

India's Core Industries Show Modest 1.7% Growth in June Amid Mixed Performance



India's eight core infrastructure industries collectively registered a modest growth of 1.7% in June 2025, according to provisional data released by the Ministry of Commerce and Industry on Monday. This performance marks a slight improvement from May's revised growth rate of 1.2%, yet it significantly lags behind the 5% growth observed in June of the previous year. The mixed results within these crucial sectors, which account for over 40% of the Index of Industrial Production (IIP), highlight both areas of strength and underlying challenges in India's industrial landscape.

The eight core industries, Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement, and Electricity, are considered vital indicators of economic health. In June, the output of five of these key sectors experienced negative growth. Coal production declined by 6.8%, crude oil output contracted by 1.2%, natural gas fell by 2.8%, and fertilizer production dipped by 1.2%. Electricity generation also saw a decline of 2.8% year-on-year, reflecting potential demand-side factors or operational adjustments.

However, the overall growth was buoyed by positive contributions from three critical sectors. Steel production demonstrated robust expansion, growing by 9.3%. Cement output also posted a strong increase of 9.2%, signaling continued activity in construction and infrastructure development. Petroleum Refinery Products saw a growth of 3.4%, indicating stable demand for refined fuels.

For the first quarter of the current fiscal year (April-June 2025-26), the cumulative growth rate for these eight sectors stands at 1.3%. This is a notable deceleration compared to the 6.2% growth recorded during the same period in the previous fiscal year, underscoring a broader slowdown in core infrastructure performance. The varied performance across industries suggests a nuanced economic picture, where some sectors are driving growth while others face headwinds.

Analysts will closely monitor the trajectory of these core industries as their output directly influences downstream manufacturing and the broader economy. The government's focus on infrastructure development and domestic manufacturing is intended to provide a fillip to these foundational sectors. However, the June data indicate that a sustained and broad-based recovery in industrial activity remains an ongoing objective. The next release of the Index of Eight Core Industries, expected in mid-August, will offer further insights into these crucial economic indicators.