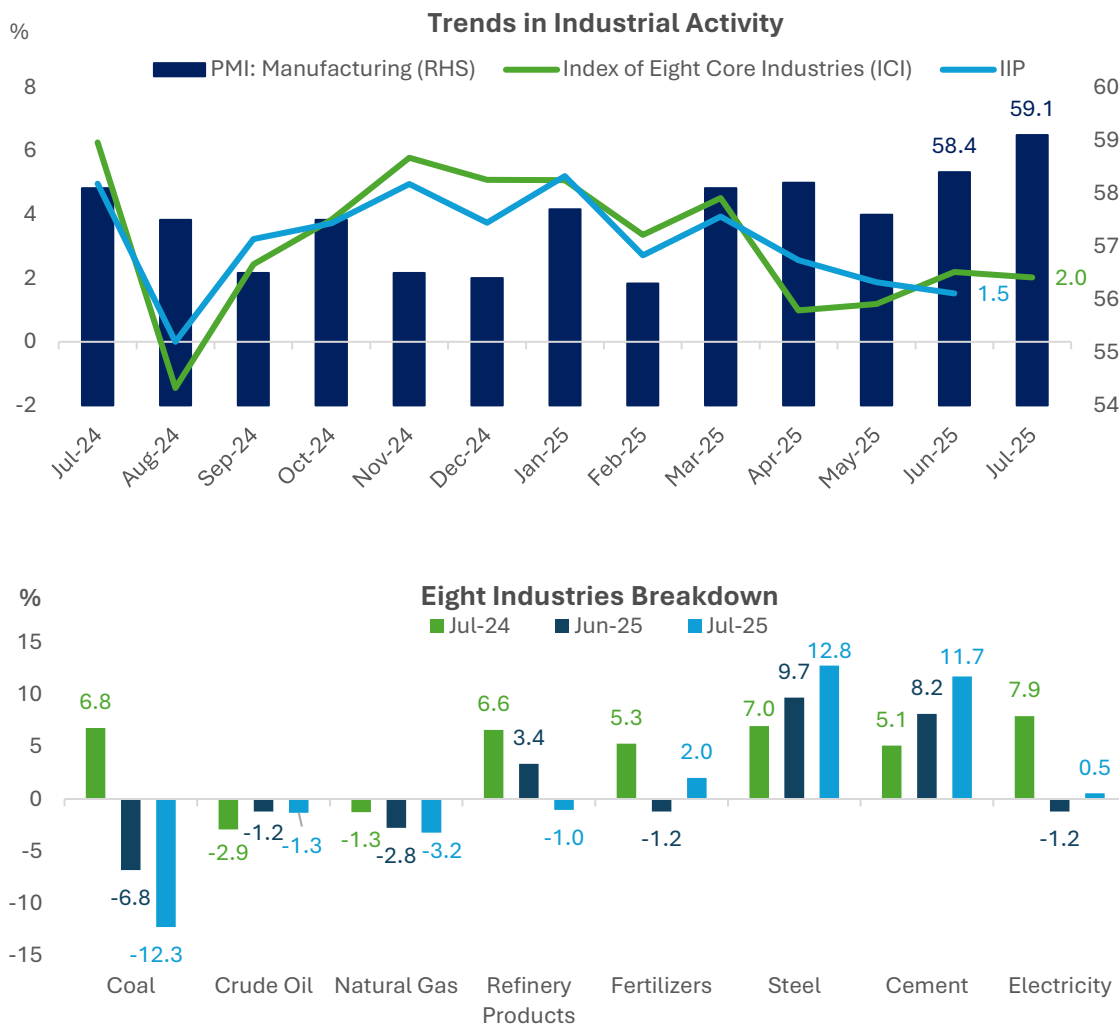


INDIA | AUGUST 2025

B2K Economy Bytes

Index of Eight Core Industries-July 2025

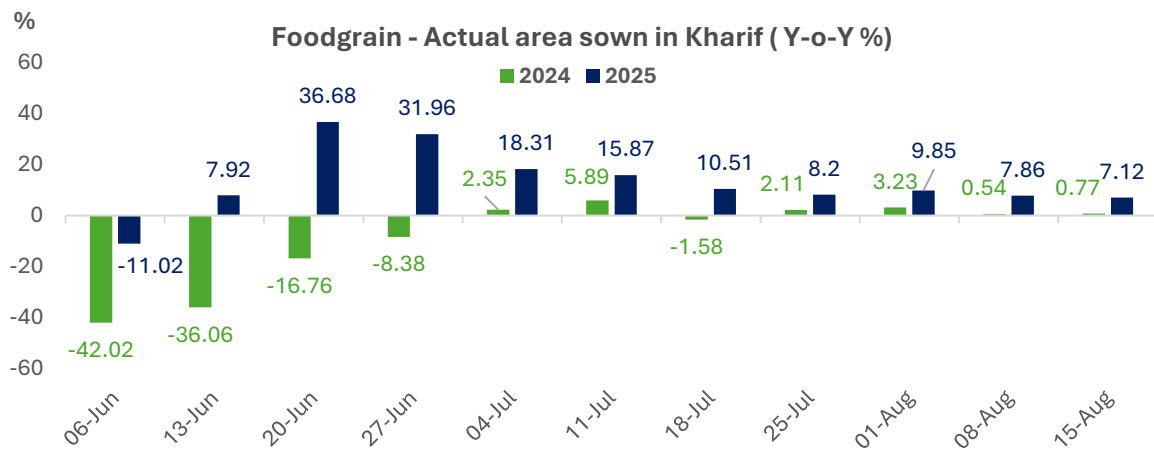
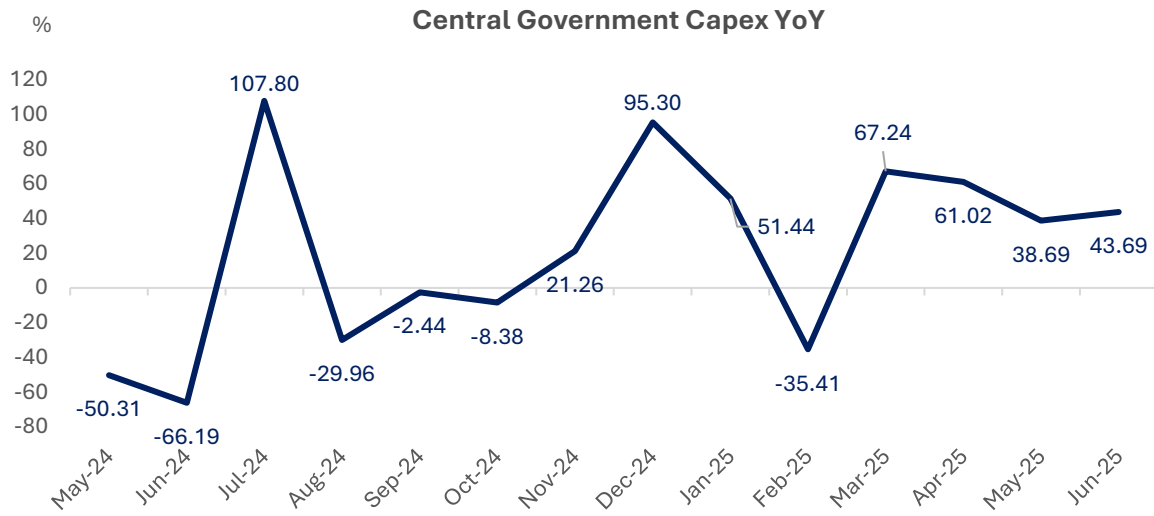
- ❖ Growth in the Index of Eight Core Industries (ICI) moderated to 2.0% in June 2025 driven by contraction in four out of eight core sectors. ICI represents 40.27% of the weight of items included in the Index of Industrial Production (IIP).
- ❖ Coal, Crude Oil, Natural Gas and Refinery Products reported negative growth due to stagnation in domestic production following heavy rainfall disrupting economic activity, particularly the mining activity.
- ❖ Infrastructure related sectors such as Cement and Steel, drove growth recording double-digit numbers driven by strong demand from government infrastructure projects and increased capital expenditure (44% YoY in June 25).
- ❖ Fertilizers and Electricity sectors too recorded growth in July supported by a favourable kharif sowing season.



For more information refer to Annexure.

Source: CMIE, EIA, S&P, MoSPI, B2K Research

Infrastructure-related sectors drive growth in core industries



Outlook

- ❖ The heavy rainfall continues to disrupt mining activity leading to significant contraction in the production in Coal. However, the early monsoon boosted Kharif foodgrain sowing which rose by 7.12% (YoY in actual area sown). This will lead to a higher demand for the Fertilizers in the coming months.
- ❖ Ongoing trade tensions with the US has caused investors to adopt a more cautious outlook leading to huge outflow of funds from the Indian markets. With the breakdown of India-US relations, India and China have started trade talks in hopes of promoting better relations between the two countries. If talks go well, India could get a strong trading partner in China to replace the US, which may boost the investor confidence.
- ❖ IIP growth for July 2025 will likely be subdued due to poor performance in energy-related sectors. Demand and economic performance will likely improve in the coming months but at a moderate pace as India adjusts to the new geopolitical issues such as the US tariffs on Indian imports.
- ❖ Steady growth in Government capital expenditure and infrastructure projects continue to serve as a driver for core industries.

For more information refer to Annexure.

