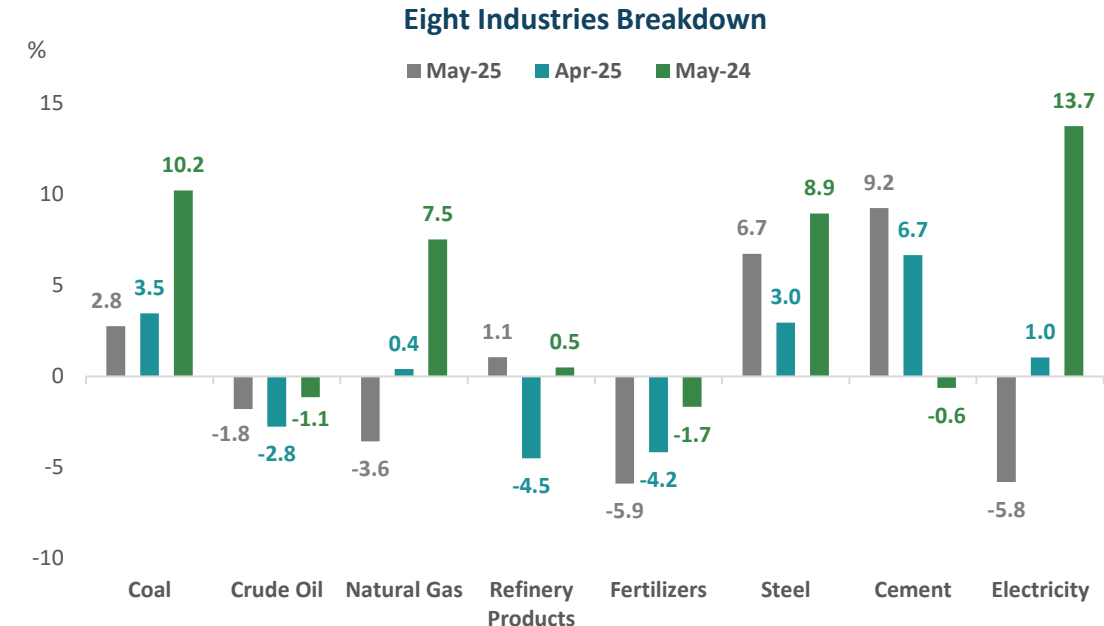
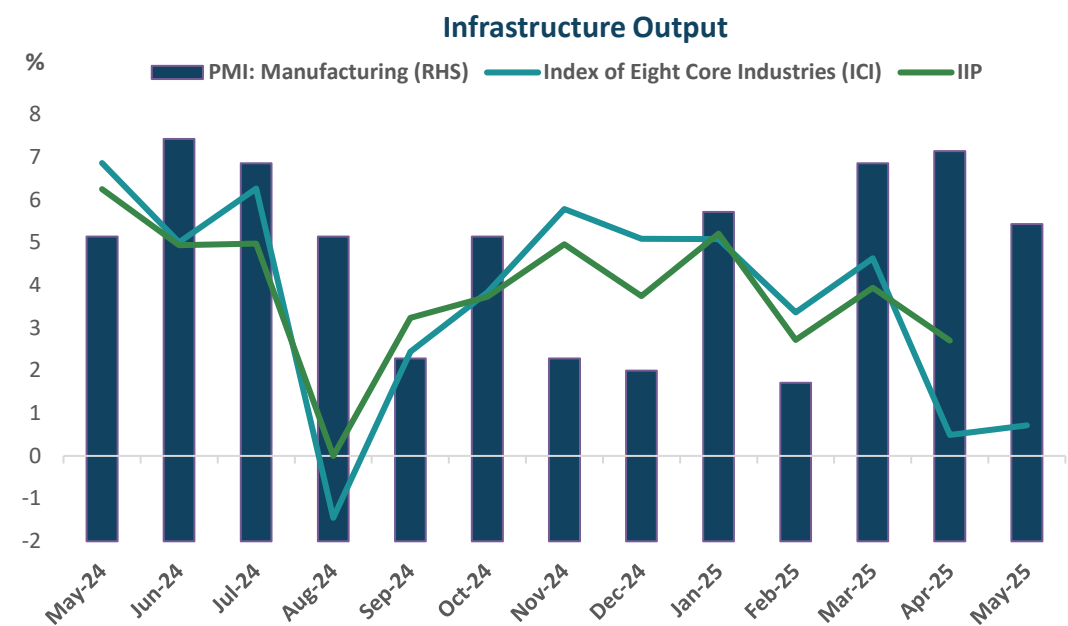
Slow Growth in Core Industries Output