Source: CMIE, EIA, S&P, MoSPI, B2K Research

Annexure

Index of Eight Core Industries							
Sectors	Weights (%)	FY2025	Q1 FY2025	Q4 FY2025	Q1 FY2026	Jun-25	Jul-25
Overall Index	100.0	4.5%	6.26%	4.34%	1.46%	2.20%	2.03%
Coal	10.3	5.1%	10.83%	2.60%	-0.29%	-6.81%	-12.27%
Crude Oil	9.0	-2.2%	-0.70%	-2.68%	-1.92%	-1.21%	-1.31%
Natural Gas	6.9	-1.2%	6.40%	-6.78%	-2.44%	-2.77%	-3.21%
Refinery Products	28.0	2.8%	0.93%	3.03%	-0.05%	3.36%	-1.05%
Fertilizers	2.6	2.9%	0.00%	7.10%	-3.74%	-1.19%	2.02%
Steel	17.9	6.8%	8.36%	6.76%	7.15%	9.71%	12.77%
Cement	5.4	6.3%	0.45%	12.41%	8.05%	8.16%	11.74%
Electricity	19.9	5.2%	10.85%	4.52%	-1.48%	-1.21%	0.54%
IIP	*	4.0%	5.46%	3.97%	1.98%	1.52%	-
* ICI represents 40.27% of the weight of items included in the Index of Industrial Production (IIP)							
Source: MoSPI, EIA							

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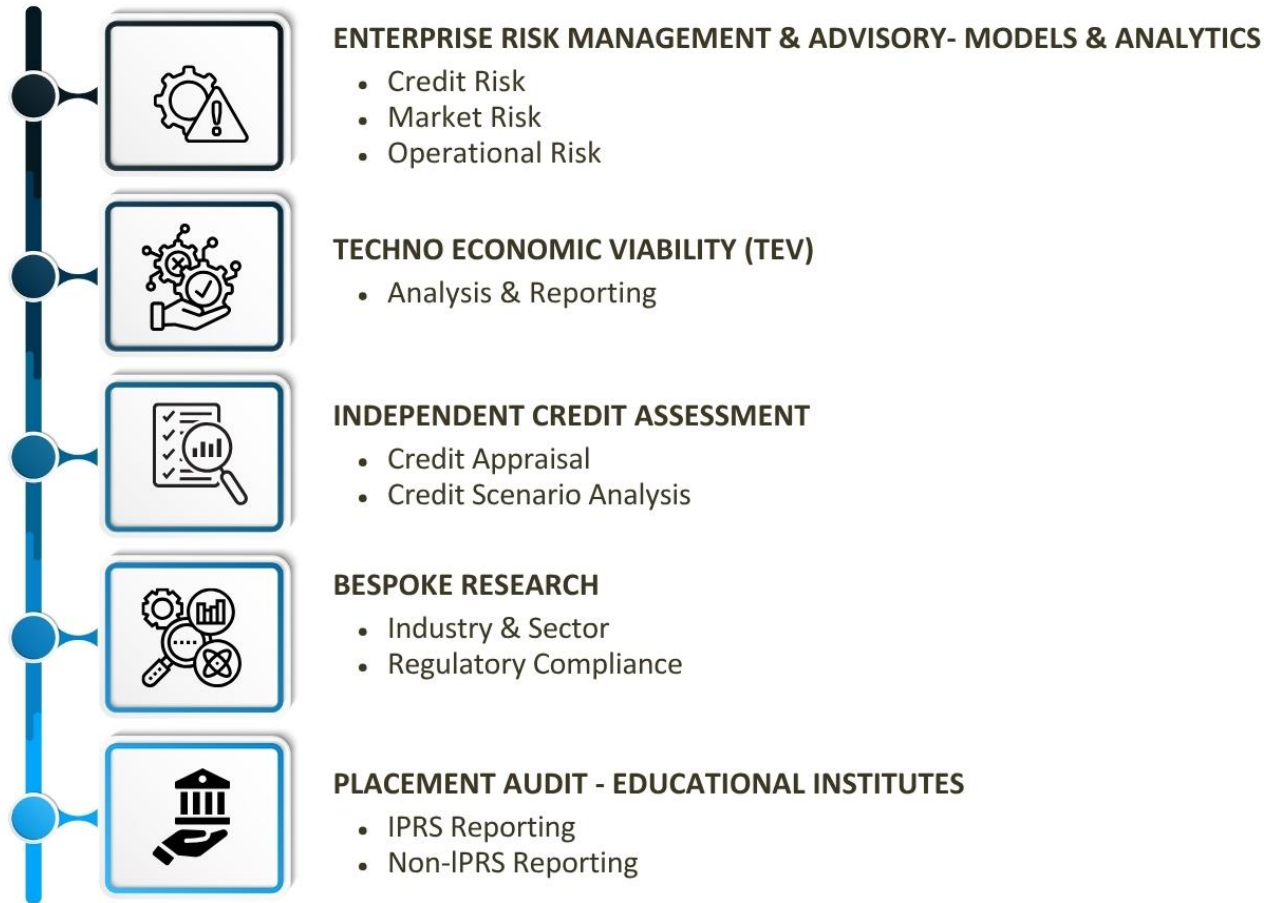
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