Index of Eight Core Industries

Sectors	Weights	FY2025	Q1 FY2025	Q2 FY2025	Q3 FY2025	Q4 FY2025	FY2025 (April-May)	FY2026 (April-May)	Apr-25	May-25
Overall Index	100.0	4.5%	6.3%	2.4%	4.9%	4.4%	6.9%	0.8%	0.5%	0.7%
Coal	10.3	5.1%	10.8%	0.5%	6.8%	2.6%	8.9%	3.1%	3.5%	2.8%
Crude Oil	9.0	-2.2%	-0.7%	-3.4%	-2.1%	-2.7%	0.3%	-2.3%	-2.8%	-1.8%
Natural Gas	6.9	-1.2%	6.4%	-2.1%	-1.6%	-6.8%	8.0%	-2.3%	0.4%	-3.6%
Refinery Products	28.0	2.8%	0.9%	3.7%	3.6%	3.0%	2.2%	-1.7%	-4.5%	1.1%
Fertilizers	2.6	2.9%	0.0%	3.4%	1.4%	7.1%	-1.2%	-5.1%	-4.2%	-5.9%
Steel	17.9	6.9%	8.4%	4.3%	7.8%	7.0%	9.4%	5.6%	3.0%	6.7%
Cement	5.4	6.3%	0.4%	3.2%	8.7%	12.4%	-0.2%	7.8%	6.7%	9.2%
Electricity	19.9	5.2%	10.8%	1.4%	4.1%	4.5%	12.0%	-2.2%	1.0%	-5.8%

- The Index of Eight Core Industries (ICI) comprises the eight most fundamental industrial sectors of the economy and represents 40.27% of the weight of items included in the Index of Industrial Production (IIP).
- Growth of the overall index once again moderated in May 2025 to 0.7% as compared to May 2024 as growth in many of the sector's output slowed down with some experiencing negative growth.
- The poor performance of the Crude Oil, Natural Gas, Fertilizers and Electricity sectors as compared to last year following the global uncertainty and geopolitical tensions such as the Russia-Ukraine war, the US-China trade war and Trump's tariff announcements led to the moderation in growth.

IIP Growth Expected to Moderate



Index of Eight Core Industries

0.71%

PMI Manufacturing

-2.02%

IIP (April)

2.70%

Eight Industries Breakdown

Coal

Growth in coal output declined by **70 bps** as compared to April 2025 and by **740 bps** compared to May 2024

Crude Oil

Crude Oil increased by **100 bps** as compared to April 2025 and declined by **70 bps** compared to May 2024

Natural Gas

Natura Gas declined by **400 bps** as compared to April 2025 and by **1100 bps** compared to May 2024

Refinery Products

Refinery Products increased by **560 bps** as compared to April 2025 and by **60 bps** compared to May 2024

Fertilizers

Fertilizers decreased by **170 bps** as compared to April 2025 and by **420 bps** compared to May 2024

Steel

Steel increased by **370 bps** as compared to April 2025 and declined by **220 bps** compared to May 2024

Cement

Cement increased by **250 bps** as compared to April 2025 and by **980 bps** as compared to May 2024

Electricity

Electricity declined by **680 bps** as compared to April 2025 and **1950 bps** as compared to May 2024

Mixed Outlook for Industry Growth

Domestic and Global Developments

- The Israel-Iran conflict has caused crude oil prices to rise. If the war continues, Iran may close the Strait of Hormuz, severely impacting India's crude oil supply.
- The MPC has front-loaded the rate cuts and has reduced the repo rate by 50 bps to 5.50%. The move is aimed to improve domestic demand and help support growth.

Forecast

- Supply of crude oil is likely to be disrupted due to heightened geopolitical tension and global uncertainty which may result in higher crude oil prices and lower demand in Indian industries.
- With inflation at its lowest since February 2019, and the recent cut in repo rate followed by 100 bps CRR cut in tranches starting from September, industries are likely to benefit from lower interest rate leading to higher investments and production.
- IIP growth for May 2025 is likely to slowdown given the moderate core industries growth. Going forward, growth may revive.

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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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